

**Redemption Provisions**

The redemption provisions applicable to the Preference 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 Preference Stock.

**Liquidation Rights**

Upon voluntary or involuntary liquidation, the holders of the Preference 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 Common Stock. Available assets, if insufficient to pay such amounts to the holders of the Preference 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 Preference Stock will be set forth in the applicable Prospectus Supplement.

**Other Rights**

The holders of the Preference Stock do not have any pre-emptive or conversion rights, except as otherwise described in the applicable Prospectus Supplement.

**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.

**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 it 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 January 1, 1998, 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"), as to be supplemented by a supplemental indenture to the Senior Note Indenture establishing the Senior Notes of each series (the Senior Note Indenture, as so 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 Trust Indenture Act of 1939, as amended (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, aggregating approximately \$74,000,000 outstanding at December 31, 2006. 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.

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 will from that time forward 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 of 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.

#### **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.

The Bank of New York, the Senior Note Indenture Trustee, also serves as Subordinated Note Indenture Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with The Bank of New York. The Bank of New York and certain of its affiliates also serve as trustee under other indentures pursuant to which securities of the Company or certain 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 June 1, 1997, 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 "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 such 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 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 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 December 31, 2006, Senior Indebtedness of the Company aggregated approximately \$5,283,000,000.

### **Additional Interest**

“Additional Interest” is defined in the Subordinated Note Indenture as any interest due and not paid on an interest payment date, together with interest on such interest due 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, 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, or 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) 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.

### **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 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 to pay principal or premium, if any, or interest, including Additional Interest (as defined in 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

(c) 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

(d) 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

(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 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.

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 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 that is 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 that is 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) of 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 that is affected, 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.

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 of 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.

The Bank of New York, the Subordinated Note Indenture Trustee, also serves as Senior Note Indenture Trustee. The Company and certain of its affiliates maintain deposit accounts and banking relationships with The Bank of New York, and certain of its affiliates also serve as trustee under other indentures pursuant to which securities of the Company or certain 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.

## **PLAN OF DISTRIBUTION**

The Company may sell the new Stock, the Preference Stock, the Depositary Shares, the Senior Notes and the Junior Subordinated Notes 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 Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes will set forth the terms of the offering of such new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes, including the name or names of any underwriters or agents, the purchase price of such new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes and the proceeds to the Company 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 reallocated or paid to dealers and any securities exchange on which such new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes may be listed.

If underwriters participate in the sale, such new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes 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 Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of such series of new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes, if any are purchased.

Underwriters and agents may be entitled under agreements entered into with the Company 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 Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes will be a new issue of securities and will have no established trading market. Any underwriters to whom new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior Subordinated Notes are sold for public offering and sale may make a market in such new Stock, Preference Stock, Depositary Shares, Senior Notes or Junior

Subordinated Notes but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The new Stock, the Preference Stock, the Depositary Shares, the Senior Notes or the Junior Subordinated Notes may or may not be listed on a national securities exchange.

### **LEGAL MATTERS**

The validity of the new Stock, the Preference Stock, the Depositary Shares, the Senior Notes and the Junior Subordinated Notes and certain matters relating to such securities will be passed upon on behalf of the Company 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 in this 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, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

---

---

**\$250,000,000**



**Series 2007E 6.00% Senior Insured Monthly Notes  
due September 1, 2040**

---

**Prospectus Supplement**

---

**Edward Jones**

**August 24, 2007**

---

---

**2014**

Back Search Folders

Address bar: D:\Exhibit 2.8\COX

Folders	Name
Desktop	BOOK6.xls.msg
My Documents	Book7.xls.msg
Adobe	CASH PAGES.msg
CCWin9	Central Florida Gas - Extension of Facilities Program.msg
Corel User Files	coc.msg
CyberLink	Cost of capital testimony partially completed.msg
My eBooks	D Schedules.msg
My Music	Data Information in Support of 2007 Electric Case (48).msg
My Pictures	Data Information in Support of 2007 Electric Case (78).msg
RegBak	Data Information in Support of 2007 Electric Case.msg
My Computer	Deferred Taxes - 2006.msg
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg
COX	D's-Final-8-17-07-NoLinks.xls.msg
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg
MARTIN	Elec Ops Testimony - 8-20-07.msg
MESITE	Ex1-2 pdf - Adobe Reader.msg
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg
filings on 'FP3 (fp	Exhibit 4.xls.msg
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg
Db on 'Ground_fl	Fisherman's Cove.msg
123 on 'Ground_l	Florida Days NSB.msg
Sys on 'Ground_f	Florida Public Utilities Company.msg
Transfer on 'Grou	For Interim Relief .msg
Fp26dos on 'Grou	forgot the attachment for previous message.msg
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg
Public on 'Grounc	FPU Refunding Model 040207.xls.msg
Control Panel	FPU Refunding Model 080607.xls.msg
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg
Recycle Bin	FW a-1.XLS.msg
	FW Acquisitions - July 07.xls.msg
	FW Analytical Comments.msg
	FW A's.msg
	FW balance sheet.msg
	FW RND Presentation - Aug. 2006.msn

Size	Type	Date Modified	Location
30 KB	Outlook Item	10/10/2007 2:24 PM	Files Currently
32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Monday, August 20, 2007 4:32 PM  
**To:** mpwelsh@caenergy.com  
**Cc:** rjcamfield@lrca.com; Cox Doreen; Cutshaw Mark  
**Subject:** Elec Ops Testimony - 8-20-07  
**Attachments:** Elec Ops Testimony - 8-20-07.doc

Here is Mark and Don's testimony. Robert and Doreen's will be finalized by tomorrow morning and you will have it first thing. I would like Mark and I to be able to take one last peak at the E schedules once you have those changes. Outside of these two items I believe we are done. Let me know if anything else is pending.

Thanks Cheryl Martin

**DIRECT TESTIMONY  
OF  
P. MARK CUTSHAW  
AND  
DON MYERS**

**IN**

**FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 70304-EI**

**IN RE: PETITION OF  
FLORIDA PUBLIC UTILITIES COMPANY  
FOR AN ELECTRIC RATE INCREASE**

1  
2 **Q. Please state your name, affiliation, business address and summarize your**  
3 **professional experience and academic background.**

4 A. Witness Cutshaw: My name is P. Mark Cutshaw. I am the General Manager,  
5 Northeast Florida for Florida Public Utilities Company (FPU). My business office  
6 address is 911 South 8th Street, Fernandina Beach, Florida 32034. I joined FPUC  
7 in May 1991 as Division Manager in the Marianna (Northwest Florida) Division.  
8 In January 2006, I moved into my current position of General Manager in our  
9 Northeast Florida Division. I graduated from Auburn University in 1982 with a  
10 B.S. in Electrical Engineering and began my career with Mississippi Power  
11 Company in June 1982. While at Mississippi Power Company I held positions of  
12 increasing responsibility that involved budgeting, operations and maintenance  
13 activities at different company locations. My work experience at FPUC includes all  
14 aspects of budgeting, customer service, operations and maintenance in both the  
15 Northeast and Northwest Florida Divisions. In 1993, I participated in the Cost of  
16 Service study for the Marianna Division Rate Case Filing and testified during the  
17 proceeding. I also participated in the 2003 rate case filing that consolidated the  
18 rates for both divisions. I have also been involved with other filings, audits and  
19 data requests before the FPSC.

20 Witness Myers: My name is Don Myers. I am General Manager, Northwest  
21 Florida for Florida Public Utilities Company (FPU). My business office is 2825

1 Pennsylvania Avenue, Marianna, Florida 32447. I joined FPUC in May 1989 as  
2 Engineer in the NW Fla. Division. In Dec. 1990, I was promoted to Operations  
3 Manager. In October 2006, I was promoted to General Manager, Northwest  
4 Florida. My work experience at FPUC includes designing lines to provide customer  
5 service, administrative support for the Line Department, operations and outage  
6 management and maintenance in the Northwest Florida Division. I have been  
7 involved with other filings, audits, and data requests for the FPSC. I graduated  
8 from the University of Vermont in 1974 with a B. S. in Electrical Engineering.  
9 From June 1974 to September 1976, I worked for GTE Sylvania and in 1979 joined  
10 Gulf Power Company as Engineer and later as Substation Engineer. While at GPC,  
11 I was involved in Distribution line design and substation equipment testing,  
12 operation, and maintenance.  
13

14 **Q. Are you also familiar with the operations and management of the Northeast**  
15 **and Northwest Florida divisions?**

16 A. Yes. As General Managers of both divisions, we are familiar with all aspects of  
17 the operations and management. Since the consolidation of the rates during the  
18 2003 proceeding it has become even more critical to share information and attempt  
19 to use similar management techniques as much as practical. However, there are  
20 some necessary differences based upon the coastal and inland locations of the  
21 service areas that have some impact on the operations.  
22

23 **Q. What is the purpose of your testimony in this proceeding?**

24 A. I will cover a number of issues with regard to the FPU application for a general  
25 rate increase. First, I will describe the determination of the projected revenue  
26 requirement for 2008, the projected revenues for that year and what we expect to be  
27 a revenue deficiency if rates remain at their current levels. I will also describe,  
28 from an operations perspective, why this increase in rates is necessary at this time.  
29 In addition, I am available to answer detailed questions regarding the projected  
30 capital and operating cost items as they relate specifically to the division operations.  
31 Second, I will describe the derivation of the storm reserve that we are including in



1 the revenue requirement. Third will be a presentation of the interclass revenue  
2 allocation proposed for recovery of the 2008 revenue requirement with a description  
3 of the cost-of-service study that was conducted to determine these allocations.  
4 Fourth, I will describe the changes that will take place regarding the design of rates,  
5 i.e. the change in component prices for each class of service and will present the bill  
6 impacts that will result from these classes of service.

7  
8 **Derivation of the Projected Revenue Requirement**  
9

10 **Q. What is the revenue requirement increase requested by FPU in this proceeding**  
11 **and how is this determined.**

12 A. FPU is requesting a \$5,249,895 increase in base and other service rates using a  
13 2008 forecasted test year. The total base and other service revenue requirement for  
14 the test year 2008 is \$18,979,176 which includes an overall rate of return of 8.07%  
15 as shown in Schedule D-1 and described in the written prepared testimony of  
16 Doreen Cox and Robert J. Camfield. Base revenues in 2008 using current rates are  
17 projected to be \$13,027,278. This represents a 39.90% increase in base revenues  
18 and a 40.30% increase in overall revenues. Witnesses Martin, Khojasteh and  
19 Mesite describe derivation of these numbers in the Accounting Panel testimony  
20 submitted as part of this filing.

21  
22 **Q. What are the primary reasons for the projected revenue deficiency?**

23 A. The last increase of FPU base rates became effective in April, 2004 based on  
24 the results of Docket No. 030438-EI. During this proceeding the base rates of  
25 both divisions were consolidated. Prior to that increase the Northwest Florida  
26 division had an increase of base rates on February 10, 1994 in accordance with  
27 Order No. PSC-94-0170-FOF-EI and the Northeast Florida Division had an  
28 increase of base rates on November 27, 1989 in accordance with Order No.  
29 22224. Factors that have led to the projected revenue deficiency are outlined in  
30 the testimony of Cheryl Martin, many of which are outside the scope of control of  
31 FPU. Also outlined in her testimony are actions that have occurred to reduce the

1 impact of the projected revenue deficiency. During this time there have been  
2 factors such as the inflationary effect on all utility plant replacements,  
3 replacement of large capital related plant items, storm hardening initiatives,  
4 reliability improvement work, increase in the storm reserve requirements and the  
5 decrease in usage by customer resulting from higher rates.  
6

7 **Q. Briefly describe what large capital related plant items that have been**  
8 **or will be replaced?**

9 Since the last rate proceeding, two 20 MVA substation transformers in our  
10 Northeast Florida Division failed while in service. One transformer was replaced  
11 in 2005 and the second is to be replaced near the end of 2007. Both transformers  
12 were installed in 1982 and 1986 and were approximately 73% depreciated. Due  
13 to the tremendous load growth in that area, replacement transformers rated at 40  
14 MVA were necessary to provide continued redundancy necessary to ensure  
15 reliable electric service. The estimated value of these replacements is estimated at  
16 nearly 1.5 million. These transformer replacements along with replacement of  
17 nearly depreciated plant, system improvements for reliability and expansion due  
18 to customer growth has increased total Electric Net Utility Plant from  
19 \$34,900,000 for historic year-end 2002 during the last rate proceeding to what is  
20 projected to be \$44,800,000 as of December 2008. Also included in this filing is  
21 a plan to begin replacing all wood transmission poles with concrete poles on our  
22 69 KV transmission system in accordance with the storm hardening requirements  
23 for transmission lines. This plan will result in the replacement of all wood  
24 structures over a 20 year period with total cost over the period being  
25 approximately \$7,092,000. In order to accomplish this work, a cost amortization  
26 and work schedule has been included in this filing.  
27

28 **Q. Could you briefly describe what storm hardening initiatives are**  
29 **involved and the impact on your operations?**

30 On September 20, 2006, FPU filed a petition for the approval of cost recovery  
31 surcharge to recover cost associated with mandatory storm preparedness

1 initiatives and was docketed under Docket No. 060638-EI. This docket remains  
2 unresolved at this date. On July 3, 2007, FPU filed its storm hardening plans as  
3 required by PSC rules in Docket 070300-EI and that petition and plan have been  
4 consolidated with this proceeding. In the initial docket, FPU identified  
5 approximately \$700,000 in costs associated with implementation of these  
6 initiatives. With the plan filed in response to the Commission rules we have  
7 identified similar costs and those have been incorporated in the request for rate  
8 relief. The majority of the additional costs for the storm hardening plans as we go  
9 forward involve the additional costs associated with Commission requirements for  
10 increased vegetation management, wood pole inspections, joint use attachment  
11 inspections, transmission line inspections and the depreciation associated with the  
12 GIS that has been installed in the Northeast Florida Division.

13  
14 **Q. Could you briefly describe what work is being conducted to improve**  
15 **the overall reliability in your operations?**

16 FPU has continued to focus on reliability issues that resulted from vegetation,  
17 lighting, animal contacts and other operation problems. Efforts are also underway  
18 to begin complying with the storm initiatives, pole inspections and use of the  
19 NESC extreme wind loading requirements. However, FPU has encountered  
20 increased plant replacement costs and expense related costs that have resulted in a  
21 negative impact to the rate of return for recent years. FPU will also continue to  
22 improve system design, mapping, facilities management applications and SCADA  
23 systems to assist in improving and measuring system reliability.

24  
25 **Q. Could you briefly describe the quality of service that you provide customers**  
26 **in your service areas?**

27 A. For many years, both divisions have provided reliable and low cost service to  
28 the customers within our service territory and have very few customer  
29 complaints. FPU has consistently provided some of the lowest electrical rates in  
30 Florida. Although exact measurement of service reliability using the current  
31 reliability factors has only been used in the last few years, results compare very

1 well to other utilities. All this has been achieved with very few FPSC customer  
2 complaints.

3  
4 **Q. Do you have any way in which you measure the quality of service that you**  
5 **offer?**

6 A. We measure our service based on cost, reliability and customer service. As  
7 mentioned above, we consistently rank very favorably to other utilities in all  
8 areas. This rate proceeding will have a direct effect on both cost and reliability  
9 factors. Although cost will increase, FPU will still provide fair electric rates to  
10 customers while allowing for continued focus on increasing reliability above  
11 current levels. We will also increase our ability to measure these factors more  
12 accurately to ensure the reliability data provided is accurate and documented.  
13 Indirectly customer service will be improved based on improvement in reliability.

14  
15 **Q. What methods have been used to inform customers of increases in their**  
16 **electric costs?**

17 A. Prior to 2005, rates paid by FPU customers were well below the average rates  
18 of other utilities while reliability was good. Based on these factors the necessity  
19 of a high level of communications was not necessary. However, the favorable  
20 purchased power contracts were nearing the expiration date and the expectation  
21 was that significant increases would occur. This required an increased level of  
22 communications with customers beginning during 2005 in order to inform them  
23 of the increases in cost that should be anticipated. Communications included  
24 information in the form of print media, direct letters and bill stuffers. These  
25 communications continued into 2006 and 2007 with emphasis on the impact of  
26 the fuel increases. The communications will continue into 2007 and 2008 with  
27 additional information concerning the annual fuel increases and the base rate  
28 increases that are being considered. Customer communications will continue into  
29 the future to ensure all customers are informed on electrical costs so that the  
30 necessary conservation measures can be implemented to avoid higher prices.

1     **Q.     How were projections made for the 2008 test year?**

2     A. Usage, expenses, billing determinants, and revenues were forecasted for 2007  
3     and 2008 using projection factors based on a weather-normalized trend analysis  
4     performed by CA Energy Consulting, LLC which is a wholly owned subsidiary of  
5     Laurits R. Christensen Associates, Inc. (Christensen Associates) the Company's  
6     rate consultant. A discussion of the process used and the resulting projection  
7     factors is provided in Schedules F9 – F11. In order to arrive at the company-level  
8     growth factors, they developed class-level forecasts of usage per customer and  
9     total customers, and then aggregated them up to operating division and total  
10    company levels. Sixteen separate analyses were performed to derive these  
11    factors. There were separate analyses performed for usage per customer and the  
12    number of customers by division by rate class, excluding GSLD-1 and lighting  
13    classes. (Therefore, two divisions and four customer classes were modeled,  
14    which is  $2 \times 2 \times 4 = 16$  separate analyses.) CA Energy Consulting used these  
15    values to calculate total usage for each customer class, which is simply the  
16    product of usage per customer and the total number of customers. Lighting sales  
17    and revenues were projected to increase at the rate of customer growth, and  
18    GSLD-1 billing determinants were assumed to remain at 2006 levels. The total  
19    usage values are then added across customer classes and then pooled across  
20    operating divisions.

21  
22    **Q.     Were the recent increases in fuel costs for FPU customers considered in the**  
23    **usage projections?**

24    A. Yes. Customers in the Northeast Florida Division experienced a 35% - 50%  
25    increase in their total bill at the beginning of 2007 due to a new purchased power  
26    contract with additional increases expected at the beginning of 2008. At the  
27    beginning of 2008 the customers in the Northwest Florida will experience similar  
28    increases compared to 2006 and other historic levels. Based on the well below  
29    average prices seen by FPU customers for many years, these increases will force  
30    customers to focus on conservation of electricity as they have never done before.

1 Based on this, a decrease in overall usage has been anticipated in the usage  
2 amounts.

3  
4 **Q What method did you use to adjust projected the billing determinants for the**  
5 **effect of increasing electricity prices?**

6 A. First, the annual percentage bill increase was estimated for 2007 and 2008 for  
7 each customer class and division. The quantities used in these calculations were  
8 equal to the average kWh (and kW, if applicable) of the customer class. The rates  
9 used in creating the estimated bill changes were based on our preliminary  
10 estimates of fuel and base price increases for 2007 and 2008. For the Northwest  
11 Division, 2008 bill impacts (relative to 2006 bills) ranged from 34.5 percent to  
12 50.0 percent. For the Northeast Division, 2007 bill impacts (relative to 2006)  
13 ranged from 15.1 percent to 22.0 percent; and 2008 bill impacts (relative to 2006)  
14 ranged from 44.7 percent to 61.9 percent.

15 Second, we assumed a price elasticity value of -0.20 for each customer  
16 class. This value is based on a survey of customer price response studies  
17 conducted by Dr. Steven Braithwait for EPRI.<sup>1</sup> Table 2-1 of this study is attached  
18 as Exhibit 1. We selected -0.20 as a price elasticity based on the results that  
19 appear in the short-run, medium column. Note that this selection is somewhat  
20 conservative, as we have failed to include the fact that commercial customers are  
21 estimated to have a slightly higher (in absolute value) short-run elasticity (-0.30)  
22 and we have not considered long-run price response effects (which result in  
23 significantly higher elasticity estimates that can exceed -1.0). The third and final  
24 step in deriving the load reduction projections is to multiply the assumed price  
25 elasticity value of -0.20 by the estimated bill increase for each rate class and  
26 division combination. This method results in load reduction estimates that range  
27 from 3 percent to 12.4 percent, depending upon the rate class and year in  
28 question.

---

<sup>1</sup> "Customer Response to Electricity Prices: Information to Support Wholesale Price Forecasting and Market Analysis," EPRI, Palo Alto, CA: 2001.

1     **Q     Were the same projected billing determinants for 2008 used throughout your**  
2     **revenue and rate determinations?**

3     A. Yes. The billing determinants for 2008 as shown in Schedules E-18a, b, and c  
4     were used for all such determinations under present and proposed rates as well as  
5     the proposed rate design. These same billing determinants are the bases used for  
6     the cost of service study used to arrive at our proposed interclass revenue  
7     allocation.

8

9     **Q.     How were the projected billing determinants used in deriving projected**  
10    **revenues for the 2008 test year?**

11    A. First, revenue verification was performed for the 2006 historical year using  
12    actual billing determinants and existing rates to demonstrate that base rate  
13    revenue matched our accounting records. Then projected billing determinants  
14    were applied to the existing tariffs to derive a base rate revenue projection for the  
15    2008 test year. We added projected revenues from service charges, pole rentals  
16    and other miscellaneous sources of revenue to derive an estimate of the total  
17    operating revenues for the 2008 test year.

18

19    **Q.     Do the revenues you have computed from the sale of electricity include any**  
20    **revenues for the recovery of purchase power (fuel) and energy conservation**  
21    **expenses (ECCR)?**

22    A. No. The revenues from those two sources are not considered base rate  
23    revenue and are excluded from revenue computations in accordance with the  
24    Commission's minimum filing requirements. The conservation revenues are  
25    determined on a consolidated basis for both the Northeast and Northwest  
26    Divisions. However, due to the differences in wholesale power providers in the  
27    two divisions, the purchased power adjustments have not yet been consolidated.

28

29    **Q.     How are the test year 2008 operating revenues used in this filing?**

30    A. The projected revenues are a key input used by Ms. Martin in determining the  
31    total revenue increase needed for 2008. The projected revenues, by service class,

are also a key input in the cost of service study used to determine the proposed interclass revenue allocation – the proposed increase in revenues by class of service.

**Q. Do the projected billing determinants accurately reflect the realistic revenues and costs?**

A. Yes. The projected billing determinants are reflective of the anticipated usage levels given the significant cost increases that will be included in customer bills. Customers will implement conservation measures in order to reduce overall cost resulting from the continued increase in fuel cost along with the base rate increases.

**Derivation of the Required Storm Reserve**

**Q. Mr. Cutshaw, you are requesting an increase in the annual property damage accrual from the present level of \$121,620 to \$203,880. What is the basis of the \$121,620 annual accrual?**

A. The present level of \$121,620 was established in the last rate case and has not been increased for many years. The Fernandina Beach annual accrual of \$21,620 was authorized in Docket No. 881056-EI (1989) and the Marianna annual accrual of \$100,000 was authorized in Docket No. 930400-EI (1994). An increase of these amounts was not approved in our 2003 rate proceeding Docket 074304-EI.

**Q. Why is it necessary to increase the annual accrual at this time?**

A. The need for additional reserves is apparent when we look at the substantial growth in transmission and distribution facilities since the last FPU rate cases. The State of Florida has been impacted by several storm events that resulted in significant damage to utility infrastructure in the state. The devastation caused the entire state to look seriously at methods of minimizing the impact of these storms in order to reduce overall statewide economic impact. Storm hardening initiatives, increased pole inspections and an emphasis on placing electric



1 infrastructure underground were implemented in order to address this situation.  
2 However, it will be several years before the implementation of these measures  
3 will have a significant impact on reducing the overall damage. Considering the  
4 small service territory and locations, the impact on the two divisions could be  
5 extensive.

6  
7 **Q. When will the improvements from the storm hardening initiatives, increased**  
8 **pole inspections and emphasis on underground decrease storm reserves?**

9 A. The storm hardening initiatives, increased pole inspections and emphasis on  
10 undergrounding will provide future improvements related to the ability to  
11 withstand hurricanes. The initiatives will take from three to eight years to  
12 complete and the transmission system hardening as proposed with cover twenty  
13 years. Due to the length of time necessary to implement all the improvements and  
14 the uncertainty of when a hurricane may impact one of the service territories, the  
15 storm reserve should be increased.

16  
17 **Q. What was the impact of hurricanes on FPUC during the 2004 and 2005**  
18 **storm seasons?**

19 A. During the 2004 and 2005 hurricane seasons, FPU was impacted by seven (7)  
20 different hurricanes. Of these hurricanes only three (3) had significant impact on  
21 the operations. During September 2004 Hurricane Frances (Northeast and  
22 Northwest Florida Divisions) and Hurricane Ivan (Northwest Florida Division)  
23 caused considerable damage and outages. The total impact during 2004 to the  
24 storm reserve was \$805,700 that was necessary to address the damage resulting  
25 from these two hurricanes. During 2005, only Hurricane Dennis (Northwest  
26 Florida Division) had a major impact on the operations. However, this had no  
27 impact to the storm reserve.

28  
29 **Q. How is the Northeast Florida Division (Amelia Island) system affected by**  
30 **storms?**

1 A. Our Northeast Florida Division (Amelia Island) is located on the east coast of  
2 Florida at the Florida/Georgia border. Amelia Island consists of approximately  
3 thirty five (35) square miles and has an extremely low elevation. Significant storm  
4 damage has not occurred on Amelia Island since the 1960's. However, based on  
5 the coastal location, should a major hurricane impact the area with winds and an  
6 associated storm surge, damage to the area would be extensive and would be  
7 comparable damage experienced by other similar areas within the state during the  
8 2004 and 2005 storm seasons.

9  
10 **Q. How is the Northwest Florida Division (Jackson, Calhoun and Liberty**  
11 **Counties) system affected by storms?**

12 A. Our Northwest Florida Division consists of service territories in three  
13 counties, all of which are located 40 – 60 miles inland but still within range of  
14 wind and tornadoes associated with major hurricanes. Experience during 2004  
15 from Hurricanes Frances and Ivan indicated that the hurricane force winds and the  
16 associated tornadoes are possible in this division. Damage from these forces  
17 resulted in significant damage and extended customer outages.

18  
19 **Q. How was the determination made regarding the appropriate level of the**  
20 **storm reserve?**

21 A. The current investment in transmission and distribution plant is \$66,776,000.  
22 Using current accruals, the storm reserve will be funded at \$1,707,737 by  
23 December 2007. Based upon an estimate that a major storm could realistically  
24 result in damage totaling 5% of the transmission and distribution plant  
25 investment, a total of \$3,338,800 is required.

26  
27 **Q. What does the \$3,338,800 represent?**

28 A. This would represent the cost of the worst-case storm striking in our service  
29 area that would be charged against the reserve. This should be the amount

1 necessary in the reserve to minimize the impact on rates.

2  
3 **Q. What effect will this reserve amount have on the annual property damage**  
4 **accrual?**

5 A. Presently we are authorized to increase the consolidated electric damage  
6 reserve to \$2,900,000 (see Docket No. 001146-EI Marianna and Docket No.  
7 001147-EI Fernandina Beach). Our reserve balance is projected to be \$1,707,737  
8 as of December 2007. To arrive at a projected reserve balance of \$3,338,800 over  
9 the next 8 years would require an annual accrual of \$203,880. This would  
10 increase the monthly accrual from \$10,135 to \$16,990.

11  
12 **Q. Are there any other accruals made to the storm reserve on an annual basis?**

13 A. Yes. We have the approved annual accrual of 121,620. In previous years any  
14 over earnings from the electric operations or unused economic development  
15 contributions were accrued to the storm reserve. Since the last rate the only  
16 accruals made to the storm reserve were related to the unused economic  
17 development contributions. The accruals during 2004 and 2006 were \$21,509 and  
18 \$16,759 respectively.

19  
20 **Q. Mr. Cutshaw, what property insurance does the consolidated electric division**  
21 **presently carry?**

22 A. We have property insurance on all buildings, yards and contents, vehicles and  
23 substations. The annual premiums run approximately \$36,000 with a \$100,000  
24 deductible per incident. As of December 31, 2006 we had approximately \$66.8  
25 million in installed cost of transmission and distribution facilities that were  
26 uninsured.

1     **Q.    Have you received insurance quotes on your uninsured transmission and**  
2     **distribution facilities?**

3           A. No we have not. Based upon previous quotations from insurance providers,  
4           this option has not proven to be feasible and would more prohibitive based on the  
5           recent storm history in Florida. During our 2003 rate proceeding, information  
6           was provided that indicated coverage with a \$10 million limit with \$1.5 million  
7           deductible would have an annual cost of \$1,200,000.

8

9     **Q.    Is it your opinion that with these premium quotes, a self-insurance approach**  
10    **is the route to follow?**

11          A. Yes. At this time it would obviously be cost beneficial to self-insure the  
12          distribution and transmission systems. We would also need some assurance from  
13          the Commission that any prudent storm damage expense incurred could be  
14          recovered through some type of appropriate regulatory action should we be struck  
15          by a severe hurricane. The purpose of this regulatory action would be to recover  
16          expenses incurred over and above the balance in reserve, replenish the reserve and  
17          also enable the company to obtain bank financing to make the necessary repairs.

18

19    **Interclass Revenue Allocation**

20

21    **Q.    What increase in rates are you requesting for each of the classes of customers**  
22    **served by FPU?**

23          A. The total base rate revenue recovered from each of the customer classes (on a  
24          consolidated basis) will increase by the following percentages:

	<u><b>Class</b></u>	<u><b>Base Rate Increase %</b></u>
26	Residential	42.0%
28	General Service	50.0%
29	General Service Demand	40.0%

1	General Service Large Demand	50.0%
2	General Service Large Demand 1	0.00%
3	Outdoor Lighting	20.0%
4	Street Lighting	43.0%

5

6 **Q. How did FPU determine the increases in revenues by class?**

7 A. Our fundamental ratemaking objective is to apportion revenue recovery  
8 responsibility and design rates to reflect, to the maximum extent practicable, the  
9 cost of serving each customer and customer class. In order to determine the cost  
10 responsibility we used the results of a fully-allocated embedded cost of service  
11 study conducted on the consolidated divisions served by FPU as provided in  
12 Schedule E1. A comparison of the rates of return by class for present rates is  
13 provided in Schedule E3 along with the percentage increase in base rates required  
14 for each class to recover the target rate of return. It is a Commission policy that  
15 the percentage rate increase for each class must be no more than 1.5 times the  
16 system average increase and that no rate receive a decrease in rates. Based on the  
17 results of the Cost of Service study, the RS, GS, GSD, GSLD, GSLD1, Outdoor  
18 Lighting and Street Lighting rates were determined to match parity percentages,  
19 as much as practical, that were determined during the last rate proceeding with an  
20 attempt to recover the target return without exceeding this constraint.

21

22 **Q. Please describe the fully-allocated cost of service study that was used to**  
23 **determine this interclass revenue allocation.**

24 A. The method used to allocate our costs closely follows the long-held  
25 ratemaking principles and practices of cost apportionment as specified in the  
26 “Electric Utility Cost Allocation Manual” developed by the National Association  
27 of Regulatory Utility Commissioners (NARUC) in January 1992. Once the  
28 relevant data on rate base and net operating income are compiled, as the Company  
29 has done in Schedules A-D, these costs are apportioned to customer classes  
30 through a three step process called functionalization, classification, and allocation.  
31 I will describe each of these steps.

1       Functionalization: The costs are identified by the function they perform or,  
2       another way of looking at it, the service provided. FPU provides three services:  
3       transmission, distribution, and customer services. Since FPU purchases all of its  
4       power from a third party and delivers it to the customer, there is no production  
5       service provided by the Company.

6       Classification: The costs identified for each function are classified based on the  
7       manner in which costs vary, i.e. costs will change by changes in this component  
8       of utility service provided. The three (standard) cost classifications used by FPU  
9       are demand related (costs vary by kW load); energy related (costs vary by kWh  
10      used); and, customer related (costs that are directly related to the number of  
11      customers using the service). Transmission services are treated predominantly as  
12      a demand-related cost. Distribution services are separated into demand, energy  
13      and customer related. And, customer services are either demand related or  
14      customer related.

15      Allocation: Once the costs are functionalized and classified, they must be  
16      allocated to the different customer classes. This is done using allocation factors  
17      for each of the cost classification categories. The allocation factors used in the  
18      FPU study are listed and described in Schedule E-13. As a summary,  
19      transmission costs are allocated according to the coincident peak plus 1/13<sup>th</sup>  
20      demand factor (a weighted combination of contribution to the system peak and the  
21      average hourly demand of the class). Distribution demand costs are allocated  
22      according to each class' non-coincident peak demands. Customer costs are  
23      allocated by the number of customers and by a weighting of the specific  
24      customer-related cost, e.g. meter expense.

25  
26      **Q. Please describe the load data used derive the class coincident and non-**  
27      **coincident demands used in the cost of service study.**

28      A. Florida Public Utilities Company is too small to have its own load research  
29      program; therefore, we rely on the load research data collected by Gulf Power  
30      Company (Gulf Power). Gulf Power Company provided data for 2003 and 2006

1 which were translated to billing determinants and load-based cost of service  
2 allocators for the 2008 test year.

3  
4 **Q. Please describe any special studies performed and how they relate to the**  
5 **allocation methods you described above.**

6 A. In order to allocate certain cost, a study was performed on distribution plant as  
7 it related to poles, conductors/conduit/devices, meters, outdoor lights and street  
8 lights. The poles and conductors/conduit/devices were evaluated to determine the  
9 appropriate contribution to either the primary or secondary distribution systems.  
10 Meters were evaluated to determine the appropriate contribution to each rate  
11 class. Customer Lights and Street Lights were evaluated to determine the  
12 appropriate contribution to the each class. These factors were then used as a basis  
13 for allocating cost.

14  
15 **Q. Please describe the results of your cost of service study.**

16 A. The cost of service study was completed in order to achieve parity similar to  
17 the last rate proceeding for all rate classes. The initial results were analyzed to  
18 ensure that no rate class received an increase greater than a 1.5 times the system  
19 average and no rate class received a decrease. Adjustments were made to ensure  
20 compliance with these requirements and any difference in the revenue  
21 requirement was then allocated back to the other rate classes with each rate  
22 adjusted accordingly to provide for the target revenue return. Final percentage  
23 increases were shown above.

24  
25 **Rate Design**

26  
27 **Q. After you determined the interclass revenue allocation, how did you design**  
28 **rates to achieve the revenue requirement?**

29 A. The results of the cost of service study shown in Schedule E-1 include  
30 unitized costs for customer, demand and energy charges within each specified

1 class of service. We use these unitized costs to adjust the pricing components  
2 within each class to the maximum degree possible.

3  
4 **Q. Please describe the rate design changes for the Residential Class.**

5 A. The current Residential rate consists of \$10.00 per month customer charge  
6 with a 1.373¢ per kWh energy charge. To this we applied the percentage increase  
7 for the Residential class to derive the proposed rates of \$14.00 per month and  
8 1.967¢ per kWh.

9  
10 **Q. Please describe the rate design changes for the General Service Non-Demand**  
11 **Class.**

12 A. The current General Service rate consists of \$14.00 per month customer  
13 charge with a 1.473¢ per kWh energy charge. To this we applied the percentage  
14 increase for the General Service class to derive the proposed rates of \$21.00 per  
15 month and 2.206¢ per kWh.

16  
17 **Q. Please describe the rate design changes for the General Service Demand**  
18 **Class.**

19 A. The current General Service Demand rate consists of \$44.00 per month  
20 customer charge with a 0.232¢ per kWh energy charge and \$2.48 demand charge.  
21 To this we applied the percentage increase for the General Service Demand class  
22 to derive the proposed rates of \$62.00 per month and 0.323¢ per kWh and \$3.47  
23 per kW.

24  
25 **Q. Please describe the rate design changes for the General Service Large**  
26 **Demand Class.**

27 A. The current General Service Large Demand consists of \$75.00 per month  
28 customer charge with a 0.086¢ per kWh energy charge and \$2.89 demand charge.  
29 To this we applied the percentage increase for the General Service Large Demand



1 class to derive the proposed rates of \$113.00 per month and 0.113¢ per kWh and  
2 \$4.34 per kW.

3  
4 **Q. Please describe the rate design changes for the General Service Demand -**  
5 **Large 1 Class.**

6 A. The current General Service Large Demand 1 rate consists of \$600.00 per  
7 month customer charge with a 0.000¢ per kWh energy charge, \$1.12 per kW  
8 demand charge and \$0.24 per KVAR reactive demand charge. To this we applied  
9 the percentage increase for the General Service Large Demand 1 class to derive  
10 the proposed rates of \$600.00 per month and 0.000¢ per kWh, \$1.12 per kW  
11 demand and \$0.24 per KVAR reactive demand. The rates in this class were not  
12 changed based on the cost of service study results.

13  
14 **Q. Please describe the rate design changes for the Outdoor Lighting Classes.**

15 A. The current Outdoor Lighting base rates were increased by 20% for all lights  
16 and poles. The cost of study results were combined for all Outdoor Lighting types  
17 in order to determine the overall increase which was applied to each fixture and  
18 pole.

19  
20 **Q. Please describe the rate design changes for the Street Lighting Classes.**

21 A. The current Street Lighting base rates increased by 43% for all lights and  
22 poles. The cost of study results were combined for all Street Lighting types in  
23 order to determine the overall increase which was applied to each fixture and  
24 pole.

25  
26 **Q. Are you proposing any changes to the Transformer Ownership Discount and**  
27 **Standby Service Rates?**

28 The Transformer Ownership Discount is currently set at \$0.55 KW demand for  
29 customers who own their distributions facilities. Using the billing determinants,

1 we derived a rate of \$0.26 KW demand for GSD and \$0.34 KW demand for  
2 GSLD. However, we propose to leave the discount at the current rate of \$0.55  
3 KW demand for both GSD and GSLD. There are currently no customers on the  
4 Standby Service Rate and that rate is currently set based on demand requirements.  
5 The current rates for customers with less than 500 KW are a \$25.00 customer  
6 charge and \$1.89 KW demand charge. The current rates for customers with more  
7 than 500 KW are a \$25.00 customer charge and \$0.50 KW demand charge. Using  
8 the billing determines the proposed charges for customer with less than 500 KW  
9 are a \$25.00 customer charge and \$1.76 KW demand charge and for customers  
10 with more than 500 KW a \$25.00 customer charge and \$0.43 KW demand charge.

11  
12 **Q. Are you proposing changes to the service charges in this filing?**

13 A. Yes. The proposed service charges are provided in Schedule E-10. Each  
14 service charge was evaluated in order to determine the appropriate cost and  
15 revenue requirement for each. Labor cost, transportation cost and overheads were  
16 applied to the typical task associated with each service charge. Based on typical  
17 costs, service charge amounts were determined for six different tasks.

18 A service charge for the initial establishment of service was set at \$53.00 as  
19 compared to the existing amount of \$44.00. A service charge for making changes  
20 to or reestablishing an existing service was set at \$23.00 as compared to the  
21 existing amount of \$19.00. A service charge to temporarily disconnect and then  
22 reconnect a service due to customer request was set at \$33.00 as compared to the  
23 existing amount of \$27.00. A service charge to reconnect a service after a rule  
24 violation was set at \$44.00 during normal business hours and \$95.00 after normal  
25 business hours as compared to the existing amount of \$37.00 during normal  
26 business hours and \$60.00 after normal business hours. A service charge used for  
27 connecting a temporary service was set at \$52.00 as compared to the existing  
28 amount of \$44.00. A service charge for collection of delinquent accounts in the  
29 field was set at \$14.00 as compared to the existing amount of \$11.50.

1 **Q. Does this conclude your written testimony at this time?**

2 **A. Yes it does.**

3  
4  
5  
6  
7  
8 **Exhibit 1**

9  
10 **Table 2-1: Own-Price Elasticities of Demand for Electricity –**  
11 **Synthesis of Values Reported in the Literature**  
12

Private	Short-Run			Long-Run		
	Low	Med	High	Low	Med	High
Residential	-0.05	-0.20	-0.40	-0.30	-0.60	-1.20
Commercial	-0.20	-0.30	-0.70	-0.80	-1.10	-1.30
Industrial	-0.10	-0.20	-0.30	-0.90	-1.20	-1.40

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	BOOK6.xls.msg	30 KB	Outlook Item	10/10/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
filings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_l	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW BOD Presentation - Aug 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Tuesday, August 21, 2007 3:50 PM  
**To:** Robert Camfield; Cox Doreen  
**Subject:** Ex1-2.pdf - Adobe Reader  
**Attachments:** Ex1-2

Revised page 2 of exhibit 1 as it will print.

**EXHIBIT DC-RC-1**

Page 2 of 3

**OVERALL RATE OF RETURN REQUIREMENTS**

**FLORIDA PUBLIC UTILITIES COMPANY**

**WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE**

**(2008 YEAR END BALANCES, EXCLUDING FLO-GAS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$13,817,716	32.12%	7.96%	2.56%
Short-Term Debt	\$1,642,905	3.82%	6.81%	0.26%
Preferred Stock	\$168,216	0.39%	4.75%	0.02%
Common Equity	\$18,035,391	41.92%	11.50%	4.82%
Customer Deposits	\$3,079,556	7.16%	6.32%	0.45%
Deferred Taxes	\$6,208,701	14.43%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$68,513	0.16%	9.79%	0.02%
Total	\$43,020,997	100.00%		<u>8.13%</u>

**WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE**

**(2008 YEAR END BALANCES, EXCLUDING FLO-GAS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$49,285,749	41.05%	7.96%	3.27%
Short-Term Debt	\$5,860,000	4.88%	6.81%	0.33%
Preferred Stock	\$600,000	0.50%	4.75%	0.02%
Common Equity	\$64,329,572	53.57%	11.50%	6.16%
Total	\$120,075,321	100.00%		<u>9.79%</u>

Back Search Folders

Address: D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	BOOK6.xls.msg	30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
filings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_l	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW ROD Presentation - Aug 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Tuesday, August 21, 2007 3:50 PM  
**To:** Robert Camfield; Cox Doreen  
**Subject:** Ex1-3.pdf - Adobe Reader  
**Attachments:** Ex1-3

Revised page 3 of exhibit 1



**EXHIBIT DC-RC-1**  
**Page 3 of 3**  
**OVERALL RATE OF RETURN REQUIREMENTS**

**FLORIDA PUBLIC UTILITIES COMPANY**

**WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$13,763,420	31.99%	7.96%	2.55%
Short-Term Debt	\$1,636,449	3.80%	6.81%	0.26%
Preferred Stock	\$167,555	0.39%	4.75%	0.02%
Common Equity	\$18,096,803	42.07%	11.50%	4.84%
Customer Deposits	\$3,079,556	7.16%	6.32%	0.45%
Deferred Taxes	\$6,208,701	14.43%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$68,513	0.16%	9.79%	0.02%
Total	\$43,020,997	100.00%		<u>8.14%</u>

**WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$49,285,749	40.88%	7.96%	3.26%
Short-Term Debt	\$5,860,000	4.86%	6.81%	0.33%
Preferred Stock	\$600,000	0.50%	4.75%	0.02%
Common Equity	\$64,803,263	53.76%	11.50%	6.18%
Total	\$120,549,012	100.00%		<u>9.79%</u>



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	Book6.xls.msg	30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
filings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_l	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW RND Presentation - Aug. 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Tuesday, August 21, 2007 4:25 PM  
**To:** Cox Doreen  
**Subject:** Ex1-3.pdf - Adobe Reader  
**Attachments:** Ex1-3

Here you go.

**EXHIBIT DC-RC-1**  
**Page 3 of 3**  
**OVERALL RATE OF RETURN REQUIREMENTS**

**FLORIDA PUBLIC UTILITIES COMPANY**

**WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$13,763,420	31.99%	7.96%	2.55%
Short-Term Debt	\$1,636,449	3.80%	6.81%	0.26%
Preferred Stock	\$167,555	0.39%	4.75%	0.02%
Common Equity	\$18,096,803	42.07%	11.50%	4.84%
Customer Deposits	\$3,079,556	7.16%	6.32%	0.45%
Deferred Taxes	\$6,208,701	14.43%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$68,513	0.16%	9.79%	0.02%
Total	\$43,020,997	100.00%		8.14%

**WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$49,285,749	40.88%	7.96%	3.26%
Short-Term Debt	\$5,860,000	4.86%	6.81%	0.33%
Preferred Stock	\$600,000	0.50%	4.75%	0.02%
Common Equity	\$64,803,263	53.76%	11.50%	6.18%
Total	\$120,549,012	100.00%		9.79%

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	BOOK6.xls.msg	30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Clair on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
filings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_l	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW RND Presentation - Aug. 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Cox Doreen  
**Sent:** Tuesday, October 16, 2007 10:37 AM  
**To:** Robert Camfield  
**Subject:** Exhibit 4.xls  
**Attachments:** Exhibit 4.xls

Robert

I have corrected my numbering methodology, instead of 4.4 page 1 etc., the correct way is to give each a separate number, 4.3, 4.4, 4.5 etc..

So for Interrogatory 4, we have the following:

- 4.1 – BOA LOC Agreement
- 4.2 - Projected Cash Flow for 2008
- 4.3 - Effective Cost of Short Term Debt
- 4.4 – Monthly LIBOR Rates, 2006
- 4.5 – Historical LIBOR, FED FUNDS, TREASURY RATES
- 4.6 – Average Annual Rates and Interest Rate Spreads 1990 – 2006

Thanks  
Doreen

## 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	<sup>1</sup>	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	<sup>2</sup>	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	<sup>3</sup>		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	<sup>4</sup>	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	<sup>5</sup>	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	<sup>6</sup>	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:

<sup>1</sup> Available LOC can be increased from \$12M, \$15M, \$20M with 30 days written notice.<sup>2</sup> Projected Month-end LOC balance as per Cash Forecast.<sup>3</sup> Average Monthly Balance.<sup>4</sup> BOA Agreement calculates interest on the daily balance outstanding, which fluctuates significantly.<sup>5</sup> BOA Agreement - 0.25% per annum of the average daily unused amount of the availability.<sup>6</sup> BOA Agreement - 0.10% of the availability on June 30th.

EXHIBIT 4.4

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 4.5

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

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
1993.03	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
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

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
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
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

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
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	5.62	5.98	5.29	0.33	0.69
2001.02	5.72	5.49	5.01	0.71	0.48
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

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
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
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

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
2007.03		5.26	5.08		0.18

\*\* From Market Vector

EXHIBIT 4.6

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
<b>Average</b>	<b>4.52</b>	<b>4.34</b>	<b>4.19</b>	<b>0.33</b>	<b>0.15</b>	<b>0.20</b>

\*\* From Market Vector

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name
Desktop	BOOK6.xls.msg
My Documents	Book7.xls.msg
Adobe	CASH PAGES.msg
CCWin9	Central Florida Gas - Extension of Facilities Program.msg
Corel User Files	coc.msg
CyberLink	Cost of capital testimony partially completed.msg
My eBooks	D Schedules.msg
My Music	Data Information in Support of 2007 Electric Case (48).msg
My Pictures	Data Information in Support of 2007 Electric Case (78).msg
RegBak	Data Information in Support of 2007 Electric Case.msg
My Computer	Deferred Taxes - 2006.msg
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg
COX	D's-Final-8-17-07-NoLinks.xls.msg
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg
MARTIN	Elec Ops Testimony - 8-20-07.msg
MESITE	Ex1-2 pdf - Adobe Reader.msg
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg
filings on 'FP3 (fp	Exhibit 4.xls.msg
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg
Db on 'Ground_fl	Fisherman's Cove.msg
123 on 'Ground_I	Florida Days NSB.msg
Sys on 'Ground_f	Florida Public Utilities Company.msg
Transfer on 'Grou	For Interim Relief .msg
Fp26dos on 'Grou	forgot the attachment for previous message.msg
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg
Public on 'Groun	FPU Refunding Model 040207.xls.msg
Control Panel	FPU Refunding Model 080607.xls.msg
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg
Recycle Bin	FW a-1 XLS.msg
	FW Acquisitions - July 07.xls.msg
	FW Analytical Comments.msg
	FW A's.msg
	FW balance sheet.msg
	FW RND Presentation - Aug. 2006.msn

Size	Type	Date Modified	Location
30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently



**Clara Leider**

**From:** Cutshaw Mark  
**Sent:** Saturday, May 26, 2007 1:51 PM  
**To:** Stein Chuck; Martin Cheryl; Khojasteh Mehrdad; Mesite Jim; Myers Don; Cox Doreen  
**Subject:** Expenses for Rate Case - 2006 Normalization  
**Attachments:** ExpenseTempl - Storm.xls; ExpenseTempl - NE FL.xls; ExpenseTempl \_ NW FL.xls

Attached are three spreadsheets showing additional expenses above 2006 for Storm Hardening, NE FL and NW FL. I added some to the sheet that Don submitted to match some that I added for NE FL that could be required in NW FL. Please review these and see if anything else comes up that we need to include. If we forget it now we will not be able to do get it completed.

There are other items that we need to consider.

1. We did not include the development of the spec. book in either the expense or capital budget. This may be a significant cost so we need to decide on how to proceed on this.
2. There are some depreciation, revenue requirements and hurricane restoration cost shown on the storm hardening template. Should these remain or will they be accounted for elsewhere.
3. In order to comply with the traffic control and work zone requirements, we will need to purchase more capital equipment and will either need to allocate money for a contractor or add personnel. I don't know the answer to this but is something we need to discuss.
4. Should the economic development amounts be added or not?
5. Do we want to include the items I added in NW FL or should they be deleted.

Any comments?

Mark Cutshaw, General Manager  
Florida Public Utilities Company  
911 South 8th Street  
Fernandina Beach, Florida 32034  
(904)277-1957 office  
(904)753-1272 cell

Department - Storm Hardening						
Account #	Account Description	Item	Reason	2006	2007	2008
114.4010.5932	Maint. OH Lines	Tree Trimming	Add three (3) tree trimming crews for a total of six (6) tree trimming crews in NW FI	\$352,260		
115.4010.5881	Dist. Maps and Records	Joint Use Audits	Additional employee to handle joint use audits (new employee, partial cost in NE FL))	\$20,909		
114.4010.5931	Maint. Poles/Towers/Fixtures	Pole Inspections	Contractor and new employee (NE FI partial cost) labor to handle pole inspections	\$42,000		
115.4010.5931	Maint. Poles/Towers/Fixtures	Pole Inspections	Contractor and new employee (NE FI partial cost) labor to handle pole inspections	\$177,833		
115.4010.566	Misc. Transmission Expense	Transmission Climbing Inspections	Contractor to perform climbing inspections on the transmission system. This is an annual cost.	\$18,540		
114.4010.580	Operation Supv. And Eng.	Collaborative Research	Travel and PURC costs to be involved in the utility collaborative reasearch projects	\$10,000		
115.4010.580	Operation Supv. And Eng.	Collaborative Research	Travel and PURC costs to be involved in the utility collaborative reasearch projects	\$15,750		
???	Depreciation	Account for depreciation of NE FI Mapping System	Depreciation expense	\$38,000		
115.4020.935	Maint. Of General Plant	NE FL Mapping System Annual Maintenance	Annual maintenance of mapping system and associated software will begin in 2007	\$4,000		
????	??	Return captial net book value	Return on net book value of NE FL mapping system	\$12,297		
????	??	Post Storm Data Collection and Forensics Review	Develop and complete the post storm data collection and forensics review using a contractor (Also includes \$17,000 initial program development not orginally included in storm filing)	\$27,000		
????	??	Utility Coordination with Local Governments	Provide for personnel to be located at EOC's during emergency conditions. This will be supported from personnel in non-electric positions	\$9,991		

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

**Example:**

A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 (40,000/12 X 3).

We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 (36,000/12 X 2)

We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 (\$30,000/2).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.

Department - NE FL						
Account #	Account Description	Item	Reason	2006	2007	2008
115.4010.560	Transmission Station Expenses	Inspection and Testing of Transmission Substation Equipment	Perform inspection and testing on all substation equipment and relays in accordance with manufacuters recommendations	\$25,000		
115.4010.582	Distribution Station Expenses	Inspection and Testing of Transmission Substation Equipment	Perform inspection and testing on all substation equipment and relays in accordance with manufacuters recommendations	\$45,000		
Various	Salaries	\$1.00 additional annual increase for Working Foreman	Additional increase necessary to attract and retain Working Foreman. The includes 2080 straight time and 200 hours overtime for seven (7) personnel. 50% of cost to expense and 50% to capital	\$8,330		
115.1840.1	Training	Travel and Incidental Expense	Training in accordance with Apprentice Lineman Training will include three (3) weeks travel for 8 apprentices. \$850/week travel and \$5000 per year incidental training aides for NE FL	\$25,400		
115.4010.93023	Economic Development Expense	Contributions	Contribute to local economic development organizations in order to promote growth in the community	\$10,000		
115.4010.9134	Other Advertising	Additional communications to customers	Additional costs associated with communication to customers regarding rate increase, fuel increase, storm hardending, tree trimming and undergrounding	\$14,400		
100.1860.1 (36164)	Rate Case Expenses	Temporary labor for rate case	Assist with clerical duties associated with rate case filing for three months at \$6800/month	\$20,400		
115.4010.566	Miscellaneous Transmission Exp	NERC Assessments	Annual amount due to the NERC for transmission access	\$36,000		
115.4020.5932	Maint. Of OH Lines	Tree Trimming	Two months during 2006 NE FL only had one tree trimming crews (rather than two) due to the unavailability of contractors	\$17,500		
115.4020.5932	Maint. Of OH Lines	Tree Replacments	Implemenation of program to replace trees with low growing trees for customers. Estimate 500 trees at \$30 each	\$15,000		

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

#### Example:

A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 ( $40,000/12 \times 3$ ).

We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 ( $36,000/12 \times 2$ ).

We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 ( $\$30,000/2$ ).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.

Department - NW FL						
Account #	Account Description	Item	Reason	2006	2007	2008
114.4010.580	Operation Supervision	Vacant Posit. -Op. Manager	Vacant position - 5 Months in 2006	\$36,000		
114.1840.1	Training	Travel and Incidental Expense	Training in accordance with Apprentice Lineman Training will include three (3) weeks travel for 8 apprentices. \$850/week travel and \$5000 per year incidental training aides for NE FL	\$25,400		
114.4010.9134	Other Advertising	Additional communications to customers	Additional costs associated with communication to customers regarding rate increase, fuel increase, storm hardening, tree trimming and undergrounding	\$14,400		
114.4010.566	Miscellaneous Transmission Exp	NERC Assessments	Annual amount due to the NERC for transmission access	\$28,000		
114.4020.5932	Maint. Of OH Lines	Tree Replacments	Implementation of program to replace trees with low growing trees for customers. Estimate 500 trees at \$30 each	\$15,000		

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

**Example:**

A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 ( $40,000/12 \times 3$ ).

We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 ( $36,000/12 \times 2$ ).

We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 ( $\$30,000/2$ ).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.

Department - NW FL						
Account #	Account Description	Item	Reason	2006	2007	2008
114.4010.580	Operation Supervision	Vacant Posit. -Op. Manager	Vacant position - 5 Months in 2006	\$36,000		
114.1840.1	Training	Travel and Incidental Expense	Training in accordance with Apprentice Lineman Training will include three (3) weeks travel for 8 apprentices. \$850/week travel and \$5000 per year incidental training aides for NE FL	\$25,400		
114.4010.9134	Other Advertising	Additional communications to customers	Additional costs associated with communication to customers regarding rate increase, fuel increase, storm hardening, tree trimming and undergrounding	\$14,400		
114.4010.566	Miscellaneous Transmission Exp	NERC Assessments	Annual amount due to the NERC for transmission access	\$28,000		
114.4020.5932	Maint. Of OH Lines	Tree Replacments	Implementenation of program to replace trees with low growing trees for customers. Estimate 500 trees at \$30 each	\$15,000		

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

**Example:**  
A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 ( $40,000/12 \times 3$ ).  
We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 ( $36,000/12 \times 2$ ).  
We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 ( $\$30,000/2$ ).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name
Desktop	BOOK6.xls.msg
My Documents	Book7.xls.msg
Adobe	CASH PAGES.msg
CCWin9	Central Florida Gas - Extension of Facilities Program.msg
Corel User Files	coc.msg
CyberLink	Cost of capital testimony partially completed.msg
My eBooks	D Schedules.msg
My Music	Data Information in Support of 2007 Electric Case (48).msg
My Pictures	Data Information in Support of 2007 Electric Case (78).msg
RegBak	Data Information in Support of 2007 Electric Case.msg
My Computer	Deferred Taxes - 2006.msg
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg
COX	D's-Final-8-17-07-NoLinks.xls.msg
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg
MARTIN	Elec Ops Testimony - 8-20-07.msg
MESITE	Ex1-2 pdf - Adobe Reader.msg
CLeider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg
filings on 'FP3 (fp	Exhibit 4.xls.msg
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg
Db on 'Ground_fl	Fisherman's Cove.msg
123 on 'Ground_l	Florida Days NSB.msg
Sys on 'Ground_f	Florida Public Utilities Company.msg
Transfer on 'Grou	For Interim Relief .msg
Fp26dos on 'Grou	forgot the attachment for previous message.msg
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg
Public on 'Grounc	FPU Refunding Model 040207.xls.msg
Control Panel	FPU Refunding Model 080607.xls.msg
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg
Recycle Bin	FW a-1 XLS.msg
	FW Acquisitions - July 07.xls.msg
	FW Analytical Comments.msg
	FW A's.msg
	FW balance sheet.msg
	FW RND Presentation - Aug. 2006.msg

Size	Type	Date Modified	Location
30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Kitner Don  
**Sent:** Saturday, June 30, 2007 10:56 AM  
**To:** Seagrave Marc  
**Cc:** Cox Doreen  
**Subject:** Fisherman's Cove  
**Attachments:** Services-Fishermans Cove.xls; 060807 RNGS Fishermans Cove Water Heater Range.xls; 062507 Fishermans Cove Summary.doc; Certificate of Status.pdf; Fishermans Cove 2in PE Main & Tanks.xls; Fishermans Cove BUILDER AGRMT\_Jun2007.doc; Fishermans Cove Main 1.25in PE.xls; Fishermans Cove NON-REGULATED 15 YEAR Water Heater Range.xls

Marc,

This is a propane project in the South end of Edgewater. The developer purchased an existing development and is ready to begin home construction as the roads and other infrastructure are complete. Please process ASAP. Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

66 Minimum Services

3/4" CTS. PE Serv. to Serve:

Fishermans Cove

Highway US 1, Edgewater

Prep. by:

Scribner

Date:

03/24/08

Sheet No.

C:\Documents and Settings\CLEIDER\Local Setting:

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
3/4" PE Service Line:									
3/4" PE Pipe	3,300	LF.	\$0.25		825.00				\$825.00
3/4" PE Tap Tee	66	EA.	\$7.00		462.00				\$462.00
3/4" Tap Tee (Stl.)	0	EA.	\$39.60		0.00				\$0.00
3/4" Trans. Fitting	0	EA.	\$10.00		0.00				\$0.00
3/4" Riser Assy.	66	EA.	\$16.50		1089.00				\$1,089.00
3/4" Meter Stop & Plug	66	EA.	\$11.50		759.00				\$759.00
3/4" PE 90 Degrees or 3-Way Tee	0	EA.	\$1.50		0.00				\$0.00
Tracer Wire & Warning Tape	3,300	FT.	\$0.10		330.00				\$330.00
Misc. Fitting	1	Lot	\$200.00		200.00				\$200.00
Frt. & Handling	\$3,665.00		37.00%		1356.05				\$1,356.05
Sub - Total.				0.00	5021.05	0.00	0.00	0.00	\$5,021.05
Install Service:									
3/4" PE Pipe	0	LF.	\$2.05				0.00		\$0.00
Directional Bore	0	LF.	\$10.50				0.00		\$0.00
3/4" PE Bore	0	FT.	\$6.80				0.00		\$0.00
3/4" PE Tap Tee	0	EA.	\$9.00				0.00		\$0.00
3/4" Tap Tee (Stl.)	0	EA.	\$11.00				0.00		\$0.00
3/4" Trans Fitting	0	EA.	\$8.25				0.00		\$0.00
3/4" Riser Assy.	0	EA.	\$5.75				0.00		\$0.00
3/4" PE Fittings	0	EA.	\$5.40				0.00		\$0.00
Under 75' Minimum	66	LF.	\$225.00				14850.00		\$14,850.00
Scattered Service Charge	0	EA.	\$15.00				0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.40				0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$21.25				0.00		\$0.00
Restore Sod	0	SF.	\$0.90				0.00		\$0.00
Hand Ditch	0	FT.	\$1.70				0.00		\$0.00
FPUC Crew	0	Day	\$520.00	0.00		0.00			\$0.00
Eng. & Inspection	1	Lot		0.00		0.00			\$0.00
Permit	1	Lot						0.00	\$0.00
SUB - TOTAL				0.00	0.00	0.00	14850.00	0.00	\$14,850.00
Meter Set & Reg.	66	Lot	\$9,614.22	2732.40	2634.72				\$5,367.12
AC-250 Meter Set									
EST. SERVICE COST					7655.77	0.00	14850.00	0.00	\$14,850.00
Meter & Regulator Cost				\$4,247.10					\$4,247.10
TOTAL EST. SERVICE COST									
TOTAL EST. PROJECT COST									\$29,485.27
(PROPOSED IR AMOUNT EARNINGS BASIS)									



**Marketing  
Employee's**

<b>Name</b>	<b>Employee #</b>	<b>Office#</b>	<b>Division</b>
Alicia Gladue	2429 (386) 668-9233		Central
Amanda Jaikaran	2885 (561) 838-1753		South
Barbara Ziegler	2562 (386) 668-9316		Central
Bill McGoldrick	1599 (561) 838-1717		South
Dale Butcher	1505 (561) 838-1758		South
Denise Dunham	2834 (352) 447-2790		West
Garth Hadley	2939 (561) 838-1751		South
Gia Araya	2046 (561) 838-1716		South
Hope Baird	2697 (352) 447-2790		West
Jarrett Smith	2843 (561) 838-1795		South
Jim McKenna	2427 (386) 668-9227		Central
Julie McMahon	2771 (561) 838-1756		South
Karen Ray	2577 (904) 432-2003		Northeast
Kim Leisure	2694 (561) 312-3516		South
Lynn Reck	2690 (386) 668-9522		Central
Manager	0000		
Managers-CF	0003		Central
TECO-Bob Godek	TPC1		Central
TECO-Dennis Mashir	TPC		Central
TECO-JJ Morris	TPC2		Central
Mauro Ruini	3044 (561) 838-1719		South
Sandra Rattler	0291 (561) 838-1710		South
Wade Hughes	2826 (352) 447-2790		West
Winston Humphrey	2434 (561) 838-1715		South

## RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input

### Project, Rep and Tracking Information

- 1 Enter the name of the project in this section
- 2 Select your name from the drop down menu next to "Marketing Rep" \*  
\*If your name is not in the drop down list (or incorrect info), have the form administrator add it to the "Rep Info" tab
- 3 Enter the name of the developer, project location (cross streets) and the city that the project is in.  
You can obtain the "Development Code" from the Marketing Analyst

### Job Information Sections

- 4
  - Gas Type: - Select Natural or Propane
  - Metered or Bulk - For all Natural Gas Accounts select metered, if LP select either metered or bulk
  - Request for: - This drop down box is to be used to identify the type of request (New Service, Main Extension, Add Load, Relocation, Abandonment, Reactivation)
  - Request for: - Same as above, used when more than one of the above selections is applicable
- 5
  - Converted from: - Enter the fuel type, price and Company if the account is a Competitive Take-over
  - Gas Pressure: - Select the correct gas pressure
  - Turn-On Charge - Enter the dollar amount of the turn-on charge that will be charged to activate the account
  - Pressure Factor: - Enter the pressure factor

### Customer Contact Information

- 6 Builder Contact Information Section: Enter contact Name, Phone numbers, Fax number and email when applicable.

### Customer Information

- 7 This section lists the details about the customers involved in the project. Enter the number of customers, rate and monthly charge for each class of customer

### Construction Information

- 8 Enter the cost of the main, and the total cost of each type of customer's services (all the services combined)  
The cost per customer will be generated below.

### Residential Appliance Information

- 9 Enter the quantity of each type of appliance. For example, if there are 10 homes and each will have a range, dryer and a 50 gallon W/H, the enter "10" next to each of those appliances. There is a free format line available if an unusual type appliance will be installed.

### Commercial Appliance Information (GS and Large Volume)

- 10 Enter the quantity, type of equipment, Btu rating, and the number of hours per year that the appliance will be used. The therms will calculate based on the Btu and the number of hours that the appliance will run.
- 11

# RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input



## FLORIDA PUBLIC UTILITIES COMPANY NEW DEVELOPMENT - PROJECT INFO REQUEST FOR NEW GAS SERVICE

Project Name

1

Marketing Rep:

Mktg Rep ID #:

Rep's Phone:

Division

2

Builder/Developer

Project Location

City

3

Development Code:

### Job Information

Gas Type

Metered or Bulk

Request for

Request for

4

Converted from

Gas Pressure

Turn-On Charge

Pressure Factor

5

### Builder Contact Information

Builder Contact

Office

Cell

Fax

Email

6

## Project Summary

### Customer Information

7

Number of Customers

Residential

Commercial (GS)

Commercial (LVS)

Rate

Tank Charge

Total Customers

0.0

### Construction Information

8

Estimated Cost of Main

Estimated cost of services

Residential

Commercial (GS)

Commercial (LVS)

	Residential	Commercial (GS)	Commercial (LVS)
Avg Gallons per Customer	0.0	0.0	0.0
Cost of Service per Customer	\$0.00	\$0.00	\$0.00
Annual Rev - Tank Charge	\$0.00	\$0.00	\$0.00
Annual Rev - Non-Fuel Charge	\$0.00	\$0.00	\$0.00

	Residential	Commercial (GS)	Commercial (LVS)
4 yr Est. Rev - Tank Charge	\$0.00	\$0.00	\$0.00
4 yr Est. Rev - Non-Fuel Charge	\$0.00	\$0.00	\$0.00
Total 4 Year Revenue	\$0.00	\$0.00	\$0.00

	Residential	Commercial (GS)	Commercial (LVS)	Combined
Total BTUs	0	0	0	0
Total Gallons	0	0	0	0
Total Connected Load	0	0	0	0

Approved By: \_\_\_\_\_

# RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input



## FLORIDA PUBLIC UTILITIES COMPANY NEW DEVELOPMENT - PROJECT INFO REQUEST FOR NEW GAS SERVICE

Project Name \_\_\_\_\_

Marketing Rep: \_\_\_\_\_

Mktg Rep ID #: \_\_\_\_\_

Builder/Developer: \_\_\_\_\_

Rep's Phone: \_\_\_\_\_

Project Location: \_\_\_\_\_

Division: \_\_\_\_\_

### Residential

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
	30 ga. Water Heater	40,000	274	110	0			0
	40 ga. Water Heater	40,000	328	130	0			0
	50 ga. Water Heater	50,000	300	150	0			0
	75 ga. Water Heater	75,000	253	100	0			0
9	Tankless - Small	150,000	87	100	0			0
	Tankless - Large	200,000	85	170	0			0
	Range	68,000	52	35	0			0
	Cooktop	68,001	30	20	0			0
	Wall Oven	68,002	22	15	0			0
	Dryer	30,000	166	50	0			0
	Grill	60,000	34	20	0			0
	Gas Light - Residential	10,000	0	0	0			0
	Fireplace/Space Heater	50,000	80	40	0			0
	Pool/Spa heater	400,000	83	250	0			0
	Furnace 60,000 - 90,000 BTU	60,000	184	110	0			0
	Furnace 90,001 - 120,000 BTU	90,000	144	130	0			0
	Furnace > 120,000 BTU	120,000	125	150	0			0
	Generator	300,000	0	0	0			0
				0	0			0
Total BTUHs:				Total Therms		Total Connected Load		

### Commercial (GS)

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
				0	0			0
				0	0			0
10				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
Total BTUHs:				Total Therms		Total Connected Load		

### Commercial (LVS)

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
				0	0			0
				0	0			0
				0	0			0
11				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
Total BTUHs:				Total Therms		Total Connected Load		

Approved By: \_\_\_\_\_



FLORIDA PUBLIC UTILITIES COMPANY  
NEW DEVELOPMENT - PROJECT INFO  
REQUEST FOR NEW GAS SERVICE

Project Name Fishermans Cove

Marketing Rep: TECO - Trudy Clark

Mktg Rep ID #: 0003

Rep's Phone: 0

Division Central

Builder/Developer Land Planners & Associates, Inc.

Project Location Hwy. US 1

City Edgewater

Development Code: \_\_\_\_\_

Job Information			
Gas Type:	<u>Propane</u>	Converted from:	_____
Metered or Bulk	<u>Metered</u>	Gas Pressure:	<u>11"</u>
Request for:	<u>New Service</u>	Turn-On Charge	<u>\$42.00</u>
Request for:	<u>New Service</u>	Pressure Factor:	_____

Builder Contact Information	
Builder Contact	<u>Adam Price</u>
Office	<u>(321) 269-4977</u>
Cell	_____
Fax	<u>(321) 269-5328</u>
Email	<u>adamp@pacustombuilder.com</u>

## Project Summary

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Number of Customers	<u>66.0</u>	_____	_____
Rate	<u>1.00000</u>	_____	_____
Tank Charge	<u>\$10.00</u>	_____	_____

Total Customers
<u>66.0</u>

Construction Information			
Estimated Cost of Main	<u>\$34,029.68</u>	_____	_____
	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Estimated cost of services	<u>\$29,485.27</u>	_____	_____

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Avg Gallons per Customer	<u>208.4</u>	<u>0.0</u>	<u>0.0</u>
Cost of Service per Customer	<u>\$446.75</u>	<u>\$0.00</u>	<u>\$0.00</u>
Annual Rev - Tank Charge	<u>\$7,920.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Annual Rev - Non-Fuel Charge	<u>\$13,755.60</u>	<u>\$0.00</u>	<u>\$0.00</u>

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
4 yr Est Rev - Tank Charge	<u>\$31,680.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
4 yr Est. Rev - Non-Fuel Charge	<u>\$55,022.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total 4 Year Revenue	<u>\$86,702.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>	<u>Combined</u>
Total BTUhs	<u>16,348,000</u>	_____	_____	<u>16,348,000</u>
Total Gallons	<u>13,756</u>	<u>0</u>	<u>0</u>	<u>13,756</u>
Total Connected Load	<u>6,411</u>	_____	_____	<u>6,411</u>

Approved By: \_\_\_\_\_



FLORIDA PUBLIC UTILITIES COMPANY  
NEW DEVELOPMENT - PROJECT INFO  
REQUEST FOR NEW GAS SERVICE

Project Name Fishermans Cove

Marketing Rep: TECO - Trudy Clark

Mktg Rep ID #: 0003

Rep's Phone: 0

Division Central

Builder/Developer Land Planners & Associates, Inc.

Project Location Hwy. US 1

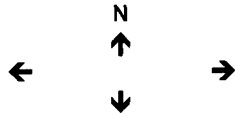
Residential								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LP CFH
	30 gal Water Heater	40,000	274	110	0			0
	40 gal Water Heater	40,000	326	130	0			0
	50 gal Water Heater	50,000	300	150	0			0
	75 gal Water Heater	75,000	253	190	0			0
	Tankless - Small	150,000	67	100	0			0
61.0	Tankless - Large	200,000	85	170	10,370			4,784
61.0	Range	68,000	52	35	2,135			1,627
	Cooktop	68,001	30	20	0			0
	Wall Oven	68,002	22	15	0			0
	Dryer	30,000	166	50	0			0
	Grill	60,000	34	20	0			0
	Gas Light - Residential	10,000	0	0	0			0
	Fireplace/Space Heater	50,000	80	40	0			0
	Pool/Spa heater	400,000	63	250	0			0
	Furnace 60,000 - 90,000 BTU	60,000	184	110	0			0
	Furnace 90,001 - 120000 BTU	90,000	144	130	0			0
	Furnace >120000 BTU	120,000	125	150	0			0
	Generator	300,000	0	0	0			0
				0	0			0
Total BTUHs:		16,348,000		Total Therms	12,505	Total Connected Load		6,411

Commercial (GS)								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LP CFH
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
Total BTUHs:				Total Therms		Total Connected Load		

Commercial (LVS)								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LP CFH
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
Total BTUHs:				Total Therms		Total Connected Load		

Approved By: \_\_\_\_\_

# Sketch of Proposed Installation



## LOCATE ON SKETCH

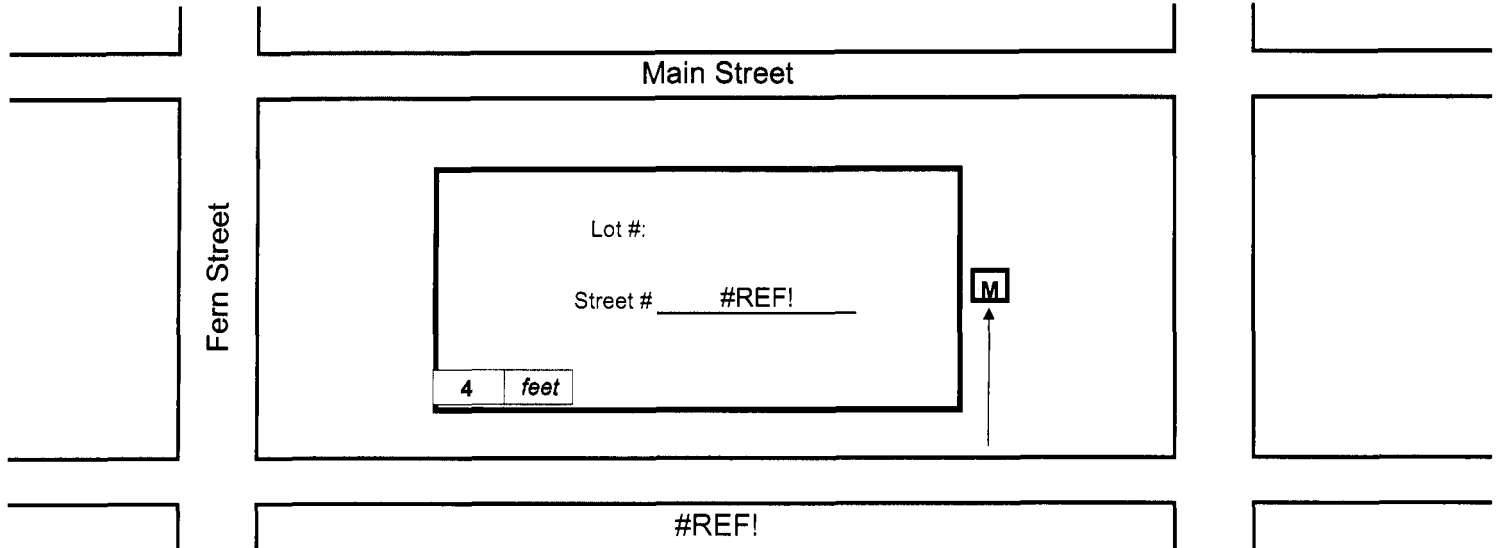
1. Frontage Street Name
2. Structure Address Number
3. Gas Meter Location M

INDICATE NORTH ARROW

## Other Factors

SET METER 40 Feet Off CORNER

★ Run Service to House Fuel Line Stub-Out



## Information to be supplied by Distribution Department

<b>Meter Required:</b> Make: _____ Size & Type _____ Capacity _____  Meter In-Stock?: _____ To be Ordered: _____ Date Ordered: _____ PO #: _____		<b>Meter By-Pass required:</b> Full _____ Meter Only _____ Perm _____ Temp _____	
<b>Regulator Required:</b> Make: _____ Size & Type _____ Capacity _____  Regulator In-Stock: _____ To be Ordered: _____ Date Ordered: _____ PO #: _____		<b>Overpressure Protection: IRV</b> Monitor Regulator _____ Relief Valve _____ Make: _____ Size & Type _____ Capacity _____  Regulator In-Stock: _____ To be Ordered: _____ Date Ordered: _____ PO #: _____	
		<b>Metering Pressure</b> W.C. _____ PSI Compensating Index _____ Factor _____  <b>Meter Information</b> Meter #: _____ Meter # issued by: _____ Meter # issued date: _____ Meter Set Date: _____ Recorded By: _____ Recorded on (date): _____	

Estimated Cost of Meter Set Instal \_\_\_\_\_

Total Hours: \_\_\_\_\_

REMARKS:

Completed by \_\_\_\_\_

Date: 2073

Approved \_\_\_\_\_



Approved By:	Dir of Mktg	_____
	Fin Analyst	_____
	CFO	_____
	COO	_____
	CEO	_____
	Division G.M.	_____

### **Fisherman's Cove, Edgewater**

- Project consists of sixty-six (66) single-family homes of which 61 will be required to be gas compliant; typical lot is 50' x 100', located in Edgewater, FL between US Hwy. 1 and the Intracoastal Waterway.
- FPU to install underground two 1,450 gallon and one 1,000 gallon LP tanks as a community gas system for metering to each unit.  
Financially the project built out estimate is based on 5 years.  
Developer expects project to be complete within 3 years
- The developer is Land Planners & Associates, Inc. This developer purchased this project from original developer with the streets in.
- This project was brought to FPU by TECO Partners and this will be the first time FPU has worked with this developer.
- Minimum GCU for each home will be one large tankless water heater and a range.
- Piping allowance of \$100.00 was included for optional piping/appliances connected.
- NPV yields a 15 % Average ROR on investment.
- The gas mains will consist of approximately 1,750 feet of 2" PE main, 1600 feet of 1 1/4" PE main, and approximately 3300 feet of 3/4" service line.
- It is anticipated that the units will have approximately 35% dryers, 25% fireplace, 65% grills, 10 % generators. Pool packages for homes will be offered as an option, with no community pool, the pool packages are expected to sell. None of these revenues were included in the financial analysis.
- Customer charge will be \$10.00 per month added to the RCF which is presently \$3.47 per month equals a monthly charge of \$13.47.

450 S. Hwy. 17-92, DeBary, Florida, 32713-9703



# *Certificate of Status*

I certify from the records of this office that FISHERMAN'S COVE OF SOUTHEAST VOLUSIA COUNTY, LLC, is a limited liability company organized under the laws of the State of Florida, filed electronically on March 16, 2007.

The document number of this company is L07000029074.

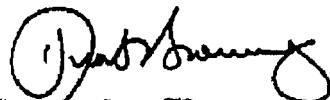
I further certify that said company has paid all fees due this office through December 31, 2007, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 070319091210-000093286260#1

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this the  
Nineteenth day of March, 2007



  
Kurt S. Browning  
Secretary of State

## COST ESTIMATE DETAIL

## LP Block System

Prep. by: Scribner

Date:

03/24/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

2" PE Main Ext. to Serve:

Fishermans Cove

Highway US 1, Edgewater

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
---	----------------	------------	-------------	-------------	--------	---------------	------------	----------------

2" PE Main Extension:

2" PE Pipe	1,750	LF.	\$0.85			\$1,487.50		\$1,487.50
2" PE High Volume Tap Tee	0	EA.	\$75.00			\$0.00		\$0.00
2" TDW (Std.) Tap Tee	0	EA.	\$120.00			\$0.00		\$0.00
2" Trans. Fitting	1	EA.	\$20.00			\$20.00		\$20.00
2" PE 90 Degrees or 3-Way Tee	5	EA.	\$3.50			\$17.50		\$17.50
2" PE Cap	3	EA.	\$3.50			\$10.50		\$10.50
2 PE Valve	1	EA.	\$80.00			\$80.00		\$80.00
Tracer Wire & Warning Tape	1,750	FT.	\$0.10			\$175.00		\$175.00
Misc.Fittings and Regulator	1	Lot	\$1,500.00			\$1,500.00		\$1,500.00
Frt. & Handling	\$3,290.50		\$0.37			\$1,217.49		\$1,217.49
LP Tanks (2-1450Gal & 1-1000Gal)	1	LOT	\$10,300.00			\$10,300.00		\$10,300.00
Sub - Total				\$0.00		\$14,807.99	\$0.00	\$0.00

Install Main: 1\_ 1/4" PE

2" PE Pipe	1,650	LF.	\$2.74			\$4,521.00		\$4,521.00
2" PE High Volume Tap Tee	0	EA.	\$13.47			\$0.00		\$0.00
2" TDW (Std.) Tap Tee	0	EA.	\$16.15			\$0.00		\$0.00
2" Trans Fitting	1	EA.	\$10.77			\$10.77		\$10.77
2" PE Fittings	8	EA.	\$6.47			\$51.76		\$51.76
2" PE Valve	1	EA.	\$10.77			\$10.77		\$10.77
Directional Bore	0	LF.	\$9.52			\$0.00		\$0.00
Push, Pull or Drive 2" PE	100	LF.	\$8.08			\$808.00		\$808.00
Under 500' Premium	0	FT.	\$0.27			\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13			\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08			\$0.00		\$0.00
Restore Sod	800	SF.	\$0.80			\$640.00		\$640.00
Hand Ditch	1,000	FT.	\$1.83			\$1,830.00		\$1,830.00
Extra Depth (Over 42")	0	FT.	\$0.75			\$0.00		\$0.00
FPUC Crew	1	Day	\$520.00	\$442.00		\$78.00		\$520.00
Eng. & Inspection	1	Lot	\$1,200.00	\$1,020.00		\$180.00		\$1,200.00
Survey	1	Lot						\$0.00
Permit	1	Lot						\$0.00
Misc. Labor & Install UG LP Tanks	1	Lot	\$1,000.00			\$1,000.00		\$1,000.00

SUB - TOTAL			\$1,462.00	\$0.00	\$258.00	\$8,872.30	\$0.00	\$10,592.30
-------------	--	--	------------	--------	----------	------------	--------	-------------

TOTAL EST. MAIN COST			\$1,462.00	\$14,807.99	\$258.00	\$8,872.30	\$0.00	\$25,400.29
----------------------	--	--	------------	-------------	----------	------------	--------	-------------

(MAIN Cost Per FT.)

\$14.51

2076

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPMC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

AVAILABILITY	ADJUSTMENTS					LOW POINT		MID POINT		HIGH POINT		
	SYSTEM PERIODS	ADJUSTMENT FOR FLOW-GAS PERIODS	RETAIL PERIODS	ADJUSTMENTS	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
	PERIODS	FOR FLOW-GAS PERIODS	PROVATA SPECIFIC PERIODS	RETAIL								
LONG TERM DEBT	\$15,520,581	384,305	\$15,905,506	(8,094)	\$15,917,452	41.81	8.02	1.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	\$1,018,066	25,074	1,043,130	(528)	1,043,202	2.72	3.28	0.00	3.28	0.00	3.28	0.00
PREFERRED STOCK	184,925	3,135	188,000	(85)	187,955	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,061		2,136,061		2,136,061	5.56	5.61	0.37	6.01	0.37	6.01	0.37
COMMON EQUITY	14,809,080	(423,136)	14,385,955	(7,175)	14,378,780	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 / NET COST	1,461		1,461		1,461							
TAX CREDITS-WEIGHTED COST	130,658		130,658		130,658	0.36	8.96	0.03	9.41	0.03	9.67	0.04
TOTAL	\$38,434,741	\$38,434,741	(\$15,852)		\$38,418,889	100.00		7.71		8.67		8.45

YEAR/END	SYSTEM PERIODS	ADJUSTMENT FOR FLOW-GAS PERIODS	RE-TAIL PERIODS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PROVATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	\$15,702,481	384,201	\$15,926,682		\$15,926,682		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	0.00	3.13	0.00	3.13	0.00	
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	2,322,221		2,322,221		2,322,221	6.04	5.50	0.33	5.50	0.33	5.50	0.33	
COMMON EQUITY	14,373,585	(385,095)	13,988,510	4,461	13,992,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55	
DEFERRED INCOME TAXES	5,137,808		5,137,808		5,137,808	13.36							
TAX CREDITS / NET 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	\$38,440,528		\$38,440,528	\$4,461	\$38,453,089	100.00		7.55		7.91		8.28	

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPMC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

AVAILABILITY	ADJUSTMENTS					LOW POINT		MID POINT		HIGH POINT		
	SYSTEM PERIODS	ADJUSTMENT FOR FLOW-GAS PERIODS	RETAIL PERIODS	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
	PERIODS	FOR FLOW-GAS PERIODS	PROVATA SPECIFIC PERIODS	RETAIL								
LONG TERM DEBT	\$24,180,191	613,089	\$24,772,280	(1,368,088)	\$23,404,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,320	38,825	1,620,254	(109,732)	1,510,522	2.62	3.28	0.00	3.28	0.00	3.28	0.00
PREFERRED STOCK	287,072	4,868	291,908	(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	22,678,056	(658,808)	22,019,236	(1,368,111)	20,652,725	35.58	10.25	3.05	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,889,503		6,889,503		6,889,503	11.87						
TAX CREDITS / NET 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	(\$1,024,001)	\$60,030,451	100.00		7.00		7.66		8.31	

ITEM LINE	ADJUSTMENTS					LOW POINT		MID POINT		HIGH POINT		
	SYSTEM PERIODS	ADJUSTMENT FOR FLOW-GAS PERIODS	RETAIL PERIODS	PROVATA SPECIFIC PERIODS	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	\$24,000,871	577,776	\$24,573,387	(1,422,086)	\$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,882	1,689,026	(97,740)	1,591,286	2.73	3.13	0.00	3.13	0.00	3.13	0.00
PREFERRED STOCK	286,358	4,853	293,211	(10,853)	274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,481,400		5,481,400		5,481,400	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 / NET COST												
TAX CREDITS-WEIGHTED COST	210,185		210,185		210,185	0.37	8.94	0.03	9.30	0.03	9.75	0.04
TOTAL	\$61,043,969		\$61,043,969	(\$2,808,700)	\$58,235,269	100.00		7.51		7.87		8.24

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	2.62	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	22,678,696	(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	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>		<u>7.95</u>		<u>8.31</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>		<u>7.87</u>		<u>8.24</u>

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2005 - December 2006

Line				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	AVERAGE	13 mth
Ref	Florida Public Utilities	Notes	Acct #															
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	10,000
16	Unamortized Debt Loss on Reac'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	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	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	Electric only	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	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														

000000

Pg. 1 of 2

2. Flo Gas Dividend declared March 15, 2017: \$2,000 per share on the outstanding capital stock of the Company, payable April 2, 2017.  
 $1000 \times \$2,000 = \$2,000,000$

Assumptions:  
 RETAINED EARNINGS:  
 Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Actual)

Revised Budget  
 (671,194)  
 (1,999,469)

	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
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
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

#### 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	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			2,000,000										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

#### FLO-GAS RETAINED EARNINGS

2

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			(2,000,000)										(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	(1,411,469)

#### CONSOLIDATED PROJECTED RETAINED EARNINGS

0

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

Projected Interim Rate Relief:

Ann NOI

490,000	Nov 07	92,423	77,248	50,848	58,268	20,550	14,891	20,550	23,380	18,019	18,954	37,824	55,247	490,000
---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

Financials

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
35,919,703	36,564,911	36,356,371									
2	4	7									

Florida Public Utilities  
CAPITAL COMPONENTS  
December 2007 - December 2008

\*\*\*\*\*

Pg. 1 of 3

Line				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
Ref	Florida Public Utilities:	Notes	Acct #															
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 Rec'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. Slt.	2	2070	5,455,611	5,411,111	5,411,111	5,411,111	5,368,611	5,368,611	18,491,611	18,447,111	18,447,111	18,447,111	18,402,611	18,402,611	18,402,611	12,420,226	City 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	0	0	0	0	0	0	0	0	0	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	1274.16		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	129		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	120		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	130	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	410+110+121+123+243+253+263+30+41+41+42+143		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	410+121+123+124+125+126		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	410+152+153	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	436	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	43+41.35	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%	50%	48%	48%	48%	48%	40%	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

\$10M	\$	100,000,000
\$5.5M	\$	55,000,000
	\$	1,400,000,000

2 Projected Equity Offering June 2008

5 15 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		3,870	707	645	446	447	144	99	137	180	138	175	320	463
FPU		3,291	621	519	340	308	138	100	138	157	121	134	254	371
FLO-GAS		588	86	126	106	40	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		3,095	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	282	382
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
NET INCOME			639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)
Common Dividend			0	0	(718,676)	0	0	(967,641)	0	0	(869,594)	0	0	(870,007)
Flo-Gas Dividend					1,000,000									(3,325,917)
Projected Interim Rate Relief	Ann NOI	490,000												1,000,000
Projected NOI - Elec Rate Case	Annual	1,000,000	Nov-07	92,461	77,274	50,623	59,259							279,617
BALANCE C/F			May-08				41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732
														429,353
														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
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
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	37,963,778	37,767,081	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916
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
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Common Dividend			0	0	(718,676)	0	0	(967,641)	0	0	(869,594)	0	0	(870,007)
Projected NOI - Elec Rate Case			0	0	0	0	419,325,433	30,385,900,004	419,325,433	477,058,644,48	367,666,400,14	407,117,107,26	771,801,883,39	1,127,316,925,25
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
														37,401,788
														1,070,306
Projected Rate Relief		Effective												
Projected Interim Rate Relief	Ann NOI	1,000,000	May-08	186,898	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180
		490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,378	18,016	19,961	37,818
														55,239
														1,000,000
														490,000
			112,312,174	112,736,908	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,382	120,469,556
														120,549,012
														114,924,172

## BUILDER AGREEMENT

**THIS BUILDER AGREEMENT** (this "Agreement") is made and entered into effective this \_\_\_\_ day of \_\_\_\_\_, 2004 (the "Effective Date"), by and between Florida Public Utilities Company, a Florida corporation ("Company"), and Land Planners & Associates, Inc., a Florida corporation ("Developer") (Company and Developer may sometimes be collectively referred to as the "Party" or "Parties").

### W I T N E S S E T H

**WHEREAS**, Developer intends to build a community named Fisherman's Cove consisting of, among other improvements, sixty-six (66) residences, located in Volusia County, Florida (the "Project"). A legal description of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference; and

**WHEREAS**, Company desires to install a propane gas distribution system within the Project in order to make service available from time to time to owners, occupants and residents of the Project and Developer has agreed to permit Company to install such a system to service the Project, pursuant to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Company and Developer hereby agree as follows.

#### 1. Installation of Gas Distribution System.

1.1. Installation. Company agrees to install a propane gas distribution system within the residential portions of the Project, including all necessary storage tanks, distribution lines, meters and ancillary facilities (collectively, the "Gas Distribution System") as Company deems reasonably necessary to provide propane gas service to owners, occupants and residents within the Project. From time to time, Company shall install additional lines, meters and ancillary facilities ("System Extensions") which Company deems reasonably necessary to extend the Gas Distribution System to other areas of the Project in order to supply gas service to non-residential portions of the Project that apply for and qualify for gas service from Company. For purposes of this Agreement, the term "Gas Distribution System" shall include any System Extensions that are added by Company.

1.2. Location. The location of the gas lines and all infrastructure and improvements relating to the Gas Distribution System shall be subject to Developer's prior written approval, which approval shall not be unreasonably withheld or delayed. Prior to commencing installation of the Gas Distribution System, Company shall provide, for Developer's review and comment, plans and specifications in accordance with which the Gas Distribution System is to be installed ("Gas

RATES :

RESIDENTIAL COMMERCIAL OTHER

NON-REGULATED

Average Tank Charge	\$13.47	\$8.00	\$0.00
Non-Fuel Charge (Gallons)	\$1.00000	\$0.35000	\$0.00000

REQUIRED RETURN

REGULATED	NON-REGULATED
8.07%	15.00%

Required Return - R	<b>8.07%</b>
Required Return - NR	<b>15.00%</b>
Ratio of Debt Financing	<b>50.00%</b>
O&M Expense %	<b>35.00%</b>
Interest Rate	<b>7.60%</b>
Regulated / Non Regulated	<b>NR</b>
NIBITD Factor - R	<b>8</b>
NIBITD Factor - NR	<b>5</b>

Not updated to current 71% as future projects will mostly likely be equity-financed.

Updated 4/21/2005 - Budget 2005 + Projected Propane Savings

## Cash Flow Investment Analysis

Project Title: Fishermans Cove

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>CASH INFLOWS</b>															
Base Revenue	4,646	9,291	13,937	18,583	23,228	23,616	23,616	23,616	23,616	23,616	22,435	21,313	20,247	19,235	18,273
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash Inflows</b>	<b>4,646</b>	<b>9,291</b>	<b>13,937</b>	<b>18,583</b>	<b>23,228</b>	<b>23,616</b>	<b>23,616</b>	<b>23,616</b>	<b>23,616</b>	<b>23,616</b>	<b>22,435</b>	<b>21,313</b>	<b>20,247</b>	<b>19,235</b>	<b>18,273</b>
<b>CASH OUTFLOWS</b>															
Capital Exp on Services & Access Fee	5,361	5,361	5,361	5,361	5,361	447	0	0	0	0	0	0	0	0	0
Capital Expenditures (Exc. Services)	52,330	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Upfront Capital Exp (Contributions) 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditures by Year 2	57,691	5,361	5,361	5,361	5,361	447	0	0	0	0	0	0	0	0	0
Piping Costs	1,200	1,200	1,200	1,200	1,200	100	0	0	0	0	0	0	0	0	0
O&M Expense (Incl TOTI)	1,626	3,252	4,878	6,504	8,130	8,265	8,265	8,265	8,265	8,265	7,852	7,460	7,087	6,732	6,396
Other Expenses	4,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Tax (Refund) / Payment	(5,981)	(6,219)	(2,873)	(373)	643	2,712	4,662	5,162	5,407	5,639	5,476	5,212	4,951	4,704	4,468
<b>Total Cash Outflows</b>	<b>58,663</b>	<b>3,594</b>	<b>8,566</b>	<b>12,692</b>	<b>15,334</b>	<b>11,524</b>	<b>12,927</b>	<b>13,427</b>	<b>13,672</b>	<b>13,905</b>	<b>13,328</b>	<b>12,671</b>	<b>12,038</b>	<b>11,436</b>	<b>10,864</b>
<b>Net Cash Flows</b>	<b>(54,017)</b>	<b>5,697</b>	<b>5,371</b>	<b>5,891</b>	<b>7,894</b>	<b>12,091</b>	<b>10,688</b>	<b>10,188</b>	<b>9,943</b>	<b>9,711</b>	<b>9,106</b>	<b>8,642</b>	<b>8,210</b>	<b>7,799</b>	<b>7,409</b>
Residual Value	(54,017)	5,697	5,371	5,891	7,894	12,091	10,688	10,188	9,943	9,711	9,106	8,642	8,210	7,799	62,569
<b>Net Present Value</b>	<b>\$ 1,000</b>														

Worksheet Rate Assumptions:

	Rate	
O&M Expense as % of Base Revenue	#VALUE!	
Ratio of Debt financing	50.00%	
Income Tax %		
Annual Required Return	15.00%	
Interest cost (use same as required return)		
		Net Cum Cap 3,723
		NIBITD 62,569
		NIBITD Factor 5

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
Tax Depreciation%	20.000%	32.000%	19.200%	11.520%	11.520%	5.760%										100.00%
Depreciation Book %																75.00%

Amortized piping schedule

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Yearly \$	1,200	1,200	1,200	1,200	1,200	100	0	0	0	0	0	0	0	0	0	6,100
2007	1,200															1,200
2008	-	1,200														1,200
2009	-	-	1,200													1,200
2010	-	-	-	1,200												1,200
2011	-	-	-	-	1,200											1,200
2012	-	-	-	-	-	100										100
2013	-	-	-	-	-	-	-									-
2014	-	-	-	-	-	-	-	-								-
2015	-	-	-	-	-	-	-	-	-							-
2016	-	-	-	-	-	-	-	-	-	-						-
2017	-	-	-	-	-	-	-	-	-	-	-					-
2018	-	-	-	-	-	-	-	-	-	-	-	-				-
2019	-	-	-	-	-	-	-	-	-	-	-	-	-			-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total \$	1,200	1,200	1,200	1,200	1,200	100	-	-	-	-	-	-	-	-	-	6,100

Basis for Expenses relating to mains and services to base revenue: Natural Gas

Basis:	2005 Budget	S FL	CEN FL	Total
		121	123	
Mains & Service Exps.	4010	874	1,203,000	324,000
Meter & House Reg		878	956,500	363,000
Customer Service no charge		879.1	203,100	60,000
Customer Account Expenses		901 - 905	1,243,025	791,500
Postage & Stamps		9212	7,700	3,600
Maint. of Mains	4020	887	490,000	54,000
Maint of Meas & Reg Stn-Gen		889	8,400	5,000
Maint. of Services	100%	892	115,500	42,000
Maint. of Meters	100%	893.1	70,000	39,600
Maint of House Reg.		893.2	3,300	1,200
Total			4,300,525	1,683,900
				5,984,425

Pg. 1 of 2

**Basis for Expenses relating to mains and services to base revenue: Natural Gas**

Basis:	2005 Budget		S FL	CEN FL	Total
			121	123	
Mains & Service Exps.	4010	874	1,203,000	324,000	
Meter & House Reg		878	956,500	363,000	
Customer Service no charge		879.1	203,100	60,000	
Customer Account Expenses		901 - 905	1,243,025	791,500	
Postage & Stamps		9212	7,700	3,600	
Maint. of Mains	4020	887	490,000	54,000	
Maint of Meas & Reg Stn-Gen		889	8,400	5,000	
Maint. of Services	100%	892	115,500	42,000	
Maint. of Meters	100%	893.1	70,000	39,600	
Maint of House Reg.		893.2	3,300	1,200	
Total			4,300,525	1,683,900	5,984,425
Total Base Revenue					19,280,927
Percent of Base Revenue					Previously 35.0% -4.0% <b>31%</b>

**Basis for Expenses relating to mains and services to base revenue: Propane**

Basis:	2005 Budget		S FL	CEN FL	NE FL	W FL	Total
			991	993	995	996	
LP Deliveries	4010	803.1	391,000	112,000	116,500	60,200	
Delivery Vehicle Repair		803.2	69,300	18,000	23,900	11,000	
Non-Delivery Time		803.4	10,400	600	1,000	1,900	
Oper & Labor		841	450	0	175	230	
Mains & Service Exps.		874	21,200	4,400	2,300	100	
Meter & House Reg		878	101,000	44,400	3,760	11,600	
Customer Service no charge		879.1	40,700	15,300	3,100	11,600	
Customer Account Expenses		901 - 905	295,000	144,700	65,000	82,900	
Postage & Stamps		9212	2,700	1,200	700	500	
Local Storage Exp	4020	8432-8439	14,150	4,100	5,300	6,400	
Maint. of Mains	100%	887	1,700	450	600	0	
Maint. of Services	100%	892	3,200	920	0	0	
Maint. of Meters		893.1	6,500	5,300	300	300	
Maint of House Reg.		893.2	1,270	0	0	0	
Maint of Consumers' Storage		896	101,000	18,300	3,600	15,500	
Maint of Tank Installation		898	36,700	24,000	1,800	5,200	
Total			1,096,270	393,670	228,035	207,430	1,925,405
Total Base Revenue Adj for Projected Propane Savings							5,509,064
Percent of Base Revenue							Previously 33.0% 2.0% <b>35%</b>

PREPARED BY: DC 4/21/2005

APPROVED BY: GB 4/21/2005

Pg. 2 of 2

# Cash Flow Investment Analysis

Date: 3/24/2008 Revision #: 11.5

Procedure No: ACT-5.11  
Effective Date: 4/21/2005

Initial: Date:  
Prepared By: Dir of Propane  
Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

Project Title: **Fishermans Cove**  
Beginning in Year: 2007

Overall Result: **Project meets or exceeds minimum 15 year required return!**

Input Area:	NR	Residential	Commercial	Other	Access Fee	per gal	Occupancy Rate	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Gallons per Customer	226																					
Piping Expense \$	100																					
Cost of SERVICE per Customer \$	447																					
Average Tank Charge	\$13.47	\$8.00	\$0.00																			
Non-Fuel Charge (Gallons)	\$1.00000	\$0.35000	\$0.00000																			
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021							
New Residential Customers	12	12	12	12	12	1																
New Commercial Customers																						
Other Customers																						
Total Customers added for year	12	12	12	12	12	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lost Propane Customers																						
Cumulative Customers	12	24	36	48	60	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61
Other Income	4,127																					
Other Expenses	5,361	5,361	5,361	5,361	5,361	447																
Capital Exp on Services & Access Fee	52,330																					
Capital Expenditures (Exc. Services)																						
Upfront Capital Exp (Contributions)																						
Total Capital Expenditures by Year	\$ 57,691	\$ 5,361	\$ 5,361	\$ 5,361	\$ 5,361	\$ 447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Output Area: Cash Flow by Year																						
Total Base Revenue	\$4,646	\$9,291	\$13,937	\$18,583	\$23,228	\$23,616	\$23,616	\$23,616	\$23,616	\$23,616	\$22,435	\$21,313	\$20,247	\$19,235	\$18,273							
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
O&M Expense (Incl TOTI)	1,626	3,252	4,878	6,504	8,130	8,265	8,265	8,265	8,265	8,265	7,852	7,460	7,087	6,732	6,396							
Other Expenses	4,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Piping Expense	1,200	1,200	1,200	1,200	1,200	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation, Book	3,846	4,203	4,561	4,918	5,276	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305
Operating Income before Income Tax	(6,153)	636	3,298	5,961	8,623	9,945	10,045	10,045	10,045	10,045	9,277	8,548	7,855	7,197	6,572							
Adjust to cash flow:																						
Add: Depreciation, Book	3,846	4,203	4,561	4,918	5,276	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305
Add: Amortized Piping	1,200	1,200	1,200	1,200	1,200	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Actual Income Tax	(5,981)	(6,219)	(2,873)	(373)	643	2,712	4,662	5,162	5,407	5,639	5,476	5,212	4,951	4,704	4,468							
After Tax Cash Flow (before capital investments)	4,874	12,258	11,932	12,452	14,455	12,638	10,688	10,188	9,943	9,711	9,106	8,642	8,210	7,799	7,409							
Less: Piping Costs	1,200	1,200	1,200	1,200	1,200	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	57,691	5,361	5,361	5,361	5,361	447																
Memo: Cumulative Capital Expenditure	57,691	63,052	68,413	73,774	79,134	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581	79,581
Asset remaining value																						
Net Cash Flow (w/ 15 yr ending book value)	(54,017)	5,697	5,371	5,891	7,894	12,091	10,688	10,188	9,943	9,711	9,106	8,642	8,210	7,799	69,978							
Net Present Value (fifteen years) \$	1,000	Zero - Meets Required Return																				
Operating Income before Income Tax	(6,153)	636	3,298	5,961	8,623	9,945	10,045	10,045	10,045	10,045	9,277	8,548	7,855	7,197	6,572							
Less: Interest Costs*	2,053	1,836	1,832	1,408	1,108	640	243	0	0	0	0	0	0	0	0							
Net Income before Taxes	(8,206)	(1,200)	1,666	4,552	7,515	9,296	9,802	10,045	10,045	10,045	9,277	8,548	7,855	7,197	6,572							
Less: Book Income Tax (37.53%)	(3,087)	(452)	627	1,713	2,827	3,497	3,688	3,779	3,779	3,779	3,490	3,216	2,955	2,708	2,472							
Net Income after Book I/T	(5,119)	(749)	1,039	2,840	4,688	5,799	6,115	6,266	6,266	6,266	5,787	5,332	4,900	4,490	4,100							
Earnings Per Share - Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71							
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71							
Cumulative Net Cash Flow	(54,017)	(48,320)	(42,949)	(37,057)	(29,163)	(17,072)	(6,383)	3,805	13,748	23,459	32,566	41,207	49,417	57,216	127,194							
Cumulative Depr. Reserve	3,846	8,049	12,610	17,529	22,804	28,110	33,415	38,720	44,026	49,331	54,637	59,942	65,248	70,553	75,858							
Cumulative Piping Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Book Rate of Return	-5.69%	1.98%	4.79%	7.55%	10.29%	12.53%	13.77%	17.62%	20.71%	23.20%	27.15%	34.19%	49.73%	110.12%								
Economic Value Added (EVA)	(11,143)	(7,163)	(5,699)	(4,189)	(2,654)	(1,273)	(568)	137	933	1,728	2,045	2,386	2,750	3,135	66,110							
NPV (EVA) \$	(15,000)																					

## Summary of Rates Used

Depreciation Book % 5.67%  
Income Tax % 37.53%  
Rate: Excludes Net Charge

## Average Rate of Return on Investment:

15 Years (IRR) 15%

Required Return 15.00%  
Ratio of Debt Financing 50.00%  
O&M Expense % 35.00%

## Revenue Comparison:

Four Year Revenue \$74,331

CONFIDENTIAL

## Customer Totals:

15 Yr Total

Added Residential Customers 61

Added Commercial Customers -

Added Industrial Customers -

Cumulative Customers 61

Pg. 1 of 3



Book Rate of Return	-5.69%	1.98%	4.79%	7.55%	10.29%	12.53%	13.77%	15.33%	17.62%	20.71%	23.20%	27.15%	34.19%	49.73%	110.12%
Economic Value Added (EVA)	(11,143)	(7,163)	(5,699)	(4,189)	(2,654)	(1,273)	(568)	137	933	1,728	2,045	2,386	2,750	3,135	66,110
NPV (EVA) \$	(15,000)														

Average Rate of Return on Investment:

Net Present Value of Cap. Exp.	73,218														
Net Present Value of Pip. Exp.	4,676														
			15 Years (IRR)	15%											

Revenue Comparison:

Four Year Revenue \$74,331

Customer Totals:

15 Yr Total

Added Residential Customers 61  
Added Commercial Customers -

Summary of Rates used

Depreciation Book %	6.67%	Required Return	15.00%
Income Tax %	37.52%	Ratio of Debt Financing	50.00%
Base Earnings per Share	\$ 0.71	O&M Expense %	35.00%
		Interest Rate	7.60%

**CONFIDENTIAL**

Added Industrial Customers -

Cumulative Customers 61

Capital Expenditure per Customer \$ 1,305

ACQUISITIONS (Data Input):

Portion of purchase price as Goodwill

Enter amount of purchase price above fair market value of assets less liabilities - if negative enter "0".

NOTES:

Pg. 2 of 3

Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each being a, "Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

**1.3. Preparation for Installation and Easements.**

- 1.3.1. Developer agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed and such additional portions of the project as are reasonably necessary for Company to access, maintain and operate the Gas Distribution System. Within fifteen (15) days after Developer approves the location of all or any portion of the Gas Distribution System (in accordance with Section 1.2 hereof), Developer shall grant to Company (or cause the owner of the appropriate property to grant to Company) such easements as are reasonably necessary for Company to construct, operate, maintain and repair the Gas Distribution System.
- 1.3.2. Developer has provided Company a plat of all or a portion of the Project (recorded in Official Records \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Volusia County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Developer shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Developer hereby grants Company an easement over those portions of the Project designated on Project Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.
- 1.3.3. Developer reserves the right to relocate any easement granted to Company if Developer deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Developer of its desire to amend an easement, Developer shall be required (prior to amendment of the

easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Developer desires to relocate any easement relating to a portion of the Gas Distribution System after the system has been installed, Developer must first, (i) obtain Company prior written consent (which consent shall not be unreasonably withheld or delayed) and (ii) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

1.4. Coordination of Installation. Company agrees to cooperate with Developer with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Developer's construction and development of the Project. Developer has provided Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Developer's Construction Schedule"). Developer acknowledges that Company will rely upon the Developer's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System.

1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.

1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Developer, Company agrees that the Gas Distribution System shall be complete and operational to provide propane gas service to the first completed residential structure utilizing propane gas service at least ten (10) days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure in the Project.

## **2. Minimum Gas Compliant Units; Installation of Internal Piping**

### **2.1. Minimum GCU.**

2.1.1. Developer acknowledges that Company will make a substantial economic investment in order to construct the Gas Distribution System and that Company is willing to undertake such investment given Company's

anticipated usage of the Gas Distribution System by current and future owners, occupants or residents in the Project. In consideration for the substantial investment made by Company in constructing the Gas Distribution System and the mutual covenants contained herein, Developer agrees that sixty-one (61) residential units ("Minimum Required GCU") in the Project shall have installed therein at least (a) a large tankless gas water heater, (b) a range or gas cook top and wall oven. In addition, Developer agrees that all model and speculative residential units in the Project shall have installed therein (a) a large tankless gas water heater (b) a range or gas cook top and wall oven, (c) a gas clothes dryer, (d) a gas pool or spa heater, and (e) a gas fireplace. Each residential unit constructed in compliance with the foregoing two (2) sentences shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances". If natural gas ranges or dryers are installed in the Project, Company will convert same to propane at a cost of \$75 per range and/or \$75 per dryer.

2.1.2. Builder shall, within fifteen (15) days after the allowance of non-GCU has been exceeded in the Project, pay Company an omission fee ("Omission Fee") equal to the Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the Minimum Required GCU. The Omission Rate shall equal  $\$620.00 \times (1 + (\text{Time} \times .04))$ . Time shall mean the number of years (and partial years) between the Effective Date and the date upon which the Omission Fee is paid. Builder shall pay to Company the Omission Fee for all residences not completed by August 31, 2017. Nothing contained in this Section 2.1.2 shall be construed as limiting other remedies available to Company as result of the Builder's failure to comply with the Minimum Required GCU requirement set forth herein.

2.2. Installation. Builder shall provide all labor, materials, equipment and supervision to install (at no cost to Company) (a) each Appliance and (b) all internal piping, venting and other equipment (the "Internal Piping") necessary to service the gas appliances installed in each GCU for connection to the external gas meter installed by Company at an external location (reasonably selected by Company) at each GCU.

2.3. Ownership of Internal Piping, Appliances and External Piping.

2.3.1. All piping, meters, vents and other equipment installed by Company between the main line of the Gas Distribution System and the external meter installed by Company at each GCU (including such meter) (the "External Piping") shall be the exclusive property of the Company. Company shall at all times maintain the External Piping, including the

meter, in accordance with the requirements of all appropriate governmental agencies.

- 2.3.2. The Internal Piping (piping and venting beyond meter) and the Appliances shall be the exclusive property of the Developer and its successors and assigns. Developer or the successor or assign of Developer with respect to each GCU shall at all times during and following the expiration or earlier termination of this Agreement, service, maintain, repair and replace the Internal Piping and the Appliances.

3. **Payment to Builder for each GCU.**

- 3.1. Company shall pay Builder the applicable amount set forth in the payment schedule attached hereto as Exhibit "C" for each Qualified GCU (as hereinafter defined) constructed in the Project (the "GCU Payment"). A GCU shall be deemed a Qualified GCU only after (a) the Company commences supplying propane gas service to the unit (i.e., the GCU is occupied by a rate paying customer), and (b) Company receives a Compliance Affidavit from Builder with respect to said unit in the form attached hereto as Exhibit "D".

- 3.1.1 Company shall pay to Builder a development access fee to permit gas access into Project. The fee will be \$18,300. The fee will be disbursed on a schedule as units are completed (including the initial turn on of gas service). The balance of the fee is due August 31, 2017. Disbursement to the Builder as follows: \$300 per Qualified GCU after the initial gas service is turned on, payable as stated in 3.2.1.

- 3.2. GCU Payments shall be made quarterly by Company to Builder for the term of this Agreement in the following manner:

- 3.2.1 For Qualified GCU that received propane gas service from the Company for the first time ever in the first three months following execution of this Agreement and every subsequent quarter, payment shall be made by the 25<sup>th</sup> of the following month.

4. **Successors, Assigns And Assignment.** The Developer and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Developer desires to convey to other builders or Developer any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such builder or Developer expressly assumes all of the obligations and responsibilities of Developer hereunder (to the reasonable satisfaction of Company). Similarly, if Developer desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly assuming all of the

obligations and responsibilities of Developer hereunder (such resolution being to the reasonable satisfaction of Company).

5. **Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

6. **Duration.**

- 6.1. **Expiration; Automatic Extension.** Subject to Subsection 5.2 hereof, this Agreement shall automatically expire twenty (20) years after the effective date of this Agreement. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.
- 6.2. **Early Termination.** Notwithstanding any provision contained herein to the Contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU have been constructed.
- 6.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement



7. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

If to Developer: Fisherman's Cove of Southeast Volusia County,  
LLC  
201 Addison Way  
Titusville, FL 32780  
Attn: Dale L. Williams  
Fax No. (321) 269-5328  
Phone No. (321) 269-4977

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Marketing Director  
Fax No. (561) 833-8562  
Phone No. (561) 838-1714

with a copy to: P.O. Box 530969  
DeBary, Florida 32753-0969  
Attn: Donald Kitner, General Manager  
Fax No. (386) 668-2692  
Phone No. (386) 668-2600

8. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Developer and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Developer cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings

of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Developer is a party and that a dispute shall not be submitted to such binding arbitration if there are any third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 7 shall survive expiration or any termination of this Agreement.

**9. Indemnity.**

- 9.1. Company agrees to protect, defend, reimburse, indemnify and hold the Developer, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Developer, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Developer by reason of the negligent or intentional installation of the Gas Distribution System by Company; provided however, that Company shall not be responsible to Developer for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Developer, its respective agents, servants, employees, officers, tenants, residents or homeowners.
- 9.2. Developer agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Developer and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Developer shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.
- 9.3. This Section 8 shall survive the expiration or early termination of this Agreement.

**10. Damages to Property; Limitation on Liability.**



10.1. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Developer at Company's expense. Any damage caused to Company's equipment by Developer, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Developer's expense. Developer will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.

10.2. Company shall have no liability to Developer or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, damages for personal injury, loss of profits or savings, loss of use, or any other damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by Company's negligence or misconduct.

11. **Miscellaneous**. This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Developer. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.

12. **Recording**. This Agreement may be recorded by Company among the Public Records of the County in which the Project is located.

13. **Exclusivity**. During the term of this Agreement and for a period of twenty (20) years thereafter, Developer, its successors and assigns shall not install, cause to be installed, or allow to be installed any other gas distribution system in the Project or any other

system or mechanism for delivery of propane gas or propane to residents in the Project except for use in recreational vehicles. Developer agrees that Company has an exclusive right to provide propane gas services to the Project and that Developer will not grant, or allow others to grant any easement or right-of-way for purposes of delivering propane gas service. Developer agrees to include language aforementioned in this paragraph in the Homeowners Deed Restrictions. Developer certifies that there is no existing contractual agreement with any third party for the provision of propane gas service to the Project, with the exception of this Agreement.

**[remainder of page intentionally left blank]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of FLORIDA PUBLIC UTILITIES COMPANY, a Florida  
corporation, who is either personally known to me or who provided \_\_\_\_\_  
as identification, and who acknowledged to and before me that he/she executed the  
foregoing instrument freely and voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**DEVELOPER:**

Fisherman's Cove of Southeast Volusia County,  
LLC  
a Florida \_\_\_\_\_

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of \_\_\_\_\_, a Florida  
\_\_\_\_\_, who is either personally known to me or who provided  
\_\_\_\_\_ as identification, and who acknowledged to and before me that  
he/she executed the foregoing instrument freely and voluntarily on behalf of said  
\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

## **EXHIBIT "A"**

### **A Legal Description of the Community Named Fisherman's Cove Volusia County, Florida**

**EXHIBIT “B”**

**Developer’s Construction Schedule**

## EXHIBIT "C"

**Qualified GCU**

**\$300.00**

**Optional Piping (payable for GCU units that have additional appliances installed)**

<b>Dryer</b>	<b>\$ 50.00</b>
<b>Pool Heater</b>	<b>\$ 75.00</b>
<b>Fireplace</b>	<b>\$ 40.00</b>
<b>Grill</b>	<b>\$ 30.00</b>
<b>Furnace (hydro-heat)</b>	<b>\$100.00</b>

# EXHIBIT "D"

## Compliance Affidavit

**Qualified GCU:**

**Address**

**Connected Appliances**



## COST ESTIMATE DETAIL

## LP Block System

1\_1/4" IPS. PE Main Ext. to Serve:

Fishermans Cove

Highway US 1, Edgewater

Prep. by: Scribber

Date:

03/24/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
1_1/4" PE Main Extension:									
1_1/4" PE Pipe	1,600	LF.	\$0.55		\$880.00				\$880.00
1_1/4" PE Tap Tee	0	EA.	\$12.00		\$0.00				\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$68.50		\$0.00				\$0.00
1_1/4" Trans. Fitting	0	EA.	\$14.00		\$0.00				\$0.00
1_1/4" PE 90 Degrees or 3-Way Tee	3	EA.	\$3.50		\$10.50				\$10.50
1_1/4" PE Cap	4	EA.	\$2.50		\$10.00				\$10.00
1_1/4" PE Valve	0	EA.	\$40.00		\$0.00				\$0.00
Tracer Wire & Warning Tape	1,600	FT.	\$0.10		\$160.00				\$160.00
Misc.Fittings and Regulator	1	Lot	\$25.00		\$25.00				\$25.00
Frt. & Handling	\$1,085.50		\$0.37		\$401.64				\$401.64
LP Tanks (1450Gal)	0	EA.	\$2,350.00		\$0.00				\$0.00
Sub - Total				\$0.00	\$1,487.14	\$0.00	\$0.00	\$0.00	\$1,487.14

## Install Main: 1\_1/4" PE

1_1/4" PE Pipe	1,500	LF.	\$2.25				\$3,375.00		\$3,375.00
1_1/4" PE Tap Tee	0	EA.	\$9.00				\$0.00		\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$11.00				\$0.00		\$0.00
1_1/4" Trans Fitting	0	EA.	\$1.85				\$0.00		\$0.00
1_1/4" PE Fittings	7	EA.	\$6.75				\$47.25		\$47.25
1_1/4" PE Valve	0	EA.	\$11.00				\$0.00		\$0.00
Directional Bore	0	LF.	\$10.50				\$0.00		\$0.00
Push & Pull 1_1/4" PE	100	LF.	\$6.80				\$680.00		\$680.00
Under 500'Premium	0	FT.	\$0.32				\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.40				\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$21.25				\$0.00		\$0.00
Restore Sod	800	SF.	\$0.90				\$720.00		\$720.00
Hand Ditch	800	FT.	\$1.90				\$1,520.00		\$1,520.00
Extra Depth (Over 42")	0	FT.	\$0.75				\$0.00		\$0.00
FPUC Crew	0	Day	\$520.00	\$0.00		\$0.00			\$0.00
Eng. & Inspection	1	Lot	\$800.00	\$680.00		\$120.00			\$800.00
Survey	1	Lot							\$0.00
Permit	1	Lot							\$0.00
Misc. Labor & Install UG LP Tanks	1	Lot					\$0.00		\$0.00

SUB - TOTAL \$680.00 \$0.00 \$120.00 \$6,342.25 \$0.00 \$7,142.25

TOTAL EST. MAIN COST \$680.00 \$1,487.14 \$120.00 \$6,342.25 \$0.00 \$8,629.39

=====

(MAIN Cost Per FT.)

\$5.39

# TEMPLATE REVISION LOG

Rev #	Date	Name	Changes Made	Approved By
9	3/7/2002	DC	1 Referenced Required Return % to change with 'N' & 'NR' input.	GB
		DC	2 Updated required return for NG from 9.03% to 8.58% based on Dec 2001 Surveillance Report.	GB
		DC	3 Updated O&M Expense % from 25% (1999 budget) to 35% (2002 budget)	GB
		DC	4 Updated year end earnings & common stock to reflect Dec 2001 Y/E	GB
		DC	5 Changed beginning year to 2002	GB
		DC	6 Change Interest Rate from 7.75% to 7.71% (WACD Dec 2001)	GB
		DC	7 Changed O&M formula on Rate Sheet to reference NPV template cell B94 and not cell B96.	GB
10	4/8/2002	DC	1 Piping Allowance for NR expensed in the first year - R amortized. "R" = 7 "NR	GB
		DC	2 Added O&M % calculation for Propane (33%).	GB
		DC	3 Updated NIBITD Multiplier - "R" = 8 & "NR" = 6	GB
		DC	4 Re-referenced, protected and hid references to "secret" input cells.	GB
	4/18/2002	DC	Changed formula in Earnings per Share - Investment to be blank if no additional	GB
10.1	4/29/2002	DC	Correct EPS for Investment formula - inadvertently removed.	GB
10.1.1	5/1/2002	DC	Pop-up note for Capital Expenditure input cells	GB
	5/1/2002	DC	Added Capital Expenditure per customer	GB
10.1.2	5/1/2002	DC	Expense Legal & Closing Fees in the first year - not allowed to be capitalized wit	GB
		DC	purchase price.	
		DC	Put a default of "1" for calculation of number of shares required to avoid "DIV 0	GB
11	5/2/2002	GB	Re-arranged acquisition input cells and re-instated dividend in interest calculation.	
11.1	8/16/2002	DC	Updated tax depreciation rate for non-regulated TAX - 5yrs BOOK - 20 yrs.	GB
		DC	Goodwill "0" if negative - added instruction / description on template.	GB
		DC	Number of Shares updated for 4 for 3 split.	GB
11.2	1/9/2003	DC	For NR - reduce existing customers by 5% in last 5 years. Change NIBITD mult	JE, GB
11.3	4/22/2003	DC	For NR - insert cell for calculation of Builders' Access Fee to be shown separately	GB, DK
			being included with Cost of Service per Customer.	
		DC	Four & Three Year Revenues - previously taking 1st year times 4 & 3 respectively	GB
			the 4th and 3rd year revenues.	
	7/30/2003	DC	Corrected Four Year Revenue Comparison to be 4th year revenue times 4. Delet	JE, GB
			revenue comparison.	
	11/19/2003	DC	Added Approval Titles	DK
	1/22/2004	DC	Made template a NR template only - regulated projects will be done on the AEP	GB, DK
11.4	10/21/2004	DC	Updated Interest Rate - See back-up WACD	GB
11.5	4/21/2005	DC	Updated O&M % to reflect Budget 2005 (adjusted for Propane savings \$604 less ta	GB
	6/4/2007	DC	Protected NPV Template - found it unprotected	

Back Search Folders

Address D:\Exhibit 2\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	BOOK6.xls.msg	30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
CLeider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
fillings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_I	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW RND Presentation - Aug. 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Kitner Don  
**Sent:** Saturday, January 06, 2007 10:35 AM  
**To:** Cox Doreen; Dysard Heidi; Seagrave Marc  
**Subject:** Florida Days, NSB  
**Attachments:** Summary.doc; Developer Agreement.DOC; Florida Days Feeder Main.xls; Florida Days Main 1.25in PE.xls; Florida Days Services Phase I & II.xls; NPV - Florida Days PH I & II.xls; RNGS - Florida Days - PH I & II.xls

Please review and approve the attached project. The developer is looking for a response within a week.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201



Approved By:	Fin Analyst	_____
	CFO	_____
	Dir of Mktg	_____
	COO	_____
	CEO	_____
	Division Dir	_____

### **Florida Days, Phase I & 2, New Smyrna Beach**

- 54-lot subdivision to be located on Creek Shore Trail off Turnbull Bay Road. This area is adjacent to the natural gas community of Turnbull Bay Country Club Estates. 49 homes (90%) will be required to utilize natural gas. A potential third phase consisting of 20 lots is proposed to be town homes and is directly adjacent to this project.
- The developer is Old Smyrna Land Company LLC. The builder, a partner in the development company, is Hickson Construction Company Inc., who has been building in the New Smyrna Beach area since 1978.
- The Key West inspired homes will range in size from 2,000 to 5,000 square feet living area and be priced from \$300,000 to \$1,000,000.
- The main extension involved consists of 2900' of 2" PE, 5400' of 1 1/4" PE and 49 services.
- Required appliances will be at least one large tankless water heater or one 50-gallon water heater, one two-mantle gas light with mandatory continuous use or one furnace, and one range or dryer. Since all the new homes will have metal roofs, the builder feels most of the water heaters will be tank less.
- Even though the revenues for fireplaces, pool/spa heaters and summer kitchen grills were not included, the Builder feels that most of the homes will have gas fireplaces and at least 2/3 of the homes will have summer kitchen grills and pool/spa heaters.
- The builder averages 15-18 new homes per year and estimates the build-out to be less than four (4) years.

## DEVELOPER AGREEMENT

**THIS DEVELOPER AGREEMENT** (this "Agreement") is made and entered into effective this \_\_\_\_ day of \_\_\_\_\_, 200\_\_ (the "Effective Date"), by and between Florida Public Utilities Company, a Florida corporation ("Company"), and Old Smyrna Land Company LLC, a Florida corporation ("Developer") (Company and Developer may sometimes be collectively referred to as the "Party" or "Parties").

### WITNESSETH

**WHEREAS**, Developer intends to build a community named Florida Days consisting of, among other improvements, approximately fifty-four (54) residences, located in Volusia County, Florida (the "Project"). A legal description of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference; and

**WHEREAS**, Company desires to install a natural gas distribution system within the Project in order to make service available from time to time to owners, occupants and residents of the Project and Developer has agreed to permit Company to install such a system to service the Project, pursuant to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Company and Developer hereby agree as follows.

#### 1. Installation of Gas Distribution System.

1.1. Installation. Company agrees to install a natural gas distribution system within the residential portions of the Project, including all necessary distribution lines, meters and ancillary facilities (collectively, the "Gas Distribution System") as Company deems reasonably necessary to provide natural gas service to owners, occupants and residents within the Project. From time to time, Company shall install additional lines, meters and ancillary facilities ("System Extensions") which Company deems reasonably necessary to extend the Gas Distribution System to other areas of the Project in order to supply gas service to non-residential portions of the Project that apply for and qualify for gas service from Company. For purposes of this Agreement, the term "Gas Distribution System" shall include any System Extensions that are added by Company.

1.2. Location. The location of the gas lines and all infrastructure and improvements relating to the Gas Distribution System shall be subject to Developer's prior written approval, which approval shall not be unreasonably withheld or delayed. Prior to commencing installation of the Gas Distribution System, Company shall provide, for Developer's review and comment, plans and specifications in accordance with which the Gas Distribution System is to be installed (Gas

Florida Public Utilities Company  
Project: Florida Days  
Builder/Developer Natural Gas Agreement  
Page 1 of 15

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each being a "Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

1.3. Preparation for Installation and Easements.

- 1.3.1. Developer agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed to access, maintain and operate the Gas Distribution System. Such easements are identified in the plat referenced in 1.3.2.
- 1.3.2. Developer has provided Company a plat of all or a portion of the Project (recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Volusia County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Developer shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Developer hereby grants Company an easement over those portions of the Project designated on Project Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.
- 1.3.3. Developer reserves the right to relocate any easement granted to Company if Developer deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Developer of its desire to amend an easement, Developer shall be required (prior to amendment of the easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Developer desires to relocate any easement relating to a portion of the Gas Distribution System after the system has been installed, Developer must first, (a) obtain Company prior

written consent (which consent shall not be unreasonably withheld or delayed) and (b) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

- 1.4. Coordination of Installation. Company agrees to cooperate with Developer with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Developer's construction and development of the Project. Developer has provided Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Developer's Construction Schedule"). Developer acknowledges that Company will rely upon the Developer's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System.
- 1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.
- 1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Developer, Company agrees that the Gas Distribution System shall be complete and operational to provide natural gas service to the first completed residential structure utilizing natural gas service, in the Project, at least ten (10) calendar days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure within the Project.

## **2. Minimum Gas Compliant Units; Installation of Internal Piping**

### **2.1. Minimum GCU.**

- 2.1.1. Developer acknowledges that Company will make a substantial economic investment in order to construct the Gas Distribution System and that Company is willing to undertake such investment given Company's anticipated usage of the Gas Distribution System by current and future owners, occupants or residents in the Project. In consideration for the substantial investment made by Company in constructing the Gas Distribution System and the mutual covenants contained herein, Developer



agrees that forty-nine (49) residential units ("Minimum Required GCU") in the Project shall have installed therein (a) a large gas tankless water heater or a 50 gallon gas water heater, (b) a gas range or gas dryer and (c) a gas light (minimum 2 mantel) with mandatory continuous use or a gas furnace. The mandatory use of the gas light must also be contained in the Florida Days Homeowner Association documents. Each residential unit constructed in compliance with the foregoing sentence shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances".

2.1.2. Developer shall, within fifteen (15) days after completion of the last GCU in the Project, pay Company an omission fee ("Omission Fee") for the non-compliant gas residences equal to the Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the Minimum Required GCU. The Omission Rate shall equal  $\$975.00 \times [1 + (\text{Time} \times .04)]$ . Time shall mean the number of years (and partial years) between the Effective Date and the date upon which the Omission Fee is paid. Nothing contained in this Section 2.1.2 shall be construed as limiting other remedies available to Company as result of the Developer's failure to comply with the Minimum Required GCU requirement set forth herein.

2.2. Installation. Developer shall provide all labor, materials, equipment and supervision to install (at no cost to Company) (a) each Appliance and (b) all internal piping, venting and other equipment (the "Internal Piping") necessary to service the gas appliances installed in each GCU. Company to connect Internal Piping to the external gas meter installed by Company at an external location (reasonably selected by Company) at each GCU.

2.3. Ownership of Internal Piping, Appliances and External Piping.

2.3.1. All piping, meters, vents and other equipment installed by Company between the main line of the Gas Distribution System and the external meter installed by Company at each GCU (including such meter) (the "External Piping") shall be the exclusive property of the Company. Company shall at all times maintain the External Piping, including the meter, in accordance with the requirements of all appropriate governmental agencies.

2.3.2 The Internal Piping and the Appliances shall be the exclusive property of the Developer and its successors and assigns. Developer or the successor or assign of Developer with respect to each GCU shall at all time during and

following the expiration or earlier termination of this Agreement service, maintain, repair and replace the Internal Piping and the Appliances.

**3. Payment to Developer for each GCU.**

3.1 Company shall pay Developer the applicable amount set forth in the payment schedule attached hereto as Exhibit 'C' for each Qualified GCU (as hereinafter defined) constructed in the Project (the "GCU Payment"). A GCU shall be deemed a Qualified GCU only after (a) the Company commences supplying natural gas service to the unit (i.e., the GCU is occupied by a rate paying customer) and (b) Company receives a Compliance Affidavit from Developer with respect to said unit in the form attached hereto as Exhibit "D".

3.2 GCU Payments shall be made monthly by Company to Developer for the term of this Agreement in the following manner:

3.2.1 For Qualified GCU that receive natural gas service from the Company, for the first time ever between the 1<sup>st</sup> and last day of each month, payment shall be made on the 25th of the following month.

**4. Successors, Assigns And Assignment.** The Developer and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Developer desires to convey to other developer or developers any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such developer or developers expressly assumes all of the obligations and responsibilities of Developer hereunder (to the reasonable satisfaction of Company). Similarly, if Developer desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly assuming all of the obligations and responsibilities of Developer hereunder (such resolution being to the reasonable satisfaction of Company).

Formatted: Bullets and Numbering

**5. Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and

by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

6. **Duration.**

Formatted: Bullets and Numbering

6.1. **Expiration; Automatic Extension.** Subject to Subsection 6.2 hereof, this Agreement shall automatically expire twenty (20) years after execution of Agreement. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.

Formatted: Bullets and Numbering

6.2. **Early Termination.** Notwithstanding any provision contained herein to the Contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU has been constructed.

Formatted: Bullets and Numbering

6.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement

7. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

Formatted: Bullets and Numbering

If to Developer: Old Smyrna Land Company LLC  
P. O. Box 1202  
New Smyrna Beach, Florida 32170  
Attn: Michael Hickson, President  
Fax No. 386.427.1626  
Phone No. 386.428.7401

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Director of Marketing  
Fax No. 561.833.8562  
Phone No. 561.838.1714

with a copy to: P.O. Box 530969  
DeBary, Florida 32753-0969  
Attn: Donald Kitner, General Manager  
Fax No. 386.668.2692  
Phone No. 386.668.2600

8. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Developer and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Developer cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Developer is a party and that a dispute shall not be submitted to such binding arbitration if there are any

Formatted: Bullets and Numbering

third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 8 shall survive expiration or any termination of this Agreement.

9. **Indemnity; Damages to Property; Limitation on Liability.**

Formatted: Bullets and Numbering

9.1. Company agrees to protect, defend, reimburse, indemnify and hold the Developer, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Developer, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Developer by reason of the negligent or intentional acts of the Company; provided however, that Company shall not be responsible to Developer for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Developer, its respective agents, servants, employees, officers, tenants, residents or homeowners.

Formatted: Bullets and Numbering

9.2. Developer agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Developer and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Developer shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.

Formatted: Bullets and Numbering

9.3. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Developer at Company's expense. Any damage caused to Company's equipment by Developer, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Developer's expense. Developer will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.

Formatted: Bullets and Numbering

9.4. Neither the Company nor Developer shall have liability to the other party or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, loss of profits or savings, loss of use, or similar damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by either party's negligence or misconduct.

Formatted: Bullets and Numbering

9.5. This Section 9 shall survive the expiration or early termination of this Agreement.

Formatted: Bullets and Numbering

10. **Miscellaneous.** This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Developer. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.

Formatted: Bullets and Numbering

11. **Recording.** This Agreement may be recorded by Company among the Public Records of the County in which the Project is located.

Formatted: Bullets and Numbering

12. **Exclusivity.** During the term of this Agreement and for a period of ten (10) years thereafter, Developer shall not install, cause to be installed, or allow to be installed any other gas distribution system in the Project or any other system or mechanism for delivery of natural gas or propane gas to residents in the Project. Developer agrees that Company has an exclusive right to provide natural gas services to the Project and that Developer will not grant, or allow others to grant any easement or right-of-way for purposes of delivering natural gas service. Developer certifies that there is no existing contractual agreement with any third party for the provision of natural gas service to the Project, with the exception of this Agreement.

Formatted: Bullets and Numbering

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of FLORIDA PUBLIC UTILITIES COMPANY, a Florida  
corporation, who is either personally known to me or who provided \_\_\_\_\_  
as identification, and who acknowledged to and before me that he/she executed the  
foregoing instrument freely and voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**DEVELOPER:**

OLD SMYRNA LAND COMPANY LLC  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of OLD SMYRNA LAND COMPANY LLC, a Florida  
Corporation, who is either personally known to me or who provided \_\_\_\_\_  
as identification, and who acknowledged to and before me that he/she executed the  
foregoing instrument freely and voluntarily on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)



EXHIBIT "A"  
Legal Description

---

Florida Public Utilities Company  
Project: Florida Days  
Builder/Developer Natural Gas Agreement  
Page 12 of 15

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

EXHIBIT "B"  
Developer's Construction Schedule

---

Florida Public Utilities Company  
Project: Florida Days  
Builder/Developer Natural Gas Agreement  
Page 13 of 15

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT "C"

### GCU Payment

The Company will disburse to the Builder a GCU payment based on the following schedule:

**Deleted:** Developer

#### Schedule of Allowances:

##### \*Gas Conservation Rebates

Gas Tankless Water Heater	\$450.00 ea
Gas Tank Water Heater	\$350.00 ea
Gas Furnace or Hydro Heat	\$350.00 ea
Gas Range	\$100.00 ea
Gas Cooktop with Gas Oven	\$100.00 ea
Gas Dryer	\$100.00 ea

##### \*\*Piping Allowance Schedule

Gas Fireplace	\$ 50.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea
Gas Spa/Pool Heater	\$ 50.00 ea

\*Allowances shall be paid only after unit is determined to be a GCU and gas is turned on.

\*\* Will be paid based on rebate schedule only if **residential structure** meet GCU requirement per agreement.

Florida Public Utilities Company  
Project: Florida Days  
Builder/Developer Natural Gas Agreement  
Page 14 of 15

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT "D"

### Compliance Affidavit

Payment is requested for the following GCU:

Turn-on Date \_\_\_\_\_ Address \_\_\_\_\_ Gas Appliances \_\_\_\_\_

Total

Gas Tankless Water Heater	\$ _____
Gas Tank Water Heater	\$ _____
Gas Furnace or Hydro Heat	\$ _____
Gas Range	\$ _____
Gas Cooktop with Gas Oven	\$ _____
Gas Dryer	\$ _____
Gas Fireplace	\$ _____
Gas Grill/Summer Kitchen	\$ _____
Gas Spa/Pool Heater	\$ _____

Total GCU \$ \_\_\_\_\_

Date: \_\_\_\_\_

Requested by: \_\_\_\_\_ Title: \_\_\_\_\_

#### \*Gas Conservation Rebate

Gas Tankless Water Heater	\$450.00 ea
Gas Tank Water Heater	\$350.00 ea
Gas Furnace or Hydro Heat	\$350.00 ea
Gas Range	\$100.00 ea
Gas Cooktop with Gas Oven	\$100.00 ea
Gas Dryer	\$100.00 ea

#### \*\*Piping Allowance Schedule

Gas Fireplace	\$ 50.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea
Gas Spa/Pool Heater	\$ 50.00 ea

Florida Public Utilities Company  
Project: Florida Days  
Builder/Developer Natural Gas Agreement  
Page 15 of 15

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

## COST ESTIMATE DETAIL

## Feeder Main

Prep. by: Scribber

Date:

03/24/08 Sheet No.

2" PE Main Ext. To Serve:

C:\Documents and Settings\CLEIDER\Local Setting

Florida Days

Creek Shore Road, New Smyrna Beach

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
2" PE Main Ext.								
2" PE Pipe	2900 LF.	\$0.53		1537.00				\$1,537.00
2" PE H.V.S.P.	0 EA.	\$74.00		0.00				\$0.00
2" T.D.W. (Stl.) Punch Tee	1 EA.	\$90.00		90.00				\$90.00
2" Trans Fitting	1 EA.	\$21.00		21.00				\$21.00
2" PE 90 Degree or 3-Way Tee	2 EA.	\$7.50		15.00				\$15.00
2" PE Cap	1 EA.	\$3.50		3.50				\$3.50
2" PE Valve	1 EA.	\$210.00		210.00				\$210.00
Tracer Wire & Warning Tape	2900 FT.	\$0.07		203.00				\$203.00
Misc. Fitting	1 Lot	\$25.00		25.00				\$25.00
Fr. & Handling	\$2,104.50	37.00%		778.67				\$778.67
Sub - Total			0.00	2883.17	0.00	0.00	0.00	\$2,883.17

Install 2" PE Main:

2" PE Pipe	2700 LF.	\$2.74				7398.00		\$7,398.00
2" H.V.S.P.	0 EA.	\$13.47				0.00		\$0.00
2" T.D.W. Tap Tee	1 EA.	\$16.15				16.15		\$16.15
2" Trans Fitting	1 EA.	\$10.77				10.77		\$10.77
2" PE Fittings	3 EA.	\$6.47				19.41		\$19.41
Directional Bore	200 LF.	\$9.52				1904.00		\$1,904.00
Push & Pull 2" PE	0 LF.	\$8.08				0.00		\$0.00
2" PE Valve	1 EA.	\$10.77				10.77		\$10.77
Under 500' Premium	0 LF.	\$0.27				0.00		\$0.00
Asph.(Remove & Replace)	0 CF.	\$19.13				0.00		\$0.00
Conc.(Remove & Replace)	0 CF.	\$19.08				0.00		\$0.00
Restore Sod	2700 SF.	\$0.80				2160.00		\$2,160.00
Hand Ditch	500 FT.	\$1.83				915.00		\$915.00
Extra Depth (Over 42")	0 FT.	\$0.75				0.00		\$0.00
FPUC Crew	1 Day	\$350.00	297.50		52.50			\$350.00
Eng. & Inspection	1 Lot	\$3,000.00	2550.00		450.00			\$3,000.00
Survey	1 Lot						0.00	\$0.00
Permit (Rail Road)	1 Lot	\$2,000.00					2000.00	\$2,000.00
Misc. Labor or Minimum Charges	1 Lot	\$300.00				300.00		\$300.00

SUB - TOTAL \$2,847.50 \$0.00 \$502.50 ##### \$18,084.10

TOTAL EST. MAIN COST 2847.50 2883.17 502.50 12734.10 2000.00 \$20,967.27

(MAIN Cost Per FT.)

\$7.23

## COST ESTIMATE DETAIL

**Distribution Main-Single Feed**

Prep. by: Scribber

Date:

03/24/08 Sheet No.

1\_1/4" IPS. PE Main Ext. to Serve:

C:\Documents and Settings\CLEIDER\Local Settings

Florida Days

Creek Shore Road, New Smyrna Beach

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
1_1/4" PE Main Extension:								
1_1/4" PE Pipe	5,400 LF.	\$0.33		\$1,782.00				\$1,782.00
1_1/4" PE Tap Tee	0 EA.	\$12.00		\$0.00				\$0.00
1_1/4" (Stl.) Tap Tee	0 EA.	\$68.50		\$0.00				\$0.00
1_1/4" Trans. Fitting	0 EA.	\$14.00		\$0.00				\$0.00
1_1/4" PE 90 Degrees or 3-Way Tee	10 EA.	\$3.50		\$35.00				\$35.00
1_1/4" PE Cap	0 EA.	\$2.50		\$0.00				\$0.00
1_1/4" PE Valve	1 EA.	\$160.00		\$160.00				\$160.00
Tracer Wire & Warning Tape	5,400 FT.	\$0.07		\$378.00				\$378.00
Misc. Fitting	1 Lot	\$25.00		\$25.00				\$25.00
Fr. & Handling	\$2,380.00	\$0.37		\$880.60				\$880.60
Sub - Total			\$0.00	\$3,260.60	\$0.00	\$0.00	\$0.00	\$3,260.60

Install Main: 1\_1/4" PE

1_1/4" PE Pipe	5,400 LF.	\$2.17				\$11,718.00		\$11,718.00
1_1/4" PE Tap Tee	0 EA.	\$8.08				\$0.00		\$0.00
1_1/4" (Stl.) Tap Tee	0 EA.	\$10.77				\$0.00		\$0.00
1_1/4" Trans Fitting	0 EA.	\$10.77				\$0.00		\$0.00
1_1/4" PE Fittings	10 EA.	\$5.38				\$53.80		\$53.80
1_1/4" PE Valve	1 EA.	\$10.77				\$10.77		\$10.77
Directional Bore	0 LF.	\$9.52				\$0.00		\$0.00
Push & Pull 1_1/4" PE	0 LF.	\$6.47				\$0.00		\$0.00
Under 500'Premium	0 FT.	\$0.27				\$0.00		\$0.00
Asph.(Remove & Replace)	0 CF.	\$19.13				\$0.00		\$0.00
Conc.(Remove & Replace)	0 CF.	\$19.08				\$0.00		\$0.00
Restore Sod	0 SF.	\$0.80				\$0.00		\$0.00
Hand Ditch	700 FT.	\$1.83				\$1,281.00		\$1,281.00
Extra Depth (Over 42")	0 FT.	\$0.75				\$0.00		\$0.00
FPUC Crew	1.00 Day	\$350.00	\$297.50		\$52.50			\$350.00
Eng. & Inspection	1 Lot	\$3,000.00	\$2,550.00		\$450.00			\$3,000.00
Survey	1 Lot							\$0.00
Permit	1 Lot							\$0.00
Misc. Labor	1 Lot	\$550.00				\$550.00		\$550.00

SUB - TOTAL \$2,847.50 \$0.00 \$502.50 \$13,613.57 \$0.00 \$16,963.57

TOTAL EST. MAIN COST \$2,847.50 \$3,260.60 \$502.50 \$13,613.57 \$0.00 \$20,224.17

=====

(MAIN Cost Per FT.)

\$3.75

## COST ESTIMATE DETAIL

49 Homes in phases 1 &amp; 2

3/4" CTS. PE Serv. to Serve:

Florida Days

Creek Shore Road, New Smyrna Beach

Prep. by: Scribber

Date:

03/24/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Setting:

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
45 Minimum & 4 Long Side									
3/4" PE Service Line:									
3/4" PE Pipe	3,675	LF.	\$0.15		551.25				\$551.25
3/4" PE Tap Tee	49	EA.	\$7.00		343.00				\$343.00
3/4" Tap Tee (Stl.)	0	EA.	\$20.00		0.00				\$0.00
3/4" Trans. Fitting	0	EA.	\$10.00		0.00				\$0.00
3/4" Riser Assy.	49	EA.	\$13.50		661.50				\$661.50
3/4" Meter Stop & Plug	49	EA.	\$13.00		637.00				\$637.00
3/4" PE 90 Degrees or 3-Way Tee	0	EA.	\$2.50		0.00				\$0.00
Tracer Wire & Warning Tape	3,675	FT.	\$0.07		257.25				\$257.25
Misc. Fitting	1	Lot	\$150.00		150.00				\$150.00
Fr. & Handling	\$2,600.00		37.00%		962.00				\$962.00
Sub - Total				0.00	3562.00	0.00	0.00	0.00	\$3,562.00

## Install Service:

3/4" PE Pipe	360	LF.	\$1.93				694.80		\$694.80
Directional Bore	0	LF.	\$9.52				0.00		\$0.00
3/4" PE Bore	120	FT.	\$6.47				776.40		\$776.40
3/4" PE Tap Tee	0	EA.	\$8.08				0.00		\$0.00
3/4" Tap Tee (Stl.)	0	EA.	\$10.77				0.00		\$0.00
3/4" Trans Fitting	0	EA.	\$8.08				0.00		\$0.00
3/4" Riser Assy.	0	EA.	\$5.38				0.00		\$0.00
3/4" PE Fittings	0	EA.	\$5.38				0.00		\$0.00
Under 75' Minimum	45	LF.	\$215.25				9686.25		\$9,686.25
Asph.(Remove & Replace)	0	CF.	\$19.13				0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				0.00		\$0.00
Restore Sod	0	SF.	\$0.80				0.00		\$0.00
Hand Ditch	160	FT.	\$1.62				259.20		\$259.20
FPUC Crew	0	Day	\$350.00	0.00		0.00			\$0.00
Eng. & Inspection	1	Lot		0.00		0.00			\$0.00
Permit	1	Lot						0.00	\$0.00

SUB - TOTAL				0.00	0.00	0.00	11416.65	0.00	\$11,416.65
-------------	--	--	--	------	------	------	----------	------	-------------

Meter Set & Reg.	1	Lot	\$7,188.30	2156.49	4312.98	718.83			\$7,188.30
49 AC-250 Meter Sets									
EST. SERVICE COST				2156.49	7874.98	718.83	11416.65	0.00	\$22,166.95

TOTAL EST. MAIN COST									\$0.00
----------------------	--	--	--	--	--	--	--	--	--------

TOTAL EST. MAIN COST

CIAC BASED EST. MAIN COST

CIAC BASED TOTAL EST. PROJECT COST

TOTAL EST. PROJECT COST

(PROPOSED IR AMOUNT EARNINGS BASIS)

## 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 <b>Project Name</b>                    | Short description of investment.  |
| 2 <b>Beginning in Year</b>               | Projected year that the project will commence.  |
| 3 <b>Piping Allowance</b>                | Estimated Piping Allowance per class of customer if not capitalized (see note 24).  |
| 4 <b>Occupancy Rate</b>                  | Anticipated occupancy level.  |
| 5 <b>Cost of Service per Customer</b>    | Estimated cost of providing service to each class of customer.  |
| 6 <b>Mains</b>                           | Cost of installing main per year.   |
| 7 <b>New Residential Customers</b>       | Estimated residential customer added each month for each year.  |
| 8 <b>Therms per Customer each Month</b>  | Average monthly therms per residential customer.  |
| 9 <b>New General Service Customers</b>   | Estimated General Service customers added each month for each year.   |
| 10 <b>Therms per Customer each Month</b> | Average monthly therms per General Service customer.  |
| 11 <b>New Large Volume Customers</b>     | Estimated Large Volume customer added each month for each year.   |
| 12 <b>Therms per Customer each Month</b> | Average monthly therms per Large Volume customer.   |
| 13 <b>Gas Lighting Service</b>           | Estimated other customer added each month for each year.  |
| 14 <b>Therms per Customer each Month</b> | Average monthly therms per other customer.  |
| 15 <b>Customer Charge</b>                | Estimated Customer Charge for Other Customers added.  |
| 16 <b>Other Income</b>                   | Other "non base revenue" estimated positive cash flows to be generated by the project for each year.<br>Note - pass-through revenues, such as fuel and gross receipts tax are not to be included. |
| 17 <b>Other Expenses</b>                 | Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions.<br>Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.     |
| 18 <b>AEP Worksheet</b>                  | 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

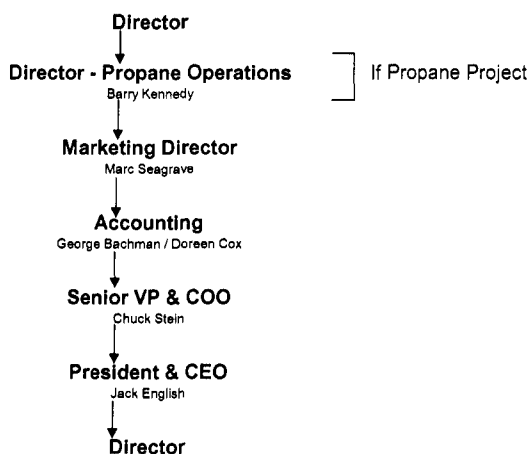
### NPV MODEL ASSUMPTIONS

- 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: **Florida Days**  
Beginning in Year: **2007**

Prepared By: **Lynn Re**  
Date: **3/24/2010**  
I.R. #:   
AEP #:

**R**  
Residential Commercial Industrial Gas Lights  
Piping Allowance \$ **150**

Occupancy Rate: **100%**

## Construction:

SERVICES-cost per customer: Residential General Serv Large Volume Gas Lights Year: 1st 2nd 3rd 4th Total Main \$  
\$ **482** MAINS: **41.191**  
Enter Customers ADDED each Month by Tariff Rate Schedule below: Total Service: **41.19** Total Cons: **22.167** \$ **63.35**

### 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													7	7	770	770	372.22	22
2	1	1	1	1	1	1	1	1	1	1	1	1	12	19	2145	4455	2153.55	1.29
3	1	1	1	1	1	1	1	1	1	1	1	1	12	31	2145	8415	4067.81	2.44
4	1	1	1	1	1	1	1	1	1	1	1	1	12	43	2145	12375	5982.08	3.60
5	1	1	1	1	1	1	1	1	1	1	1	1	6	49	1567.5	15757.5	7617.18	4.58
6													0	49	0	16170	7816.58	4.70
7													0	49	0	16170	7816.58	4.70
8													0	49	0	16170	7816.58	4.70
9													0	49	0	16170	7816.58	4.70
10													0	49	0	16170	7816.58	4.70

Therms per Customer each month: **27.50** << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Light each month: << 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	485	277	277	277											

## Area Expansion Program

Project Name: Florida Days  
 I.R. #: 0  
 AEP #: 0  
 Prepared By: Lynn Reck

Procedure No. MKT 1.1  
 Effective Date: 8/28/2006  
 Revision # 12.4

### Calculation of AEP Surcharge:

$$AEPS = (ECC + (ROR * T1 * .5 * ECC) / T2 * TH)$$

Construction and Revenue Summary:  
 Estimated Construction Cost (CC): \$ 60,644 Four year Construction Costs  
 Four Years Revenue (MACC)\*: 38,328 Four years revenue  
 Net Excess Construction Cost (ECC): \$ 22,316

ECC 22,316 As computed on Wkst  
 ROR 8.070% Company's Authorized Rate  
 T1 10 Years for collection  
 T2 1 (1 if total therms used for T1)  
 TH 122,623 Total 10 year therms  
 AEPS \$ 0.255 Original calculation

Prepared By: \_\_\_\_\_  
 Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

Initial \_\_\_\_\_ Date \_\_\_\_\_

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
1	770	0	0	0
2	4455	0	0	0
3	8415	0	0	0
4	12375	0	0	0
5	15758	0	0	0
6	16170	0	0	0
7	16170	0	0	0
8	16170	0	0	0
9	16170	0	0	0
10	16170	0	0	0
Total	122,623	-	-	-

Total Therm Load Added
770
4455
8415
12375
15758
16170
16170
16170
16170
16170
16170
122,623

### \*\* Rate Breakdown: AEPS / therm

RS Residential 0.300  
 GS General Service 0.199  
 LVS Large Volume Service 0.148  
 Gas Lights 0.110

Ratio: 100% of therms per class are counted in 10 year therm total

100 0000%  
 66 4191%  
 49 2532%  
 36 5929%

### Projected Cash Flow of: Revenue

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	AEP collection:		Balance before Interest	Interest (cost of money)	charge Total Cost To be recovered
										Excess Construction Cost	AEPS Surcharge			
1	372	224	-	-	-	-	-	-	\$ 596	\$ 22,316	\$ 231	\$ 22,085	\$ 891	\$ 22,976
2	2,154	1,296	-	-	-	-	-	-	3,450	-	1,337	21,639	1,800	23,440
3	4,068	2,448	-	-	-	-	-	-	6,516	-	2,525	20,915	1,790	22,705
4	5,982	3,600	-	-	-	-	-	-	9,582	-	3,713	18,992	1,682	20,675
5	7,617	4,584	-	-	-	-	-	-	12,201	-	4,727	15,948	1,478	17,425
6	7,817	4,704	-	-	-	-	-	-	12,521	-	4,851	12,574	1,210	13,785
7	7,817	4,704	-	-	-	-	-	-	12,521	-	4,851	8,934	917	9,850
8	7,817	4,704	-	-	-	-	-	-	12,521	-	4,851	4,999	599	5,599
9	7,817	4,704	-	-	-	-	-	-	12,521	-	4,851	748	256	1,004
10	7,817	4,704	-	-	-	-	-	-	12,521	-	4,851	(3,847)	(115)	(3,962)
Total	\$ 59,276	\$ 35,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,948	\$ 22,316	\$ 36,787	\$ -	\$ 10,509	

# Cash Flow Investment Analysis

Date: 3/24/2008 Revision # 12.4  
 Procedure No. ACT-5.11  
 Effective Date: 8/28/2006

REGULATED / NON-REGULATED

R

Project Title: **Florida Days**

Beginning in Year: **2007**

Initial Date

Input Area:

Prepared By:  
 Approved By: Dir of Mktg  
 Fin Analyst  
 CFO  
 COO  
 CEO

	Residential	Commercial	Industrial	Gas Lights											
Annual Therms per Customer / Light	330														
Piping Allowance	\$ 150	\$ -	\$ -	\$ -											
Cost of SERVICE per Customer	\$ 452	\$ -	\$ -	\$ -											
Customer Charge (mth)	\$8.00	\$15.00	\$45.00	\$0.00											
Non-Fuel Charge (therm)	\$0.48340	\$0.32107	\$0.23809	\$0.17689											
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New Residential Customers	7	12	12	12	6	-	-	-	-	-	-	-	-	-	-
New Commercial Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Industrial Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Gas Lights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Customers added for year	7	12	12	12	6	-	-	-	-	-	-	-	-	-	-
Cumulative Customers	7	19	31	43	49	49	49	49	49	49	49	49	49	49	49
Total Gas Lights added for year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Gas Lights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	485.1	277.2	277.2	277.2	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures on Services	3,167	5,429	5,429	5,429	2,714	-	-	-	-	-	-	-	-	-	-
Capital Expenditures (Exc. Services)	41,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Upfront Capital Exp (Contributions)	(22,316)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures by Year	\$ 22,042	\$ 5,429	\$ 5,429	\$ 5,429	\$ 2,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Overall Result: Project meets or exceeds minimum 15 year required return!

Occupancy Rate: 100%

Output Area: Cash Flow by Year

Total Base Revenue	\$596	\$3,450	\$6,516	\$9,582	\$12,201	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$596	\$3,450	\$6,516	\$9,582	\$12,201	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521	\$12,521
O&M Expense (Incl TOTI)	185	1,069	2,020	2,970	3,782	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881
Other Expenses	485	277	277	277	0	0	0	0	0	0	0	0	0	0	0
Amortized Piping Cost	150	407	664	921	1,050	1,050	900	643	386	129	0	0	0	0	0
Depreciation, Book	1,469	1,831	2,193	2,555	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736
	2,289	3,585	5,155	6,724	7,569	7,668	7,668	7,518	7,260	7,003	6,746	6,618	6,618	6,618	6,618
Operating Income before Income Tax	(1,693)	(136)	1,361	2,858	4,633	4,853	4,853	5,003	5,260	5,517	5,774	5,903	5,903	5,903	5,903
Adjust to cash flow:															
Add: Depreciation, Book	1,469	1,831	2,193	2,555	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736
Add: Amortized Piping	150	407	664	921	1,050	1,050	900	643	386	129	0	0	0	0	0
Less: Actual Income Tax	(1,152)	(1,147)	(503)	174	1,304	1,887	2,065	2,203	2,321	2,336	2,339	2,338	2,339	2,338	2,338
After Tax Cash Flow (before capital investments)	1,078	3,250	4,721	6,161	7,114	6,752	6,574	6,436	6,318	6,304	6,301	6,301	6,301	6,301	6,301
Less: Piping Costs	1,050	1,800	1,800	1,800	900	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	22,042	5,429	5,429	5,429	2,714	-	-	-	-	-	-	-	-	-	-
Memo: Cumulative Capital Expenditure	22,042	27,471	32,900	38,328	41,043	41,043	41,043	41,043	41,043	41,043	41,043	41,043	41,043	41,043	41,043
Asset remaining value															
Net Cash Flow (w/ 15 yr ending book value)	(22,014)	(3,978)	(2,507)	(1,068)	3,500	6,752	6,574	6,436	6,318	6,304	6,301	6,301	6,301	6,301	75,415

Net Present Value (fifteen years) \$ 29,000 Zero = Meets Required Return

Operating Income before Income Tax	(1,693)	(136)	1,361	2,858	4,633	4,853	4,853	5,003	5,260	5,517	5,774	5,903	5,903	5,903	5,903
Less: Interest Costs	837	988	1,083	1,124	991	734	484	240	0	0	0	0	0	0	0
Net Income before Taxes	(2,530)	(1,123)	278	1,734	3,642	4,119	4,369	4,763	5,260	5,517	5,774	5,903	5,903	5,903	5,903
Less: Book Income Tax (37.63%)	(952)	(423)	105	652	1,370	1,550	1,644	1,792	1,979	2,076	2,172	2,221	2,221	2,221	2,221
Net Income after Book I/T	(1,578)	(701)	173	1,082	2,272	2,569	2,725	2,971	3,281	3,442	3,602	3,682	3,682	3,682	3,682
Earnings Per Share - Investment															
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Cumulative Net Cash Flow	(22,014)	(25,992)	(28,499)	(29,568)	(26,067)	(19,315)	(12,741)	(6,305)	13	6,317	12,618	18,919	25,220	31,520	106,935
Cumulative Depr. Reserve	1,469	3,301	5,494	8,049	10,786	13,522	16,258	18,994	21,730	24,466	27,203	29,939	32,675	35,411	38,147
Cumulative Piping Allowance	900	2,293	3,429	4,307	4,157	3,107	2,057	1,157	514	129	(0)	(0)	(0)	(0)	(0)
Book Rate of Return	-3.45%	1.08%	4.08%	6.38%	9.48%	10.79%	11.96%	13.84%	16.55%	20.60%	26.03%	33.16%	44.01%	65.39%	127.18%
Economic Value Added (EVA)	(2,402)	(1,663)	(955)	(238)	821	1,083	1,209	1,432	1,723	2,104	2,485	2,786	3,007	3,228	72,562
NPV (EVA) \$	29,000														

Average Rate of Return on Investment:

Revenue Comparison:

Customer Totals:

15 Yr Total

Net Present Value of Cap. Exp. 38,005  
 Net Present Value of Pip. Exp. 6,343  
 15 Years (IRR) 16%

Four Year Revenue \$38,328  
 Added Residential Customers 49  
 Added Commercial Customers -

Summary of Rates used

Depreciation Book % 6.67%  
 Income Tax % 37.62%  
 Required Return 8.07%  
 Ratio of Debt Financing 50.00%  
 O&M Expense % 31.00%

2134

CONFIDENTIAL

Added Industrial Customers -  
 Cumulative Customers 49

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

REQUIRED RETURN

REGULATED NON-REGULATED

8.07%	15.00%
-------	--------

# FLORIDA PUBLIC UTILITIES COMPANY

## REQUEST FOR NEW GAS SERVICE

Residential ☒ Commercial ☐ Industrial ☐  
 Delray Beach ☐ West Palm Beach ☐ Central ☒

Customer Name FLORIDA DAYS  
 Contractor Hickson Construction - Jake Hickson  
 Service Address CREEK SHORE TRAIL  
 City & State NSB Zip 32168  
 Add'l Address Info (Subdivision) 2 PHASES (Total 54 lots): Ph 1 - 34 lots, Ph 2 - 20 lots

County / Dev. VOL / NSB  
 Telephone # 386-428-7401 O  
 Alternate # 386-427-1686 FX  
 Premise # \_\_\_\_\_

Request For: Main Extension ☐ Relocation ☐ Set & Lock Date \_\_\_\_\_  
 New Service ☒ Abandonment ☐ Turn-On Date \_\_\_\_\_  
 Reactivate Service ☐ Turn-On Charge 42.00  
 Meter Deposit 100.00

Natural ☒  
 Propane ☐  
 Metered ☒  
 Bulk ☐

Gas Account Number \_\_\_\_\_  
 Tax District N5701 Rate \_\_\_\_\_  
 State Tax \_\_\_\_\_  
 Gas Pressure: 5.5" ☐ 7" ☐ 11" ☐ 12" ☒ 2psi ☐ 5 psi ☐ 20psi ☐  
 S.I.C. 99999 Meter Reading Route # \_\_\_\_\_ Pressure Factor 1.12

Units	Equipment	BTUH	Therms/Year	Total Therms	ON	MOD.	SCFH	LP CFH
1	Water Heater	40,000	150	150			40	
1	Cook Top or Range	60,000	35	35			60	
	Dryer	24,000	60	0			0	
0	Furnace	90,000	130	0			0	
0	Fireplace	40,000	40	0			0	
1	Gas Light	2,125	145	145			2	
0	Grill	50,000	20	0			0	
0	Pool/Spa Heater	400,000	250	0			0	
0	Generator		0	0			0	
Total Therms per Year				330			102	0.0

System Map Page \_\_\_\_\_ Hourly Max 82 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Map Book Page \_\_\_\_\_ Demand: Ave 51 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Plans Attached \_\_\_\_\_ Min. 10 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Number of Customers 49 Total Hours \_\_\_\_\_  
 Total Annual Therms 330  
 Annual Customer Charge \$96.00 Revenues - Customer Charge \$4,704.00  
 Non-Fuel Energy Charges 0.48340 Revenues - Non-Fuel Charge \$7,816.58  
 Four Year Estimated Non-Fuel Revenues \$50,082.31  
 Estimated Construction Cost \$63,358.39  
 Negative Number Indicates Contribution Required (\$13,276.08)

Permits Required ☐ Easement Required ☐ Estimated Start Date \_\_\_\_\_  
 Estimated Completion \_\_\_\_\_

SPECIAL PROVISIONS: Main located on Turnbull Bay Rd. - Need railroad & NSB permits for main extension.

Cycle/Route \_\_\_\_\_ Initial \_\_\_\_\_ Date Turned On \_\_\_\_\_ Completed By \_\_\_\_\_  
 Submitted By: Lynn Reck #2690  
 Approved By: \_\_\_\_\_ 03/24/08

# FLORIDA PUBLIC UTILITIES COMPANY

## REQUEST FOR NEW GAS SERVICE

Residential ☒ Commercial ☐ Industrial ☐  
 Delray Beach ☐ West Palm Beach ☐ Central ☒

Customer Name FLORIDA DAYS Social Security # VOL / NSB  
 DBA/ or C/O Hickson Construction - Jake Hickson Telephone # 386-428-7401 O  
 Service Address CREEK SHORE TRAIL Alternate # 386-427-1686  
 City & State NSB Zip 32168  
 Mailing Address 2 PHASES (Total 54 lots): Ph 1 - 34 lots, Ph 2 - 20 lots Zip 0

Request For: Main Extension ☐ Relocation ☐ Set & Lock Date \_\_\_\_\_  
 New Service ☒ Abandonment ☐ Turn-On Date \_\_\_\_\_  
 Reactivate Service ☐ Turn-On Charge \$42.00  
 Meter Deposit \$100.00 Converted From NEW SUBDV  
 Gas Account Number \_\_\_\_\_  
 Tax District N5701 Rate 0  
 State Tax \_\_\_\_\_  
 Gas Pressure: 5.5" ☐ 7" ☐ 11" ☐ 12" ☒ 2psi ☐ 5 psi ☐ 20psi ☐  
 S.I.C. 99999 0 Pressure Factor \_\_\_\_\_

Natural ☒  
 Flo-Gas ☐  
 Metered ☒  
 Bulk ☐

units	Equipment	BTUH	Therms/Year	Total Therms	ON	MOD.	SCFH	LP CFH
1	Water Heater	40,000	150	150		0	40	
1	Cook Top or Range	60,000	35	35	0	0	60	
0	Dryer	24,000	60	0	0	0	0	
0	Furnace	90,000	130	0	0	0	0	
0	Fireplace	40,000	40	0	0	0	0	
1	Gas Light	2,125	145	145	0	0	2	
0	Grill	50,000	20	0	0	0	0	
0	Pool/Spa Heater	400,000	250	0	0	0	0	
0	Generator		0	0		0	0	
Total Therms per Year				330			102	0

System Map Page 0 Hourly Max 82 0 SCFH-Daily Hrs @ this rate 0  
 Map Book Page \_\_\_\_\_ Demand: Ave 51 0 SCFH-Daily Hrs @ this rate 0  
 Plans Attached \_\_\_\_\_ Min. 10 0 SCFH-Daily Hrs @ this rate 0  
 Total Hours 0

### Information to be supplied -

Meter Required: Make \_\_\_\_\_ Size & Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 Meter By-Pass Required \_\_\_\_\_ Full \_\_\_\_\_ Meter Only \_\_\_\_\_ Perm \_\_\_\_\_ Temp. \_\_\_\_\_  
 Meter in Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Regulator Required: Make \_\_\_\_\_ Size & Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 Regulator in Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Overpressure Protection: IRV \_\_\_\_\_ Monitor Regulator \_\_\_\_\_ Relief Valve \_\_\_\_\_  
 Make \_\_\_\_\_ Size and Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 In Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Metering Pressure \_\_\_\_\_ W.C. \_\_\_\_\_ PSI Compensating Index \_\_\_\_\_ Factor \_\_\_\_\_  
 Estimated Cost of Meter Set Installed \$ \_\_\_\_\_

Remarks \_\_\_\_\_

Completed By \_\_\_\_\_ Date \_\_\_\_\_  
 Approved By \_\_\_\_\_ Date \_\_\_\_\_  
 Meter # \_\_\_\_\_ Issued By \_\_\_\_\_ Date \_\_\_\_\_  
 Meter Set Date 03/24/08 Recorded By \_\_\_\_\_ Date \_\_\_\_\_

TO OPERATIONS - RETURN TO SALES





Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	BOOK6.xls.msg	30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Documents	Book7.xls.msg	32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
Adobe	CASH PAGES.msg	86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
CCWin9	Central Florida Gas - Extension of Facilities Program.msg	99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Corel User Files	coc.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
CyberLink	Cost of capital testimony partially completed.msg	179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
My eBooks	D Schedules.msg	298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
My Music	Data Information in Support of 2007 Electric Case (48).msg	112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
My Pictures	Data Information in Support of 2007 Electric Case (78).msg	112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
RegBak	Data Information in Support of 2007 Electric Case.msg	330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
My Computer	Deferred Taxes - 2006.msg	783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
3 1/2 Floppy (A:)	Doreen is this the correct interest .msg	37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
BIP3014 (C:)	Draft change to Rate Tariff Sheets.msg	148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
ROXIO122 (D:)	D's-Final-8-16-07-NoLinks.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Exhibit 2.8	D's-Final-8-16-07-NoLinksV2.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
BACHMAN	D's-Final-8-16-07-NoLinksV3.xls.msg	662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
COX	D's-Final-8-17-07-NoLinks.xls.msg	667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
KHOJASTE	Edward Jones \$250 million Southern Company retail offering.msg	278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MARTIN	Elec Ops Testimony - 8-20-07.msg	142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
MESITE	Ex1-2 pdf - Adobe Reader.msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Cleider on 'fp2\h	Ex1-3 pdf - Adobe Reader (1).msg	29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
Wp on 'Ground_f	Ex1-3 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
filings on 'FP3 (fp	Exhibit 4.xls.msg	177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
Hg on 'Ground_fl	Expenses for Rate Case - 2006 Normalization.msg	134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Db on 'Ground_fl	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
123 on 'Ground_l	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
Sys on 'Ground_f	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
Transfer on 'Grou	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
Fp26dos on 'Grou	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
Bat on 'Ground_fl	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Public on 'Grounc	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
Control Panel	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
My Network Places	FW 2003-2005 AGA Performance Benchmark draft results for y.msg	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
Recycle Bin	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
	FW BOD Presentation - Aug. 2006.msn	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Baer, Robert R [robert.baer@bankofamerica.com]  
**Sent:** Monday, April 23, 2007 12:14 PM  
**To:** Khojasteh Mehrdad; Cox Doreen  
**Cc:** Richards, Peter S  
**Subject:** Florida Public Utilities Company  
**Attachments:** FPUC\_BofA Capabilities.ppt; Accounting for Commodities Financial Risk Mgmt.pdf

Included a couple of attachments in response to your request.

1) The first is a PPT presentation on BofA's capabilities and our approach to your risk management advisory request on propane energy hedging. While we often advise on the "when" and "how", we can specifically focus our advisory work on the accounting issues such as effectiveness testing, documentation and reporting. Slide 6 outlines the general approach we would take on this part of your hedging strategy.

2) I also included a general presentation on commodity hedging from one of our client seminars. This presentation illustrates some of the work we have done on "prospective" effectiveness testing based on statistical analysis (regression) and the accounting advisory work we have done in the commodity hedging area.

Let me know if you have any questions and if you would like to go through the presentations

Robert Baer

Managing Director

International Financial Management

Bank of America

233 S. Wacker, 27th Floor

Chicago, IL 60606

(312) 234-3342

FAX (312) 453-2036

CELL (312) 420-3672

Each prospective counterparty should conduct a thorough and independent review (either itself or with such advisers as it deems appropriate) of the legal, tax and accounting aspects of any proposed transaction in light of its particular circumstances. Although the information set forth herein is indicative

of the terms, as of the specified date, under which Bank of America believes a transaction might be structured, no assurance can be given that such a transaction will in fact be executed. Information contained in this presentation has been obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed by Bank of America. This presentation is for informational purposes only and is intended solely for your use. It does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell a security or any financial instrument, or to execute a derivative transaction, of the type generally described herein. The information contained herein, and any other communications or information provided by Bank of America, are not intended to be, and shall not be regarded or construed as, recommendations for transactions or investment advice, and Bank of America shall not be relied upon for the same without a specific, written agreement between us.

---

**From:** Khojasteh Mehrdad [mailto:mkhojasteh@fpuc.com]  
**Sent:** Monday, April 02, 2007 3:49 PM  
**To:** Richards, Peter S  
**Subject:** FW: FAS133 Call

Peter,

I would like to include Doreen Cox, our Financial Analyst as well as Chris Snyder, Manager of Gas Logistics in our FAS133 discussion with Rob. Please let me know if any of the following time periods will work for you.

Tuesday, April 10, 2:00pm - 4:30pm  
 Wednesday, April 11, 9:00am - 11:00am  
 Friday, April 13, 2:00pm - 4:30pm

Thanks,

Mehrdad K.  
 (561) 838-1724

-----Original Message-----

**From:** Khojasteh Mehrdad  
**Sent:** Thursday, March 29, 2007 3:52 PM  
**To:** 'Richards, Peter S'; 'Baer, Robert R'; Bachman George  
**Subject:** RE: FAS133 Call

Peter,

George is on vacation this week. I will check with him on Monday to see if he wants to participate in the conference call with Rob Baer. I will contact you to arrange a meeting as soon as I hear from George.

Thanks,

Mehrdad Khojasteh  
 Assistant Controller  
 Florida Public Utilities Company  
 (561) 838-1724

-----Original Message-----

**From:** Richards, Peter S [mailto:Peter.S.Richards@bankofamerica.com]  
**Sent:** Thursday, March 29, 2007 11:43 AM  
**To:** Khojasteh Mehrdad; Baer, Robert R; Bachman George  
**Subject:** FAS133 Call

Mehrdad:

I met with George Bachman last week and we discussed setting up a conference call with our FAS133 specialist in Chicago (Rob Baer) to discuss financial hedging and how to handle the reporting and other accounting aspects related to FAS133. Rob Baer said he is available next week Monday through Wednesday and I wanted to see if any of these days will work for you. Please let me know the best day and time for you and we'll get something scheduled.

Thanks very much,

Peter

**Peter S. Richards**

Bank of America  
Global Commodities  
214 North Tryon Street  
Charlotte, N.C. 28255  
Tel: 704-388-4081

**Disclaimer**

- Each prospective counterparty should conduct a thorough and independent review (either itself or with such advisers as it deems appropriate) of the legal, tax and accounting aspects of any proposed transaction in light of its particular circumstances.
- Although the information set forth herein is indicative of the terms, as of the specified date, under which Bank of America believes a transaction might be structured, no assurance can be given that such a transaction will in fact be executed.
- Information contained in this presentation has been obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed by Bank of America.
- This presentation is for informational purposes only and is intended solely for your use. It does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell a security or any financial instrument, or to execute a derivative transaction, of the type generally described herein.
- The information contained herein, and any other communications or information provided by Bank of America, are not intended to be, and shall not be regarded or construed as, recommendations for transactions or investment advice, and Bank of America shall not be relied upon for the same without a specific, written agreement between us.

**Florida Public Utilities Company  
FAS 133 Effectiveness Testing / Documentation  
Propane Energy Hedging**

*April, 2007*



## Disclaimer

---

This presentation is for information purposes only. You are advised to undertake an independent review of legal, tax, regulatory and accounting implications of the transactions discussed in this presentation to determine its suitability for your particular situation. The information contained herein has been obtained from sources believed by us to be reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. Economic forecasts reflect subjective judgements and assumptions, and unexpected events may occur. Therefore, there can be no assurance that developments will transpire as forecasted. Under no circumstances may a copy of this presentation be shown, copied, transmitted, or otherwise given to any person other than your authorised representatives. This presentation is not meant to be, nor shall it be construed as, an offer or commitment by Banc of America Securities Limited ("BASL") or any of its affiliates to enter into a transaction. Any subsequent offer by BASL or any of its affiliates to enter into a transaction will be subject to the conditions stated therein, including but not limited to satisfactory documentation and market conditions. Certain products and services, including products and services that may be referenced in the accompanying materials, may be provided through affiliates of Banc of America Securities Limited.

The structure described in this proposal is a confidential and proprietary strategy of Bank of America and is not to be reproduced or used for any other purpose without the express prior permission of the Bank. Each prospective counterparty should conduct a thorough and independent review (either itself or with such advisers as it deems appropriate) of the legal, tax and accounting aspects of any proposed transaction in light of its particular circumstances. Although the information set forth herein is indicative of the terms, as of the specified date, under which Bank of America believes a transaction might be structured, no assurance can be given that such a transaction will in fact be executed. The information contained herein, and any other communications or information provided by Bank of America, are not intended to be, and shall not be regarded or construed as, recommendations for transactions or investment advice, and Bank of America shall not be relied upon for the same without a specific, written agreement between us. If you enter into a transaction and later desire to unwind the transaction prior to maturity, there may be a gain or loss, depending upon how exchange rates have changed since the original execution. At your request, the Bank will calculate this termination gain or loss using prevailing market rates, and make you an offer to terminate the transaction. If you accept, the transaction will be terminated upon payment of the termination value. Alternatively, you may assign the un-matured transaction to a third party, provided the Bank in its discretion approves the assignee.



# Commodities Hedging

## Our Mission and Clients

- ◆ To provide corporate risk management services and structured solutions that meet customer needs

### Producers

- ◆ Oil and Natural Gas Producers
- ◆ Oil Refiners
- ◆ Energy Asset Investors

- ◆ We provide these services to commodity consumers, producers and investors in the areas of:

- Natural Gas
- Petroleum
- Electricity
- Metals (base & precious)

### Investors/Relative Value Trading

- ◆ Hedge Funds
- ◆ Relative Value Traders
- ◆ Directional and Arbitrage Desks

**Bank of America**



### Energy-Linked Finance

- ◆ Forward Sales
- ◆ Reserve Based Financing
- ◆ Credit-Enhanced Reserve Financing
- ◆ Inventory Monetizations

- ◆ By dealing with both producers and consumers, and being a leading market maker, Bank of America provides competitive bid and offer pricing in many markets

### Consumers

- ◆ Industrial Consumers
- ◆ Regulated Utilities
- Transportation Industry

- ◆ We have two trading centers (New York, London) as well as four coverage offices (New York, London, Charlotte and Chicago)



## International Financial Management Group

---

- ◆ The International Financial Management Team works together with derivative sales in consulting with corporate clients on accounting and tax-effective financing methods, hedging alternatives in light of current accounting pronouncements and derivative tax and accounting opportunities and solutions.
  - The IFM focus is on accounting, tax, and regulatory rules as applied in the foreign exchange, interest rate and commodity derivative markets and hedging transactions.
  - FAS 133 has been, and will continue to be, a key concern for US Multinationals who utilize derivatives in hedging strategies.
  - The International Financial Management Team provides FAS 133 driven product solutions and structuring alternatives which help clients to optimize EPS and manage earnings volatility.
  
- ◆ Bank of America Rankings – 2006 (Independent Research)
  - #1 IAS 39/FAS 133 Compliant Solutions





## PARS

---

- ◆ A problem solving and consulting group with analysts based throughout the U.S (8) and Europe(4).
- ◆ The group analyses exposures, tests and develops risk management strategies and products, and provides focused and confidential research to clients worldwide.
- ◆ The group's general mandates are:
  - to develop an understanding of where and how risk is created and, if possible, avoided;
  - to assist clients in identifying and quantifying risk;
  - to suggest possible risk management solutions including the initial identification of appropriate hedging instruments;
  - to test and discuss the pros and cons of each strategy; and
  - to assist in the development of effective risk management policies and procedures.
- ◆ PARS works with a range of clients from multi-national corporations to money managers and central banks.
- ◆ The group's publications include monthly Corporate Risk Management Advisors and Institutional Advisors as well as risk management monographs (all available on BofA Capital Markets Website).

## Effectiveness Testing / Accounting Documentation Assistance

---

### ◆ Strategy

- Understand Company's risk management objectives and hedging strategies
- Advise on best practices, changes that might improve performance
- Review current FASB documentation and effectiveness testing methods
- Produce FAS 133 recommended documentation and effectiveness testing models
  - Word/Excel based
- Demonstrate hedge performance under various market scenarios
- Illustrate accounting statement journal entries
- Clearance and approval by internal accounting, treasury groups
- Clearance and approval by outside accountants
- On call for follow-up reviews; New developments advisory

### ◆ FX, Rates, Commodities

# Global Commodities Capabilities

ENERGY COMMODITIES CAPABILITIES	OTHER COMMODITY CAPABILITIES
<ul style="list-style-type: none"> <li>◆ <b>Oil/Petroleum Products</b> <ul style="list-style-type: none"> <li>• Global platform – U.S., International</li> <li>• Refined product capabilities</li> <li>• Comprehensive oil and refined product options</li> </ul> </li> <li>◆ <b>Natural Gas</b> <ul style="list-style-type: none"> <li>• Consistently ranked “Top Tier” financial product provider</li> <li>• Comprehensive gas options capabilities</li> </ul> </li> <li>◆ <b>Electricity</b> <ul style="list-style-type: none"> <li>• Dominant Northeast financial trading presence</li> <li>• Trading presence in West and Midwest</li> </ul> </li> <li>◆ <b>Research</b> <ul style="list-style-type: none"> <li>• World-class oil and natural gas research</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Liquefied Petroleum Gases</b> <ul style="list-style-type: none"> <li>• Propane</li> <li>• Ethane</li> <li>• Butane</li> </ul> </li> <li>◆ <b>Base Metals</b> <ul style="list-style-type: none"> <li>• Aluminum</li> <li>• Copper</li> <li>• Zinc</li> <li>• Lead</li> <li>• Nickel</li> <li>• Tin</li> <li>• NASAAC</li> </ul> </li> <li>◆ <b>Precious Metals</b> <ul style="list-style-type: none"> <li>• Gold</li> <li>• Silver</li> <li>• Platinum</li> <li>• Palladium</li> </ul> </li> </ul>

## BANK OF AMERICA RATINGS

### Bank of America, NA Credit Ratings



Standard & Poor's Global Credit Rating

**Aaa**



**AA+**

Source: Bank of America, NA; Bloomberg; Energy & Power Risk Management Magazine

# Research Portal

Bank of America Securities - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Global Markets | Donahue, Mark |

Bank of America

Home Credit Equities **FX & Commodities** Rates Macroeconomics Trading & Tools

FX & Commodities > Commodities

**Search:**  
  
   
**Advanced Search**  
Events & Conference Calls  
Internal Links  
My Clients  
My Profile  
Technical Support

**Commodities Daily** MARKET & TRADER TALK

[Oil & Gas Daily -- 13 October 2006 \(GRC Data\)](#)  
[Oil & Gas Daily -- 12 October 2006 \(GRC Data\)](#)  
[Natural Gas Storage Outlook -- October 12, 2006](#)  
[Natural Gas Storage Outlook -- October 11, 2006](#)  
[Oil & Gas Daily -- 11 October 2006 \(GRC Data\)](#)  
[more >>](#)

**Commodities Essentials** MARKET & TRADER TALK

[Liquid Markets Chartroom](#)  

\* Market concerns about the spill-over effects of the weakening US housing market on overall growth appear misplaced, particularly as there are tentative signs that the decline in housing activity may be ending. At the same time, unusually large inventory ...

[Strategy Alert: Natural Gas](#)  

\* Resilient winter '06/07 natural gas markets offer an attractive selling opportunity as they currently appear to price in not only an active hurricane season but also storm-related disruptions comparable to last year's. \* Basis differentials ...

[more >>](#)

**Outside Research**

**Energy**

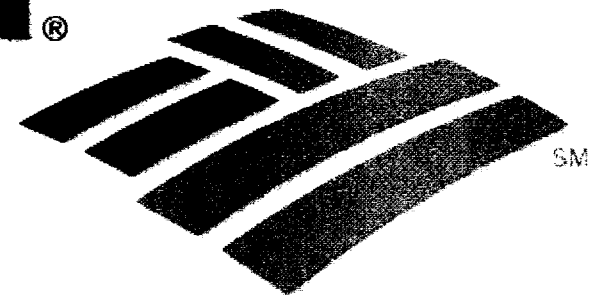
**Energy Settlement Prices**

Date:

**Results**

Product	Date	Price
CL	10/13/06	58.57

# Bank of America<sup>®</sup>



## Accounting for Commodities Financial Risk Management

Robert Baer  
Tel: 312-234-3342  
[robert.baer@bankofamerica.com](mailto:robert.baer@bankofamerica.com)

Ramon Espinosa  
Tel: 415-622-9269  
[aurelio.r.espinosa@bankofamerica.com](mailto:aurelio.r.espinosa@bankofamerica.com)

## Disclaimer

---

- ◆ Each prospective counterparty should conduct a thorough and independent review (either itself or with such advisers as it deems appropriate) of the legal, tax and accounting aspects of any proposed transaction in light of its particular circumstances.
- ◆ Although the information set forth herein is indicative of the terms, as of the specified date, under which Bank of America believes a transaction might be structured, no assurance can be given that such a transaction will in fact be executed.
- ◆ Information contained in this presentation has been obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed by Bank of America.
- ◆ This presentation is for informational purposes only and is intended solely for your use. It does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell a security or any financial instrument, or to execute a derivative transaction, of the type generally described herein.
- ◆ The information contained herein, and any other communications or information provided by Bank of America, are not intended to be, and shall not be regarded or construed as, recommendations for transactions or investment advice, and Bank of America shall not be relied upon for the same without a specific, written agreement between us.



# Table of Contents

---

- I. Basic FAS 133 Guidelines and Principles
- II. Risk Management Strategies
  - a. Diesel Fuel Hedge
  - b. Natural Gas Hedge for Consumer
  - c. Natural Gas Producer
- III. Normal Purchase/Sale Exception

Bank of America, N.A. provides corporate banking and global markets products and services generally throughout the United States and offshore on a more limited basis. Investment banking services and certain securities products, which may be referred to in the accompanying materials, may be provided through Banc of America Securities LLC in the United States or through certain other affiliates of Bank of America, N.A. Copyright 2002 Bank of America Corporation.



## I. FAS 133 Key Concepts

---

- ◆ Derivatives are assets or liabilities and therefore should be reflected on the balance sheet.
- ◆ Fair Value the only relevant measure for derivatives.
  - ◆ Derivatives are reflected on the balance sheet at fair (market) value.
    - ◆ Fair value is liquidation value of the contract.
- ◆ 'Special hedge accounting' should be restricted.
  - ◆ If derivative does not qualify for special accounting, changes in fair value taken to earnings each period.
  - ◆ If derivative qualifies, FAS133 permits special accounting that allows for a matching of the derivative results with the underlying hedged exposure.

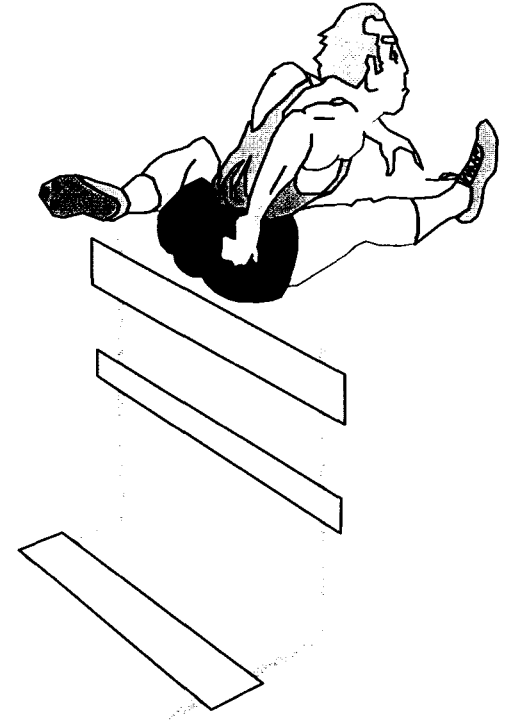




## I. Qualifying for Special Accounting ...

---

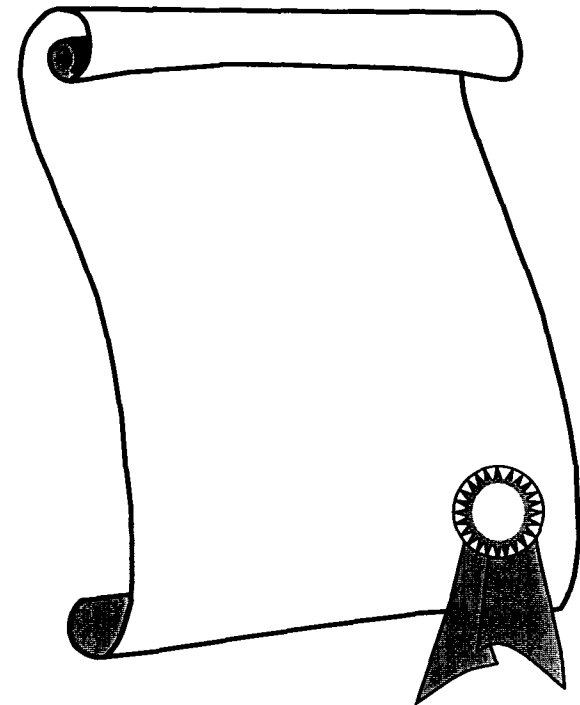
- ◆ 'Risk' hedged must qualify for special accounting.
- ◆ Derivative must qualify for special accounting:
  - ◆ Written options don't qualify unless offset by purchase option.
- ◆ Hedge Accounting must be elected and documented including:
  - ◆ Nature of risk hedged.
  - ◆ Risk management objective.
  - ◆ Why derivative presumed an effective hedge.
  - ◆ How effectiveness of hedge will be assessed/verified during its life.
- ◆ Hedge has an expectation and proves to be highly effective in offsetting the change in fair value of the underlying hedged exposure (80% - 125% range).



# I. Hedge Accounting

---

- ◆ It they meet all relevant criteria, derivatives may qualify for special accounting as:
  - ◆ a Fair Value hedge.
  - ◆ a Cash Flow hedge.
  - ◆ a Net Investment hedge.
- ◆ The hedge type depends on the nature of exposure being hedged.
- ◆ Special “hedge accounting” mitigates volatility in earnings.



## I. Fair Value Hedge

---

- ◆ A fair value hedge is a hedge of a fixed rate asset, liability, or unrecognized firm commitment.
  - ◆ Hedged firm commitments will now appear on balance sheet.
    - ◆ FX firm commitment can also be cash flow hedges.
- ◆ Change in fair value of the derivative are recognized in current earnings.
- ◆ Recognize changes in fair value of the hedged item attributable to the risk being hedged in current earnings.
- ◆ Ineffective portion of hedge or hedged item impacts earnings.

## I. Cash Flow Hedge

---

- ◆ A cash flow hedge protects against changes in cash flows of an existing asset, liability, or forecasted transaction that impacts earnings.
- ◆ Derivative gain/loss (to extent effective) is included in other comprehensive income (OCI) until earnings recognition date.
  - ◆ Ineffective portion of the hedge impacts earnings.
    - ◆ Defined as the excess of cumulative change in the fair value of the derivative over the cumulative change in fair value of the hedged item.
- ◆ Hedge gain/loss reclassified from OCI into earnings in the same period the hedged item impacts consolidated earnings.
  - ◆ The hedged item may impact consolidated earnings in a period after settlement.
    - ◆ Hedge of inventory, intercompany hedging transactions.

## I. Foreign Currency Hedge

---

- ◆ FX exposure to an unrecognized firm commitment, a recognized asset or liability or an FX-denominated available-for-sale security.
  - ◆ Fair value hedge.
- ◆ FX forecasted transaction, unrecognized firm commitment or forecasted functional currency equivalent cash flow associated with a recognized asset or liability including intercompany transactions.
  - ◆ Cash flow hedge.
- ◆ Foreign Currency Functional Subsidiary's net asset position.
  - ◆ Net Investment Hedge.



# I. Assessing Effectiveness

- ◆ **Methodology :**
  - ◆ **must be reasonable.**
  - ◆ **must be documented at inception of hedge.**
  - ◆ **must be documented with sufficient specificity such that a third party reviewing the formal documentation would be able to objectively re-perform the assessment of hedge effectiveness.**
  - ◆ **must be consistent.**
  - ◆ **must be measured at each reporting period (at least quarterly).**
- ◆ **May use regression, correlation or dollar offset methods to perform the prospective and retrospective evaluation of effectiveness.**
- **Actual hedge results must be measured and recorded via the dollar offset method.**



## I. Assessing Effectiveness

Effectiveness Testing Methods	Hedge Effective	Testing	If Dollar Offset is used	Measurement
Prospective	Will Be	Regression Dollar Offset - Historical Information on changes in cash flow, fair value	Period/Period or Cumulative	Exact Offset
Retrospective	Has Been	Regression Dollar Offset - loss of hedge accounting for current period only	Period/Period or Cumulative	Exact Offset
		Regression for both - use same # of data points, periodically update, consistent application of each hedge relationship and designation	Election	



## I. Ineffectiveness Recorded in Income

---



- ◆ Fair Value Hedge:
  - ◆ Any and all ineffectiveness.
  - ◆ Shortcut method qualification means no ineffectiveness or testing.
- ◆ Cash Flow Hedge:
  - ◆ Only the excess of the cumulative change in the fair value of the derivative over the cumulative change in the fair value of the underlying.
  - ◆ Matching critical terms similar to shortcut.
  - ◆ Hypothetical derivative method primary basis for measuring hedge effectiveness.
- ◆ Net Investment Hedge:
  - ◆ Hypothetical derivative method.





# I. Effectiveness Testing for Options

---

- ◆ Can designate effectiveness to include or exclude Time Value.
  - ◆ If Time Value is excluded, it will be considered ineffective and recorded in income.
- ◆ Intrinsic value calculation may be based on forward or spot prices.
- ◆ DIG Issue G20, states that in a cash flow hedge an entity may designate an option as a hedge of the total changes in cash flows of the hedged item.
  - ◆ Assess the effectiveness of the total change in the purchased option's cash flows based on its terminal value (expected future payoff at maturity).
  - ◆ Application of DIG Issue G20 reduces income statement volatility due to changes in the time value of an option over its life.
- ◆ DIG Issue E2, provides that combination options are treated as a purchased option if:
  - ◆ same maturity dates.
  - ◆ same underlying.
  - ◆ no premium received.
  - ◆ notional of purchased options  $\geq$  notional of written options.

# I. Hedged Risk

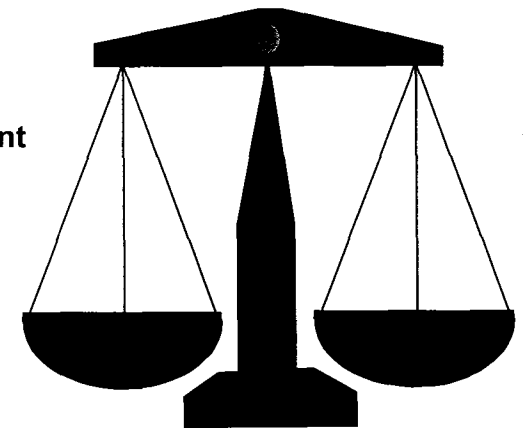
---

- ◆ Entire fair value
  - ◆ Only alternative for Non-financial (commodity) items.
  - ◆ Cash flow hedge when using a non-benchmark rate.
- ◆ Interest rate risk
  - ◆ Benchmark interest rate - A widely recognized and quoted rate in an active financial market that is broadly indicative of the overall level of interest rates attributable to high credit quality obligors in that market).
    - ◆ US Benchmark Rates are: Risk free rate (USD treasury rate) and LIBOR swap rate.
  - ◆ Prepayment Risk: Option component of a callable debt
- ◆ Foreign currency risk
- ◆ Credit risk

# I. Fair Value Determinations

---

- ◆ Amount at which an asset (liability) could be bought or sold in a current transaction between willing parties.
- ◆ Valuations from counterparties
  - ◆ Bank of America's web site.
- ◆ Forwards / Swaps – Present value of future cash settlement(s).
- ◆ Options - Pricing model needed.
- ◆ EITF Issue 02-03 – Contracts involved in energy trading – unrealized gain or loss at inception is not recognized unless evidenced by quoted market prices or other current market transactions.



## I. Summary

---

- ◆ No hedge.
- ◆ Gain/loss recognized in earnings currently.
- ◆ Hedge of changes in fair value of a recognized asset or liability or of a firm commitment.
- ◆ Gain/loss recognized currently in earnings, together with offsetting gain/loss on hedged item.
- ◆ Hedge of exposure of variability of cash flows of a recognized asset or liability, or of a forecasted transaction.
- ◆ Gain/loss reported in other comprehensive income; recognized later in earnings (in the same period the hedged item affects consolidated earnings).
- ◆ Hedge of net foreign investments.
- ◆ Effective portion of gain/loss included in CTA (equity).



## **II a. Commodity Risk - Cash Flow Hedge**

---

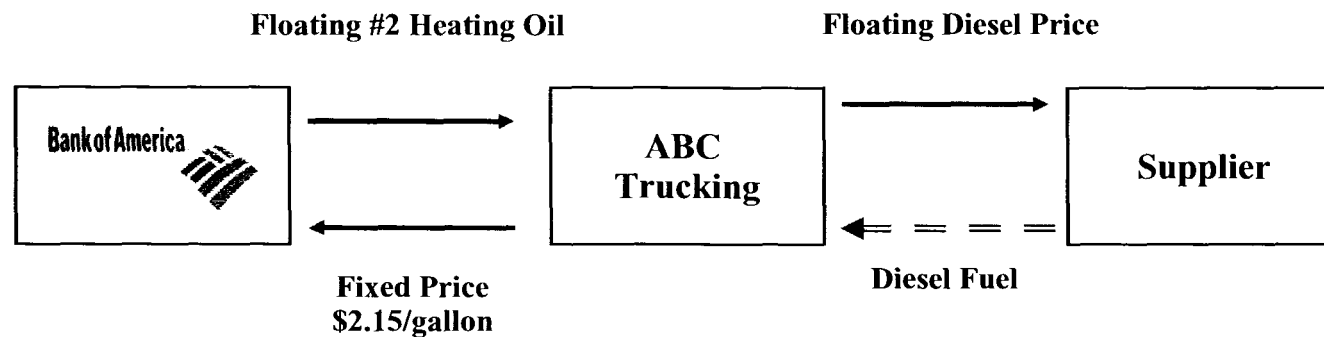
- ◆ **ABC Trucking has exposure to rising diesel fuel prices. It cannot always pass price increases on to its customers so it wants to protect against fluctuations in future cash flow purchases.**
- ◆ **ABC Trucking purchases diesel fuel from the rack (A Dept of Energy regional index).**
- ◆ **To hedge an exposure of 500,000 gallons/month, ABC Trucking enters into a pay-fixed swap at \$2.15/gallon on the Platt's Gulf Coast #2 heating oil contract.**
- ◆ **Settlement is monthly; hedge date is 06/01/06.**
- ◆ **Tenor is January 2007-December 2007.**



## II a. Commodity Risk – Cash Flow Hedge

Fuel End User Swap - Platt's Gulf Coast #2 Heating Oil

*Monthly Cash Flows*



- ◆ Basis risk between diesel fuel and heating oil #2 will cause some hedge ineffectiveness.

## **II a. Cash Flow Hedge – Accounting Implications**

- ◆ Cash flow hedge (of non-inventory supply).
- ◆ Document expectation that at inception and on an on-going basis, hedge will be highly effective.
- ◆ Effective changes in fair value of swap recorded in OCI and then in earnings as related purchases flow through cost of sales.
  - ◆ Ineffectiveness (basis risk) reflected in current earnings.
- ◆ Regression analysis indicates hedge is expected to be highly effective.
- ◆ Dollar offset method used to measure effectiveness on a retrospective basis.



## **II a. Cash Flow Hedge – Effectiveness Test**

---

### **Prospective Effectiveness Test**

- ◆ **DIG Issue E7 permits use of either dollar offset or statistical analysis to measure the effectiveness of the hedge on a quarterly basis.**
  - ◆ **Correlation**
  - ◆ **Regression**
- ◆ **The actual measurement of the hedge ineffectiveness to be recognized in earnings each reporting period is based on the extent to which exact offset is not achieved.**
  - ◆ **Will reflect basis risk between Heating Oil and Diesel Fuel.**
- ◆ **The retrospective effectiveness test must measure the change in value of actual fuel prices against change in value of the swap.**
- ◆ **If retrospective effectiveness test results are outside the 80-125% band, hedge accounting is not allowed in the current period. However, hedge accounting can be continued in the future if the prospective test shows a highly effective hedge.**





## II a. Cash Flow Hedge – Effectiveness Test

### Prospective Effectiveness Test

#### Regression Analysis: DOE #2 vs Platts #2 (1 mo changes)

<i>Regression Statistics</i>				
Multiple R	92%			
R Square	84%			
Adjusted R Square	84%			
Standard Error	5.28			
Observations	39			
	<i>df</i>	<i>SS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	5499.204	197.614	0.000000
Residual	37	1029.635		
Total	38	6528.839		
	Intercept	Hedge		
Estimated Coef	0.4040	0.9457		
Standard Error	0.8613	0.0673		
t statistic	0.4690	14.0575		

Correlations outlined above were run against the change in the monthly price of Platt's Gulf Coast #2 Heating Oil versus the change in the monthly price of the Department of Energy's #2 Diesel Wholesale/Resale price.



## II a. Cash Flow Hedge – Effectiveness Test

### Prospective Effectiveness Test

Regression Analysis	Exposure: DOE Index	Change in Price	Hedge: Platts GC #2	Change in Price
	DOE No. 2 Diesel Wholesale/Retail Price		Platts GC #2 Heating Oil Monthly Average - Daily Mean Price	
Mar-2006	190.1	9.5	177.03	12.91
Feb-2006	180.6	-0.4	164.12	-10.02
Jan-2006	181	5.5	174.14	5.95
Dec-2005	175.5	-7.2	168.19	1.9
Nov-2005	182.7	-50.1	166.29	-40.65
Oct-2005	232.8	19.8	206.94	2.83
Sep-2005	213	23.3	204.11	24.16
Aug-2005	189.7	18.3	179.95	17.31
Jul-2005	171.4	4.3	162.64	3.32
Jun-2005	167.1	14.7	159.32	20.47
May-2005	152.40	-11.6	138.85	-10.4
Apr-2005	164	4.9	149.25	-2.19
Mar-2005	159.1	19.8	151.44	21.77
Feb-2005	139.3	8.3	129.67	3.17
Jan-2005	131	3.8	126.5	7.85
Dec-2004	127.20	-15	118.65	-13.25
Nov-2004	142.20	-10.8	131.9	-14.13
Oct-2004	153.00	20	146.03	21.82
Sep-2004	133.00	8.6	124.21	9.83
Aug-2004	124.40	9	114.38	7.8
Jul-2004	115.40	8.3	106.58	9.75
Jun-2004	107.10	-5	96.83	-2.1
May-2004	112.10	4.5	98.93	9.52
Apr-2004	107.60	6.6	89.41	0.6
Mar-2004	101.00	4.2	88.81	1.49
Feb-2004	96.80	0.6	87.32	-7.03
Jan-2004	96.20	7	94.35	9.81
Dec-2003	89.20	2.7	84.54	3.84
Nov-2003	86.50	-0.5	80.7	1.22
Oct-2003	87.00	6.3	79.48	8.18
Sep-2003	80.70	-8.1	71.3	-8.12
Aug-2003	88.80	5.1	79.42	3.2
Jul-2003	83.70	2.7	76.22	2.74
Jun-2003	81.00	1.8	73.48	3.38
May-2003	79.20	-7.2	70.1	-1.94
Apr-2003	86.40	-16.1	72.04	-15.86
Mar-2003	102.50	-5.3	87.9	-17.25
Feb-2003	107.80	18.6	105.15	17.63
Jan-2003	89.20	7.2	87.52	8.14
Dec-2002	82.00		79.38	



## II a. Cash Flow Hedge – Sample Documentation Template

---

### ABC Trucking

#### Sample Documentation Template: Diesel Fuel Swap

Date of Hedge Designation: 6/01/06

#### **Hedged Transaction:**

Definition = Company's forecasted purchase of diesel fuel

Period = 1/1/07 – 12/31/07

Expected Volume = First 500,000 Gallons of diesel fuel purchased per month.

#### **Nature of Risk Being Hedged:**

The change in expected cash flows based on the change of the purchase price of diesel fuel. Changes in the value of the Platt's Gulf Coast #2 heating oil swap are expected to be highly effective in offsetting the changes in the expected cash flows of the forecasted purchases of diesel fuel purchased from the rack (a DOE regional index).

#### **Hedge Objective:**

The objective of the hedge is to reduce the variability of the cash flows of the forecasted purchases of diesel fuel.

#### **Hedge Instrument:**

Type = Cash Flow Hedge

Instrument = Platt's Gulf Coast #2 heating oil Swap

Notional – 500,000 gallons of heating oil

Pay Leg – Fixed price \$2.15/gallon

Receive Leg – Floating Platt's Gulf Coast #2 heating oil futures contract; for each Calculation Period, the Floating Price is calculated as the arithmetic average of the daily mean price (the average of the high and low price) per gallon for the U.S. Gulf Coast Pipeline #2 as quoted by the *Platt's Oilgram Price Report* for each Commodity Business Day.

Maturity = 12/31/07

Settlement – Monthly

#### **Method of Assessing Hedge Effectiveness:**

Hedge effectiveness will be assessed and ineffectiveness will be measured by comparing the overall changes in the expected cash flows on the heating oil swap with the changes in the expected cash flows for the forecasted purchase of diesel fuel.

The effectiveness can be measured by comparing the heating oil swap to the hypothetical perfect swap.

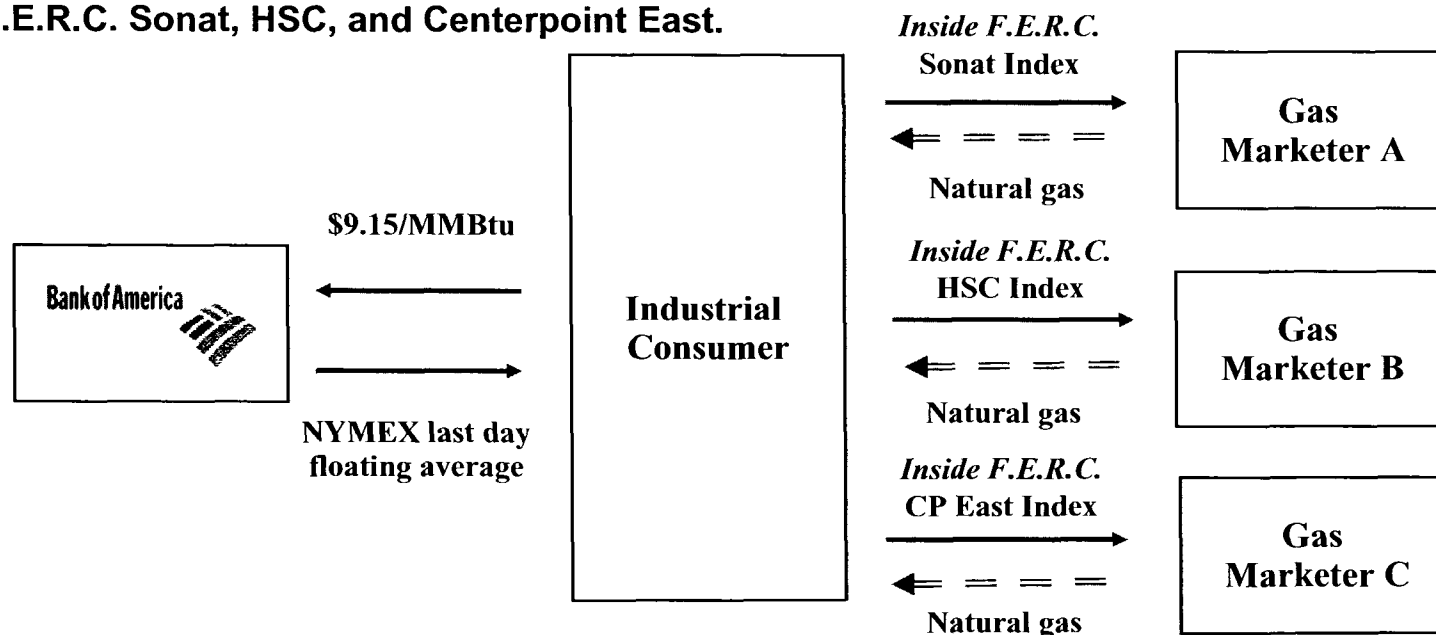
Statistical analysis will be used to measure effectiveness prospectively as well as retrospectively as per DIG E7. However, the actual measurement of ineffectiveness will be calculated using the dollar offset method.

Effectiveness will be assessed on a quarterly basis.



## II b. Commodity Hedge – Natural Gas Consumer Hedge

Industrial Natural Gas Consumer – NYMEX Swap to hedge exposure to purchases at multiple locations - I.F.E.R.C. Sonat, HSC, and Centerpoint East.



- ◆ The consumer has exposure to rising natural gas prices at the Southern Natural Gas Company – Louisiana, Houston Ship Channel, and Centerpoint East pipelines. The consumer enters into a NYMEX hedge to protect against price movements in the various locations.
- ◆ To hedge this exposure, the consumer enters into an OTC NYMEX swap, paying a fixed price of \$9.15 for 1 yr and receiving the floating NYMEX last day index on volume of 10,000 MMBtu/day.
- ◆ The consumer receives payments under the swap when the NYMEX last day settlement exceeds \$9.15 and makes payments when the NYMEX falls below \$9.15.

## **II b. Natural Gas Consumer Hedge – Accounting Implications**

---

- ◆ Cash flow hedge (of non-financial asset).
- ◆ Exposure must be determined by purchase location.
- ◆ 1/3 of exposure is purchased at each location.



## II b. Natural Gas Consumer Hedge – Effectiveness Test

### Prospective Effectiveness Test

#### Regression Analysis: Nat Gas (Sonat) vs NYMEX Henry Hub (1mo changes)

<i>Regression Statistics</i>				
Multiple R	98%			
R Square	97%			
Adjusted R Square	97%			
Standard Error	0.24			
Observations	41			
	<i>df</i>	<i>SS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	65.757	1129.069	0.000000
Residual	39	2.271		
Total	40	68.028		
	Intercept	Hedge		
Estimated Coef	-0.0025	0.8903		
Standard Error	0.0377	0.0265		
t statistic	-0.0663	33.6016		

Correlations outlined above were run against the change in the monthly price of the average of the Inside F.E.R.C. first published price for Sonat, Houston Ship Channel and Centerpoint East versus the change in the monthly price of the NYMEX Henry Hub natural gas last day settlement price.



## II b. Natural Gas Consumer Hedge– Effectiveness Test

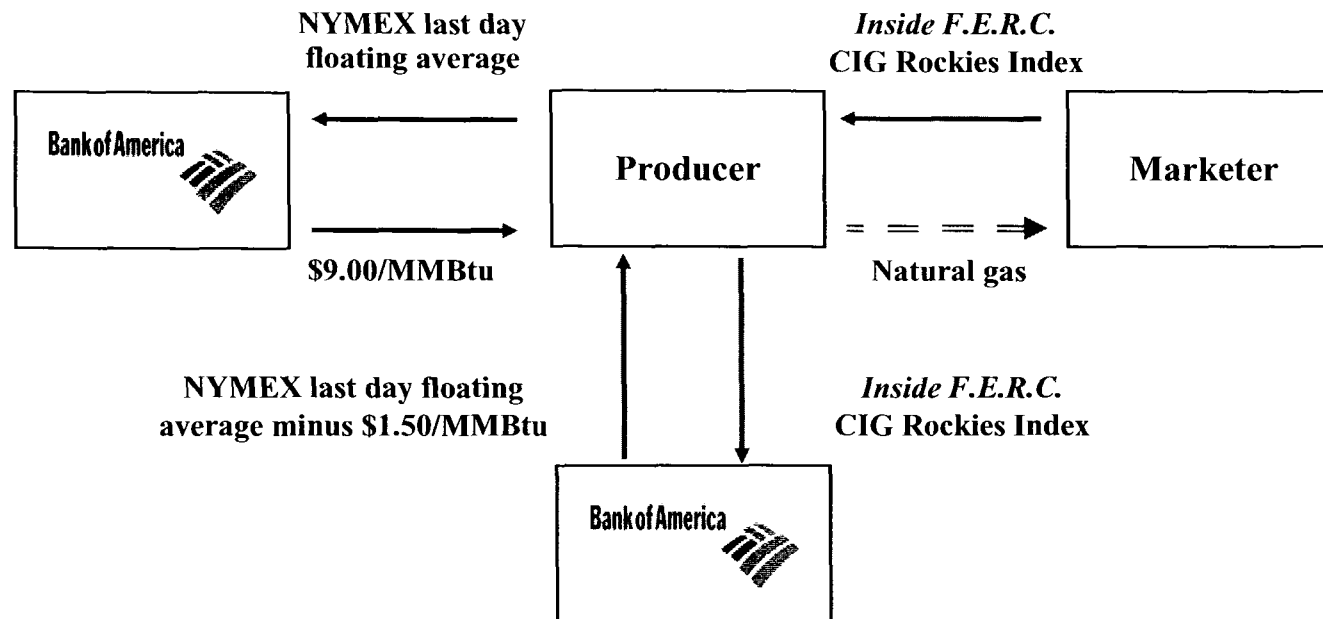
### Prospective Effectiveness Test

Regression Analysis	Exposure: Natural Gas Purchases	Change in Price	Hedge: NYMEX Henry Hub Natural Gas	Change in Price
	Average of the first published price for Sonat, Houston Ship Channel, and Centerpoint East		Nymex Natural Gas Last Day settlement price	
May-2006	6.66	0.02	7.198	-0.035
Apr-2006	6.64	-0.05	7.233	0.121
Mar-2006	6.69	-0.86	7.112	-1.288
Feb-2006	7.55	-2.16	8.4	-3.031
Jan-2006	9.71	0.57	11.431	0.251
Dec-2005	9.14	-2.87	11.18	-2.652
Nov-2005	12.01	-0.15	13.832	-0.075
Oct-2005	12.16	2.25	13.907	3.06
Sep-2005	9.91	2.48	10.847	3.2
Aug-2005	7.43	0.54	7.647	0.671
Jul-2005	6.89	0.85	6.976	0.853
Jun-2005	6.04	-0.53	6.123	-0.625
May-2005	6.57	-0.47	6.748	-0.575
Apr-2005	7.04	0.99	7.323	1.019
Mar-2005	6.05	0.11	6.304	0.016
Feb-2005	5.94	0.07	6.288	0.075
Jan-2005	5.87	-1.17	6.213	-1.763
Dec-2004	7.04	-0.29	7.976	0.35
Nov-2004	7.33	1.96	7.626	1.903
Oct-2004	5.37	0.37	5.723	0.641
Sep-2004	5	-0.93	5.082	-0.966
Aug-2004	5.93	-0.12	6.048	-0.093
Jul-2004	6.05	-0.51	6.141	-0.539
Jun-2004	6.56	0.76	6.68	0.745
May-2004	5.8	0.54	5.935	0.57
Apr-2004	5.26	0.29	5.365	0.215
Mar-2004	4.97	-0.53	5.15	-0.625
Feb-2004	5.5	-0.4	5.775	-0.375
Jan-2004	5.9	1.17	6.15	1.29
Dec-2003	4.73	0.38	4.86	0.401
Nov-2003	4.35	0	4.459	0.029
Oct-2003	4.35	-0.5	4.43	-0.497
Sep-2003	4.85	0.21	4.927	0.234
Aug-2003	4.64	-0.67	4.693	-0.598
Jul-2003	5.31	-0.53	5.291	-0.654
Jun-2003	5.84	0.83	5.945	0.822
May-2003	5.01	0.06	5.123	-0.023
Apr-2003	4.95	-4.01	5.146	-3.987
Mar-2003	8.96	3.49	9.133	3.473
Feb-2003	5.47	0.72	5.66	0.672
Jan-2003	4.75	0.71	4.988	0.848
Dec-2002	4.04		4.14	



## II c. Commodity Hedge – Basis / Location Risk

### Natural Gas Producer Basis Swap - Colorado Interstate Gas Co. – Rocky Mountains Basis



- ◆ The producer has exposure to falling natural gas prices at the Colorado Interstate Gas Company., Rocky Mountain pipeline. The producer hedges its production by entering into a receive-fixed swap of \$9.00 on a volume of 10,000 MMBtu/day on the NYMEX Henry Hub natural gas index.
- ◆ 3 months later, the producer enters into a receive-fixed basis swap of minus \$1.50/MMBtu on a volume of 10,000 MMBtu/day or the CIG basis differential. All-in revenue is \$7.50/MMBtu.



## II c. Natural Gas Producer Hedge – Accounting Implications

---

- Based on regression analysis cash flow hedge is not available on NYMEX Hedge (#1).
- ◆ Combination of two derivatives eliminates ineffectiveness – Hedge accounting can be elected.



## II c. Natural Gas Producer Hedge #1 – Effectiveness Test

### Prospective Effectiveness Test

**Regression #1: Nat Gas (CIG Rocky Mtn) vs NYMEX Henry Hub (1 mo changes)**

<i>Regression Statistics</i>				
Multiple R	89%			
R Square	<b>78%</b>			
Adjusted R Square	<b>78%</b>			
Standard Error	0.47			
Observations	41			
	<i>df</i>	<i>SS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	31.127	<b>141.213</b>	<b>0.000000</b>
Residual	39	8.596		
Total	40	39.723		
	<i>Intercept</i>		<i>Hedge</i>	
Estimated Coef	<b>0.0099</b>		<b>0.6126</b>	
Standard Error	0.0734		0.0515	
t statistic	<b>0.1351</b>		<b>11.8833</b>	

Correlations outlined above were run against the change in the monthly price of the Inside F.E.R.C. first published price for CIG Rocky Mountains index versus the change in the monthly price of the NYMEX Henry Hub natural gas last day settlement price.

## II c. Natural Gas Producer Hedge #1 – Effectiveness Test

### Prospective Effectiveness Test

Regression Analysis	Exposure: Natural Gas Production	Change in Price	Hedge: NYMEX Henry Hub Natural Gas	Change in Price
	First published price (settlement price) for the CIG Rocky Mountains index		Nymex Natural Gas Last Day settlement price	
May-2006	5.61	0.03	7.198	-0.035
Apr-2006	5.58	-0.56	7.233	0.121
Mar-2006	6.14	-0.51	7.112	-1.288
Feb-2006	6.65	-2.19	8.4	-3.031
Jan-2006	8.84	0.23	11.431	0.251
Dec-2005	8.61	-2.14	11.18	-2.652
Nov-2005	10.75	0.88	13.832	-0.075
Oct-2005	9.87	2.03	13.907	3.06
Sep-2005	7.84	1.88	10.847	3.2
Aug-2005	5.96	-0.23	7.647	0.671
Jul-2005	6.19	0.71	6.976	0.853
Jun-2005	5.48	-0.64	6.123	-0.625
May-2005	6.12	-0.16	6.748	-0.575
Apr-2005	6.28	1	7.323	1.019
Mar-2005	5.28	-0.19	6.304	0.016
Feb-2005	5.47	-0.12	6.288	0.075
Jan-2005	5.59	-0.61	6.213	-1.763
Dec-2004	6.2	-0.78	7.976	0.35
Nov-2004	6.98	2.56	7.626	1.903
Oct-2004	4.42	-0.08	5.723	0.641
Sep-2004	4.5	-0.78	5.082	-0.966
Aug-2004	5.28	0.01	6.048	-0.093
Jul-2004	5.27	-0.34	6.141	-0.539
Jun-2004	5.61	0.67	6.68	0.745
May-2004	4.94	0.77	5.935	0.57
Apr-2004	4.17	-0.23	5.365	0.215
Mar-2004	4.4	-0.72	5.15	-0.625
Feb-2004	5.12	0.03	5.775	-0.375
Jan-2004	5.09	0.65	6.15	1.29
Dec-2003	4.44	0.57	4.86	0.401
Nov-2003	3.87	-0.14	4.459	0.029
Oct-2003	4.01	-0.3	4.43	-0.497
Sep-2003	4.31	0.36	4.927	0.234
Aug-2003	3.95	-0.66	4.693	-0.598
Jul-2003	4.61	-0.26	5.291	-0.654
Jun-2003	4.87	1.02	5.945	0.822
May-2003	3.85	0.64	5.123	-0.023
Apr-2003	3.21	-1.8	5.146	-3.987
Mar-2003	5.01	1.81	9.133	3.473
Feb-2003	3.2	0.06	5.66	0.672
Jan-2003	3.14	-0.19	4.988	0.848
Dec-2002	3.33		4.14	

Bank of America



## II c. Natural Gas Producer Combined Hedge – Effectiveness Test

### Prospective Effectiveness Test

**Regression #2: Nat Gas (CIG Rocky Mtn) vs Combination Hedge NYMEX Henry Hub plus Basis Swap (1 mo changes)**

<i>Regression Statistics</i>				
Multiple R	100%			
R Square	100%			
Adjusted R Square	100%			
Standard Error	0.00			
Observations	41			
	<i>df</i>	<i>SS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	39.723	3.00175E+32	0.0000000
Residual	39	0.000		
Total	40	39.723		
	Intercept	Hedge		
Estimated Coef	0.0000	1.0000		
Standard Error	0.0000	0.0000		
t statistic	0.3658	1.73256E+16		

Correlations outlined above were run against the change in the monthly price of the Inside F.E.R.C. first published price for CIG Rocky Mountains index versus the change in the monthly price of the combined hedge (Hedge #1 or NYMEX Henry Hub natural gas last day settlement price plus the CIG-NYMEX basis differential hedge or Hedge #2).



## II c. Natural Gas Producer Combined Hedge – Effectiveness Test

### Prospective Effectiveness Test

Regression Analysis	Hedge: CIG Index	Change in Price	Hedge: NYMEX Henry Hub Natural Gas	Basis Swap	Combined Hedge	Combined Hedge - Change in Price
	First published price (settlement price) for the CIG Rocky Mountains index		Nymex Natural Gas Last Day settlement price	CIG-NYMEX		
May-2006	5.61	0.03	7.198	-1.588	5.61	0.03
Apr-2006	5.58	-0.56	7.233	-1.653	5.58	-0.56
Mar-2006	6.14	-0.51	7.112	-0.972	6.14	-0.51
Feb-2006	6.65	-2.19	8.4	-1.75	6.65	-2.19
Jan-2006	8.84	0.23	11.431	-2.591	8.84	0.23
Dec-2005	8.61	-2.14	11.18	-2.57	8.61	-2.14
Nov-2005	10.75	0.88	13.832	-3.082	10.75	0.88
Oct-2005	9.87	2.03	13.907	-4.037	9.87	2.03
Sep-2005	7.84	1.88	10.847	-3.007	7.84	1.88
Aug-2005	5.96	-0.23	7.647	-1.687	5.96	-0.23
Jul-2005	6.19	0.71	6.976	-0.786	6.19	0.71
Jun-2005	5.48	-0.64	6.123	-0.643	5.48	-0.64
May-2005	6.12	-0.16	6.748	-0.628	6.12	-0.16
Apr-2005	6.28	1	7.323	-1.043	6.28	1
Mar-2005	5.28	-0.19	6.304	-1.024	5.28	-0.19
Feb-2005	5.47	-0.12	6.288	-0.818	5.47	-0.12
Jan-2005	5.59	-0.61	6.213	-0.623	5.59	-0.61
Dec-2004	6.2	-0.78	7.976	-1.776	6.2	-0.78
Nov-2004	6.98	2.56	7.626	-0.646	6.98	2.56
Oct-2004	4.42	-0.08	5.723	-1.303	4.42	-0.08
Sep-2004	4.5	-0.78	5.082	-0.582	4.5	-0.78
Aug-2004	5.28	0.01	6.048	-0.768	5.28	0.01
Jul-2004	5.27	-0.34	6.141	-0.871	5.27	-0.34
Jun-2004	5.61	0.67	6.68	-1.07	5.61	0.67
May-2004	4.94	0.77	5.935	-0.995	4.94	0.77
Apr-2004	4.17	-0.23	5.365	-1.195	4.17	-0.23
Mar-2004	4.4	-0.72	5.15	-0.75	4.4	-0.72
Feb-2004	5.12	0.03	5.775	-0.655	5.12	0.03
Jan-2004	5.09	0.65	6.15	-1.06	5.09	0.65
Dec-2003	4.44	0.57	4.86	-0.42	4.44	0.57
Nov-2003	3.87	-0.14	4.459	-0.589	3.87	-0.14
Oct-2003	4.01	-0.3	4.43	-0.42	4.01	-0.3
Sep-2003	4.31	0.36	4.927	-0.617	4.31	0.36
Aug-2003	3.95	-0.66	4.693	-0.743	3.95	-0.66
Jul-2003	4.61	-0.26	5.291	-0.681	4.61	-0.26
Jun-2003	4.87	1.02	5.945	-1.075	4.87	1.02
May-2003	3.85	0.64	5.123	-1.273	3.85	0.64
Apr-2003	3.21	-1.8	5.146	-1.936	3.21	-1.8
Mar-2003	5.01	1.81	9.133	-4.123	5.01	1.81
Feb-2003	3.2	0.06	5.66	-2.46	3.2	0.06
Jan-2003	3.14	-0.19	4.988	-1.848	3.14	-0.19
Dec-2002	3.33		4.14	-0.81		



### III. Normal Purchase and Sale Exception

---

- ◆ Derivative definition includes financial instruments or *other contracts* that have:
  - ◆ An underlying and notional amount (determine settlement amount).
  - ◆ No (or small) amount of initial investment.
  - ◆ Terms which require or permit net settlement .
- ◆ Excludes contracts that are normal purchases and sales.
  - ◆ Exception includes contracts with a net settlement provision if physical delivery is probable.
  - ◆ Must document probability of physical delivery.



### III. Normal Purchase and Sale Exception – Option Contracts

---

- ◆ DIG Issue C10 sought to clarify whether the normal purchase or sale exception could be applied to purchased options that would require delivery of a related asset at an established price only if the contract is exercised.
  - ◆ FASB staff concluded that the holder of an option has the right, but not the obligation to exercise the option to accept or make a delivery.
  - ◆ Due to this optionality, neither party to the option can assert that physical delivery is probable.
  - ◆ These contracts are not eligible for the normal purchase and sale exception.

### **III. Normal Purchase and Sale Exception – Capacity Contracts and Bookouts**

---

- ◆ Capacity contracts are generally used to manage unforeseen peaks in demand.
- ◆ The FASB determined that capacity contracts were, by nature, similar to options.
  - ◆ Therefore, these contracts would not be eligible for the normal purchase and sale exception.
- ◆ DIG Issue C15 provides an exception for normal purchases and sales of electricity, even if the contracts are subject to bookouts.
  - ◆ Exception is provided due to the fact that electricity has the unique characteristic of not being a storable commodity and electric utilities are legally obligated to maintain a sufficient base load.
  - ◆ Electric-utilities enter into the capacity contracts with the intent to deliver on a physical basis.





Back Search Folders

Address D:\Exhibit 2.8\COX

Folders

- Desktop
  - My Documents
    - 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
          - KHOJASTE
          - MARTIN
          - MESITE
        - Cleider on 'fp2\h
        - Wp on 'Ground\_f
        - filings on FP3 (fp
        - Hg on 'Ground\_fl
        - Db on 'Ground\_fl
        - 123 on 'Ground\_l
        - Sys on 'Ground\_f
        - Transfer on 'Grou
        - Fp26dos on 'Grou
        - Bat on 'Ground\_fl
        - Public on 'Grounc
        - Control Panel
      - My Network Places
      - Recycle Bin

Name

- BOOK6.xls.msg
- Book7.xls.msg
- CASH PAGES.msg
- Central Florida Gas - Extension of Facilities Program.msg
- coc.msg
- Cost of capital testimony partially completed.msg
- D Schedules.msg
- Data Information in Support of 2007 Electric Case (48).msg
- Data Information in Support of 2007 Electric Case (78).msg
- Data Information in Support of 2007 Electric Case.msg
- Deferred Taxes - 2006.msg
- Doreen is this the correct interest .msg
- Draft change to Rate Tariff Sheets.msg
- D's-Final-8-16-07-NoLinks.xls.msg
- D's-Final-8-16-07-NoLinksV2.xls.msg
- D's-Final-8-16-07-NoLinksV3.xls.msg
- D's-Final-8-17-07-NoLinks.xls.msg
- Edward Jones \$250 million Southern Company retail offering.msg
- Elec Ops Testimony - 8-20-07.msg
- Ex1-2 pdf - Adobe Reader.msg
- Ex1-3 pdf - Adobe Reader (1).msg
- Ex1-3 pdf - Adobe Reader.msg
- Exhibit 4.xls.msg
- Expenses for Rate Case - 2006 Normalization.msg
- Fisherman's Cove.msg
- Florida Days NSB.msg
- Florida Public Utilities Company.msg
- For Interim Relief .msg
- forgot the attachment for previous message.msg
- FPU Refunding Model 030707.xls.msg
- FPU Refunding Model 040207.xls.msg
- FPU Refunding Model 080607.xls.msg
- FW 2003-2005 AGA Performance Benchmark draft results for y.msg
- FW a-1 XLS.msg
- FW Acquisitions - July 07.xls.msg
- FW Analytical Comments.msg
- FW A's.msg
- FW balance sheet.msg
- FW RND Presentation - Aug. 2006.msn

Size	Type	Date Modified	Location
30 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
32 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
86 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
99 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
179 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
298 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
112 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
112 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
330 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
783 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
37 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
148 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
662 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
667 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
278 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
142 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
29 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
26 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently
177 KB	Outlook Item	10/16/2007 10:15 AM	Files Currently
134 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently
789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently
159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently
57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently
187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently
128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently
1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently
47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently
141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently

**Clara Leider**

**From:** Robert Camfield [rjcamfield@CAEnergy.com]  
**Sent:** Tuesday, July 03, 2007 2:10 PM  
**To:** Mike Welsh  
**Cc:** Martin Cheryl; Cox Doreen  
**Subject:** For Interim Relief  
**Categories:** Elec Rate Case  
**Attachments:** D's\_030707.xls

Mike,

Attached is the latest. For Interim relief, please use cell "L28" of tab "D-1a,06 I" which is 7.70%. This weighted average cost of capital (WACC) for regulatory purposes includes cost rates of 3.28% for short-term debt, and 6.07% for customer deposits. Both of these two elements of the WACC are currently under review, and should be finalized shortly.

Robert

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,765	0.4152	8.02%	3.33%	1,267,302
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31.33%	187,955	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,996	0.3699	10.50%	3.88%	
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	8.96%	0.03%	
9.	TOTAL	106,248,266			106,248,266		38,057,542	1.0000		7.70%	1,430,928

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
10.	Long Term Debt	50,443,237	0.5080	8.02%	4.07%	
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%	
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%	
13.	Common Equity	44,943,721	0.4526	10.50%	4.75%	
14.	TOTAL	99,296,036	1.0000		8.96%	
					Rate Base	\$38,057,542
					Direct Components	\$6,952,231
						\$31,105,311
					Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,765	0.4152	8.03%	3.33%	1,268,431
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31%	187,955	0.0049	3.28%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,996	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	9.41%	0.03%	
9.	TOTAL	106,248,266			106,248,266		38,057,542	1.0000		8.07%	1,432,057

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%	
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%	
12.	Preferred Stock	600,000	0.0060	3.28%	0.02%	
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%	
14.	TOTAL	99,296,036	1.0000		9.41%	
				Rate Base		\$38,057,542
				Direct Components		\$6,952,231
						\$31,105,311
				Jurisdictional Factor	31%	

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	29%	14,860,505	0.3810	8.01%	3.05%	1,190,500
2.	Short Term Debt	5,729,846			5,729,846	29%	1,684,645	0.0432	6.02%	0.26%	101,416
3.	Preferred Stock	600,000			600,000	29%	176,407	0.0045	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	29%	14,078,196	0.3610	11.50%	4.15%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0676	6.32%	0.43%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1398	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	0.0028	9.48%	0.03%	
9.	TOTAL	112,956,971			112,956,971		39,000,000	1.0000		7.94%	1,458,483

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11. Short Term Debt	5,729,846	0.0547	6.02%	0.33%
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		9.48%

Rate Base	\$39,000,000 TO BE UPDATED
Direct Components	\$8,200,247
	\$30,799,753
Jurisdictional Factor	29%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	27%	13,421,026	0.3355	7.97%	2.67%	1,069,376
2.	Short Term Debt	6,436,923			6,436,923	27%	1,735,530	0.0434	6.03%	0.26%	104,652
3.	Preferred Stock	600,000			600,000	27%	161,773	0.0040	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	27%	15,572,200	0.3893	11.50%	4.48%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0737	6.32%	0.47%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1520	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	0.0020	9.62%	0.02%	
9.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>40,000,000</b>	<b>1.0000</b>		<b>7.92%</b>	<b>1,360,252</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2008</b>				
10. Long Term Debt	49,777,370	0.4345	7.97%	3.46%
11. Short Term Debt	6,436,923	0.0562	6.03%	0.34%
12. Preferred Stock	600,000	0.0052	4.75%	0.02%
13. Common Equity	57,755,879	0.5041	11.50%	5.80%
14. <b>TOTAL</b>	<b>114,570,173</b>	<b>1.0000</b>		<b>9.62%</b>

Rate Base \$40,000,000 TO BE UPDATED  
 Direct Components \$9,109,471  
 \$30,890,529

Jurisdictional Factor 27%

Common Equity excludes Flo-Gas

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:

## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	3.28%	\$108,538	3,309,077	0.09%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.02%	\$344,937	5,729,846	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Test Year 2008</b>					
2008	July, 2008	6.03%	\$388,146	6,436,923	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## HISTORICAL YEAR, 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold (Face Value)	13-Month Average Principal Amt. Outstanding	Discount (Premium) on Principal Amount Sold	Issuing Expense On Principal Amount Sold	Life (Years)	Annual Amortization (7+8)/(9)	Interest Expense (Coupon Rate) (2) x (6)	Total Annual Cost (10)+(11)	Unamortized Discount (Premium) Associated With (6)	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.													
21.	Total			\$52,500,000		\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each being a, "Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

1.3. Preparation for Installation and Easements.

- 1.3.1. Developer agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed and such additional portions of the project as are reasonably necessary for Company to access, maintain and operate the Gas Distribution System. Within fifteen (15) days after Developer approves the location of all or any portion of the Gas Distribution System (in accordance with Section 1.2 hereof), Developer shall grant to Company (or cause the owner of the appropriate property to grant to Company) such easements as are reasonably necessary for Company to construct, operate, maintain and repair the Gas Distribution System.
- 1.3.2. Developer has provided Company a plat of all or a portion of the Project (recorded in Official Records \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Volusia County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Developer shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Developer hereby grants Company an easement over those portions of the Project designated on Project Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.
- 1.3.3. Developer reserves the right to relocate any easement granted to Company if Developer deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Developer of its desire to amend an easement, Developer shall be required (prior to amendment of the

easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Developer desires to relocate any easement relating to a portion of the Gas Distribution System after the system has been installed, Developer must first, (i) obtain Company prior written consent (which consent shall not be unreasonably withheld or delayed) and (ii) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

1.4. Coordination of Installation. Company agrees to cooperate with Developer with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Developer's construction and development of the Project. Developer has provided Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Developer's Construction Schedule"). Developer acknowledges that Company will rely upon the Developer's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System.

1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.

1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Developer, Company agrees that the Gas Distribution System shall be complete and operational to provide propane gas service to the first completed residential structure utilizing propane gas service at least ten (10) days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure in the Project.

## **2. Minimum Gas Compliant Units; Installation of Internal Piping**

### **2.1. Minimum GCU.**

2.1.1. Developer acknowledges that Company will make a substantial economic investment in order to construct the Gas Distribution System and that Company is willing to undertake such investment given Company's

anticipated usage of the Gas Distribution System by current and future owners, occupants or residents in the Project. In consideration for the substantial investment made by Company in constructing the Gas Distribution System and the mutual covenants contained herein, Developer agrees that sixty-one (61) residential units ("Minimum Required GCU") in the Project shall have installed therein at least (a) a large tankless gas water heater, (b) a range or gas cook top and wall oven. In addition, Developer agrees that all model and speculative residential units in the Project shall have installed therein (a) a large tankless gas water heater (b) a range or gas cook top and wall oven, (c) a gas clothes dryer, (d) a gas pool or spa heater, and (e) a gas fireplace. Each residential unit constructed in compliance with the foregoing two (2) sentences shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances". If natural gas ranges or dryers are installed in the Project, Company will convert same to propane at a cost of \$75 per range and/or \$75 per dryer.

2.1.2. Builder shall, within fifteen (15) days after the allowance of non-GCU has been exceeded in the Project, pay Company an omission fee ("Omission Fee") equal to the Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the Minimum Required GCU. The Omission Rate shall equal  $\$620.00 \times (1 + (\text{Time} \times .04))$ . Time shall mean the number of years (and partial years) between the Effective Date and the date upon which the Omission Fee is paid. Builder shall pay to Company the Omission Fee for all residences not completed by August 31, 2017. Nothing contained in this Section 2.1.2 shall be construed as limiting other remedies available to Company as result of the Builder's failure to comply with the Minimum Required GCU requirement set forth herein.

2.2. Installation. Builder shall provide all labor, materials, equipment and supervision to install (at no cost to Company) (a) each Appliance and (b) all internal piping, venting and other equipment (the "Internal Piping") necessary to service the gas appliances installed in each GCU for connection to the external gas meter installed by Company at an external location (reasonably selected by Company) at each GCU.

2.3. Ownership of Internal Piping, Appliances and External Piping.

2.3.1. All piping, meters, vents and other equipment installed by Company between the main line of the Gas Distribution System and the external meter installed by Company at each GCU (including such meter) (the "External Piping") shall be the exclusive property of the Company. Company shall at all times maintain the External Piping, including the



meter, in accordance with the requirements of all appropriate governmental agencies.

- 2.3.2. The Internal Piping (piping and venting beyond meter) and the Appliances shall be the exclusive property of the Developer and its successors and assigns. Developer or the successor or assign of Developer with respect to each GCU shall at all times during and following the expiration or earlier termination of this Agreement, service, maintain, repair and replace the Internal Piping and the Appliances.

3. **Payment to Builder for each GCU.**

- 3.1. Company shall pay Builder the applicable amount set forth in the payment schedule attached hereto as Exhibit "C" for each Qualified GCU (as hereinafter defined) constructed in the Project (the "GCU Payment"). A GCU shall be deemed a Qualified GCU only after (a) the Company commences supplying propane gas service to the unit (i.e., the GCU is occupied by a rate paying customer), and (b) Company receives a Compliance Affidavit from Builder with respect to said unit in the form attached hereto as Exhibit "D".

- 3.1.1 Company shall pay to Builder a development access fee to permit gas access into Project. The fee will be \$18,300. The fee will be disbursed on a schedule as units are completed (including the initial turn on of gas service). The balance of the fee is due August 31, 2017. Disbursement to the Builder as follows: \$300 per Qualified GCU after the initial gas service is turned on, payable as stated in 3.2.1.

- 3.2. GCU Payments shall be made quarterly by Company to Builder for the term of this Agreement in the following manner:

- 3.2.1 For Qualified GCU that received propane gas service from the Company for the first time ever in the first three months following execution of this Agreement and every subsequent quarter, payment shall be made by the 25<sup>th</sup> of the following month.

4. **Successors, Assigns And Assignment.** The Developer and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Developer desires to convey to other builders or Developer any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such builder or Developer expressly assumes all of the obligations and responsibilities of Developer hereunder (to the reasonable satisfaction of Company). Similarly, if Developer desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly assuming all of the

obligations and responsibilities of Developer hereunder (such resolution being to the reasonable satisfaction of Company).

5. **Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

6. **Duration.**

- 6.1. **Expiration; Automatic Extension.** Subject to Subsection 5.2 hereof, this Agreement shall automatically expire twenty (20) years after the effective date of this Agreement. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.
- 6.2. **Early Termination.** Notwithstanding any provision contained herein to the Contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU have been constructed.
- 6.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement

7. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

If to Developer: Fisherman's Cove of Southeast Volusia County,  
LLC  
201 Addison Way  
Titusville, FL 32780  
Attn: Dale L. Williams  
Fax No. (321) 269-5328  
Phone No. (321) 269-4977

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Marketing Director  
Fax No. (561) 833-8562  
Phone No. (561) 838-1714

with a copy to: P.O. Box 530969  
DeBary, Florida 32753-0969  
Attn: Donald Kitner, General Manager  
Fax No. (386) 668-2692  
Phone No. (386) 668-2600

8. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Developer and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Developer cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings

of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Developer is a party and that a dispute shall not be submitted to such binding arbitration if there are any third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 7 shall survive expiration or any termination of this Agreement.

9. **Indemnity.**

- 9.1. Company agrees to protect, defend, reimburse, indemnify and hold the Developer, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Developer, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Developer by reason of the negligent or intentional installation of the Gas Distribution System by Company; provided however, that Company shall not be responsible to Developer for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Developer, its respective agents, servants, employees, officers, tenants, residents or homeowners.
- 9.2. Developer agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Developer and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Developer shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.
- 9.3. This Section 8 shall survive the expiration or early termination of this Agreement.

10. **Damages to Property; Limitation on Liability.**

10.1. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Developer at Company's expense. Any damage caused to Company's equipment by Developer, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Developer's expense. Developer will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.

10.2. Company shall have no liability to Developer or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, damages for personal injury, loss of profits or savings, loss of use, or any other damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by Company's negligence or misconduct.

11. **Miscellaneous.** This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Developer. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.

12. **Recording.** This Agreement may be recorded by Company among the Public Records of the County in which the Project is located.

13. **Exclusivity.** During the term of this Agreement and for a period of twenty (20) years thereafter, Developer, its successors and assigns shall not install, cause to be installed, or allow to be installed any other gas distribution system in the Project or any other

system or mechanism for delivery of propane gas or propane to residents in the Project except for use in recreational vehicles. Developer agrees that Company has an exclusive right to provide propane gas services to the Project and that Developer will not grant, or allow others to grant any easement or right-of-way for purposes of delivering propane gas service. Developer agrees to include language aforementioned in this paragraph in the Homeowners Deed Restrictions. Developer certifies that there is no existing contractual agreement with any third party for the provision of propane gas service to the Project, with the exception of this Agreement.

**[remainder of page intentionally left blank]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of FLORIDA PUBLIC UTILITIES COMPANY, a Florida  
corporation, who is either personally known to me or who provided \_\_\_\_\_  
as identification, and who acknowledged to and before me that he/she executed the  
foregoing instrument freely and voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**DEVELOPER:**

Fisherman's Cove of Southeast Volusia County,  
LLC  
a Florida \_\_\_\_\_

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of \_\_\_\_\_, a Florida  
\_\_\_\_\_, who is either personally known to me or who provided  
\_\_\_\_\_ as identification, and who acknowledged to and before me that  
he/she executed the foregoing instrument freely and voluntarily on behalf of said  
\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)



**EXHIBIT “A”**

**A Legal Description of the Community Named Fisherman’s Cove**  
Volusia County, Florida

**EXHIBIT “B”**

**Developer’s Construction Schedule**

**EXHIBIT "C"**

**Qualified GCU** **\$300.00**

**Optional Piping (payable for GCU units that have additional appliances installed)**

<b>Dryer</b>	<b>\$ 50.00</b>
<b>Pool Heater</b>	<b>\$ 75.00</b>
<b>Fireplace</b>	<b>\$ 40.00</b>
<b>Grill</b>	<b>\$ 30.00</b>
<b>Furnace (hydro-heat)</b>	<b>\$100.00</b>

## EXHIBIT “D”

### Compliance Affidavit

**Qualified GCU:**

**Address**

**Connected Appliances**

## COST ESTIMATE DETAIL

## LP Block System

Prep. by: Scribber

Date:

03/24/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

1\_1/4" IPS. PE Main Ext. to Serve:

Fishermans Cove

Highway US 1, Edgewater

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
1,600	LF.	\$0.55		\$880.00				\$880.00
0	EA.	\$12.00		\$0.00				\$0.00
0	EA.	\$68.50		\$0.00				\$0.00
0	EA.	\$14.00		\$0.00				\$0.00
3	EA.	\$3.50		\$10.50				\$10.50
4	EA.	\$2.50		\$10.00				\$10.00
0	EA.	\$40.00		\$0.00				\$0.00
1,600	FT.	\$0.10		\$160.00				\$160.00
1	Lot	\$25.00		\$25.00				\$25.00
1,085.50		\$0.37		\$401.64				\$401.64
0	EA.	\$2,350.00		\$0.00				\$0.00
			\$0.00	\$1,487.14	\$0.00	\$0.00	\$0.00	\$1,487.14

Install Main: 1\_1/4" PE

1_1/4" PE Pipe	1,500	LF.	\$2.25			\$3,375.00		\$3,375.00
1_1/4" PE Tap Tee	0	EA.	\$9.00			\$0.00		\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$11.00			\$0.00		\$0.00
1_1/4" Trans Fitting	0	EA.	\$1.85			\$0.00		\$0.00
1_1/4" PE Fittings	7	EA.	\$6.75			\$47.25		\$47.25
1_1/4" PE Valve	0	EA.	\$11.00			\$0.00		\$0.00
Directional Bore	0	LF.	\$10.50			\$0.00		\$0.00
Push & Pull 1_1/4" PE	100	LF.	\$6.80			\$680.00		\$680.00
Under 500'Premium	0	FT.	\$0.32			\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.40			\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$21.25			\$0.00		\$0.00
Restore Sod	800	SF.	\$0.90			\$720.00		\$720.00
Hand Ditch	800	FT.	\$1.90			\$1,520.00		\$1,520.00
Extra Depth (Over 42")	0	FT.	\$0.75			\$0.00		\$0.00
FPUC Crew	0	Day	\$520.00	\$0.00		\$0.00		\$0.00
Eng. & Inspection	1	Lot	\$800.00	\$680.00		\$120.00		\$800.00
Survey	1	Lot						\$0.00
Permit	1	Lot						\$0.00
Misc. Labor & Install UG LP Tanks	1	Lot				\$0.00		\$0.00

SUB - TOTAL \$680.00 \$0.00 \$120.00 \$6,342.25 \$0.00 \$7,142.25

TOTAL EST. MAIN COST \$680.00 \$1,487.14 \$120.00 \$6,342.25 \$0.00 \$8,629.39

=====

(MAIN Cost Per FT.)

\$5.39

2215



Book Rate of Return	-5.69%	1.98%	4.79%	7.55%	10.29%	12.53%	13.77%	15.33%	17.62%	20.71%	23.20%	27.15%	34.19%	49.73%	110.12%
Economic Value Added (EVA)	(11,143)	(7,163)	(5,699)	(4,189)	(2,654)	(1,273)	(568)	137	933	1,728	2,045	2,386	2,750	3,135	66,110
NPV (EVA) \$	(15,000)														

		<u>Average Rate of Return on Investment:</u>				<u>Revenue Comparison:</u>		<u>Customer Totals:</u>		<u>15 Yr Total</u>
Net Present Value of Cap. Exp.	73,218					Four Year Revenue	\$74,331	Added Residential Customers		61
Net Present Value of Pip. Exp.	4,676	15 Years (IRR)						Added Commercial Customers		-
								Added Industrial Customers		-
								Cumulative Customers		61
								Capital Expenditure per Customer	\$	1,305

<u>Summary of Rates used</u>		Required Return	15.00%
Depreciation Book %	6.67%	Ratio of Debt Financing	50.00%
Income Tax %	37.62%	O&M Expense %	35.00%
Base Earnings per Share	\$ 0.71	Interest Rate	7.60%

CONFIDENTIAL

ACQUISITIONS (Data Input):

Portion of purchase price as Goodwill
Enter amount of purchase price above fair market value of assets less liabilities - if negative enter "0".

NOTES:

Pg. 2 of 2

FLORIDA PUBLIC SERVICE COMMISSION

**EXPLANATION:** Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired 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

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

**COMPANY:** Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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.



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	I forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
CC	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
Co	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Cy	FW 2003-2005 AGA Performance Benchmark draft results for y....	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
My	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Re	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Cc	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
3/	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
BIF	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
RC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
CL	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Wf	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
filli	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Hc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Db	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
12	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Tr	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Fp	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ba	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Co	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Ne	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Recyc	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Friday, July 13, 2007 10:58 AM  
**To:** Cox Doreen  
**Cc:** Khojasteh Mehrdad  
**Subject:** forgot the attachment for previous message  
**Attachments:** HC-MFRS-1.xls

Schedule C-1

## ADJUSTED JURISDICTIONAL NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.		(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1.	Operating Revenues:							
2.	Sales of Electricity	53,115,151		53,115,151	100%	53,115,151	0	53,115,151
3.	Other Operating Revenues	1,017,472		1,017,472	100%	1,017,472	0	1,017,472
4.	Total Operating Revenues	54,132,623		54,132,623	100%	54,132,623	0	54,132,623
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	0	-
8.	Purchased Power	2,331,904		2,331,904	100%	2,331,904	0	2,331,904
9.	Other	904,028		904,028	100%	904,028	0	904,028
10.	Depreciation & Amortization	212,146		212,146	100%	212,146	0	212,146
11.	Decommissioning Expense			-	100%	-	0	-
12.	Taxes Other Than Income Taxes	302,223		302,223	100%	302,223	0	302,223
13.	Income Taxes	5,800		5,800	100%	5,800	0	5,800
14.	Deferred Income Taxes-Net	(33,170)		(33,170)	100%	(33,170)	0	(33,170)
15.	Investment Tax Credit-Net	(2,688)		(2,688)	100%	(2,688)	0	(2,688)
16.	(Gain)/Loss on Disposal of Plant			-	100%	-	0	-
17.	Total Operating Expenses	3,720,243		3,720,243	100%	3,720,243	0	3,720,243
18.	Net Operating Income	50,412,380		50,412,380	100%	50,412,380	0	50,412,380

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		(1)	(2)	(3)	(4)
		Total Company Per Books	Non- Electric Utility	Total Electric (1)-(2)	Jurisdictional Factor
1.	Operating Revenues:				
2.	Sales of Electricity	61,822,965		61,822,965	100%
3.	Other Operating Revenues	1,022,823		1,022,823	100%
4.	Total Operating Revenues	62,845,789		62,845,789	100%
5.	Operating Expenses:				
6.	Operation & Maintenance:				
7.	Fuel			-	100%
8.	Purchased Power	2,331,904		2,331,904	100%
9.	Other	1,125,105		1,125,105	100%
10.	Depreciation & Amortization	228,779		228,779	100%
11.	Decommissioning Expense			-	100%
12.	Taxes Other Than Income Taxes	302,223		302,223	100%
13.	Income Taxes	5,800		5,800	100%
14.	Deferred Income Taxes-Net	(33,170)		(33,170)	100%
15.	Investment Tax Credit-Net	(2,688)		(2,688)	100%
16.	(Gain)/Loss on Disposal of Plant			-	100%
17.	Total Operating Expenses	3,957,953		3,957,953	100%
18.	Net Operating Income	58,887,836		58,887,836	100%

Pg. 1 of 2

INCOME

ating  
most

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh, Cheryl Martin

(5)	(6)	(7)
Jurisdictional Amount (3)x(4)	Jurisdictional Adjustments (Schedule C-2)	Adjusted Jurisdictional Amount (5)+(6)
61,822,965	0	61,822,965
1,022,823	0	1,022,823
62,845,789	0	62,845,789
-	0	-
2,331,904	0	2,331,904
1,125,105	0	1,125,105
228,779	0	228,779
-	0	-
302,223	0	302,223
5,800	0	5,800
(33,170)	0	(33,170)
(2,688)	0	(2,688)
-	0	-
3,957,953	0	3,957,953
58,887,836	0	58,887,836

Pg. 2 of 2

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Operating Revenues:									
Sales of Electricity	53,115,151								
Other Operating Revenues	1,017,472								
Total Operating Revenues	54,132,623								
Operating Expenses:									
Operation & Maintenance:	-								
Fuel (nonrecoverable)	-								
Purchased Power	2,331,904								
Other	904,028								
Depreciation & Amortization	212,146								
Decommissioning Expense	-								
Taxes Other Than Income Taxes	302,223								
Income Taxes	5,800								
Deferred Income Taxes-Net	(33,170)								
Investment Tax Credit-Net	(2,688)								
(Gain)/Loss on Disposal of Plant	-								
Total Operating Expenses	3,720,243								
Net Operating Income	50,412,380								

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
				\$ -	\$ 53,115,151
				\$ -	\$ 1,017,472
				\$ -	\$ 54,132,623
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ 2,331,904
				\$ -	\$ 904,028
				\$ -	\$ 212,146
				\$ -	\$ -
				\$ -	\$ 302,223
				\$ -	\$ 5,800
				\$ -	\$ (33,170)
				\$ -	\$ (2,688)
				\$ -	\$ -
				\$ -	\$ 3,720,243
				\$ -	\$ 50,412,380

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Operating Revenues:									
Sales of Electricity	61,822,965								
Other Operating Revenues	1,022,823								
Total Operating Revenues	62,845,789								
Operating Expenses:									
Operation & Maintenance:	-								
Fuel (nonrecoverable)	-								
Purchased Power	2,331,904								
Other	1,125,105								
Depreciation & Amortization	228,779								
Decommissioning Expense	-								
Taxes Other Than Income Taxes	302,223								
Income Taxes	5,800								
Deferred Income Taxes-Net	(33,170)								
Investment Tax Credit-Net	(2,688)								
(Gain)/Loss on Disposal of Plant	-								
Total Operating Expenses	3,957,953								
Net Operating Income	58,887,836								

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh, Cheryl Martin

(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
				\$ -	\$ 61,822,965
				\$ -	\$ 1,022,823
				\$ -	\$ 62,845,789
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ 2,331,904
				\$ -	\$ 1,125,105
				\$ -	\$ 228,779
				\$ -	\$ -
				\$ -	\$ 302,223
				\$ -	\$ 5,800
				\$ -	\$ 33,170
				\$ -	\$ (2,688)
				\$ -	\$ -
				\$ -	\$ 3,957,953
				\$ -	\$ 58,887,836

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description,	Issue	Call	Principal	13-month	(Discount)	(Discount)	Issuing	Issuing	Net	Dollar	Effective
No.	Coupon Rate	Date	Provisions or Special Restrictions	Amount Sold	Average Principal Amt. Outstanding	Premium on Principal Amount Sold	Premium Associated with (6)	Expense on Principal Amount Sold	Expense Associated with (6)	Proceeds (6)+(8)-(10)	Dividend on Face Value (2) X (6)	Cost Rate (12)/(11)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:



FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Description, Coupon Rate	Issue Date	Call Provisions or Special Restrictions	Principal Amount Sold	13-month Average Principal Amt. Outstanding	(Discount) Premium on Principal Amount Sold	(Discount) Premium Associated with (6)	Issuing Expense on Principal Amount Sold	Issuing Expense Associated with (6)	Net Proceeds (6)+(8)-(10)	Dollar Dividend on Face Value (2) X (6)	Effective Cost Rate (12)/(11)
<b>For Test Year 2008</b>												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368	7,105	3,817	10,922	
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total							<u>\$129,626</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.07%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	7,950	4,271	12,221	
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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	9,659	5,189	14,848	
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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.37	\$ 13.53
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	175.0%	170.4%
8.	Price/Earning Ratio (6) / (5)	\$ 17.37	\$ 24.49	\$ 21.28	\$ 18.83	\$ 19.61

\* Excluding the Sale of Water Division

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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		<u>52,500,000</u>	<u>52,500,000</u>	<u>52,500,000</u>
Unamortized debt discount	1810		<u>(1,777,139)</u>	<u>(1,797,719)</u>	<u>(1,880,040)</u>
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		<u>(204,170)</u>	<u>(208,741)</u>	<u>(227,025)</u>
				<u>(2,006,460)</u>	<u>(2,107,065)</u>
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			<u>50,518,691</u>	<u>50,493,540</u>	<u>50,392,935</u>
				(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 REACQD 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

		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
Total 1810.1 & 1890.1	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

FLORIDA PUBLIC SERVICE COMMISSION

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 \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

COMPANY: Florida Public Utilities

Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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

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)	(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)	(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	

0.732%

13 mth

[illegible]

13-mth

[illegible]

13 mth

[illegible]

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		ADJUSTED RETAIL	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MID POINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)
				PRORATA	SPECIFIC			COST RATE (%)		COST RATE (%)		COST RATE (%)	
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		ADJUSTED RETAIL	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MID POINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)
				PRORATA	SPECIFIC			COST RATE (%)		COST RATE (%)		COST RATE (%)	
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

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE COST</u>		<u>MID POINT WEIGHTED COST RATE COST</u>		<u>HIGH POINT WEIGHTED COST RATE COST</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
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	2.62	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	22,678,696	(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	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>		<u>7.95</u>		<u>8.31</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE COST</u>		<u>MID POINT WEIGHTED COST RATE COST</u>		<u>HIGH POINT WEIGHTED COST RATE COST</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
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	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>		<u>7.87</u>		<u>8.24</u>



Florida Public Utilities  
CAPITAL COMPONENTS  
December 2005 - December 2006

			<<<<<<<ACTUALS>>>>>>>													13.mth
Line			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	AVERAGE
Ref	Florida Public Utilities:	Notes	Acct.#													
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
16	Unamortized Debt/Loss on Reac'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
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
18	190 AC DE TAX ENVIRO	Electric only	1900	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	9,241,725
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
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	5,472,569
22	DISC ON CAP STK		2130	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	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
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
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	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
28	DEBENTURES		2240	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
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
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
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
33	DEF TAX-UNDERREC	Electric only	2830 Included above	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
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
40	ACCUM DEF TAXES	Zeroed	1900	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
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
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245
44	Customer Deposits	Zeroed	2350	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
46	ACCUM DEF TAXES	Zeroed	2820	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
48																
49	Consolidated:	Line Reference														
50	Long Term Debt	1231-18		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
51	Short Term Debt	129		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
52	Preferred Stock	120		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	130	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
54	Common Equity	1230, 1810, 2110, 2310, 2410, 2510, 2610, 3010, 4110, 4210, 43		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
55	Common Equity-Excl Flo-Gas	4180, 2110, 2310, 2410, 2510, 2610, 3010, 4110, 4210, 43		43,274,258	44,233,527	44,942,494	44,656,787	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
56	DEFERRED INC TAXES	Electric only	1170, 321-33	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
57	TAX CREDITS-ZERO CST	Electric only	4135	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	4131, 35	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
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
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
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
62	TOTAL LTD.STD+1 QUITY 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
Debt/Equity Ratio:																
Debt				60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	57%	56%
Equity				40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	44%

Florida Public Utilities  
CAPITAL COMPONENTS  
December 2006 - December 2007

Line		Notes	Acct#	ACTUALS					PROJECTED					13 mth					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	AVLRAGL		
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	Constant		
16	Unamortized Debt Loss on Reqd'd Debt	1	1810 1850	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	1,056,902	1,054,958	1,062,642	1,191,364	1,184,411	1,175,849	1,170,658	1,160,356	1,157,807	1,157,750	1,158,210	1,187,843	1,134,414 2004 - 2006 trend (Storm Resv on 2005-2006)		
18	190 AC DE TAX ENVIRN	Electric only	1900	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	Constant		
21	Premium On Comm. Stk		2070	5,542,986	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			
23	Misc Paid in Capital		2110	938,906	837,048	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	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	Sinking Fund Schedule		
28	DEBENTURES		2240	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	7,860,000	7,460,000	8,080,000	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	2,681,468	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	120,937	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			
34	CURRENT BONDS		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			
40	ACCUM DEF TAXES	Zeroed	1900	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	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	265,667	81,449 OCI Projection Schedule		
44	Customer Deposits	Zeroed	2350	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			
46	ACCUM DEF TAXES	Zeroed	2820	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			
48																			
49	Consolidated:		Line Reference																
50	Long Term Debt		1230, 1850	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		1240	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,860,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846		
52	Preferred Stock		120	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	130	2,322,227	2,320,879	2,335,632	2,642,123	2,681,468	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		4, 50, 100, 150, 200, 250, 300, 350, 400, 450, 500, 550, 600, 650, 700, 750, 800, 850, 900, 950, 1000	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		10, 150, 200, 250, 300, 350, 400, 450, 500, 550, 600, 650, 700, 750, 800, 850, 900, 950, 1000	45,289,010	46,116,929	46,635,657	48,332,782	48,690,934	48,868,910	48,265,564	48,516,519	48,873,519	48,119,902	48,214,639	48,506,463	48,248,639	47,883,036		
56	DEFERRED INC TAXES	Electric only	131, 132, 133	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	130	0	0	0	0	0	0	0	0	0	0	0	0	0			
58	TAX CREDITS-WEIGHTED	Electric only	131, 132, 133	124,971	122,499	120,937	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	110,855,068	118,455,794	116,444,288	116,680,980	117,410,093	120,978,971	120,876,557	114,060,635		
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	116,621,607	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	99,968,964	101,666,473	102,938,009	101,464,369	101,569,496	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%	58%	58%	57%		
Equity				43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	42%	41%	43%		
1 Unamortized Debt Loss on																			
				Monthly Annual															
\$1MM				\$	2,239														
\$1MM				\$	3,357														
\$10M				\$	601														
\$0.5M				\$	374														
\$MM				\$	339	\$	6,860												
Loss on Reacquired Debt																			
\$MM				\$	1,524	\$	1,524												
					\$	8,384													

2 Flo-Gas Dividend (as of Dec 31, 2006) \$2,000 per share on the outstanding common stock of the Company, payable April 2, 2007  
(000 x \$2,000 = \$2,000,000)

2 Flo-Gas Dividend declared March 13, 2007 \$2,000 per share on the outstanding capital stock of the Company, payable April 2, 2007  
 $1000 \times \$2,000 = \$2,000,000$

PRIOR YEAR NET INCOME (Actual)

C:\Documents and Settings\G2\Desktop\Internet Explorer\Internet Explorer\IE\G20707 (2).xls

4/24/2008 22:45 4.26 MB

Florida Public Utilities  
CAPITAL COMPONENTS  
December 2007 - December 2008

\*\*\*\*\*

			PROJECTED													13 mth	Basis of Projection
Line			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	
Ref	Florida Public Utilities:	Notes															
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	Constant
16	Unamortized Debit/Loss on Rec'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	1,167,943	1,144,069	1,258,804	1,258,991	1,258,722	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	9,278,783	9,278,783	9,278,783	9,281,933	9,281,933	11,158,933	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	Constant
21	Premium On Comm. Sbk.	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 Qlty increase of \$44,500 & Equity Off in Jr
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	2,023,842	2,023,842	1,791,356	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	51,832,923 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	11,860,000	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	61,965 Monthly \$2,462
32	ACCUM DEF TAXES*		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	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				0	0	0	0	0	0	0	0	0	0	0	0	0	0
37				0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Flo-Gas Corp.:			0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	228,002	228,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,540 OCI Projection Schedule
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				0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Consolidated:	Line Reference		0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Long Term Debt	1,274.98	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	49,294,133	49,777,370
51	Short Term Debt	129	12,160,000	11,860,000	10,460,000	9,760,000	10,960,000	13,260,000	280,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	6,436,923
52	Preferred Stock	1,261	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	600,000
53	Customer Deposits	Electric only	1,301	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	4,159,189(1,271,271)(2,241,254)(2,914,396)(4,111,421)(4,411,421)	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	58,109,878
55	Common Equity-Excl Flo-Gas	4,159,189(1,271,271)(2,241,254)(2,914,396)(4,111,421)(4,411,421)	48,248,639	49,076,499	49,888,343	50,382,997	50,812,845	51,036,894	64,395,157	64,692,185	64,901,801	64,214,651	64,354,125	64,692,825	64,329,572	57,755,879	57,755,879
56	DEFERRED INC TAXES	Electric only	4,114,129(1,111,111)	5,847,545	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	4,135	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	4,135 4,135	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	61,965
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	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	129,432,062	123,679,644	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	114,862,484	115,366,866	115,187,755	114,964,305	116,654,302	120,469,556	120,549,012	114,924,172	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	114,490,804	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	114,570,173
Debt/Equity Ratio:																	
Debt				59%	59%	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	\$10M	\$	909,000
	\$5.9M	\$	500,000
		\$	1,409,000

2 Projected Equity Offering June 2008	\$	15	M
---------------------------------------	----	----	---

Assumptions:  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Revised Budget)

1.03

(1,000,000)

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	37,834,582	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	92,461	50,623	59,259	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	279,617
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08											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	605,540
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	459,390	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,965,370
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	419,325,543	303,859,009	419,325,543	477,058,648	367,669,401	407,171,072	771,801,883	1,127,316,925	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

Projected Rate Relief:	Effective	1,000,000	May-08	188,000	157,703	103,312	120,938	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	14,899	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	

Schedule C-3

## JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company				
3	Other Revenue - Commission				
4	Other Revenue - Company				
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company				
9	Fuel Expense - Commission				
10	Fuel Expense - Company				
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company				
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company				
19	Income Taxes - Commission				
20	Income Taxes - Company				
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company				

Supporting Schedules:

Recap Schedules:

JURISDICTIONAL SEPARATION FACTORS - NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh, Cheryl Martin
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Junsdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	---------------------------------

All sales of electricity in the Northwest/Marianna and Northeast/Fernandina Beach Divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100 %.

Supporting Schedules:	Recap Schedules:
-----------------------	------------------

Schedule C-5

## OPERATING REVENUES DETAIL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
SALES OF ELECTRICITY												
440	Residential Sales	Billing Determinants	25,001,701	-	25,001,701	15,801,525	166,449	852,671	625,018	-	17,445,664	7,556,037
442	Commercial Sales	Billing Determinants	20,659,026	-	20,659,026	14,850,206	157,472	813,621	516,456	-	16,337,755	4,321,271
442	Industrial Sales	Billing Determinants	5,996,020	-	5,996,020	4,964,201	75,998	282,876	149,895	-	5,472,969	523,050
443	Outdoor Lighting	Billing Determinants	1,123,203	-	1,123,203	205,905	2,511	37,881	28,079	-	274,375	848,828
444	Public Street & Highway Lighting	Billing Determinants	335,201	-	335,201	71,586	925	13,070	8,380	-	93,961	241,241
445	Other Sales to Public Authorities		-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways		-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales		-	-	-	-	-	-	-	-	-	-
	Total Sales to Ultimate Consumers		53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
447	Sales for Resale		-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY		53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
449.1	(Less) Provision for Rate Refunds		-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION		53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
OTHER OPERATING REVENUES												
450	Forfeited Discounts	100.00 9	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	101.20 2	222,539	-	222,539	-	-	-	-	-	-	222,539
453	Sales of Water and Water Power		-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	102.20 1	116,588	-	116,588	-	-	-	-	-	-	116,588
455	Interdepartmental Rents		-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)		-	-	-	-	-	-	-	-	-	-
4561	OVER-RECOVERY: FUEL AD	Direct	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC. ELECTRIC REVENUE	100.00 9	7,846	-	7,846	-	-	-	-	-	-	7,846
4563	Unbilled Revenue	Direct	8,373	-	8,373	-	-	-	-	-	-	8,373
4566	OVERRECOVERY: CONSER	Direct	-	-	-	-	-	-	-	-	-	-
	TOTAL OTHER OPERATING REVENUES		1,017,472	-	1,017,472	307,430	-	-	-	-	307,430	710,042
	TOTAL ELECTRIC OPERATING REVENUES		54,132,623	-	54,132,623	36,200,854	403,355	2,000,119	1,327,827	-	39,932,155	14,200,468

Supporting Schedules:

Recap Schedules:



OPERATING REVENUES DETAIL

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees
Billing Determinants	29,052,504	-	29,052,504	19,969,427	172,275	829,938
Billing Determinants	24,101,260	-	24,101,260	18,441,467	162,984	775,500
Billing Determinants	7,103,505	-	7,103,505	6,101,359	78,658	261,809
Billing Determinants	1,203,077	-	1,203,077	276,318	2,598	38,196
Billing Determinants	362,619	-	362,619	95,955	958	13,190
	-	-	-	-	-	-
	-	-	-	-	-	-
rs	61,822,965	-	61,822,965	44,884,527	417,473	1,918,632
	-	-	-	-	-	-
	61,822,965	-	61,822,965	44,884,527	417,473	1,918,632
	-	-	-	-	-	-
ND PROVISION	61,822,965	-	61,822,965	44,884,527	417,473	1,918,632
	-	-	-	-	-	-
100.00 9	354,696	-	354,696	-	-	-
101.20 2	225,209	-	225,209	-	-	-
	-	-	-	-	-	-
102.30 1	119,269	-	119,269	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Direct	307,430	-	307,430	307,430	-	-
100.00 9	7,846	-	7,846	-	-	-
Direct	8,373	-	8,373	-	-	-
Direct	-	-	-	-	-	-
ENUES	1,022,823	-	1,022,823	307,430	-	-
EVENUES	62,845,789	-	62,845,789	45,191,957	417,473	1,918,632

Pg. 10 of 3

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, Mark Cutshaw

(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
726,284		21,697,924	7,354,580
602,508		19,982,459	4,118,801
177,581		6,619,407	484,098
30,076		347,188	855,889
9,065		119,167	243,452
		-	-
		-	-
		-	-
1,545,514	-	48,766,145	13,056,820
1,545,514	-	48,766,145	13,056,820
-	-	-	-
1,545,514	-	48,766,145	13,056,820
		-	354,696
		-	225,209
		-	-
		-	119,269
		-	-
		-	-
		307,430	-
		-	7,846
		-	8,373
		-	-
-	-	307,430	715,393
1,545,514	-	49,073,575	13,772,214

Pg. 2 of 2

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBL. UTILITIES COMPANY  
Consolidated Electric Division  
DOCKET NO : 070304-EI 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budget, actual operating revenues and expenses by primary for a historical five year period and the forecasted d test year and the prior year.

Line No.	Account No.	Account Title	2002		2003		2004	
			Budget	Actual	Budget	Actual	Budget	Actual
BASE REVENUES								
	4000.4400	RESIDENTIAL SALES	6,327	6,323	6,317	6,291	7,379	6,997
	4000.4420	COMM. - SMALL	1,493	1,567	1,415	1,589	1,596	1,388
	4000.4421	COMM. - LARGE	2,477	2,446	2,493	2,464	2,537	2,251
	4000.4422	GSLD	543	453	565		134	358
	4000.4423	INDUSTRIAL						
	4000.4430	OUTDOOR LIGHTING						
	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205
	4000.4450	PUBLIC AUTH.	0		0	0	0	0
	4000.4480	INTERDEPT.SALES	39	38	36	12	13	7
	4000.4490	RATE REFUNDS	0	(30)	0	0	0	0
	4000.4500	FORFEITED DISC.	104	125	253	351	220	352
	4000.4510	MISC. SERVICE REVENUE	134	165	132	125	147	200
	4000.4540	RENT	105	104	106	105	108	106
	4000.4560	MISC OTHER REVENUE	7	15	13	19	11	2
TOTAL BASE REVENUES			11,392	11,365	11,598	11,143	12,454	11,866

## OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)

4010.5620	STATION EXPENSES	0	13	18	16	24	13
4010.5660	MISC. TRANS. EXPS.	18	8	1	2	1	0
4010.5800	OP SUPERVISION	239	235	215	247	347	283
4010.5820	STATION EXPENSES	13	34	41	41	50	39
4010.5830	OVHD LINES/TRANS	76	89	50	63	54	64
4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28
4010.5850	STREET LIGHT EXPENSE	18	28	31	18	28	21
4010.5860	METER EXPENSES	188	210	176	229	241	228
4010.5870	AREA LIGHT EXP	66	99	72	101	107	108
4010.5880	MISC. DISTR. OFFICE EXP	175	162	157	168	267	177
4010.5890	RENTS	18	13	18	6	13	17
4010.9010	SUPERVISION	122	97	108	122	190	154
4010.9020	METER READING EXP.	173	221	204	242	234	233
4010.9030	CUSTOMER RECORDS	784	685	702	730	877	739
4010.9040	UNCOLL. ACCOUNTS	79	27	77	66	72	73
4010.9050	MISC. CUST. ACCTS. EXP.	56	77	137	86	85	82
4010.9130	ADVERTISING	1	3	0	3	4	19
4010.9160	MISC. SALES EXPENSE			0	2		2
4010.9200	ADM & GENERAL SALARIES	732	848	981	833	886	825
4010.9210	OFFICE SUPPLIES & EXP.	196	229	172	187	172	195
4010.9230	OUTSIDE SERVICES	73	95	137	156	171	91
4010.9240	PROPERTY INSURANCE	164	158	165	162	229	182
4010.9250	INJURIES AND DAMAGES	206	362	353	591	436	475
4010.9260	EMPLOYEE PENSION/BENEFITS	301	255	573	440	558	768
4010.9280	REGULATORY EXPS.	4	6	24	9	89	66
4010.9300	MISC. GENERAL EXPENSES	89	130	99	78	61	82

Pg. 1 of 3

4010.9310 RENTS	4	4	3	5	4	6
<b>TOTAL OPERATION EXPENSES</b>	<b>3,814</b>	<b>4,123</b>	<b>4,558</b>	<b>4,639</b>	<b>5,235</b>	<b>4,970</b>
<b>MAINTENANCE EXPENSE</b>						

ed versus  
y account  
ata for the

Type of Data Shown:  
Projected Test Year Ended 12/31/08  
Projected Prior Year Ended 12/31/07  
Historical Year Ended 12/31/06  
Witness:

2005 Year 4		2006 Year 5		2007 Prior Year		2008 Prior Year	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
7,366	7,559	7,447	7,594	7,982	7,556,037		7,354,580
1,748	1,447	1,453	1,449	1,524	1,451,085		1,411,715
2,511	2,285	2,395	2,208	2,363	2,206,579		2,100,191
551	575	573	643	679	663,608		606,196
					523,050		484,198
					848,828		855,189
165	214	206	213	219	241,241		243,452
0	0	0	0	0	0		0
0	0	7	0	0	0		0
0	0	0	0	0	0		0
364	357	347	355	333			
255	246	269	220	227			
108	116	123	114	110			
20	9	5	8	9			
13,085	12,808	12,825	12,804	13,446	13,490,427	0	

Pg. 2 of 3

18	11	19	17	16	42,501	45,478
1	4	1	0	10	12,116	3,080
318	334	346	307	339	380,422	432,649
50	50	51	47	50	94,672	96,878
76	81	91	113	76	120,476	126,668
31	28	31	30	34	31,227	32,944
29	14	47	12	14	12,770	13,638
247	250	250	256	247	273,056	291,623
78	87	103	93	91	98,595	106,368
237	229	230	208	215	272,588	312,033
39	1	1	1	1	1,053	1,077
154	173	190	115	160	122,622	132,354
253	234	236	277	250	295,709	315,817
878	746	772	758	690	800,725	867,396
78	8	80	87	63	87,590	216,664
97	81	85	94	100	97,568	106,983
7	22	89	131	63	164,241	166,989
3	2	28	13	4	13,699	14,179
1,011	831	936	960	1,089	1,051,831	1,147,852
206	203	137	152	165	160,736	165,799
216	152	270	197	231	184,512	41,210
160	175	157	175	158	181,238	686,846
471	427	546	438	546	632	147,397
785	871	881	901	867	907,800	996,699
117	119	110	131	121	133,967	264,283
82	93	72	77	83	98,936	102,399

9	7	7	8	7	8,490	8,685
5,651	5,233	5,766	5,598	5,690	5,650,970	6,662,991

**MAINTENANCE EXPENSE**

4020.5700 MAINT STATION EQUIP	39	20	23	32	42	11
4020.5710 MAIN OVERHEAD LINES	12	24	12	9	18	9
4020.5730 MAINT MISC TRANS. PLT	0	0	0	0	0	0
4020.5900 MAINT SUPER/ENG	86	61	89	84	89	150
4020.5910 MAINT OF STRUCTURES	2	8	4	3	4	2
4020.5920 MAINT OF STATION EQUIP	74	75	112	57	182	60
4020.5930 MAINT OF POLES/COND/SER	861	808	676	855	1,021	989
4020.5940 MAINT OF U/G LINES	115	137	119	103	124	145
4020.5950 MAINT OF TRANSFORMERS	114	87	106	117	133	102
4020.5960 MAINT OF STREET LIGHTS	16	19	16	23	20	28
4020.5970 MAINT OF METERS	21	38	19	33	30	30
4020.5980 MAINT OF MISC DISTR PLT	35	53	37	60	54	70
4020.9350 MAINT OF GENERAL PLANT	70	38	122	65	155	50
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>1,445</b>	<b>1,368</b>	<b>1,335</b>	<b>1,441</b>	<b>1,869</b>	<b>1,646</b>
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2193	2333	2,608	2,323
4030.2000 DEPRECIATION EXP. - COMMON	48	71	81	83	101	96
4080.0000 TAXES OTHER THAN INC. TAXES	3,144	3,289	3,110	2,777	2,964	3,401
4090.4100 INCOME TAXES CURRENT/DEF	490	349	269	664	619	604
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)
<b>TOTAL OPERATING EXPENSES</b>	<b>11,120</b>	<b>11,260</b>	<b>11,474</b>	<b>11,885</b>	<b>13,349</b>	<b>13,000</b>

72	60	34	99	38	102,430	106,015
12	53	12	78	31	80,603	83,425
0	0	0	0	0	461	477
204	133	138	136	131	146,674	160,296
20	13	10	10	8	10,411	10,776
84	170	106	73	89	75,455	78,096
1,076	1,184	1,159	1,125	1,288	1,216,384	1,858,051
135	133	130	136	119	151,008	202,612
218	96	82	126	89	134,612	143,765
58	30	30	49	35	52,438	56,003
42	28	32	35	37	37,647	40,207
64	66	65	71	62	73,927	76,514
91	78	188	160	156	167,932	201,879
2,076	2,044	1,986	2,098	2,083	2,249,982	3,018,117
2,473	2,404	2,476	2,610	2,793	2,883,323	3,074,477
88	116	120	112	112	176,320	222,037
3,203	3,958	3,913	3,982	4,380	3,982,172	3,982,172
516	701	303	577	521	577,107	577,107
(35)	(35)	(32)	(32)	(32)	(32,322)	(32,322)
13,972	14,421	14,532	14,945	15,547	15,487,552	17,704,579

Schedule C-6

## BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown  
 Projected Test Year Ended: 12/31/08  
 Projected Prior Year Ended: 12/31/07  
 Historical Year Ended: 12/31/06  
 Witness

COMPANY: FLORIDA PUBL. UTILITIES COMPANY  
 Consolidated Electric Division  
 DOCKET NO. 070304-EI 070304-EI

Line No	Account No	Account Title	2002		2003		2004		2005		2006		2007		Test Year
			Year 1	Actual	Year 2	Actual	Year 3	Actual	Year 4	Actual	Year 5	Actual	Prior Year Budget	Actual	
BASE REVENUES															
	4000 4400	RESIDENTIAL SALES	6,327	6,323	6,317	6,291	7,379	6,997	7,366	7,559	7,447	7,594	7,982		
	4000 4420	COMM - SMALL	1,493	1,567	1,415	1,589	1,598	1,388	1,748	1,447	1,453	1,449	1,524		
	4000 4421	COMM - LARGE	2,477	2,446	2,493	2,464	2,537	2,251	2,511	2,285	2,395	2,208	2,363		
	4000 4422	GSLO	545	453	585		194	358	551	575	573	643	679		
	4000 4440	PUBLIC ST&HWY	161	179	288	187	249	205	165	214	208	213	219		
	4000 4450	PUBLIC AUTH.	0		0	0	0	0	0	0	0	0	0		
	4000 4480	INTERDEPT SALES	39	38	36	12	13	7	0	0	7	0	0		
	4000 4490	RATE REFUNDS	0	(30)	0	0	0	0	0	0	0	0	0		
	4000 4500	FORFEITED DISC	104	125	253	351	220	352	364	357	347	355	333		
	4000 4510	MISC SERVICE REVENUE	134	185	132	125	147	200	255	246	289	220	227		
	4000 4540	RENT	105	104	106	105	108	106	108	116	123	114	110		
	4000 4560	MISC OTHER REVENUE	7	15	13	19	11	2	20	9	5	8	9		
TOTAL BASE REVENUES			11,392	11,385	11,598	11,143	12,454	11,866	13,088	12,808	12,825	12,804	13,446	0	

## OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)

4010 5820	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	16
4010 5860	MISC TRANS. EXPS	18	8	1	2	1	0	1	4	1	0	10
4010 5800	OP SUPERVISION	239	235	215	247	347	263	318	334	346	307	339
4010 5820	STATION EXPENSES	13	34	41	41	50	39	50	50	51	47	50
4010 5830	OVHD LINES/TRANS	76	89	50	83	54	64	76	81	91	113	76
4010 5840	UNDERGROUND LINE EXP	19	35	24	38	34	28	31	28	31	30	34
4010 5850	STREET LIGHT EXPENSE	18	26	31	18	28	21	29	14	47	12	14
4010 5860	METER EXPENSES	188	210	176	229	241	228	247	250	250	256	247
4010 5870	AREA LIGHT EXP	66	99	72	101	107	108	78	87	103	93	91
4010 5880	MISC. DISTR. OFFICE EXP	175	162	157	168	257	177	237	279	230	208	215
4010 5890	RENTS	18	13	16	6	13	17	39	1	1	1	1
4010 9010	SUPERVISION	122	97	108	122	190	154	154	173	190	115	160
4010 9020	METER READING EXP	173	221	204	242	234	233	253	234	236	277	250
4010 9030	CUSTOMER RECORDS	784	685	702	730	877	739	878	746	772	758	690
4010 9040	UNCOLL. ACCOUNTS	79	27	77	66	72	73	76	8	80	87	63
4010 9050	MISC. CUST. ACCTS. EXP	56	77	137	86	85	82	97	81	85	94	100
4010 9110	ADVERTISING	1	3	0	3	4	19	7	22	89	131	63
4010 9180	MISC. SALES EXPENSE			0	2	1	2	3	2	28	13	4
4010 9200	ADM & GENERAL SALARIES	732	848	981	833	886	825	1,011	831	936	960	1,089
4010 9210	OFFICE SUPPLIES & EXP	196	229	172	187	172	195	206	203	137	152	165
4010 9230	OUTSIDE SERVICES	73	95	137	158	171	91	219	152	270	197	231
4010 9240	PROPERTY INSURANCE	164	158	165	162	229	182	160	175	157	175	158
4010 9250	INJURIES AND DAMAGES	206	382	353	591	436	475	471	427	546	438	546
4010 9260	EMPLOYEE PENSION BEN	301	255	573	440	558	768	765	371	881	901	897
4010 9280	REGULATORY EXPS	4	8	24	9	89	66	117	119	110	131	121
4010 9300	MISC GENERAL EXPENSES	89	130	99	78	61	82	82	93	72	77	83
4010 9310	RENTS	4	4	3	5	4	6	9	7	7	8	7

<b>TOTAL OPERATION EXPENSES</b>			<b>3,814</b>	<b>4,123</b>	<b>4,538</b>	<b>4,839</b>	<b>5,235</b>	<b>4,970</b>	<b>5,651</b>	<b>5,233</b>	<b>5,766</b>	<b>5,598</b>	<b>5,690</b>		
---------------------------------	--	--	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--	--

## MAINTENANCE EXPENSE

## MAINTENANCE EXPENSE

4020.5700 MAINT STATION EQUIP	39	20	23	32	42	11	72	60	34	99	38
4020.5710 MAIN OVERHEAD LINES	12	24	12	9	18	9	12	53	12	78	31
4020.5730 MAINT MISC TRANS. PLT	0	0	0	0	0	0	0	0	0	0	0
4020.5900 MAINT SUPER/ENG	86	61	89	84	89	150	204	133	138	136	131
4020.5910 MAINT OF STRUCTURES	2	8	4	3	4	2	20	13	10	10	8
4020.5920 MAINT OF STATION EQUIP	74	75	112	57	182	80	84	170	106	73	89
4020.5930 MAINT OF POLES/COND/SER	861	808	676	855	1,021	989	1,076	1,184	1,159	1,125	1,288
4020.5940 MAINT OF U/G LINES	115	137	119	103	124	145	135	133	130	136	119
4020.5950 MAINT OF TRANSFORMERS	114	87	106	117	130	102	218	98	82	126	89
4020.5960 MAINT OF STREET LIGHTS	16	19	16	23	20	28	58	30	30	49	35
4020.5970 MAINT OF METERS	21	38	19	33	30	30	42	28	32	35	37
4020.5980 MAINT OF MISC DISTR PLT	35	53	37	60	54	70	64	66	65	71	62
4020.9350 MAINT OF GENERAL PLANT	70	38	122	65	155	50	91	78	188	160	156
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>1,445</b>	<b>1,368</b>	<b>1,335</b>	<b>1,441</b>	<b>1,869</b>	<b>1,646</b>	<b>2,076</b>	<b>2,044</b>	<b>1,986</b>	<b>2,098</b>	<b>2,083</b>
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2,193	2,333	2,608	2,323	2,473	2,404	2,476	2,610	2,793
4030.2000 DEPRECIATION EXP. - COMMON	48	71	81	83	101	96	88	116	120	112	112
4080.0000 TAXES OTHER THAN INC. TAXES	3,144	3,289	3,110	2,777	2,964	3,401	3,203	3,958	3,913	3,982	4,380
4090.4100 INCOME TAXES CURRENT/DEF	490	349	289	664	619	604	516	701	303	577	521
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(32)
<b>TOTAL OPERATING EXPENSES</b>	<b>11,120</b>	<b>11,260</b>	<b>11,474</b>	<b>11,885</b>	<b>13,349</b>	<b>13,000</b>	<b>13,972</b>	<b>14,421</b>	<b>14,532</b>	<b>14,945</b>	<b>15,547</b>





C-7 continued

MAINTENANCE EXPENSES -- PRIOR YEAR 2007

1 revenue requirements are based on a  
ear, provide actual monthly operation and  
xpense by primary account for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
#N/A

May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total		
2,629,859	2,805,401	2,991,769	3,017,484	2,514,044	2,307,352	2,133,682	2,332,709	30,283,660		
(268,734)	(179,268)	134,320	(29,641)	134,320	134,320	(65,942)	(9,781)	(95,832)		
4,301	2,992	4,862	7,293	6,732	5,236	9,163	8,976	72,369		
-	-	-	-	-	-	-	-	-		
4,066	6,168	2,456	3,283	3,525	4,266	2,698	4,202	42,501	42,500.73	TRUE
1,000	1,000	1,000	1,000	1,105	1,000	1,000	1,000	12,116	12,115.81	TRUE
32,589	33,368	27,753	34,631	35,651	27,357	26,869	41,960	380,422	380,421.71	TRUE
-	-	-	-	-	-	-	-	-		
6,744	10,572	6,228	6,970	6,775	8,112	8,067	10,626	94,672	94,671.51	TRUE
3,307	5,907	3,134	6,300	3,190	9,324	8,721	2,152	54,913		
6,527	5,116	8,282	7,200	8,364	7,339	3,352	4,663	65,562		
559	263	295	294	504	315	406	302	3,723		
4,535	4,524	1,589	1,136	2,085	860	1,345	2,007	27,504		
1,416	911	397	1,340	918	751	1,792	889	12,770		
20,305	23,132	19,957	21,802	25,877	28,470	25,661	21,212	273,056		
3,346	3,572	4,121	4,817	5,365	5,094	4,090	7,378	55,585		
6,922	4,406	4,266	4,041	3,258	2,926	3,367	2,795	44,010		
10,219	10,378	8,168	9,414	6,035	8,744	8,877	13,887	105,926	105,926.38	TRUE
11,444	16,637	12,688	9,086	16,555	7,882	13,261	19,054	155,533	155,533.42	TRUE
488	461	555	559	461	423	742	1,565	11,129		
-	-	110	353	-	68	18	173	1,053		
5,201	4,927	4,532	4,961	4,934	7,760	6,896	11,750	73,765	73,765.13	TRUE
4,035	4,996	3,265	5,353	4,502	3,253	4,893	3,144	49,056		
25,415	27,068	23,611	26,563	24,338	24,131	24,849	23,970	295,709		
39,350	47,684	44,746	47,220	44,410	45,248	44,672	50,021	526,266	526,266.36	TRUE
22,035	25,412	22,435	20,781	22,579	22,115	20,767	28,681	274,458		
4,570	5,337	6,101	5,930	6,163	5,052	4,246	31,976	87,590		
6,159	7,879	5,025	6,476	5,999	4,062	6,603	12,785	80,765		
1,723	1,491	1,211	1,592	1,409	1,382	1,456	1,555	16,804		

[illegible]

## section 2

C-7 continued

84	Total Operating Expenses Less Fuel			421,524	407,013	470,328	420,058	456,108	499,875	436,870	494,346	466,780
85	Maintenance Expenses											
86												
87	541-546.1 Hydraulic Power Gen - Maintenance											
88	554 MAINT OF MISC POWER	13	103.4%									
89												
90	568-574 Transmission Expenses - Maintenance											
91	570 MAINT OF STATION EQUIP	13	103.4%	384	874	3,075	4,880	8,505	2,891	2,587	2,606	2,382
92	571 MAINT OF OVERHEAD LINES	13	103.4%	110	150		2,933	9,687	25,806	8,305	12,788	8,719
93	573 MAINT OF MISC TRANSMISSION	13	103.4%									
94												
95	590-595 Distribution Expenses - Maintenance											
96	590 MAINT SUPERVISION & ENG	5	105.5%	2,856	15,473	17,208	20,088	11,972	9,337	10,353	7,624	9,908
97	591 MAINT OF STRUCTURES	13	103.4%		1,082	(158)	21	2,474	(746)	1,288	810	1,378
98	592 MAINT OF STATION EQUIP	13	103.4%		5,463	2,299	13,391	683	10,300	5,687	3,485	10,148
99	593 MAINT OF POLES/TOWER	13	103.4%		13,392	2,354	10,727	2,452	995	2,755	3,826	2,649
100	5932 MAINT OF OVERHEAD CO	13	103.4%	53,248	81,398	52,002	112,733	48,321	105,902	124,050	93,244	78,372
101	5933 MAINT OF SERVICES	13	103.4%		11,333	8,996	9,447	7,871	11,525	14,052	11,936	15,190
102	5941 MAINT OF UNDERGROUND LINES	16	106.8%		889	332	523	263	1,785	450	281	809
103	5942 MAINT OF UNDERGROUND LINES	16	106.8%	5,748	12,493	4,798	9,232	5,945	8,754	17,933	37,035	10,205
104	5951 MAINT OF LINE TRANSFORMERS	16	106.8%		3,193	3,168	4,322	5,079	6,976	8,893	5,380	4,983
105	5952 MAINT OF LINE TRANSFORMERS	16	106.8%				309			415	8,805	340
106	5953 MAINT OF LINE TRANSFORMERS	16	106.8%		3,351	1,262	4,999	2,423	3,325	10,833	3,878	10,294
107	596 MAINT - STREET LIGHT/SIGNALS	16	106.8%		2,748	1,823	5,125	2,077	3,062	2,498	3,878	3,193
108	597 MAINT OF VIETERS	16	106.8%		2,152	2,563	3,368	5,974	2,282	2,854	3,245	2,768
109	598 MAINT OF MISC DIST PLANT	13	103.4%		5,678	4,881	5,912	3,053	3,849	5,797	3,869	5,248
110	935 Administrative & General - Maintenance											
111	935 MAINT OF GENERAL PLANT	13	103.4%	2,800	14,071	8,034	28,226	10,071	22,284	11,214	15,619	12,860
112												
113	TOTAL MAINTENANCE EXPENSES			152,997	108,388	231,499	116,253	205,582	247,436	213,584	183,487	195,362
114												
115												
116												
117												
118												
119												
120												

471,550 462,278 655,833 8,690,970

2,426 2,705 71,115 102,430  
5,888 7,539 (1,298) 80,803  
461 461

9,285 7,007 19,037 146,874 146,873.60 TRUE  
(288) 526 10,411  
231 2,692 13,577 75,455  
1,218 839 3,508 46,044 46,044.02 TRUE  
79,711 97,583 74,556 1,032,580 1,032,585.59 TRUE  
10,344 10,056 17,003 137,755  
851 784 1,055 7,988  
7,138 7,594 11,094 143,039 143,039.40 TRUE  
17,211 8,738 (7,778) 68,893  
(883) (1,988) 423 7,451  
3,917 7,241 2,501 58,287  
3,100 9,708 13,322 52,438  
2,053 2,669 3,395 37,647  
4,933 11,939 13,345 73,927  
13,394 11,048 13,075 167,932 167,931.87 TRUE

160,347 185,879 248,395 2,249,982

Section 3

[illegible]

## Section 4

Pg. 1 A-P

Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES -- PROJECTED TEST YEAR 2008

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Account No.	Account Title			Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06
1	<b>OPERATING EXPENSES</b>													
2			Adjustment Basis	Adjustment Factor										
3	555-557	<b>Other Power Supply Expenses</b>												
4	555	PURCHASED POWER	Billing Determinants		2,312,187	2,818,525	2,181,902	2,238,746	2,629,859	2,805,401	2,991,769	3,017,484	2,514,044	2,307,352
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-	-	-	-	-	-	-	-
6	5551	UNDER REC.FUEL ADJ.	19	0%	118,551	(198,208)	134,320	(89)	(268,734)	(179,268)	134,320	(29,641)	134,320	134,320
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	4,488	11,407	1,870	5,049	4,301	2,992	4,862	7,293	6,732	5,236
8	557	OTHER EXPENSES	???		-	-	-	-	-	-	-	-	-	-
9														
10	560-567.1	<b>Transmission Expenses - Operation</b>												
11	562	STATION EXPENSES	1	102.3%	25,575	2,490	2,663	3,948	4,160	6,310	2,513	3,359	3,606	4,364
12	566	MISC TRANSMISSION EXPENSES	13	103.5%	30,960	2,591	2,580	2,580	2,580	2,580	2,580	2,580	2,689	2,580
13														
14	580-589	<b>Distribution Expenses - Operation</b>												
15	580	OPERATION SUPERVISION & ENG	5	105.5%	90,815	36,973	29,177	38,915	32,226	36,990	37,812	31,889	39,144	40,221
16	581	LOAD DISPATCHING	13	103.5%	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	47,475	8,256	6,392	8,440	9,172	7,115	11,153	6,571	7,353	7,147
18	5831	OPERATION OF OVERHEA	16	106.8%	-	2,773	2,639	4,654	3,689	3,531	6,309	3,347	6,729	3,407
19	5832	REMOVING & RESETTNG	16	106.8%	4,484	3,540	4,482	3,214	6,970	5,464	8,846	7,690	8,932	7,838
20	5841	UNDERGROUND LINE EXP	5	105.5%	-	-	71	756	590	277	312	311	532	333
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,625	1,992	4,185	2,139	4,785	4,773	1,676	1,199	2,199	907
22	585	STREET LIGHT/SIGNAL	16	106.8%	528	949	1,335	1,840	1,512	973	424	1,431	981	802
23	586	METER EXPENSES	16	106.8%	25,256	20,098	25,746	21,433	21,686	24,705	21,314	23,285	27,636	30,406
24	5871	AREA LIGHT EXPENSE	16	106.8%	3,831	5,753	5,070	4,357	3,574	3,815	4,402	5,144	5,729	5,441
25	5872	OTHER CUSTOMER INSTA	16	106.8%	3,247	3,026	4,924	1,649	7,392	4,705	4,556	4,316	3,480	3,125
26	5881	DISTRIBUTION MAPS &	16	106.8%	20,909	9,625	9,472	11,010	9,120	12,656	12,826	10,466	11,797	8,188
27	5882	OTHER DIST OFFICE SU	16	106.8%	54,254	12,463	10,294	15,880	13,617	12,223	17,768	13,550	9,704	17,681
28	5883	MISC DISTRIBUTION OF	16	106.8%	-	1,714	2,059	493	2,007	521	493	593	597	493
29	589	RENTS	1	102.3%	225	-	-	113	-	-	113	361	-	70
30														
31	901-905	<b>Customer Accounts - Operation</b>												
32	901	SUPERVISION	5	105.5%	4,284	12,783	640	5,989	5,572	5,718	5,429	5,013	5,466	5,437
33	9011	SUPERVISION A&G	5	105.5%	-	-	8,655	4,471	3,348	4,257	5,271	3,445	5,647	4,749
34	902	METER READING EXPENSE	16	106.8%	-	24,398	24,004	31,104	22,768	27,143	28,909	25,217	28,370	25,993
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	24,055	65,296	23,578	51,093	39,450	43,400	52,193	49,093	51,703	48,738
36	9031	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	-	43,782	26,876	23,927	23,247	26,809	23,668	21,924	23,821
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	129,249	15,956	15,307	14,834	15,147	15,326	16,093	16,857	16,686	16,919
38	905	MISC CUSTOMER ACCOUNTS	13	103.5%	-	9,787	4,412	5,902	6,577	6,374	8,155	5,201	6,703	6,209
39	9051	MISC CUSTOMER ACCOUNTS	13	103.5%	-	-	1,952	1,515	1,691	1,783	1,543	1,253	1,648	1,459
40														
41	906-910	<b>Customer Service and Info - Operation</b>												
42	9061	UNDERRECOVERY: CONSERVATION	19	0.0%	-	-	-	-	-	-	-	-	-	-
43	907	SUPERVISION	19	0.0%	-	-	-	-	-	-	-	-	-	-
44	908	CUSTOMER ASSISTANCE	19	0.0%	-	-	-	-	-	-	-	-	-	-
45	909	INFO & INSTRUCTIONAL	19	0.0%	-	-	-	-	-	-	-	-	-	-
46	910	MISC CUSTOMER SERVICE	19	0.0%	-	-	-	-	-	-	-	-	-	-
47														
48	911-917	<b>Sales Expenses - Operation</b>												
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
52	9133	SAFETY ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
53	9134	OTHER INFO/INSTR/CON	13	103.5%	29,808	8,007	8,038	8,647	13,272	10,663	10,652	7,835	28,494	7,953
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
56	916	MISC SALES EXPENSES	13	103.5%	120	144	123	127	60	2,439	32	13,216	(2,285)	28
57														
58	920-933	<b>Administrative &amp; General - Operation</b>												
59	920	ADM & GENERAL SALARIES	5	105.5%	79,066	91,200	91,254	100,282	89,165	99,366	99,424	94,950	101,233	94,749
60	9211	OFFICE SUPPLIES	1	102.3%	-	608	939	1,522	771	746	1,185	1,242	1,315	906
61	9212	OFFICE POSTAGE & MAI	1	102.3%	-	801	852	1,112	812	167	917	36	804	93
62	9213	OFF COMPUTER SUPP &	1	102.3%	6,518	702	(7,994)	5,097	(3,195)	410	1,028	1,520	2,666	209

63	9214 OFFICE UTILITY EXPENSE	1	102.3%		3,170	2,733	3,500	2,087	3,760	3,239	2,306	2,865	2,293	3,669
64	9215 MISC OFFICE EXPENSE	1	102.3%	5,200	5,989	7,780	9,176	8,212	6,812	7,574	11,996	3,471	8,196	10,136
65	9216 CO TRAINING EXPENSE	1	102.3%	5,486	457	596	822	457	507	562	457	507	468	1,428
66	9231 OUTSIDE SERVICES - O	FPUC			-	-	-	-	-	-	-	-	-	-
67	9232 LEGAL FEES AND EXPENSES	1	102.3%		2,248	1,388	502	1,338	12,412	6,509	1,909	3,486	1,380	3,295
68	9233 OUTSIDE AUDIT & ACCO	FPUC		90,675	-	-	-	-	-	-	-	-	-	-
69	924 PROPERTY INSURANCE	FPUC			50,751	50,751	50,751	50,751	50,751	50,751	50,751	50,751	52,401	52,424
70	9251 INJURIES AND DAMAGES	FPUC		147,397	12,283	12,283	12,283	12,283	12,283	12,283	12,283	12,283	12,283	12,283
71	9252 GENERAL LIABILITY				-	-	-	-	-	-	-	-	-	-
72	9261 EMPLOYEE PENSIONS	FPUC			29,946	29,946	29,946	29,946	29,946	29,946	29,946	29,946	30,919	30,932
73	9262 EMPLOYEE BENEFITS- O	FPUC			40,548	40,548	40,548	40,548	40,548	40,548	40,548	40,548	41,866	41,885
74	9263 RETIREE BENEFITS-POS	FPUC			4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,156	4,158
75	9264 401(K) EXPENSE COMPA				-	-	-	-	-	-	-	-	-	-
76	928 REGULATORY COMMISSION	1	102.3%	117,235	10,518	21,039	22,534	19,566	20,649	23,965	19,137	20,900	26,332	18,214
77	9301 INSTITUTIONAL/GOODWILL	13	103.5%		-	-	-	-	-	-	-	-	-	-
78	9302 MISC. GENERAL EXPENSE	13	103.5%		3,343	5,158	14,727	4,825	5,728	6,825	2,193	5,789	6,447	5,174
79	93022 INDUSTRY ASSOCIATION	13	103.5%		1,070	(1,070)	1,070	-	88	-	3,540	-	-	-
80	93023 ECONOMIC DEVELOPMENT	13	103.5%	10,350	863	863	863	863	863	863	863	6,213	863	863
81	931 RENTS	1	102.3%		585	606	575	616	671	641	641	612	857	42
82														
83	<b>TOTAL OPERATING EXPENSES</b>				<b>2,952,726</b>	<b>3,133,339</b>	<b>2,886,398</b>	<b>2,758,207</b>	<b>2,917,668</b>	<b>3,226,561</b>	<b>3,662,141</b>	<b>3,586,260</b>	<b>3,207,216</b>	<b>3,015,021</b>
84	<b>Total Operating Expenses Less Fuel</b>				<b>517,500</b>	<b>501,615</b>	<b>568,274</b>	<b>514,501</b>	<b>552,242</b>	<b>597,436</b>	<b>531,190</b>	<b>591,124</b>	<b>552,120</b>	<b>568,113</b>
85	<b>Maintenance Expenses</b>													
86														
87	<b>541-545.1 Hydraulic Power Gen - Maintenance</b>													
88	554 MAINT OF MISC POWER	13	103.5%		-	-	-	-	-	-	-	-	-	-
89														
90	<b>568-574 Transmission Expenses - Maintenance</b>													
91	570 MAINT OF STATION EQUIP	13	103.5%		397	904	3,183	5,051	6,733	2,992	2,678	2,697	2,466	2,511
92	571 MAINT OF OVERHEAD LINES	13	103.5%		113	155	-	3,036	10,026	26,709	8,596	13,215	9,024	6,092
93	573 MAINT OF MISC TRANSMISSION	13	103.5%		-	-	-	-	-	-	-	-	-	-
94														
95	<b>590-598 Distribution Expenses - Maintenance</b>													
96	590 MAINT SUPERVISION & ENG	5	105.5%	8,568	16,787	18,617	21,656	13,093	10,314	11,386	8,506	10,914	10,363	10,258
97	591 MAINT OF STRUCTURES	13	103.5%		1,119	(162)	21	2,561	(772)	1,312	631	1,427	4,370	(277)
98	592 MAINT OF STATION EQUIP	13	103.5%		5,654	2,379	13,860	707	10,660	5,886	3,586	10,503	7,783	239
99	5931 MAINT OF POLES/TOWER	13	103.5%	219,833	32,181	20,756	29,422	20,857	19,349	21,170	22,279	21,061	19,696	19,580
100	5932 MAINT OF OVERHEAD CO	13	103.5%	434,372	95,152	85,427	148,284	81,618	141,213	159,997	128,113	112,721	139,980	114,106
101	5933 MAINT OF SERVICES	13	103.5%		11,729	7,241	9,777	7,940	11,928	14,544	12,354	15,722	12,628	10,706
102	5941 MAINT OF UNDERGROUND LINES	16	106.8%		714	355	559	281	1,885	480	300	650	626	696
103	5942 MAINT OF UNDERGROUND LINES	16	106.8%	47,475	16,787	8,569	13,305	9,794	12,794	22,597	42,998	14,344	14,999	11,068
104	5951 MAINT OF LINE TRANSFORMERS	16	106.8%		3,410	3,383	4,616	5,425	7,451	9,273	5,745	5,300	9,565	18,381
105	5952 MAINT OF LINE TRANSFORMERS	16	106.8%		-	-	330	-	-	444	9,403	363	33	(943)
106	5953 MAINT OF LINE TRANSFORMERS	16	106.8%		3,590	1,348	5,339	2,588	3,551	11,356	4,139	10,994	4,735	4,184
107	596 MAINT -STREET LIGHT/SIGNALS	16	106.8%		2,933	1,947	5,474	2,219	3,270	2,668	4,142	3,367	2,077	3,311
108	597 MAINT OF METERS	16	106.8%		2,298	2,737	3,598	6,381	2,416	3,155	3,465	2,956	4,532	2,192
109	598 MAINT OF MISC DIST PLANT	13	103.5%		5,876	4,845	6,119	3,139	3,777	5,999	4,005	5,431	6,049	5,106
110	<b>935 Administrative &amp; General - Maintenance</b>													
111	935 MAINT OF GENERAL PLANT	13	103.5%	30,968	16,903	10,654	31,553	12,762	25,404	13,946	18,505	15,649	10,656	16,202
112														
113	<b>TOTAL MAINTENANCE EXPENSES</b>				<b>215,645</b>	<b>169,157</b>	<b>297,096</b>	<b>177,451</b>	<b>269,998</b>	<b>313,915</b>	<b>279,446</b>	<b>247,314</b>	<b>259,582</b>	<b>223,411</b>
114														
115														
116														
117														
118														
119														
120														
121														
122	<b>Other Operating Expenses</b>													
123														
124	4030.1 DEPRECIATION EXPENSE	Direct			253,281	250,273	255,084	264,112	260,382	260,732	261,604	263,422	263,997	264,581
125	4030.2 DEPR EXP-COMMON	Direct			25,638	18,780	18,978	18,808	17,543	17,456	17,557	17,614	17,614	17,614
126	<b>403 - Depreciation Expenses</b>				<b>278,919</b>	<b>269,053</b>	<b>274,062</b>	<b>282,920</b>	<b>277,925</b>	<b>278,188</b>	<b>279,161</b>	<b>281,036</b>	<b>281,611</b>	<b>282,195</b>
127														
128	4070.3 Amortization - Storm Hardening	Direct			101,021	104,303	104,303	104,303	104,303	104,303	104,303	104,303	104,303	104,303
129	<b>407 - Storm Hardening</b>				<b>101,021</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>	<b>104,303</b>
130														
131	4080.1 AD VALOREM TAXES	9	100.0%		44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215
132	4080.2 STATE GROSS RECEIPTS	Pass-Through			97,866	97,869	90,971	85,461	90,831	102,708	119,260	112,935	116,828	97,125
133	4080.3 FPSC ASSESSMENT	Direct			2,712	2,857	2,661	2,501	2,735	3,055	3,654	3,366	3,304	2,780
134	4080.4 EMERGENCY EXCISE TAX	9	100.0%		-	-	-	-	-	(8,261)	-	-	-	-
135	4080.5 FEDERAL UNEMPLOYMENT	5	105.5%		2,693	869	(225)	(753)	(738)	(997)	61	128	69	41
136	4080.6 STATE UNEMPLOYMENT T	5	105.5%		4,025	626	(380)	(1,225)	(1,200)	(1,605)	98	206	111	65

Pg. 3 A-P

137	4080.7 F.I.C.A.	16	106.8%	18,978	17,601	32,360	17,342	18,509	16,743	18,576	32,963	18,392	17,420
138	4080.8 MISCELLANEOUS TAXES	9	100.0%	-	-	-	-	-	-	-	313	300	-
139	4080.11 FRANCHISE TAX	Pass-Through		166,851	170,147	155,756	145,697	155,113	173,835	197,308	191,221	196,953	164,605
140	<b>408 - Taxes Other Than Income Taxes</b>			<b>337,340</b>	<b>334,184</b>	<b>325,358</b>	<b>293,238</b>	<b>309,465</b>	<b>329,693</b>	<b>383,172</b>	<b>385,347</b>	<b>380,172</b>	<b>326,251</b>
141													
142	4090.1 I/T -FEDERAL- UTIL O	Direct		122,000	45,400	42,700	80,400	(12,500)	(83,402)	137,374	122,300	90,400	104,900
143	4090.2 I/T -STATE - UTIL O	Direct		20,800	7,900	7,300	13,700	(2,200)	(15,089)	23,912	20,900	15,500	17,900
144	<b>409 - Income Taxes</b>			<b>142,800</b>	<b>53,300</b>	<b>50,000</b>	<b>94,100</b>	<b>(14,700)</b>	<b>(98,491)</b>	<b>161,286</b>	<b>143,200</b>	<b>105,900</b>	<b>122,800</b>
145													
146	4100.1 DEFERRED I/T-FEDERAL	Direct		(50,683)	16,298	(53,371)	(40,949)	58,125	135,052	(40,482)	(13,614)	(41,552)	(83,449)
147	4100.2 DEFERRED I/T-STATE	Direct		(8,675)	2,792	(9,140)	(7,006)	9,953	23,116	(6,931)	(2,333)	(7,112)	(14,287)
148	4100.3 DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-	-	-	(41,157)	-
149	4100.4 DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-	-	-	554	-
150	<b>410 - Deferred Income Taxes</b>			<b>(59,358)</b>	<b>19,090</b>	<b>(62,511)</b>	<b>(47,955)</b>	<b>68,078</b>	<b>158,168</b>	<b>(47,413)</b>	<b>(15,947)</b>	<b>(89,267)</b>	<b>(97,736)</b>
151													
152	4110.4 INVEST TAX CREDIT- U	Direct		(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)
153	<b>411 - Investment Tax Credit</b>			<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>	<b>(2,694)</b>
154													
155	<b>TOTAL OTHER OPERATING EXPENSES</b>			<b>798,028</b>	<b>777,236</b>	<b>688,518</b>	<b>723,012</b>	<b>742,377</b>	<b>769,166</b>	<b>877,815</b>	<b>895,245</b>	<b>780,025</b>	<b>735,119</b>
156													
157	<b>TOTAL EXPENSES INCLUDING FUEL</b>			<b>3,966,398</b>	<b>4,079,732</b>	<b>3,871,979</b>	<b>3,659,570</b>	<b>3,930,042</b>	<b>4,309,643</b>	<b>4,819,402</b>	<b>4,728,819</b>	<b>4,246,822</b>	<b>3,973,552</b>

Supporting Schedules:

25 26 27 28 29 30 31 32 33 34



Pg. 4 Q-V

Type of Data Shown  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 #N/A

Nov-06	Dec-06	12 Month Total	Checks on over and above	
2,133,682	2,332,709	30,283,660		
-	-	-		
(65,942)	(9,781)	(95,832)		
9,163	8,976	72,369		
-	-	-		
2,760	4,299	43,478	43,478.24	TRUE
2,580	2,580	31,080	31,079.86	TRUE
30,956	46,877	432,649	check	
-	-	-	432,649.46	TRUE
8,511	11,211	99,878	99,878.44	TRUE
9,314	2,298	58,647		
3,580	4,980	70,021		
429	318	3,928		
1,419	2,117	29,017		
1,914	949	13,638		
27,406	22,654	291,623		
4,369	7,879	59,365		
3,596	2,985	47,003		
11,223	16,574	134,038	134,038.37	TRUE
14,163	20,350	166,109	166,109.29	TRUE
793	1,671	11,885		
19	177	1,077		
7,507	12,628	80,600	80,599.67	TRUE
5,162	3,317	51,755		
26,539	25,600	315,817		
49,015	54,658	577,843	577,842.81	TRUE
21,909	30,259	289,553		
15,002	42,732	216,664	216,664.00	TRUE
6,834	13,233	83,591		
1,507	1,610	17,392		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
-	-	-		
(6,826)	-	1,645		
-	2,068	8,801		
16,007	16,904	159,543	159,542.85	TRUE
-	-	-		
-	-	-		
57	118	14,179		
96,769	95,244	1,147,852	1,147,851.60	TRUE
647	595	11,117		
22	858	7,275		
987	352	8,299		

Pg. 5-Q-V

2,720	2,875	35,217		
8,860	12,452	100,654	100,653.65	TRUE
519	457	7,238	7,238.27	TRUE
-	-	-		
3,321	3,421	41,210		
-	-	-		
52,412	117,598	680,846		
12,283	12,283	147,397	147,397.00	TRUE
-	-	-		
30,926	69,388	401,730		
41,875	93,956	543,969		
4,157	9,327	54,000		
-	-	-		
23,721	27,706	254,283	254,283.06	TRUE
-	-	-		
10,630	11,161	82,000		
-	-	4,698		
863	863	15,701	15,700.95	TRUE
1,747	1,092	8,685		
<hr/>				
2,635,106	3,142,576	37,123,188		
558,203	810,672	6,862,991		

-	-	-		
2,800	73,604	106,015		
7,803	(1,343)	83,425		
-	477	477		
<hr/>				
7,855	20,547	160,296	160,295.57	TRUE
545	-	10,776		
2,786	14,053	78,096		
19,187	21,951	267,489	267,488.56	TRUE
132,604	108,770	1,447,986	1,447,986.41	TRUE
10,408	17,598	142,576		
837	1,127	8,510		
11,555	15,293	194,102	194,102.22	TRUE
9,333	(8,305)	73,578		
(2,123)	452	7,958		
7,733	2,671	62,229		
10,368	14,228	56,003		
2,850	3,626	40,207		
12,356	13,812	76,514		
13,774	15,871	201,879	201,879.48	TRUE
<hr/>				
250,671	314,433	3,018,117		

264,991	212,020	3,074,477
17,674	16,759	222,037
282,664	228,779	3,296,514
<hr/>		
84,612	84,612	1,212,252
84,612	84,612	1,208,970
<hr/>		
35,868	35,868	513,886
81,319	91,611	1,184,784
2,142	2,641	34,408
-	-	(8,261)
70	114	1,332
112	184	1,017

Pg. 6-Q-V

17,904	14,970	241,758
-	-	613
138,314	156,835	2,012,635
275,729	302,223	3,982,172
5,900	4,900	660,372
1,000	900	112,523
6,900	5,800	772,895
10,440	(28,318)	(132,503)
1,793	(4,852)	(22,682)
-	-	(41,157)
-	-	554
12,233	(33,170)	(195,788)
(2,694)	(2,688)	(32,322)
(2,694)	(2,688)	(32,322)
-	-	-
659,445	585,556	9,032,441
3,545,222	4,042,566	49,173,747

Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES – TEST YEAR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 #N/A

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	12 Month Total
1		<b>OPERATING EXPENSES</b>													
2															
3	555-557	<b>Other Power Supply Expenses</b>													
4	555	PURCHASED POWER	2,312,187	2,818,525	2,181,902	2,238,746	2,629,859	2,805,401	2,991,769	3,017,484	2,514,044	2,307,352	2,133,682	2,332,709	30,283,660
5	55501	PURCHASED POWER-QUAL	4,488	11,407	1,870	5,049	4,301	2,992	4,862	7,293	6,732	5,236	9,163	8,976	72,369
6	5551	UNDER REC:FUEL ADJ.	118,551	(198,208)	134,320	(89)	(268,734)	(179,268)	134,320	(29,641)	134,320	134,320	(65,942)	(9,781)	(95,832)
7	556	SYSTEM CONTROL & LOA	-	-	-	-	-	-	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	(565)	5,421	(16,501)	245	44,573	105,507	1,041	26,650	59,797	1,081	39,811	79,179	346,239
9															
10	560-567.1	<b>Transmission Expenses - Operation</b>													
11	562	STATION EXPENSES	343	509	837	1,738	1,940	3,997	365	1,174	1,411	2,136	601	2,073	17,124
12	566	MISC TRANSMISSION EX	10	-	-	-	-	-	-	-	102	-	-	-	112
13															
14	580-589	<b>Distribution Expenses - Operation</b>													
15	580	OPERATION SUPERVISIO	26,419	19,415	28,164	22,154	26,434	27,173	21,851	28,370	29,337	21,475	21,013	35,317	307,122
16	581	LOAD DISPATCHING	-	-	-	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	3,863	2,188	4,028	4,686	2,838	6,466	2,349	3,052	2,867	4,135	4,092	6,518	47,082
18	5831	OPERATION OF OVERHEA	2,431	2,314	4,080	3,234	3,096	5,531	2,934	5,899	2,987	8,730	8,166	2,015	51,417
19	5832	REMOVING & RESETTNG	3,931	3,104	3,929	2,818	6,111	4,790	7,755	6,742	7,831	6,872	3,139	4,366	61,388
20	5841	UNDERGROUND LINE EXP	-	64	679	-	530	249	280	279	478	299	385	286	3,529
21	5842	UNDERGRND LINE EXPEN	1,460	1,790	3,760	1,922	4,299	4,288	1,506	1,077	1,976	815	1,275	1,902	26,070
22	585	STREET LIGHT/SIGNAL	463	832	1,170	1,613	1,326	853	372	1,255	860	703	1,678	832	11,957
23	586	METER EXPENSES	22,142	17,620	22,572	18,791	19,012	21,659	18,686	20,414	24,229	26,657	24,027	19,861	255,670
24	5871	AREA LIGHT EXPENSE	3,359	5,044	4,445	3,820	3,133	3,345	3,859	4,510	5,023	4,770	3,830	6,908	52,046
25	5872	OTHER CUSTOMER INSTA	2,847	2,653	4,317	1,446	6,481	4,125	3,994	3,784	3,051	2,740	3,153	2,617	41,208
26	5881	DISTRIBUTION MAPS &	6,911	6,777	8,125	6,468	9,568	9,717	7,648	8,815	5,651	8,187	8,312	13,003	99,182
27	5882	OTHER DIST OFFICE SU	6,963	5,061	9,958	7,974	6,752	11,614	7,916	4,544	11,537	3,416	8,453	13,877	98,065
28	5883	MISC DISTRIBUTION OF	1,503	1,805	432	1,760	457	432	520	523	432	396	695	1,465	10,420
29	589	RENTS	215	-	-	108	-	-	108	345	-	67	18	169	1,030
30															
31	901-905	<b>Customer Accounts - Operation</b>													
32	901	SUPERVISION	11,164	254	5,060	4,685	4,817	4,557	4,183	4,590	4,564	7,243	6,424	11,025	68,566
33	9011	SUPERVISION A&G	-	7,776	4,017	3,008	3,825	4,736	3,095	5,074	4,267	3,083	4,638	2,980	46,499
34	902	METER READING EXPENS	21,390	21,045	27,269	19,961	23,797	25,345	22,108	24,872	22,788	22,595	23,267	22,444	276,881
35	903	CUSTOMER RECORDS/COL	56,864	19,383	44,104	33,643	37,192	45,092	42,307	44,652	41,988	42,783	42,237	47,307	497,552
36	9031	CUSTOMER RECORDS/COL	-	39,336	24,147	21,497	20,886	24,087	21,265	19,698	21,402	20,962	19,684	27,186	260,150
37	904	UNCOLLECTIBLE ACCOUN	5,185	4,536	4,063	4,376	4,555	5,322	6,086	5,915	6,148	5,037	4,231	31,961	87,415
38	905	MISC CUSTOMER ACCOUN	9,145	4,123	5,515	6,146	5,956	7,620	4,860	6,263	5,802	3,928	6,386	12,365	78,109
39	9051	MISC CUSTOMER ACCNT	-	1,824	1,416	1,580	1,666	1,442	1,171	1,540	1,363	1,337	1,408	1,504	16,251
40															
41	906-910	<b>Customer Service and Info - Operation</b>													
42	9061	UNDERRECOVERY: CONSE	-	-	-	-	-	-	-	-	-	-	-	-	-
43	907	SUPERVISION	5,981	6,759	7,862	6,118	7,711	5,528	2,934	8,759	3,071	6,007	5,260	7,951	73,941
44	908	CUSTOMER ASSISTANCE	16,419	15,762	17,658	11,621	14,301	15,346	15,197	18,299	16,536	18,926	18,039	22,191	200,295
45	909	INFO & INSTRUCTIONAL	20,110	823	22,552	(1,759)	23,699	14,932	14,242	10,324	23,456	5,977	15,032	9,751	159,139
46	910	MISC CUSTOMER SERVIC	1,785	1,901	2,065	1,078	1,397	1,618	1,634	1,472	3,943	1,414	1,658	2,821	22,786
47															
48	911-917	<b>Sales Expenses - Operation</b>													
49	912	DEMONSTRATING & SELL	-	-	-	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTIS	-	-	-	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTI	-	-	-	-	-	7,915	-	-	(6,378)	6,378	(6,378)	-	1,537
52	9133	SAFETY ADVERTISING	138	-	-	145	1,735	1,722	2,406	-	146	-	-	1,932	8,224
53	9134	OTHER INFO/INSTR/CON	5,161	5,190	5,759	10,080	7,643	7,632	5,000	24,304	5,110	19,237	12,636	13,474	121,226
54	9135	COMMUNITY AFFAIRS AD	-	-	-	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	-	-	-	-	-	-	-	-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	112	135	115	119	56	2,279	30	12,349	(2,135)	26	53	110	13,249
57															
58	920-933	<b>Administrative &amp; General - Operation</b>													
59	920	ADM & GENERAL SALARI	76,019	76,068	84,179	74,191	83,356	83,408	79,388	85,033	79,208	78,728	81,023	79,652	960,253
60	9211	OFFICE SUPPLIES	582	898	1,456	737	714	1,133	1,188	1,258	867	612	619	569	10,633
61	9212	OFFICE POSTAGE & MAI	766	815	1,064	777	160	877	34	769	89	765	21	821	6,958
62	9213	OFF ComPUter SUPP &	6,234	671	(7,646)	4,875	(3,056)	392	983	1,454	2,550	200	944	337	7,938

2270

63	9214 OFFICE UTILITY EXPEN	3,032	2,614	3,348	1,996	3,596	3,098	2,206	2,740	2,193	3,509	2,602	2,750	33,684
64	9215 MISC OFFICE EXPENSE	5,314	7,027	8,362	7,440	6,101	6,830	11,059	2,905	7,425	9,280	8,060	11,496	91,299
65	9216 CO TRAINING EXPENSE-	-	133	349	-	48	100	-	48	10	929	59	-	1,676
66	9231 OUTSIDE SERVICES - O	-	-	3,498	40	-	-	1,764	-	2,054	631	6,610	3,315	17,912
67	9232 LEGAL FEES AND EXPEN	2,150	1,328	480	1,280	11,872	6,226	1,826	3,334	1,320	3,152	3,176	3,272	39,416
68	9233 OUTSIDE AUDIT & ACCO	11,382	11,382	18,072	11,914	11,514	11,514	9,382	9,382	9,382	(104)	8,832	27,106	139,758
69	924 PROPERTY INSURANCE	13,048	13,048	13,048	13,048	13,048	13,048	13,048	13,048	13,472	13,478	13,475	30,234	175,043
70	9251 INJURIES AND DAMAGES	6,883	3,189	14,079	3,464	9,059	13,744	7,715	9,088	11,136	8,258	10,472	9,959	107,046
71	9252 GENERAL LIABILITY	29,884	29,671	29,385	29,334	29,990	28,288	26,512	29,343	29,331	27,382	27,649	14,561	331,330
72	9261 EMPLOYEE PENSIONS	36,742	31,310	36,604	33,402	33,850	33,869	35,019	11,781	43,709	37,133	27,438	47,960	408,817
73	9262 EMPLOYEE BENEFITS- O	39,224	37,484	41,402	32,729	34,087	29,925	35,348	28,574	43,290	37,409	34,982	43,879	438,333
74	9263 RETIREE BENEFITS-POS	6,413	6,187	6,300	6,300	6,376	6,300	6,300	6,300	(15,432)	4,283	4,283	4,283	47,893
75	9264 401(K) EXPENSE COMPA	-	-	490	333	601	480	560	(3,040)	4,170	641	732	798	5,765
76	928 REGULATORY COMMISSION	716	10,779	12,209	9,370	10,406	13,578	8,960	10,646	15,842	8,077	13,344	17,156	131,083
77	9301 INSTITUTIONAL/GOODWI	-	-	-	-	-	-	-	-	-	-	-	-	-
78	9302 MISC. GENERAL EXPENS	3,124	4,820	13,761	4,509	5,352	6,377	2,049	5,409	6,024	4,835	9,933	10,429	76,622
79	93022 INDUSTRY ASSOCIATION	1,000	(1,000)	1,000	-	82	-	3,308	-	-	-	-	-	4,390
80	93023 ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000
81	931 RENTS	560	580	550	589	642	613	613	585	820	40	1,671	1,044	8,307
82														
83	<b>TOTAL OPERATING EXPENSES</b>	<b>2,914,048</b>	<b>3,072,172</b>	<b>2,851,679</b>	<b>2,681,109</b>	<b>2,919,010</b>	<b>3,273,844</b>	<b>3,605,915</b>	<b>3,524,337</b>	<b>3,222,196</b>	<b>2,943,558</b>	<b>2,616,051</b>	<b>3,046,915</b>	<b>36,670,834</b>
84	<b>Total Operating Expenses Less Fuel</b>	<b>479,387</b>	<b>435,027</b>	<b>550,088</b>	<b>437,158</b>	<b>509,011</b>	<b>539,212</b>	<b>473,923</b>	<b>502,551</b>	<b>507,303</b>	<b>495,569</b>	<b>499,337</b>	<b>635,832</b>	<b>6,064,398</b>
85	<b>Maintenance Expenses</b>													
86														
87	<b>541-545.1 Hydraulic Power Gen - Maintenance</b>													
88	554 MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
89														
90	<b>568-574 Transmission Expenses - Maintenance</b>													
91	570 MAINT OF STATION EQU	371	845	2,974	4,720	6,291	2,796	2,502	2,520	2,304	2,346	2,616	68,777	99,062
92	571 MAINT OF OVERHEAD LI	106	145	-	2,837	9,368	24,957	8,032	12,348	8,432	5,692	7,291	(1,255)	77,953
93	573 MAINT OF MISC TRANSM	-	-	-	-	-	-	-	-	-	-	-	446	446
94														
95	<b>590-598 Distribution Expenses - Maintenance</b>													
96	590 MAINT SUPERVISION/EN	14,441	16,085	18,815	11,122	8,625	9,588	7,001	9,164	8,669	8,575	6,416	17,819	136,320
97	591 MAINT OF STRUCTURES	1,046	(151)	20	2,393	(721)	1,226	590	1,333	4,083	(259)	509	-	10,069
98	592 MAINT OF STATION EQU	5,283	2,223	12,951	661	9,961	5,500	3,351	9,814	7,273	2,223	2,603	13,131	72,974
99	5931 MAINT OF POLES/TOWER	12,952	2,277	10,374	2,371	962	2,664	3,700	2,562	1,286	1,178	811	3,393	44,530
100	5932 MAINT OF OVERHEAD CO	55,088	46,001	104,735	42,441	98,128	115,680	85,887	71,504	96,976	72,799	90,083	67,813	947,135
101	5933 MAINT OF SERVICES	10,960	6,766	9,136	7,419	11,146	13,590	11,544	14,691	11,800	10,004	9,725	16,444	133,225
102	5941 MAINT OF UNDERGROUND	626	311	490	246	1,653	421	263	570	549	610	734	988	7,461
103	5942 MAINT OF UNDERGRND L	11,249	4,044	8,196	5,118	7,748	16,343	34,228	9,107	9,681	6,235	6,662	9,939	128,550
104	5951 MAINT OF LINE TRANSF	2,990	2,966	4,047	4,756	6,532	8,130	5,037	4,647	8,386	16,115	8,182	(7,281)	64,507
105	5952 MAINT OF LINE TRANSF	-	-	289	-	-	389	8,244	318	29	(827)	(1,861)	396	6,977
106	5953 MAINT OF LINE TRANSF	3,147	1,182	4,681	2,269	3,113	9,956	3,629	9,639	4,151	3,668	6,780	2,342	54,567
107	596 MAINT -STREET LIGHT/	2,571	1,707	4,799	1,945	2,867	2,339	3,631	2,952	1,821	2,903	9,090	12,474	49,099
108	597 MAINT OF METERS	2,015	2,400	3,154	5,594	2,118	2,766	3,038	2,582	3,973	1,922	2,499	3,179	35,250
109	598 MAINT OF MISC DISTRI	5,491	4,527	5,718	2,933	3,529	5,606	3,742	5,075	5,652	4,771	11,546	12,906	71,496
110	<b>935 Administrative &amp; General - Maintenance</b>													
111	935 MAINT OF GENERAL PLA	13,383	7,544	27,072	9,514	21,326	10,620	14,880	12,211	7,546	12,728	10,459	12,419	159,702
112														
113	<b>TOTAL MAINTENANCE EXPENSES</b>	<b>141,719</b>	<b>98,872</b>	<b>217,451</b>	<b>106,339</b>	<b>192,646</b>	<b>232,571</b>	<b>199,299</b>	<b>171,047</b>	<b>182,611</b>	<b>148,683</b>	<b>174,145</b>	<b>233,930</b>	<b>2,099,313</b>
114														
115														
116														
117														
118														
119														
120														
121														
122	<b>Other Operating Expenses</b>													
123														
124	4030.1 DEPRECIATION EXPENSE	215,045	212,491	216,576	224,241	221,074	221,371	222,112	223,655	224,143	224,639	224,987	180,013	2,610,347
125	4030.2 DEPR EXP-COMMON	12,950	9,486	9,586	9,500	8,861	8,817	8,868	8,897	8,897	8,897	8,927	8,465	112,151
126	<b>403 - Depreciation Expenses</b>	<b>227,995</b>	<b>221,977</b>	<b>226,162</b>	<b>233,741</b>	<b>229,935</b>	<b>230,188</b>	<b>230,980</b>	<b>232,552</b>	<b>233,040</b>	<b>233,536</b>	<b>233,914</b>	<b>188,478</b>	<b>2,722,498</b>
127														
128	4080.1 AD VALOREM TAXES	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	35,868	35,868	513,886
129	4080.2 STATE GROSS RECEIPTS	97,866	97,869	90,971	85,461	90,831	102,708	119,260	112,935	116,828	97,125	81,319	91,611	1,184,784
130	4080.3 FPSC ASSESSMENT	2,712	2,857	2,661	2,501	2,735	3,055	3,654	3,366	3,304	2,780	2,142	2,641	34,408
131	4080.4 EMERGENCY EXCISE TAX	-	-	-	-	-	(8,261)	-	-	-	-	-	-	(8,261)
132	4080.5 FEDERAL UNEMPLOYMENT	2,693	869	(225)	(753)	(738)	(997)	61	128	69	41	70	114	1,332
133	4080.6 STATE UNEMPLOYMENT T	4,025	626	(380)	(1,225)	(1,200)	(1,605)	98	206	111	65	112	184	1,017
134	4080.7 F.I.C.A.	18,978	17,601	32,360	17,342	18,509	16,743	18,576	32,963	18,392	17,420	17,904	14,970	241,758
135	4080.8 MISCELLANEOUS TAXES	-	-	-	-	-	-	-	313	300	-	-	-	613
136	4080.11 FRANCHISE TAX	166,851	170,147	155,756	145,697	155,113	173,835	197,308	191,221	196,953	164,605	138,314	156,835	2,012,635

137	408 - Taxes Other Than Income Taxes	337,340	334,184	325,358	293,238	309,465	329,693	383,172	385,347	380,172	326,251	275,729	302,223	3,982,172
138														
139	4090.1 I/T -FEDERAL- UTIL O	122,000	45,400	42,700	80,400	(12,500)	(83,402)	137,374	122,300	90,400	104,900	5,900	4,900	660,372
140	4090.2 I/T -STATE - UTIL O	20,800	7,900	7,300	13,700	(2,200)	(15,089)	23,912	20,900	15,500	17,900	1,000	900	112,523
141	409 - Income Taxes	142,800	53,300	50,000	94,100	(14,700)	(98,491)	161,286	143,200	105,900	122,800	6,900	5,800	772,895
142														
143	4100.1 DEFERRED I/T-FEDERAL	(50,683)	16,298	(53,371)	(40,949)	58,125	135,052	(40,482)	(13,614)	(41,552)	(83,449)	10,440	(28,318)	(132,503)
144	4100.2 DEFERRED I/T-STATE	(8,675)	2,792	(9,140)	(7,006)	9,953	23,116	(6,931)	(2,333)	(7,112)	(14,287)	1,793	(4,852)	(22,682)
145	4100.3 DEFERRED I/T AMORTIZ	-	-	-	-	-	-	-	-	(41,157)	-	-	-	(41,157)
146	4100.4 DEFERRED I/T AMORTIZ	-	-	-	-	-	-	-	-	554	-	-	-	554
147	410 - Deferred Income Taxes	(59,358)	19,090	(62,511)	(47,955)	68,078	158,168	(47,413)	(15,947)	(89,267)	(97,736)	12,233	(33,170)	(195,788)
148														
149	4110.4 INVEST TAX CREDIT- U	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,688)	(32,322)
150	411 - Investment Tax Credit	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,688)	(32,322)
151														-
152	<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>646,083</b>	<b>625,857</b>	<b>536,315</b>	<b>570,430</b>	<b>590,084</b>	<b>616,864</b>	<b>725,331</b>	<b>742,458</b>	<b>627,151</b>	<b>582,157</b>	<b>526,082</b>	<b>460,643</b>	<b>7,249,455</b>
153														
154	<b>TOTAL EXPENSES INCLUDING FUEL</b>	<b>3,701,850</b>	<b>3,796,901</b>	<b>3,605,445</b>	<b>3,357,878</b>	<b>3,701,740</b>	<b>4,123,279</b>	<b>4,530,545</b>	<b>4,437,842</b>	<b>4,031,958</b>	<b>3,674,398</b>	<b>3,316,278</b>	<b>3,741,488</b>	<b>46,019,602</b>

Supporting Schedules:

Schedule C-8

## DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

#N/A

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Account Number	Account	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)	Reason(s) for Change
<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4010.562	STATION EXPENSES	43,478	42,501	978	2.30%	FALSE
4010.566	MISC. TRANS. EXPS.	31,080	12,116	18,964	156.52%	TRUE
4010.580	OP SUPERVISION	432,649	380,422	52,228	13.73%	TRUE
4010.581	LOAD DISPATCHING	-	-	-	#DIV/0!	#DIV/0!
4010.582	STATION EXPENSES	99,878	94,672	5,207	5.50%	FALSE
4010.5831	OPERATION OF OVERHEA	58,647	54,913	3,734	6.80%	FALSE
4010.5832	REMOVING & RESETING	70,021	65,562	4,458	6.80%	FALSE
4010.5841	UNDERGROUND LINE EXP	3,928	3,723			
4010.5842	UNDERGRND LINE EXPEN	29,017	27,504			
4010.585	STREET LIGHT EXPENSE	13,638	12,770	868	6.80%	FALSE
4010.586	METER EXPENSES	291,623	273,056	18,568	6.80%	FALSE
4010.5871	AREA LIGHT EXPENSE	59,365	55,585	3,780	6.80%	FALSE
4010.5872	OTHER CUSTOMER INSTA	47,003	44,010	2,993	6.80%	FALSE
4010.5881	DISTRIBUTION MAPS &	134,038	105,926	28,112	26.54%	TRUE
4010.5882	OTHER DIST OFFICE SU	166,109	155,533	10,576	6.80%	FALSE
4010.5883	MISC DISTRIBUTION OF	11,885	11,129	757	6.80%	FALSE
4010.589	RENTS	1,077	1,053	24	2.30%	FALSE
4010.901	SUPERVISION	80,600	73,765	6,835	9.27%	FALSE
4010.9011	SUPERVISION A&G	51,755	49,056	2,698	5.50%	FALSE
4010.902	METER READING EXPENS	315,817	295,709	20,108	6.80%	FALSE
4010.903	CUSTOMER RECORDS/COL	577,843	526,266	51,576	9.80%	FALSE
4010.9031	CUSTOMER RECORDS/COL	289,553	274,458	15,095	5.50%	FALSE
4010.904	UNCOLLECTIBLE ACCOUN	216,664	87,590	129,074	147.36%	TRUE
4010.905	MISC CUSTOMER ACCOUN	83,591	80,765	2,827	3.50%	FALSE
4010.9051	MISC CUSTOMER ACCNT	17,392	16,804	588	3.50%	FALSE
4010.912	DEMONSTRATING & SELL	-	-	-	#DIV/0!	#DIV/0!
4010.9131	PROMOTIONAL ADVERTIS	-	-	-	#DIV/0!	#DIV/0!
4010.9132	CONSERVATION ADVERTI	1,645	1,589	56	3.50%	FALSE
4010.9133	SAFETY ADVERTISING	8,801	8,504	298	3.50%	FALSE
4010.9134	OTHER INFO/INSTR/CON	159,543	154,148	5,395	3.50%	FALSE
4010.9135	COMMUNITY AFFAIRS AD	-	-	-	#DIV/0!	#DIV/0!

Schedule C-8

## DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

#N/A

4010.9136	OTHER ADVERTISING	-	-	-	#DIV/0!	#DIV/0!
4010.916	MISC. SALES EXPENSE	14,179	13,699	479	3.50%	FALSE
4010.920	ADM & GENERAL SALARIES	1,147,852	1,051,831	96,021	9.13%	FALSE
4010.9211	OFFICE SUPPLIES	11,117	10,867	250	2.30%	FALSE
4010.9212	OFFICE POSTAGE & MAI	7,275	7,111	164	2.30%	FALSE
4010.9213	OFF ComPUTER SUPP &	8,299	8,113	187	2.30%	FALSE
4010.9214	OFFICE UTILITY EXPEN	35,217	34,425	792	2.30%	FALSE
4010.9215	MISC OFFICE EXPENSE	100,654	93,308	7,346	7.87%	FALSE
4010.9216	CO TRAINING EXPENSE-	7,238	6,913	325	4.71%	FALSE
4010.9231	OUTSIDE SERVICES - O	-	62,079	(62,079)	-100.00%	FALSE
4010.9232	LEGAL FEES AND EXPEN	41,210	40,283	927	2.30%	FALSE
4010.9233	OUTSIDE AUDIT & ACCO	-	82,150	(82,150)	-100.00%	FALSE
4010.924	PROPERTY INSURANCE	680,846	181,238	499,608	275.66%	TRUE
4010.9251	INJURIES ANC	147,397	632	146,765	23222.31%	TRUE
4010.9252	GENERAL LIABILITY	-	-	-	#DIV/0!	#DIV/0!
4010.9261	EMPLOYEE PENSIONS	401,730	365,497	36,233	9.91%	FALSE
4010.9262	EMPLOYEE BENEFITS- O	543,969	488,303	55,667	11.40%	TRUE
4010.9263	RETIREE BENEFITS-POS	54,000	54,000	-	0.00%	FALSE
4010.9264	401(K) EXPENSE COMPA	-	-	-	#DIV/0!	#DIV/0!
4010.928	REGULATORY EXPS.	254,283	133,967	120,316	89.81%	TRUE
4010.9301	INSTITUTIONAL/GOODWI	-	-	-	#DIV/0!	#DIV/0!
4010.9302	MISC GENERAL EXPENSES	82,000	79,227	2,773	3.50%	FALSE
4010.93022	INDUSTRY ASSOCIATION	4,698	4,539	159	3.50%	FALSE
4010.93023	ECONOMIC DEVELOPMENT	15,701	15,170	531	3.50%	FALSE
4010.931	RENTS	8,685	8,490	195	2.30%	FALSE
<b>TOTAL OPERATION EXPENSES</b>		<b>6,862,991</b>	<b>5,650,970</b>	<b>1,210,304</b>		

**MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)**

4020.570	MAINT STATION EQUIP	106,015	102,430	3,585	3.50%	FALSE
4020.571	MAINT OVERHEAD LINES	83,425	80,603	2,821	3.50%	FALSE
4020.573	MAINT MISC TRANS. PLT.	477	461	16	3.50%	FALSE
4020.590	MAINT SUPER/ENG.	160,296	146,674	13,622	9.29%	FALSE
4020.591	MAINT OF STRUCTURES	10,776	10,411	364	3.50%	FALSE
4020.592	MAINT OF STATION EQUIP	78,096	75,455	2,641	3.50%	FALSE
4020.5931	MAINT OF POLES/TOWER	267,489	46,044	221,445	480.94%	TRUE
4020.5932	MAINT OF OVERHEAD CO	1,447,986	1,032,586	415,401	40.23%	TRUE
4020.5933	MAINT OF SERVICES	142,576	137,755	4,821	3.50%	FALSE
4020.5941	MAINT OF UNDERGROUND	8,510	7,968	542	6.80%	FALSE
4020.5942	MAINT OF UNDERGRND L	194,102	143,039	51,063	35.70%	TRUE
4020.5951	MAINT OF LINE TRANSF	73,578	68,893	4,685	6.80%	FALSE



Schedule C-8

## DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 #N/A

4020.5952	MAINT OF LINE TRANSF	7,958	7,451	507	6.80%	FALSE
4020.5953	MAINT OF LINE TRANSF	62,229	58,267	3,962	6.80%	FALSE
4020.596	MAINT OF STREET LIGHTS	56,003	52,438	3,566	6.80%	FALSE
4020.597	MAINT OF METERS	40,207	37,647	2,560	6.80%	FALSE
4020.598	MAINT OF MISC DISTR PLT	76,514	73,927	2,587	3.50%	FALSE
4020.935	MAINT OF GENERAL PLANT	201,879	167,932	33,948	20.22%	TRUE
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>3,018,117</b>	<b>2,249,982</b>	<b>768,135</b>		
4030.0	DEPRECIATION EXPENSE	3,296,514	3,059,643	236,871	7.74%	
4080	TAXES OTHER THAN INCOME TAXES	3,982,172	3,982,172	-	0.00%	
4090/4110	INCOME TAXES	740,573	740,573	-	0.00%	
<b>TOTAL OPERATING EXPENSES</b>		<b>17,900,367</b>	<b>15,683,340</b>	<b>2,215,310</b>		

Recap Schedules:

Schedule C-9

## FIVE YEAR ANALYSIS - CHANGE IN COST

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule showing the change in cost,  
by functional group, for the last five years.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:

DOCKET NO.:

Description of Functional Group	Type of Cost	Year		Year		Year		Year		Year	
		Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change
Fuel	Variable										
Interchange	Semi-Variable										
Production	Semi-Variable										
Transmission	Semi-Variable										
Distribution	Semi-Variable										
Customer Account	Semi-Variable										
Customer Service & Information & Sales	Semi-Variable										
Administrative and General	Semi-Variable										
Depreciation	Fixed										
Taxes	Semi-Variable										
Interest (without AFUDC)	Semi-Variable										
TOTAL											

Supporting Schedules:

Recap Schedules:

Schedule C-10

## DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:

Prior Year Ended 12/31/2007

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1) Vendor Name	(2) Counsel, Consultant, Or Witness	(3) Specific Services Rendered	(4) Fee (\$)	(5) Basis Of Charge	(6) Travel Expenses (\$)	(7) Other (\$)	(8) Total (4+6+7) (\$)	(9) Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING

B = COST OF CAPITAL

C = ENGINEERING

L = LEGAL

O = OTHER

R = RATE DESIGN

S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$423,780	4/4/2004	5 years	\$106,000	\$ 26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortization					<u>\$182,000</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1) Vendor Name	(2) Counsel, Consultant, Or Witness	(3) Specific Services Rendered	(4) Fee (\$)	(5) Basis Of Charge	(6) Travel Expenses (\$)	(7) Other (\$)	(8) Total (4+6+7) (\$)	(9) Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING  
 B = COST OF CAPITAL  
 C = ENGINEERING  
 L = LEGAL  
 O = OTHER  
 R = RATE DESIGN  
 S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$423,780	4/4/2004	5 years	\$106,000	\$ 26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortization					<u>\$182,000</u>

Supporting Schedules:

Recap Schedules:

Schedule C-11

## UNCOLLECTIBLE ACCOUNTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Year	Write-Offs (Retail)	Gross Revenues From Sales Of Electricity (Retail)	Adjustments to Gross Revenues (Specify)	Adjusted Gross Revenues	Bad Debt Factor (2)/(5)
1.	2002	75,649	41,335,701	\$ -	\$ 41,335,701	0.1830%
2.	2003	77,141	39,478,461	-	\$ 39,478,461	0.1954%
3.	2004	76,668	40,424,735	\$ -	\$ 40,424,735	0.1897%
4.	2005	87,665	47,686,561	\$ -	\$ 47,686,561	0.1838%
5.	Total	317,123	168,925,458	\$ -	\$ 168,925,458	0.1877%
6.	2006 Test Year	87,213	47,452,526	\$ -	\$ 47,452,526	0.1838%
7.	prior Year 2007		53,115,151	\$ -	\$ 53,115,151	0.0000%
8.	Test Year 2008		61,822,965	\$ -	\$ 61,822,965	0.0000%

Calculation of the Bad Debt Component included in the Revenue Expansion Factor:

Supporting Schedules:

Recap Schedules:

Schedule C-11

## UNCOLLECTIBLE ACCOUNTS

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 CONSOLIDATED ELECTRIC DIVISION  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:  
 Historical Years Ended 12/31/02-05  
 Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	(1) Year	(2) Write-Offs (Retail)	(3) Gross Revenues From Sales Of Electricity (Retail)	(4) Adjustments to Gross Revenues (Specify)	(5) Adjusted Gross Revenues	(6) Bad Debt Factor (2)/(5)
1.	2002	75649.39	41335703	0	41335703	0.183012
2.	2003	77141.48	39478461	0	39478461	0.195401
3.	2004	76667.64	40424730	0	40424730	0.189655
4.	2005	87664.75	47686566	0	47686566	0.183835
5.	Total	317123.3	168925460	0	168925460	0.18773
6.	__2006__ Test Year	87212.73	47452518	0	47452518	0.183789

Calculation of the Bad Debt Component included in the Revenue Expansion Factor:

Supporting Schedules:

Recap Schedules: C-44

Schedule C-12

## ADMINISTRATIVE EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of jurisdictional administrative, general, customer service, R & D, and other miscellaneous expenses by category and on a per customer basis for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account	Sub-Account	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2008	(3) Prior Year Ended 12/31/2007	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expenses	901-905		1,633,215	2,004,445	(371,230)	-18.52%
	Customer Service and Information Expense	906-910		-	-	-	n/a
	Sales Expenses	911-916		184,168	332,088	(147,920)	-44.54%
	Administrative and General Expenses	920-932		3,552,170	4,112,112	(559,942)	-13.62%
	Total Administrative Expense	901-932		5,369,553	6,448,645	(1,079,092)	-16.73%
	Average Number of Customers			31,370	30,999	371	1.20%
	Administrative Expense Per Customer			171	208	(37)	-17.72%

Supporting Schedules:

Recap Schedules:

## MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Prior Year Ended 12/31/2007

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of \$100,000 or Less			
	<b>ACCOUNT 930.2</b>			
	9302 MISC. GENERAL EXPENS	79,227	100%	79,227
	93022 INDUSTRY ASSOCIATION	4,539	100%	4,539
	93023 ECONOMIC DEVELOPMENT	15,170	100%	15,170
	Miscellaneous General Expenses Exceeding \$100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	98,936		98,936
	Average Number of Customers	30,999		30,999
	Miscellaneous General Expenses Per Customer	3.19		3.19



Schedule C-13

## MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of \$100,000 or Less			
	<b>ACCOUNT 930.2</b>			
	9302 MISC. GENERAL EXPENS	82,000	100%	82,000
	93022 INDUSTRY ASSOCIATION	4,698	100%	4,698
	93023 ECONOMIC DEVELOPMENT	15,701	100%	15,701
	Miscellaneous General Expenses Exceeding \$100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	102,399		102,399
	Average Number of Customers	31,370		31,370
	Miscellaneous General Expenses Per Customer	3.26		3.26

Supporting Schedules:

Recap Schedules:

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Prior Year Ended 12/31/2007

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Amount (000)
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	-	100%	-
	Total Account 909		-		-
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	-	100%	-
	9133	SAFETY ADVERTISING	1,998	100%	1,998
	9134	OTHER INFO/INSTR/CON	16,332	100%	16,332
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		18,330		18,330
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		18,330		18,330
	Average Number of Customers		30,999		30,999
	Advertising Expenses per Customer		0.59		0.59

Supporting Schedules:

Recap Schedules: C7

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Amount (000)
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	-	100%	-
	Total Account 909		-		-
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	-	100%	-
	9133	SAFETY ADVERTISING	2,068	100%	2,068
	9134	OTHER INFO/INSTR/CON	16,904	100%	16,904
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		18,971		18,971
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		18,971		18,971
	Average Number of Customers		31,370		31,370
	Advertising Expenses per Customer		0.60		0.60

Supporting Schedules:

Recap Schedules: C7

Schedule C-14

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

☐ Projected Test Year Ended 12/31/2008

☐ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

☐ Historical Test Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility (000)	Jurisdictional Factor	Amount (000)
	ACCOUNT 913				
	909	INFO & INSTRUCTIONAL	159,139	100%	159,139
	Total Account 909		159,139		159,139
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTIS	-	100%	-
	9132	CONSERVATION ADVERTI	1,537	100%	1,537
	9133	SAFETY ADVERTISING	8,224	100%	8,224
	9134	OTHER INFO/INSTR/CON	121,226	100%	121,226
	9135	COMMUNITY AFFAIRS AD	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		130,987		130,987
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		290,126		290,126
	Average Number of Customers		31,370		31,370
	Advertising Expenses per Customer		9.25		9.25

Supporting Schedules:

Recap Schedules: C7

Schedule C-15

## INDUSTRY ASSOCIATION DUES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Prior Year Ended 12/31/2007

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Name and Nature of Organization	Electric Utility (000's)	Factor	Jurisdictional	Amount (000's)
1 Details	Southeastern Electric Exchange Inv 2057	???	100%		#VALUE!
2 Details	Florida Electric Power Coordinating Group	???	100%		#VALUE!
3 Details	32% of Florida Institute of Certified Public Accountants	???	100%		#VALUE!
4					
5					
6					
7					
8					
9	Total Industry Association Dues	4,539	100%		4,539
10					
11	Average Number of Customers	30,999	100%		30,999
12					
13	Dues Per Customer	0.15			0.15
14					
15	Lobby Expenses Included in Industry Association Dues				

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:  
Prior Year Ended 12/31/2007

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Name and Nature of Organization	Electric Utility (000's)	Factor	Jurisdictional	Amount (000's)
1 Details	Southeastern Electric Exchange Inv 2057	???	100%		#VALUE!
2 Details	Florida Electric Power Coordinating Group	???	100%		#VALUE!
3 Details	32% of Florida Institute of Certified Public Accountants	???	100%		#VALUE!
4					
5					
6					
7					
8					
9	Total Industry Association Dues	4,698	100%		4,698
10					
11	Average Number of Customers	31,370	100%		31,370
12					
13	Dues Per Customer	0.15			0.15
14					
15	Lobby Expenses Included in Industry Association Dues				

Supporting Schedules:

Recap Schedules: C7

Schedule C-16

OUTSIDE PROFESSIONAL SERVICES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION:

Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Test Year Costs
	Accounting			
	Financial			
	Engineering			
	Legal			
	Other (specify)			
	Total Outside Professional Services			\$ =====

Supporting Schedules:

Recap Schedules:

Schedule C-17

## PENSION COST

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the following information concerning pension cost for the test year, and the most recent historical year if the test year is projected.

## Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	Description	Amount		
		Projected Test Year 2008	Projected Prior Year 2007	Historical Year 2006
1	Service Cost	1,195,000	1,130,000	1,225,495
2	Interest Cost	2,510,000	2,265,000	2,160,719
3	Actual Return on Assets	(2,564,617)	(2,440,000)	(3,977,806)
4	Net Amortization and Deferral	-	-	1,551,742
a	Amortization of Prior Service Cost	719,476	737,115	737,115
b	Curtailment	N/A	N/A	(97,858)
5	Total Net Periodic Pension Cost	1,859,859	1,692,115	1,599,407
6	For the Year:			
7	Amortization of Transition Asset or Obligation	-	-	-
8	Expected Return on Assets	2,585,867	2,440,000	2,426,064
9	Assumed Rate of Return on Plan Assets	0	0	0
10	Amortization of Transition Asset or Obligation	-	-	-
11	Percent of Pension Cost Capitalized	0	0	0
12	Pension Cost Recorded in Account 926	-	-	-
13	Minimum Required Contribution Per IRS	-	-	-
14	Maximum Allowable Contribution Per IRS	-	-	18,262,779
15	Actual Contribution Made to the Trust Fund	-	-	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	5.78%	8.00%	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated	Allocated	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll	Based on payroll	Based on payroll
20	At Year End:			
21	Accumulated Benefit Obligation	39,030,959	37,338,408	33,693,860
22	Projected Benefit Obligation	44,773,179	42,831,620	38,650,888
23	Vested Benefit Obligation	36,165,379	34,597,092	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0	0	0
25	Assumed Rate for Salary Increases	0	0	0
26	Fair Value of Plan Assets	38,170,000	36,900,000	35,635,214
27	Market Related Value of Assets	32,115,000	31,050,000	29,485,534
28	Balance in Working Capital (Specify Account No.)	-	-	-

## Supporting Schedules:

2006 Allocation Schedule - Approximately 29% of Pension Cost is allocated to the Electric Division  
 2007 Allocation Schedule - 27% of Pension Cost is allocated to the Electric Division

## Recap Schedules:



Schedule C-18

## LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,117
	4260.13	CIVIC AND SOCIAL	2,548
	<b>Total Civic and Charitable Contributions</b>		<b>13,665</b>
	4260.4	Lobbying & Other Political Expenses	167
	<b>Total Lobbying and Other Political Expenses and Charitable / Civic contributions</b>		<b>13,832</b>

Supporting Schedules:

Recap Schedules:

Schedule C-19

AMORTIZATION/RECOVERY SCHEDULE – 12-MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule for each Amortization/Recovery amount  
by account or sub-account currently in effect or proposed  
and not shown on Schedule B-9.

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Jim Mesite

Total Amount of Amortization/Recovery: \$

Effective Date:

Amortization/Recovery Period:

Reason:

(1)	(2)	(3)	(\$0)
Line	Account/	Plant	Total
No.	Sub-account	Account	Amort/Recovery
	No.	Title	Expense

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 200? ARE SHOWN ON SCHEDULE B-??.  
AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 200? & 200? ARE SHOWN ON SCHEDULE B-9.

Supporting Schedules:

Recap Schedules:

FLOPIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Type of Tax	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		rate	Tax Basis (\$)	Total Amount	Amount Charged to Operating Expenses	Factor	Jurisdictional Amount	Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	2,862,280	22,898	1,332	100%	22,898	1,332
2.	State Unemployment	0.0129	2,862,280	36,923	1,017	100%	36,923	1,017
3.	FICA	0.0765	Payroll	2,458,362	241,758	100%	2,458,362	241,758
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5.	State Intangible	N/A	N/A	N/A	N/A	100%		
6.	Utility Assessment Fee	0.00072	54,132,623	34,408	34,408	100%	34,408	34,408
7.	Property	Various	32,942,277	513,885	513,886	100%	513,885	513,886
8.	Gross Receipts	0.025	54,132,623	1,353,316	1,184,784	100%	1,353,316	1,184,784
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,635	100%	2,012,632	2,012,635
10.	Occupational License	N/A	N/A	N/A	N/A	100%		
11.	Other (Specify)	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Emergency Excise Tax	Various	Various	613	613	100%	613	613
	Miscellaneous taxes							
12.	Total			6,424,776	3,982,172		6,424,776	3,982,172

Supporting Schedules: C/ C21

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Type of Tax	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		rate	Tax Basis (\$)	Total Amount	Amount Charged to Operating Expenses	Factor	Jurisdictional Amount	Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	2,862,280	22,898	1,332	100%	22,898	1,332
2.	State Unemployment	0.0129	2,862,280	36,923	1,017	100%	36,923	1,017
3.	FICA	0.0765	Payroll	2,458,362	241,758	100%	2,458,362	241,758
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5.	State Intangible	N/A	N/A	N/A	N/A	100%		
6.	Utility Assessment Fee	0.00072	62,845,789	34,408	34,408	100%	34,408	34,408
7.	Property	Various	32,942,277	513,885	513,886	100%	513,885	513,886
8.	Gross Receipts	0.025	62,845,789	1,571,145	1,184,784	100%	1,571,145	1,184,784
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,635	100%	2,012,632	2,012,635
10.	Occupational License	N/A	N/A	N/A	N/A	100%		
11.	Other (Specify)	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Emergency Excise Tax	Various	Various	613	613	100%	613	613
	Miscellaneous taxes							
12.	Total			6,642,605	3,982,172		6,642,605	3,982,172

Supporting Schedules: C7 C21

Recap Schedules: C1

## Schedule C-20

## TAXES OTHER THAN INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:

Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	Type of Tax	(1) Rate	(2) Tax Basis (\$)	(3) Total Amount	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	(7) Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	2,862,280	22,898	1,329	100%	22,898	1,329
2.	State Unemployment	0.0129	2,862,280	36,923	1,019	100%	36,923	1,019
3.	FICA	0.0765	Payroll	2,458,362	241,761	100%	2,458,362	241,761
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%	N/A	N/A
5.	State Intangible	N/A	N/A	N/A	N/A	100%	N/A	N/A
6.	Utility Assessment Fee	0.00072	44,254,768	34,408	34,408	100%	34,408	34,408
7.	Property	Various	32,942,277	513,885	513,885	100%	513,885	513,885
8.	Gross Receipts	0.025	44,254,768	1,184,787	1,184,787	100%	1,184,787	#####
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,632	100%	2,012,632	#####
10.	Occupational License	N/A	N/A	N/A	N/A	100%	N/A	N/A
11.	Other (Specify)							
	Emergency Excise Tax	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Miscellaneous taxes	Various	Various	613	613	100%	613	613
12.	Total			<u>\$6,256,247</u>	<u>\$3,982,173</u>	100%	<u>\$6,256,247</u>	#####

Supporting Schedules: C-7, C-21

Recap Schedules: C-1

Schedule C-21

## REVENUE TAXES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a calculation of the Gross Receipt Tax  
and Regulatory Assessment Fee for the historical base year,  
historical base year + 1, and the test year.

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.		HISTORICAL BASE YEAR 2006	GROSS RECEIPTS TAX HISTORICAL BASE YEAR + 1 2007	TEST YEAR 2008	HISTORICAL BASE YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR + 1	TEST YEAR
1	TOTAL OPERATING REVENUES	48,527,214	54,132,623	62,845,789			
2							
3	ADJUSTMENTS:						
4	Overrecoveries	(369,812)	(307,430)	-307,430			
5	Other Operating Revenues	(688,664)	(354,696)	-354,696			
6	Unbilled Revenues	(8,373)	(8,373)	-8,373			
7	Misc Electric Revenues	(7,847)	(7,846)	(7,846)			
8	Gross Receipts Revenues & Franchise Fee	(3,197,750)	(3,327,946)	-3,464,146.128			
9							
10							
11	TOTAL ADJUSTMENTS	(4,272,446)	(4,006,291)	(4,142,491)			
12							
13	ADJUSTED OPERATING REVENUES	44,254,768	50,126,332	58,703,298			
14							
15	Gross Receipts Tax						
16	TAX RATE	2.50%	2.50%	2.50%			
17	TAX AMOUNT	1,106,369	1,253,158	1,467,582			
18	Adjustments	78,418	0	0			
19	4080.2 State Gross Receipts	1,184,787	1,253,158	1,467,582			
20							
21	Regulatory Assessment Fee				\$ -	\$ -	\$ -
22	TAX RATE	0.0720%	0.0702%	0.0702%			
23	TAX AMOUNT	31,863	35,189	41,210	\$ -	\$ -	\$ -
24	Adjustments	2,545	0	0			
25	4080.3 FPSC Assessment	34,408	35,189	41,210	0.0072	0.0072	0.0072
					\$ -	\$ -	\$ -

Supporting Schedules:

Recap Schedules:

SCHEDULE C-22

## STATE AND FEDERAL INCOME TAX CALCULATION

PAGE 1 OF 2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$	50,412,380	\$			
2	ADD INCOME TAX ACCOUNTS						
3	LESS INTEREST CHARGES (FROM C-23)		1,558,238				
4							
5	TAXABLE INCOME PER BOOKS	\$	48,854,142	\$			
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION						
9	LESS: TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$			\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$			\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES

SCHEDULE C-22

## STATE AND FEDERAL INCOME TAX CALCULATION

PAGE 2 OF 2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

COMPANY

Type of Data Shown:

Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_

Prior Year Ended \_\_\_/\_\_\_/\_\_\_

Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_

Witness:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							

52	WRITE OFF OF EXCESS DEFERRED TAXES				\$
53					
54	OTHER ADJUSTMENTS (LIST)				
55					
56					
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX			\$	\$
58					
59	FEDERAL INCOME TAX			\$	\$
60					
61	ITC AMORTIZATION				\$
62					\$
63					
64					
65					
66					
67					
68					
69					
70					
71	SUMMARY OF INCOME TAX EXPENSE:				
72		<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>	
73	CURRENT TAX EXPENSE				
74	DEFERRED INCOME TAXES				
75	INVESTMENT TAX CREDITS, NET				
76	TOTAL INCOME TAX PROVISION				

SUPPORTING SCHEDULES:

RECAP SCHEDULES:



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		(1) Prior Year Ended 2007	(2) Test Year Ended 2008
1.	Interest on Long Term Debt (1)	Account 4270.1	1,273,648	1,162,948
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	118,022	122,778
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		1,558,238	1,471,950

(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:

Schedule C-24

PARENT(S) DEBT INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If a projected test period is used, provide on both a projected and historical basis.

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.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock				
4.	Common Equity				
5.	Deferred Income Tax		Not Applicable		
6.	Investment Tax Credits				
7.	Other (specify)				
8.	Total	\$	100.00%		%
9.	Weighted cost of parent debt x 38.575% (or applicable consolidated tax rate) x equity of subsidiary			=	%

Supporting Schedules:

Recap Schedules:

Schedule C-25

DEFERRED TAX ADJUSTMENT

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	To provide information required to present the excess/deficient deferred tax balances due to protected and unprotected timing differences at statutory tax rates different from the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-E1			

Line No.		Protected	Unprotected	Total (Excess/Deficient)
1.	Balance at Beginning of the Historical Year			
2.	Historical Year Amortization			
3.	Balance at Beginning of Historical Year + 1			
4.	Historical Year + 1 Amortization			
5.	Balance at Beginning of Projected Test Year			
6.	Projected Test Year Amortization			
7.	Balance at End of Projected Test Year			

Supporting Schedules:

Recap Schedules:

Schedule C-26

## INCOME TAX RETURNS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a copy of the company's most recent consolidated  
Federal Income Tax Return, State Income Tax Return and  
most recent final IRS revenue agent's report.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:

CONSOLIDATED TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

There are no specific tax benefits or detriments in filing a consolidated return versus individual company returns. There are no existing tax-sharing agreements with affiliated companies.

Supporting Schedules:

Recap Schedules:

Schedule C-28

## MISCELLANEOUS TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the requested miscellaneous tax information.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

1. For profit and loss purposes, which IRC section 1552 method is used for tax allocation?

2. What tax years are open with the IRS?

The Company's tax returns are available for staff review at the General Office Complex.

3. For the last three tax years, what dollars were paid to or received from the parent for federal income taxes?

4. How were the amounts in (3) treated?

5. For each of the last three years, what was the dollar amount of interest deducted on the parent ONLY tax return?

6. Complete the following chart for the last three years:

Income (loss)

Book Basis  
YearTax Basis  
Year

1

2

3

1

2

3

Parent Only

Applicant Only

Total Group

Total Group Excluding  
Parent & Applicant

Supporting Schedules:

Recap Schedules:

Schedule C-29

GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY

FLORIDA PUBLIC SERVICE COMMISSION  
  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended __/__/__
No gains or losses in excess of \$1 million.												

Supporting Schedules:

Recap Schedules:

Schedule C-30

TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule detailing transactions with affiliated companies and related parties for the test year including intercompany charges, licenses, contracts and fees.

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No	Name of Company or Related Party	Relation to Utility	Type of Service Provided or Received	Effective Contract Date	Charge or Credit During Year		Amount Included in Test Year	Allocation Method Used to Allocate Charges Between Companies
					Amount (000)	Acct. No.		

All transactions are allocated if they affect affiliated operations.

Supporting Schedules:

Recap Schedules:



Schedule C-31

AFFILIATED COMPANY RELATIONSHIPS

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide a copy of the Diversification Report included in the company's most recently filed Annual Report as required by Rule 25-6.135, Florida Administrative Code. Provide any subsequent changes affecting the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Not Applicable

Supporting Schedules:

Recap Schedules:

Schedule C-32

NON-UTILITY OPERATIONS UTILIZING UTILITY ASSETS

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide an analysis of all non-utility operations such as orange groves, parking lots, etc. that utilized all or part of any utility plant that are not included in Schedule C-31.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line Number	Account Number	Description	Original Purchase Cost	Test Year Revenues (All Accts. 454)	Expense Amounts	Net Revenues

NONE

Supporting Schedules:

Recap Schedules:

## 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  
 Prior Year Ended 12/31/2006  
 Historical Prior Years 2002 - 2005  
 Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)							
Power Production Expense							
Transmission Expenses	2.21	2.00	1.09	4.25	6.36	7.68	8.53
Distribution Expenses	75.34	76.41	85.11	96.85	92.36	102.73	128.95
Customer Account Expenses	38.04	42.46	42.86	40.55	43.48	45.31	52.06
Customer Service Expenses	16.73	12.99	12.80	15.67	14.90	0	0
Sales Expenses	0.11	0.32	0.72	0.79	4.71	5.74	5.87
Administration & General Expenses	73.03	86.08	91.89	98.23	104.79	93.42	92.32
Total Other O & M Expenses	205.46	220.27	234.47	256.34	266.59	254.88	287.73
GROWTH INDICES							
Consumer Price Index	179.90	184.00	188.90	195.30	201.60	205.97	210.64
Average Customer	29,084	29,365	29,885	30,232	30,623	30,999	31,370
CPI Percent Increase	0.02	0.02	0.03	0.03	0.03	0.02	0.02
Average Customer Percent Increase	0.02	0.01	0.02	0.01	0.01	0.01	0.01
Index Percent CPI x Customer Growth	0.03	0.03	0.04	0.05	0.05		
Average Customer Increase	522	281	520	347	391	376	371
DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR							
O & M Expense Less Fuel per KWH Sold	0.00806	0.00894	0.00914	0.00952	0.00961	0.00951	0.01267
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Revenue per KWH Sold	0.01533	0.01606	0.01721	0.01725	0.01674	0.01709	0.01768
AVERAGE NUMBER OF CUSTOMERS							
Residential	1 n/a	1 n/a	22,878	23,119	23,464	23,756	24,058
Commercial	1 n/a	1 n/a	4,036	4,097	4,131	4,178	4,226
Industrial	1 n/a	1 n/a	2	2	2	2	2
Outdoor Lights	1 n/a	1 n/a	2,947	2,995	3,007	3,044	3,065
Street Lighting	1 n/a	1 n/a	22	19	19	19	19
Interdepartmental	1 n/a	1 n/a	0	0	0	0	0
Total	29,084	29,365	29,885	30,232	30,623	30,999	31,370

1 Lights incorporated with different rate classes prior to 2004 rate case

KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616
-----------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules

Recap Schedules

C-34

Schedule C-33

## PERFORMANCE INDICES

FLORIDA PUBLIC SERVICE COMMISSION

## 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:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Prior Year Ended 12/31/2006  
Historical Prior Years 2002 - 2005  
Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 Year
<b>SUMMARY OF OTHER O&amp;M EXPENSES (DOLLARS PER CUSTOMER)</b>					
Power Production Expense					
Transmission Expenses	2.21	2.00	1.09	4.25	6.36
Distribution Expenses	75.34	76.41	85.11	96.85	92.36
Customer Account Expenses	38.04	42.46	42.86	40.55	43.48
Customer Service Expenses	16.73	12.99	12.80	15.67	14.90
Sales Expenses	0.11	0.32	0.72	0.79	4.71
Administration & General Expenses	73.03	86.08	91.89	98.23	104.79
Total Other O & M Expenses	205.46	220.27	234.47	256.34	266.59
<b>GROWTH INDICES</b>					
Consumer Price Index	179.90	184.00	188.90	195.30	201.60
Average Customer	29,084	29,365	29,885	30,232	30,623
CPI Percent Increase	0.02	0.02	0.03	0.03	0.03
Average Customer Percent Increase	0.02	0.01	0.02	0.01	0.01
Index Percent CPI x Customer Growth	0.03	0.03	0.04	0.05	0.05
Average Customer Increase	522	281	520	347	391
<b>DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:</b>					
O & M Expense Less Fuel per KWH Sold	0.00806	0.00894	0.00914	0.00952	0.00961
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a
Revenue per KWH Sold	0.01533	0.01606	0.01721	0.01725	0.01674
<b>AVERAGE NUMBER OF CUSTOMERS</b>					
Residential	1 n/a	1 n/a	22,878	23,119	23,464
Commercial	1 n/a	1 n/a	4,036	4,097	4,131
Industrial	1 n/a	1 n/a	2	2	2
Outdoor Lights	1 n/a	1 n/a	2,947	2,995	3,007
Street Lighting	1 n/a	1 n/a	22	19	19
Interdepartmental	1 n/a	1 n/a	0	0	0
Total	29,084	29,365	29,885	30,232	30,623

1 Lights incorporated with different rate classes prior to 2004 rate case.

KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616
-----------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules:

Recap Schedules:

C-34

Schedule C-34

## STATISTICAL INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following statistical data for the company,  
by calendar year for the most recent 5 historical years.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Prior Year Ended 12/31/2006  
Historical Prior Years 2002 - 2005  
Witness: Mark Cutshaw, Doreen Cox

	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Average Annual Growth Rate
THE LEVEL AND ANNUAL GROWTH RATES FOR:						
Peak Load MW	154	185	171	164	197	7.19%
Peak Load Per Customer (KW)	5	6	6	5	6	5.84%
Energy Sales (MWH)	741,038	723,823	766,349	814,353	849,124	3.52%
Energy Sales Per Customer	25	25	26	27	28	2.19%
Number of Customers (Average)	29,084	29,365	29,885	30,232	30,623	1.30%
Installed Generating Capacity (MW)	n/a	n/a	n/a	n/a	n/a	n/a
Population of Service Area	n/a	n/a	n/a	n/a	n/a	n/a
End of Year Miles of Distribution Lines	1,047	1,053	1,067	1,073	1,081	0.81%
End of Year Miles of Jurisdictional Transmission Lines	22	22	22	22	22	0.00%

Supporting Schedules:

Recap Schedules:

Schedule C-35

## PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:  
Historical Year Ended 12/31/05  
Historical Year Ended 12/31/06

COMPANY: Florida Public Utilities Company  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	12/31/2006			12/31/2007		
	Amount	%Increase	CPI	Amount	%Increase	CPI
<u>Total Company Basis</u>						
Gross Payroll	17,122,023	N/A	3.20%	17,122,023	0.00%	2.17%
Gross Average Salary	47,683	N/A	3.20%	47,683	0.00%	2.17%
<u>Fringe Benefits</u>						
Life Insurance	102,596	N/A	3.20%	102,596	0.00%	2.17%
Medical Insurance	1,726,200	N/A	3.20%	1,726,200	0.00%	2.17%
Retirement Plan - Pension	1,363,590	N/A	3.20%	1,363,590	0.00%	2.17%
Retirement Plan - Medical	190,000	N/A	3.20%	190,000	0.00%	2.17%
Employee Savings Plan	N/A	N/A	3.20%	N/A	#VALUE!	2.17%
Federal Insurance Contributions Act	2,458,362	N/A	3.20%	2,458,362	0.00%	2.17%
Federal & State Unemployment Taxes	59,821	N/A	3.20%	59,821	0.00%	2.17%
Worker's Compensation	14,981	N/A	3.20%	14,981	0.00%	2.17%
Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
Employee Stock Purchase Plan	66,564	N/A	3.40%	66,564	0.00%	2.17%
Sub Total-Fringes	5,982,114	N/A	3.40%	5,982,114	0.00%	2.17%
Total Payroll and Fringes	<u>23,104,137</u>	N/A	3.40%	<u>23,104,137</u>	0.00%	2.17%
Average Employees	359	N/A	3.40%	359	0.00%	2.17%
Payroll and Fringes Per Employee	<u>64,342</u>	N/A	3.40%	<u>64,342</u>	0.00%	2.17%

Supporting Schedules:

Recap Schedules:

## PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

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

Type of Data Shown:  
Historical Year Ended 12/31/05  
Historical Year Ended 12/31/06

Witness: Mehrdad Khajasteh

Line No.	12/31/2007			12/31/2008		
	Amount	%Increase	CPI	Amount	%Increase	CPI
<u>Total Company Basis</u>						
Gross Payroll	17,122,023	N/A	2.17%	17,122,023	0.00%	2.27%
Gross Average Salary	47,683	N/A	2.17%	47,683	0.00%	2.27%
<u>Fringe Benefits</u>						
Life Insurance	102,596	N/A	2.17%	102,596	0.00%	2.27%
Medical Insurance	1,726,200	N/A	2.17%	1,726,200	0.00%	2.27%
Retirement Plan - Pension	1,363,590	N/A	2.17%	1,363,590	0.00%	2.27%
Retirement Plan - Medical	190,000	N/A	2.17%	190,000	0.00%	2.27%
Employee Savings Plan	N/A	N/A	2.17%	N/A	N/A	2.27%
Federal Insurance Contributions Act	2,458,362	N/A	2.17%	2,458,362	0.00%	2.27%
Federal & State Unemployment Taxes	59,821	N/A	2.17%	59,821	0.00%	2.27%
Worker's Compensation	14,981	N/A	2.17%	14,981	0.00%	2.27%
Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
Employee Stock Purchase Plan	66,564	N/A	2.17%	66,564	0.00%	2.27%
Sub Total-Fringes	5,982,114	N/A	2.17%	5,982,114	0.00%	2.27%
Total Payroll and Fringes	23,104,137	N/A	2.17%	23,104,137	0.00%	2.27%
Average Employees	359	N/A	2.17%	359	0.00%	2.27%
Payroll and Fringes Per Employee	64,342	N/A	2.17%	64,342	0.00%	2.27%

Supporting Schedules:

Recap Schedules:

Schedule C-36

NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI

Page \_\_\_\_ of \_\_\_\_

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide a comparison of the change in operation and maintenance expenses (excluding fuel) for the last three years and the test year to the CPI.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

	2004	2005	2006	19 ____
--	------	------	------	---------

Non-Fuel Operations & Maintenance Expenses (Excluding Conservation, Adjusted for Regulatory Adjustments).			15,413,166	
Percent Change in Non-Fuel Operations & Maintenance Expense Over Previous Year.			#DIV/0!	
Percent Change in CPI Over Previous Year.				
Difference Between Change in CPI and Non-Fuel Operations & Maintenance Expense.				

Supporting Schedules:

Recap Schedules:



## O &amp; M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses,  
provide the benchmark variances.Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mohrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	(1) Function	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Adjusted Benchmark Variance
		Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	
1	Production - Steam	NA								
2	Production - Nuclear	NA								
3	Production - Other	-	-	-	-	-	-	-	-	
4	Transmission	75,481	-	75,481	65,207	1.3071	85,232	(9,751)		(9,751)
5	Distribution	293,702	-	293,702	2,364,635	1.3071	3,090,814	(2,797,112)		(2,797,112)
6	Customer Accounts	163,883	-	163,883	1,388,756	1.3071	1,815,243	(1,651,360)		(1,651,360)
7	Customer Service and Information	NA								
8	Sales Expenses	18,444	-	18,444	2,708	1.3071	3,540	14,904		14,904
9	Administrative and General	352,518	-	352,518	2,286,653	1.3071	2,988,884	(2,636,366)		(2,636,366)
10	Total	904,028	-	904,028	904,028		7,983,713	(7,079,686)	-	(7,079,686)

Supporting Schedules:

Recap Schedules:

## O &amp; M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

For test year functionalized O & M expenses,  
provide the benchmark variances.Type of Data Shown:  
Projected Test Year Ended: 12/31/2008  
Prior Year Ended: 12/31/2007  
Historical Year Ended: 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No.	Function	Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1	Production - Steam	NA								
2	Production - Nuclear	NA								
3	Production - Other	-	-	-	-	-	-	-		
4	Transmission	79,617	-	79,617	65,207	1.3071	85,232	(5,615)		(5,615)
5	Distribution	366,863	-	366,863	2,364,635	1.3071	3,090,814	(2,723,952)		(2,723,952)
6	Customer Accounts	184,036	-	184,036	1,388,756	1.3071	1,815,243	(1,631,207)		(1,631,207)
7	Customer Service and Information	NA								
8	Sales Expenses	19,089	-	19,089	2,708	1.3071	3,540	15,549		15,549
9	Administrative and General	475,500	-	475,500	2,286,653	1.3071	2,988,884	(2,513,384)		(2,513,384)
10	Total	1,125,105	-	1,125,105	1,125,105		7,983,713	(6,858,608)	-	(6,858,608)

Supporting Schedules:

Recap Schedules:

Schedule C-37

## O &amp; M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For test year functionalized O & M expenses,  
provide the benchmark variances.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No.	(1) Function	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Adjusted Benchmark Variance
		Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	
1.	Production - Steam									
2.	Production - Nuclear									
3.	Production - Other									
4.	Transmission	194,697	-	194,697	65,207	1.3071	85,232	109,465		109,465
5.	Distribution	2,828,336	-	2,828,336	2,364,635	1.3071	3,090,814	(262,478)		(262,478)
6.	Customer Accounts	1,331,423	-	1,331,423	1,388,756	1.3071	1,815,243	(483,820)		(483,820)
7.	Customer Service and Information	456,161	-	456,161						
8.	Sales Expenses	144,236	-	144,236	2,708	1.3071	3,540	140,696		140,696
9.	Administrative and General	3,208,858	-	3,208,858	2,286,653	1.3071	2,988,884	219,974		219,974
10.	Total	8,163,711	-	8,163,711	8,163,711		7,983,713	(276,163)	-	(276,163)

Supporting Schedules:

Recap Schedules:

Schedule C-37

## O &amp; M BENCHMARK COMPARISON BY FUNCTION

Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses,  
provide the benchmark variances.

Type of Data Shown:

PRIOR BASE YEAR 12/31/02

HISTORICAL YEAR ENDED 12/31/06

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

CONCOSIDATED ELECTRIC DIVISION

DOCKET NO.:070304-EI

Witness:

Line No.	(1) Function	(2) Historic Year Total Company Per Books 2006	(3) O & M Adjustments	(4) Adjusted Historic Test Year O & M 2006	(5) Base Year Adjusted O & M 2002	(6) Compound Multiplier	(7) Historic Year Benchmark (5) x (6)	(8) Unadjusted Benchmark Variance	(9) Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam	N/A								
2.	Production - Nuclear	N/A								
3.	Other Power Supply Expenses	0	0	0	0		0	0		0
4.	Transmission	194,697	0	194,697	65,207	1.3071	85,232	109,465		109,465
5.	Distribution	2,828,336	0	2,828,336	2,364,635	1.3071	3,090,814	(262,478)		(262,478)
6.	Customer Accounts	1,331,423	0	1,331,423	1,388,756	1.3071	1,815,243	(483,820)		(483,820)
7.	Customer Service and Information	N/A								
8.	Sales Expenses	144,236	0	144,236	2,708	1.3071	3,540	140,696		140,696
9.	Administrative and General	3,208,858	0	3,208,858	2,286,653	1.3071	2,988,884	219,974		219,974
10.	Total	<u>7,707,550</u>	<u>0</u>	<u>7,707,550</u>	<u>6,107,959</u>		<u>7,983,713</u>	<u>(276,163)</u>	<u>0</u>	<u>(276,163)</u>

N/A - NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

## O &amp; M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For test year functionalized O & M expenses,  
provide the benchmark variances.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Function	Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:
1.	Production - Steam	NA							
2.	Production - Nuclear	NA							
3.	Production - Other	-	-	-	-	-	-	-	-
4.	Transmission	75,481	-	75,481	65,207	1.3071	85,232	(9,751)	
5.	Distribution	293,702	-	293,702	2,364,635	1.3071	3,090,814	(2,797,112)	
6.	Customer Accounts	163,883	-	163,883	1,388,756	1.3071	1,815,243	(1,651,360)	
7.	Customer Service and Information	NA							
8.	Sales Expenses	18,444	-	18,444	2,708	1.3071	3,540	14,904	
9.	Administrative and General	352,518	-	352,518	2,286,653	1.3071	2,988,884	(2,636,366)	
10.	Total	904,028	-	904,028	904,028		7,983,713	(7,079,686)	

Supporting Schedules:

Recap Schedules:

Pg. 1 of 2

---

---

Adjusted  
Benchmark  
Variance

(9,751)

(2,797,112)

(1,651,360)

14,904

(2,636,366)

(7,079,686)

---

Pg. 2 of 2

Schedule C-38

## O &amp; M ADJUSTMENTS BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide the detail of adjustments made to test year per books  
 O & M expenses by function.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

Line No.	Function	(000) Adjustment	Explanation
1	Production	0	
2			
3			
4			
5			
6			
7	Total Production	0	
8			
9	Other Power Supply	0	
10			
11	Transmission	0	
12			
13	Distribution	0	
14			
15	Customer Accounts	0	
16			
17	Customer Service and		
18	Information	0	
19			
20	Sales Expenses		
21		0	
22	Administrative & General		
23			
24			
25			
26	Total Administrative & General		
27			
28			
29	TOTAL ADJUSTMENTS	0	

Supporting Schedules:

Recap Schedules:

Schedule C-39

## BENCHMARK YEAR RECOVERABLE O &amp; M EXPENSES BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide adjustments to benchmark year O & M expenses related to expenses recoverable through mechanisms other than base rates. Explain any adjustments.

Type of Data Shown:

☐ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_

☒ X Prior Year Ended 12/31/02

☐ Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
DOCKET NO.: 070304-EI

Witness:

Line No.	Function	Benchmark Year Actual O & M \$	Adjustments for Non-Base Rate Expense Recoveries	\$	Benchmark Year Adjusted O & M \$
1	PRODUCTION - STEAM	0		0	0
2	PRODUCTION - NUCLEAR	0		0	0
3	OTHER POWER SUPPLY EXPENSES	26,497,852	PURCHASED POWER RECOVERY CLAUSE	(26,497,852)	0
4	TRANSMISSION	65,207		0	65,207
5	DISTRIBUTION	2,364,635		0	2,364,635
6	CUSTOMER ACCOUNTS	1,388,756		0	1,388,756
7	CUSTOMER SERVICE AND INFORMATION	488,107	CONSERVATION RECOVERY CLAUSE	(488,107)	0
8	SALES EXPENSE	2,708		0	2,708
9	ADMINISTRATIVE AND GENERAL	2,286,653		0	2,286,653
10	TOTAL	<u>33,093,918</u>		<u>(26,985,959)</u>	<u>6,107,959</u> (1)

(1) INCLUDES FIGURES AS FILED LAST RATE CASE PLUS FPSC AJUSTMENTS MADE PER ORDER NO. PSC-04-0369-AS-EI.

Supporting Schedules:

Recap Schedules:



Schedule C-40

O & M COMPOUND MULTIPLIER CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

For each year since the benchmark year, provide the amounts and percent increases associated with customers and average CPI. Show the calculation for each compound multiplier.

Type of Data Shown:

Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Year	Total Customers			Average CPI-U (1967 = 100)			Inflation and Growth Compound Multiplier
	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	
2002	26,266		1.0000	179.9		1.0000	1.0000
2003	26,797	2.02%	1.0202	184.0	2.28%	1.0228	1.0435
2004	29,891	11.55%	1.138	188.9	2.66%	1.0500	1.1949
2005	30,243	1.18%	1.1514	195.3	3.39%	1.0856	1.2500
2006	30,636	1.30%	1.1664	201.6	3.23%	1.1206	1.3071

Supporting Schedules:

Recap Schedules:

Schedule C-41

## O &amp; M BENCHMARK VARIANCE BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

COMPANY FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended / /

Prior Year Ended / /

X Historical Test Year Ended 12/31/06

Witness: M KHOJASTEH

FERC ACCOUNTS: 911 - 917

FERC FUNCTIONAL GROUP: SALES EXPENSE

					AMOUNT	
					TEST YEAR ADJUSTED	144,236
					BENCHMARK	3,540
					VARIANCE TO JUSTIFY	140,696
LINE NO	JUSTIFICATION NO	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	S-1	INFORMATIONAL ADV. PURCH. POWER - ACCT 9134	0	0	120,402	120,402
2	S-2	CUSTOMER SATISFACTION SURVEY - ACCT 916	0	0	12,332	12,332
3	S-3	SAFETY ADVERTISING - ACCT 9133	774	1,012	8,224	7,212
4	S-4	PROMOTIONAL ADVERTISING - ACCT 9132	0	0	1,537	1,537

## JUSTIFICATION

S-1	INFORMATIONAL ADVERTISING RE: INCREASE IN PURCHASED POWER COSTS- VENDOR: CURLEY & PYNN.
S-2	SURVEY OF ELECTRIC CUSTOMERS AND THEIR EXPECTATIONS. AWARENESS OF POWER COSTS INCREASES AND WHERE WE CAN BETTER COMMUNICATE RATE AND CONSERVATION INFORMATION.
S-3	STORM PREPARATION INFORMATIONAL ADVERTISING
S-4	CONSERVATION ITEMS WHICH DID NOT QUALIFY FOR RECOVERY THROUGH THE CONSERVATION RECOVERY CLAUSE.

Schedule C-42

HEDGING COSTS

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide hedging expenses and plant balances by primary account for the test year and the preceding three years. Hedging refers to initiating and/or maintaining a non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for the utility's retail ratepayers, exclusive of the costs referenced in Paragraph 3 , Page 5 of Order No. PSC-02-1484-FOF-EI. Show hedging expenses and plant recovered through base rates separate from hedging expenses and plant recovered through the fuel clause.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-EI			

Line No.	Account No.	Account Title	Base Rates	Year Clause	Base Rates	Year Clause	Base Rates	Year Clause	Base Rates	Test Year Clause
			EXPENSES							
		Hedging Expense								
		Total Hedging Expense								
			ANNUAL PLANT IN SERVICE							
		Hedging related capital investment								
		Total Hedging investment								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide a schedule of security expenses and security plant balance by primary account and totals for the test year and the preceding three years.  
Show the security expenses recovered through base rates separate from security expenses recovered through the fuel/capacity clauses. Show the plant balances supporting base rates separate from the plant balances supporting the fuel/capacity clauses. Provide only those security costs incurred after, and as a result of, the terrorist events of September 11, 2001.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year		Year		Year		Test Year	
			Base Rates	Clauses	Base Rates	Clauses	Base Rates	Clauses	Base Rates	Clauses
EXPENSES										
		Security Expense								
		Total Security Expense								
ANNUAL PLANT IN SERVICE										
		Security capital investment								
		Total Security investment								
Supporting Schedules:					Recap Schedules:					

Schedule C-44

## REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	2.5000%
3.	Regulatory Assessment Rate	0.7200%
4.	Bad Debt Rate	0.1877%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.5923%
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	5.3126%
8.	Net Before Federal Income Tax (5) - (7)	91.2797%
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	31.0351%
11.	Revenue Expansion Factor (8) - (10)	60.2446%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:

## Projection Factors

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2006-2008</u>
0 No Change	100	100	100
1 Inflation	102.2	102.3	104.6
5 Payroll	105.5	105.5	111.3
2 Customer Growth	101.2	101.2	102.4
6 Sales (KWH) - No Price	100.2	100.9	101.1
13 Inflation & Customer Growth	103.4	103.5	107.0
21 Inflation & Payroll	107.8	107.9	116.3
16 Payroll & Customer Growth	106.8	106.8	114.1
20 Direct	Direct	Direct	Direct
9 Revenues	100	100	100
19 Zero Balance	0	0	0

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	→ Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Documents	→ Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ Adobe	→ Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ CCWin9	→ For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Corel User Files	→ forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ CyberLink	→ FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
→ My eBooks	→ FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
→ My Music	→ FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
→ My Pictures	→ FW 2003-2005 AGA Performance Benchmark draft results for y...	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
→ RegBak	→ FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Computer	→ FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ 3½ Floppy (A:	→ FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ BIP3014 (C:)	→ FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
→ ROXIO122 (D:	→ FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ Exhibit 2.8	→ FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ BACHMA	→ FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ COX	→ FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
+ → KHOJAS	→ FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
+ → MARTIN	→ FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ MESITE	→ FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ Cleider on 'fp2	→ FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Wp on 'Grounc	→ FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ filings on 'FP3	→ FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Hg on 'Ground	→ FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
→ Db on 'Ground	→ FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ 123 on 'Grounc	→ FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Sys on 'Grounc	→ FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Transfer on 'Gr	→ FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Fp26dos on 'Gr	→ FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Bat on 'Ground	→ FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ Public on 'Grou	→ FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ Control Panel	→ FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Network Places	→ FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Recycle Bin	→ FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	→ FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	→ FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	→ FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	→ FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	→ FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C

Address: D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
sktop	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Documents	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Adobe	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
CCWin9	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Corel User Files	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
CyberLink	FPU Refunding Model 030707.xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
My eBooks	FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
My Music	FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Pictures	FW 2003-2005 AGA Performance Benchmark draft results for y....	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
RegBak	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Computer	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
BIP3014 (C:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
ROXIO122 (D:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMA	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
KHOJAS	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
MARTIN	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Cleider on 'fp2	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Wp on 'Grounc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
filings on 'FP3	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Hg on 'Ground	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Db on 'Ground	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
123 on 'Grounc	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Grounc	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Transfer on 'Gr	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Fp26dos on 'Gr	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Bat on 'Ground	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Public on 'Grou	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Control Panel	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Network Places	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Recycle Bin	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C



# 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.



Edward Jones

# Florida Public Utilities Savings Analysis

## Detailed

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
<b>NPV Savings</b>	<b>\$1,392,143</b>

### Expenses

Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,640
Other Expenses	100,000
<b>Total</b>	<b>\$1,064,140</b>

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
<b>All-in Cost (Discount Rate)</b>	<b>6.12%</b>

\* 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

Folders	Name	Size	Type	Date Modified	Location
Desktop	Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Documents	Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Adobe	Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
CCWin9	For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Corel User Files	forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
CyberLink	FPU Refunding Model 030707 xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
My eBooks	FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
My Music	FPU Refunding Model 080607 xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Pictures	FW 2003-2005 AGA Performance Benchmark draft results for y...	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
RegBak	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Computer	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
3½ Floppy (A:	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
BIP3014 (C:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
ROXIO122 (D:	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMA	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
KHOJAS	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
MARTIN	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Cleider on 'fp2	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Wp on 'Grounc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
filings on 'FP3	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Hg on 'Ground	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Db on 'Ground	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
123 on 'Grounc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Grounc	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Transfer on 'Gr	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Fp26dos on 'Gr	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Bat on 'Ground	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Public on 'Grou	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Control Panel	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Recycle Bin	FW G-MFRS-8-3-07_NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C

**Clara Leider**

---

**From:** Sprouse, Kevin E [kevin.sprouse@edwardjones.com]  
**Sent:** Monday, August 06, 2007 12:38 PM  
**To:** Bachman George; Cox Doreen  
**Subject:** FPU Refunding Model 080607.xls  
**Attachments:** FPU Refunding Model 080607.xls

<<FPU Refunding Model 080607.xls>>

George & Doreen,

I hope you are having a great summer. I wanted to let you know that the window for a lower call price at par (100) has just opened for the bond refunding. As you know the call price drops to 100 from 101 as of October 1, 2007 yet the notice window to bondholders for the lower par (100) call starts 60 days before that... which we are now in that 60 day time frame. Given the recent drop in interest rates and the reduction of the redemption costs, I wanted to touch base and see how things are coming along.

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

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](mailto:messages@edwardjones.com). You must include the e-mail address that you wish not to receive e-mail communications.

## 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.



Edward Jones

# Florida Public Utilities Savings Analysis

## Detailed

Series	Florida Public Utilities 6.85% due 10/1/2031
--------	--

### Savings Analysis

Annual Interest Savings	\$142,500
Annual Financing Cost of Expenses	(68,176)
Annual Savings	74,324
<b>NPV Savings</b>	<b>\$903,266</b>

### Expenses

Call Premium	-
Underwriting fee	472,500
Bond Insurance	331,612
Other Expenses	100,000
<b>Total</b>	<b>\$904,112</b>

Annual Financing Cost of Expenses	\$68,176
-----------------------------------	----------

### 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	5.900%
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
<b>All-in Cost (Discount Rate)</b>	<b>6.35%</b>

\* Other Expenses include legal, rating and auditor fees.

\*\* Expenses are financed at a rate of 6.35% and amortized for 30.0 years



Edward Jones

**Clara Leider**

**From:** Sprouse, Kevin E [kevin.sprouse@edwardjones.com]  
**Sent:** Thursday, March 08, 2007 10:18 AM  
**To:** Bachman George; Cox Doreen  
**Subject:** FPU Refunding Model 030707.xls  
**Attachments:** FPU Refunding Model 030707.xls

<<FPU Refunding Model 030707.xls>>

George & Doreen,

I've input some updated figures into the model I was sent from Doreen. The model shows pre-tax savings around \$1.3 million and a tax effected savings of around \$800,000.

Doreen: Please let me know if you have any questions about these new inputs.

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

## 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
<b>Coupon</b>	<b>6.85%</b>	<b>5.75%</b>	<b>-1.10%</b>
Annual Interest Expense	\$1,027,500	\$862,500	-\$165,000
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.25%	
<b>All-In Cost</b>	<b>6.85%</b>	<b>6.40%</b>	<b>-0.45%</b>
<b>NPV Savings through Initial Maturity</b>			<b>\$831,464</b>

#### Highlights

- ? The average coupon is reduced by 1.1% resulting in annual savings of \$165,000 and NPV savings of \$0.83 million.
- ? The all-in cost of debt is reduced by 0.45%.
- ? 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.



Edward Jones



# 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
<b>NPV Savings</b>	<b>\$1,607,151</b>

#### Expenses

Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	345,096
Other Expenses	100,000
<b>Total</b>	<b>\$1,067,596</b>

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
<b>All-in Cost (Discount Rate)</b>	<b>6.02%</b>

\* Other Expenses include legal, rating and auditor fees.

\*\* Expenses are financed at a rate of 6.02% and amortized for 30.0 years



Edward Jones

Refunding Bond Analysis  
Edward Jones Assumptions  
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	<sup>2</sup>		(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 0.85%

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		(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
	Interest		(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)
	Total Outflows	-	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)	(922,251)
	NPV	(\$11,364,347)																									

Coupon Rate 5.50%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

SAVINGS	-	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249	105,249
	\$1,295,779																										

Discount Rate <sup>3</sup> 6.40%

Assumptions  
<sup>1</sup> Call Premium, Bond Insurance <sup>1</sup> Underwriting Fee and Other Expenses financed over 30 years  
<sup>2</sup> Expenses not tax effected  
<sup>3</sup> Discount Rate of 6.4%

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
Interest tax effected	<sup>2</sup>		(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)
<b>NPV</b>		<b>(\$8,193,550)</b>																				

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
Call Premium	<sup>1</sup>	(150,000)																				
Underwriting Fee and tax ddn	<sup>1</sup> <sup>2</sup>	(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
Bond Insurance tax effected	<sup>2</sup>		(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	<sup>1</sup> <sup>2</sup>	(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
Interest tax effected	<sup>2</sup>		(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)
Total Outflows		(722,500)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)
<b>NPV</b>		<b>(\$7,388,910)</b>																				

Coupon Rate 5.50%  
UF Underwriting Fee .115%  
Bond Insurance 0.15%

SAVINGS		(722,500)	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463
		<b>\$804,640</b>																				

Discount Rate <sup>3</sup> 6.00%

Assumptions:

- <sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- <sup>2</sup> All expenses except Call Premium are Tax Deductible
- <sup>3</sup> Discount Rate of 6%

pg. 1 of 2

2027	2028	2029	2030	2031
(640,955)	(640,955)	(640,955)	(640,955)	(640,955)

2027	2028	2029	2030	2031
5,925	5,925	5,925	5,925	5,925
(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
1,254	1,254	1,254	1,254	1,254
(514,635)	(514,635)	(514,635)	(514,635)	(514,635)
(521,491)	(521,491)	(521,491)	(521,491)	(521,491)

119,463	119,463	119,463	119,463	119,463
---------	---------	---------	---------	---------

Pg. 2 of 2

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
Interest tax effected	<sup>2</sup>		(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		(\$8,193,550)																				

(\$8,193,550)

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
Call Premium	<sup>1</sup>	(150,000)																				
Underwriting Fee and tax ddn	<sup>1</sup> <sup>2</sup>	(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
Bond Insurance tax effected	<sup>2</sup>		(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	<sup>1</sup> <sup>2</sup>	(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
Interest tax effected	<sup>2</sup>		(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)	(514,635)
Total Outflows		(722,500)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)	(521,491)
NPV																						

(\$7,388,910)

Coupon Rate 5.50%  
UF Underwriting Fee 1.15%  
Bond Insurance 0.15%

SAVINGS		(722,500)	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463	119,463
		\$804,640																				

Discount Rate <sup>3</sup> 6.00%

Assumptions:  
<sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front  
<sup>2</sup> All expenses except Call Premium are Tax Deductible  
<sup>3</sup> Discount Rate of 6%

Pg. 1 of 2

2027	2028	2029	2030	2031
(640,955)	(640,955)	(640,955)	(640,955)	(640,955)

2027	2028	2029	2030	2031
5,925	5,925	5,925	5,925	5,925
(14,036)	(14,036)	(14,036)	(14,036)	(14,036)
1,254	1,254	1,254	1,254	1,254
(514,635)	(514,635)	(514,635)	(514,635)	(514,635)
(521,491)	(521,491)	(521,491)	(521,491)	(521,491)

119,463	119,463	119,463	119,463	119,463
---------	---------	---------	---------	---------

pg. 2 of 2

Refunding Bond Analysis  
FPU's Analysis  
Dec-06

ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interest	<sup>2</sup>		(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)
<b>NPV</b>		<b>(\$12,650,126)</b>											

Coupon Rate 6.85%

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Call Premium	<sup>1</sup>	(150,000)											
Underwriting Fee	<sup>1</sup> <sup>2</sup>	(472,500)											
Bond Insurance	<sup>2</sup>		(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)	(22,500)
Other Expenses	<sup>1</sup> <sup>2</sup>	(100,000)											
Interest	<sup>2</sup>		(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)
Total Outflows		(722,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)
<b>NPV</b>		<b>(\$11,156,546)</b>											

Coupon Rate 5.50%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

<b>SAVINGS</b>		(722,500)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
		<b>\$1,493,581</b>											

Discount Rate <sup>3</sup> 6.40%

Assumptions:

- <sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- <sup>2</sup> No tax effect
- <sup>3</sup> Discount Rate of 6.4%

*Pg. 1 of 2*

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)
(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)	(825,000)
(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)	(847,500)

180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

*Pg. 2 of 2*



4010.9310 RENTS

4

4

3

5

4

6

**TOTAL OPERATION EXPENSES**

3,814

4,123

4,538

4,639

5,235

4,970

**MAINTENANCE EXPENSE**ed versus  
y account  
ata for theType of Data Shown:  
Projected Test Year Ended 12/31/08  
Projected Prior Year Ended 12/31/07  
Historical Year Ended 12/31/06  
Witness:

2005 Year 4		2006 Year 5		2007 Prior Year		2008 Prior Year	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
7,366	7,559	7,447	7,594	7,982	7,556,037		7,354,580
1,748	1,447	1,453	1,449	1,524	1,451,085		1,411,715
2,511	2,285	2,395	2,208	2,363	2,206,579		2,100,191
551	575	573	643	679	663,608		606,896
					523,050		484,098
					848,828		855,889
165	214	206	213	219	241,241		243,452
0	0	0	0	0	0		0
0	0	7	0	0	0		0
2	0	0	0	2	2		0
364	357	347	355	333			
255	246	269	220	227			
108	116	123	114	110			
20	9	5	8	9			
13,088	12,808	12,825	12,804	13,446	13,490,427	0	

18	11	19	17	16	42,501	43,478
1	4	1	0	10	12,116	31,080
318	334	346	307	339	380,422	432,649
50	50	51	47	50	94,872	99,878
76	81	91	113	76	120,476	128,668
31	28	31	30	34	31,227	32,944
29	14	47	12	14	12,770	13,638
247	250	250	256	247	273,056	291,623
78	87	103	93	91	99,595	106,368
237	229	230	208	215	272,588	312,033
39	1	1	1	1	1,053	1,077
154	173	190	115	160	122,822	132,354
253	234	236	277	250	295,709	315,817
878	746	772	758	690	900,725	867,396
78	8	80	87	63	87,590	216,664
97	81	85	94	100	97,568	100,983
7	22	89	131	63	164,241	169,989
3	2	28	13	4	13,699	14,179
1,011	831	936	960	1,089	1,051,831	1,147,852
206	203	137	152	165	160,736	169,799
216	152	270	197	231	184,512	41,210
160	175	157	175	158	181,238	680,846
471	427	546	438	546	632	147,397
785	871	881	901	867	907,800	999,699
117	119	110	131	121	133,967	254,283
82	93	72	77	83	98,936	102,399

9	7	7	8	7	8,490	8,685
5,651	5,233	5,766	5,598	5,690	5,650,970	6,862,991

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, Mark Cutshaw

(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
726,284		21,697,924	7,354,580
602,508		19,982,459	4,118,801
177,581		6,619,407	484,098
30,076		347,188	855,889
9,065		119,167	243,452
		-	-
		-	-
		-	-
1,545,514	-	48,766,145	13,056,820
1,545,514	-	48,766,145	13,056,820
-	-	-	-
1,545,514	-	48,766,145	13,056,820
		-	354,696
		-	225,209
		-	-
		-	119,269
		-	-
		-	-
		307,430	-
		-	7,846
		-	8,373
		-	-
-	-	307,430	715,393
1,545,514	-	49,073,575	13,772,214

Pg. 2 of 2

**Clara Leider**

**From:** 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  
**Attachments:** 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  
Edward Jones  
12555 Manchester Road  
St. Louis, MO 63131  
p: 314-515-3007  
f: 314-515-2664  
kevin.sprouse@edwardjones.com

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
My Documents	FW Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Adobe	FW 2003-2005 AGA Performance Benchmark draft results for y....	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
CCWin9	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Corel User Files	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
CyberLink	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
My eBooks	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
My Music	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Pictures	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
RegBak	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Computer	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
3½ Floppy (A:)	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
BIP3014 (C:)	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
ROXIO122 (D:)	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Exhibit 2.8	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
BACHMA	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
COX	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
KHOJAS	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
MARTIN	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
MESITE	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Cleider on 'fp2	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Grounc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Hg on 'Ground	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
123 on 'Grounc	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Sys on 'Grounc	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Transfer on 'Gr	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Fp26dos on 'Gr	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Bat on 'Ground	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Public on 'Grou	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Control Panel	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
My Network Places	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
Recycle Bin	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C

**Clara Leider**

**From:** Bachman George  
**Sent:** Monday, January 29, 2007 1:25 PM  
**To:** Cox Doreen  
**Subject:** FW: 2003-2005 AGA Performance Benchmark draft results for your company  
**Attachments:** FLPUCCharts05.pdf

*George*

**From:** McDowell, Bruce [mailto:BMcDowell@aga.org]  
**Sent:** Monday, January 29, 2007 1:22 PM  
**To:** Bachman George  
**Subject:** 2003-2005 AGA Performance Benchmark draft results for your company

Attached is an Excel file showing your company's draft results for the 2003-2005 Performance Benchmarking report from AGA. The results are based on your data submission to AGA through the Uniform Statistical Report. Your company's results are shown as the black bar, and the other respondents are the clear bars. Due to confidentiality concerns, no other company's data will be identified by name, and your company's data will not be identified to others. If there is no bar filled in for a particular year or item, either no data were submitted for that item or the result was considered an outlier to the rest of the sample and thus excluded from the database.

**Please review the attached and let me know of any comments, questions, or corrections you have by February 15th.** This report will then be distributed to others in your organization that serve on particular AGA committees and boards, including CEO and CFO levels.

Other parts of the report include the written analysis of the entire dataset (you will need to use your AGA website user name and password):

<http://www.aga.org/Template.cfm?Section=News&Template=/MembersOnly.cfm&ContentID=21495>

and a table showing more than 200 company results for about 16 metrics drawn from Energy Information Administration and Department of Transportation databases. Since these are publicly available data sources, company results will be identified by name. The metrics include such items as number of customers, revenue per therm, use per customer, miles of main, and so forth. This analysis is still under development.

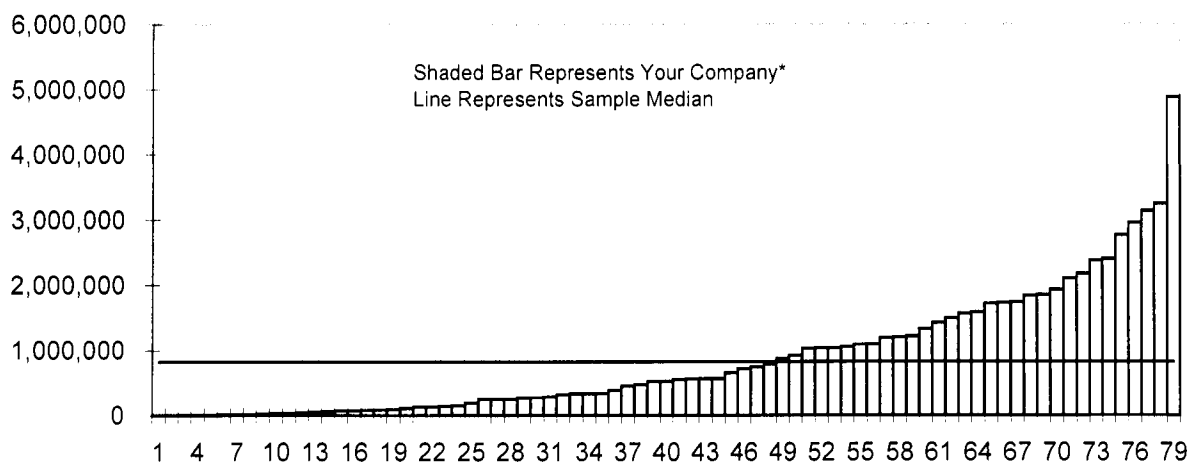
Thank you for completing the Uniform Statistical Report, and thus participating in this process.

Bruce McDowell  
 AGA  
 202-824-7131

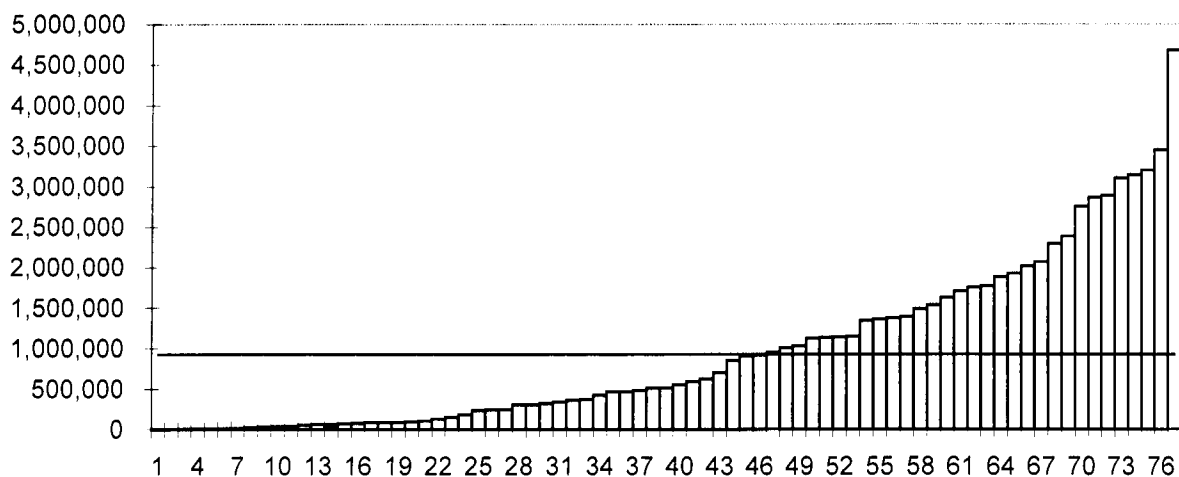
**Confidential Report For: Florida Public Utilities Company**  
**Therms Delivered (000)**

1

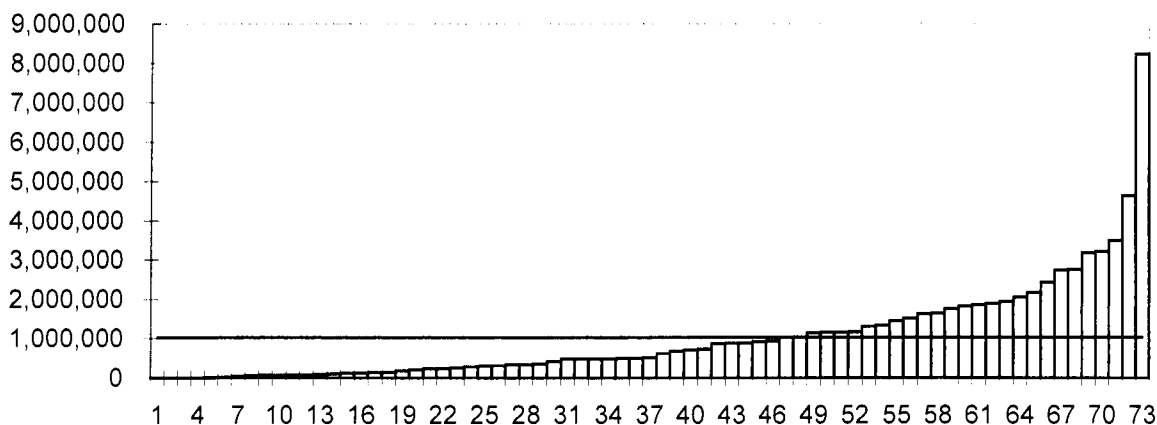
**2003**



**2004**



**2005**



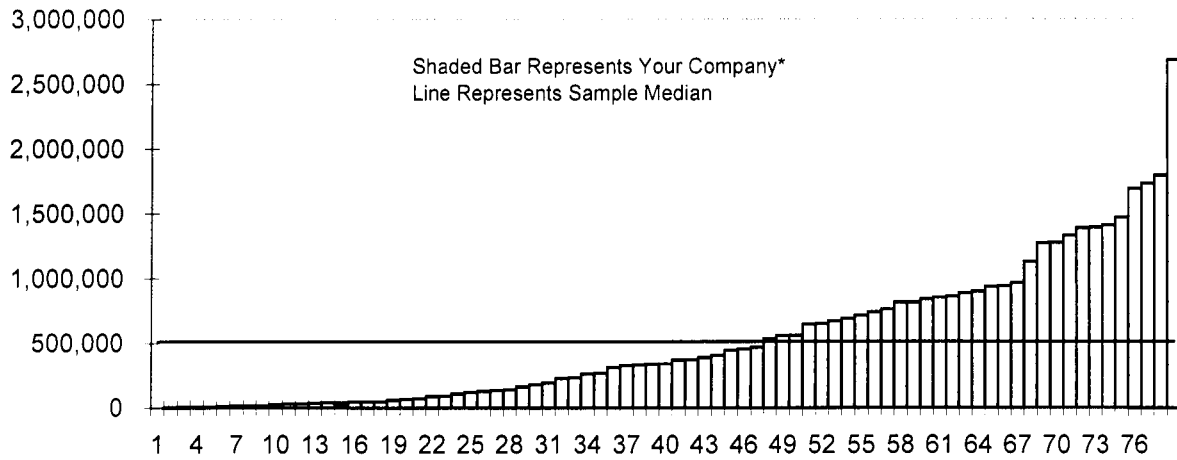
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2353**

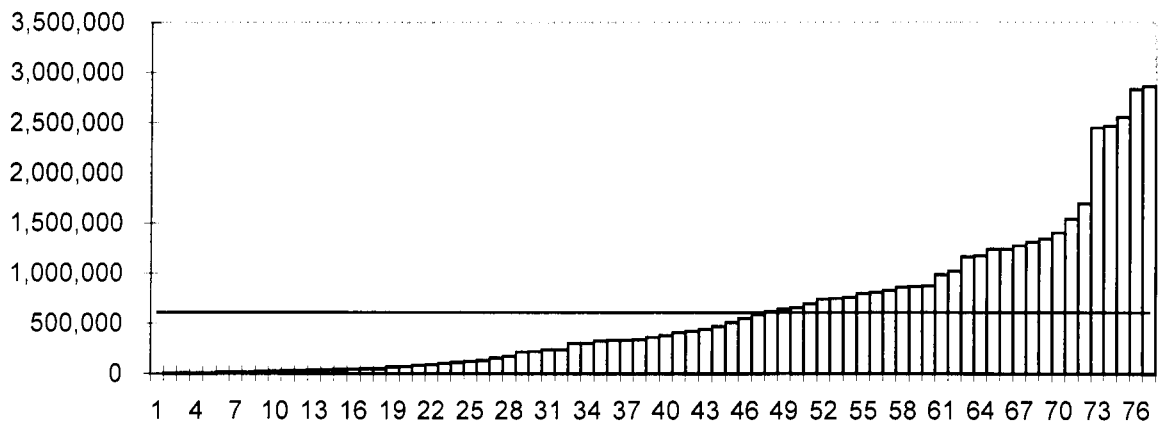
**Confidential Report For: Florida Public Utilities Company**  
**Therms Sold (000)**

2

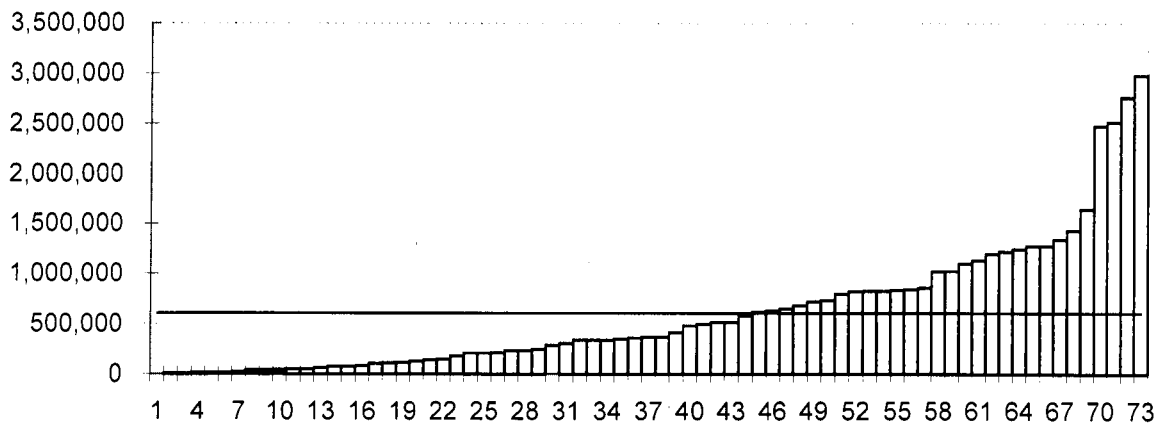
**2003**



**2004**



**2005**



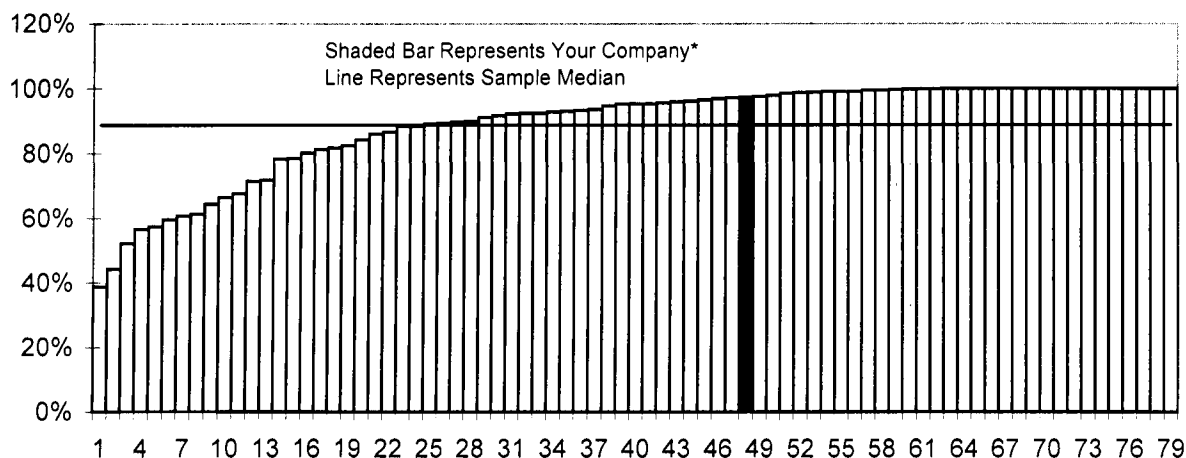
\*Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2354**

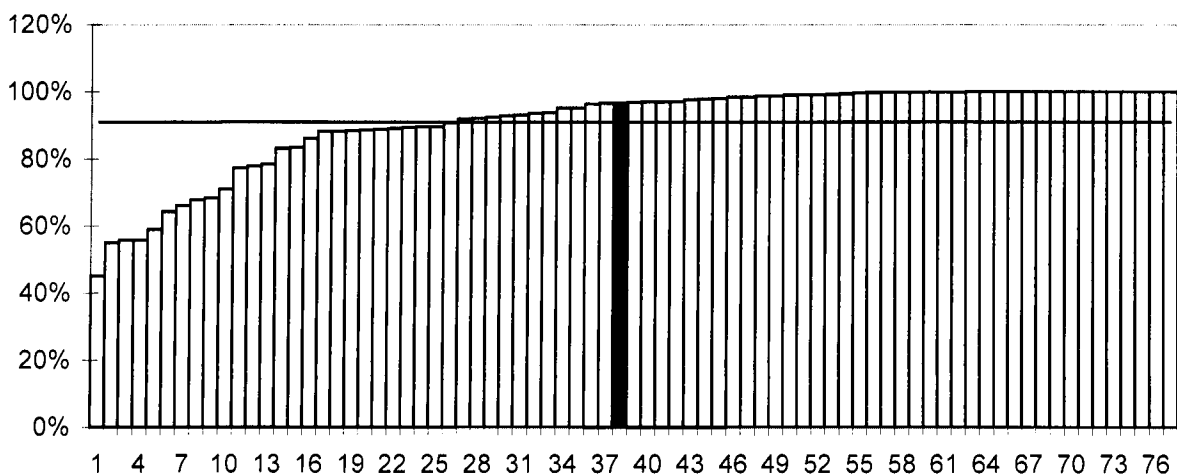


% Firm

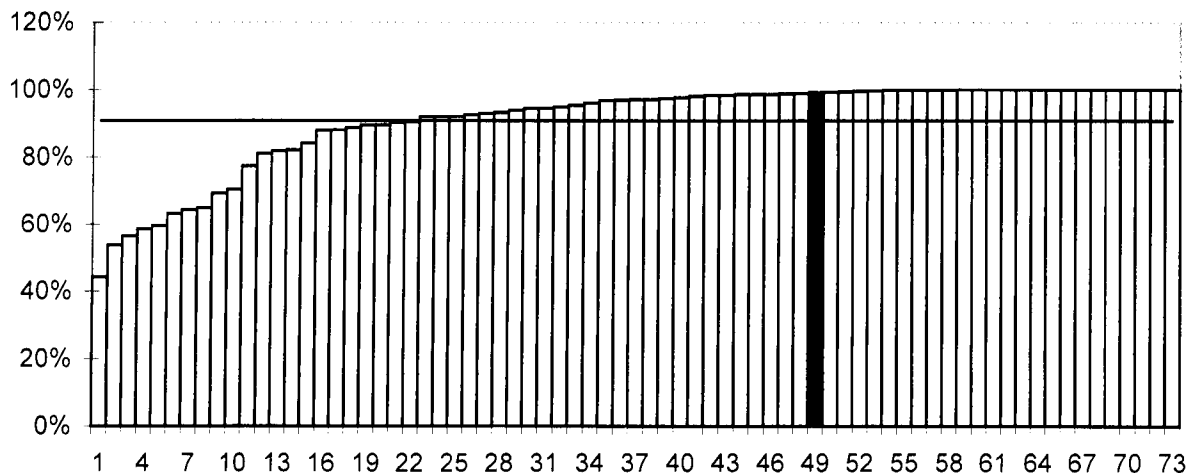
2003



2004



2005

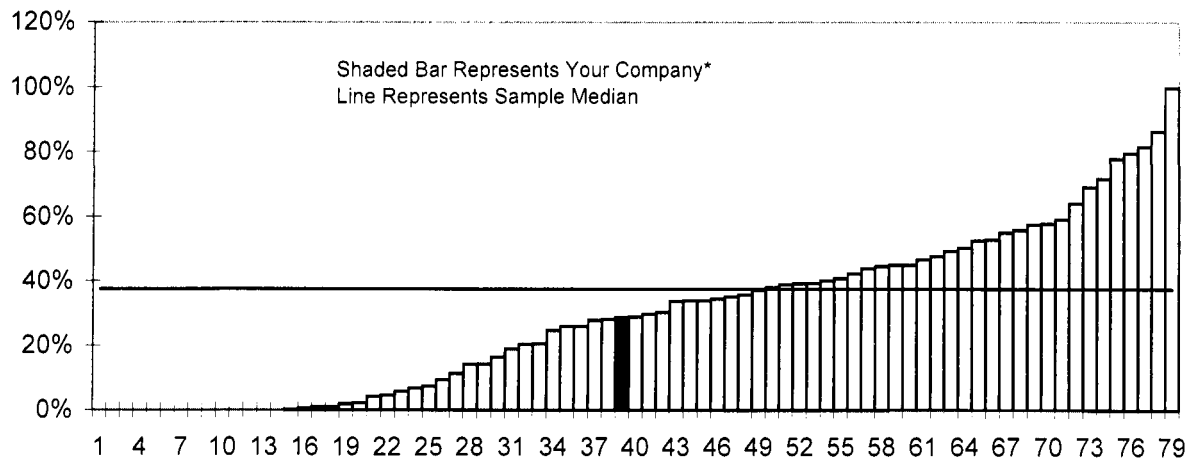


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

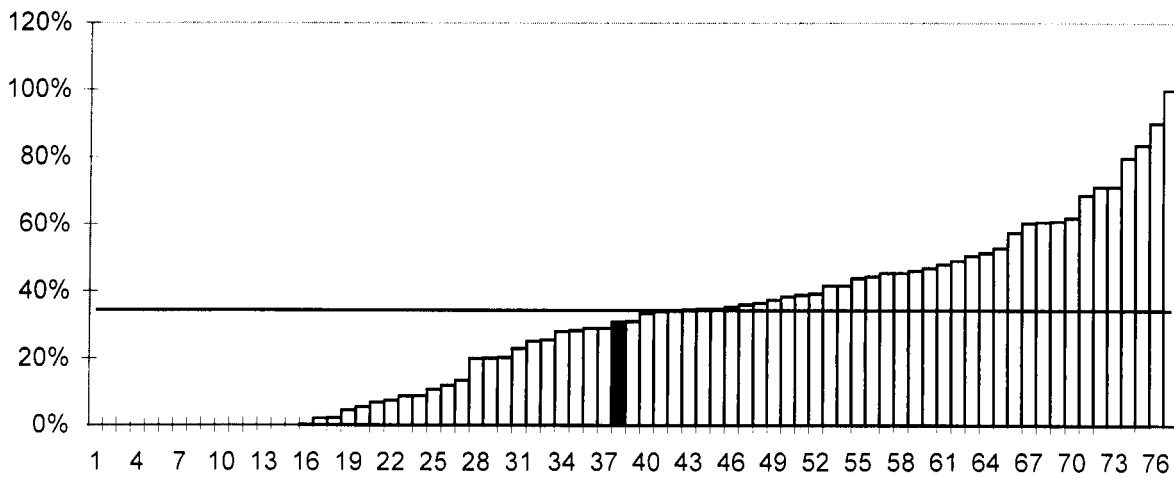
**Confidential Report For: Florida Public Utilities Company**  
**Percent Transportation Deliveries**

4

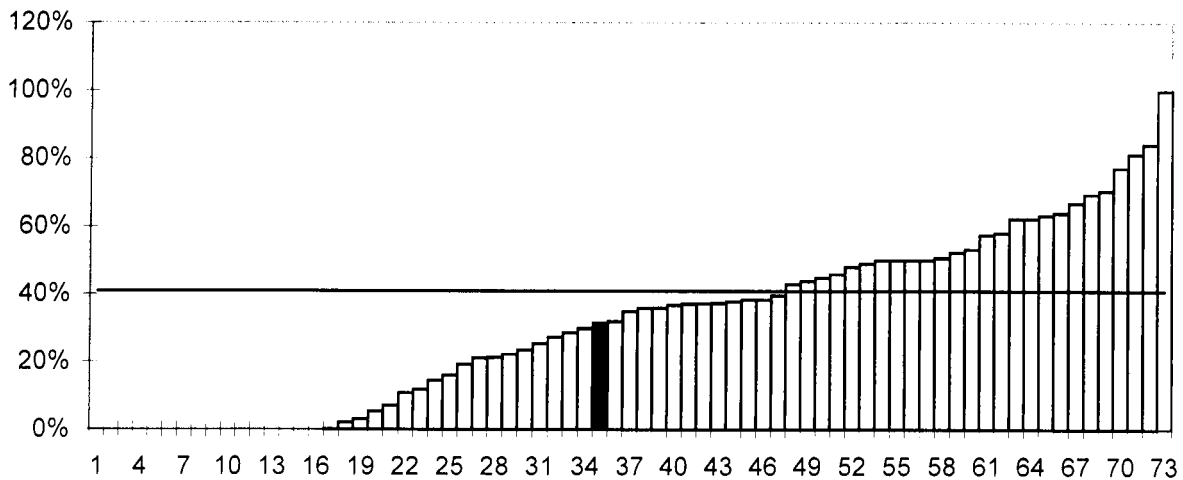
**2003**



**2004**



**2005**



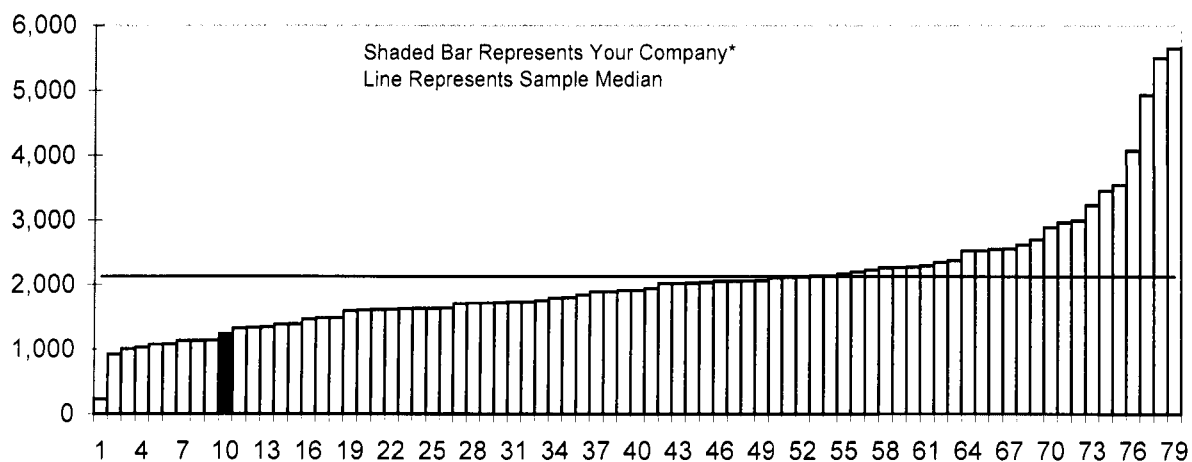
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2356**

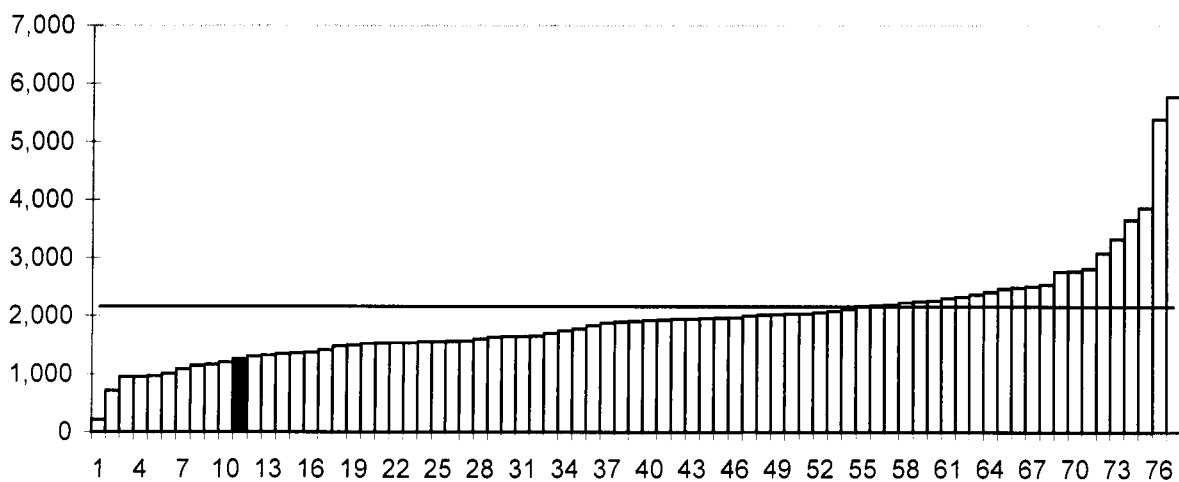
**Confidential Report For: Florida Public Utilities Company**  
**Therms per Customer**

5

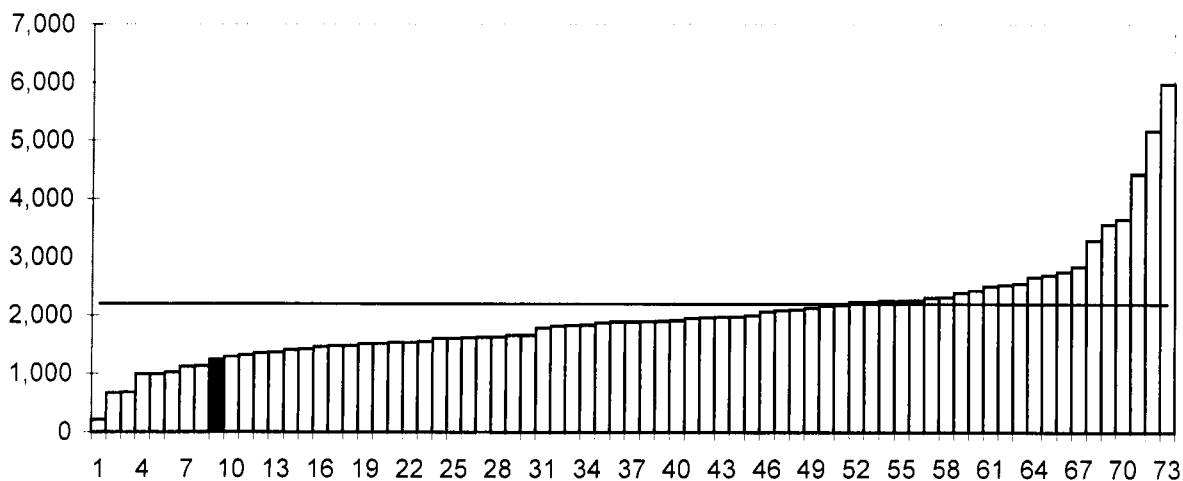
**2003**



**2004**



**2005**

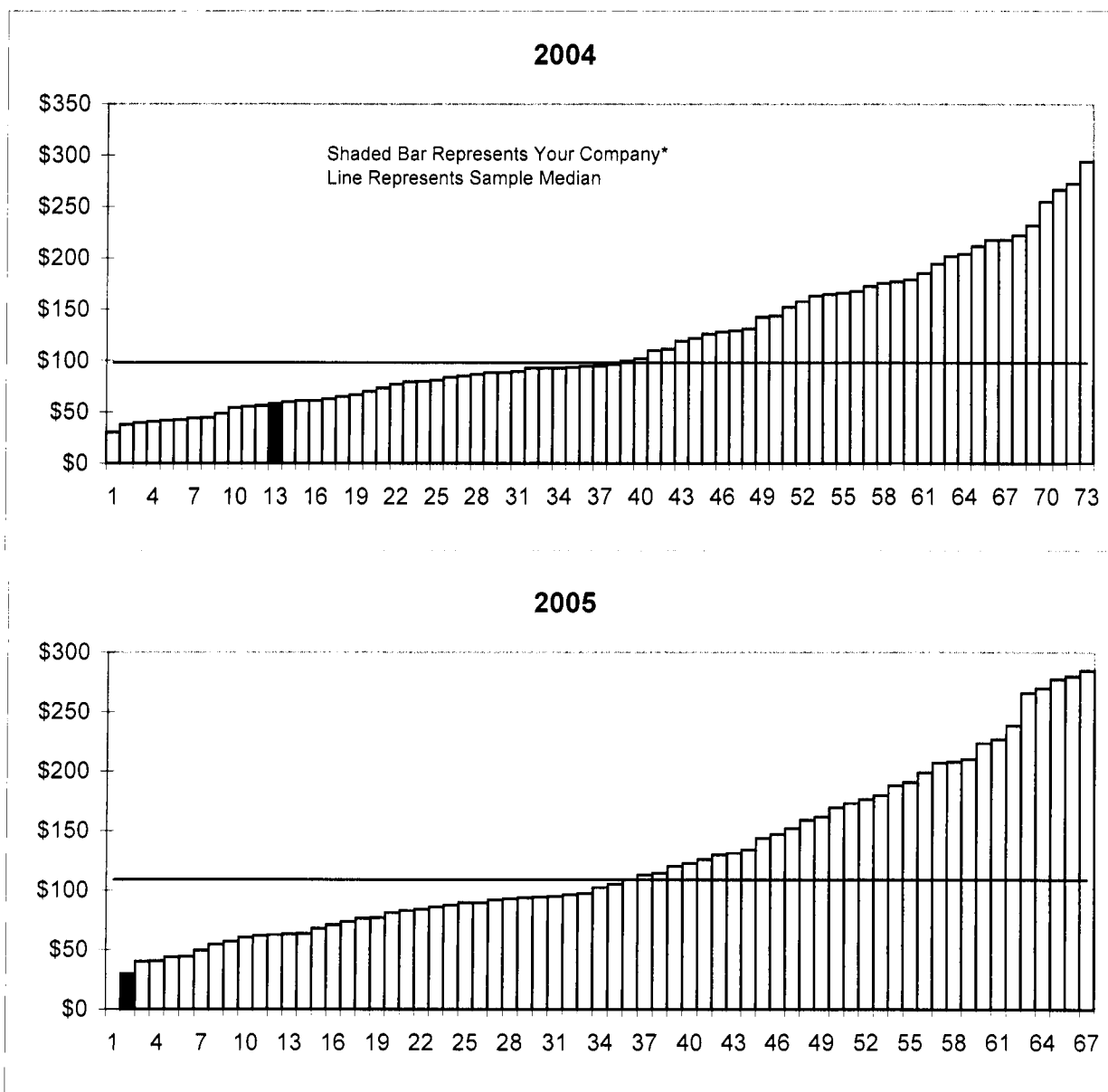


\*Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2357**

NOTE:

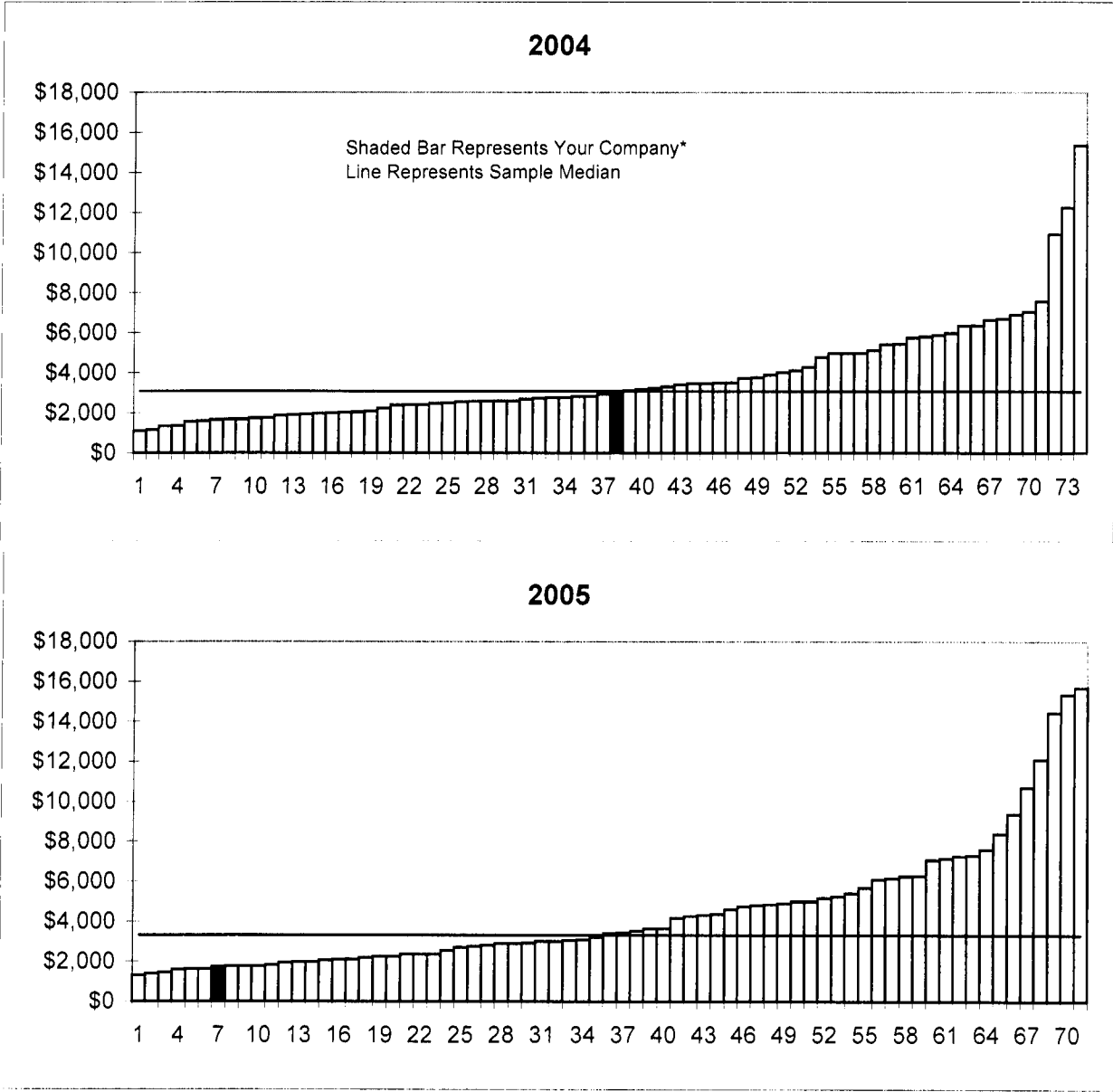
Since 2004, the definition for "Main" excludes services due to a change in the data source, so prior year data are not comparable



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

NOTE:

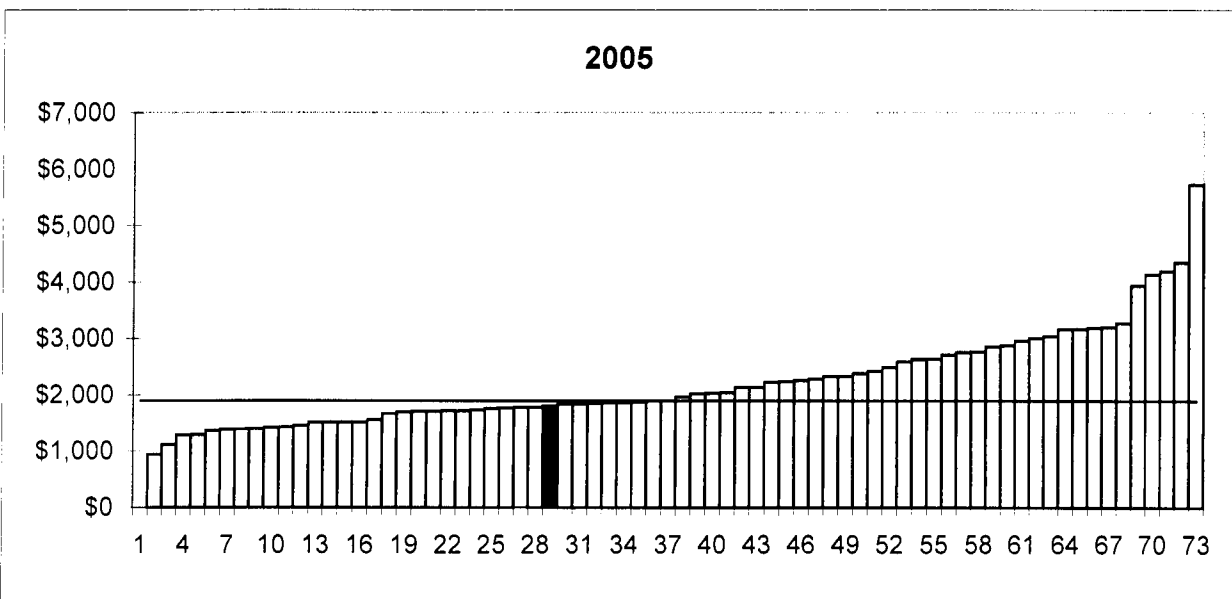
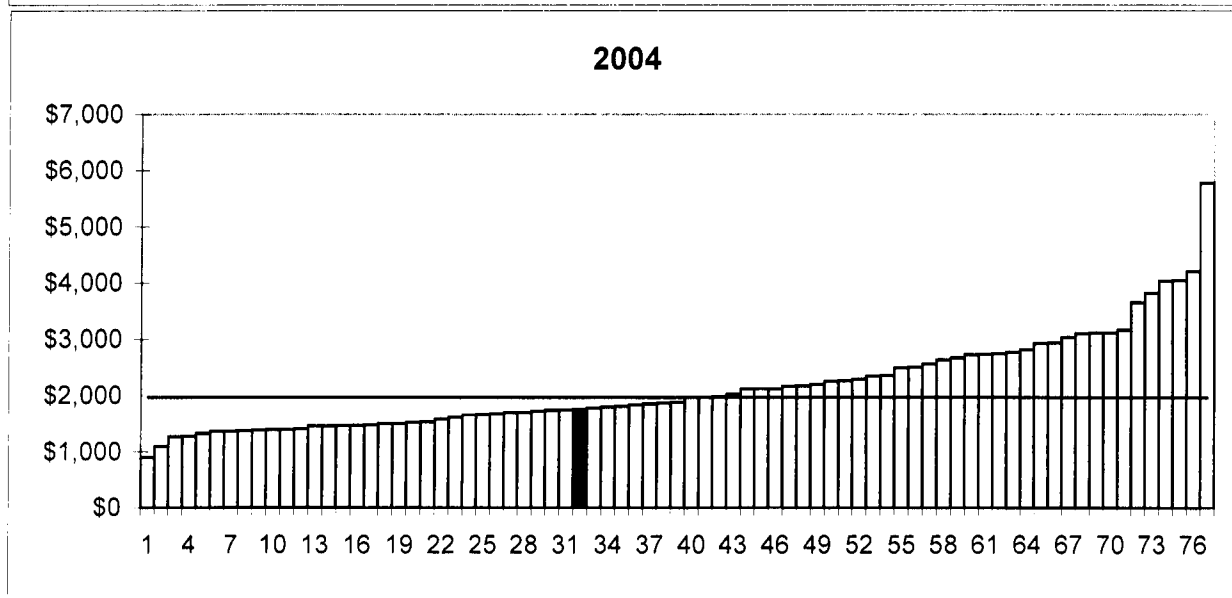
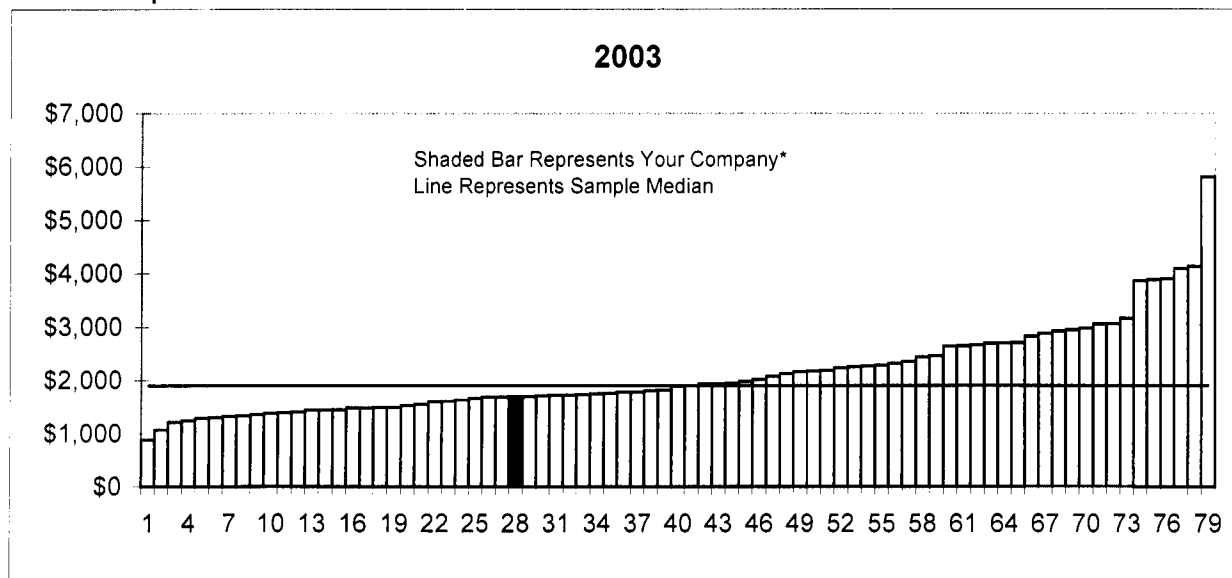
Since 2004, the definition for "Main" excludes services due to a change in the data source, so prior year data are not comparable



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**Confidential Report For: Florida Public Utilities Company**  
**Gas Plant per Customer**

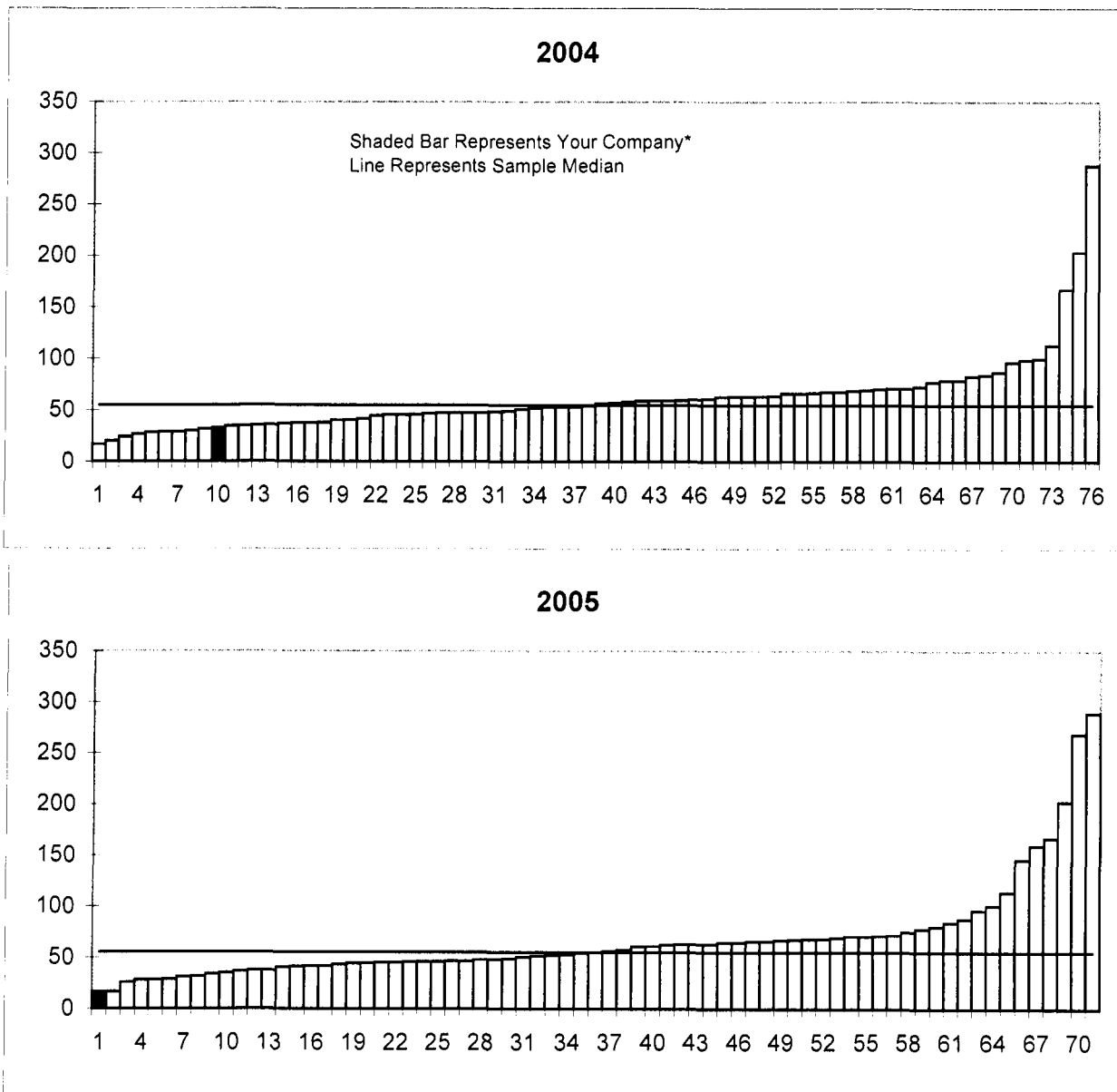
8



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

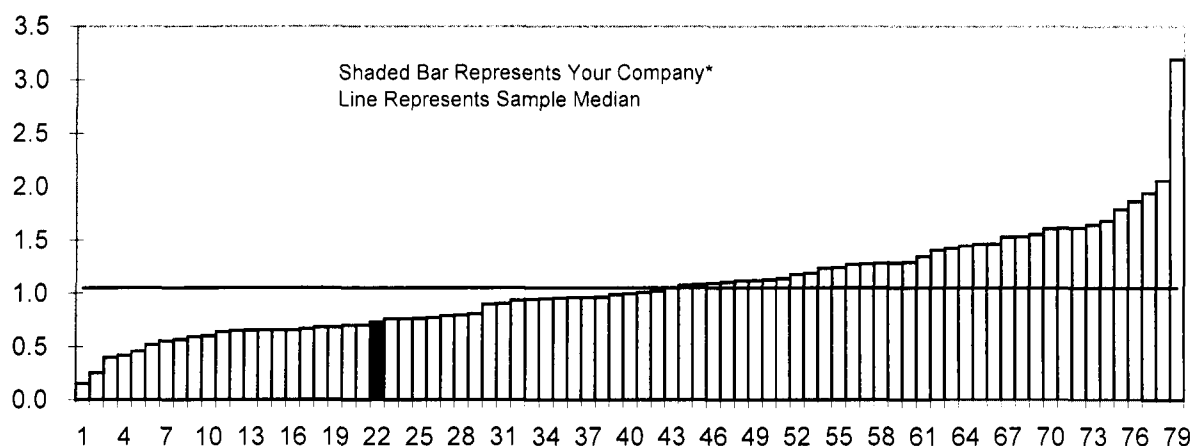
NOTE:

In 2004, the definition for "Main" now excludes services due to a change in the data source, so prior year data are not comparable

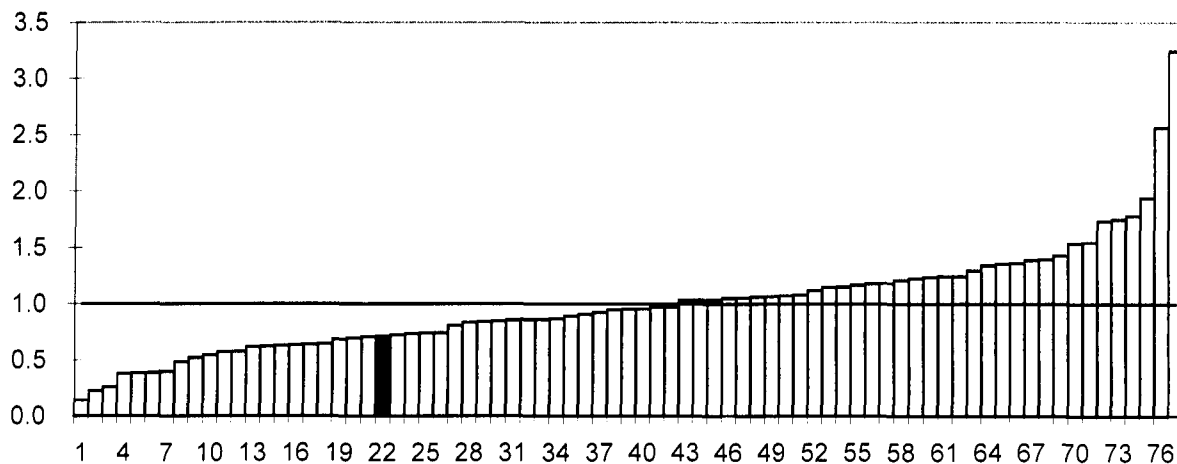


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

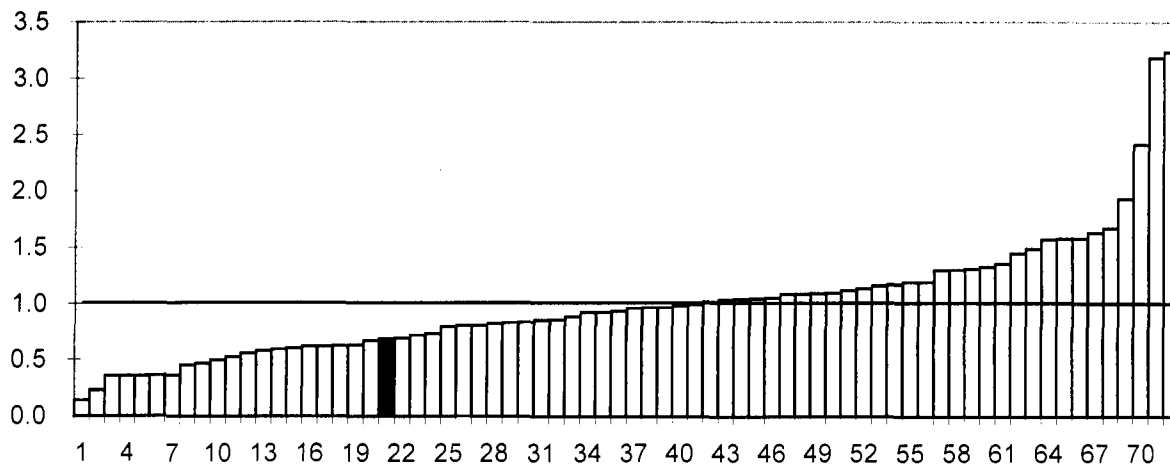
2003



2004



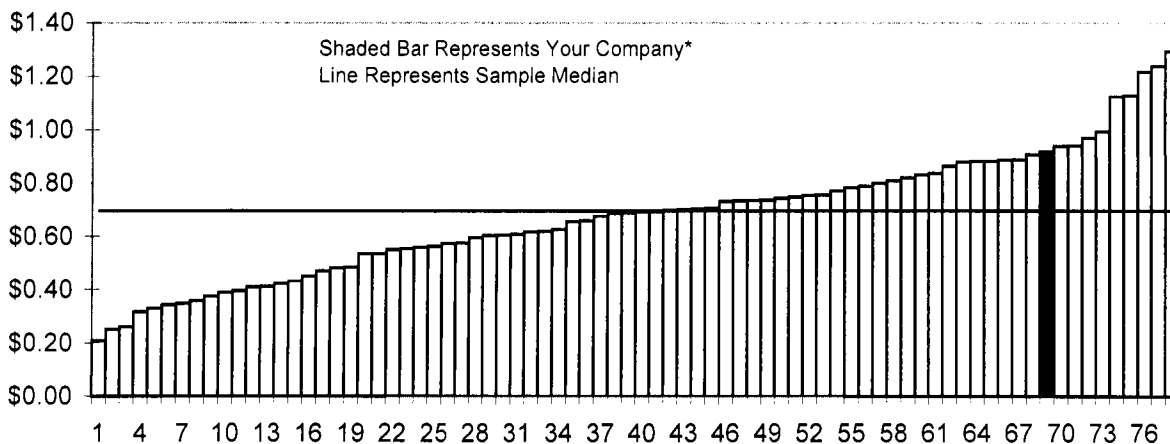
2005



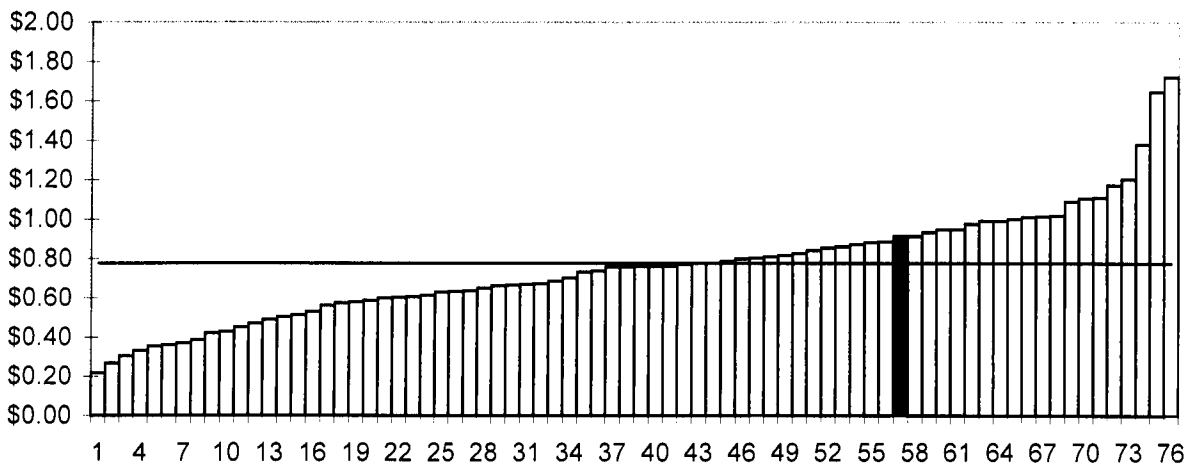
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.



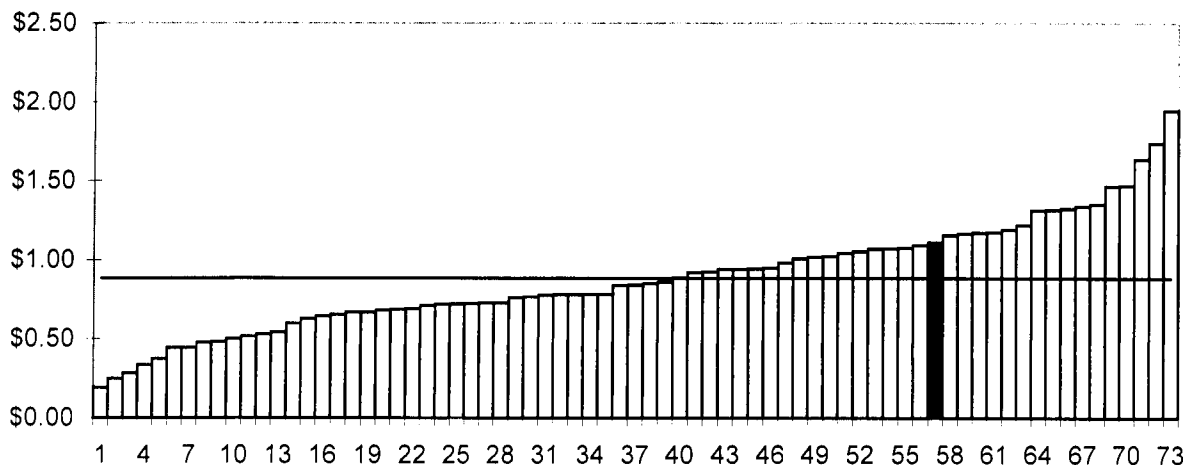
### 2003



### 2004

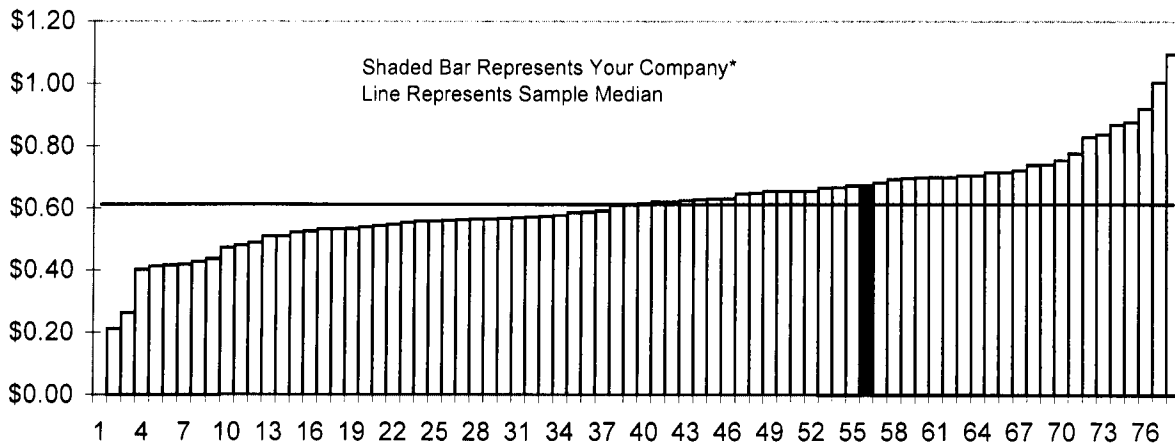


### 2005

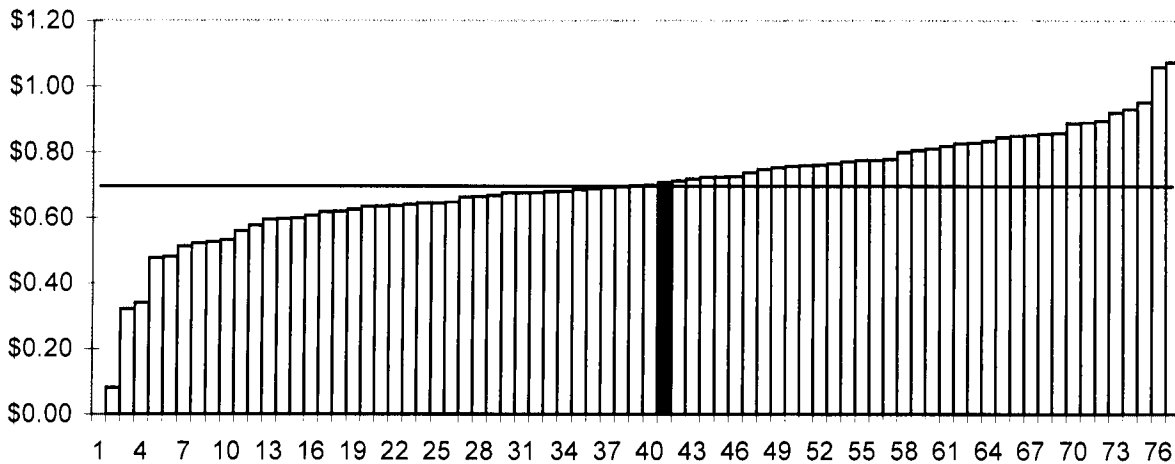


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

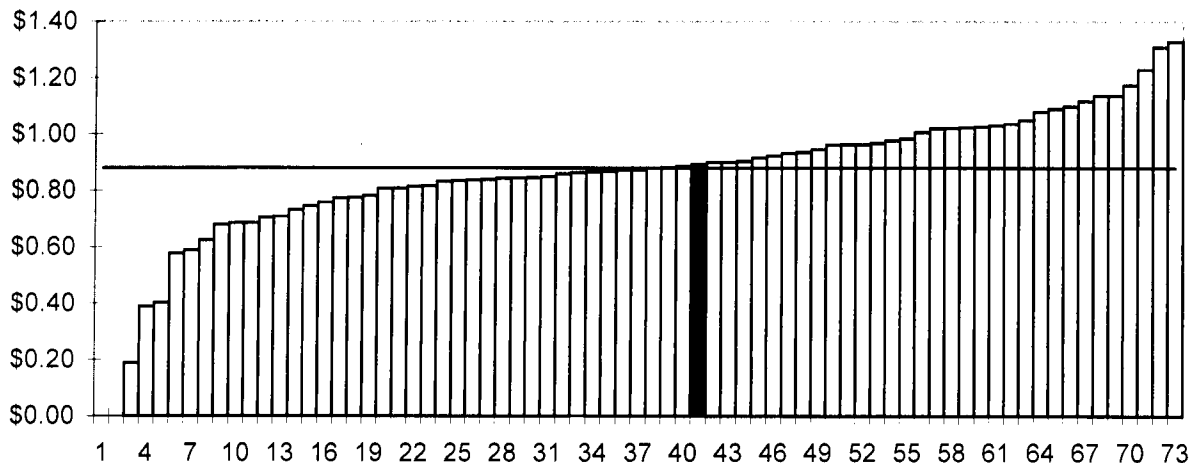
### 2003



### 2004



### 2005

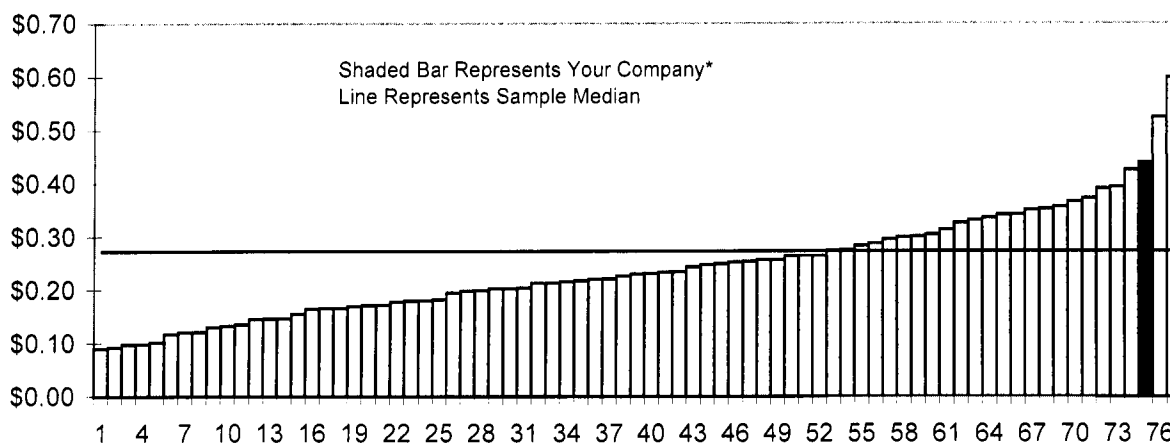


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

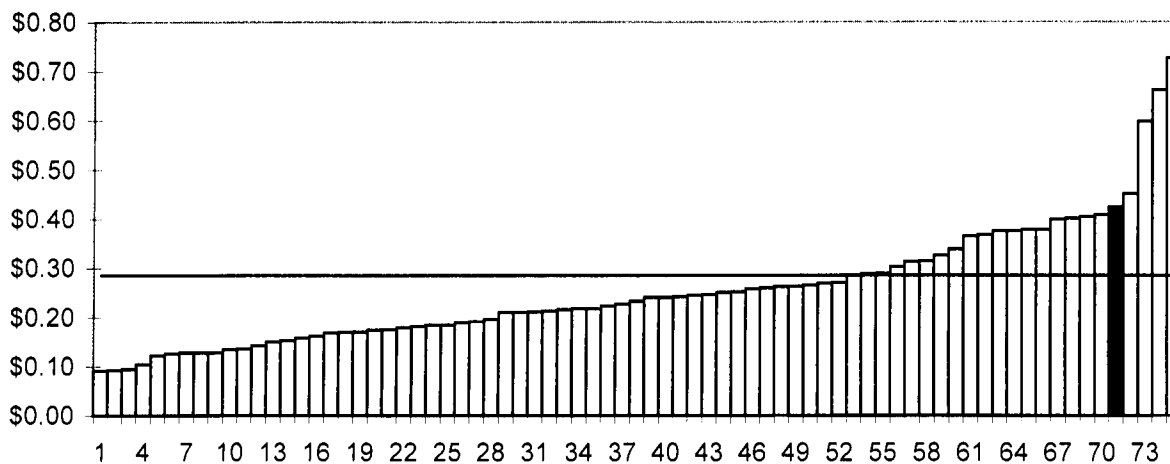
**Confidential Report For: Florida Public Utilities Company**  
**Gross Sales Margin (Revenue-Purchased Gas Cost) per Therm**

13

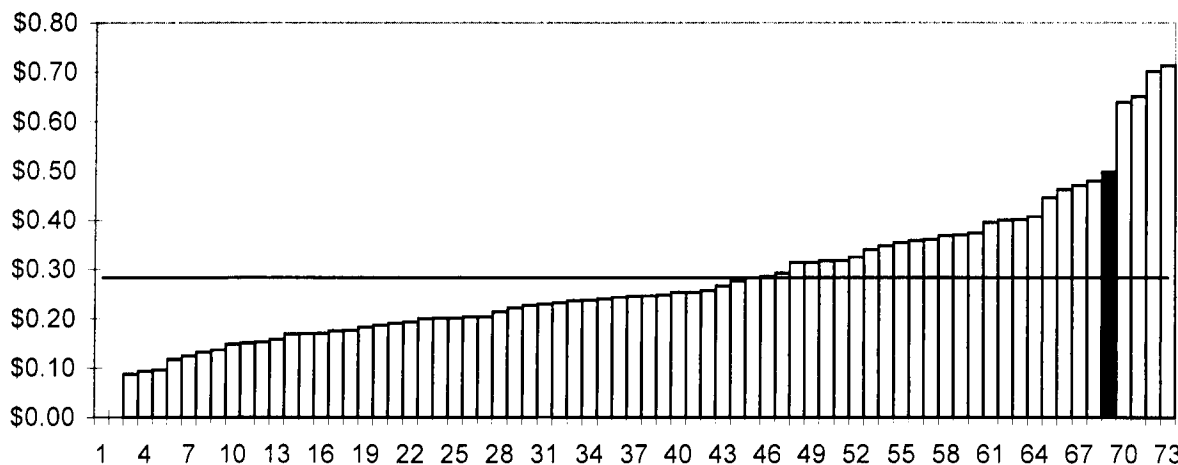
**2003**



**2004**



**2005**

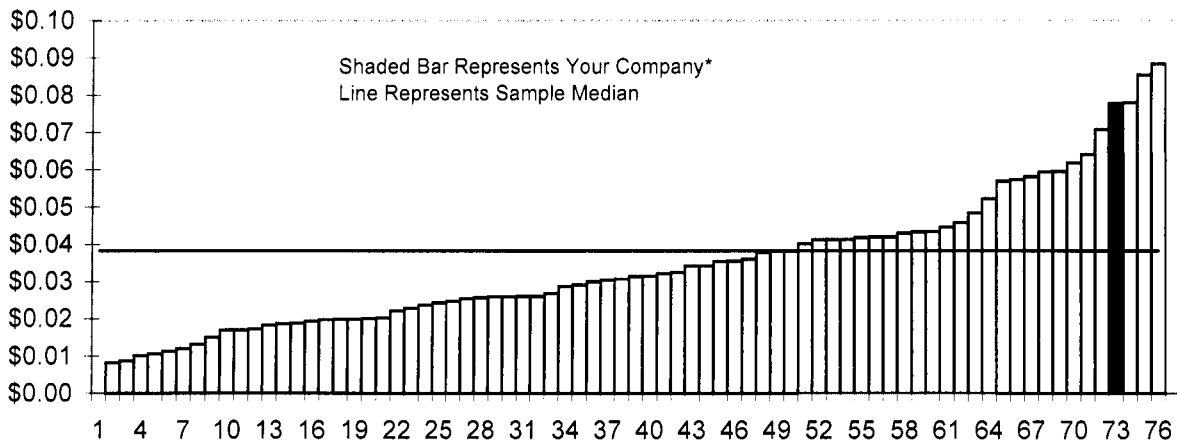


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

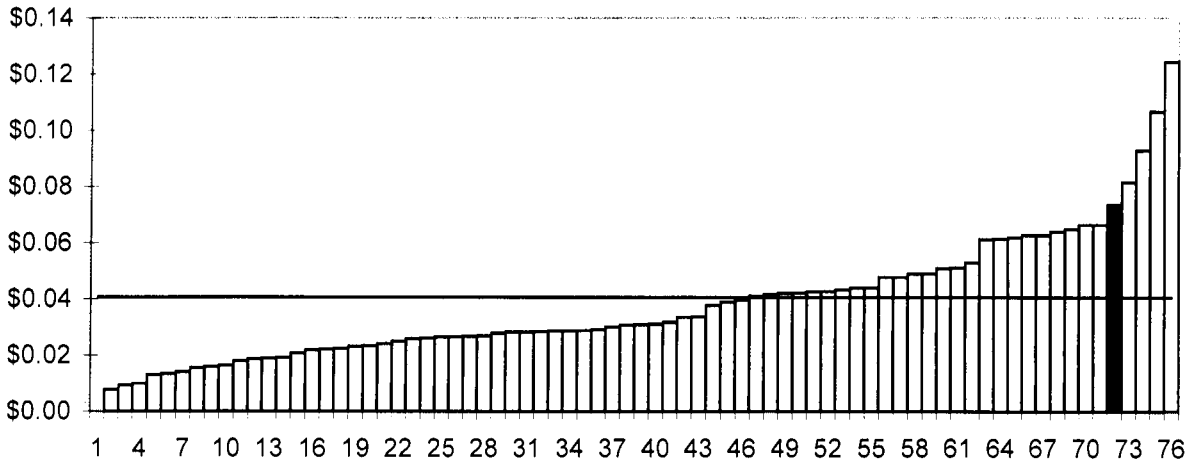
**Confidential Report For: Florida Public Utilities Company**  
**Distribution Costs per Therm**

14

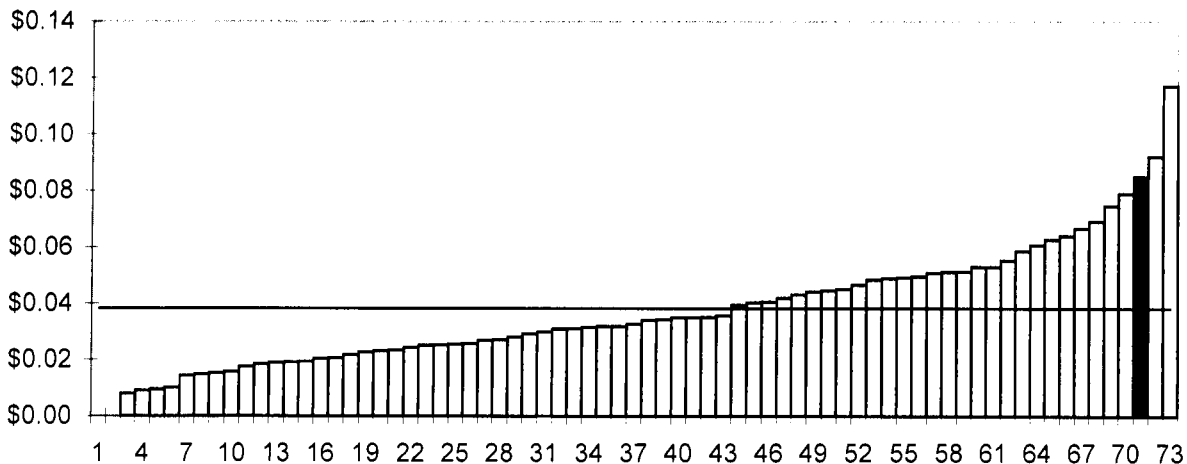
**2003**



**2004**



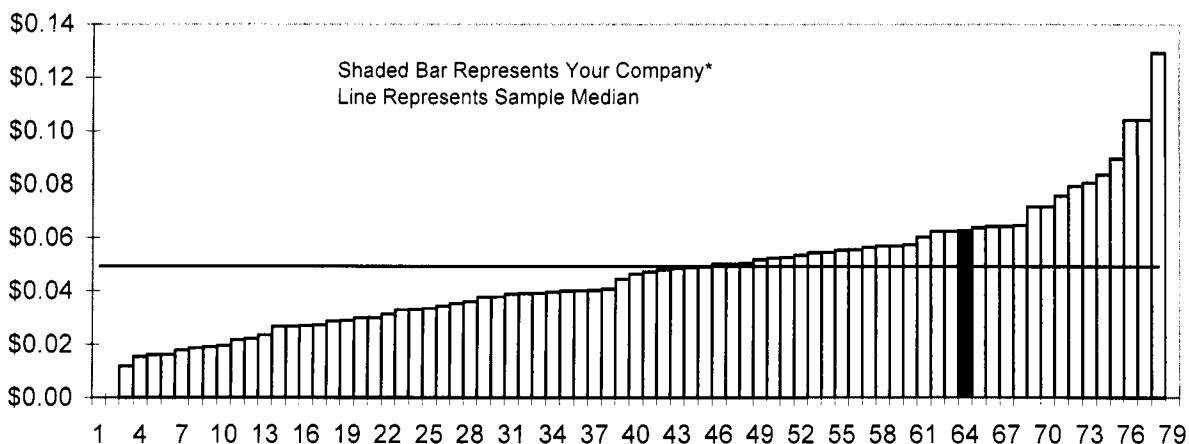
**2005**



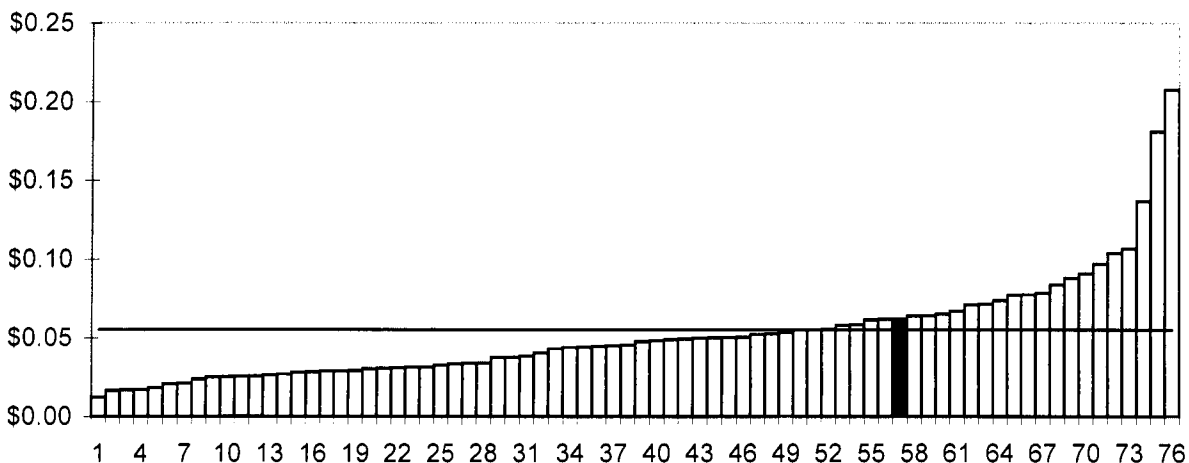
\*Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2366**

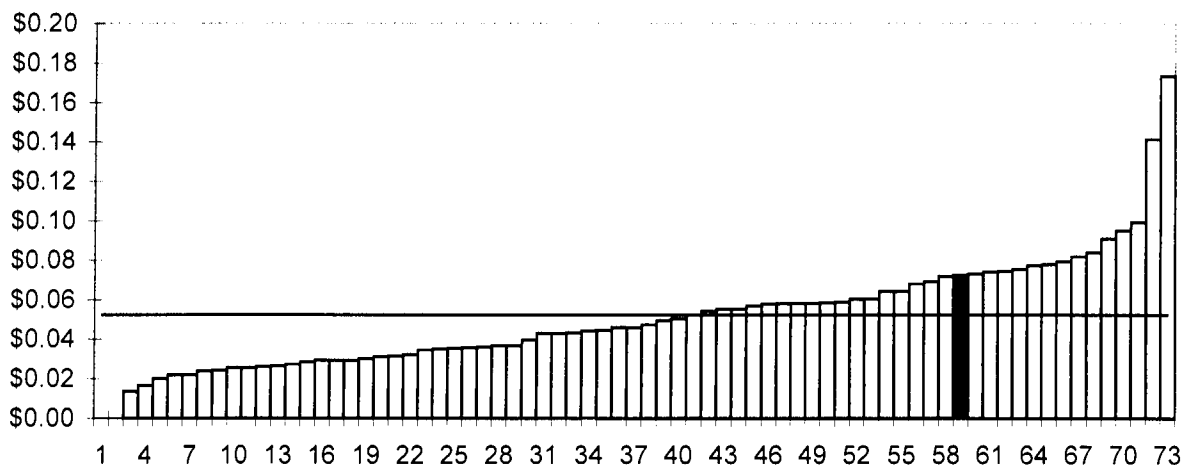
### 2003



### 2004



### 2005

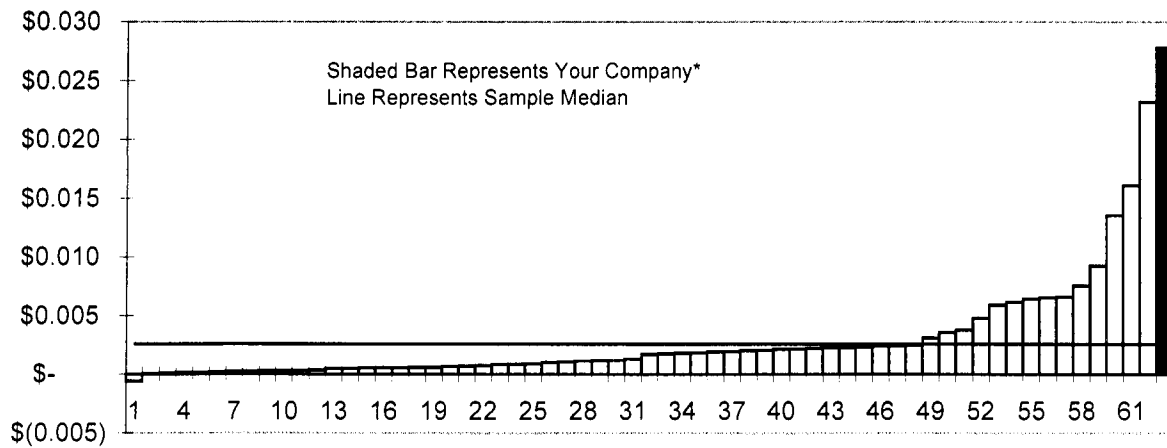


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

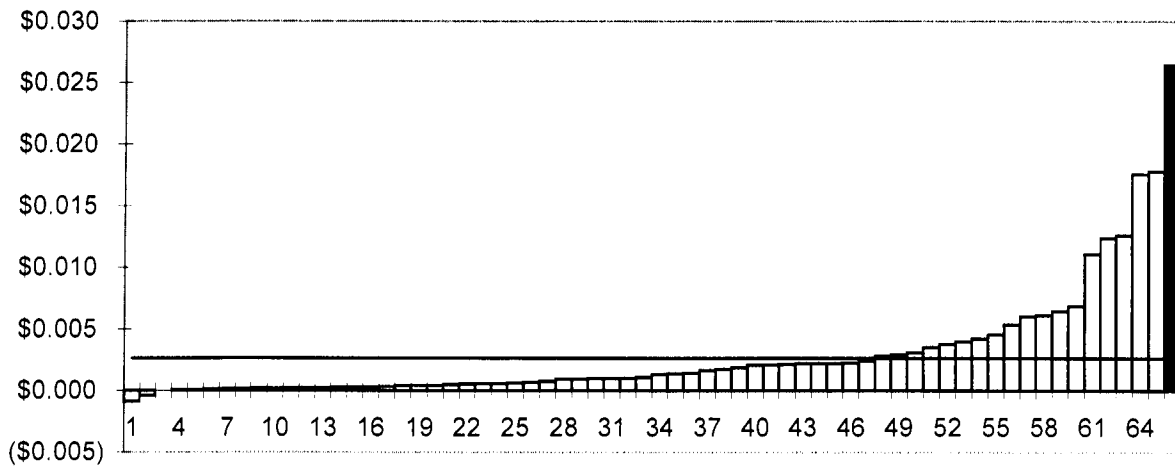
Confidential Report For: Florida Public Utilities Company  
Sales Expense per Therm

16

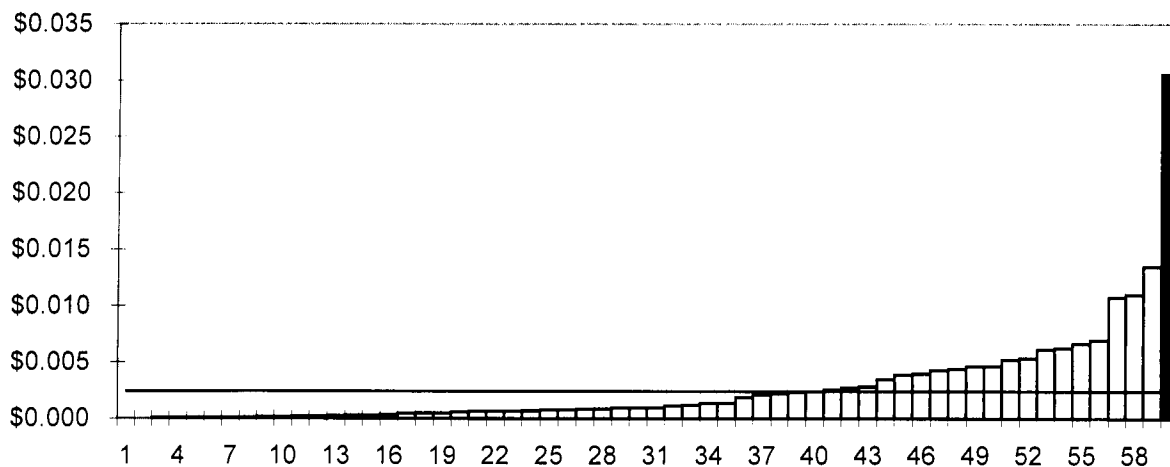
2003



2004



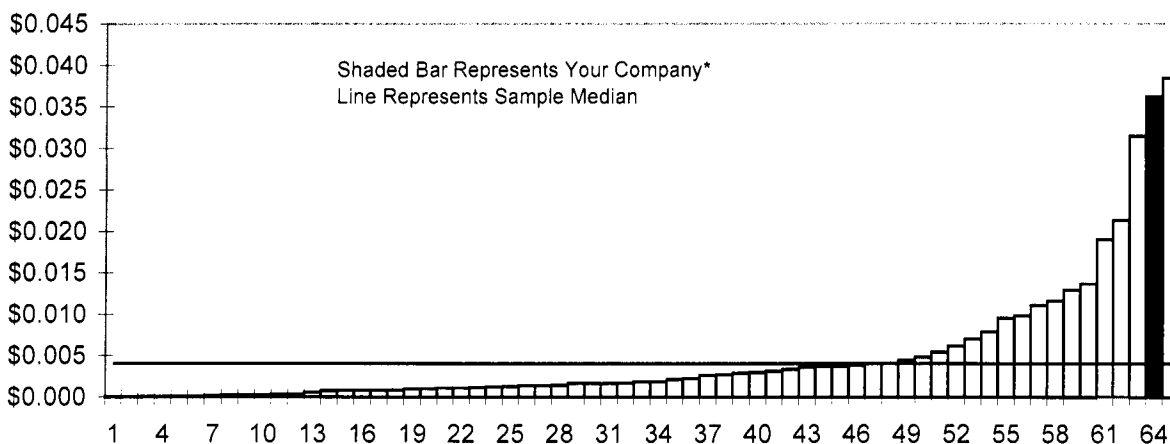
2005



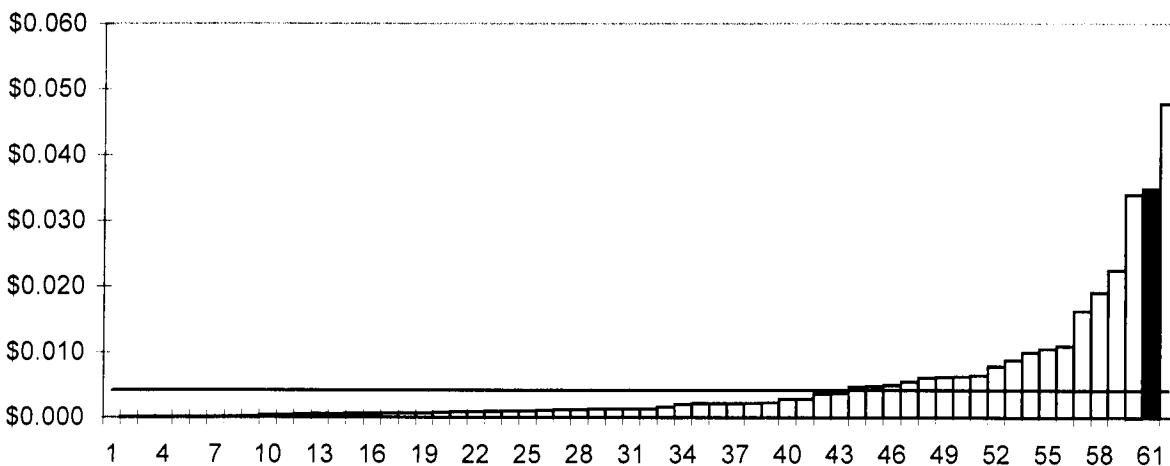
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

2368

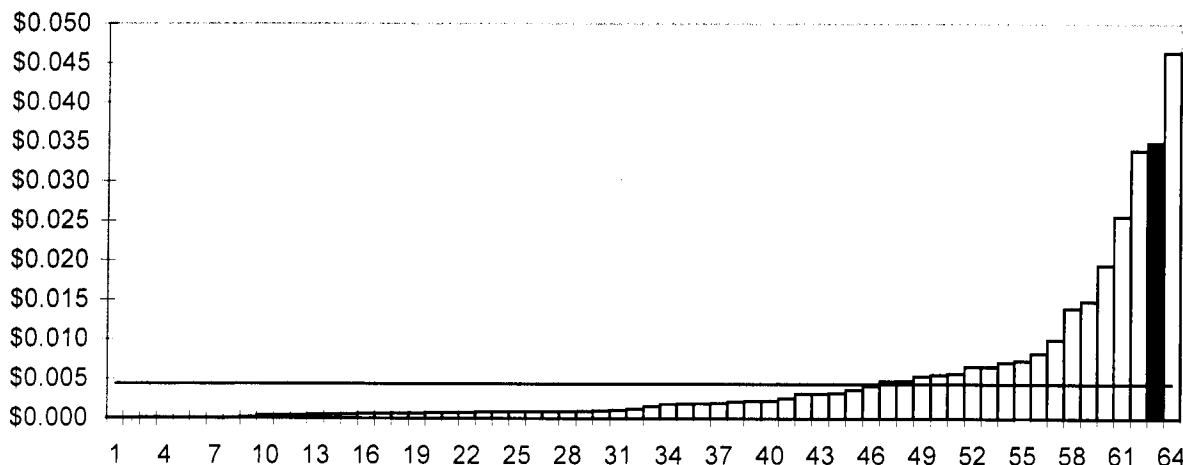
### 2003



### 2004



### 2005

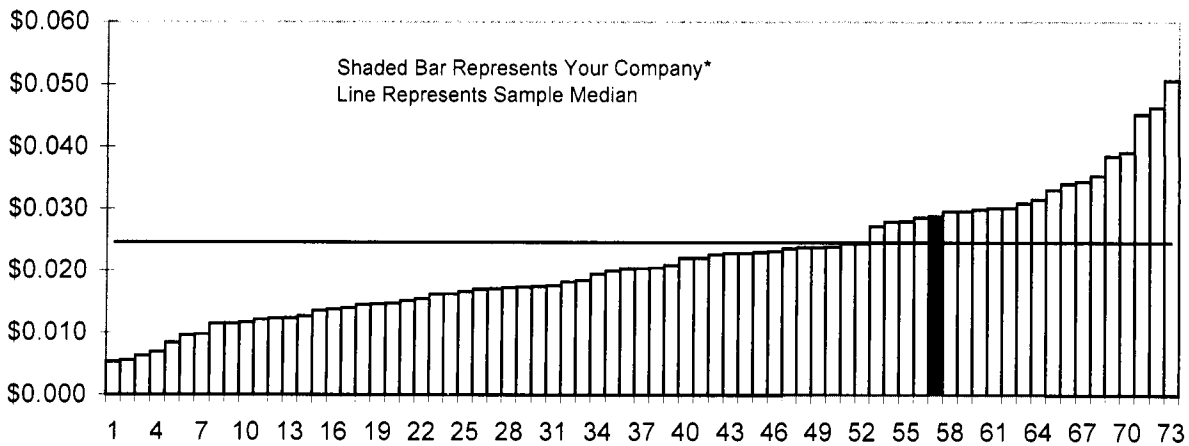


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

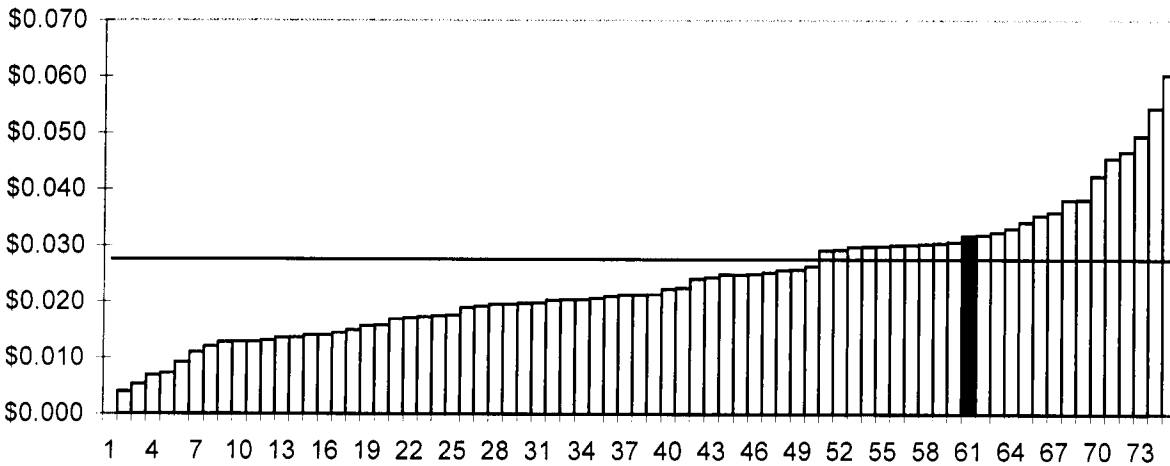
**Confidential Report For: Florida Public Utilities Company**  
**Customer Accounts Expense per Therm**

18

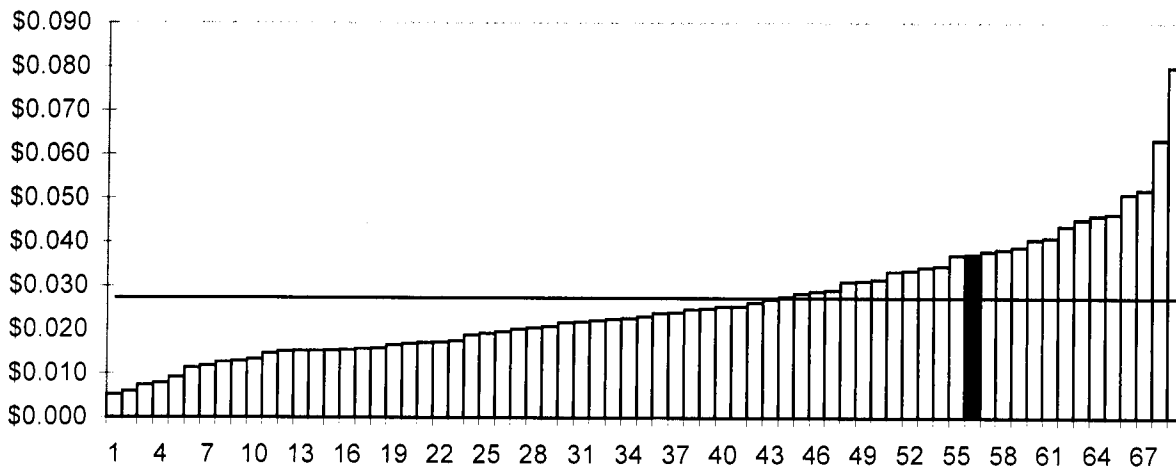
**2003**



**2004**



**2005**



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

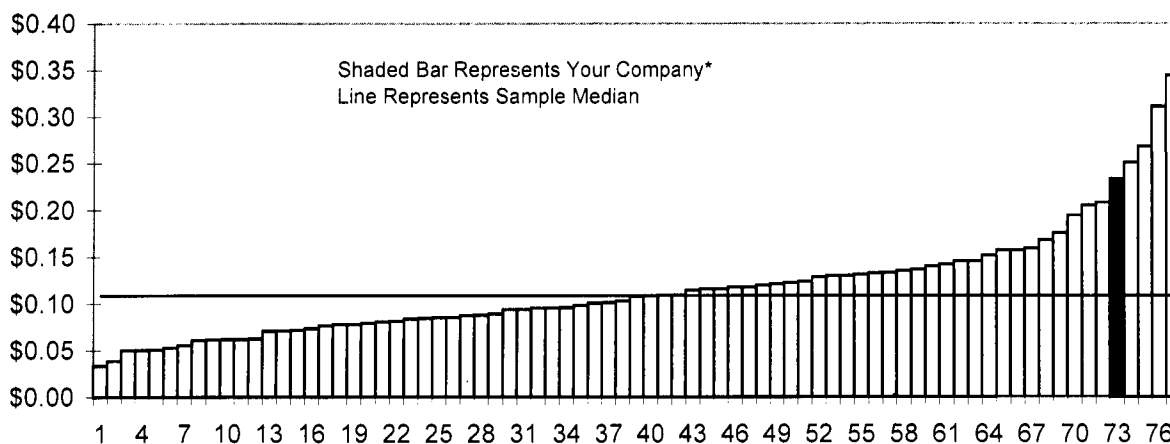
**2370**



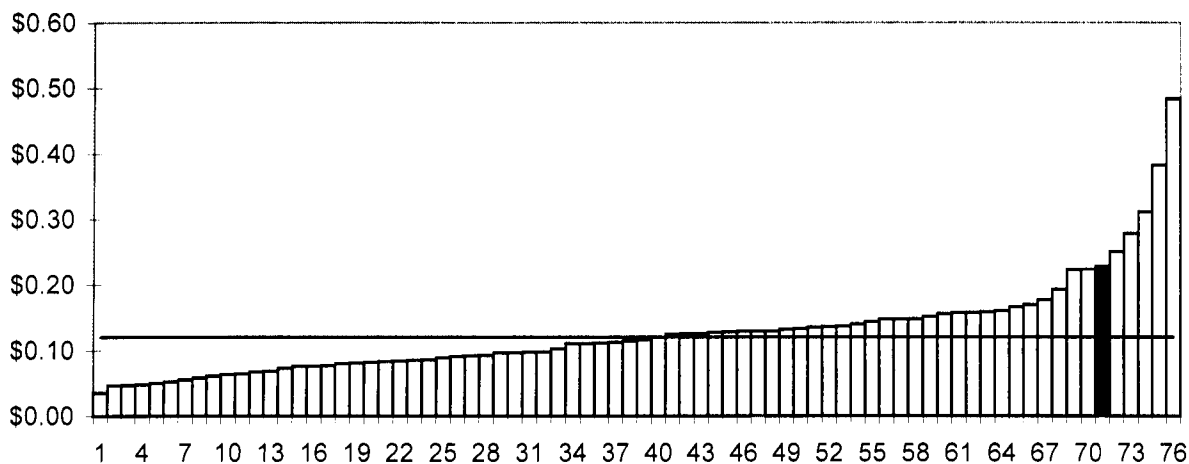
**Confidential Report For: Florida Public Utilities Company**  
**O&M Net of Gas Supply per Therm**

19

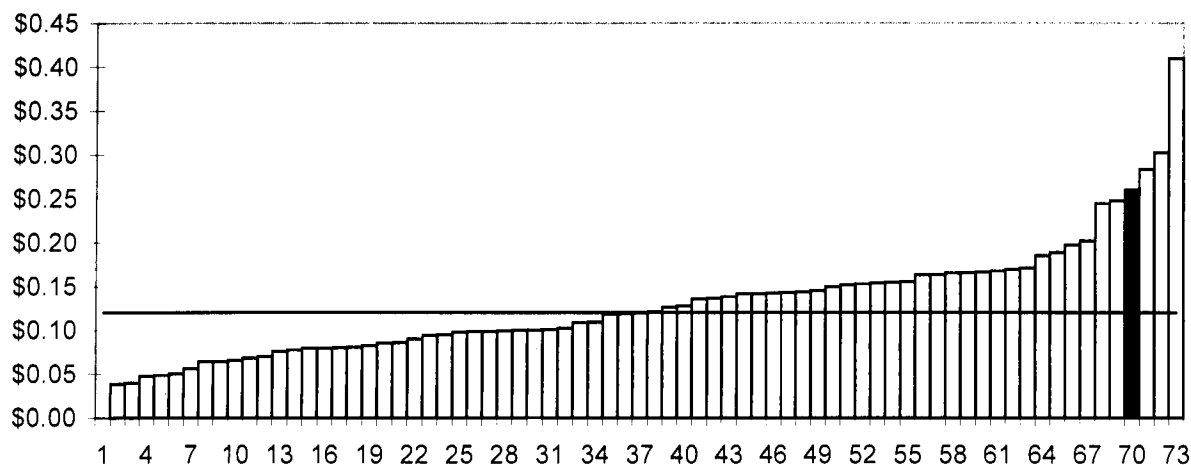
**2003**



**2004**



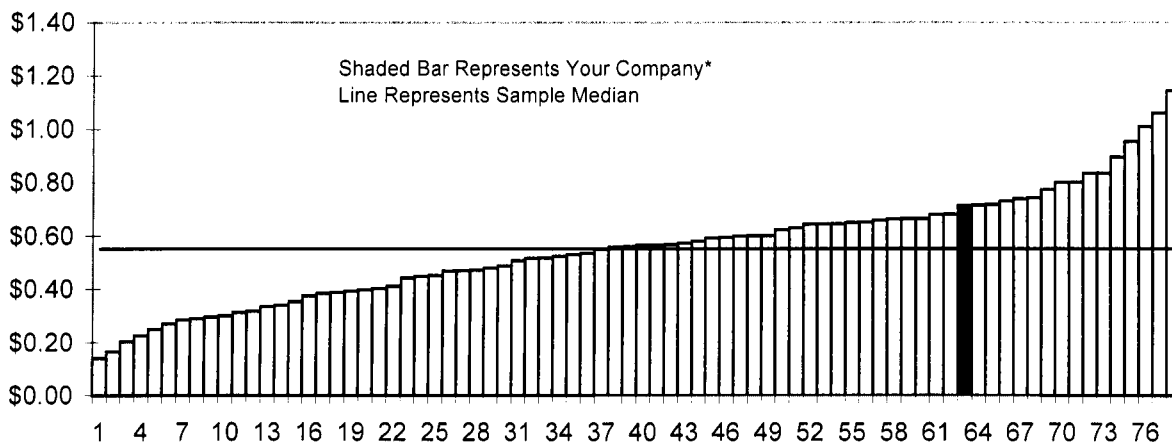
**2005**



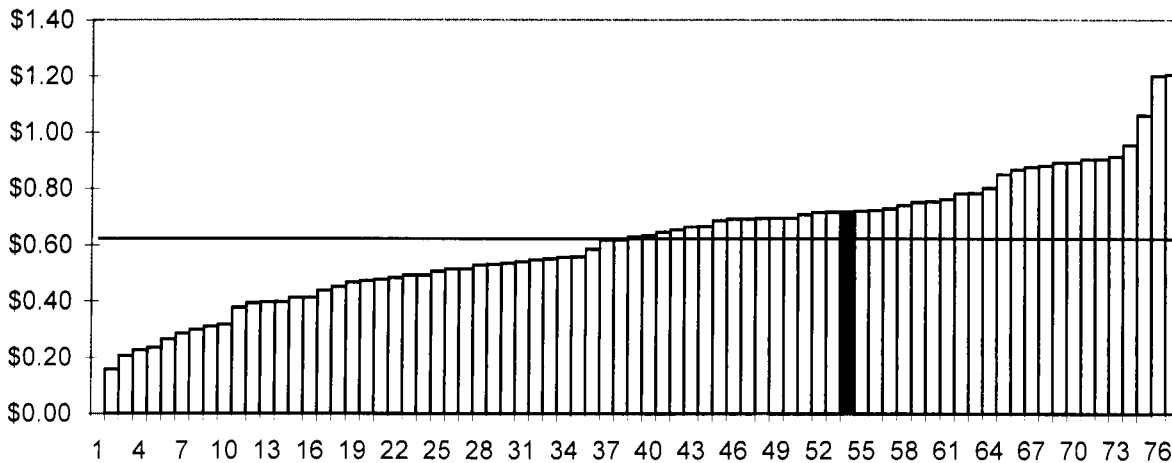
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**Confidential Report For: Florida Public Utilities Company**  
**Total O&M Costs per Therm**

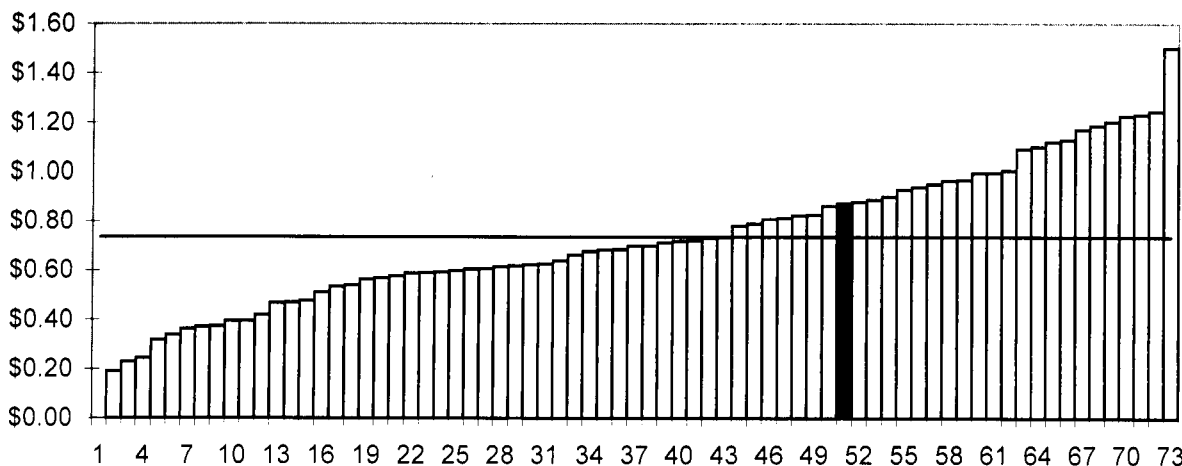
**2003**



**2004**



**2005**

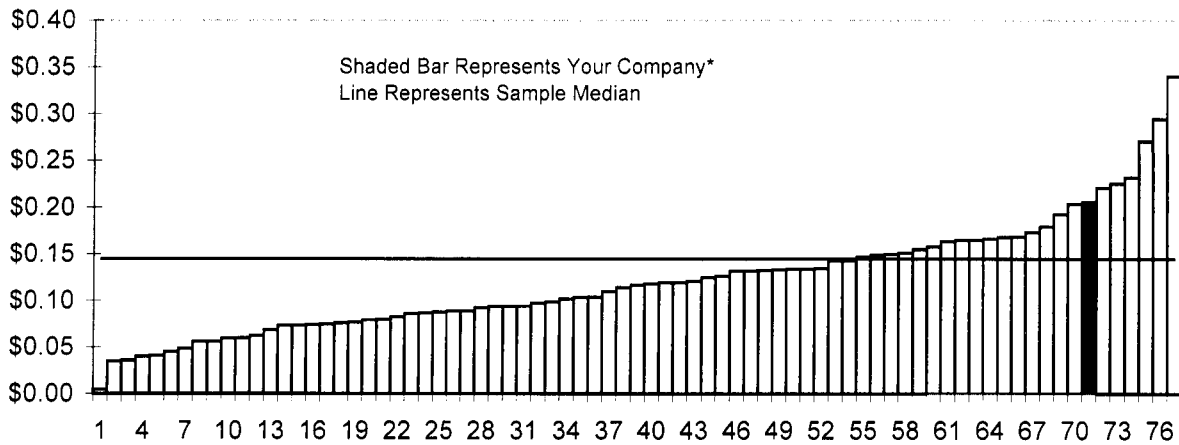


\*Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

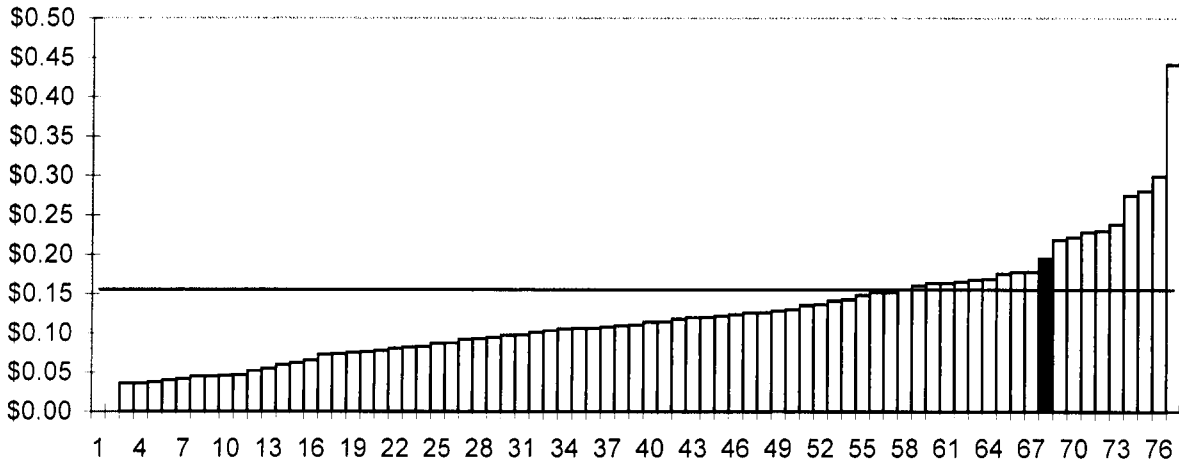
**Confidential Report For: Florida Public Utilities Company**  
**Net Margin (Revenue less O&M Costs) per Therm**

21

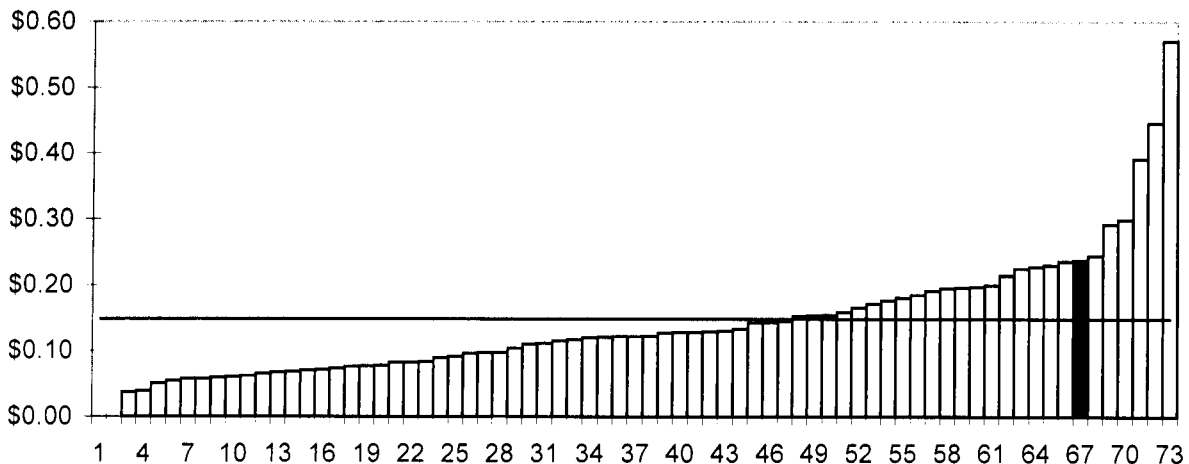
**2003**



**2004**



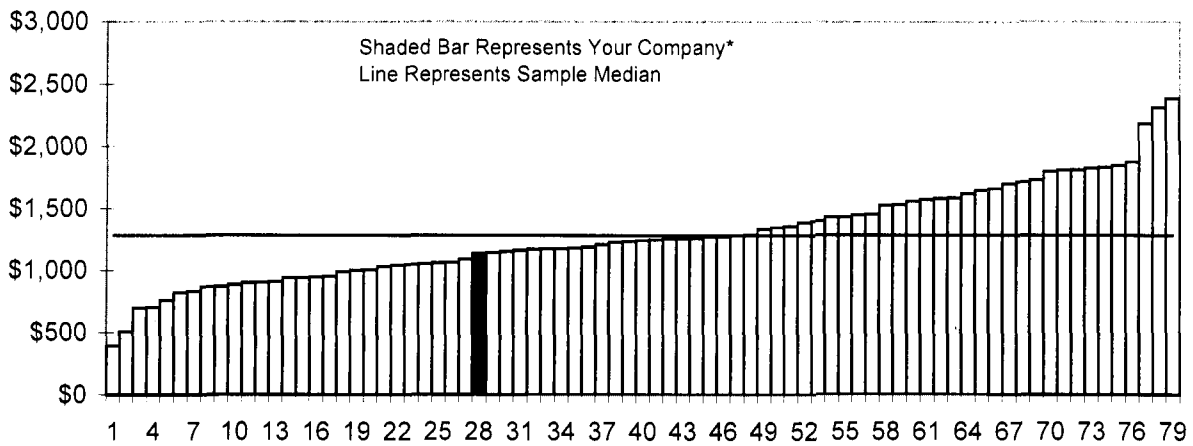
**2005**



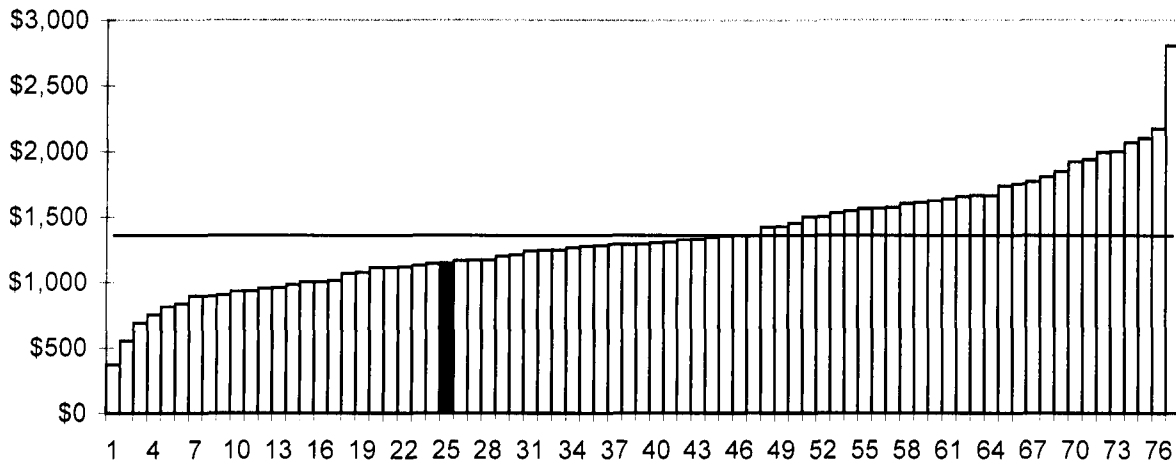
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2373**

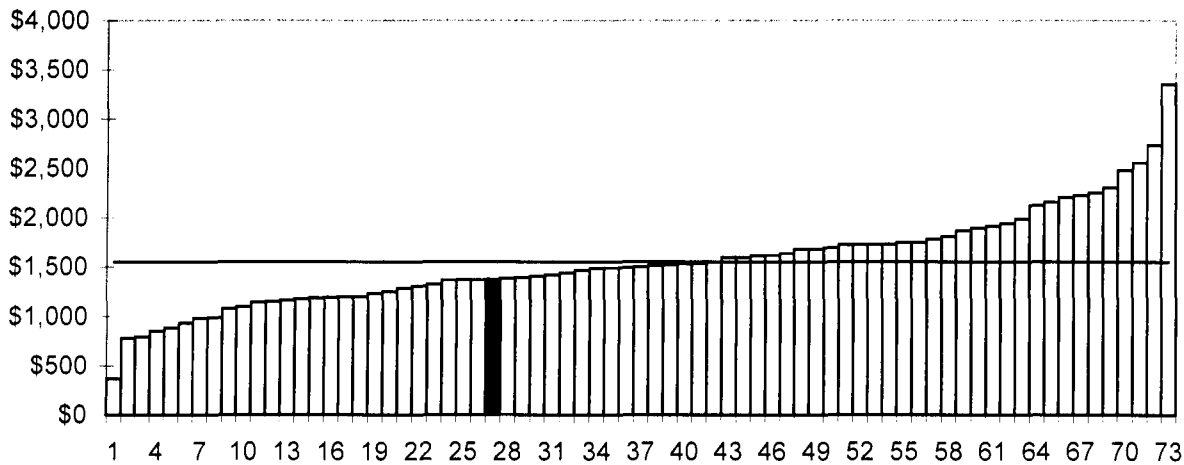
2003



2004



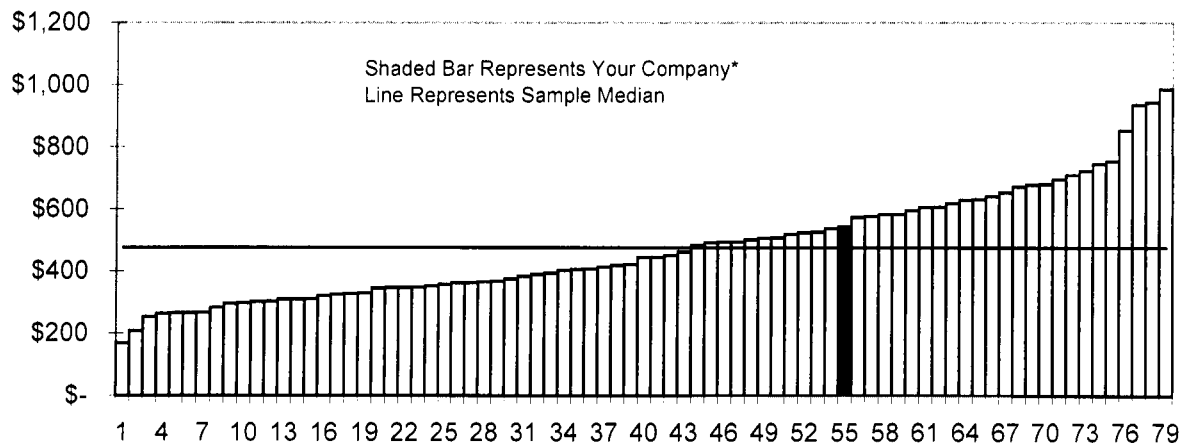
2005



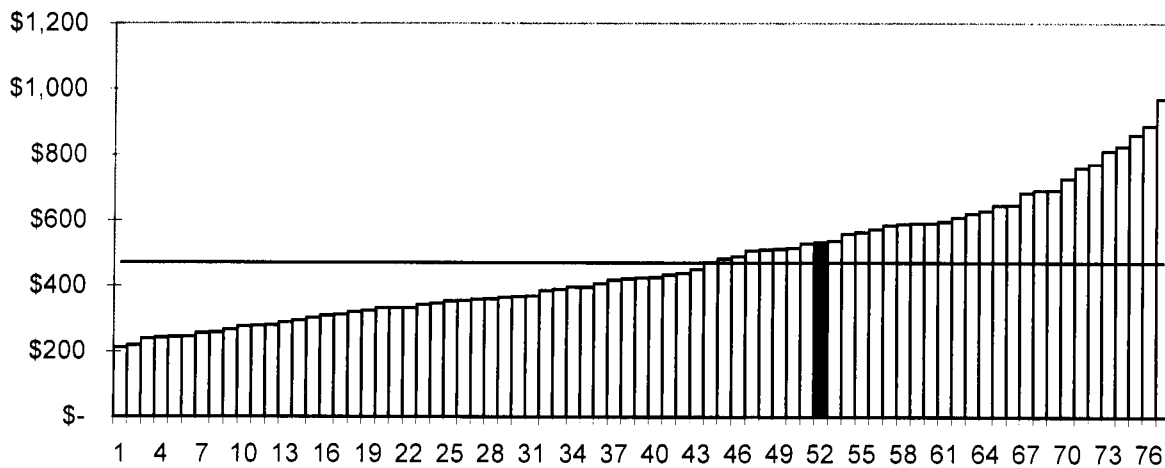
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**Confidential Report For: Florida Public Utilities Company**  
**Gross Sales Margin (Revenue - Purchased Gas Cost) per Customer**

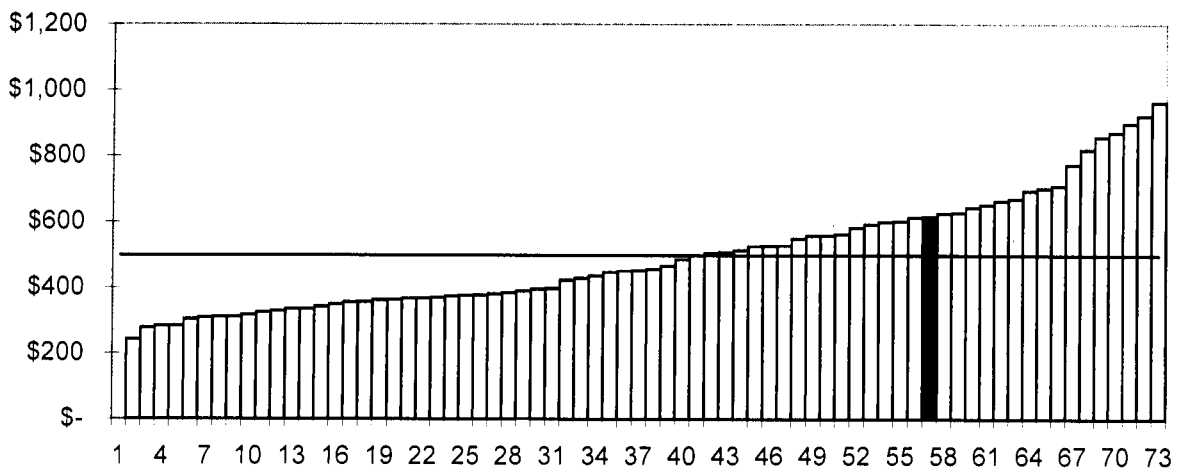
**2003**



**2004**



**2005**

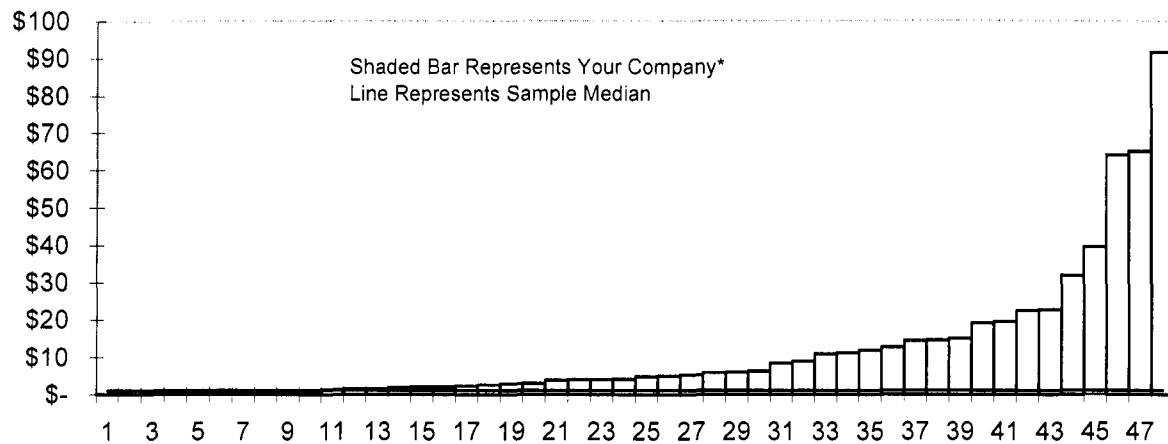


\*Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

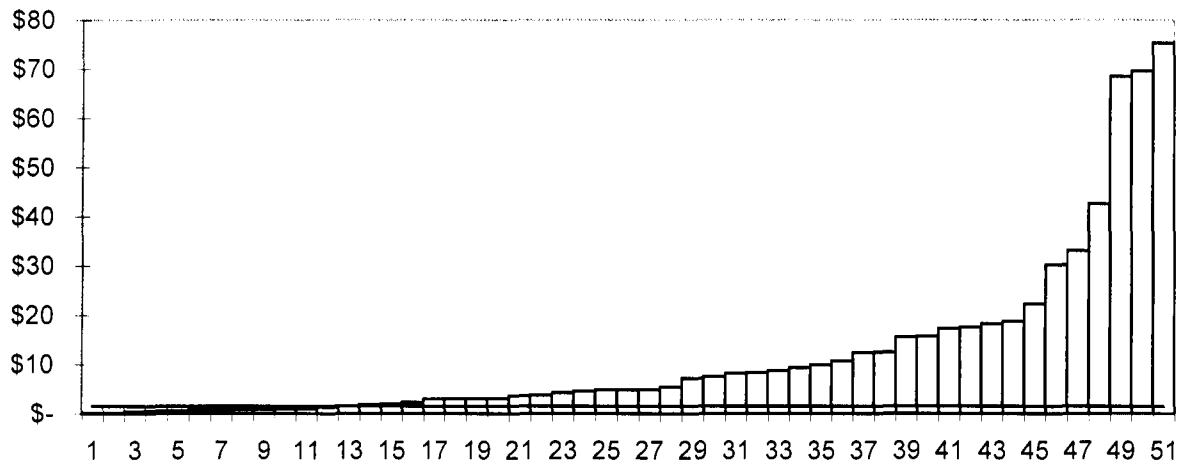
**Confidential Report For: Florida Public Utilities Company**  
**Transmission O&M Cost per Customer**

24

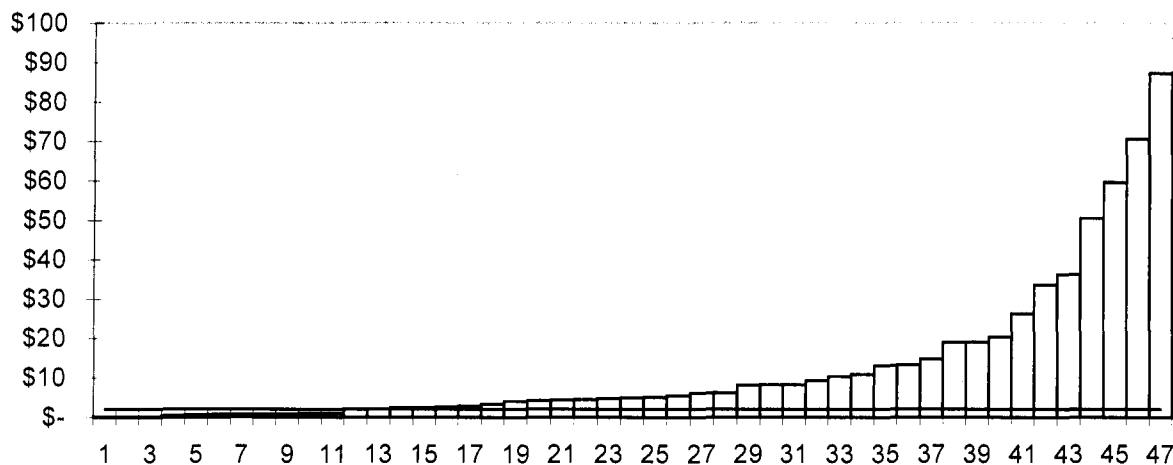
**2003**



**2004**



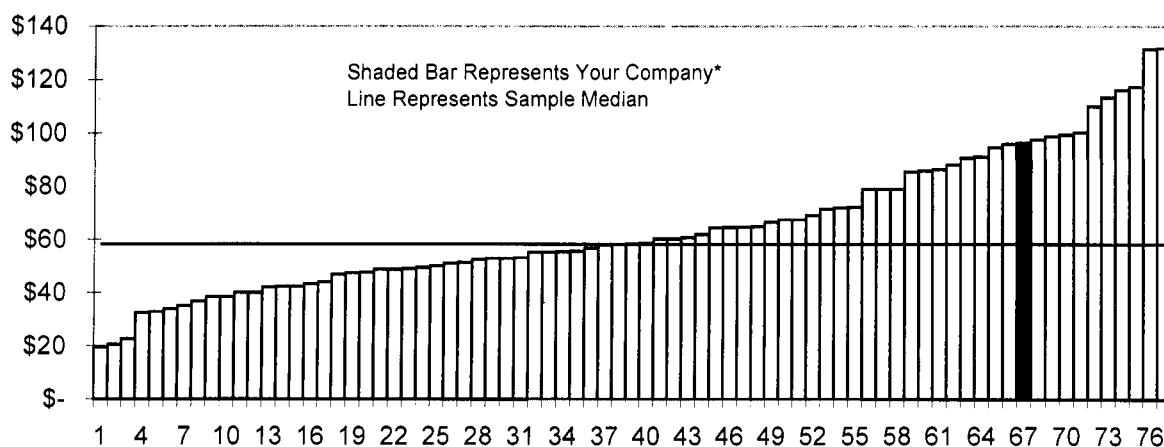
**2005**



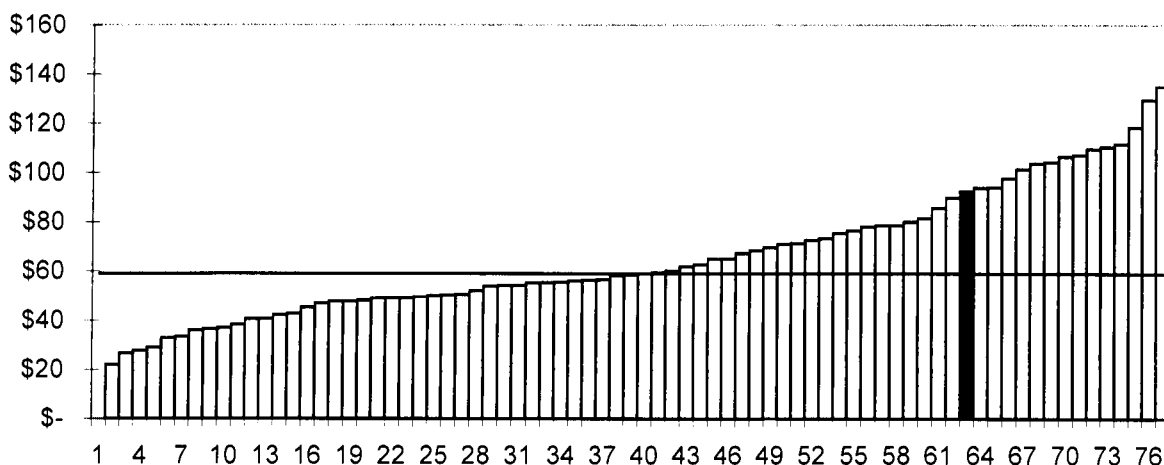
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2376**

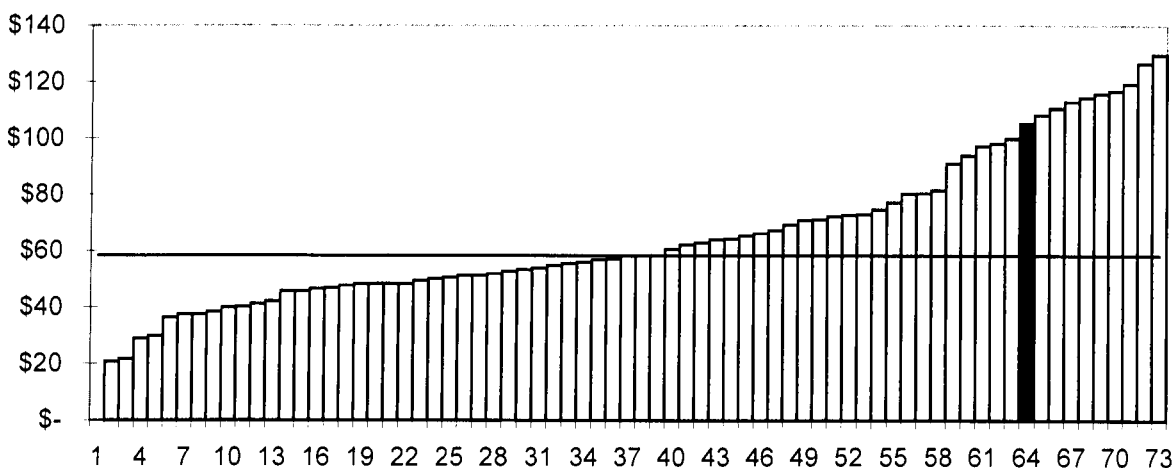
### 2003



### 2004



### 2005

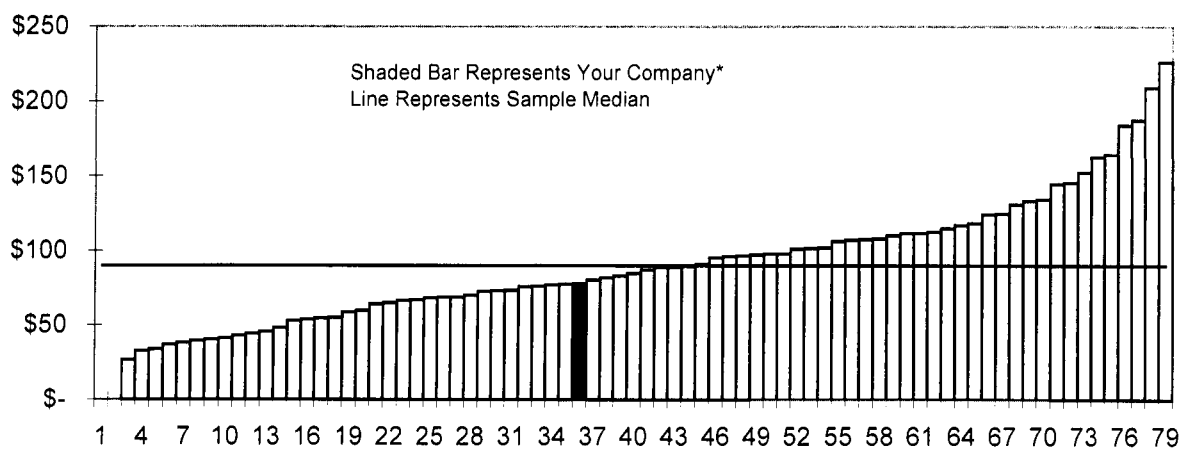


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

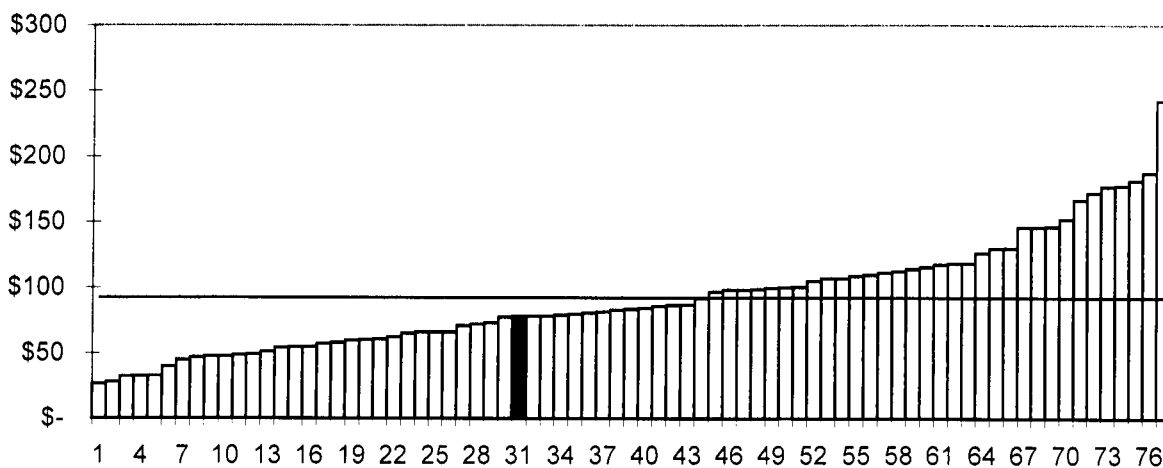
Confidential Report For: Florida Public Utilities Company  
General & Administrative Expense per Customer

26

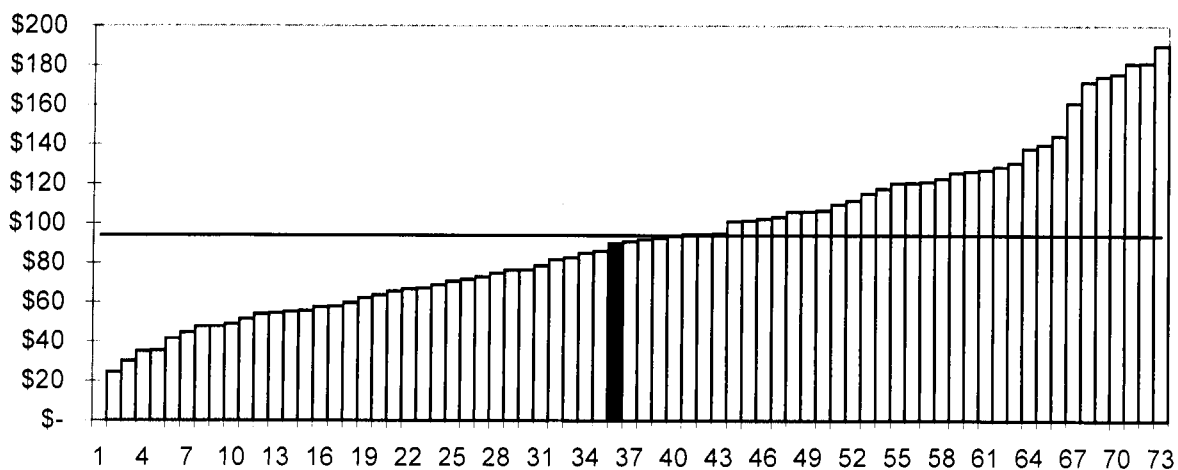
2003



2004



2005



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

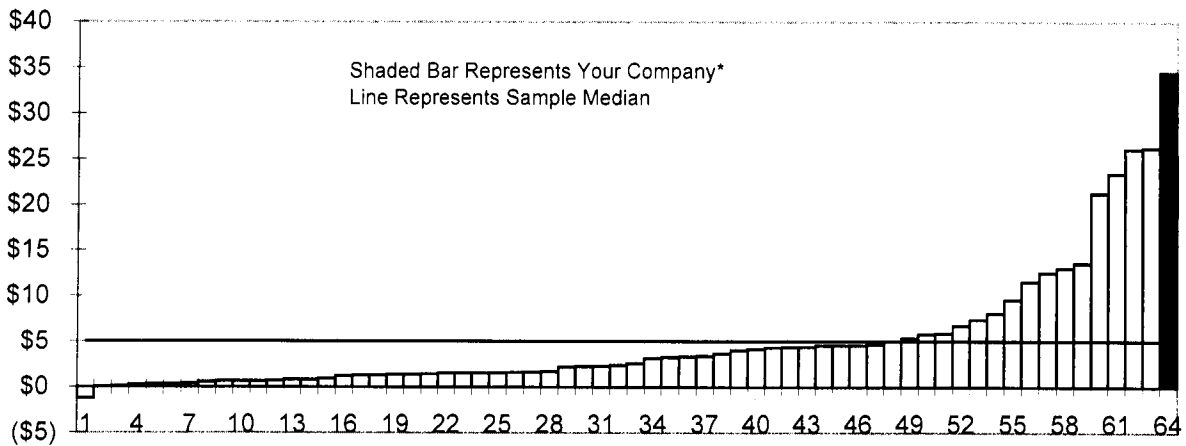
2378



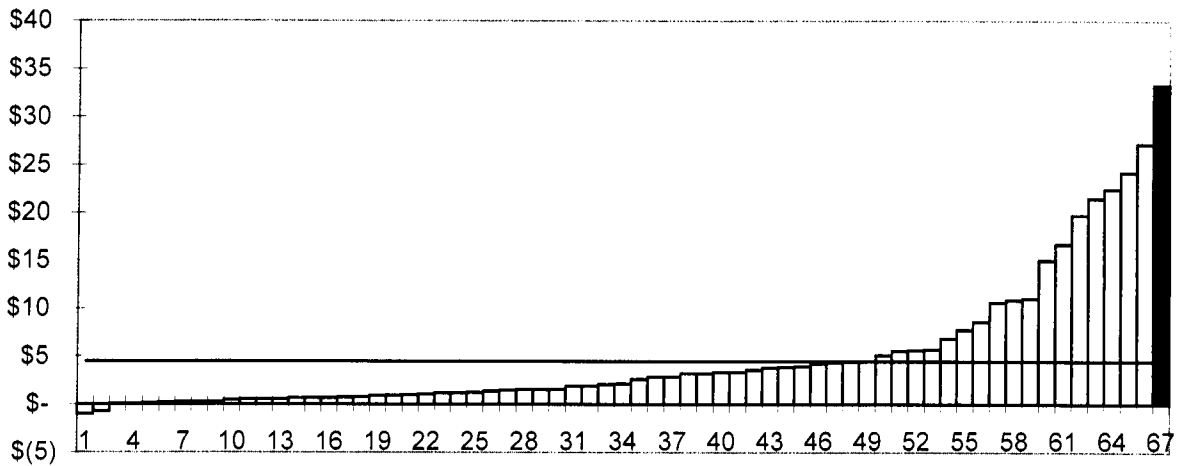
**Confidential Report For: Florida Public Utilities Company**  
**Sales Expense per Customer**

27

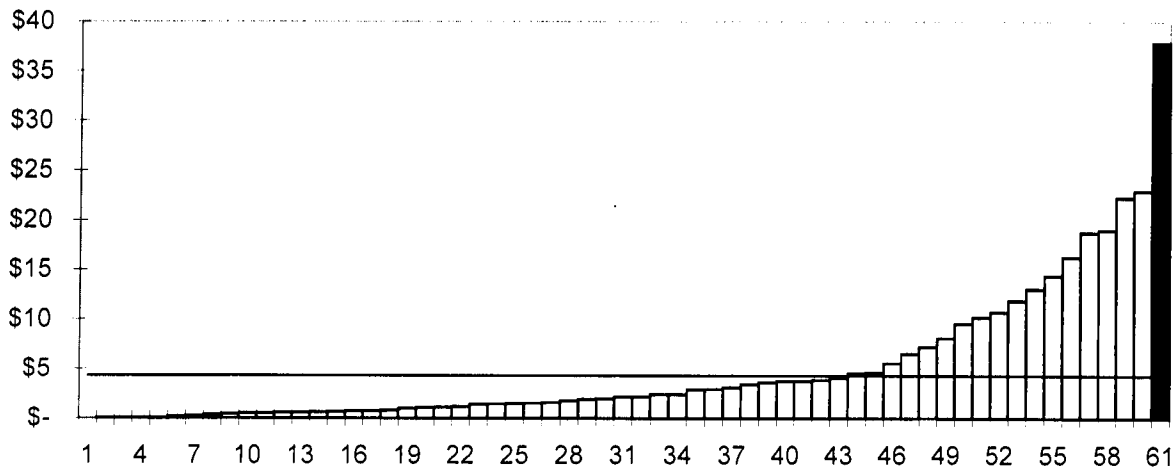
**2003**



**2004**



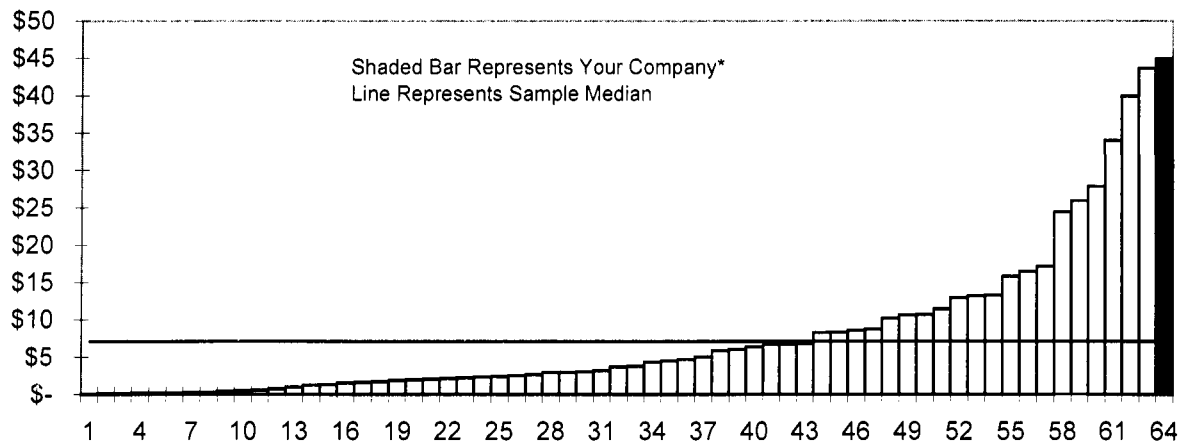
**2005**



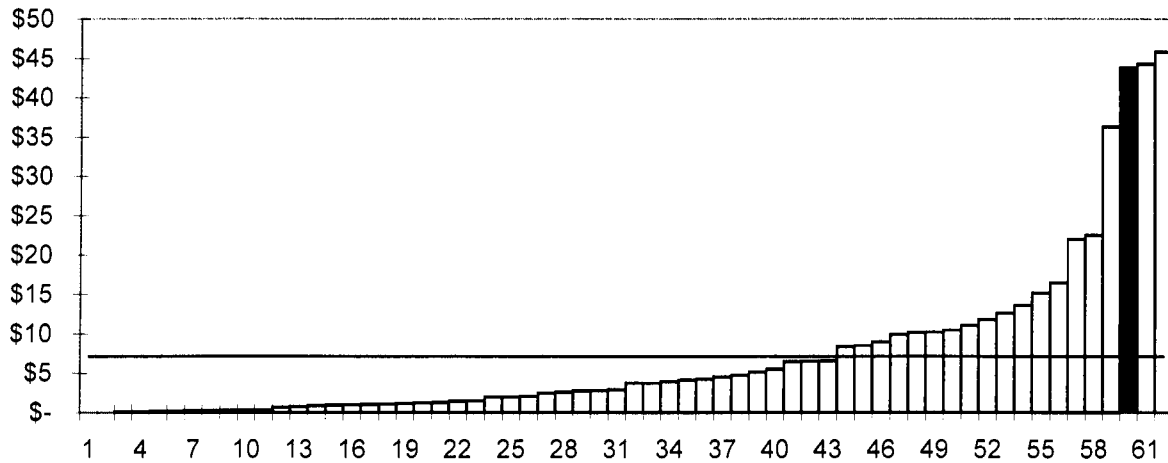
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2379**

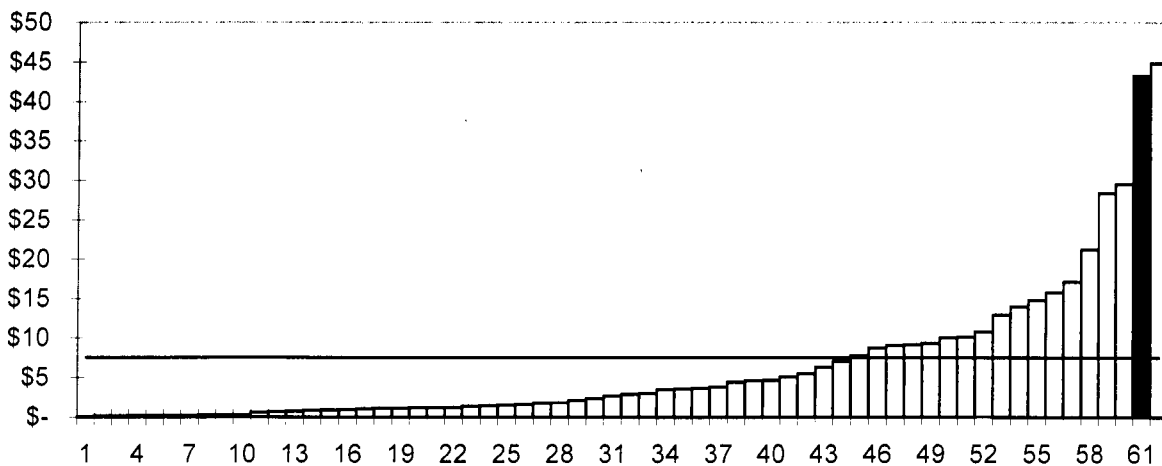
### 2003



### 2004



### 2005

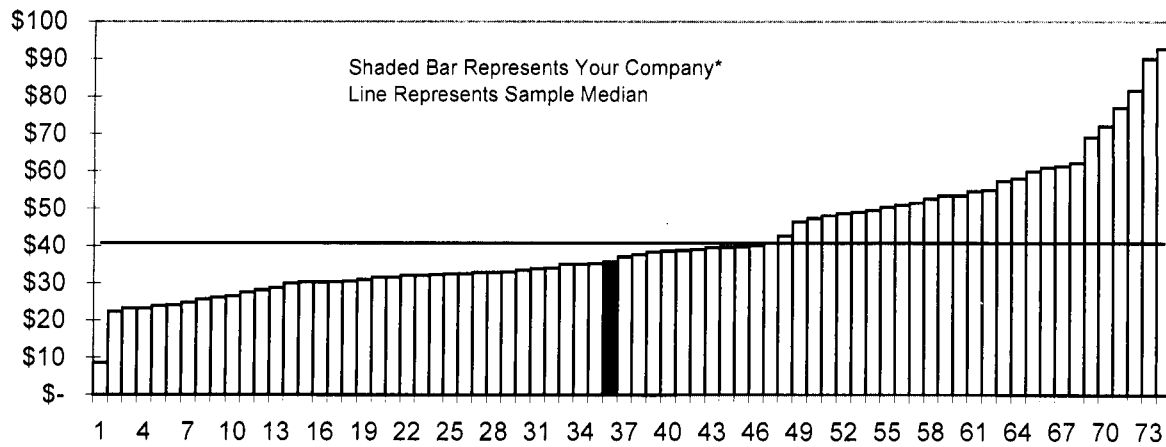


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

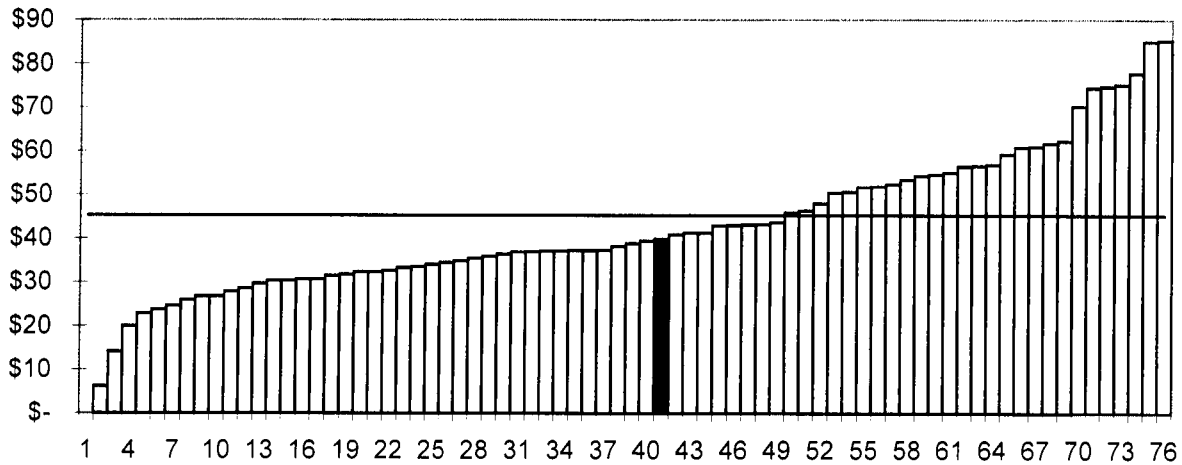
**Confidential Report For: Florida Public Utilities Company**  
**Customer Account Expense per Customer**

29

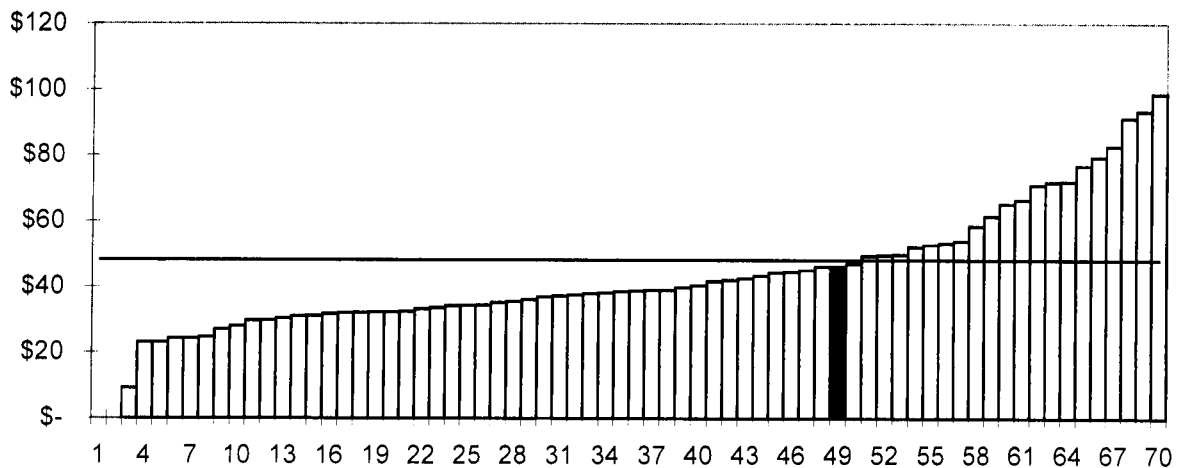
**2003**



**2004**



**2005**

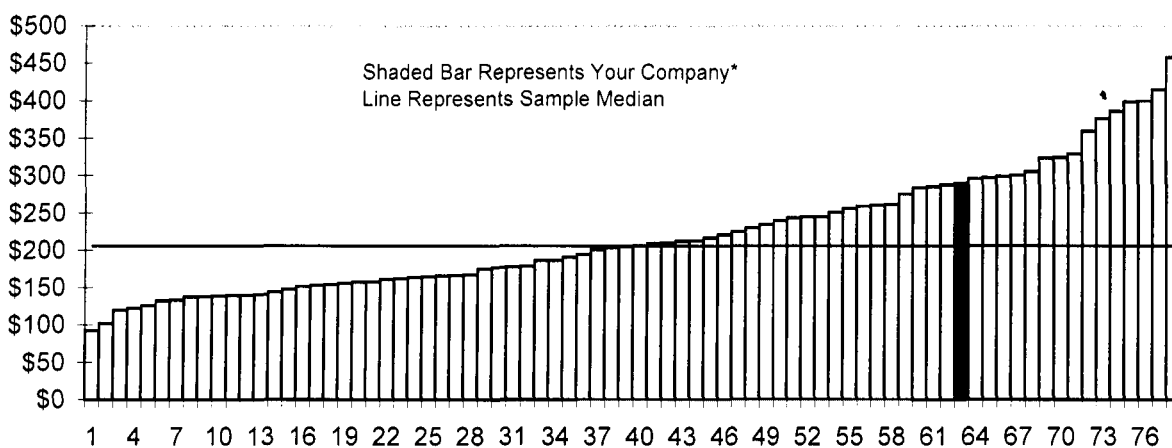


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

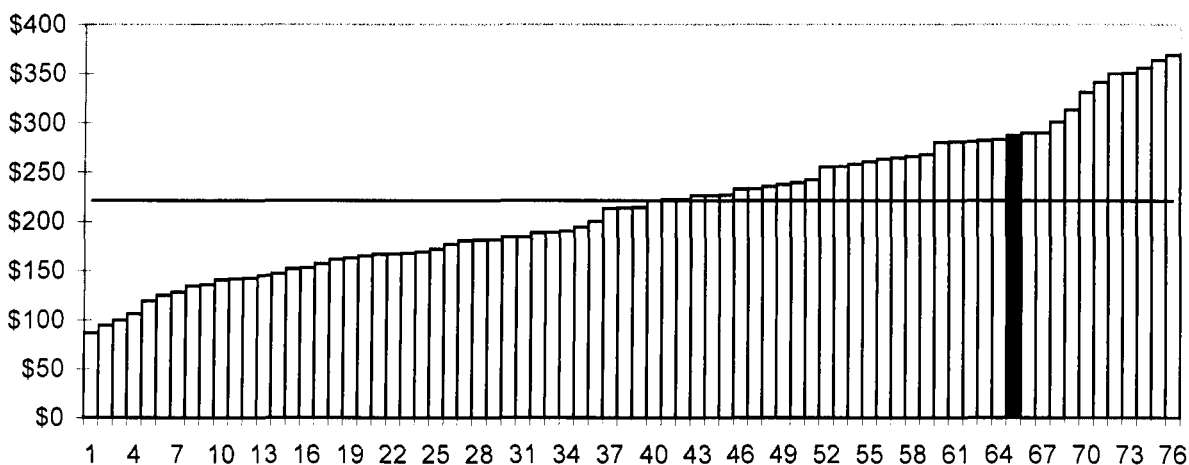
Confidential Report For: Florida Public Utilities Company  
O&M Net of Gas Supply per Customer

30

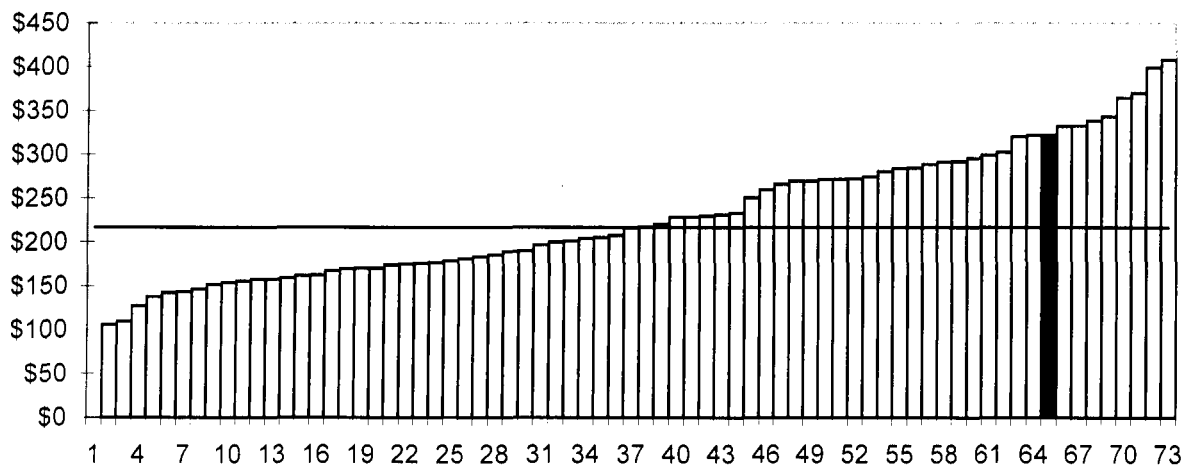
2003



2004



2005



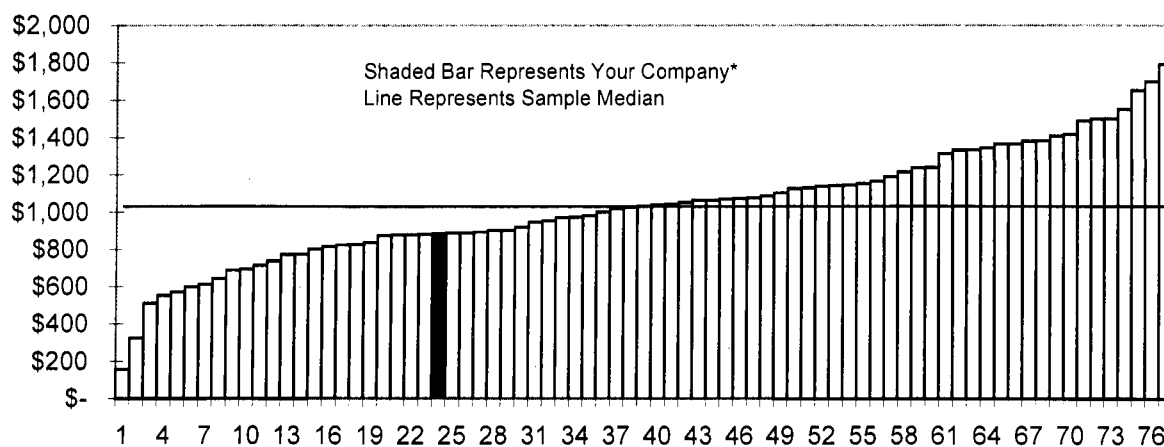
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

2382

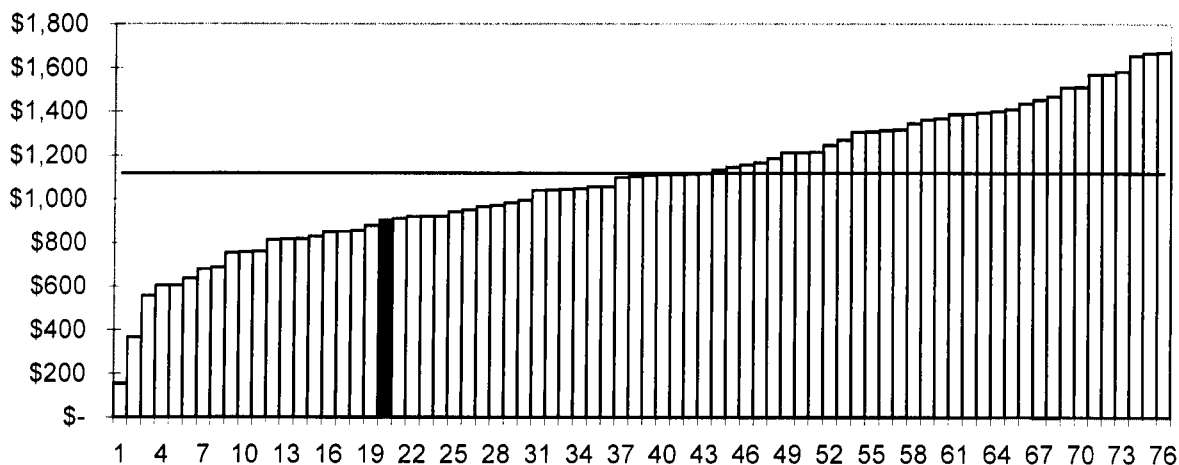
**Confidential Report For: Florida Public Utilities Company**  
**Total O&M Expense per Customer**

31

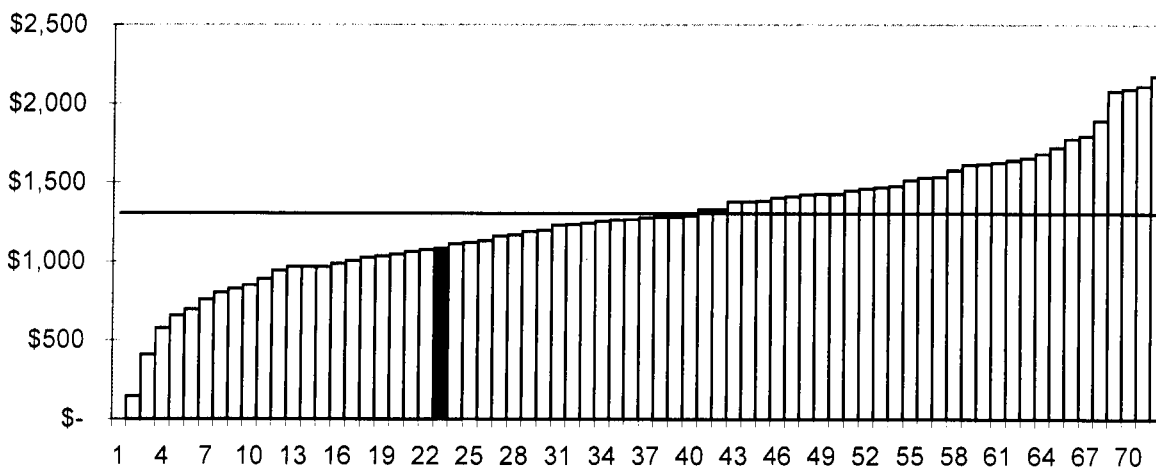
**2003**



**2004**



**2005**



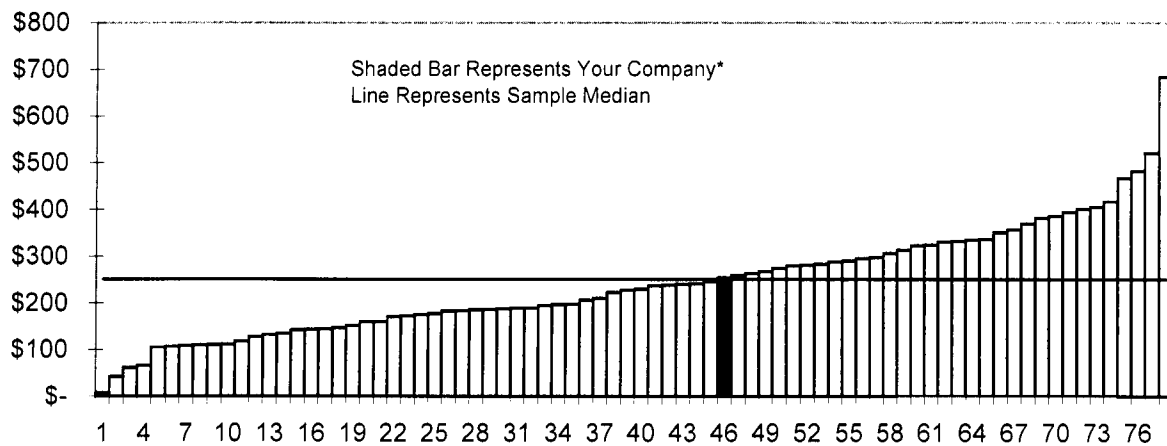
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2383**

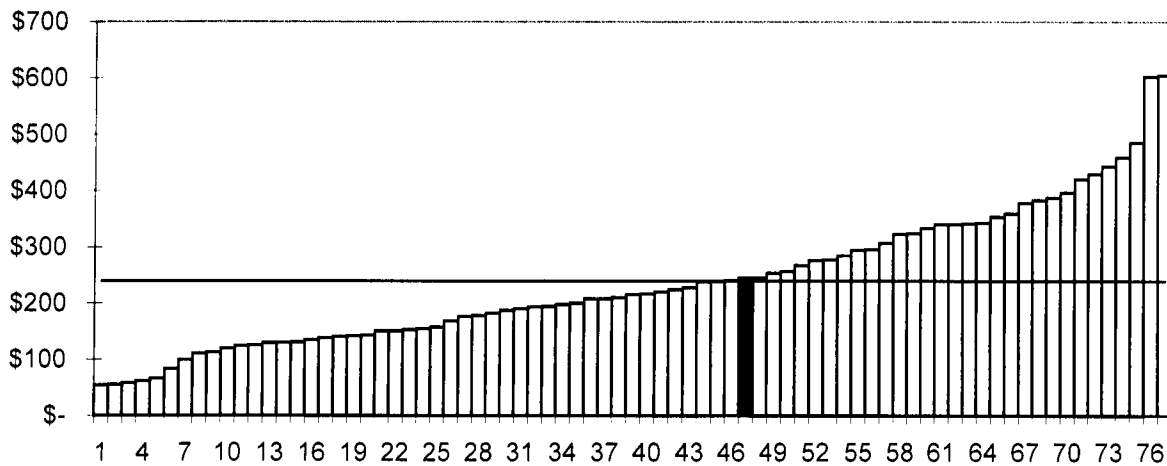
Confidential Report For: Florida Public Utilities Company  
 Net Margin (Revenue - Total O&M Costs) per Customer

32

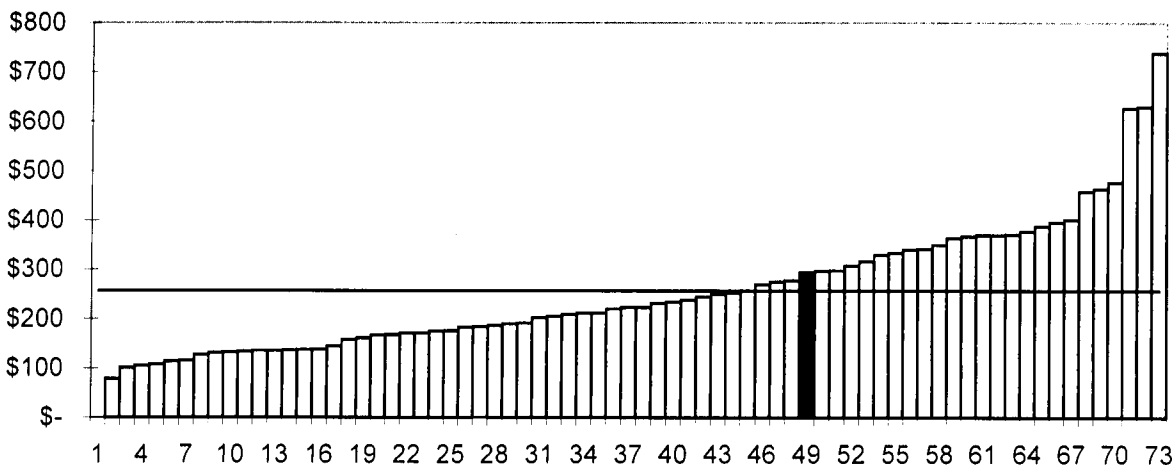
2003



2004



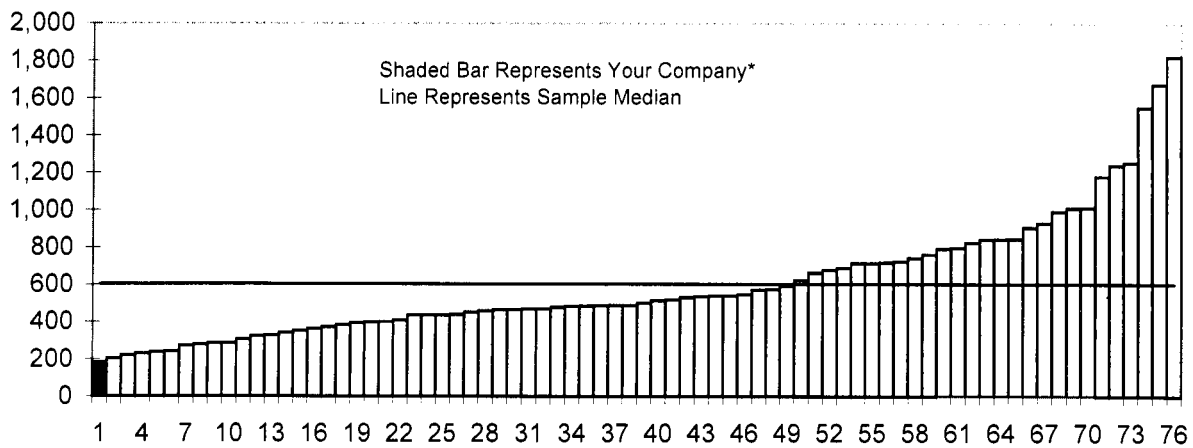
2005



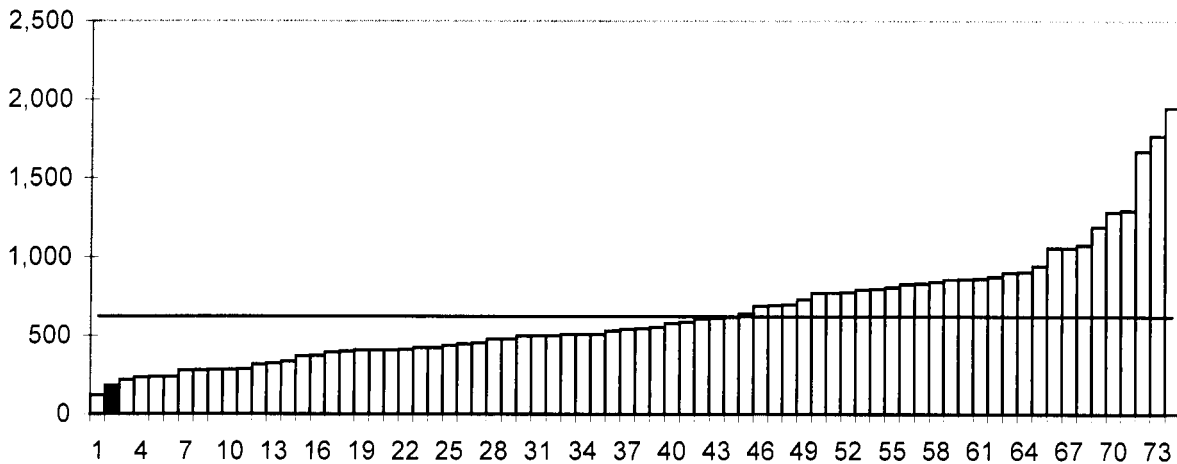
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

2384

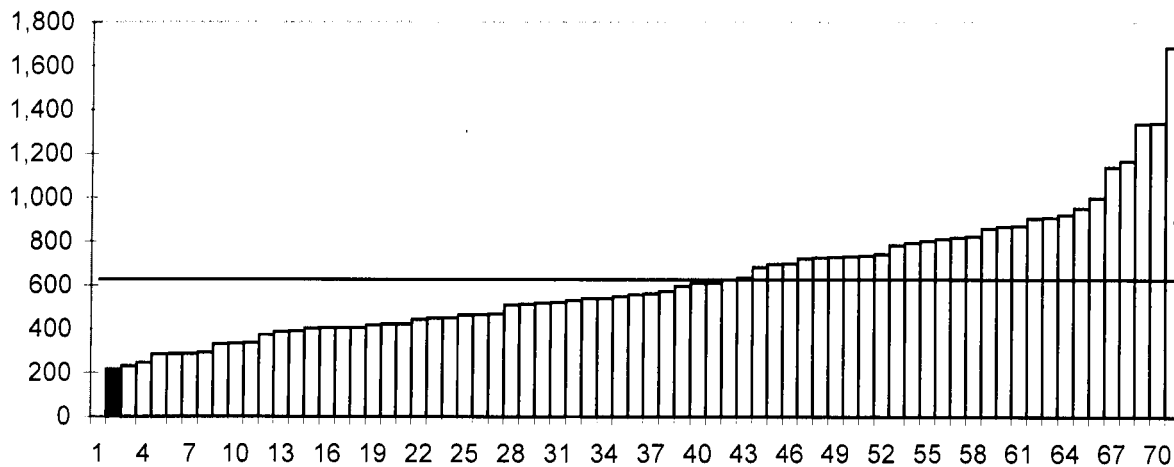
**2003**



**2004**



**2005**

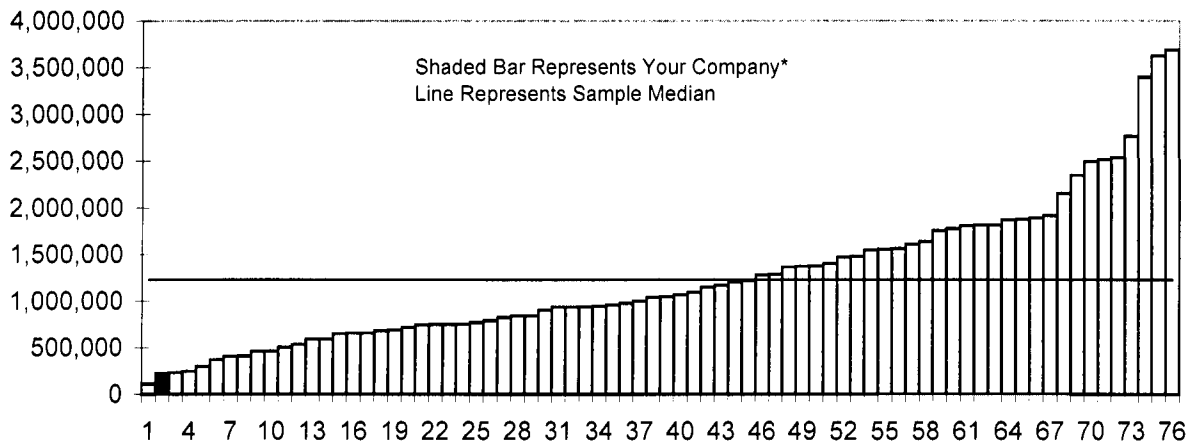


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

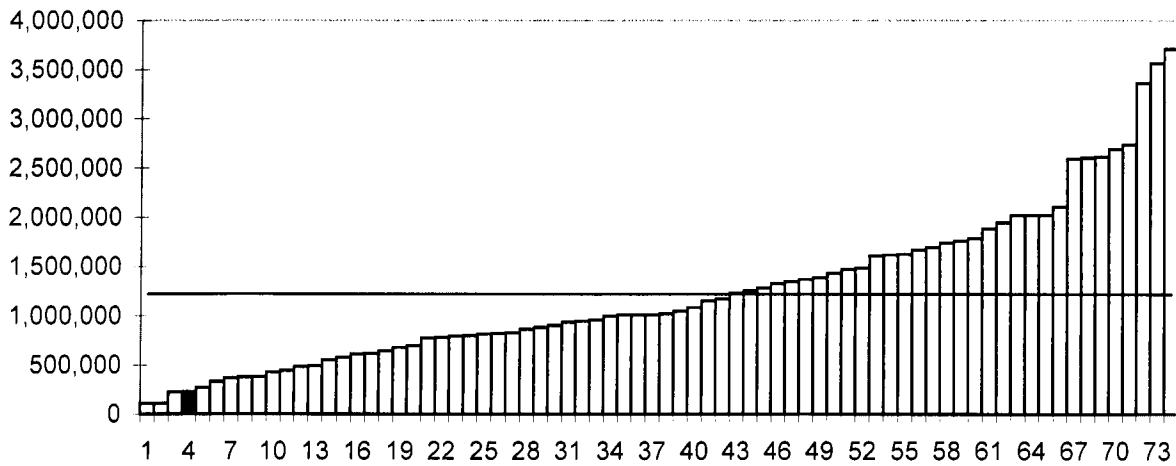
**Confidential Report For: Florida Public Utilities Company**  
**Therms Delivered per Employee**

34

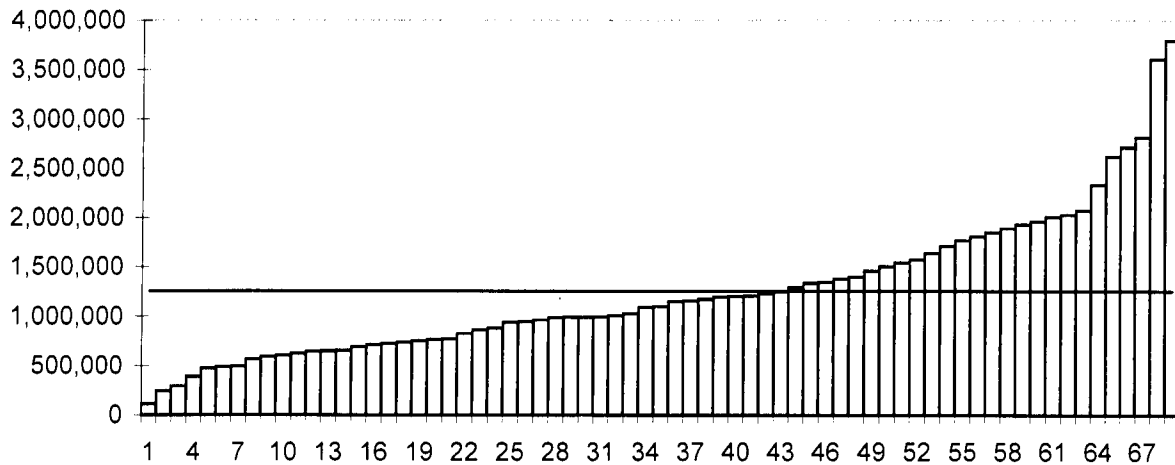
**2003**



**2004**



**2005**



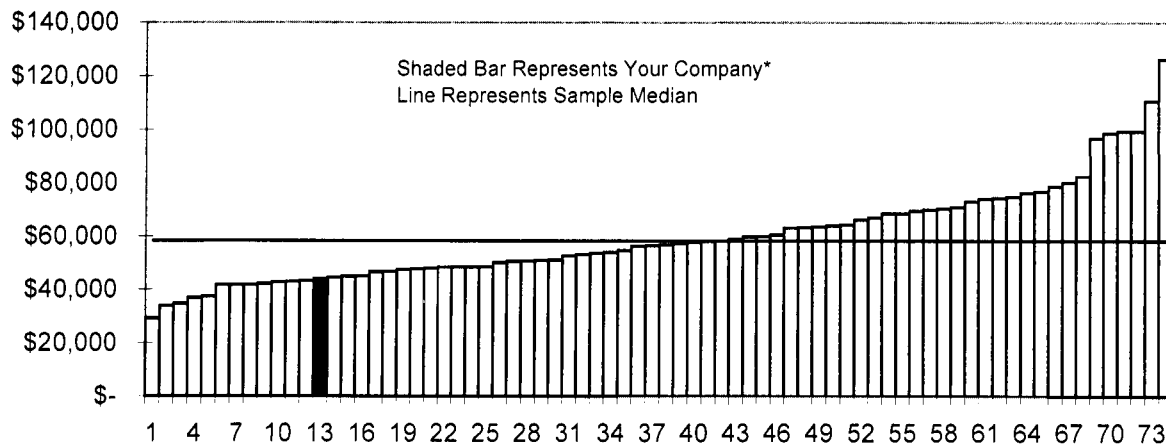
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.



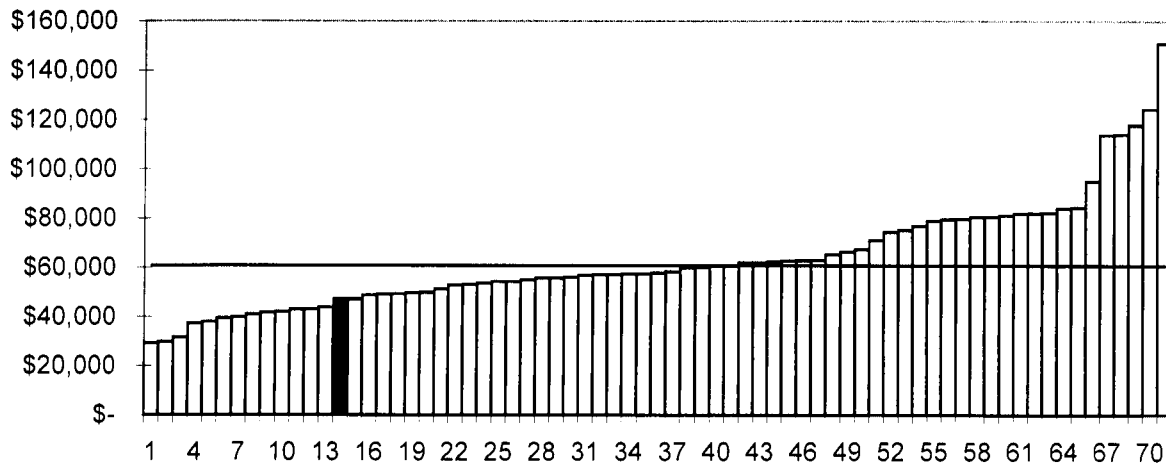
**Confidential Report For: Florida Public Utilities Company**  
**Average Salaries & Wages per Employee**

35

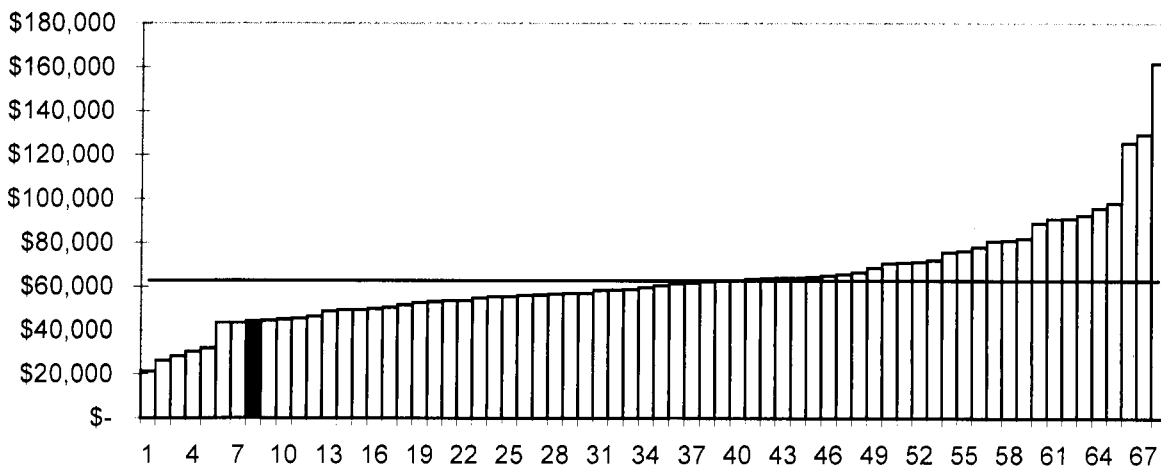
**2003**



**2004**



**2005**



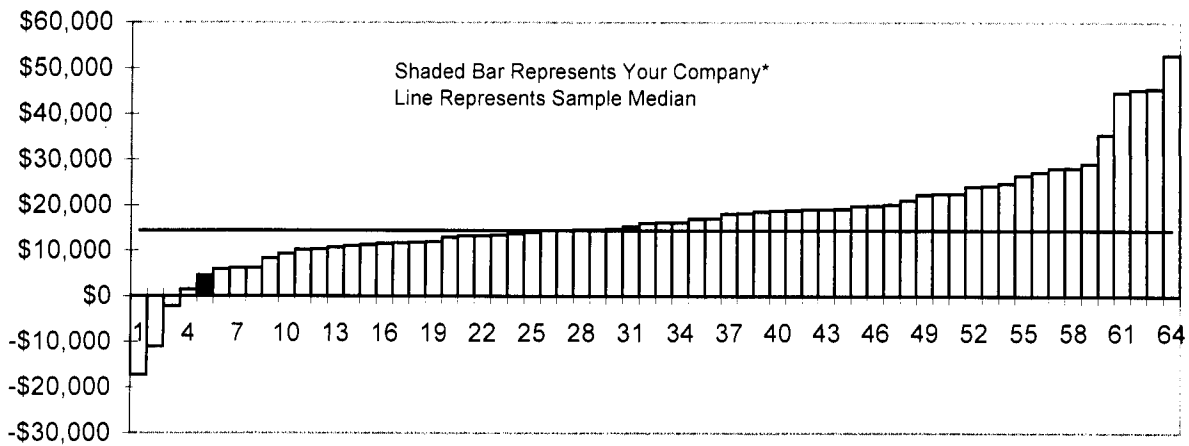
\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

**2387**

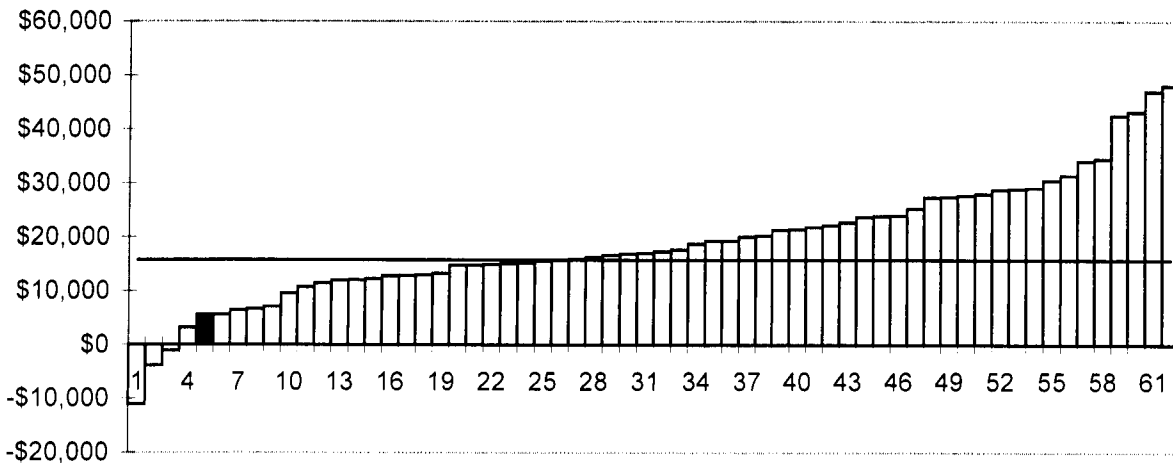
**Confidential Report For: Florida Public Utilities Company**  
**Average Pensions & Benefits Per Employee**

36

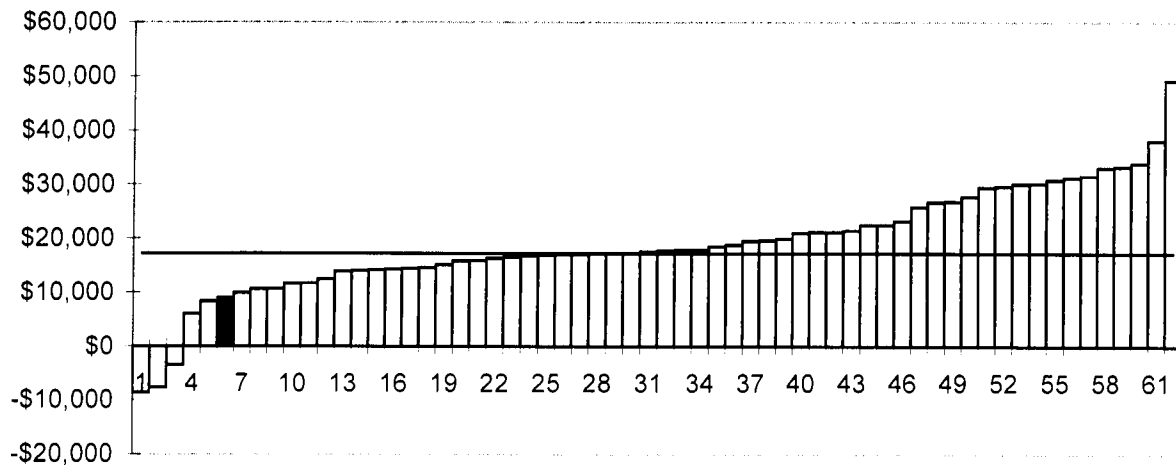
**2003**



**2004**

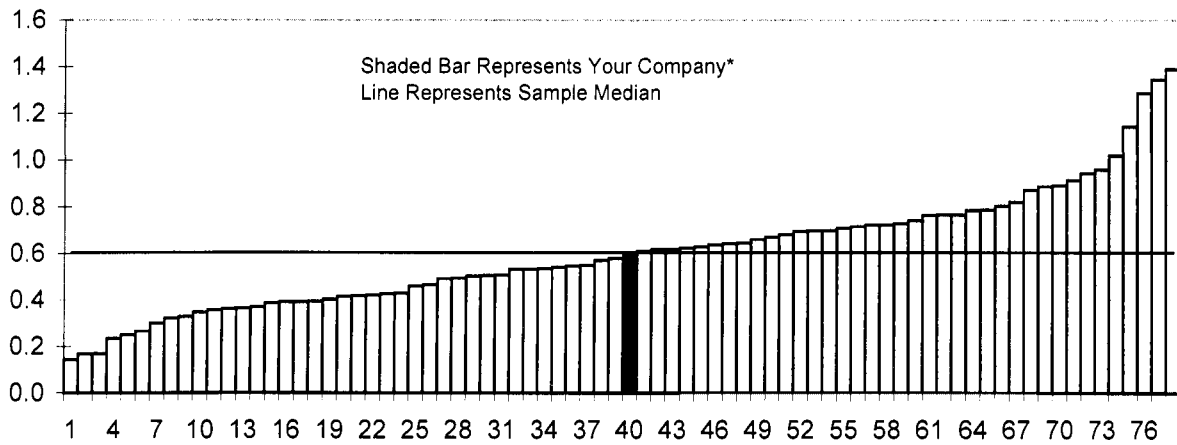


**2005**

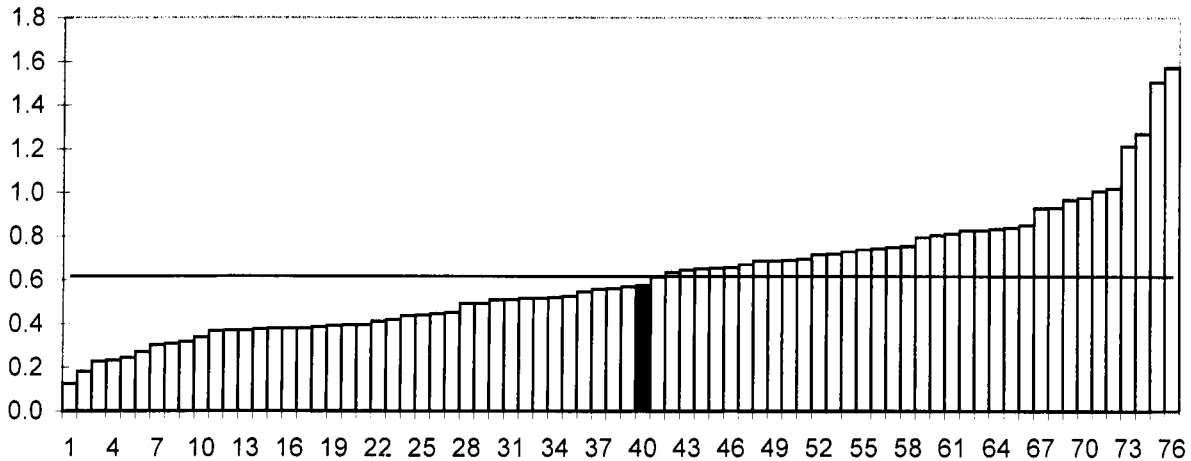


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

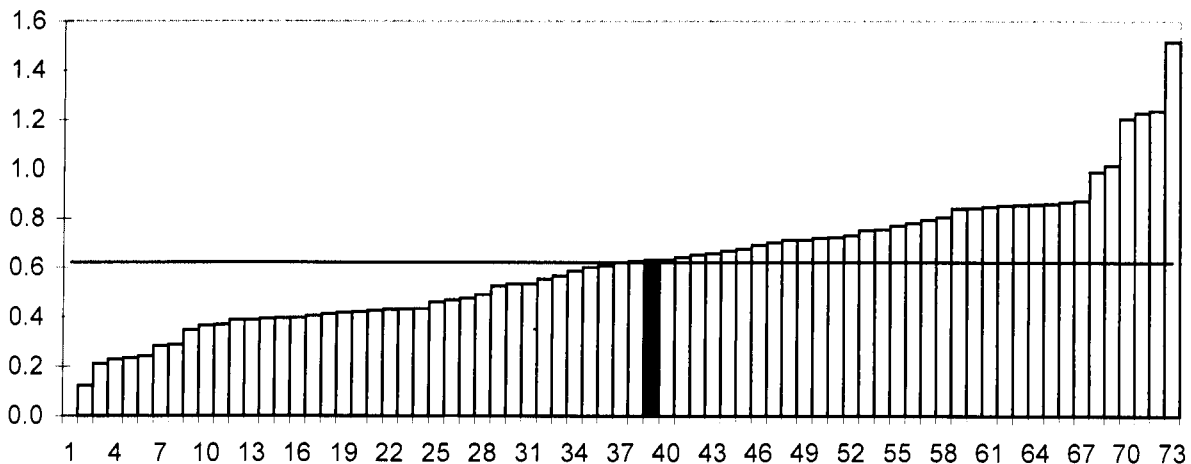
2003



2004

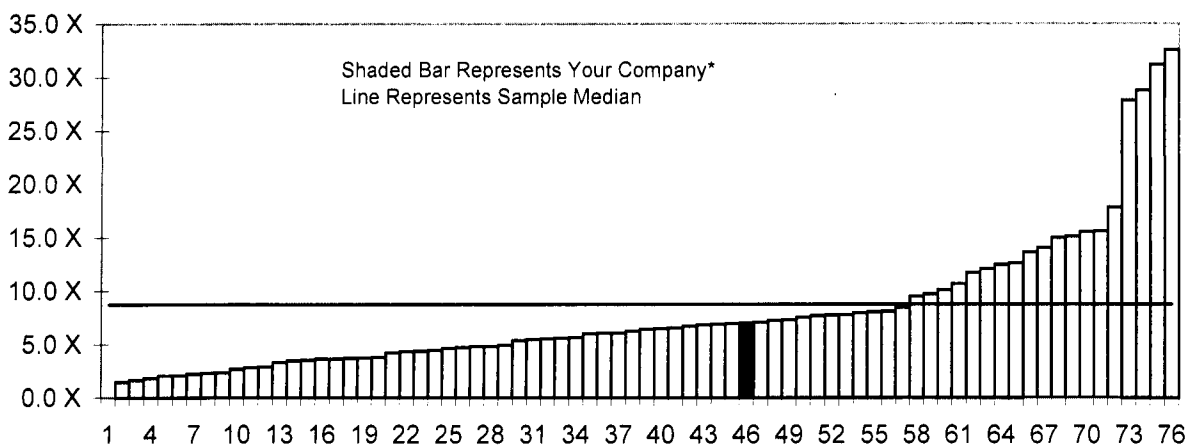


2005

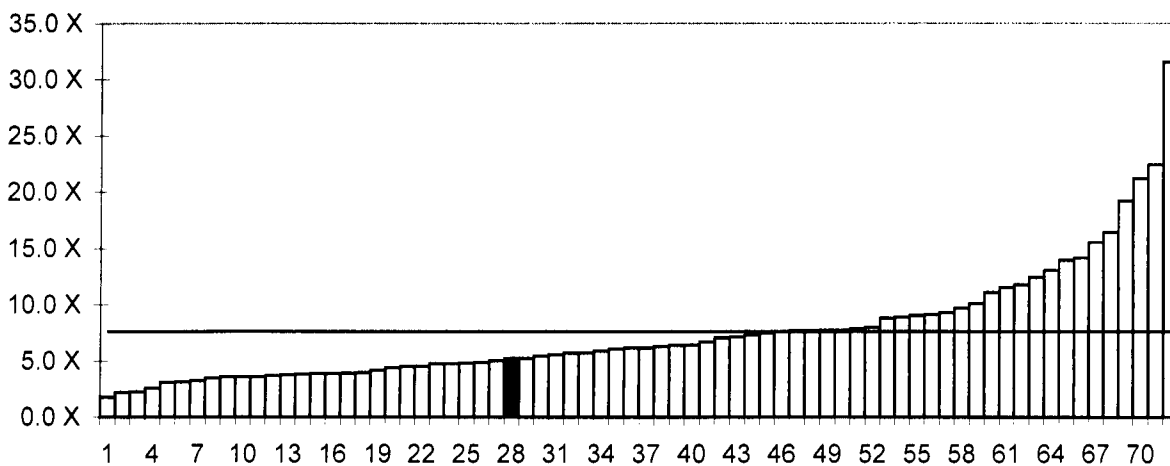


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

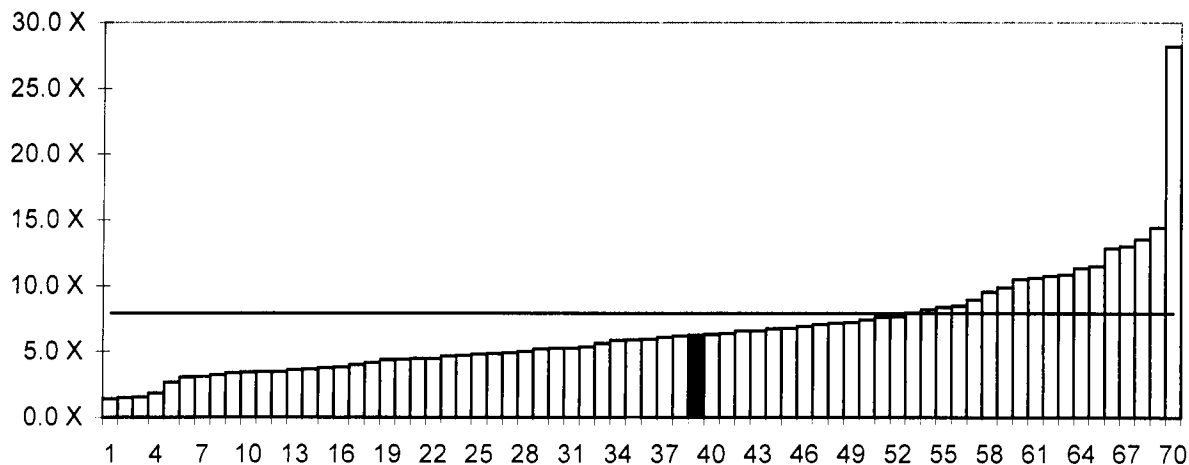
### 2003



### 2004

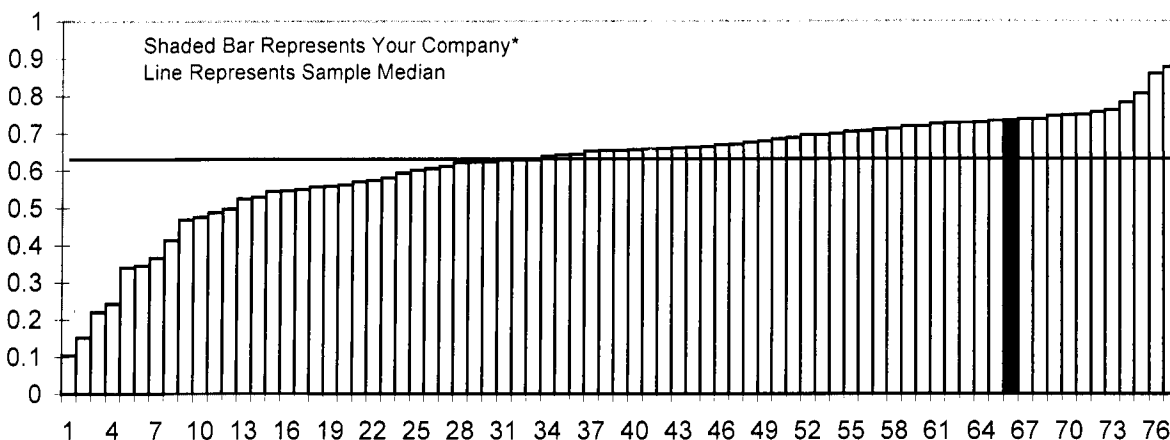


### 2005

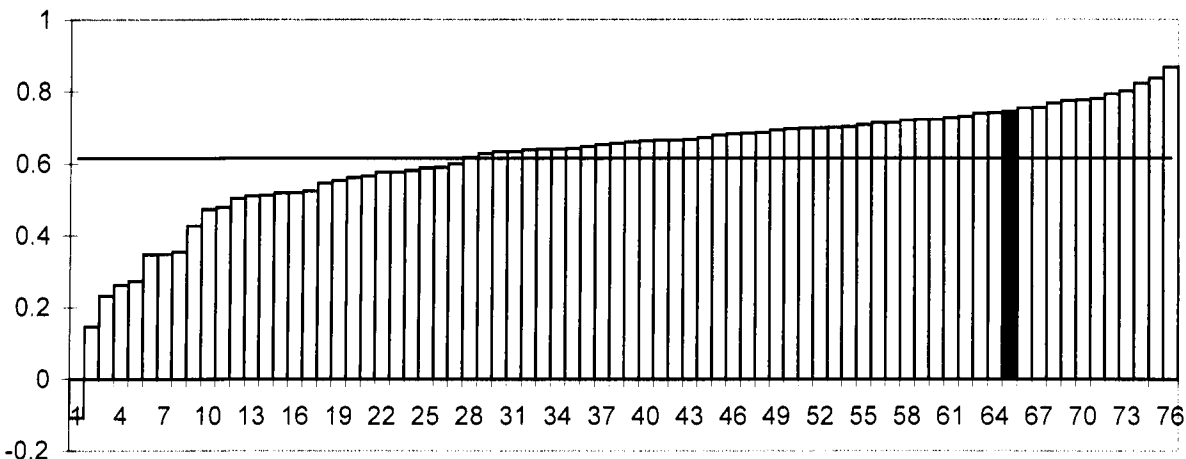


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

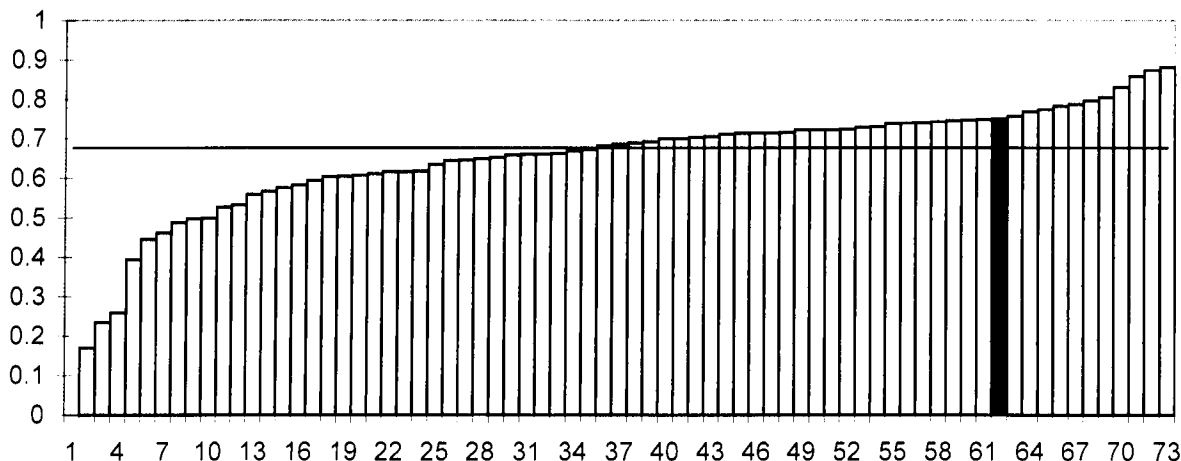
### 2003



### 2004



### 2005

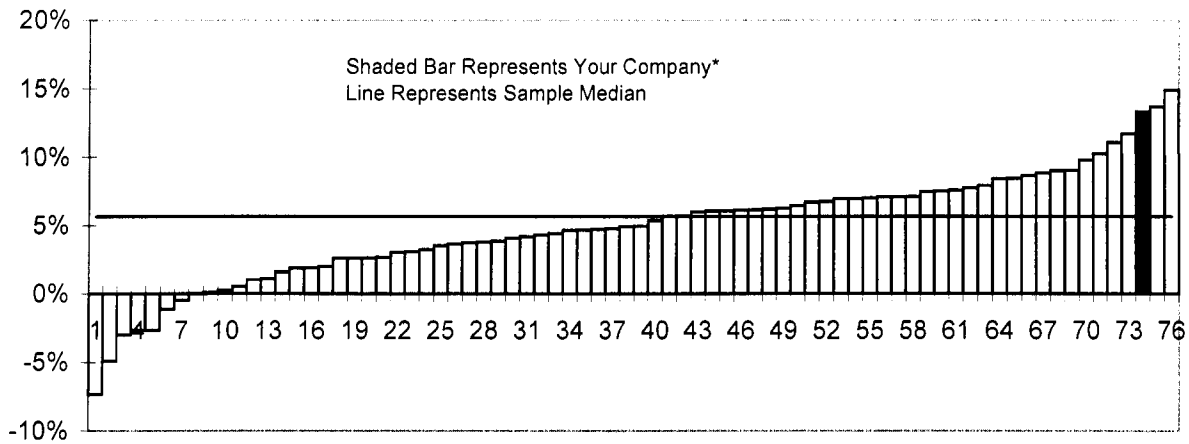


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

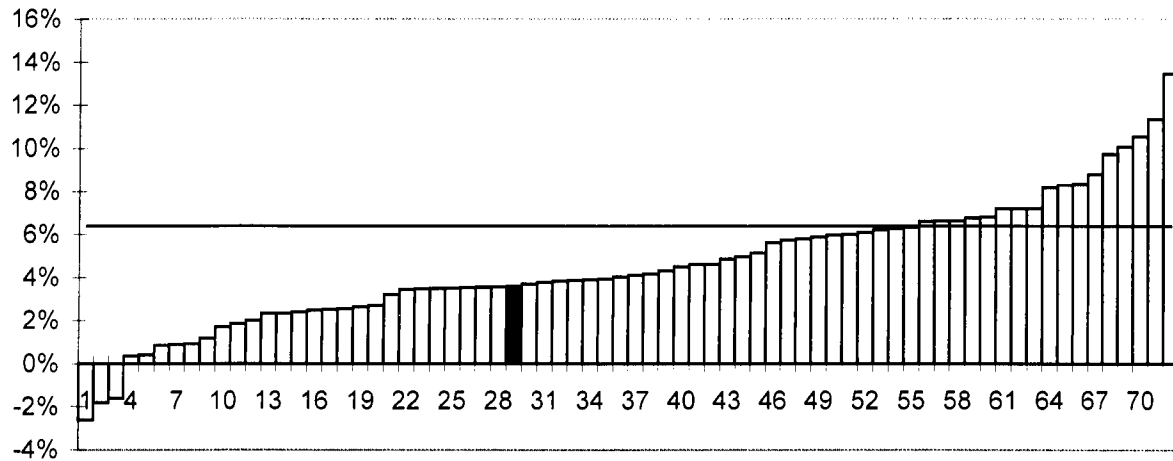
**Confidential Report For: Florida Public Utilities Company**  
**Profit Margin (Net Income/Revenue)**

40

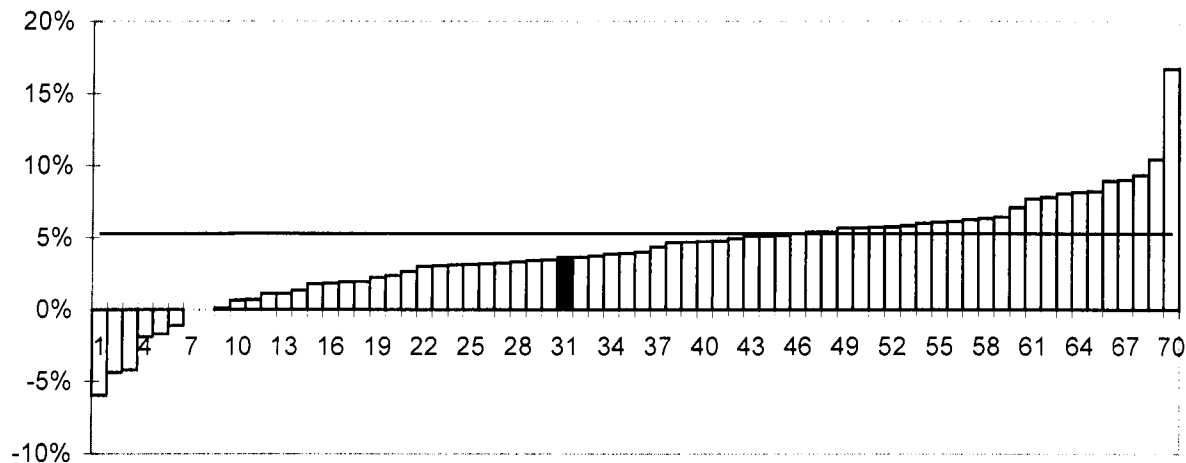
**2003**



**2004**

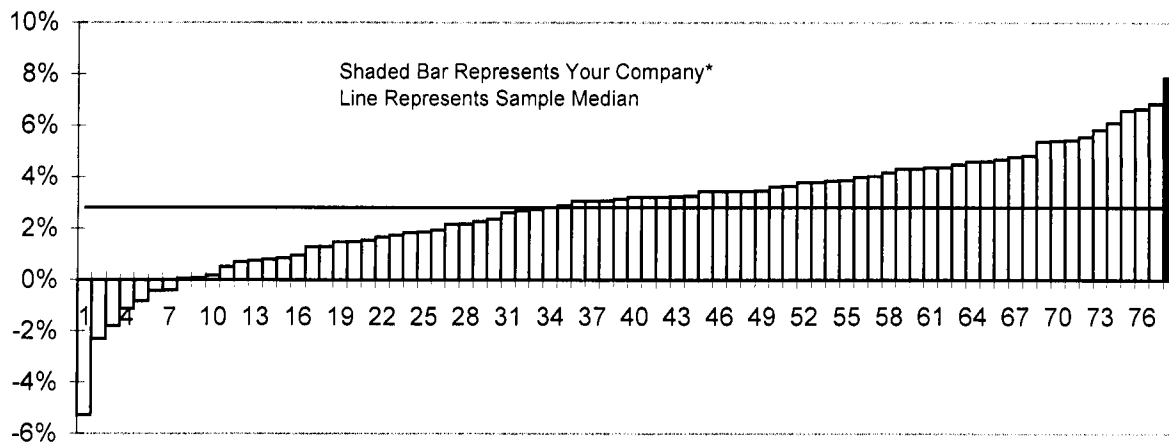


**2005**

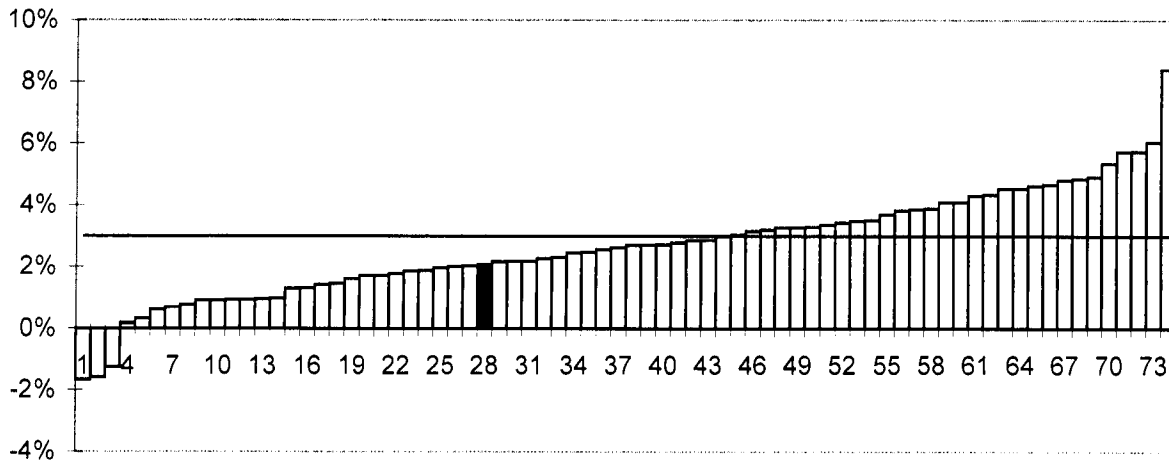


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

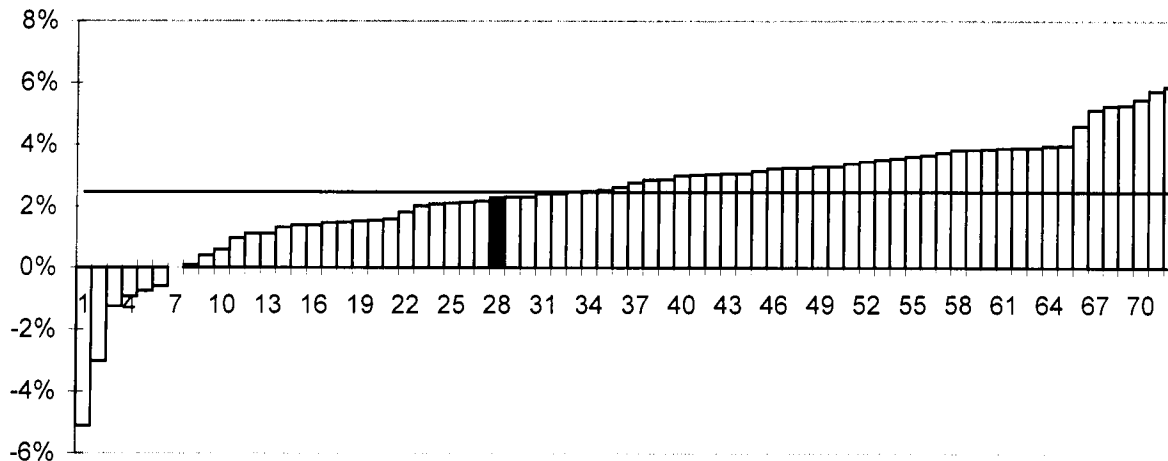
### 2003



### 2004

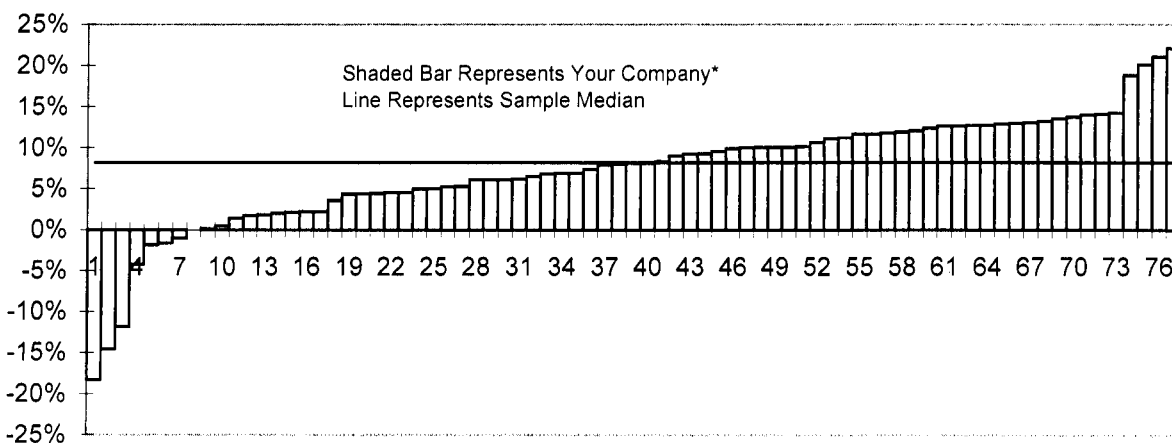


### 2005

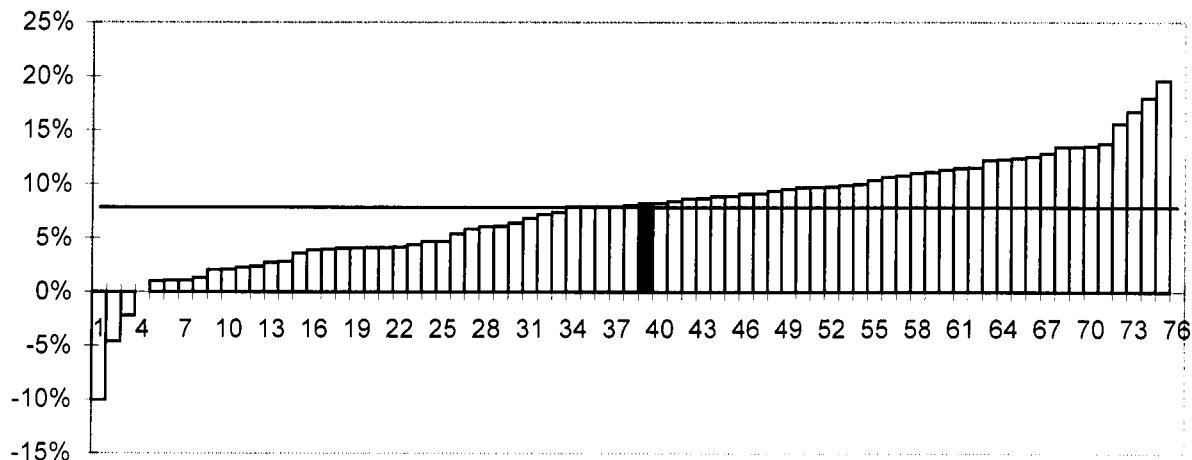


\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.

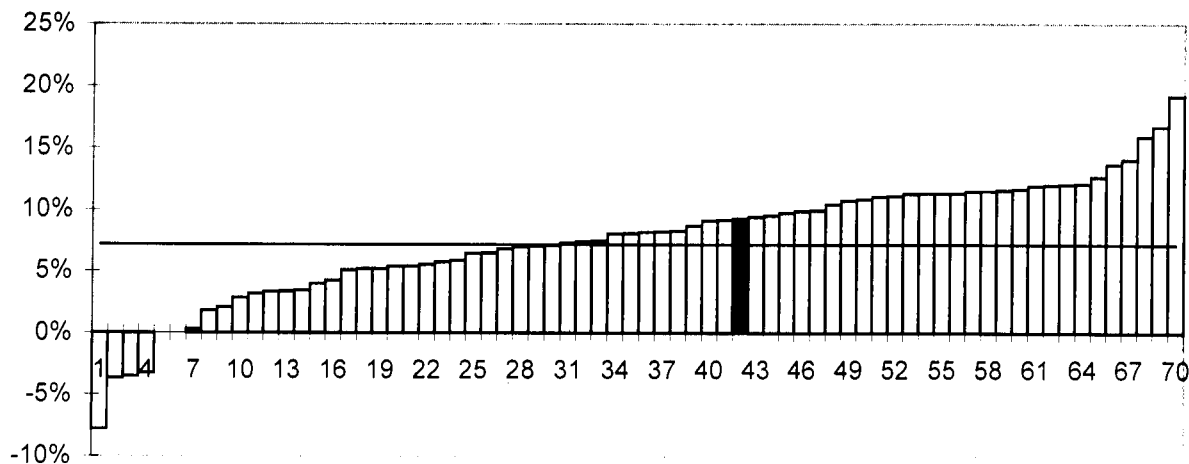
### 2003



### 2004



### 2005



\* Shaded bar represents your Company, while the line represents the sample average. A chart with no shaded data indicates that either your firm did not report this information or was excluded from the sample.



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My Documents	FW FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Adobe	FW 2003-2005 AGA Performance Benchmark draft results for y....	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
CCWin9	FW a-1.XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Corel Us	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
CyberLin	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My eBook	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Music	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Pictur	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
RegBak	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Comput	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
3 1/2 Flopt	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIP3014	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
ROXIO12	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Exhib	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
BA	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
CC	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
KT	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
M	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
ME	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cleider c	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Wp on 'G	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
filings or	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Hg on 'G	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Db on 'G	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
123 on 'G	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Sys on 'G	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Transfer	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Fp26dos	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Bat on 'G	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Public or	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Control F	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Network	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Recycle Bin	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Tuesday, August 07, 2007 4:11 PM  
**To:** Cox Doreen  
**Subject:** FW: a-1.XLS  
**Attachments:** a-1.XLS

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Monday, August 06, 2007 1:22 PM  
**To:** Martin Cheryl  
**Subject:** a-1.XLS

Here is a revised A-1. Rather than looking at the A-1 template, I looked back to the old filed A-1 and followed that general format. I have shown the predicted increase in service revenues, subtracted that from the total revenue request to get the amount to be allocated to base revenues and then calculated percentage increase as was done last time. Note that the expansion factor reflects the lower bad debt rate we discussed earlier.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
full revenue requirements increase.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule B-1	\$ 43,020,996
2.	Rate of Return on Rate Base Requested	Schedule D-1	x 8.07%
3.	Jurisdictional Net Operating Income Requested	Line 1 x Line 2	\$ 3,471,794
4.	Jurisdictional Adjusted Net Operating Income	Schedule C-1	206,341
5.	Net Operating Income Deficiency (Excess)	Line 3 - Line 4	\$ 3,265,453
6.	Earned Rate of Return	Line 4/Line 1 0.48%	
7.	Net Operating Income Multiplier	Schedule C-44	x 1.6077
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	\$ 5,249,895
8a.	Increase due to Service Charges and Other Revenue		\$ 48,026
8b.	Increase Due to Base Rate Revenues		\$ 5,201,869
9	Base Revenues	C-5 (2008)	\$ 13,027,278
10a	Total Revenue % Increase on Base Revenues	8/9	40.30%
10b	Base Revenue % Increase on Base Revenues	8a/9	39.93%
11	Base + Fuel + Conservation Revenues	C-5 (2008)	58,329,276
12	% Increase on Base + Fuel + Conservation Revenues		9.00%

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My Documents	FW FPU Refunding Model 080607.xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Adobe	FW 2003-2005 AGA Performance Benchmark draft results for y....	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the CD
CCWin9	FW a-1.XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Corel Usa	FW Acquisitions - July 07.xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
CyberLin	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My eBook	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Music	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Pictures	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
RegBak	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Computer	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
3 1/2 Floppy	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIP3014	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
ROXIO	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Exhib	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
BA	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
CC	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
KT	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
ME	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Cleider c	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Wp on C	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
filings or	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Hg on G	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Db on G	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
123 on C	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Sys on C	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Transfer	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Fp26dos	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Bat on C	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Public or	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Control F	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Network	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Recycle Bin	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD

**Clara Leider**

**From:** Bachman George  
**Sent:** Monday, July 16, 2007 1:39 PM  
**To:** Cox Doreen  
**Subject:** FW: Acquisitions - July 07.xls  
**Attachments:** Acquisitions - July 07.xls

fyi

*George*

**From:** Erdek Bonnie  
**Sent:** Monday, July 16, 2007 11:50 AM  
**To:** Bachman George  
**Subject:** Acquisitions - July 07.xls

George,

I only changed the market price at today's date [at the bottom]. Please save *this* version to "P".  
Thanks.

*Bonnie*



# Utility Acquisitions Over Past Two Years

	Target	Symbol	Acquirer	Symbol	Description	P C T	Price	Premium to Market	Multiple to Book	Merger Agreement Status as at June 2007
1	Public Service Electric & Gas [New Jersey]	PSEG	Exelon Corp [Chicago, Commonwealth Edison]	EXC	Utility Holding Co	T	\$16,000,000,000	53%	3.14	Terminated Sept 14, 2006
2	Cinergy Corp. [Ohio]	CIN	Duke Energy [North Carolina]	DUK	Investor-owned Utility	C	\$13,000,000,000	13%	-	Completed April 3, 2006
3	Constellation Energy Group [Maryland]	CEG	FPL Group [Florida]	FPL	Investor-owned Utility	T	\$11,000,000,000	10%	2.31	Terminated Oct 24, 2006
4	Key Span Energy [New York]	KSE	National Grid PLC [London & USA]	NG.L	International Energy Delivery Business	P	\$7,300,000,000	17%	1.68	Anticipated Completion - Mid 2007
5	PacifiCorp a subsidiary of Scottish Power [Iowa]	SPI	MidAmerican Energy Holdings Co. a subsidiary of Berkshire Hathaway, Warren Buffett's Co	MEHC BRKA,BRKB	Privately owned global provider of energy services	C	\$5,100,000,000	-	-	Completed Mar 21, 2006
6	Northwestern Corp [Montana]	NWEC	Babcock & Brown Infrastructure Ltd. [Australia]	BBIAX	Publicly listed Australia Investment Co	P	\$2,200,000,000	15%	1.76	Anticipated Completion - 2007
7	Duquesne Light Holdings Inc [Pittsburgh]	DQE	Consortium led by Macquarie Infrastructure Partners Bank & Diversified Utility & Energy Trust	DUET	Consortium of Australian Bank NY Investment Firm	C	\$1,600,000,000	22%	3.87	Completed May 31, 2007
8	Peoples Energy Corp [Natural Gas; Illinois]	PGL	WPS Resource [Wisconsin]	WPS	Diversified Utility	C	\$1,520,000,000	7%	1.89	Completed Feb 21, 2007
9	Cascade Natural Gas [Seattle]	CGC	Montana Dakota Resources	MDU	Diversified Utility	P	\$475,000,000	23%	2.32	Anticipated Completion - Mid 2007
10	Green Mountain Power [Vermont]	GMP	Gaz Metropolitan L.P. [Canada]	-	Limited Partnership	C	\$187,000,000	25%	1.78	Completed Apr 12, 2007
11	Cap Rock Energy [Texas]	RKE	Lindsay, Goldberg Besemer [New York] CAP Rock Holding	-	Private Equity Firm	C	\$35,000,000	28%	1.17	Completed May 11, 2006
12	SEMCO [Michigan]	SEN	CAP Rock Holding	-	Private Equity Firm	P	\$867,000,000	37%	1.28	Anticipated Completion - End of 2007
							AVERAGE	23%	2.12	
							MEDIAN	22%	1.84	
FPU:										
								Book Value	\$	8.21
								Equivalent Price	\$	15.11
								Market Price	7/16/2007	\$ 12.38
								Premium		22.05%

P Pending  
C Complete  
T Terminated

# **Utility Merger Agreement Status**

	Jul-06	Nov-06
<b>Completed</b>	3	3
<b>Pending</b>	8	6
<b>Terminated</b>	-	2
	11	11



# Utility Acquisitions Over Past Two Years

	Target	Symbol	Acquirer	Symbol	Description	P C T	Price	Premium to Market	Multiple to Book	Merger Agreement Status as at June 2007
1	Public Service Electric & Gas [New Jersey]	PSEG	Exelon Corp [Chicago, Commonwealth Edison]	EXC	Utility Holding Co	T	\$16,000,000,000	53%	3.14	Terminated Sept 14, 2006
2	Cinergy Corp. [Ohio]	CIN	Duke Energy [North Carolina]	DUK	Investor-owned Utility	C	\$13,000,000,000	13%	-	Completed April 3, 2006
3	Constellation Energy Group [Maryland]	CEG	FPL Group [Florida]	FPL	Investor-owned Utility	T	\$11,000,000,000	10%	2.31	Terminated Oct 24, 2006
4	Key Span Energy [New York]	KSE	National Grid PLC [London & USA]	NG.L	International Energy Delivery Business	P	\$7,300,000,000	17%	1.68	Anticipated Completion - Mid 2007
5	PacifiCorp a subsidiary of Scottish Power [Iowa]	SPI	MidAmerican Energy Holdings Co. a subsidiary of Berkshire Hathaway, Warren Buffett's Co	MEHC BRKA,BRKB	Privately owned global provider of energy services	C	\$5,100,000,000	-	-	Completed Mar 21, 2006
6	Northwestern Corp [Montana]	NWEC	Babcock & Brown Infrastructure Ltd. [Australia]	BBLAX	Publicly listed Australia Investment Co	P	\$2,200,000,000	15%	1.76	Anticipated Completion - 2007
7	Duquesne Light Holdings Inc [Pittsburgh]	DQE	Consortium led by Macquarie Infrastructure Partners Bank & Diversified Utility & Energy Trust	DUET	Consortium of Australian Bank NY Investment Firm	C	\$1,600,000,000	22%	3.87	Completed May 31, 2007
8	Peoples Energy Corp [Natural Gas; Illinois]	PGL	WPS Resource [Wisconsin]	WPS	Diversified Utility	C	\$1,520,000,000	7%	1.89	Completed Feb 21, 2007
9	Cascade Natural Gas [Seattle]	CGC	Montana Dakota Resources	MDU	Diversified Utility	P	\$475,000,000	23%	2.32	Anticipated Completion - Mid 2007
10	Green Mountain Power [Vermont]	GMP	Gaz Metropolitan L.P. [Canada]	-	Limited Partnership	C	\$187,000,000	25%	1.78	Completed Apr 12, 2007
11	Cap Rock Energy [Texas]	RKE	Lindsay, Goldberg Besemer [New York] CAP Rock Holding	-	Private Equity Firm	C	\$35,000,000	28%	1.17	Completed May 11, 2006
12	SEMCO [Michigan]	SEN	CAP Rock Holding	-	Private Equity Firm	P	\$867,000,000	37%	1.28	Anticipated Completion - End of 2007
							AVERAGE	23%	2.12	
							MEDIAN	22%	1.84	

P Pending  
C Complete  
T Terminated

FPU:

Book Value	\$	8.21
Equivalent Price	\$	15.11
Market Price	7/16/2007	\$ 12.38
Premium		22.05%





# Utility Acquisitions Over Past Two Years

	Target	Financial Advisor		Acquirer	Financial Advisor	
1	Public Service Electric & Gas [New Jersey]	Morgan Stanley & Co		Exelon Corp [Chicago, Commonwealth Edison]	J.P. Morgan Securities Lehman Brothers Inc.	
2	Cinergy Corp. [Ohio]	Merrill Lynch		Duke Energy [North Carolina]	UBS (Advisor) Lazard (Fairness Opinion)	
3	Constellation Energy Group [Maryland]	Morgan Stanley & Co (Financial Advisor) Goldman, Sachs & Co (Fairness Opinion)		FPL Group [Florida]	Merrill Lynch (Financial Advisor) Lehman Brothers (Fairness Opinion)	
4	Key Span Energy [New York]	Lazard Freres & Co		National Grid PLC [London & USA]	N/A	
5	PacifiCorp a subsidiary of Scottish Power [Iowa]	UBS Investment Bank Morgan Stanley & Co		MidAmerican Energy Holdings Co. a subsidiary of Berkshire Hathaway, Warren Buffett's Co	Houlihan Lokey Howard & Zukin	
6	Northwestern Corp [Montana]	Credit Suisse Securities (USA) The Blackston Group L.P		Babcock & Brown Infrastructure Ltd. [Australia]	N/A	
7	Duquesne Light Holdings Inc [Pittsburgh]	Lehman Brothers Inc.		Consortium led by Macquarie Infrastructure Partners Bank & Diversified Utility & Energy Trust	N/A	
8	Peoples Energy Corp [Natural Gas; Illinois]	N/A		WPS Resource [Wisconsin]	N/A	
9	Cascade Natural Gas [Seattle]	J.P. Morgan Securities		Montana Dakota Resources	UBS Investment Bank	
10	Green Mountain Power [Vermont]	Bank of America Securities		Gaz Metropolitan L.P. [Canada]	N/A	
11	Cap Rock Energy [Texas]	Houlihan Lokey Howard & Zukin		Lindsay, Goldberg Besemer [New York]	Cravath, Swaine & Moore LLP	
12	Texas Genco LLC			NRG Energy Inc		
13	Westinghouse Electric Co LLC Pennsylvania owned by British Nuclear Fuels PLC			Toshiba Corporation		
14	Plains Resources Inc.			Vulcan Energy Corporation		
15	Lawrenceburg Gas Co owned by The Cincinnati Gas & Electric Co a subsidiary of Cinergy Corp.			INOH Gas, Inc [Indiana]		
16	Illinois Power Co subsidiary of Dynegy Inc.			Ameren Corporation [Missouri]		
17	Rhode Island assets of New England Gas Co - Southern Union Company			National Grid PLC [London]		



FPU

# Utility Acquisitions Over Past Two Years

## SUPPORT WORKSHEET

### FPU DATA

As at May 2007  
6,031,978 \$ 49,546,357

\$ 11.70 \$ 8.21

Target	Symbol	P C	Price	SP per Share x No. of Shares A x M	Date of Merger Announcement	Date of Merger	No. of Shares A	Book Equity J	Market Value per Share		Book Value per Share O JA	Premium to Market Q (M-N)/N	Multiple to Book R M/O	FPU Pro-Forma		
									Price Offer/Paid per Share M	prior to Announcement N				Selling Price (1)	Premium to Market (2)	Multiple to Book (3)
Cascade Natural Gas [Seattle]	CGC	P	\$475,000,000 (Incl Debt)	\$304,000,000	07/08/06		11,471,273	\$ 130,763,000	\$ 26.50	\$ 21.46	\$ 11.40	23%	2.32	\$ 19.10	63%	1.78
Green Mountain Power [Vermont]	GMP	P	\$187,000,000	\$213,000,000	06/21/06		6,070,397	\$ 119,868,000	\$ 35.00	\$ 27.99	\$ 19.68	25%	1.78	\$ 14.81	25%	1.78
Peoples Energy Corp [Natural Gas, Illinois]	PGL	P	\$1,520,000,000	\$1,598,000,000	07/08/06		38,600,116	\$ 843,971,000	\$ 41.39	\$ 38.67	\$ 21.86	7%	1.89	\$ 15.55	33%	1.52
Cap Rock Energy [Texas]	RKE	C	\$35,000,000	\$37,000,000	11/04/05	05/11/06	1,686,613	\$ 31,228,000	\$ 21.75	\$ 17.04	\$ 18.52	28%	1.17	\$ 9.85	-16%	1.82
Northwestern Corp [Montana]	NWEC	P	\$2,200,000,000 (Incl Debt)	\$1,125,000,000	04/25/06		35,806,688	\$ 750,925,000	\$ 37.00	\$ 32.09	\$ 20.97	15%	1.76	\$ 14.49	24%	1.64
Key Span Energy [New York]	KSE	P	\$7,300,000,000	\$7,764,000,000	02/01/06		184,864,000	\$ 4,625,500,000	\$ 42.00	\$ 35.92	\$ 25.02	17%	1.68	\$ 13.79	16%	1.67
Duquesne Light Holdings Inc [Pittsburgh]	DQE	P	\$1,600,000,000 Excl Debt	\$2,539,000,000	07/05/06		126,929,154	\$ 655,900,000	\$ 20.00	\$ 16.44	\$ 5.17	22%	3.87	\$ 31.79	172%	1.73
Constellation Energy Group [Maryland]	CEG	P	\$11,000,000,000	\$11,379,000,000	12/18/05		179,700,000	\$ 4,915,500,000	\$ 63.32	\$ 55.82	\$ 27.35	15.0%	2.31	\$ 19.01	63%	1.64
Cinergy Corp. [Ohio]	CIN	C	\$13,000,000,000 \$9.1m Stk \$4.3m Goodwill	N/A	05/09/05	04/03/06			\$ 45.80		#DIV/0!	13.4%	#DIV/0!	#DIV/0!	#DIV/0!	1.82
Duke Energy issued 1.56 shares for each share of Cinergy																
Public Service Electric & Gas [New Jersey]	PSEG	P	\$16,000,000,000 (Incl Debt)	\$9,556,000,000	12/20/04		132,450,344	\$ 3,043,000,000	\$ 72.15	\$ 47.21	\$ 22.97	53%	3.14	\$ 25.80	120%	2.17
PSEG Shareholders will receive 1.225 shares of Exelon Common Stock for each share of PSEG Common Stock																
ASSUMES DATE IS CURRENT CLOSING PRICE																
PacificCorp a subsidiary of Scottish Power [Iowa]	SPI former Parent Co	C	\$5,100,000,000 Excl Debt	\$5,100,000,000	05/01/05	03/21/06	312,176,000	\$ 3,763,700,000	\$ 16.34		\$ 12.06	#DIV/0!	1.36	\$ 11.13	-5%	#DIV/0!

(1) (Multiple to Book x FPU's BV per sh)

(2) 
$$\frac{\text{FPU's Pro-Forma SP per Sh} - \text{FPU's MV per Sh}}{\text{FPU's MV per Sh}}$$

(3) 
$$\frac{\text{FPU's MV per Sh} + (\text{Prem to Mkt} \times \text{FPU's MV per Sh})}{\text{FPU's BV per Sh}}$$

2404

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name
Desktop	→ Fisherman's Cove.msg
My Documents	→ Florida Days NSB.msg
Adobe	→ Florida Public Utilities Company.msg
CCWin9	→ For Interim Relief .msg
Corel User Files	→ forgot the attachment for previous message.msg
CyberLink	→ FPU Refunding Model 030707.xls.msg
My eBooks	→ FPU Refunding Model 040207.xls.msg
My Music	→ FPU Refunding Model 080607.xls.msg
My Pictures	→ FW 2003-2005 AGA Performance Benchmark draft results for y...
RegBak	→ FW a-1 XLS.msg
My Computer	→ FW Acquisitions - July 07.xls.msg
3 1/2 Floppy (A:)	→ FW Analytical Comments.msg
BIP3014 (C:)	→ FW A's.msg
ROXIO122 (D:)	→ FW balance sheet.msg
Exhibit 2.8	→ FW BOD Presentation - Aug 2006.msg
BACHMA	→ FW C Schedules.msg
COX	→ FW Cost of capital testimony partially completed.msg
KHOJAS	→ FW D Schedules (11).msg
MARTIN	→ FW D Schedules (39).msg
MESITE	→ FW D Schedules (40).msg
Cleider on 'fp2	→ FW D Schedules (56).msg
Wp on 'Grounc	→ FW D schedules.msg
filings on 'FP3	→ FW Deferred tax projections.msg
Hg on 'Ground	→ FW Dir-Quest 2007-FINAL.msg
Db on 'Ground	→ FW Draft Testimony To Support the Gulf Power Contract.msg
123 on 'Grounc	→ FW D's-Final-8-8-07-NoLinks.xls.msg
Sys on 'Grounc	→ FW D's-Final.xls.msg
Transfer on 'Gr	→ FW Expenses for Rate Case - 2006 Normalization.msg
Fp26dos on 'Gr	→ FW For Interim Relief .msg
Bat on 'Ground	→ FW FPU Presentation.msg
Public on 'Grou	→ FW FPU Refunding Model 040207.xls.msg
Control Panel	→ FW FPU Refunding Model 040207.xls.msg
My Network Places	→ FW G-MFRS-1.xls.msg
Recycle Bin	→ FW G-MFRS-3.xls.msg
	→ FW G-MFRS-8-3-07_Nolinks.xls.msg
	→ FW G-MFRS-8-6-07-Nolinks.xls.msg
	→ FW G-MFRS-8-8-07-NoLinks.xls.msg
	→ FW HC-MFRS-6-NoLinks.xls.msg
	→ FW Latest version of G's.msg
	→ FW Long term debt Obligations.msg

Size	Type	Date Modified	Location
1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	→ Fisherman's Cove.msg	1,282 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Documents	→ Florida Days NSB.msg	940 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ Adobe	→ Florida Public Utilities Company.msg	580 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ CCWin9	→ For Interim Relief .msg	789 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Corel User Files	→ forgot the attachment for previous message.msg	940 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ CyberLink	→ FPU Refunding Model 030707 xls.msg	155 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
→ My eBooks	→ FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the C
→ My Music	→ FPU Refunding Model 080607 xls.msg	159 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
→ My Pictures	→ FW 2003-2005 AGA Performance Benchmark draft results for y...	297 KB	Outlook Item	10/16/2007 2:27 PM	Files Currently on the C
→ RegBak	→ FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
My Computer	→ FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
3½ Floppy (A:	→ FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
BIP3014 (C:)	→ FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
ROXIO122 (D:	→ FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ Exhibit 2.8	→ FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ BACHM/	→ FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
→ COX	→ FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
+ → KHOJAS	→ FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
+ → MARTIN	→ FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ MESITE	→ FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ Cleider on 'fp2	→ FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Wp on 'Grounc	→ FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ filings on 'FP3	→ FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Hg on 'Ground	→ FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
→ Db on 'Ground	→ FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ 123 on 'Grounc	→ FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Sys on 'Grounc	→ FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Transfer on 'Gr	→ FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
→ Fp26dos on 'Gr	→ FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
→ Bat on 'Ground	→ FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
→ Public on 'Grou	→ FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
→ Control Panel	→ FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
My Network Places	→ FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Recycle Bin	→ FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	→ FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	→ FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	→ FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	→ FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	→ FW Long term debt Obligations msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C

**Clara Leider**

**From:** Sprouse, Kevin E [kevin.sprouse@edwardjones.com]  
**Sent:** Monday, August 06, 2007 12:38 PM  
**To:** Bachman George; Cox Doreen  
**Subject:** FPU Refunding Model 080607.xls  
**Attachments:** FPU Refunding Model 080607.xls

<<FPU Refunding Model 080607.xls>>

George & Doreen,

I hope you are having a great summer. I wanted to let you know that the window for a lower call price at par (100) has just opened for the bond refunding. As you know the call price drops to 100 from 101 as of October 1, 2007 yet the notice window to bondholders for the lower par (100) call starts 60 days before that... which we are now in that 60 day time frame. Given the recent drop in interest rates and the reduction of the redemption costs, I wanted to touch base and see how things are coming along.

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

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](mailto:messages@edwardjones.com). You must include the e-mail address that you wish not to receive e-mail communications.

# 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
<b>Coupon</b>	<b>6.85%</b>	<b>5.60%</b>	<b>-1.25%</b>
Annual Interest Expense	\$1,027,500	\$840,000	-\$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
<b>All-In Cost</b>	<b>6.85%</b>	<b>5.97%</b>	<b>-0.88%</b>
<b>NPV Savings through Initial Maturity</b>			<b>\$831,464</b>

### 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.



Edward Jones

# Florida Public Utilities Savings Analysis

## Detailed

<b>Series</b>	<b>Florida Public Utilities</b>
	<b>6.85% due</b>
	<b>10/1/2031</b>

### Savings Analysis

Annual Interest Savings	\$142,500
Annual Financing Cost of Expenses	(68,176)
Annual Savings	74,324
<b>NPV Savings</b>	<b>\$903,266</b>

### Expenses

Call Premium	-
Underwriting fee	472,500
Bond Insurance	331,612
Other Expenses	100,000
<b>Total</b>	<b>\$904,112</b>

Annual Financing Cost of Expenses	\$68,176
-----------------------------------	----------

### 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	5.900%
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
<b>All-in Cost (Discount Rate)</b>	<b>6.35%</b>

\* Other Expenses include legal, rating and auditor fees.

\*\* Expenses are financed at a rate of 6.35% and amortized for 30.0 years



Edward Jones

Refunding Bond Analysis  
Edward Jones Assumptions  
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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)
NPV	(\$12,984,001)																

Coupon Rate 6.85%

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Expenses		(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
Interest		(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)
Total Outflows		(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)
NPV	(\$11,843,570)																

Coupon Rate 5.60%

UF Underwriting Fee 3.15%

Bond Insurance 0.15%

SAVINGS	-	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249
	\$1,140,431																

Discount Rate 6.12%

Assumptions:

<sup>1</sup> Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years

<sup>2</sup> Expenses not tax effected

<sup>3</sup> Discount Rate of 6.12%

Pg. 1 of 2



2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)

2023	2024	2025	2026	2027	2028	2029	2030	2031
(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)
(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)

90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249
--------	--------	--------	--------	--------	--------	--------	--------	--------

Pg. 2 of 2

Refunding Bond Analysis  
FPU's Analysis  
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Interest tax effected	<sup>2</sup>	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
<b>NPV</b>		<b>(\$8,432,412)</b>											

Coupon Rate 6.85%

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Call Premium	<sup>1</sup>	(150,000)											
Underwriting Fee and tax ddn	<sup>1 2</sup>	(472,500)	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	<sup>2</sup>		(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	<sup>1 2</sup>	(100,000)	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	<sup>2</sup>		(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)
<b>NPV</b>		<b>(\$7,706,353)</b>											

Coupon Rate 5.60%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

<b>SAVINGS</b>	<b>(722,500)</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>	<b>110,106</b>
	<b>\$726,059</b>												

Discount Rate <sup>3</sup> 5.70%

Assumptions:

- <sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- <sup>2</sup> All expenses except Call Premium are Tax Deductible
- <sup>3</sup> Discount Rate of 5.7%

*Pg. 1 of 2*

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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
(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)
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
(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)
(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)

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
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

Pg. 2 of 2

Refunding Bond Analysis  
FPU's Analysis  
Dec-06

ORIGINAL BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)
<b>NPV</b>	<b>(\$12,984,001)</b>												

Coupon Rate 6.85%

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)
Other Expenses	(100,000)												
Interest		(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)
Total Outflows	(722,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)
<b>NPV</b>	<b>(\$11,621,479)</b>												

Coupon Rate 5.60%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

<b>SAVINGS</b>	<b>(722,500)</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>
	<b>\$1,362,522</b>												

Discount Rate 6.12%

Assumptions:

- <sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
- <sup>2</sup> No tax effect
- <sup>1</sup> Discount Rate of 6.12%

*Pg. 1 of 2*

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(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)
(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)
(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)

165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

pg. 2 of 2

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	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)	(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		(\$12,703,833)																									
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, 2	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	
Interest	2	(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		(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	
NPV		(\$12,144,382)																									
Coupon Rate		5.90%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		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
		\$558,451	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	
Discount Rate	3	6.35%																									
Assumptions																											
1		Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years																									
2		Expenses not tax affected																									
3		Discount Rate of 6.35%																									

Refunding Bond Analysis  
Edward Jones Assumptions  
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
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)
NPV	(\$12,703,833)																				

Coupon Rate 6.81%

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Other Expenses		(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
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)
Total Outflows		(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)	(982,251)
NPV	(\$12,144,382)																				

Coupon Rate 5.90%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

SAVINGS	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249	45,249
	\$559,151																				

Discount Rate 6.35%

Assumptions  
<sup>1</sup> Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years  
<sup>2</sup> Expenses not tax affected  
<sup>3</sup> Discount Rate of 6.35%

Continue →

2027	2028	2029	2030	2031
(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)

2027	2028	2029	2030	2031
(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
(885,000)	(885,000)	(885,000)	(885,000)	(885,000)
(982,251)	(982,251)	(982,251)	(982,251)	(982,251)

45,249	45,249	45,249	45,249	45,249
--------	--------	--------	--------	--------

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	7	(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		(\$8,391,855)																								

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	<sup>1</sup>	-																								
Underwriting Fee and tax ddn	<sup>1 2</sup>	(477,500)	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
Bond Insurance tax effected	<sup>2</sup>	(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	<sup>1 2</sup>	(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
Interest tax effected	<sup>2</sup>	(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		(572,500)	(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)
NPV		(\$7,890,289)																								
Coupon Rate		5.90%																								
UF Underwriting Fee		3.15%																								
Bond Insurance		0.15%																								

SAVINGS	(572,500)	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035	82,035
	\$501,585																									

Discount Rate <sup>3</sup> 5.75%

Assumptions:  
<sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front  
<sup>2</sup> All expenses except Call Premium are Tax Deductible  
<sup>3</sup> Discount Rate of 5.75%



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
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)
NPV	(\$12,703,811)																					

Coupon Rate 6.81%

REFUNDING BOND	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Call Premium																						
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)
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)
Total Outflows	(572,500)	(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	(\$11,792,674)																					

Coupon Rate 5.90%  
UF Underwriting Fee 3.1%  
Bond Insurance 0.1%

SAVINGS	(572,500)	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
	\$911,159																					

Discount Rate 6.35%

Assumptions:  
<sup>1</sup> Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front  
<sup>2</sup> No tax effect  
<sup>3</sup> Discount Rate of 6.35%

CONTINUE →

2028	2029	2030	2031
(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)

2028	2029	2030	2031
(22,500)	(22,500)	(22,500)	(22,500)
(885,000)	(885,000)	(885,000)	(885,000)
(907,500)	(907,500)	(907,500)	(907,500)

120,000	120,000	120,000	120,000
---------	---------	---------	---------

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3½ Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
ME SITE	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Leider on 'fp2\hc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Wp on 'Ground_flc	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Hg on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Sys on 'Ground_flc	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Transfer on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Bat on 'Ground_flc	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-6-07-Nolinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SEAS 142 Draft Report msg	606 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

Clara Leider

---

**From:** Khojasteh Mehrdad  
**Sent:** Thursday, February 01, 2007 2:00 PM  
**To:** bhaeri@att.com; Cox Doreen; Grimeson Bill; Jaeger Melanie; Jones Tanzanika; Mahan Claudette; Mesite Jim; Morizio Beth; Palacios Cindy; Wilson Audra; Young Curtis  
**Subject:** FW: Analytical Comments  
**Attachments:** ANALYTICAL 12.31.06.xls



ANALYTICAL  
12.31.06.xls

This is in addition to what Cheryl sent.

Just a reminder for those of you who still need to submit the requested analysis to Dale.

Thanks,

Mehrdad K.  
(561) 838-1724

-----Original Message-----

**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

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

Please 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><b>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></b>

NOTICE:

The contents of this email and any attachments to it may contain privileged and confidential information from BDO Seidman, LLP. This information is only for the viewing or use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of, or the taking of any action in reliance upon, the information contained in this e-mail, or any of the attachments to this e-mail, is strictly prohibited and that this e-mail and all of the attachments to this e-mail, if any, must be immediately returned to BDO Seidman, LLP or destroyed and, in either case, this e-mail and all attachments to this e-mail must be immediately deleted from your computer without making any copies hereof. 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 CONDUIT/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%
	<b>N Accumulated depreciation</b>	<b>(7,070,016.00)</b>	<b>1,870,984.00</b>	<b>(8,941,000.00)</b>	<b>-478%</b>
Jim	114-1010.391305 SOFTWARE	360,744.00	-	360,744.00	10000%
	<b>S Other intangible assets</b>	<b>360,744.00</b>	<b>-</b>	<b>360,744.00</b>	<b>10000%</b>
Claudette	100-1860.1 OTHER W I P -DEF'D D	475,117.00	688,676.00	(213,559.00)	-31%
	<b>V Other deferred charges</b>	<b>475,117.00</b>	<b>688,676.00</b>	<b>(213,559.00)</b>	<b>-31%</b>
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%
	<b>W Under recovery of conservation &amp; unbundling</b>	<b>(211,036.00)</b>	<b>96,275.00</b>	<b>(307,311.00)</b>	<b>-319%</b>
Audra	100-2310.1 NOTES PAYABLE	(3,466,000.00)	(9,558,000.00)	6,092,000.00	-64%
	<b>BB Notes payable</b>	<b>(3,466,000.00)</b>	<b>(9,558,000.00)</b>	<b>6,092,000.00</b>	<b>-64%</b>
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%
	<b>CC Purchases, receiving and accounts payable</b>	<b>(6,631,473.00)</b>	<b>(9,876,467.00)</b>	<b>3,244,994.00</b>	<b>-33%</b>
Nadira	100-2280.201 ACCR'D LIABILITY INS	(181,443.00)	(296,132.00)	114,689.00	-39%
	<b>EE Accrued Insurance</b>	<b>(181,443.00)</b>	<b>(296,132.00)</b>	<b>114,689.00</b>	<b>-39%</b>
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%
	<b>JJ Deferred Income taxes</b>	<b>(9,376,251.00)</b>	<b>(11,550,486.00)</b>	<b>2,174,235.00</b>	<b>-19%</b>
Claudette	100-2530.31 ENVIRON COSTS NET OF	(149,051.00)	60,218.00	(209,269.00)	-348%
	<b>KK Environmental liabilities and other</b>	<b>(149,051.00)</b>	<b>60,218.00</b>	<b>(209,269.00)</b>	<b>-348%</b>
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%
	<b>LL Customer Deposits</b>	<b>(2,830,541.00)</b>	<b>(2,373,508.00)</b>	<b>(457,033.00)</b>	<b>19%</b>
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%
	<b>MM Overrecovery of fuel costs</b>	<b>(3,411,384.00)</b>	<b>2,366,632.00</b>	<b>(5,778,016.00)</b>	<b>-244%</b>

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%
	<b>NN Over recovery of conservation and unbundling</b>	(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%
	<b>OO Other accruals and payables</b>	(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%
	<b>QQ Cost of Removal Deferred Cridt</b>	-	(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%
	<b>SS Storm Reserve</b>	(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%
	<b>WW Stockholders' equity</b>	(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%
	<b>10 Natural gas revenue</b>	(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%
	<b>11 Electric revenue</b>	(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%
	<b>12 Propane revenue</b>	(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%
	<b>14 Sales M &amp; J</b>	(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%



<b>Nadira</b>	115-4010.920 ADM & GENERAL SALARI	557,490.00	477,814.00	79,676.00	17%
<b>Nadira</b>	121-4010.920 ADMINISTRATIVE & GEN	896,832.00	747,881.00	148,951.00	20%
<b>Nadira</b>	121-4010.924 PROPERTY INSURANCE	173,990.00	47,726.00	126,264.00	265%
	<b>50 General and administrative expenses</b>	<b>1,628,312.00</b>	<b>1,273,421.00</b>	<b>354,891.00</b>	<b>28%</b>
<b>Claudette</b>	115-4020.592 MAINT OF DIST STATIO	70,208.00	164,428.00	(94,220.00)	-57%
<b>Melanie</b>	121-4020.892 MAINTENANCE OF SERVI	(4,982.00)	85,353.00	(90,335.00)	-106%
<b>Melanie</b>	121-4020.935 MAINTENANCE OF GENER	192,164.00	100,115.00	92,049.00	92%
<b>Claudette</b>	114-4020.5932 MAINT OF OVERHEAD CO	605,618.00	709,158.00	(103,540.00)	-15%
<b>Claudette</b>	115-4020.5932 MAINT OF OVERHEAD CO	337,951.00	255,720.00	82,231.00	32%
	<b>52 Maintenance distribution expense</b>	<b>1,200,959.00</b>	<b>1,314,774.00</b>	<b>(113,815.00)</b>	<b>-9%</b>
<b>Beth</b>	121-4080.1 AD VALOREM TAXES	752,322.00	668,416.00	83,906.00	13%
	<b>55 Taxes other than income taxes</b>	<b>752,322.00</b>	<b>668,416.00</b>	<b>83,906.00</b>	<b>13%</b>
<b>Jim</b>	115-4030.1 DEPRECIATION EXPENSE	1,504,419.00	1,318,759.00	185,660.00	14%
	<b>60 Depreciation expense</b>	<b>1,504,419.00</b>	<b>1,318,759.00</b>	<b>185,660.00</b>	<b>14%</b>
<b>Audra</b>	100-4300.1 INTEREST ON DEBT TO	(746,566.00)	(499,438.00)	(247,128.00)	49%
<b>Audra</b>	900-4300.1 INTEREST ON DEBT TO	746,566.00	499,438.00	247,128.00	49%
	<b>72 Interest expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beth</b>	114-4090.1 I/T -FEDERAL- UTIL O	478,743.00	602,209.00	(123,466.00)	-21%
<b>Beth</b>	115-4090.1 I/T -FEDERAL- UTIL O	68,329.00	909,347.00	(841,018.00)	-92%
<b>Beth</b>	121-4090.1 I/T-FEDERAL-UTIL OPE	1,945,476.00	941,868.00	1,003,608.00	107%
<b>Beth</b>	123-4090.1 I/T-FEDERAL-UTIL OPE	933,743.00	(534,936.00)	1,468,679.00	-275%
<b>Beth</b>	991-4090.1 I/T-FEDERAL-UTIL OPE	132,166.00	278,089.00	(145,923.00)	-52%
	<b>80 Income tax expense (benefit)</b>	<b>3,558,457.00</b>	<b>2,196,577.00</b>	<b>1,361,880.00</b>	<b>62%</b>
<b>Audra</b>	100-2370.1 INTEREST ACCRUED-LON	(426,308.00)	(683,183.00)	256,875.00	-38%
	<b>II Accrued Interest expense</b>	<b>(426,308.00)</b>	<b>(683,183.00)</b>	<b>256,875.00</b>	<b>-38%</b>
		<b>18,821,479.00</b>	<b>15,068,643.37</b>	<b>3,752,835.63</b>	<b>25%</b>

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Cleider on 'fp2\hc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3 (fp	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Hg on 'Ground_flc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_fl	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Transfer on 'Grou	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Bat on 'Ground_flc	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-Nolinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW CEAS 142 Draft Report.msg	906 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

**Clara Leider**

**From:** Khojasteh Mehrdad  
**Sent:** Friday, August 17, 2007 3:15 PM  
**To:** Cox Doreen  
**Subject:** FW: A's  
**Attachments:** E-MFRs-2.xls; a-3.XLS; a-2.XLS

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, August 17, 2007 2:59 PM  
**To:** Martin Cheryl  
**Cc:** Cutshaw Mark; Khojasteh Mehrdad  
**Subject:** RE: A's

Cheryl: I have modified the A sheets as we discussed. This also lead to some changes in the E6-C sheet.

**From:** Martin Cheryl [mailto:cherylmartin@fpuc.com]  
**Sent:** Friday, August 17, 2007 10:27 AM  
**To:** Mike Welsh  
**Subject:** As

Check the rates on A2 and A3, there are more that are not consistent between these schedules. Mostly fuel, but should be the same.

Cheryl Martin  
Controller  
Florida Public Utilities Company  
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide under separate cover at a minimum a cost of service study that allocates production and transmission plant on the average of the twelve monthly coincident peaks and 1/13 weighted average demand (12 CP and 1/13th) method. If a cost study based on a methodology other than the 12 CP and 1/13th was approved in the company's last rate case, provide that cost study as well. All studies filed should be at both present and proposed rates. In any cost of service study filed, the average of 12 monthly peaks method should be used for the jurisdictional separation of the production and transmission plant and expenses unless the FERC has approved another method in the utility's latest wholesale rate case. The minimum distribution system concept should not be used. The jurisdictional rate base and net operating income in the studies must equal the fully adjusted rate base in Schedule — and the fully adjusted net operating income in Schedule —. The cost of service analysis should be done separately for each rate class. If it is not possible to separate the costs of the lighting classes, the lighting classes can be combined.

Costs and revenues for fuel, energy conservation, oil backout, franchise fees, and other items not recovered through base rates must be excluded from the cost of service study. Costs for service charges should be allocated consistently with the allocation of the collection of the revenues from these charges. Any other miscellaneous revenue should be allocated consistently with the allocation of the expense associated with the facilities used or services purchased.

If a historic test year is used, the twelve monthly peaks should be the hour of each month having the highest FIRM load, (i.e., exclude the load of non-firm customers in determining the peak hours).

Type of Data Shown:

Projected Test Year 12/31/2008

Projected Prior Year 12/31/2007

Witness: Mark Cutshaw

INFORMATION PROVIDED UNDER SEPARATE COVER

PAGE 249

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Explain the differences between the cost of service study approved in the company's last rate case and that same study filed as part of Schedule E-1 in this rate case  
(e.g., classification of plant, allocation factor used for certain plant or expenses, etc.)

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year 12/31/2008

Projected Prior Year 12/31/2007

Witness: Mark Cutshaw

The cost of service study prepared for this rate case uses a model based in Microsoft Excel that employs the same allocation methods utilized in the last rate case.

The cost of service study is performed on consolidated electricity operations for both the Northeast and Northwest operating divisions. This method uses consolidated rate base, income statement, allocation factors and billing determinants.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For each allocation method used for production and transmission costs, show the revenue, expense, and rate of return data indicated below for each rate schedule for the test year.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Line No.	RATE OF RETURN SUMMARY PRESENT RATES		Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
1	TOTAL OPERATING REVENUES		17,186,965	9,615,894	2,039,016	2,675,263	768,010	806,079	996,755	236,009	760,745	285,948	51,791	234,157
2														
3	OPERATING EXPENSES													
4	OPERATION & MAINTENANCE		10,081,391	6,204,088	1,112,608	1,395,919	459,372	223,463	535,993	79,139	456,854	149,949	26,177	123,772
5	DEPRECIATION		3,418,850	1,843,852	329,088	592,991	218,591	175,188	178,108	15,276	162,832	81,032	13,839	67,192
6	TAXES OTHER THAN INCOME		4,287,783	2,200,731	631,334	656,912	219,250	346,744	177,777	38,986	138,791	55,035	9,892	45,143
7														
8	TOTAL OPERATING EXPENSES		17,788,024	10,248,671	2,073,029	2,645,821	897,213	745,395	891,878	133,401	758,477	286,015	49,908	236,108
9														
10	OPERATING INCOME		(601,059)	(632,776)	(34,014)	29,442	(129,203)	60,684	104,876	102,608	2,268	(68)	1,883	(1,951)
11														
12	TOTAL INCOME TAXES		(807,397)	(336,823)	(58,073)	(172,031)	(86,794)	(146,144)	(5,496)	(1,413)	(4,084)	(2,035)	(776)	(1,259)
13														
14	NET OPERATING INCOME		206,338	(295,953)	24,059	201,473	(42,409)	206,828	110,373	104,021	6,352	1,968	2,659	(691)
15														
16														
17														
18	ELECTRIC RATE BASE		43,021,030	23,198,360	4,283,179	7,743,333	2,832,584	2,260,987	1,872,328	167,150	1,705,178	830,258	146,437	683,821
19														
20														
21	RATE OF RETURN (PERCENT)		0.48%	-1.28%	0.56%	2.60%	-1.50%	9.15%	5.89%	62.23%	0.37%	0.24%	1.82%	-0.10%
22														
23	RATE OF RETURN INDEX (PRESENT RATES)		1.00	(2.66)	1.17	5.42	(3.12)	19.07	12.29	129.75	0.78	0.49	3.79	(0.21)
24														
25	REQUIRED NET OPERATING INCOME		206,338	111,264	20,543	37,139	13,586	10,844	8,980	802	8,178	3,982	702	3,280
26	(Equalized Rate of Return)		0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
27														
28	NET OPERATING INCOME EXCESS OR DEFICIENCY		-	(407,218)	3,516	164,334	(55,995)	195,984	101,393	103,219	(1,827)	(2,014)	1,957	(3,971)
29	REVENUE EXPANSION FACTOR = 1.6077													
30	REVENUE EXCESS OR DEFICIENCY		-	(654,687)	5,653	264,201	(90,024)	315,085	163,010	165,946	(2,937)	(3,239)	3,145	(6,384)
31														
32	Required Increase due to Service Charges and Other Revenues		51,037	42,110	6,133	1,871	357	538	21	5	15	8	3	5
33	Required Increase in Base Revenues		(51,037)	(696,796)	(481)	262,330	(90,380)	314,547	162,989	165,941	(2,952)	(3,246)	3,143	(6,389)
34														
35	BASE REVENUES		13,027,278	7,354,580	1,411,715	2,096,846	580,698	484,098	855,889	202,635	653,254	243,452	44,019	199,433
36														
37	TOTAL REVENUE % INCREASE IN BASE REVENUES		0.0%	8.9%	-0.4%	-12.6%	15.5%	-65.1%	-19.0%	-81.9%	0.4%	1.3%	-7.1%	3.2%
38	BASE REVENUE % INCREASE IN BASE REVENUES		0.4%	9.5%	0.0%	-12.5%	15.6%	-65.0%	-19.0%	-81.9%	0.5%	1.3%	-7.1%	3.2%
39	REVENUE INCREASE INDEX		1.00	24.18	0.09	(31.93)	39.73	(165.85)	(48.61)	(209.03)	1.15	3.40	(18.22)	8.18

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each allocation method used for production and transmission costs, show the revenue, expense, and rate of return data indicated below for each rate schedule for the test year.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	RATE OF RETURN SUMMARY PROPOSED RATES	Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
1	TOTAL OPERATING REVENUES	22,414,611	12,743,319	2,758,516	3,514,943	1,063,352	789,711	1,153,498	273,119	880,379	391,272	70,835	320,437
2													
3	OPERATING EXPENSES												
4	OPERATION & MAINTENANCE	10,091,891	5,973,112	1,113,458	1,541,414	523,820	210,742	557,932	70,142	487,790	171,412	29,886	141,527
5	DEPRECIATION	3,418,847	1,818,263	328,829	609,085	225,557	173,919	179,820	13,947	165,873	83,374	14,243	69,131
6	TAXES OTHER THAN INCOME	4,291,563	2,192,767	643,529	672,359	230,776	329,219	165,027	34,388	130,639	57,885	10,389	47,495
7													
8	TOTAL OPERATING EXPENSES	17,802,301	9,984,143	2,085,815	2,822,858	980,154	713,880	902,780	118,477	784,302	312,671	54,518	258,153
9													
10	NET OPERATING INCOME	4,612,310	2,759,177	672,701	692,085	83,198	75,831	250,718	154,641	96,077	78,601	16,317	62,284
11													
12	TOTAL INCOME TAXES	1,154,802	481,750	83,060	246,052	124,140	209,027	7,861	2,021	5,841	2,911	1,110	1,801
13													
14	NET INCOME	3,457,508	2,277,427	589,640	446,033	(40,942)	(133,196)	242,857	152,620	90,236	75,689	15,207	60,483
15													
16													
17													
18	ELECTRIC RATE BASE	43,020,996	22,950,668	4,280,116	7,898,724	2,899,628	2,249,480	1,889,531	154,467	1,735,064	852,850	150,331	702,519
19													
20													
21	RATE OF RETURN (PERCENT)	8.04%	9.92%	13.78%	5.65%	-1.41%	-5.92%	12.85%	98.80%	5.20%	8.87%	10.12%	8.61%
22													
23	RATE OF RETURN INDEX	1.00	1.23	1.71	0.70	(0.18)	(0.74)	1.60	12.29	0.65	1.10	1.26	1.07
24													

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each cost of service study filed, provide the allocation of rate base components as listed below to rate schedules.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Allocation Method: See Cost of Service Study.

Line No.		Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
1	ELECTRIC RATE BASE												
2													
3	TRANSMISSION												
4	DEMAND	4,522,159	1,325,450	214,688	549,304	246,706	2,184,618	1,017	262	756	377	144	233
5	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-
6													
7	DISTRIBUTION:												
8	PRIMARY - DEMAND	17,993,571	10,136,141	1,709,800	4,147,959	1,785,762	-	156,104	40,128	115,976	57,805	22,037	35,767
9	SECONDARY - DEMAND	9,905,576	5,484,439	1,071,309	2,494,656	720,885	-	97,999	25,191	72,808	36,289	13,835	22,454
10	SERVICES	4,425,096	3,763,588	545,053	113,013	3,129	313	-	-	-	-	-	-
11	METERS	1,808,374	814,593	501,770	372,297	77,131	42,583	-	-	-	-	-	-
12													
13	TOTAL DISTRIBUTION	34,132,617	20,198,761	3,827,932	7,127,925	2,586,907	42,896	254,103	65,319	188,784	94,093	35,872	58,221
14													
15	CUSTOMER BILLING	2,217,785	1,738,080	251,714	78,287	2,167	36,123	110,716	40,639	70,077	698	181	517
16													
17	CUSTOMER - OTHER	(27,867)	(23,701)	(3,432)	(712)	(20)	(2)	-	-	-	-	-	-
18													
19	REVENUE RELATED	(71,260)	(40,230)	(7,722)	(11,470)	(3,176)	(2,648)	(4,682)	(1,108)	(3,573)	(1,332)	(241)	(1,091)
20													
21	CUSTOMER DIRECT												
22	OUTDOOR LIGHTING	1,511,173	-	-	-	-	-	1,511,173	62,039	1,449,134	-	-	-
23	STREET LIGHTING	736,422	-	-	-	-	-	-	-	-	736,422	110,481	625,941
24													
25	TOTAL RATE BASE	43,021,030	23,198,360	4,283,179	7,743,333	2,832,584	2,260,987	1,872,328	167,150	1,705,178	830,258	146,437	683,821

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each cost of service study filed, provide the allocation of expense components as listed below to rate schedules.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Allocation Method: See Cost of Service Study.

Line No.		Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
1	<b>TOTAL EXPENSE COMPONENTS</b>												
2													
3	O&M	10,081,391	6,204,088	1,112,608	1,395,919	459,372	223,463	535,993	79,139	456,854	149,949	26,177	123,772
4	DEPRECIATION	3,064,250	1,695,923	303,583	517,436	180,472	111,003	175,694	14,655	161,039	80,138	13,499	66,639
5	TAXES OTHER THAN INCOME TAX	4,287,783	2,200,731	631,334	656,912	219,250	346,744	177,777	38,986	138,791	55,035	9,892	45,143
6													
7	<b>TOTAL EXPENSES</b>	<b>17,433,424</b>	<b>10,100,742</b>	<b>2,047,525</b>	<b>2,570,267</b>	<b>859,094</b>	<b>681,210</b>	<b>889,464</b>	<b>132,781</b>	<b>756,684</b>	<b>285,122</b>	<b>49,567</b>	<b>235,554</b>
8													
9													
10	<b>OPERATION AND</b>												
11	<b>MAINTENANCE EXPENSE</b>												
12													
13	TRANSMISSION												
14	DEMAND	305,404	89,514	14,499	37,097	16,661	147,538	69	18	51	25	10	16
15	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-
16													
17	DISTRIBUTION:												
18	PRIMARY - DEMAND	2,967,025	1,671,385	281,935	683,972	294,461	-	25,741	6,617	19,124	9,532	3,634	5,898
19	SECONDARY - DEMAND	1,426,761	841,850	141,733	330,039	95,372	-	12,965	3,333	9,632	4,801	1,830	2,971
20	CUSTOMER - RELATED	-	-	-	-	-	-	-	-	-	-	-	-
21	SERVICES	125,972	107,140	15,516	3,217	89	9	-	-	-	-	-	-
22	METERS	661,325	297,898	183,498	136,150	28,207	15,573	-	-	-	-	-	-
23													
24	<b>TOTAL DISTRIBUTION</b>	<b>5,181,082</b>	<b>2,918,273</b>	<b>622,682</b>	<b>1,153,378</b>	<b>418,129</b>	<b>15,582</b>	<b>38,706</b>	<b>9,950</b>	<b>28,756</b>	<b>14,333</b>	<b>5,464</b>	<b>8,868</b>
25													
26	CUSTOMER ACCOUNTS EXPENSE												
27	METER READING EXPENSES	315,817	265,117	38,395	11,941	331	33	-	-	-	-	-	-
28	CUST. RECORDS & COLLECTIONS	868,756	680,845	98,602	30,667	849	14,150	43,370	15,919	27,451	273	71	203
29	MISC. CUSTOMER ACCOUNTS	100,983	79,141	11,461	3,565	99	1,645	5,041	1,850	3,191	32	8	24
30	SUPERVISION	133,861	106,741	15,459	4,808	133	1,648	5,041	1,850	3,191	32	8	24
31													
32	<b>TOTAL CUSTOMER ACCOUNTS</b>	<b>1,419,418</b>	<b>1,131,844</b>	<b>163,917</b>	<b>50,981</b>	<b>1,411</b>	<b>17,476</b>	<b>53,452</b>	<b>19,620</b>	<b>33,832</b>	<b>337</b>	<b>87</b>	<b>250</b>
33													
34	A&G RELATED TO CUST. ACCOUNTS	2,059,124	1,641,945	237,791	73,957	2,048	25,353	77,542	28,462	49,080	489	126	362
35	CUSTOMER - OTHER	184,168	156,637	22,685	4,703	130	13	-	-	-	-	-	-
36	REVENUE - RELATED	470,947	265,874	51,035	75,803	20,993	17,501	30,941	7,325	23,616	8,801	1,591	7,210
37													
38	CUSTOMER DIRECT												
39	OUTDOOR LIGHTING	335,283	-	-	-	-	-	335,283	13,765	321,519	-	-	-
40	STREET LIGHTING	125,964	-	-	-	-	-	-	-	-	125,964	18,898	107,067
	<b>TOTAL O&amp;M EXPENSE</b>	<b>10,081,391</b>	<b>6,204,088</b>	<b>1,112,608</b>	<b>1,395,919</b>	<b>459,372</b>	<b>223,463</b>	<b>535,993</b>	<b>79,139</b>	<b>456,854</b>	<b>149,949</b>	<b>26,177</b>	<b>123,772</b>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each cost of service study filed, provide the allocation  
of expense components as listed below to rate schedules.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Allocation Method: See Cost of Service Study.

Line No.		Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
41	DEPRECIATION EXPENSE												
42													
43	TRANSMISSION												
44	DEMAND	214,962	63,006	10,205	26,111	11,727	103,846	48	12	36	18	7	11
45	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-
46													
47	DISTRIBUTION:												
48	PRIMARY - DEMAND	1,026,357	578,167	97,527	236,600	101,860	-	8,904	2,289	6,615	3,297	1,257	2,040
49	SECONDARY - DEMAND	901,862	532,138	89,590	208,619	60,285	-	8,195	2,107	6,089	3,035	1,157	1,878
50	CUSTOMER - RELATED	-	-	-	-	-	-	-	-	-	-	-	-
51	SERVICES	326,504	277,695	40,217	8,339	231	23	-	-	-	-	-	-
52	METERS	144,059	64,892	39,972	29,658	6,144	3,392	-	-	-	-	-	-
53													
54	TOTAL DISTRIBUTION	2,398,782	1,452,892	267,306	483,216	168,521	3,415	17,100	4,396	12,704	6,332	2,414	3,918
55													
56	CUSTOMER BILLING	229,712	180,025	26,072	8,109	224	3,742	11,468	4,209	7,258	72	19	54
57													
58	CUSTOMER - OTHER	-	-	-	-	-	-	-	-	-	-	-	-
59													
60	REVENUE RELATED	-	-	-	-	-	-	-	-	-	-	-	-
61													
62	CUSTOMER DIRECT												
63	OUTDOOR LIGHTING	147,079	-	-	-	-	-	147,079	6,038	141,040	-	-	-
64	STREET LIGHTING	73,716	-	-	-	-	-	-	-	-	73,716	11,059	62,656
65													
66	TOTAL DEPRECIATION EXPENSE	3,064,250	1,695,923	303,583	517,436	180,472	111,003	175,694	14,655	161,039	80,138	13,499	66,639

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each cost of service study filed, provide the allocation of expense components as listed below to rate schedules.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Allocation Method: See Cost of Service Study.

Line No.		Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
67	<b>TAXES OTHER THAN INCOME TAX</b>												
68													
69	TRANSMISSION												
70	DEMAND	47,317	13,869	2,246	5,748	2,581	22,859	11	3	8	4	2	2
71	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-
72													
73	DISTRIBUTION												
74	PRIMARY - DEMAND	252,608	142,299	24,004	58,232	25,070	-	2,192	563	1,628	812	309	502
75	SECONDARY - DEMAND	179,279	105,782	17,809	41,471	11,984	-	1,629	419	1,210	603	230	373
76	CUSTOMER - RELATED	-	-	-	-	-	-	-	-	-	-	-	-
77	SERVICES	58,820	50,027	7,245	1,502	42	4	-	-	-	-	-	-
78	METERS	38,959	17,549	10,810	8,021	1,662	917	-	-	-	-	-	-
79													
80	TOTAL DISTRIBUTION	529,667	315,658	59,868	109,226	38,757	922	3,821	982	2,839	1,415	539	875
81													
82	CUSTOMER BILLING	209,207	163,956	23,745	7,385	204	3,408	10,444	3,834	6,610	66	17	49
83													
84	CUSTOMER - OTHER	-	-	-	-	-	-	-	-	-	-	-	-
85													
86	REVENUE RELATED	3,467,063	1,707,248	545,475	534,553	177,707	319,556	140,293	33,215	107,078	42,231	7,636	34,595
87													
88	CUSTOMER DIRECT												
89	OUTDOOR LIGHTING	23,209	-	-	-	-	-	23,209	953	22,256	-	-	-
90	STREET LIGHTING	11,320	-	-	-	-	-	-	-	-	11,320	1,698	9,622
91													
92	<b>TOTAL TAXES OTHER THAN INCOME</b>	4,287,783	2,200,731	631,334	656,912	219,250	346,744	177,777	38,986	138,791	55,035	9,892	45,143

Page A6

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Functionalize and classify test year rate base by primary account (plant balances, accumulated depreciation and CWIP). The account balances in the B Schedules and those used in the cost of service study must be equal.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

Account	Total Company	Transmission Demand	Transmission Energy	Primary Demand	Secondary Demand	Distribution Customer	Services	Meters	Customer Distribution OL	Customer Distribution SL	Customer Billing	Customer Other	Revenue Related
<b>ELECTRIC RATE BASE</b>													
PLANT IN SERVICE	81,437,513	7,105,037	-	29,537,619	23,036,567	-	8,602,945	3,933,362	2,522,440	1,344,982	5,354,624	-	-
LESS:													
ACCUM. PROV. FOR DEPREC.	(36,302,038)	(2,543,210)	-	(11,122,306)	(12,057,497)	-	(4,166,711)	(2,028,545)	(962,858)	(590,738)	(2,830,202)	-	-
CUSTR ADVANCES FOR CONST.	(878,824)	-	-	-	(878,824)	-	-	-	-	-	-	-	-
PLUS:													
WORKING CAPITAL ALLOWANCE	(1,310,654)	(46,211)	-	(448,944)	(215,885)	-	(19,061)	(100,066)	(50,732)	(19,060)	(311,569)	(27,867)	(71,260)
CWIP	75,000	6,543	-	27,203	21,216	-	7,923	3,622	2,323	1,239	4,931	-	-
<b>TOTAL RATE BASE</b>	<b>43,020,997</b>	<b>4,522,159</b>	<b>-</b>	<b>17,993,571</b>	<b>9,905,576</b>	<b>-</b>	<b>4,425,096</b>	<b>1,808,374</b>	<b>1,511,173</b>	<b>736,422</b>	<b>2,217,785</b>	<b>(27,867)</b>	<b>(71,260)</b>
* Detailed Functionalization for Plant in Service and Accumulated Provision for Depreciation is provided in the Cost Study Report attached to Schedule E-1.													
<b>PLANT IN SERVICE</b>													
TRANSMISSION	7,105,037	7,105,037	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION	65,743,649	-	-	27,812,988	22,238,614	-	8,555,826	3,539,542	2,324,655	1,272,086	-	-	-
GENERAL PLANT	3,422,186	-	-	687,173	317,941	-	18,774	156,916	78,807	29,045	2,133,530	-	-
COMMON PLANT	1,853,396	-	-	372,161	172,191	-	10,168	84,983	42,680	15,730	1,155,482	-	-
TRANSPORTATION EQUIPMENT	3,313,245	-	-	665,298	307,820	-	18,177	151,921	76,298	28,120	2,065,611	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>81,437,513</b>	<b>7,105,037</b>	<b>-</b>	<b>29,537,619</b>	<b>23,036,567</b>	<b>-</b>	<b>8,602,945</b>	<b>3,933,362</b>	<b>2,522,440</b>	<b>1,344,982</b>	<b>5,354,624</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED PROVISION FOR DEPRECIATION</b>													
TRANSMISSION	(2,543,210)	(2,543,210)	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION	(29,219,179)	-	-	(10,210,747)	(11,635,737)	-	(4,141,806)	(1,820,390)	(858,318)	(552,209)	-	-	-
GENERAL PLANT	(1,965,984)	-	-	(394,768)	(182,651)	-	(10,786)	(90,145)	(45,273)	(16,686)	(1,225,675)	-	-
COMMON PLANT	(660,224)	-	-	(132,573)	(61,339)	-	(3,622)	(30,273)	(15,204)	(5,603)	(411,611)	-	-
TRANSPORTATION EQUIPMENT	(1,913,441)	-	-	(384,218)	(177,770)	-	(10,497)	(87,736)	(44,063)	(16,240)	(1,192,917)	-	-
<b>TOTAL ACCUM. PROV. FOR DEPR.</b>	<b>(36,302,039)</b>	<b>(2,543,210)</b>	<b>-</b>	<b>(11,122,306)</b>	<b>(12,057,497)</b>	<b>-</b>	<b>(4,166,711)</b>	<b>(2,028,545)</b>	<b>(962,858)</b>	<b>(590,738)</b>	<b>(2,830,202)</b>	<b>-</b>	<b>-</b>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Functionalize and classify test year operating expenses by primary account (depreciation expense, operation and maintenance expense, and any other expense items). The balances in the C Schedules and those used in the cost of service study must be equal.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Account	Total Company	Transmission Demand	Transmission Energy	Primary Demand	Secondary Demand	Distribution Customer	Services	Meters	Customer Distribution OL	Customer Distribution SL	Customer Billing	Customer Other	Revenue Related
1	<b>EXPENSE ITEMS</b>													
2														
3	O&M	1,496,451	74,558	-	502,643	218,172	-	58,566	444,816	169,319	28,377	-	-	-
4	DEPRECIATION	2,787,140	-	-	999,950	889,644	-	325,783	138,029	144,050	141,963	147,724	-	-
5	TAXES OTHER THAN INCOME	2,374,057	47,260	-	252,370	179,093	-	58,751	38,927	23,189	11,309	209,164	-	1,553,993
6														
7	<b>TOTAL EXPENSES</b>	<b>6,657,648</b>	<b>121,818</b>	<b>-</b>	<b>1,754,963</b>	<b>1,286,909</b>	<b>-</b>	<b>443,099</b>	<b>621,772</b>	<b>336,558</b>	<b>181,650</b>	<b>356,888</b>	<b>-</b>	<b>1,553,993</b>
8														
9														
10														
11														
12	<b>O&amp;M EXPENSES</b>													
13														
14	TRANSMISSION - OPERATION	74,558	74,558	-	-	-	-	-	-	-	-	-	-	-
15	DISTRIBUTION - OPERATION	1,421,893	-	-	502,643	218,172	-	58,566	444,816	169,319	28,377	-	-	-
16	TRANSMISSION - MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
17	DISTRIBUTION - MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
18	TOTAL CUSTOMER ACCOUNTS EXP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	TOTAL CUST SERV & INFO	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL CUST SALES EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
21	ADMINISTRATIVE AND GENERAL - OPERATION	-	-	-	-	-	-	-	-	-	-	-	-	-
22	MAINTENANCE OF GENERAL PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
23														
24	<b>TOTAL O&amp;M EXPENSES</b>	<b>1,496,451</b>	<b>74,558</b>	<b>-</b>	<b>502,643</b>	<b>218,172</b>	<b>-</b>	<b>58,566</b>	<b>444,816</b>	<b>169,319</b>	<b>28,377</b>	<b>-</b>	<b>-</b>	<b>-</b>

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Functionalize and classify test year operating expenses by primary account (depreciation expense, operation and maintenance expense, and any other expense items). The balances in the C Schedules and those used in the cost of service study must be equal.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Line Account No.	Total Company	Transmission Demand	Transmission Energy	Primary Demand	Secondary Demand	Distribution Customer	Services	Meters	Customer Distribution OL	Customer Distribution SL	Customer Billing	Customer Other	Revenue Related
25 DEPRECIATION EXPENSE													
26													
27 TRANSMISSION	-	-	-	-	-	-	-	-	-	-	-	-	-
28 DISTRIBUTION	69,364	-	-	-	-	-	-	-	-	69,364	-	-	-
29 GENERAL PLANT	2,480,827	-	-	952,371	867,630	-	324,483	127,164	138,594	70,588	-	-	-
30 COMMON PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
31 TRANSPORTATION EQUIPMENT	236,949	-	-	47,579	22,014	-	1,300	10,865	5,457	2,011	147,724	-	-
32													
33 TOTAL DEPRECIATION EXPENSE	2,787,140	-	-	999,950	889,644	-	325,783	138,029	144,050	141,963	147,724	-	-
34													
35													
36													
37													
38 TAXES OTHER THAN INCOME													
39													
40 FEDERAL UNEMPLOYMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
41 STATE UNEMPLOYMENT	1,483	-	-	298	138	-	8	68	34	13	924	-	-
42 FICA	1,132	-	-	227	105	-	6	52	26	10	706	-	-
43 STATE INTANGIBLE	275,755	-	-	55,371	25,619	-	1,513	12,644	6,350	2,340	171,917	-	-
44 REGULATORY ASSESSMENT FEE	-	-	-	-	-	-	-	-	-	-	-	-	-
45 REAL AND PERSONAL PROPERTY	9,379	-	-	-	-	-	-	-	-	-	-	-	9,379
46 STATE GROSS RECEIPTS	549,956	47,981	-	199,470	155,568	-	58,097	26,562	17,034	9,083	36,160	-	-
47 EMERGENCY EXCISE TAX	1,544,614	-	-	-	-	-	-	-	-	-	-	-	1,544,614
48 OCCUPATIONAL LICENSE	(8,261)	(721)	-	(2,996)	(2,337)	-	(873)	(399)	(256)	(136)	(543)	-	-
49													
50 TOTAL TAXES OTHER THAN INCOME	2,374,057	47,260	-	252,370	179,093	-	58,751	38,927	23,189	11,309	209,164	-	1,553,993

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule by rate class which identifies the source and amount of ALL revenue INCLUDED IN THE COST OF SERVICE STUDY. The base rate revenue from retail sales of electricity must equal that shown on MFR Schedule E-17a. The revenue from service charges must equal that shown on MFR Schedule E-17b. The total revenue for the retail system must equal that shown on MFR Schedule ---.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Account Number	Description of Source	Total Company	Residential Service	General Service	General -Demand	General Large Demand	General Large Demand 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2	SL-3
<b><u>PRESENT REVENUES</u></b>													
44**1	BASE REVENUES	13,027,278	7,354,580	1,411,715	2,096,846	580,698	484,098	855,889	202,635	653,254	243,452	44,019	199,433
44**3	GROSS RECEIPTS REVENUES	1,544,614	872,015	167,384	248,618	68,852	57,398	101,481	24,026	77,455	28,866	5,219	23,646
44**4	FRANCHISE FEE REVENUES	1,913,070	829,938	377,075	284,426	108,437	261,809	38,196	9,043	29,153	13,190	2,385	10,805
451, 4511, 4512	SERVICE REVENUES	225,209	191,543	27,740	5,752	159	16	0	0	0	0	0	0
450	RENT	119,269	70,374	11,848	27,589	7,973	0	1,084	279	805	401	153	248
4566, 4563, 4562, 4561	MISC and UNBILLED	15,392	6,457	1,113	3,295	1,649	2,733	105	27	78	39	15	24
450	OTHER	342,133	290,987	42,142	8,738	242	24	0	0	0	0	0	0
TOTAL REVENUES AT PRESENT RATES		17,186,965	9,615,894	2,039,016	2,675,263	768,010	806,079	996,755	236,009	760,745	285,948	51,791	234,157
<b><u>PROPOSED REVENUES</u></b>													
44**1	BASE REVENUES	18,225,053	10,443,504	2,115,616	2,935,584	871,047	484,098	1,027,067	243,161	783,905	348,136	62,947	285,189
44**3	GROSS RECEIPTS REVENUES	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614	1,544,614
44**4	FRANCHISE FEE REVENUES	1,913,070	829,938	377,075	284,426	108,437	261,809	38,196	9,043	29,153	13,190	2,385	10,805
451, 4511, 4512	SERVICE REVENUES	255,081	216,949	31,419	6,515	180	18	-	-	-	-	-	-
450	RENT	119,269	70,374	11,848	27,589	7,973	-	1,084	279	805	401	153	248
4566, 4563, 4562, 4561	MISC and UNBILLED	15,392	6,457	1,113	3,295	1,649	2,733	105	27	78	39	15	24
450	OTHER	342,133	290,987	42,142	8,738	242	24	-	-	-	-	-	-
TOTAL REVENUES AT PROPOSED RATES		22,414,612	13,402,823	4,123,827	4,810,760	2,534,142	2,293,297	2,611,065	1,797,124	2,358,555	1,906,380	1,610,113	1,840,881

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: For each cost of service study filed by the company, calculate the unit costs for demand, energy and customer for each rate schedule at present rates, based on the revenue requirements from sales of electricity only. (Other operating revenues must be excluded) The demand unit costs must be separated into production, transmission and distribution. Unit costs under present rates must be calculated at both the system and class rates of return. Unit costs must be provided separately for each existing rate class, except for the lighting classes. If the company is proposing to combine two or more classes, it must also provide unit costs for the classes combined. Customer unit costs for the classes must include only customer-related costs excluding costs for fixtures and poles (i.e., exclude cost for fixtures and poles). The lighting facilities must be shown on a separate line. The unit costs must include no fuel, conservation, oil backout or related expenses. Billing units must match Schedules E-19a, E-19b, and E-19c.	Type of Data Shown:
COMPANY:FLORIDA PUBLIC UTILITIES		Projected Test Year 12/31/2008
Consolidated Electric Division		Witness: Mark Cutshaw
DOCKET NO.: 070304-EI		

Allocation Method:											
Line No.	Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Dem large 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2 SL-3

UNIT COSTS  
AT TARGET RATE OF RETURN      This information is provided in the Unit Cost Section (Present Rates) of the Cost Study Report attached to Schedule E-1

DEMAND (\$/KW/MONTH)

TRANSMISSION  
DISTRIBUTION - PRIMARY  
DISTRIBUTION - SECONDARY

TOTAL DEMAND TO PRIMARY  
TOTAL DEMAND TO SECONDARY

DEMAND (\$/KWH)

TRANSMISSION  
DISTRIBUTION - PRIMARY  
DISTRIBUTION - SECONDARY

TOTAL DEMAND TO PRIMARY  
TOTAL DEMAND TO SECONDARY

ENERGY  
TRANSMISSION

CUSTOMER (\$/CUSTOMER/MONTH)  
METERS  
SERVICE DROPS  
CUSTOMER ACCOUNTS  
CUSTOMER SERVICE  
OTHER

TOTAL CUSTOMER



FLORIDA PUBLIC SERVICE COMMISSION  COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI	EXPLANATION: For each cost of service study filed by the company, calculate the unit costs for demand, energy and customer for each rate schedule at proposed rates, based on the revenue requirements from sales of electricity only. (Other operating revenue must be excluded). The demand unit costs must be separated into production, transmission and distribution. Calculate the unit cost under proposed rates at the system rate of return. Unit costs must be provided separately for each existing rate class, except for the lighting classes. If the company is proposing to combine two or more classes, it must also provide unit costs fro the classes combined. Customer unit costs for the classes must include only customer-related costs excluding costs for fixtures and poles (i.e., exclude cost for fixtures and poles). The lighting facilities must be shown on a separate line. The unit costs must include no fuel, conservation, oil backout or related expenses. Billing units must match Schedules E-19a, E-19b, and E-19c.	Type of Data Shown: Projected Test Year 12/31/2008 Witness: Mark Cutshaw
--	--	--

Allocation Method:											
Line No.	Total Company	Residential Service	General Service	General -Demand	General Dem. Large	General Dem large 1	Total Outdoor Lighting	OL	OL-2	Total Street Lighting	SL-2 SL-3

UNIT COSTS  
AT TARGET RATE OF RETURN      This information is provided in the Unit Cost Section (Proposed Rates) of the Cost Study Report attached to Schedule E-1

DEMAND (\$/KW/MONTH)

TRANSMISSION  
DISTRIBUTION - PRIMARY  
DISTRIBUTION - SECONDARY

TOTAL DEMAND TO PRIMARY  
TOTAL DEMAND TO SECONDARY

DEMAND (\$/KWH)

TRANSMISSION  
DISTRIBUTION - PRIMARY  
DISTRIBUTION - SECONDARY

TOTAL DEMAND TO PRIMARY  
TOTAL DEMAND TO SECONDARY

ENERGY  
TRANSMISSION

CUSTOMER (\$/CUSTOMER/MONTH)  
METERS  
SERVICE DROPS  
CUSTOMER ACCOUNTS  
CUSTOMER SERVICE  
OTHER

TOTAL CUSTOMER

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

## Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

Line No.	
1	<u>Derivation of Hourly Costs</u>
2	
3	1. Labor Rates
4	Actual hourly rates as of December 31, 2006 were used as a basis of determining the cost of the required activities. These Rates were
5	adjusted for non-productive time (vacation and sick time) and further adjusted for overhead costs (payroll taxes, pension, workman's comp
6	insurance and employee medical insurance).
7	
8	
9	2. Category Labor Rates
10	
11	<u>Administrative Labor</u>
12	
13	The average hourly wage of the Electric Operations Managers
14	and the Customer Service Managers:
15	
16	Average Hourly Rate = 32.47
17	Non-Productive Time Adjustment 32.47 10.47% = 3.40
18	Overhead Cost Adjustment (includes non-productive time adj.) 35.87 25.82% = 9.26
19	
20	Total Administrative Hourly Labor Cost 45.13
21	
22	<u>Clerical Labor</u>
23	
24	The hourly wage of the staff handling these
25	services:
26	
27	Average Hourly Rate = 13.83
28	Non-Productive Time Adjustment 13.83 10.47% = 1.45
29	Overhead Cost Adjustment (includes non-productive time adj.) 15.28 25.82% = 3.94
30	
31	Total Administrative Hourly Labor Cost 19.22

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

## Type of Data Shown:

Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

Line  
 No.

32                    Service Labor

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

The average hourly wage for the Service Department Personnel that normally perform the necessary activities in the field:

Average Hourly Rate			=	21.43
Non-Productive Time Adjustment	21.43	10.47%	=	2.24
Overhead Cost Adjustment (includes non-productive time adj.)	23.67	25.82%	=	6.11

Total Administrative Hourly Labor Cost 29.79

Construction Labor

The average hourly wage of construction personnel involved customer service activities:

Average Hourly Rate			=	23.79
Non-Productive Time Adjustment	23.79	10.47%	=	2.49
Overhead Cost Adjustment (includes non-productive time adj.)	26.28	25.82%	=	6.79

Total Administrative Hourly Labor Cost 33.07

3. Transportation rate

The actual average hourly transportation rate for 2006

Hourly Transportation Rate			=	\$10.43
----------------------------	--	--	---	---------

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

## Type of Data Shown:

Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Line  
No.

61 Derivation of Costs for Proposed Service Charges

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87

88

89

It is proposed to have six (6) different categories of service charges as described below. This will modify two (2) service charges, eliminate one (1) existing service charge and retain four (4) service charges.

The Administrative, Clerical, Service Construction, and Transportation time in hours for each activity was determined by the Director, Northwest Florida

A description of each type of activity along with the derivation of their respective costs of labor and transportation follows:

1) Initial Establishment of Services

At the customer's request, an order is created by the Customer Service Representative to have power connected. Once we receive notification that the customer's premise is ready to have power, the order is routed to service personnel who go to the location and connect the service or change from temporary to permanent and set a meter. The order is returned to the office for input into the billing system.

	<u>Time</u>	<u>Hourly Cost</u>	<u>Cost</u>	
Administrative Labor	0.17 hours @	45.13	7.67	
Clerical Labor	0.25 hours @	19.22	4.81	
Service Labor	1.00 hours @	29.79	29.79	
Transportation	1.00 hours @	10.43	10.43	
				<b>Service Charge</b>
		<b>Total Cost</b>	<b>52.69</b>	<b>\$53.00</b>

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

## Type of Data Shown:

Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

Line  
 No.

90	2)	<u>Re-Establish Service or Make Changes to an existing Account</u>			
91					
92		At the customer's request, an order is created by the Customer Service Representative to			
93		have power turned on. The order is routed to service personnel who go to the location and set or read a meter.			
94		The order is returned to the office for input into the billing system.			
95					
96			<u>Time</u>	<u>Hourly Cost</u>	<u>Cost</u>
97		Administrative Labor	0.00 hours @	45.13	0.00
98		Clerical Labor	0.16 hours @	19.22	3.08
99		Service Labor	0.50 hours @	29.79	14.89
100		Transportation	0.50 hours @	10.43	5.22
101					<b>Service Charge</b>
102			Total Cost	23.18	<b>\$23.00</b>
103					
104					
105					
106	3)	<u>Temporary Disconnect Then Reconnect Service</u>			
107					
108		At the customer's request, an order is created by the Customer Service Representative to have power			
109		temporarily disconnected and then reconnected at customer's request. The order is then routed to			
110		service personnel who go to the site and disconnect and then return to the site to reconnect when			
111		requested by customer. Order is returned to office for input into the billing system.			
112					
113			<u>Time</u>	<u>Hourly Cost</u>	<u>Cost</u>
114		Administrative Labor	0.00 hours @	45.13	0.00
115		Clerical Labor	0.05 hours @	19.22	0.96
116		Service Labor	0.80 hours @	29.79	23.83
117		Transportation	0.80 hours @	10.43	8.34
118					<b>Service Charge</b>
119			Total Cost	33.13	<b>\$33.00</b>

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

Line  
No.

120	4)	<u>Reconnect After Disconnect for Violation of rules shown in Section - 13 Discontinuance of Service (Normal Hours)</u>		
121				
122		After the disconnected customer has corrected the rule violation a service order is		
123		created to by a Customer Service representative and routed to a service person who goes		
124		back to the customer's location and reconnects the service. The order is returned to the office		
125		so that a service charge can be put into the billing system.		
126				
127			<u>Time</u>	<u>Hourly Cost</u>
128				<u>Cost</u>
129		Administrative Labor	0.19 hours @	45.13
130		Clerical Labor	0.19 hours @	19.22
131		Service Labor	0.80 hours @	29.79
132		Transportation	0.80 hours @	10.43
133				
134			Total Cost	44.40
135				<b>Service Charge</b>
136				<b>\$44.00</b>
137	5)	<u>Reconnect After Disconnect for Violation of rules shown in Section - 13 Discontinuance of Service (After Hours)</u>		
138				
139				
140			<u>Time</u>	<u>Hourly Cost</u>
141				<u>Cost</u>
142		Administrative Labor	0.19 hours @	45.13
143		Clerical Labor	0.25 hours @	19.22
144		Service Labor	0.40 hours @	29.79
145		Construction	1.50 hours @	33.07
146		Transportation	1.90 hours @	10.43
147				
148			Total Cost	94.71
				<b>Service Charge</b>
				<b>\$95.00</b>

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of the current cost of providing the services listed in Schedule E-16b. At a minimum, this documentation should include an estimate of all labor, transportation, customer accounting and overhead costs incurred in providing the service. Also provide a short narrative on the tasks involved in performing the service.

## Type of Data Shown:

Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

Line  
 No.

149 6) Temporary Service

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

At the customer's request for service, an order is created by the Customer Service Representative to run temporary service. When we receive notification that the customer's premise is ready to have power, the order is routed to service personnel who go to the location and connect the service and set a meter. The order is returned to office for input into the billing system. A return field trip is required to remove service and meter.

TimeHourly CostCost

Administrative Labor

0.25 hours @

45.13

11.28

Clerical Labor

0.40 hours @

19.22

7.69

Construction

0.75 hours @

33.07

24.80

Transportation

0.75 hours @

10.43

7.82

0.00

Total Cost

Service Charge

51.59

\$52.00

167 7) Collection Charge

If a customer does not pay their monthly bill by the date due, a collection notice is issued. The notice is routed to service personnel who go to the location in an attempt to collect the amount due. Communication with office personnel is established in order to avoid collection calls if bills have been paid. The order is returned to the office for input into the billing system.

TimeHourly CostCost

Administrative Labor

0.00 hours @

45.13

0.00

Clerical Labor

0.10 hours @

19.22

1.92

Service Labor

0.30 hours @

29.79

8.94

Transportation

0.30 hours @

10.43

3.13

Service Charge

Total Cost

13.99

\$14.00

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE CO EXPLANATION: Provide a schedule which shows the company proposed increase in revenue by rate schedule and the present and company-proposed class rates of return under the proposed cost of service study.

COMPANY: FLORIDA PUBLIC UTILITIES Provide justification for every class not left at the system rate of return. If the increase from service charges by rate class does not equal that shown on Schedule E-17b or if the increase from sales of electricity does not equal that shown on Schedule E-17a, provide an explanation.

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Rate Class	ROR	Index	Present		Increase from Service Charges	Increase from Other Rev.	Increase in Base Revenues*	Increase in Total Revenues	Base Revenue % Increase in Rev.		Total Revenue % Increase in Rev.		Company Proposed	
			Base Revenues	Fuel Revenues					W/Fuel	W/O Fuel	W/Fuel	W/O Fuel	ROR**	Index
Total Company	0.48%	1.00	13,027,278	44,884,527	49,119	3,011	5,197,775	5,249,905	9.0%	39.9%	9.1%	40.3%	0.48%	1.00
Residential Service	-1.28%	(2.66)	7,354,580	19,969,427	41,776	1,263	3,088,924	3,131,963	11.3%	42.0%	11.5%	42.6%	-1.28%	(2.66)
General Service	0.56%	1.17	1,411,715	3,379,468	6,050	218	703,902	710,170	14.7%	49.9%	14.8%	50.3%	0.56%	1.17
General Demand	2.60%	5.42	2,096,846	10,011,130	1,254	645	838,738	840,637	6.9%	40.0%	6.9%	40.1%	2.60%	5.42
General Demand Large	-1.50%	(3.12)	580,698	5,050,869	35	323	290,349	290,707	5.2%	50.0%	5.2%	50.1%	-1.50%	(3.12)
General Large Demand	9.15%	19.07	484,098	6,101,359	3	535	-	538	0.0%	0.0%	0.0%	0.1%	9.15%	19.07
Total Outdoor Lighting	5.89%	12.29	855,889	276,318	-	21	171,178	171,198	15.1%	20.0%	15.1%	20.0%	5.89%	12.29
OL	62.23%	129.75	202,635	71,030	-	5	40,527	40,532	14.8%	20.0%	14.8%	20.0%	62.23%	129.75
OL-2	0.37%	0.78	653,254	205,289	-	15	130,651	130,666	15.2%	20.0%	15.2%	20.0%	0.37%	0.78
Total Street Lighting	0.24%	0.49	243,452	95,955	-	8	104,684	104,692	30.8%	43.0%	30.8%	43.0%	0.24%	0.49
SL-2	1.82%	3.79	44,019	36,582	-	3	18,928	18,931	23.5%	43.0%	23.5%	43.0%	1.82%	3.79
SL-3	-0.10%	(0.21)	199,433	59,373	-	5	85,756	85,761	33.1%	43.0%	33.1%	43.0%	-0.10%	(0.21)
0.25														

\*Proposed Rates are developed by scaling up all prices by the same percentage, and adjusting to account for the 1 1/2 rule.

\*\*Individual class rates of return do not equal the system rate of return due to adjustments to account for the 1 1/2 rule.



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the load data below by rate schedule. Any other load data used to develop demand allocation factors for cost of service studies submitted in this proceeding should also be provided. Average number of customers and annual MWH should be in agreement with the company's forecast in Schedules E-19a and E-19c, respectively.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Rate Class	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
		Sales	Annual MWH Unbilled	Total	Output to Line MWH*	Class NCP KW*	CP Winter KW*	CP Summer KW*	Average 12 CP KW*	Average Demand KW*	12 CP & 1/13 Weighted Average Demand*	Average Number of Customers	
	Total Company	780,004	452	780,456	811,273	183,292	NA	NA	134,846	92,466	131,597	31,370	
	Residential Service	325,395	188	325,584	340,346	88,868	NA	NA	65,602	38,852	63,544	24,058	
	General Service	56,102	32	56,135	58,677	29	NA	NA	20	13	10,292	3,484	
	General Service Demand	166,195	96	166,291	173,647	16,489	NA	NA	11,700	7,523	26,334	722	
	General Service Demand Large	83,849	49	83,898	86,923	40,429	NA	NA	30,027	22,541	11,827	20	
	General Service Demand Large 1	141,186	82	141,268	144,070	35,916	NA	NA	27,497	22,813	19,532	2	
	Total Outdoor Lighting	5,310	3	5,313	5,554	352	NA	NA	0	163	49	3,065	
	OL	1,365	1	1,366	1,428	0	NA	NA	0	0	13	1,125	4.24%
	OL-2	3,945	2	3,947	4,126	352	NA	NA	0	163	36	1,940	95.76%
	Total Street Lighting	1,966	1	1,967	2,057	1,210	NA	NA	0	561	18	19	
	SL-1	0	-	0	0	0	NA	NA	0	0	0	0	0.40%
	SL-2	750	0	750	784	1,017	NA	NA	0	471	7	5	15.52%
	SL-3	1,217	1	1,217	1,273	193	NA	NA	0	90	11	14	84.08%
	Total Company	780,004	452	780,456	811,273	183,292			134,846	92,466	131,597	31,370	

Supporting Schedules:

Recap Schedules:

---

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

---

EXPLANATION: Derive each allocation factor used in the cost of service study. Provide supporting data and any workpapers used in deriving these allocation factors, and a brief narrative description of the development of each allocation factor.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

13a

EXPLANATION: Provide a listing (including a descriptive title) of each allocation factor (raw values and percentages) used in each cost of service study submitted in this rate proceeding.

This information is provided in the Cost Study Report attached to Schedule E-1

13b

EXPLANATION: Provide a listing (including a descriptive title) of each allocation factor (raw values and percentages) used in each cost of service study submitted in this rate proceeding.

This information is provided in the Cost Study Report attached to Schedule E-1

---

Supporting Schedules:

Recap Schedules:

---

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

COMPANY:FLORIDA PUBLIC UTILITIES

Provide a description of how coincident and noncoincident demands for the test year were developed. Include an explanation of how the demands at the meter for each class were developed and how they were expanded from the meter level to generation level. Provide the workpapers for the actual calculations. If a methodology other than the application of ratios of class' coincident and noncoincident load to actual MWH sales is used to derive projected demands, please provide justification for the use of that methodology.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Consolidated Electric Division

DOCKET NO.: 070304-EI

---

Coincident demands were developed by rate class for the test year by use of load factor ratios calculated by using Gulf Power Company's load research results from the years 1999, 2001, and 2002-2003. The load factor ratios used are the average of such values by class for the three years.

Noncoincident class maximum demands were developed by application of coincident factor ratios to the class coincident demands. Gulf Power Company's load research data was used to calculate the coincidence factors. The coincidence factors used are the three-year average of such values by class.

Both coincident and noncoincident demands were derived at the customer meter level and expanded to the supply level by use of estimated loss factors. Schedule E-17 discusses the derivation of the loss factors.

Details of the development of the demand factors are provided in the Cost Study Report attached to Schedule E-1.

---

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule showing the calculation of the adjustment by rate class to the test year amount of unbilled revenue for the effect of the proposed rate increase. (The calculation of test year unbilled revenue at present rates is provided in Schedule C-11.)

Type of Data Shown:  
Projected Test Year 12/31/201  
Witness: Mark Cutshaw

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	
	Sales of Electricity (excluding unbilled)			Unbilled Sales			
Rate Class	Proposed Base Revenue (000's)	kWh	Per Unit \$/MWH col(1)/col(2)	kWh	Base Revenues(000's) Proposed Present col(3)*col(4) Revenue		Percent Increase
Total Company	18,225,053	780,004,211	0.0234	451,813	10,557	7,546	39.9%
Residential Service	10,443,504	325,395,385	0.0321	188,483	6,049	4,324	39.9%
General Service	2,115,616	56,102,488	0.0377	32,497	1,225	876	39.9%
General Demand	2,935,584	166,194,581	0.0177	96,267	1,700	1,215	39.9%
General Demand Large	871,047	83,849,371	0.0104	48,569	505	361	39.9%
General Large Demand	484,098	141,186,123	0.0034	81,781	280	200	39.9%
Total Outdoor Lighting	1,027,067	5,309,998	0.1934	3,076	595	425	39.9%
OL	243,161	1,364,976	0.1781	791	141	101	39.9%
OL-2	783,905	3,945,022	0.1987	2,285	454	325	39.9%
Total Street Lighting	348,136	1,966,265	0.1771	1,139	202	144	39.9%
SL-2	62,947	749,614	0.0840	434	36	26	39.9%
SL-3	285,189	1,216,651	0.2344	705	165	118	39.9%
Total Company		780,004,211					

Note: The Net Unbilled sales are computed in total then spread to rate classes on basis of MWH sales.

The projected unbilled revenues was computed by multiplying the present unbilled revenues by the overall projected increase in total base revenues.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges  
(initial connection, etc.) under present and proposed rates.Type of Data Shown:  
Projected Test Year 12/31/2008  
Historic Year 12/31/2006  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge*	Division	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
							Dollars	Percent
1	All	805	44.00	53.00	35,420	42,665	7,245	20.45%
2	All	5,395	19.00	23.00	102,505	124,085	21,580	21.05%
3	All	196	27.00	33.00	5,292	6,468	1,176	22.22%
4	All	972	37.00	44.00	35,964	42,768	6,804	18.92%
5	All	68	60.00	95.00	4,080	6,460	2,380	58.33%
6	All	152	44.00	52.00	6,688	7,904	1,216	18.18%
7	All	3,487	11.50	14.00	40,101	48,818	8,718	21.74%
8	All	541	Per Statute	Per Statute	16,518	16,518	-	0.00%
TOTAL		11,616			246,568	295,686	49,119	19.92%

- \*1 Initial Establishment of 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 Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service
- 7 Collection Charge
- 8 Returned Check Charge

## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historic test years only. The total base revenue by class must equal that shown in Schedule E-17a. The billing units must equal those shown in Schedules E-19a, E-19b, and E-19c.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

PROVIDE TOTAL NUMBER OF BILLS, MWH's, AND BILLING KWH FOR EACH RATE SCHEDULE (INCLUDING STANDARD AND TIME OF USE CUSTOMERS) AND TRANSFER GROUP.

Determinants					Present Revenue Calculation									
Type of Charge	Customers	kWh	kW	kVar	CP kW	\$/Cust-Mo	\$/kWh	\$/kW	\$/kVar	Purchase Power	Conservation Charge	Production Demand	Base Revenue	Total Revenues
Residential Consolidated	24,058	325,395,385	-	-		10.00	0.01373	-	-	0.04844	0.00060		7,354,580	23,311,970
General Service Consolidated	3,484	56,102,488	-	-		14.00	0.01473	-	-	0.04710	0.00060		1,411,715	4,087,803
General Service Demand * Consolidated	722	166,194,581	537,577	-		44.00	0.00232	2.48000	-	0.04483	0.00060		2,093,364	9,643,584
General Service Large Demand ** Consolidated	20	83,849,371	178,818	-		75.00	0.00086	2.89000	-	0.04249	0.00060		580,698	4,193,768
General Service Large Demand 1 Consolidated	2	141,186,123	417,249	9,911	155,914	600.00	-	1.12000	0.24000	0.03224	0.00060	7.22	484,098	6,246,352
Total	28,286	772,727,947	1,133,645	9,911	155,914								11,924,455	47,483,477

\* GSD Customers served at the primary level receive a discount. In 2006 this discount was estimated at \$3.482 and in 2008 at \$3.417. These discounts are subtracted from the base revenue calculated from the determinants.

\*\* GSLD Customers served at the primary level receive a discount. In 2006 this discount was estimated as \$28,570 and in 2008 at \$26,912. These discount amounts are subtracted from the base revenue calculated from the determinants.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historic test years only. The total base revenue by class must equal that shown in Schedule E-17a. The billing units must equal those shown in Schedules E-19a, E-19b, and E-19c.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

PROVIDE TOTAL NUMBER OF BILLS, MWH's, AND BILLING KWH FOR EACH RATE SCHEDULE (INCLUDING STANDARD AND TIME OF USE CUSTOMERS) AND TRANSFER AND TRANSFER GROUP.

Determinants		Proposed Revenue Calculation													Percent Increase	
Type of Charge	Customers	kWh	kW	kVar	CP kW	\$/Cust-Mo	\$/kWh	\$/kW	\$/kVar	Purchase Power	Conservation Charge	Production Demand	Base Revenue	Total Revenues	Base Revenues	Total Revenues
<b>Residential Consolidated</b>	24,058	325,395,385	-	-		14.00	0.01967	-	-	0.06137	0.00050	-	10,443,504	30,575,629	42.0%	31.2%
<b>General Service Consolidated</b>	3,484	56,102,488	-	-		21.00	0.02206	-	-	0.04710	0.00050	-	2,115,617	4,786,095	49.9%	17.1%
<b>General Service Demand * Consolidated</b>	722	166,194,581	537,577	-		62.00	0.00323	3.47	-	0.04483	0.00060	-	2,935,584	10,485,804	40.2%	8.7%
<b>General Service Large Demand ** Consolidated</b>	20	83,849,371	178,818	-		113.00	0.00113	4.34	-	0.04249	0.00070	-	871,047	4,492,502	50.0%	7.1%
<b>General Service Large Demand 1 Consolidated</b>	2	141,186,123	417,249	9,911	155,914	600.00	-	1.12	0.24	0.03224	0.00060	7.22	486,469	6,248,723	0.5%	0.0%
<b>Total</b>	28,286	772,727,947	1,133,645	9,911	155,914								16,852,221	56,588,753	41.3%	19.2%

\* GSD Customers served at the primary level receive a discount. In 2006 this discount was \$3,417. These discounts are subtracted from the base revenue calculation.

\*\* GSLD Customers served at the primary level receive a discount. In 2006 this discount was \$26,912. These discount amounts are subtracted from the base revenue calculation.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not. Annual KWH's must agree with the data provided in Schedule E-19c.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

Type of Facility	Present Rates - Outdoor Lighting							Proposed Rates - Outdoor Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$6.37	\$1.48	\$0.95	\$8.80	\$196,723	20.00%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.53	\$2.59	\$0.49	\$5.62	\$32,820	20.00%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.92	\$5.54	\$0.85	\$13.32	\$4,063	20.00%
1000w HPS Flood -OL2	150	414	4,969	\$14.20	\$12.15	\$1.81	\$28.16	\$4,233	\$17.04	\$14.58	\$2.17	\$33.79	\$5,079	20.00%
1000w MH Flood - OL2	2,768	414	4,969	\$13.18	\$12.15	\$1.68	\$27.01	\$74,761	\$15.82	\$14.58	\$2.02	\$32.41	\$89,713	20.00%
1000w MH Vert Shoebox - OL2	135	414	4,969	\$18.47	\$12.15	\$2.22	\$32.84	\$4,432	\$22.16	\$14.58	\$2.66	\$39.41	\$5,319	20.00%
100w HPS Amer Rev-OL2	1,301	42	503	\$7.02	\$1.23	\$0.95	\$9.20	\$11,966	\$8.42	\$1.48	\$1.14	\$11.04	\$14,359	20.00%
100w HPS Cobra Head-OL2	11,994	42	503	\$5.31	\$1.23	\$0.79	\$7.33	\$87,915	\$6.37	\$1.48	\$0.95	\$8.80	\$105,498	20.00%
100w HPS SP2 Spectra -OL2	113	42	503	\$15.76	\$1.23	\$2.61	\$19.60	\$2,225	\$18.91	\$1.48	\$3.13	\$23.52	\$2,669	20.00%
100w MH SP2 Spectra -OL2	269	42	503	\$15.64	\$1.23	\$1.82	\$18.69	\$5,026	\$18.77	\$1.48	\$2.18	\$22.43	\$6,031	20.00%
150w HPS Acorn-OL2	777	62	748	\$12.50	\$1.83	\$1.51	\$15.84	\$12,309	\$15.00	\$2.20	\$1.81	\$19.01	\$14,771	20.00%
150w HPS ALN 440 -OL2	816	62	748	\$18.60	\$1.83	\$2.16	\$22.59	\$18,432	\$22.32	\$2.20	\$2.59	\$27.11	\$22,119	20.00%
150w HPS Am Rev-OL2	1,282	62	748	\$7.20	\$1.83	\$0.94	\$9.97	\$12,784	\$8.64	\$2.20	\$1.13	\$11.96	\$15,340	20.00%
175w MH ALN 440 -OL2	37	73	871	\$18.72	\$2.13	\$2.20	\$23.05	\$848	\$22.46	\$2.56	\$2.64	\$27.66	\$1,018	20.00%
175w MH Shoebox -OL2	4,497	73	871	\$14.41	\$2.13	\$1.78	\$18.32	\$82,384	\$17.29	\$2.56	\$2.14	\$21.98	\$98,861	20.00%
200w HPS Cobra Head -OL2	3,399	83	994	\$8.08	\$2.43	\$0.35	\$10.86	\$36,911	\$9.70	\$2.92	\$0.42	\$13.03	\$44,293	20.00%
250w HPS Cobra Head -OL2	736	103	1,239	\$9.72	\$3.03	\$1.21	\$13.96	\$10,277	\$11.66	\$3.64	\$1.45	\$16.75	\$12,333	20.00%
250w HPS Flood -OL2	3,336	103	1,239	\$7.36	\$3.03	\$1.11	\$11.50	\$38,369	\$8.83	\$3.64	\$1.33	\$13.80	\$46,042	20.00%
250w MH Shoebox-OL2	213	103	1,239	\$15.33	\$3.03	\$1.98	\$20.34	\$4,326	\$18.40	\$3.64	\$2.38	\$24.41	\$5,191	20.00%
400w HPS Cobra Head -OL2	1,436	166	1,988	\$7.31	\$4.86	\$1.11	\$13.28	\$19,065	\$8.77	\$5.83	\$1.33	\$15.94	\$22,878	20.00%
400w HPS Flood - OL2	63	166	1,988	\$11.34	\$4.86	\$1.37	\$17.57	\$1,114	\$13.61	\$5.83	\$1.64	\$21.08	\$1,337	20.00%
400w MH Flood OL2	4,914	166	1,988	\$7.64	\$4.86	\$1.15	\$13.65	\$67,078	\$9.17	\$5.83	\$1.38	\$16.38	\$80,493	20.00%
10' Alum Deco Base-OL2	1,210			\$11.64			\$11.64	\$14,080	\$13.97			\$13.97	\$16,896	20.00%
13' Decorative Concrete-OL2	179			\$8.94			\$8.94	\$1,600	\$10.73			\$10.73	\$1,920	20.00%
18' Fiberglass Round-OL2	2,274			\$5.93			\$5.93	\$13,485	\$7.12			\$7.12	\$16,182	20.00%
20' Decorative Concrete-OL2	5,599			\$10.13			\$10.13	\$56,720	\$12.16			\$12.16	\$68,064	20.00%
30' Wood Pole Std-OL2	17,574			\$3.35			\$3.35	\$58,872	\$4.02			\$4.02	\$70,646	20.00%
35' Concrete Square-OL2	1,442			\$9.89			\$9.89	\$14,259	\$11.87			\$11.87	\$17,110	20.00%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$8.11			\$8.11	\$50	20.00%
30' Wood pole	2,307			\$3.53			\$3.53	\$8,143	\$4.24			\$4.24	\$9,771	20.00%
Total Base Revenue Calculated								\$856,325					\$1,027,590	
Correction Factor													(523)	
Total Base Revenue													<u>1,027,067</u>	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not. Annual KWH's must agree with the data provided in Schedule E-19c.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

Type of Facility	Present Rates - Street Lighting							Proposed Rates - Street Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.87	\$3.09	\$1.32	\$5.28	\$25,587	43.00%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.46	\$6.61	\$1.50	\$9.57	\$670	43.00%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.87	\$3.09	\$1.32	\$5.28	\$28,368	43.00%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.46	\$6.61	\$1.50	\$9.57	\$8,323	43.00%
1000w MH Flood -SL3	135	414	4,973	\$8.42	\$12.15	\$5.17	\$25.74	\$3,477	\$12.04	\$17.37	\$7.39	\$36.81	\$4,972	43.00%
100w HPS Amer -SL3	49	42	503	\$4.55	\$1.23	\$2.89	\$8.67	\$426	\$6.51	\$1.76	\$4.13	\$12.40	\$609	43.00%
100w HPS Cobra Head- SL3	14,201	42	503	\$3.32	\$1.23	\$2.12	\$6.67	\$94,724	\$4.75	\$1.76	\$3.03	\$9.54	\$135,455	43.00%
150w HPS Acorn -SL3	258	62	749	\$7.95	\$1.83	\$4.68	\$14.46	\$3,729	\$11.37	\$2.62	\$6.69	\$20.68	\$5,332	43.00%
150w HPS Amer Rev -SL3	988	62	749	\$4.44	\$1.83	\$3.26	\$9.53	\$9,420	\$6.35	\$2.62	\$4.66	\$13.63	\$13,470	43.00%
175w MH ALN 440 -SL3	135	73	872	\$16.97	\$2.13	\$1.30	\$20.40	\$2,755	\$24.27	\$3.05	\$1.86	\$29.17	\$3,940	43.00%
200w HPS Cobra Head -SL3	3,623	83	995	\$4.26	\$2.43	\$2.19	\$8.88	\$32,175	\$6.09	\$3.47	\$3.13	\$12.70	\$46,010	43.00%
250w HPS Cobra Head -SL3	2,667	103	1,240	\$4.08	\$3.03	\$3.00	\$10.11	\$26,959	\$5.83	\$4.33	\$4.29	\$14.46	\$38,551	43.00%
250w HPS Flood - SL3	258	103	1,240	\$7.00	\$3.03	\$4.10	\$14.13	\$3,643	\$10.01	\$4.33	\$5.86	\$20.21	\$5,210	43.00%
400w HPS Cobra Head -SL3	212	166	1,989	\$4.77	\$4.86	\$3.36	\$12.99	\$2,751	\$6.82	\$6.95	\$4.80	\$18.58	\$3,935	43.00%
400w MH Flood -SL3	84	166	1,989	\$7.31	\$4.86	\$8.82	\$20.99	\$1,761	\$10.45	\$6.95	\$12.61	\$30.02	\$2,518	43.00%
10' Alum Deco Base-SL3	111			\$11.31			\$11.31	\$1,250	\$16.17			\$16.17	\$1,787	43.00%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$96	\$11.23			\$11.23	\$138	43.00%
18' Fiberglass Round-SL3	1,038			\$5.78			\$5.78	\$5,997	\$8.27			\$8.27	\$8,576	43.00%
20' Decorative Concrete-SL3	246			\$8.68			\$8.68	\$2,132	\$12.41			\$12.41	\$3,048	43.00%
30' Wood Pole Std - SL3	2,023			\$2.78			\$2.78	\$5,624	\$3.98			\$3.98	\$8,042	43.00%
35' Concrete Square-SL3	270			\$9.71			\$9.71	\$2,623	\$13.89			\$13.89	\$3,751	43.00%
Total Base Revenue Calculated								\$243,560				\$348,291		
Correction Factor													(155)	
Total Base Revenue													348,136	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide proposed tariff sheets highlighting changes in legislative format from existing tariff provisions. For each charge, reference by footnote unit costs as shown on Schedules E-8b and E-10, if applicable. Indicate whether unit costs are calculated at the class or system rate of return. On separate attachment explain any differences between unit costs and proposed charges. Provide the derivation (calculation and assumptions) of all charges and credits other than those for which unit costs are calculated in these MFR schedules, including those charges and credits the company proposes to continue at the present level. Workpapers for street and outdoor lighting rates, T-O-U rates and standard energy charges shall be furnished under separate cover to staff, Commissioners, Commission Clerk and upon request to other parties to this docket.	Type of Data Shown: Projected Test Year 12/31/2008 Witness: Mark Cutshaw
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

Tariffs with Tracked Changes	Page 39
Tariffs, Final Version	Page 133

Supporting Schedules:

Recap Schedules:

Schedule E-17 Supplemental

## E-17 Supplemental: Design of Unit Charges for Florida Public Utilities

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Type of Data Shown:  
 Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

**Residential**

		<u>Customers</u>	<u>kWh</u>	<u>kW</u>	<u>kVar</u>	
<u>Determinants</u>	Fernandina Beach	13,556	179,912,096	0	0	
	Marianna	10,502	145,483,288	0	0	
		<u>\$/Cust-Mo</u>	<u>\$/kWh</u>	<u>\$/kW</u>	<u>\$/kVar</u>	<u>Base Revenue</u>
<u>Current Rates</u>	Fernandina Beach	\$10.00	\$0.013730	\$0.00	\$0.00	\$4,096,908
	Marianna	\$10.00	\$0.013730	\$0.00	\$0.00	\$3,257,672
<u>Average Rate</u>		\$10.00	\$0.01373	\$0.00	\$0.00	\$7,354,580
<u>Unitized Costs</u>		\$16.62	\$0.01857	\$0.00	\$0.00	\$10,840,189
<u>New Rates</u>	Adjusted Average	\$14.76	\$0.02026	\$0.00	\$0.00	\$10,853,115
	Adjusted Unitized	\$16.71	\$0.01866	\$0.00	\$0.00	\$10,895,440

**General Service**

		<u>Customers</u>	<u>kWh</u>	<u>kW</u>	<u>kVar</u>	
<u>Determinants</u>	Fernandina Beach	1,439	27,301,043	0	0	
	Marianna	2,045	28,801,445	0	0	
		<u>\$/Cust-Mo</u>	<u>\$/kWh</u>	<u>\$/kW</u>	<u>\$/kVar</u>	<u>Base Revenue</u>
<u>Current Rates</u>	Fernandina Beach	\$14.00	\$0.01473	\$0.00	\$0.00	\$643,973
	Marianna	\$14.00	\$0.01473	\$0.00	\$0.00	\$767,742
<u>Average Rate</u>		\$14.00	\$0.01473	\$0.00	\$0.00	\$1,411,715
<u>Unitized Costs</u>		\$21.88	\$0.01808	\$0.00	\$0.00	\$1,928,743
<u>New Rates</u>	Adjusted Average	\$19.16	\$0.02016	\$0.00	\$0.00	\$1,932,409
	Adjusted Unitized	\$21.99	\$0.01817	\$0.00	\$0.00	\$1,938,574

**General Service Demand**

		<u>Customers</u>	<u>kWh</u>	<u>kW</u>	<u>kVar</u>	
<u>Determinants</u>	Fernandina Beach	300	78,009,522	227,147	0	
	Marianna	422	88,185,059	310,431	0	
		<u>\$/Cust-Mo</u>	<u>\$/kWh</u>	<u>\$/kW</u>	<u>\$/kVar</u>	<u>Base Revenue</u>
<u>Current Rates</u>	Fernandina Beach	\$44.00	\$0.00232	\$2.48	\$0.00	\$902,698
	Marianna	\$44.00	\$0.00232	\$2.48	\$0.00	\$1,197,493
<u>Average Rate</u>		\$44.00	\$0.00232	\$2.48	\$0.00	\$2,100,191
<u>Unitized Costs</u>		\$46.02	\$0.00506	\$2.63	\$0.00	\$2,655,726
<u>New Rates</u>	Adjusted Average	\$58.54	\$0.00309	\$3.30	\$0.00	\$2,794,299
	Adjusted Unitized	\$46.25	\$0.00509	\$2.65	\$0.00	\$2,669,261

Schedule E-17 Supplemental

## E-17 Supplemental: Design of Unit Charges for Florida Public Utilities

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

Type of Data Shown:  
 Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

## General Service Large Demand

		<u>Customers</u>	<u>kWh</u>	<u>kW</u>	<u>kVar</u>	
<u>Determinants</u>	Fernandina Beach	7	23,711,620	54,454	0	
	Marianna	13	60,137,751	124,364	0	
		<u>\$/Cust-Mo</u>	<u>\$/kWh</u>	<u>\$/kW</u>	<u>\$/kVar</u>	<u>Base Revenue</u>
<u>Current Rates</u>	Fernandina Beach	\$75.00	\$0.00086	\$2.89	\$0.00	\$184,064
	Marianna	\$75.00	\$0.00086	\$2.89	\$0.00	\$422,831
<u>Average Rate</u>		\$75.00	\$0.00086	\$2.89	\$0.00	\$606,896
<u>Unitized Costs</u>		\$215.90	\$0.00308	\$5.42	\$0.00	\$1,279,963
<u>New Rates</u>	Adjusted Average	\$119.90	\$0.00137	\$4.62	\$0.00	\$970,192
	Adjusted Unitized	\$197.26	\$0.00281	\$4.96	\$0.00	\$1,169,460

## General Service Large Demand 1

		<u>Customers</u>	<u>kWh</u>	<u>NCP kW</u>	<u>kVar</u>	<u>CP kW</u>	
<u>Determinants</u>	Fernandina Beach	2	141,186,123	417,249	9,911	176,448	
	Marianna	0	0	0	0	0	
		<u>\$/Cust-Mo</u>	<u>\$/kWh</u>	<u>\$/kW</u>	<u>\$/kVar</u>		<u>Base Revenue</u>
<u>Current Rates</u>	Fernandina Beach	\$600.00	\$0.00000	\$1.12	\$0.24		\$484,098
	Marianna	\$0.00	\$0.00000	\$0.00	\$0.00		\$0
<u>Average Rate</u>		\$600.00	\$0.00000	\$1.12	\$0.24		\$484,098
<u>Unitized Costs</u>		\$3,582.17	\$0.00000	\$0.86	\$0.00		\$442,805
<u>New Rates</u>	Adjusted Average	\$553.59	\$0.00000	\$1.03	\$0.22		\$446,650
	Adjusted Unitized	\$3,600.42	\$0.00000	\$0.86	\$0.00		\$445,062

Note: We are consolidating the rates for our two divisions; therefore we need to create an appropriate starting point for adjusting the rates for each class, taking into account the existing (different) rates for each class in each division. To do this we derived weighted average current rates for each class using the respective billing determinants as the weighting factors, e.g. number of customers for the customer charge, kWh for the energy charge, kW for the demand charge. We then applied the class-level increase percentage to each of these rate components to determine the rates that will achieve the desired revenue requirement.

Supporting Schedules

Recap Schedules: E-17

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

## EXPLANATION:

Provide by rate schedule the number of customers and bills by month for the test year. Also provide by rate schedule the (1) bills and customers for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historic years. Footnote and detail migration between the rate classes. Explain any differences between number of customer and number of bills for any rate schedule. The billing determinants for the test year must agree with those shown in Schedule E-17c, E-17d, E-8a, and E-12, where applicable. The average number of customers by rate schedule must also be in agreement with the numbers used in the cost of service study allocator of number of customers (unweighted).

## Type of Data Shown:

Historic Year Ended 12/31/2005

Historic Year Ended 12/31/2006

Projected Prior Year Ended 12/31/2007

Witness: Mark Cutshaw

			RS	GS	GSD	GSLD	GSLD1	OL	OL-2	SL1-2	SL-3	TOTAL SYSTEM
1												
2												
3	2005	Number of Bills	277,431	40,625	8,343	206	24	13,500	22,527	60	166	362,882
4												
5		Average No. of Bills	23,119	3,385	695	17	2	1,125	1,877	5	14	30,240
6												
7												
8												
9												
10	2006	Number of Bills	281,444	40,927	8,393	240	24	13,500	22,776	60	168	367,532
11												
12		Average No. of Bills	23,454	3,411	699	20	2	1,125	1,898	5	14	30,628
13												
14												
15												
16	2007	Number of Bills	285,067	41,368	8,531	240	24	13,500	23,028	60	170	371,987
17												
18		Average No. of Bills	23,756	3,447	711	20	2	1,125	1,919	5	14	30,999

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide by rate schedule the number of customers and bills by month for the test year. Also provide by rate schedule the (1) bills and customers for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historic years. Footnote and detail migration between the rate classes. Explain any differences between number of customer and number of bills for any rate schedule. The billing determinants for the test year must agree with those shown in Schedule E-17c, E-17d, E-8a, and E-12, where applicable. The average number of customers by rate schedule must also be in agreement with the numbers used in the cost of service study allocator of number of customers (unweighted).

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

			RS	GS	GSD	GSLD	GSLD1	OL	OL-2	SL1-2	SL-3	TOTAL SYSTEM
1												
2												
3												
4	2008	NUMBER OF BILLS										
5		January	23,916	3,479	720	20	2	1,125	1,940	5	14	31,222
6		February	23,851	3,464	719	20	2	1,125	1,940	5	14	31,140
7		March	23,998	3,471	716	20	2	1,125	1,940	5	14	31,292
8		April	23,987	3,478	723	20	2	1,125	1,940	5	14	31,295
9		May	24,045	3,486	720	20	2	1,125	1,940	5	14	31,356
10		June	24,082	3,490	721	20	2	1,125	1,940	5	14	31,399
11		July	24,119	3,475	725	20	2	1,125	1,940	5	14	31,426
12		August	24,122	3,475	730	20	2	1,125	1,940	5	14	31,434
13		September	24,086	3,483	723	20	2	1,125	1,940	5	14	31,398
14		October	24,171	3,493	723	20	2	1,125	1,940	5	14	31,493
15		November	24,173	3,507	725	20	2	1,125	1,940	5	14	31,511
16		December	24,140	3,507	724	20	2	1,125	1,940	5	14	31,477
17												
18		Total No. of Bills	288,690	41,809	8,669	240	24	13,500	23,279	60	172	376,443
19												
20		Average No. of Bills	24,058	3,484	722	20	2	1,125	1,940	5	14	31,370
21												
22		Percent Increase (Decrease) 2005/2006	1.45%	0.74%	0.60%	16.50%	0.00%	0.00%	1.10%	0.00%	1.13%	1.28%
23												
24		Percent Increase (Decrease) 2006/2007	1.29%	1.08%	1.64%	0.00%	0.00%	0.00%	1.10%	0.00%	1.13%	1.21%
25												
26		Percent Increase (Decrease) 2007/2008	1.27%	1.07%	1.62%	0.00%	0.00%	0.00%	1.09%	0.00%	1.12%	1.20%
27												
28		Average Annual Compound Growth Rate 2007/2005	1.37%	0.91%	1.12%	7.94%	0.00%	0.00%	1.10%	0.00%	1.13%	1.25%
29												

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide by rate schedule the billed and measured KW, where applicable, by month for the test year. Also, provide by rate schedule (1) the actual and billed KW for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historical years. Footnote and detail migration between rate classes. Explain any differences between actual and billed demand. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-8a, and E-12, where applicable.	Type of Data Shown: Historical Prior Year 12/31/2005 Historical Year 12/31/2006 Projected Prior Year 12/31/2007 Witness: Mark Cutshaw
COMPANY:FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-EI			

1			GSD - Secondary		GSD - Primary		GSD - Total	
2			ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED
3								
4								
5	2005	Total kW	568,374	568,374	24,287	24,222	592,661	592,597
6								
7								
8								
9	2006	Total kW	550,259	550,259	24,030	23,970	574,289	574,229
10								
11								
12								
13	2007	Total kW	548,813	548,813	23,967	23,907	572,781	572,720
14								

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide by rate schedule the billed and measured KW, where applicable, by month for the test year. Also, provide by rate schedule (1) the actual and billed KW for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historical years. Footnote and detail migration between rate classes. Explain any differences between actual and billed demand. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-8a, and E-12, where applicable.	Type of Data Shown: Historical Prior Year 12/31/2005 Historical Year 12/31/2006 Projected Prior Year 12/31/2007 Witness: Mark Cutshaw
COMPANY:FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-EI			

1										
2										
3			GSLD - Secondary		GSLD - Primary		GSLD1		GSLD - Total	
4			ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED
5										
6										
7	2005	Total kW	101,428	101,428	74,898	74,291	480,700	480,700	657,026	656,420
8										
9										
10										
11	2006	Total kW	124,470	124,470	73,689	73,197	472,200	472,200	670,359	669,867
12										
13										
14										
15	2007	Total kW	123,143	123,143	72,903	72,417	451,852	451,852	647,899	647,412
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide by rate schedule the billed and measured KW, where applicable, by month for the test year. Also, provide by rate schedule (1) the actual and billed KW for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historical years. Footnote and detail migration between rate classes. Explain any differences between actual and billed demand. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-8a, and E-12, where applicable.

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

1								
2								
3			GSD - Secondary		GSD - Primary		GSD - Total	
4			ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED
5								
6								
7	2008	kW						
8		January	41,960	41,960	1,832	1,869	43,793	43,829
9		February	41,566	41,566	1,815	1,817	43,381	43,382
10		March	42,180	42,180	1,842	1,862	44,022	44,042
11		April	41,482	41,482	1,812	1,818	43,294	43,301
12		May	41,313	41,313	1,804	1,806	43,117	43,119
13		June	43,171	43,171	1,885	1,889	45,056	45,060
14		July	44,152	44,152	1,928	1,901	46,080	46,052
15		August	45,326	45,326	1,979	1,965	47,305	47,290
16		September	45,142	45,142	1,971	1,943	47,114	47,085
17		October	44,407	44,407	1,939	1,905	46,347	46,313
18		November	41,835	41,835	1,827	1,824	43,661	43,659
19		December	42,549	42,549	1,858	1,839	44,408	44,388
20								
21		Total kW	515,083	515,083	22,494	22,438	537,577	537,521
22								
23	Percent Increase/(Decrease) 2006/2005		-3.19%	-3.19%	-1.06%	-1.04%	-3.10%	-3.10%
24								
25	Percent Increase/(Decrease) 2007/2006		-0.26%	-0.26%	-0.26%	-0.26%	-0.26%	-0.26%
26								
27	Percent Increase/(Decrease) 2008/2007		-6.15%	-6.15%	-6.15%	-6.15%	-6.15%	-6.15%
28								
29	Average Annual Compound Growth Rate 2007/2005		-1.74%	-1.74%	-0.66%	-0.65%	-1.69%	-1.69%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide by rate schedule the billed and measured KW, where applicable, by month for the test year. Also, provide by rate schedule (1) the actual and billed KW for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historical years. Footnote and detail migration between rate classes. Explain any differences between actual and billed demand. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-8a, and E-12, where applicable.

Type of Data Shown:

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

1											
2											
3											
4											
5											
6											
7		2008	kW								
8			January	9,140	9,140	5,411	5,276	31,722	31,722	46,273	46,138
9			February	8,946	8,946	5,296	5,154	43,475	43,475	57,717	57,575
10			March	8,858	8,858	5,244	4,996	42,768	42,768	56,870	56,622
11			April	9,133	9,133	5,407	5,363	34,196	34,196	48,736	48,692
12			May	8,418	8,418	4,983	4,713	37,289	37,289	50,690	50,420
13			June	9,785	9,785	5,793	5,819	34,108	34,108	49,686	49,712
14			July	9,726	9,726	5,758	5,761	38,791	38,791	54,275	54,278
15			August	9,728	9,728	5,759	5,862	33,490	33,490	48,977	49,080
16			September	10,403	10,403	6,159	6,337	34,815	34,815	51,377	51,555
17			October	9,675	9,675	5,728	5,784	30,485	30,485	45,888	45,944
18			November	9,106	9,106	5,391	5,410	27,039	27,039	41,535	41,555
19			December	9,405	9,405	5,568	5,577	29,071	29,071	44,044	44,053
20											
21			Total kW	112,322	112,322	66,497	66,053	417,249	417,249	596,068	595,624
22											
23			Percent Increase/(Decrease) 2002/2001	22.72%	22.72%	-1.61%	-1.47%	-1.77%	-1.77%	2.03%	2.05%
24											
25			Percent Increase/(Decrease) 2003/2002	-1.07%	-1.07%	-1.07%	-1.07%	-4.31%	-4.31%	-3.35%	-3.35%
26											
27			Percent Increase/(Decrease) 2004/2003	-8.79%	-8.79%	-8.79%	-8.79%	-7.66%	-7.66%	-8.00%	-8.00%
28											
29			Average Annual Compound Growth Rate 2003/2001	10.19%	10.19%	-1.34%	-1.27%	-3.05%	-3.05%	-0.70%	-0.69%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide by rate schedule the MWH sales by month for the test year. Also, provide by rate schedule the (1) MWH sales for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historic years. Footnote and detail migration between rate classes. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-17d, E-8a, and E-12, where applicable. The MWH sales by rate schedule for the test year must be in agreement with the numbers in the MWH sales allocator in the cost of service study.

Type of Data Shown:

Historical Year Ended 12/31/2006

Historical Year Ended 12/31/2006

Projected Prior Year Ended 12/31/2007

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

			RS	GS	GSD	GSLD	GSLD1	OL	OL-2	SL1-2	SL-3	TOTAL SYSTEM
1												
2												
3												
4	2005	Total kWh	350,659,791	59,983,157	185,441,946	85,962,012	134,790,000	0	0	0	0	816,836,906
5												
6		kWh/Average Customer	15,167	17,718	266,727	5,007,496	67,395,000	0	0	0	0	27,012
7												
8												
9												
10												
11	2006	Total kWh	349,930,593	59,621,785	178,753,210	92,691,048	159,780,000	1,364,976	3,858,219	749,614	1,189,025	847,938,470
12												
13		kWh/Average Customer	14,920	17,481	255,575	4,634,552	79,890,000	1,213	2,033	149,923	84,930	27,685
14												
15												
16												
17	2007	Total kWh	342,706,904	59,194,372	177,035,690	91,898,685	152,894,843	1,364,976	3,901,620	749,614	1,202,838	830,949,543
18												
19		kWh/Average Customer	14,426	17,171	249,027	4,594,934	76,447,422	1,213	2,033	149,923	84,954	26,806

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide by rate schedule the MWH sales by month for the test year. Also, provide by rate schedule the (1) MWH sales for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historic years. Footnote and detail migration between rate classes. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-17d, E-8a, and E-12, where applicable. The MWH sales by rate schedule for the test year must be in agreement with the numbers in the MWH sales allocator in the cost of service study.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

			RS	GS	GSD	GSLD	GSLD-1	OL	OL-2	SL1-2	SL-3	TOTAL SYSTEM
1												
2												
3		2008 kWh										
4		January	29,957,188	5,165,017	15,300,532	7,719,505	10,444,486	113,748	328,752	62,468	101,388	69,193,084
5		February	25,542,196	4,403,814	13,045,589	6,581,830	17,716,747	113,748	328,752	62,468	101,388	67,896,530
6		March	25,315,454	4,364,721	12,929,782	6,523,402	13,263,260	113,748	328,752	62,468	101,388	63,002,973
7		April	20,744,075	3,576,554	10,594,966	5,345,428	11,089,535	113,748	328,752	62,468	101,388	51,956,913
8		May	22,043,853	3,800,653	11,258,823	5,680,361	13,431,149	113,748	328,752	62,468	101,388	56,821,195
9		June	29,540,489	5,093,173	15,087,704	7,612,128	11,292,769	113,748	328,752	62,468	101,388	69,232,619
10		July	37,095,431	6,395,745	18,946,364	9,558,920	12,317,778	113,748	328,752	62,468	101,388	84,920,594
11		August	30,512,565	5,260,772	15,584,188	7,862,617	12,238,251	113,748	328,752	62,468	101,388	72,064,749
12		September	32,799,008	5,654,985	16,751,981	8,451,798	10,479,831	113,748	328,752	62,468	101,388	74,743,960
13		October	28,128,005	4,849,642	14,366,283	7,248,153	10,338,451	113,748	328,752	62,468	101,388	65,536,889
14		November	19,467,812	3,356,509	9,943,118	5,016,555	8,500,504	113,748	328,752	62,468	101,388	46,890,854
15		December	24,249,307	4,180,903	12,385,251	6,248,672	10,073,362	113,748	328,752	62,468	101,388	57,743,851
16												
17		TOTAL	325,395,385	56,102,488	166,194,581	83,849,371	141,186,123	1,364,976	3,945,022	749,614	1,216,651	780,004,211
18												
19		kWh/Average Customer	13,526	16,103	230,059	4,192,469	70,593,061	1,213	2,034	149,923	84,976	24,864
20												
21		Percent Increase (Decrease) 2005/2006	-0.21%	-0.60%	-3.61%	7.83%	18.54%					3.81%
22												
23		Percent Increase (Decrease) 2007/2006	-2.06%	-0.72%	-0.96%	-0.85%	-4.31%	0.00%	1.12%	0.00%	1.16%	-2.00%
24												
25		Percent Increase (Decrease) 2008/2007	-5.05%	-5.22%	-6.12%	-8.76%	-7.66%	0.00%	1.11%	0.00%	1.15%	-6.13%
26												
27		Average Annual Compound Growth Rate 2007/2005	-1.14%	-0.66%	-2.29%	3.40%	6.50%					0.86%
28												
29												

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide by rate schedule the MWH sales by month for the test year. Also, provide by rate schedule the (1) MWH sales for the three years prior to the test year, (2) the percentage increase from the prior year to the test year, and (3) the average annual compound growth rate for the three historic years. Footnote and detail migration between rate classes. The billing determinants for the test year must agree with those shown in Schedules E-17c, E-17d, E-8a, and E-12, where applicable. The MWH sales by rate schedule for the test year must be in agreement with the numbers in the MWH sales allocator in the cost of service study.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

1											
2											
3											
4											
5			RS	GS	GSD	GSLD	GSLD1	OL	OL-2	SL1-2	SL-3
6											TOTAL
7	2008	Total kWh	325,395,385	56,102,488	166,194,581	83,849,371	141,186,123	1,364,976	3,945,022	749,614	1,216,651
8											780,004,211
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											

---

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Trace how the billing determinants in Schedules E-19a, E-19b, and E-19c were derived from the preliminary forecasts used for test year budget.	Type of Data Shown:
COMPANY:FLORIDA PUBLIC UTILITIES		Provide supporting assumptions and details of forecasting techniques.	Projected Test Year 12/31/2008
Consolidated Electric Division		Reconcile the billing determinants with the forecast by customer class	Witness: Mark Cutshaw
DOCKET NO.: 070304-EI		determinants with the forecast by customer class in the Ten-Year-Site Plan.	

---

The forecasting methods used to derive the projected billing determinants are described in Schedule F-9.

---

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of the number of customers served at transmission, subtransmission, primary distribution, and secondary distribution voltages by rate schedule for the test year and prior year. (Customers served directly from a company-owned substation must be listed under the voltage level at which they are served.)

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Rate Schedule	Total Customers	Transmission Voltage Level	Distribution Primary Voltage Level	Distribution Secondary Voltage Level
<b>2008</b>					
1	RS	24,058	0	0	24,058
2					
3	GS	3,484	0	3	3,481
4					
5	GSD	722	0	10	712
6					
7	GSLD	20	0	6	14
8					
9	GSLD1	2	2	0	0
10					
11	OL	1,125	0	0	1,125
12					
13	OL-2	1,940	0	0	1,940
14					
15	SL1-2	5	0	0	5
16					
17	SL3	14	0	0	14
18					
19					
20	TOTAL	31,370	2	19	31,349
21					
22					

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of the number of customers served at transmission, subtransmission, primary distribution, and secondary distribution voltages by rate schedule for the test year and prior year. (Customers served directly from a company-owned substation must be listed under the voltage level at which they are served.)

Type of Data Shown:  
 Historic Year 12/31/2006  
 Witness: Mark Cutshaw

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line	No.	Rate Schedule	Total Customers	Transmission Voltage Level	Distribution Primary Voltage Level	Distribution Secondary Voltage Level
		<b>2006</b>				
1		RS	23,454	0	0	23,454
2						
3		GS	3,411	0	3	3,408
4						
5		GSD	699	0	10	689
6						
7		GSLD	20	0	6	14
8						
9		GSLD1	2	2	0	0
10						
11		OL	1,125	0	0	1,125
12						
13		OL-2	1,898	0	0	1,898
14						
15		SL1-2	5	0	0	5
16						
17		SL3	14	0	0	14
18						
19						
20		TOTAL	30,628	2	19	30,607

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: For each rate class that is not 100% time metered by time recording meters, provide the estimated historic value and 90% confidence interval by month from the latest load research for (1) contribution to monthly system peaks (coincident), (2) monthly noncoincident peak (class peaks) and (3) monthly customer maximum demand (billing demand for demand classes). For classes, 100% metered with time recording meters provide actual monthly values for the aforementioned demands and identify such as actual values. Also, provide the annual KWH as well as the 12 CP Load Factor, Class NCP Load Factor and the Customer Load Factor for each class.

Type of Data Shown:  
 Projected Test Year 12/31/2008  
 Witness: Mark Cutshaw

Rate Schedule	Month and Year	Estimated Coincident Peak	90% Confidence Interval	Estimated Noncoincident Peak	90% Confidence Interval	Estimated Customer Maximum Demand	90% Confidence Interval
------------------	-------------------	---------------------------------	-------------------------------	------------------------------------	-------------------------------	--	-------------------------------

Because of the relatively small electric system and non-generating status, the Company has not been required to conduct load research and such data on the Company's system is not available. No monthly analysis of non-coincident or customer maximum demands is available. Billing demands by month for demand rate class during 2006 are shown on schedule E-18b.

Annual Peak:

12 Coincident Peak Average:

90% Confidence Interval:

Sum of individual customer maximum demands:

Annual KWH:

12 CP Load Factor:

Class (NCP) Load Factor:

Customer (Billing or Maximum Demand) Load Factor:

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a schedule showing (1) the available capacity and firm peak in MW, (2) the reserve margin in MW and in percent, and (3) the cumulative loss of load probability (LOLP) or other reliability index used by the company for each month of the test year.	Type of Data Shown: Projected Test Year 12/31/2008 Projected Prior Year 12/31/2007 Witness: Mark Cutshaw
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

Month	Available Capacity MW	Firm Peak MW	Reserve Margin After Maintenance at Monthly Peak Demand		Cumulative Monthly LOLP	Other Reliability Index
			MW	Percent		
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Annual						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide monthly peaks for the test year and the five previous years.

Type of Data Shown:

Projected Year 2008

Prior Year 2007

Prior Historic Years 2003 to 2006

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Month	Year	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)
1	Marianna							Fernandina Beach				
2												
3	January	2003	81.3	Friday	24	7:15 AM	A	103.3	Friday	24	7:30 AM	A
4	February	2003	55.3	Tuesday	11	7:15 AM	A	77.4	Tuesday	18	7:00 PM	A
5	March	2003	46.7	Monday	31	6:45 AM	A	64.8	Friday	28	7:30 PM	A
6	April	2003	47.0	Wednesday	30	3:00 PM	A	52.6	Tuesday	1	7:00 AM	A
7	May	2003	58.5	Wednesday	7	3:00 PM	A	68.9	Thursday	8	5:00 PM	A
8	June	2003	62.2	Monday	16	4:30 PM	A	72.9	Wednesday	11	4:00 PM	A
9	July	2003	63.1	Thursday	17	3:45 PM	A	80.5	Monday	7	5:30 PM	A
10	August	2003	63.6	Monday	25	3:15 PM	A	74.4	Thursday	28	4:30 PM	A
11	September	2003	62.2	Thursday	4	4:00 PM	A	76.0	Tuesday	30	5:30 PM	A
12	October	2003	45.9	Monday	6	3:30 PM	A	58.4	Tuesday	14	7:15 PM	A
13	November	2003	46.0	Tuesday	25	7:15 AM	A	61.8	Wednesday	12	6:00 PM	A
14	December	2003	58.6	Thursday	18	7:00 AM	A	73.4	Saturday	20	8:45 AM	A
15												
16	January	2004	61.7	Thursday	29	7:00 AM	A	83.3	Thursday	29	7:30 AM	
17	February	2004	57.4	Thursday	19	6:45 AM	A	88.0	Wednesday	18	7:15 PM	A
18	March	2004	51.6	Thursday	11	6:45 AM	A	89.5	Friday	26	3:00 PM	A
19	April	2004	43.9	Wednesday	14	7:15 AM	A	58.5	Friday	23	5:15 PM	A
20	May	2004	50.7	Wednesday	26	3:15 PM	A	71.5	Thursday	27	3:15 PM	A
21	June	2004	64.2	Monday	21	3:15 PM	A	85.2	Saturday	12	7:00 PM	A
22	July	2004	62.2	Tuesday	13	2:45 PM	A	108.5	Monday	26	4:00 PM	A
23	August	2004	67.9	Wednesday	4	3:30 PM	A	97.1	Tuesday	17	4:15 PM	A
24	September	2004	61.4	Thursday	2	2:30 PM	A	75.9	Thursday	30	3:45 PM	A
25	October	2004	52.2	Sunday	10	3:45 PM	A	77.6	Saturday	2	2:45 PM	A
26	November	2004	47.6	Wednesday	3	2:00 PM	A	70.2	Tuesday	30	3:00 PM	A
27	December	2004	65.2	Thursday	16	6:45 AM	A	78.3	Monday	20	10:00 AM	A
28												
29												
30												

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide monthly peaks for the test year and the five previous years.

Type of Data Shown:

Projected Year 2008

Prior Year 2007

Prior Historic Years 2003 to 2006

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Month	Year	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)
1	Marianna							Fernandina Beach				
2												
3	January	2005	73.9	Monday	24	7:15 AM	A	85.7	Monday	24	7:30 AM	A
4	February	2005	61.8	Friday	11	7:00 AM	A	72.7	Friday	11	8:15 PM	A
5	March	2005	61.1	Wednesday	2	6:45 AM	A	97.0	Thursday	10	7:30 AM	A
6	April	2005	44.9	Friday	22	4:30 PM	A	53.9	Friday	22	7:30 AM	A
7	May	2005	65.5	Tuesday	24	3:15 PM	A	86.4	Monday	23	6:15 PM	A
8	June	2005	67.6	Wednesday	15	2:15 PM	A	96.1	Wednesday	15	4:30 PM	A
9	July	2005	65.6	Wednesday	27	3:45 PM	A	87.6	Friday	22	4:15 PM	A
10	August	2005	72.3	Monday	22	3:30 PM	A	86.8	Wednesday	24	5:00 PM	A
11	September	2005	69.9	Monday	19	3:15 PM	A	76.7	Sunday	4	4:00 PM	A
12	October	2005	61.1	Tuesday	4	2:30 PM	A	73.9	Monday	10	2:15 PM	A
13	November	2005	58.3	Friday	18	6:45 AM	A	74.4	Wednesday	23	8:45 AM	A
14	December	2005	72.9	Friday	23	7:30 AM	A	74.3	Friday	23	8:00 AM	A
15												
16	January	2006	57.4	Thursday	19	6:45 AM	A	77.5	Thursday	19	8:00 AM	A
17	February	2006	73.8	Tuesday	14	6:30 AM	A	123.6	Tuesday	14	7:30 AM	A
18	March	2006	45.6	Monday	27	7:15 AM	A	75.6	Monday	27	7:15 AM	A
19	April	2006	62.1	Thursday	20	4:15 PM	A	70.2	Monday	17	4:30 PM	A
20	May	2006	66.5	Wednesday	24	2:45 PM	A	82.6	Saturday	27	3:15 PM	A
21	June	2006	73.1	Wednesday	21	2:30 PM	A	83.7	Thursday	29	5:00 PM	A
22	July	2006	71.9	Wednesday	19	2:45 PM	A	87.8	Friday	28	3:15 PM	A
23	August	2006	71.2	Thursday	3	3:00 PM	A	88.3	Friday	4	3:30 PM	A
24	September	2006	60.4	Friday	1	12:30 PM	A	77.1	Sunday	3	5:45 PM	A
25	October	2006	62.9	Monday	2	3:15 PM	A	66.8	Monday	2	4:30 PM	A
26	November	2006	55.6	Monday	20	7:00 AM	A	71.1	Tuesday	21	7:30 AM	A
27	December	2006	71.3	Friday	8	7:00 AM	A	72.4	Friday	8	8:15 AM	A
28												
29												
30												

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide monthly peaks for the test year and the five previous years.

Type of Data Shown:

Projected Year 2008

Prior Year 2007

Prior Historic Years 2003 to 2006

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Month	Year	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)	MW Peak	Day of Week	Day of Month	Hour	Actual (A) or Estimated (E)
1	Marianna							Fernandina Beach				
2												
3	January	2007	72.1	Monday	19	7:00 AM	A	86.6	Monday	29	7:15 AM	A
4	February	2007	70.5	Saturday	17	7:00 AM	A	82.8	Monday	19	7:45 AM	A
5	March	2007	62.2	Monday	5	6:45 AM	A	81.3	Tuesday	6	7:45 AM	A
6	April	2007	45.4	Monday	30	4:45 PM	A	77.6	Thursday	12	6:00 PM	A
7	May	2007	58.2	Thursday	31	3:45 PM	A	70.2	Friday	4	4:30 PM	A
8	June	2007	71.5	Friday	29	2:45 PM	A	79.5	Thursday	28	5:45 PM	A
9	July	2007	73.2	Friday	19	3:30 PM	A	91.8	Friday	20	5:15 PM	A
10	August	2007	74.5	N/A	N/A	N/A	E	104.0	N/A	N/A	N/A	E
11	September	2007	61.4	N/A	N/A	N/A	E	83.0	N/A	N/A	N/A	E
12	October	2007	59.1	N/A	N/A	N/A	E	84.0	N/A	N/A	N/A	E
13	November	2007	55.6	N/A	N/A	N/A	E	76.0	N/A	N/A	N/A	E
14	December	2007	69.5	N/A	N/A	N/A	E	86.0	N/A	N/A	N/A	E
15												
16	January	2008	73.2	N/A	N/A	N/A	E	92.0	N/A	N/A	N/A	E
17	February	2008	73.7	N/A	N/A	N/A	E	99.0	N/A	N/A	N/A	E
18	March	2008	59.6	N/A	N/A	N/A	E	77.0	N/A	N/A	N/A	E
19	April	2008	50.4	N/A	N/A	N/A	E	66.0	N/A	N/A	N/A	E
20	May	2008	60.9	N/A	N/A	N/A	E	88.0	N/A	N/A	N/A	E
21	June	2008	73.1	N/A	N/A	N/A	E	93.0	N/A	N/A	N/A	E
22	July	2008	74.1	N/A	N/A	N/A	E	108.0	N/A	N/A	N/A	E
23	August	2008	74.3	N/A	N/A	N/A	E	107.0	N/A	N/A	N/A	E
24	September	2008	61.3	N/A	N/A	N/A	E	86.0	N/A	N/A	N/A	E
25	October	2008	58.2	N/A	N/A	N/A	E	86.0	N/A	N/A	N/A	E
26	November	2008	56.1	N/A	N/A	N/A	E	78.0	N/A	N/A	N/A	E
27	December	2008	70.3	N/A	N/A	N/A	E	89.0	N/A	N/A	N/A	E
28												
29												
30												

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide estimates of demand and energy losses for transmission and distribution system components and explain the methodology used in determining losses.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year 12/31/2008

Projected Prior Year 12/31/2007

Witness: Mark Cutshaw

		Demand Losses by Component			12 Month Average
		Energy Losses	Winter Peak	Summer Peak	
<hr/>					
Transmission System					
Generator Step-up Transformer	}	The Company maintains a small amount of transmission plant in the Northeast Division. The losses associated with these facilities is insignificant in comparison to total system losses.			
Transmission Line (69KV)	}				
Transmission Substations	}				
Common Subtransmission Lines (40KV to 69KV)	}				
Direct Assigned Subtransmission*	}				
<hr/>					
Distribution System					
Distribution Substation	}	N/A	N/A	N/A	
Distribution Primary Lines (4KV to 39KV)		2.0	2.5	2.5	
Distribution Primary Services*					
Distribution Line Transformers					
Distribution Secondary Line	}	2.5	3.1	3.1	
Distribution Secondary Drops	}				

## Methodology and Assumption:

For the 2008 test year, overall energy losses were assumed to be the same as those experienced in 2006, 3.85%. Of this, 2.5% were estimated to be from the secondary system. Demand losses are estimated to be 25% greater overall than the energy losses. Secondary demand losses were thus computed to be 3.1% and the balance primary.

\*Provide only if over 1% of total line losses

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Show maximum demand losses by rate schedule for the test year and explain the methodology and assumptions used in determining losses.

Type of Data Shown:

Projected Test Year 12/31/2008

Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Rate Schedule	(1) 12 Month Average Coincident Demand At Generation (KW)	(2) 12 Month Average Coincident Peak At The Meter (KW)	(3) Total Losses MW (1) - (2)	(4) Percent Losses	(5) Company Use	(6) System Losses
RS	65,602	62,078	3,524	5.4%	N/A	3,524
GS	20	20	0	2.4%	N/A	0
GSD	11,700	11,105	595	5.1%	N/A	595
GSLD	30,027	28,541	1,486	4.9%	N/A	1,486
GSLD1	27,497	26,605	891	3.2%	N/A	891
OL	0	0	0	0.0%	N/A	0
SL	0	0	0	0.0%	N/A	0
TOTAL	134,846	128,349	6,497	4.8%	N/A	6,497

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Show energy losses by rate schedule for the test year and explain the methodology and assumptions used in determining these losses.

Type of Data Shown:  
Projected Test Year 12/31/2008  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Rate Schedule	(1) Energy at Generation	(2) Sales at Meter	(3) Losses and Company Use		(4) Delivered Efficiency (2) / (1)	(5) Company Use	(6) System Losses
			MWH	%			
RS	340,346	325,395	14,950	4.4%	0.96	N/A	14,950
GS	114	112	2	2.0%	0.98	N/A	2
GSD	65,898	63,179	2,719	4.1%	0.96	N/A	2,719
GSLD	197,462	189,533	7,929	4.0%	0.96	N/A	7,929
GSLD1	199,843	194,509	5,333	2.7%	0.97	N/A	5,333
OL	1,428	1,365	63	4.4%	0.96	N/A	63
SL	4,910	4,695	216	4.4%	0.96	N/A	216
TOTAL	810,000	778,788	31,213	3.9%	0.96	N/A	31,213

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Cleider on 'fp2\hc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Hg on 'Ground_flc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_flc	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Transfer on 'Grou	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Bat on 'Ground_flc	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-3-07_NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW CEAS 142 Draft Report msg	906 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

**Clara Leider**

**From:** Mesite Jim  
**Sent:** Friday, June 29, 2007 12:49 PM  
**To:** Cox Doreen  
**Subject:** FW: balance sheet

Keep your fingers crossed!

Thanks,

**Jim**

tel.561.838.1733  
fax.561.366.1533

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, June 29, 2007 12:32 PM  
**To:** Mesite Jim  
**Subject:** RE: balance sheet

Thanks Jim.

I will check with Robert who has lots of experience in these issues and get a read as to whether he thinks it is a big enough difference to worry about.

**From:** Mesite Jim [mailto:jmesite@fpuc.com]  
**Sent:** Friday, June 29, 2007 11:17 AM  
**To:** Mike Welsh  
**Cc:** Cox Doreen  
**Subject:** RE: balance sheet

Please be sure to let me know what particular numbers you are referring to. Typically the 13-month average is the focal point. When I started looking into this issue, ultimately I realized that it was not with the Dec '06 13-month average, and I finally found that it was for Dec '05.

I cannot find a reason for the discrepancy without more detailed research since Doreen is using third-hand information.

In the 13-month average it comes to a discrepancy of \$4. If you think this would create a problem we will investigate further. Let me know.

Thanks,

**Jim**

tel.561.838.1733  
fax.561.366.1533

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, June 29, 2007 10:59 AM

**To:** Mesite Jim  
**Subject:** RE: balance sheet

Jim: I checked items that I could against Doreen's cost of capital data. All matches except for rounding with one exception - accumulated deferred taxes 2820, 2821 and 2830. Your sheet shows an amount of 6,296,537 and Doreen's shows an amount of 6,296,586.

**From:** Mesite Jim [mailto:jmesite@fpuc.com]  
**Sent:** Thursday, June 28, 2007 5:48 PM  
**To:** Mike Welsh  
**Subject:** RE: balance sheet

Here is the balance sheet for B-3; AGAIN!

Things should now go better with the common plant allocations.

Please let me know if something seems out of whack. I have been working on this so long I do not see the data any more: only the totals. However, I am getting real good at modifying it!

Thanks,

Jim

tel.561.838.1733  
fax.561.366.1533

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, June 28, 2007 2:37 PM  
**To:** Mesite Jim  
**Subject:** RE: balance sheet

Going over the materials you sent this morning helped be to identify one account I had handled incorrectly in constructing the details on monthly reserve balances - so it was good to get that corrected.

I also noticed that the allocated portion of CWIP, Plant in Service and Reserves had changed from what you had provided originally.

Just a reminder, I will need the detailed monthly balances as well as the annual amount.

**From:** Mesite Jim [mailto:jmesite@fpuc.com]  
**Sent:** Thursday, June 28, 2007 1:19 PM  
**To:** Mike Welsh  
**Subject:** balance sheet

Hi:

Delete the file for the Balance Sheet I just sent. I have to remove an account!!!!

It just goes on, and on, and on,.....

I will have it back to you this afternoon.

Thanks,

**Jim**

tel.561.838.1733  
fax.561.366.1533

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Cleider on 'fp2\hc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Hg on 'Ground_flc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_flc	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Transfer on 'Grou	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Bat on 'Ground_flc	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-3-07_NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SEAS 142 Draft Report msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

**Clara Leider**

**From:** Bachman George  
**Sent:** Monday, July 02, 2007 10:20 AM  
**To:** Cox Doreen  
**Subject:** FW: BOD Presentation - Aug. 2006  
**Attachments:** August 22, 2006 BOD.ppt

Doreen,

Here is a PP from last year's BOD presentation. I'll stop by and let you know which items we need to update.

Thanks.

George

**From:** Erdek Bonnie  
**Sent:** Monday, July 02, 2007 9:00 AM  
**To:** Bachman George  
**Cc:** English Jack  
**Subject:** BOD Presentation - Aug. 2006

George,  
At Jack's request, attaching last August Power Point presentation to the BOD.

*Bonnie*

---

# Board of Directors

August 22nd, 2006



## Financing Projections

	<u>2006</u>	<u>&lt;&lt;&lt; 2007</u>	<u>Projected &gt;&gt;&gt; 2008</u>	<u>2009</u>	<u>2010</u>
<b>Available LOC</b>	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000
<b>Projected LOC Borrowings</b>	10,537,000	12,637,000	6,387,000	11,387,000	8,187,000
<b>Unused Portion of LOC</b>	1,463,000	2,363,000	8,613,000	3,613,000	6,813,000
<b>Projected Financing – Equity Offering</b>	-	-	12,000,000	=	-

Current LOC expires June 2007

Projections dependent on timing and costs of land purchase and environmental expenditures

## Utility Acquisitions Over Past Two Years

<u>Target</u>	<u>Acquirer</u>	<u>I/P</u>	<u>P/C</u>	<u>Price</u>	<u>Premium to Market</u>	<u>Multiple to Book</u>
Public Service Electric & Gas [NJ]	Exelon	I	P	\$16,000,000,000	53%	3.14
Cinergy Corp [OH]	Duke Energy	I	C	\$13,000,000,000	13%	
Constellation Energy Group [MD]	FPL Group	I	P	\$11,000,000,000	10%	2.31
Key Span Energy [NY]	Nat'l Grid PLC	P	P	\$7,300,000,000	17%	1.68
PacifiCorp [IA]	MidAmerican Holdings	P	C	\$5,100,000,000		
Northwestern Corp [MT]	Babcock & Brown	P	P	\$2,200,000,000	15%	1.76

**I: Investor-Owned**

**P: Pending**

**P: Privately Owned**

**C: Complete**

## Utility Acquisitions Over Past Two Years — cont'd.

<u>Target</u>	<u>Acquirer</u>	<u>I/P</u>	<u>P/C</u>	<u>Price</u>	<u>Premium to Market</u>	<u>Multiple to Book</u>
Duquesne Light Holdings [PA]	Macquarie Infrastructure Partners Bank	P	P	\$1,600,000,000	22%	3.87
Peoples Energy Nat Gas [IL]	WPS Resource	P	P	\$1,520,000,000	7%	1.89
Cascade Natural Gas [WA]	Montana Dakota Resources	I	P	\$475,000,000	23%	2.32
Green Mountain Power [VT]	Gas Metropolitan LP	P	P	\$187,000,000	25%	1.78
Cap Rock Energy [TX]	Lindsay, Goldberg Besemer	P	C	\$35,000,000	28%	1.17
				AVERAGE	21%	2.22
				MEDIAN	19%	1.89

I: Investor-Owned

P: Pending

P: Privately Owned

C: Complete

## Potential Utility Candidates to Acquire FPU

### Utilities with operations within Florida

<b><u>Utility</u></b>	<b><u>Likelihood of acquiring within 5 years</u></b>	<b><u>Comments</u></b>
<b>TECO</b>	<b>Moderate</b>	<b>Best fit, best synergies;</b> <b>Fold in with existing natural gas &amp; electric systems;</b> <b>Eliminate FPU corporate structure</b>
<b>AGL</b>	<b>Low</b>	<b>Second largest natural gas system in Florida; has not shown interest in expanding Florida operations</b>

# Potential Utility Candidates to Acquire FPU

## Utilities with operations within Florida

<b><u>Utility</u></b>	<b><u>Likelihood of acquiring within 5 years</u></b>	<b><u>Comments</u></b>
<b>CPK</b>	<b>Low</b>	<b>Small presence in Central Florida; Probably interested in true merger; growth potential similar to FPU</b>
<b>PGN</b>	<b>Extremely Low</b>	<b>No Florida natural gas properties; FPU operations too small to interest PGN</b>
<b>FPL</b>	<b>Extremely Low</b>	<b>No Florida natural gas properties; FPU Operations too small to interest FPL</b>

## Potential Utility Candidates to Acquire FPU Utilities with operations outside Florida

<u>Utility</u>	<u>Likelihood of acquiring within 5 years</u>	<u>Comments</u>
ENSI	Low	In 2005 showed interest in acquiring FPU. However, change of leadership changed goal to growing natural gas storage business. They plan to continue to invest in additional caverns over the next few years because of the higher returns.

# Private Equity Firms

---

- The new quick-profit buy-out game is fueled by low interest rates and willing credit markets. They let private equity firms use their investors' capital, and lots of debt, to buy mature companies from public shareholders. Buy-out funds averaged annual returns of 24% in 2004 and 2005.
  
- Private equity firms profit by removing cash and then sell shares in an initial public offering.

Cash is provided to the new owner by charging professional fees, quarterly management fees for monitoring business, serving on Board and other services, fees to terminate management agreement and issuing large dividends.
  
- Since companies frequently borrow money to pay off new owner, many are left saddled with debt. The Company can do poorly while the private equity firm does well.

# Staying the Course

---

- Record earnings in 2005, record earnings from continuing operations five of last eight years
  - Increased dividend last nine consecutive years; maintained excellent payout ratio
  - Superior returns to industry average over past five years
    - ▶ 104% return five years ended December 2005 compared to:
      - 51% Diversified Utility Index return for same period
      - 81% Natural Gas Utility Index for same period
- 
- Customer growth superior to industry average
  - Improved return over last five years from propane segment





# How Investors Value FPU [Aug. 11, 2006]

<u>Utility Name/Location</u>	<u>P/E</u>	<u>Market Cap</u>
<b>Florida Public Utilities</b>	<b>19.2</b>	<b>\$ 80M</b>
<b>Chesapeake Utilities</b> Dover, DE	<b>18.9</b>	<b>\$196M</b>
<b>Energy South, Inc.</b> Mobile, AL	<b>18.2</b>	<b>\$253M</b>
<b>Progress Energy, Inc.</b> Raleigh, NC	<b>16.6</b>	<b>\$ 11B</b>
<b>Florida Power &amp; Light</b> Juno Beach, FL	<b>16.5</b>	<b>\$ 17B</b>
<b>Southern Company</b> Atlanta, GA	<b>16.3</b>	<b>\$ 25B</b>
<b>RGC Resources</b> Roanoke, VA	<b>15.8</b>	<b>\$ 54M</b>
<b>Delta Natural Gas</b> Winchester, KY	<b>15.2</b>	<b>\$ 81M</b>
<b>Atlanta Gas Light</b> Atlanta, GA	<b>13.4</b>	<b>\$ 3B</b>
<b>Teco Energy, Inc.</b> Tampa, FL	<b>12.2</b>	<b>\$ 3B</b>

## Hedging Program Example – Third Quarter

	July-07	Aug-07	Sep-07
<b>Monthly Sales Gallons</b>	<b>375,000</b>	<b>456,000</b>	<b>410,000</b>
<b>Quarterly Sales Gallons</b>		<b>1,241,000</b>	
	<b>1/3 Market</b>	<b>414,000</b>	
	<b>1/3 Fixed Price</b>	<b>414,000</b>	
	<b>1/3 Cap</b>	<b><u>413,000</u></b>	
	<b>Total</b>	<b>1,241,000</b>	
		<b>Gallons</b>	

# Hedging Program Example – Market Price Spike

[assume average market price of \$1.50]

<u>Hedged</u>	<u>Gallons</u>	<u>Price</u>	<u>Amount</u>	<u>Market</u>	<u>Savings</u> [cost]
Market Priced Gas at Daily Prices	414,000	\$1.50	\$ 621,000	1,241,000	
Q307 Swap at \$1.09375 [Fixed]	414,000	1.09375	452,813	X	
Cap	413,000	*	<u>495,600</u>	<u>\$1.50</u>	
<b>Total</b>			<u>\$1,569,000</u>	<u>\$1,861,000</u>	<u>\$292,000</u>

	•At the Money
Gallons	413,000
Call Price	\$1.10000
Premium [\$ per gallon]	\$0.10000
Amount [call price + Cap premium]	\$495,600
Total Cost per Gallon	\$1.26
All Gas Priced at Market	\$1.50

# Hedging Program Example – Market Price Decline

[assume average market price of \$1.00]

<u>Hedged</u>	<u>Gallons</u>	<u>Price</u>	<u>Amount</u>	<u>Market</u>	<u>Savings</u> <u>[cost]</u>
Market Priced Gas at Daily Prices	414,000	\$1.00	\$ 414,000	1,241,000	
Q307 Swap at \$1.09375 [Fixed]	414,000	1.09375	452,813	X	
Cap	413,000	*	<u>454,300</u>	<u>\$1.00</u>	
Total			<u>\$1,321,000</u>	<u>\$1,241,000</u>	<u>(\$80,000)</u>

	•At the Money
Gallons	413,000
Call Price	\$1.10000
Premium [\$ per gallon]	\$0.10000
Amount [call price + Cap premium]	\$454,300
Total Cost per Gallon	\$1.06
All Gas Priced at Market	\$1.00

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg <i>Attachment 1</i>	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Cleider on 'fp2\hc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Hg on 'Ground_flc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_fl	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Transfer on 'Grou	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Bat on 'Ground_flc	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-3-07_NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SEAS 142 Draft Report msg	one KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Thursday, August 02, 2007 5:21 PM  
**To:** Cox Doreen  
**Subject:** FW: C Schedules  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Attachments:** C-MFRS-8-2-07-Nolinks.xls; HC-MFRS-8-2-07-Nolinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 02, 2007 1:52 PM  
**To:** Martin Cheryl  
**Subject:** C Schedules

Cheryl:

Here are the updated C schedules. I still need to speak with Mehrdad regarding C-8 and there are a few details mentioned in my note to you on Monday that have not been resolved. These issues should be able to be solved very quickly. The print formats are by and large set.

I will send the D's in a moment.

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Thursday, August 02, 2007 5:21 PM  
**To:** Cox Doreen  
**Subject:** FW: C Schedules  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Attachments:** C-MFRS-8-2-07-Nolinks.xls, HC-MFRS-8-2-07-Nolinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 02, 2007 1:52 PM  
**To:** Martin Cheryl  
**Subject:** C Schedules

Cheryl:

Here are the updated C schedules. I still need to speak with Mehrdad regarding C-8 and there are a few details mentioned in my note to you on Monday that have not been resolved. These issues should be able to be solved very quickly. The print formats are by and large set.

I will send the D's in a moment.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526		47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705		1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231		48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel			-	100%	-	-	-
8. Purchased Power	30,606,436		30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711		8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498		2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense			-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172		3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895		772,895	100%	772,895	16,996	789,891
14. Deferred Income Taxes-Net	(195,788)		(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)		(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant			-	100%	-	-	-
17. Total Operating Expenses	46,019,602		46,019,602	100%	46,019,602	(31,079,328)	14,940,274
18. Net Operating Income	2,507,629		2,507,629	100%	2,507,629	(39,598)	2,468,031

Supporting Schedules: C-2, C-5, C-7

Recap Schedules



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
Operating Revenues:															
Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
Operating Expenses:															
Operation & Maintenance:															
Fuel (nonrecoverable)	-	-												-	-
Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
Other	8,163,711	(456,411)												(456,411)	7,707,300
Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
Decommissioning Expense	-	-												-	-
Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
Income Taxes	772,895	8,498	8,498											16,996	789,891
Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
Investment Tax Credit-Net	(32,322)	-												-	(32,322)
(Gain)/Loss on Disposal of Plant	-	-												-	-
Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules: C-3

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel revenues	(30,359,023)	100%	(30,359,023)
3	Other Revenue - Commission				
4	Other Revenue - Company		(759,903)	100%	(759,903)
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company	Eliminate Fuel Expenses	(30,606,436)	100%	(30,606,436)
9	Fuel Expense - Commission				
10	Fuel Expense - Company	Eliminate Conservation Expenses	(456,411)	100%	(456,411)
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(11,398)	100%	(11,398)
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company	Eliminate Taxes other than Income	(22,079)	100%	(22,079)
19	Income Taxes - Commission				
20	Income Taxes - Company	Eliminate Income Taxes	8,498	100%	8,498
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	----------------------------------

All sales of electricity in the Northwest/Marianna and Northeast/Fernandina Beach Divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100 %.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064		14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718		13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746		4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631		232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224		73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-		-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-		-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740		28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-		-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-		-	-
	TOTAL REVENUE NET OF REFUND PROVIS	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696						-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900						-	219,900
453	Sales of Water and Water Power	-	-	-						-	-
454	Rent from Electric Property	114,078	-	114,078						-	114,078
455	Interdepartmental Rents	-	-	-						-	-
456	Other Electric Revenues (In Detail)	-	-	-						-	-
4561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430					307,430	-
4562	MISC. ELECTRIC REVENUE	7,846	-	7,846						-	7,846
4563	Unbilled Revenue	8,373	-	8,373						-	8,373
4566	OVERRECOVERY: CONSER	62,382	-	62,382		62,382				62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

0.029%

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	12 Month Total
1		<b>OPERATING EXPENSES</b>													
2															
3	555-557	<b>Other Power Supply Expenses</b>													
4	555	PURCHASED POWER	2,312,187	2,818,525	2,181,902	2,238,746	2,629,859	2,805,401	2,991,769	3,017,484	2,514,044	2,307,352	2,133,682	2,332,709	30,283,660
5	55501	PURCHASED POWER-QUAL	4,488	11,407	1,870	5,049	4,301	2,992	4,862	7,293	6,732	5,236	9,163	8,976	72,369
6	5551	UNDER REC:FUEL ADJ.	118,551	(198,208)	134,320	(89)	(268,734)	(179,268)	134,320	(29,641)	134,320	134,320	(65,942)	(9,781)	(95,832)
7	556	SYSTEM CONTROL & LOA	-	-	-	-	-	-	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	(565)	5,421	(16,501)	245	44,573	105,507	1,041	26,650	59,797	1,081	39,811	79,179	346,239
9															
10	560-567.1	<b>Transmission Expenses - Operation</b>													
11	562	STATION EXPENSES	343	509	837	1,738	1,940	3,997	365	1,174	1,411	2,136	601	2,073	17,124
12	566	MISC TRANSMISSION EX	10	-	-	-	-	-	-	-	102	-	-	-	112
13															
14	580-589	<b>Distribution Expenses - Operation</b>													
15	580	OPERATION SUPERVISIO	26,419	19,415	28,164	22,154	26,434	27,173	21,851	28,370	29,337	21,475	21,013	35,317	307,122
16	581	LOAD DISPATCHING	-	-	-	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	3,863	2,188	4,028	4,686	2,838	6,466	2,349	3,052	2,867	4,135	4,092	6,518	47,082
18	5831	OPERATION OF OVERHEA	2,431	2,314	4,080	3,234	3,096	5,531	2,934	5,899	2,987	8,730	8,166	2,015	51,417
19	5832	REMOVING & RESETTNG	3,931	3,104	3,929	2,818	6,111	4,790	7,755	6,742	7,831	6,872	3,139	4,366	61,388
20	5841	UNDERGROUND LINE EXP	-	64	679	-	530	249	280	279	478	299	385	286	3,529
21	5842	UNDERGRND LINE EXPEN	1,460	1,790	3,760	1,922	4,299	4,288	1,506	1,077	1,976	815	1,275	1,902	26,070
22	585	STREET LIGHT/SIGNAL	463	832	1,170	1,613	1,326	853	372	1,255	860	703	1,678	832	11,957
23	586	METER EXPENSES	22,142	17,620	22,572	18,791	19,012	21,659	18,686	20,414	24,229	26,657	24,027	19,861	255,670
24	5871	AREA LIGHT EXPENSE	3,359	5,044	4,445	3,820	3,133	3,345	3,859	4,510	5,023	4,770	3,830	6,908	52,046
25	5872	OTHER CUSTOMER INSTA	2,847	2,653	4,317	1,446	6,481	4,125	3,994	3,784	3,051	2,740	3,153	2,617	41,208
26	5881	DISTRIBUTION MAPS &	6,911	6,777	8,125	6,468	9,568	9,717	7,648	8,815	5,651	8,187	8,312	13,003	99,182
27	5882	OTHER DIST OFFICE SU	6,963	5,061	9,958	7,974	6,752	11,614	7,916	4,544	11,537	3,416	8,453	13,877	98,065
28	5883	MISC DISTRIBUTION OF	1,503	1,805	432	1,760	457	432	520	523	432	396	695	1,465	10,420
29	589	RENTS	215	-	-	108	-	-	108	345	-	67	18	169	1,030
30															
31	901-905	<b>Customer Accounts - Operation</b>													
32	901	SUPERVISION	11,164	254	5,060	4,685	4,817	4,557	4,183	4,590	4,564	7,243	6,424	11,025	68,566
33	9011	SUPERVISION A&G	-	7,776	4,017	3,008	3,825	4,736	3,095	5,074	4,267	3,083	4,638	2,980	46,499
34	902	METER READING EXPENS	21,390	21,045	27,269	19,961	23,797	25,345	22,108	24,872	22,788	22,595	23,267	22,444	276,881
35	903	CUSTOMER RECORDS/COL	56,864	19,383	44,104	33,643	37,192	45,092	42,307	44,652	41,988	42,783	42,237	47,307	497,552
36	9031	CUSTOMER RECORDS/COL	-	39,336	24,147	21,497	20,886	24,087	21,265	19,698	21,402	20,962	19,684	27,186	260,150
37	904	UNCOLLECTIBLE ACCOUN	5,185	4,536	4,063	4,376	4,555	5,322	6,086	5,915	6,148	5,037	4,231	31,961	87,415
38	905	MISC CUSTOMER ACCOUN	9,145	4,123	5,515	6,146	5,956	7,620	4,860	6,263	5,802	3,928	6,386	12,365	78,109
39	9051	MISC CUSTOMER ACCT	-	1,824	1,416	1,580	1,666	1,442	1,171	1,540	1,363	1,337	1,408	1,504	16,251
40															
41	906-910	<b>Customer Service and Info - Operation</b>													
42	9061	UNDERRECOVERY: CONSE	-	-	-	-	-	-	-	-	-	-	-	-	-
43	907	SUPERVISION	5,981	6,759	7,862	6,118	7,711	5,528	2,934	8,759	3,071	6,007	5,260	7,951	73,941
44	908	CUSTOMER ASSISTANCE	16,419	15,762	17,658	11,621	14,301	15,346	15,197	18,299	16,536	18,926	18,039	22,191	200,295
45	909	INFO & INSTRUCTIONAL	20,110	823	22,552	(1,759)	23,699	14,932	14,242	10,324	23,456	5,977	15,032	9,751	159,139
46	910	MISC CUSTOMER SERVIC	1,785	1,901	2,065	1,078	1,397	1,618	1,634	1,472	3,943	1,414	1,658	2,821	22,786
47															
48	911-917	<b>Sales Expenses - Operation</b>													
49	912	DEMONSTRATING & SELL	-	-	-	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTIS	-	-	-	-	-	7,915	-	-	(6,378)	6,378	(6,378)	-	1,537
51	9132	CONSERVATION ADVERTI	-	-	-	-	-	-	-	-	-	-	-	-	-
52	9133	SAFETY ADVERTISING	138	-	-	145	1,735	1,722	2,406	-	146	-	-	1,932	8,224
53	9134	OTHER INFO/INSTR/CON	5,161	5,190	5,759	10,080	7,643	7,632	5,000	24,304	5,110	19,237	12,636	13,474	121,226
54	9135	COMMUNITY AFFAIRS AD	-	-	-	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	-	-	-	-	-	-	-	-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	112	135	115	119	56	2,279	30	12,349	(2,135)	26	53	110	13,249
57															
58	920-933	<b>Administrative &amp; General - Operation</b>													
59	920	ADM & GENERAL SALARI	76,019	76,068	84,179	74,191	83,356	83,408	79,388	85,033	79,208	78,728	81,023	79,652	960,253
60	9211	OFFICE SUPPLIES	582	898	1,456	737	714	1,133	1,188	1,258	867	612	619	569	10,633
61	9212	OFFICE POSTAGE & MAI	766	815	1,064	777	160	877	34	769	89	765	21	821	6,958
62	9213	OFF COMPUTER SUPP &	6,234	671	(7,646)	4,875	(3,056)	392	983	1,454	2,550	200	944	337	7,938
63	9214	OFFICE UTILITY EXPEN	3,032	2,614	3,348	1,996	3,596	3,098	2,206	2,740	2,193	3,509	2,602	2,750	33,684
64	9215	MISC OFFICE EXPENSE	5,314	7,027	8,362	7,440	6,101	6,830	11,059	2,905	7,425	9,280	8,060	11,496	91,299
65	9216	CO TRAINING EXPENSE-	-	133	349	-	48	100	-	48	-	10	929	59	1,676
66	9231	OUTSIDE SERVICES - O	-	-	3,498	40	-	-	1,764	-	2,054	631	6,610	3,315	17,912
67	9232	LEGAL FEES AND EXPEN	2,150	1,328	480	1,280	11,872	6,226	1,826	3,334	1,320	3,152	3,176	3,272	39,416
68	9233	OUTSIDE AUDIT & ACCO	11,382	11,382	18,072	11,914	11,514	11,514	9,382	9,382	9,382	(104)	8,832	27,106	139,758

69	924 PROPERTY INSURANCE	13,048	13,048	13,048	13,048	13,048	13,048	13,048	13,048	13,472	13,478	13,475	30,234	175,043	je 2 of 3
70	9251 INJURIES AND DAMAGES	6,883	3,189	14,079	3,464	9,059	13,744	7,715	9,088	11,136	8,258	10,472	9,959	107,046	
71	9252 GENERAL LIABILITY	29,884	29,671	29,385	29,334	29,990	28,288	26,512	29,343	29,331	27,382	27,649	14,561	331,330	
72	9261 EMPLOYEE PENSIONS	36,742	31,310	36,604	33,402	33,850	33,869	35,019	11,781	43,709	37,133	27,438	47,960	408,817	
73	9262 EMPLOYEE BENEFITS- O	39,224	37,484	41,402	32,729	34,087	29,925	35,348	28,574	43,290	37,409	34,982	43,879	438,333	
74	9263 RETIREE BENEFITS-POS	6,413	6,187	6,300	6,300	6,376	6,300	6,300	6,300	(15,432)	4,283	4,283	4,283	47,893	
75	9264 401(K) EXPENSE COMPA	-	-	490	333	601	480	560	(3,040)	4,170	641	732	798	5,765	
76	928 REGULATORY COMMISSION	716	10,779	12,209	9,370	10,406	13,578	8,960	10,646	15,842	8,077	13,344	17,156	131,083	
77	9301 INSTITUTIONAL/GOODWI	-	-	-	-	-	-	-	-	-	-	-	-	-	
78	9302 MISC. GENERAL EXPENS	3,124	4,820	13,761	4,509	5,352	6,377	2,049	5,409	6,024	4,835	9,933	10,429	76,622	
79	93022 INDUSTRY ASSOCIATION	1,000	(1,000)	1,000	-	82	-	3,308	-	-	-	-	-	4,390	
80	93023 ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000	
81	931 RENTS	560	580	550	589	642	613	613	585	820	40	1,671	1,044	8,307	
82															
83	<b>TOTAL OPERATING EXPENSES</b>	<b>2,914,048</b>	<b>3,072,172</b>	<b>2,851,679</b>	<b>2,681,109</b>	<b>2,919,010</b>	<b>3,273,844</b>	<b>3,605,915</b>	<b>3,524,337</b>	<b>3,222,196</b>	<b>2,943,558</b>	<b>2,616,051</b>	<b>3,046,915</b>	<b>36,670,834</b>	
84	<b>Total Operating Expenses Less Fuel</b>	<b>479,387</b>	<b>435,027</b>	<b>550,088</b>	<b>437,158</b>	<b>509,011</b>	<b>539,212</b>	<b>473,923</b>	<b>502,551</b>	<b>507,303</b>	<b>495,569</b>	<b>499,337</b>	<b>635,832</b>	<b>6,064,398</b>	
85	<b>Maintenance Expenses</b>														
86															
87	<b>541-545.1 Hydraulic Power Gen - Maintenance</b>														
88	554 MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	-	
89															
90	<b>568-574 Transmission Expenses - Maintenance</b>														
91	570 MAINT OF STATION EQU	371	845	2,974	4,720	6,291	2,796	2,502	2,520	2,304	2,346	2,616	68,777	99,062	
92	571 MAINT OF OVERHEAD LI	106	145	-	2,837	9,368	24,957	8,032	12,348	8,432	5,692	7,291	(1,255)	77,953	
93	573 MAINT OF MISC TRANSM	-	-	-	-	-	-	-	-	-	-	-	446	446	
94															
95	<b>590-598 Distribution Expenses - Maintenance</b>														
96	590 MAINT SUPERVISION/EN	14,441	16,085	18,815	11,122	8,625	9,588	7,001	9,164	8,669	8,575	6,416	17,819	136,320	
97	591 MAINT OF STRUCTURES	1,046	(151)	20	2,393	(721)	1,226	590	1,333	4,083	(259)	509	-	10,069	
98	592 MAINT OF STATION EQU	5,283	2,223	12,951	661	9,961	5,500	3,351	9,814	7,273	2,23	2,603	13,131	72,974	
99	5931 MAINT OF POLES/TOWER	12,952	2,277	10,374	2,371	962	2,664	3,700	2,562	1,286	1,178	811	3,393	44,530	
100	5932 MAINT OF OVERHEAD CO	55,088	46,001	104,735	42,441	98,128	115,680	85,887	71,504	96,976	72,799	90,083	67,813	947,135	
101	5933 MAINT OF SERVICES	10,960	6,766	9,136	7,419	11,146	13,590	11,544	14,691	11,800	10,004	9,725	16,444	133,225	
102	5941 MAINT OF UNDERGROUND	626	311	490	246	1,653	421	263	570	549	610	734	988	7,461	
103	5942 MAINT OF UNDERGRND L	11,249	4,044	8,196	5,118	7,748	16,343	34,228	9,107	9,681	6,235	6,662	9,939	128,550	
104	5951 MAINT OF LINE TRANSF	2,990	2,966	4,047	4,756	6,532	8,130	5,037	4,647	8,386	16,115	8,182	(7,281)	64,507	
105	5952 MAINT OF LINE TRANSF	-	-	289	-	389	8,244	318	29	29	(827)	(1,861)	396	6,977	
106	5953 MAINT OF LINE TRANSF	3,147	1,182	4,681	2,269	3,113	9,956	3,629	9,639	4,151	3,668	6,780	2,342	54,557	
107	596 MAINT -STREET LIGHT//	2,571	1,707	4,799	1,945	2,867	2,339	3,631	2,952	1,821	2,903	9,090	12,474	49,099	
108	597 MAINT OF METERS	2,015	2,400	3,154	5,594	2,118	2,766	3,038	2,592	3,973	1,922	2,499	3,179	35,250	
109	598 MAINT OF MISC DISTRI	5,491	4,527	5,718	2,933	3,529	5,606	3,742	5,075	5,652	4,771	11,546	12,906	71,496	
110	<b>935 Administrative &amp; General - Maintenance</b>														
111	935 MAINT OF GENERAL PLA	13,383	7,544	27,072	9,514	21,326	10,620	14,880	12,211	7,546	12,728	10,459	12,419	159,702	
112															
113	<b>TOTAL MAINTENANCE EXPENSES</b>	<b>141,719</b>	<b>98,872</b>	<b>217,451</b>	<b>106,339</b>	<b>192,646</b>	<b>232,571</b>	<b>199,299</b>	<b>171,047</b>	<b>182,611</b>	<b>148,683</b>	<b>174,145</b>	<b>233,930</b>	<b>2,099,313</b>	
114															
115															
116															
117															
118															
119															
120															
121															
122	<b>Other Operating Expenses</b>														
123															
124	4030.1 DEPRECIATION EXPENSE	215,045	212,491	216,576	224,241	221,074	221,371	222,112	223,655	224,143	224,639	224,987	180,013	2,610,347	
125	4030.2 DEPR EXP-COMMON	12,950	9,486	9,586	9,500	8,861	8,817	8,868	8,897	8,897	8,897	8,927	8,465	112,151	
126	<b>403 - Depreciation Expenses</b>	<b>227,995</b>	<b>221,977</b>	<b>226,162</b>	<b>233,741</b>	<b>229,935</b>	<b>230,188</b>	<b>230,980</b>	<b>232,552</b>	<b>233,040</b>	<b>233,536</b>	<b>233,914</b>	<b>188,478</b>	<b>2,722,498</b>	
127															
128	4070.3 Amortization - Storm Hardening	-	-	-	-	-	-	-	-	-	-	-	-	-	
129	<b>407 - Storm Hardening</b>														
130															
131	4080.1 AD VALOREM TAXES	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	44,215	35,868	35,868	513,886	
132	4080.2 STATE GROSS RECEIPTS	97,866	97,869	90,971	85,461	90,831	102,708	119,260	112,935	116,828	97,125	81,319	91,611	1,184,784	
133	4080.3 FPSC ASSESSMENT	2,712	2,857	2,661	2,501	2,735	3,055	3,654	3,366	3,304	2,780	2,142	2,641	34,408	
134	4080.4 EMERGENCY EXCISE TAX	-	-	-	-	-	(8,261)	-	-	-	-	-	-	(8,261)	
135	4080.5 FEDERAL UNEMPLOYMENT	2,693	869	(225)	(753)	(738)	(997)	61	128	69	41	70	114	1,332	
136	4080.6 STATE UNEMPLOYMENT T	4,025	626	(380)	(1,225)	(1,200)	(1,605)	98	206	111	65	112	184	1,017	
137	4080.7 F.I.C.A.	18,978	17,601	32,360	17,342	18,509	16,743	18,576	32,963	18,392	17,420	17,904	14,970	241,758	
138	4080.8 MISCELLANEOUS TAXES	-	-	-	-	-	-	-	313	300	-	-	-	613	
139	4080.11 FRANCHISE TAX	166,851	170,147	155,756	145,697	155,113	173,835	197,308	191,221	196,953	164,605	138,314	156,835	2,012,635	
140	<b>408 - Taxes Other Than Income Taxes</b>	<b>337,340</b>	<b>334,184</b>	<b>325,358</b>	<b>293,238</b>	<b>309,465</b>	<b>329,693</b>	<b>383,172</b>	<b>385,347</b>	<b>380,172</b>	<b>326,251</b>	<b>275,729</b>	<b>302,223</b>	<b>3,982,172</b>	
141															
142	4090.1 I/T -FEDERAL- UTIL O	122,000	45,400	42,700	80,400	(12,500)	(83,402)	137,374	122,300	90,400	104,900	5,900	4,900	660,372	
143	4090.2 I/T -STATE - UTIL O	20,800	7,900	7,300	13,700	(2,200)	(15,089)	23,912	20,900	15,500	17,900	1,000	900	112,523	
144	<b>409 - Income Taxes</b>	<b>142,800</b>	<b>53,300</b>	<b>50,000</b>	<b>94,100</b>	<b>(14,700)</b>	<b>(98,491)</b>	<b>161,286</b>	<b>143,200</b>	<b>105,900</b>	<b>122,800</b>	<b>6,900</b>	<b>5,800</b>	<b>772,895</b>	
145															
146	4100.1 DEFERRED I/T-FEDERAL	(50,683)	16,298	(53,371)	(40,949)	58,125	135,052	(40,482)	(13,614)	(41,552)	(83,449)	10,440	(28,318)	(132,503)	
147	4100.2 DEFERRED I/T-STATE	(8,675)	2,792	(9,140)	(7,006)	9,953	23,116	(6,931)	(2,333)	(7,112)	(14,287)	1,793	(4,852)	(22,682)	
148	4100.3 DEFERRED I/T AMORTIZ	-	-	-	-	-	-	-	-	(41,157)	-	-	-	(41,157)	

149	4100.4 DEFERRED I/T AMORTIZ	-	-	-	-	-	-	-	-	554	-	-	-	554	ge 3 of 3
150	410 - Deferred Income Taxes	(59,358)	19,090	(62,511)	(47,955)	68,078	158,168	(47,413)	(15,947)	(89,267)	(97,736)	12,233	(33,170)	(195,788)	
151															
152	4110.4 INVEST TAX CREDIT- U	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,688)	(32,322)	
153	411 - Investment Tax Credit	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,694)	(2,688)	(32,322)	
154															
155	<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>646,083</b>	<b>625,857</b>	<b>536,315</b>	<b>570,430</b>	<b>590,084</b>	<b>616,864</b>	<b>725,331</b>	<b>742,458</b>	<b>627,151</b>	<b>582,157</b>	<b>526,082</b>	<b>460,643</b>	<b>7,249,455</b>	
156															
157	<b>TOTAL EXPENSES INCLUDING FUEL</b>	<b>3,701,850</b>	<b>3,796,901</b>	<b>3,605,445</b>	<b>3,357,878</b>	<b>3,701,740</b>	<b>4,123,279</b>	<b>4,530,545</b>	<b>4,437,842</b>	<b>4,031,958</b>	<b>3,674,398</b>	<b>3,316,278</b>	<b>3,741,488</b>	<b>46,019,602</b>	

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
Historical Year 12/31/2006  
Prior Year 12/31/2005  
Witness: Mehrdad Khojasteh

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Account Number	Account	Test Year Ended 12/31/2006	Prior Year Ended 12/31/2005	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)	Reason(s) for Change
<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4010.5620	STATION EXPENSES	17,124	11,612	0.00081	5,512	47%
4010.5660	MISC. TRANS. EXPS.	112	4,473	0.00031	(4,361)	-97%
4010.5800	OP SUPERVISION	307,122	333,852	0.02315	(26,730)	-8%
4010.5810	LOAD DISPATCHING	0	591	0.00004	(591)	-100%
4010.5820	STATION EXPENSES	47,082	49,932	0.00346	(2,850)	-6%
4010.5830	OVHD LINES/TRANS	112,805	81,401	0.00564	31,404	39%
4010.5840	UNDERGROUND LINE EXP	29,599	28,340	0.00197	1,259	4%
4010.5850	STREET LIGHT EXPENSE	11,957	13,632	0.00095	(1,675)	-12%
4010.5860	METER EXPENSES	255,670	250,175	0.01735	5,495	2%
4010.5870	AREA LIGHT EXP.	93,254	86,606	0.00601	6,648	8%
4010.5880	MISC. DISTR.OFFICE EXP	207,667	229,390	0.01591	(21,723)	-9%
4010.5890	RENTS	1,030	645	0.00004	385	60%
4010.9010	SUPERVISION	115,065	173,120	0.01201	(58,055)	-34%
4010.9020	METER READING EXP.	276,881	234,210	0.01624	42,671	18%
4010.9030	CUSTOMER RECORDS	757,702	745,761	0.05172	11,941	2%
4010.9040	UNCOLL. ACCOUNTS	87,415	(7,795)	(0.00054)	95,210	-1221%
4010.9050	MISC. CUST. ACCTS EXP.	94,360	80,501	0.00558	13,859	17%
4010.9130	ADVERTISING EXPENSE	130,987	21,847	0.00151	109,140	500%
4010.9160	MISC. SALES EXPENSE	13,249	1,999	0.00014	11,250	563%
4010.9200	ADM & GENERAL SALARIES	960,253	830,980	0.05762	129,273	16%
4010.9210	OFFICE SUPPLIES & EXP.	152,188	207,544	0.01439	(55,356)	-27%
4010.9230	OUTSIDE SERVICES	197,086	151,865	0.01053	45,221	30%
4010.9240	PROPERTY INSURANCE	175,043	175,054	0.01214	(11)	0%
4010.9250	INJURIES AND DAMAGES	438,376	426,801	0.02960	11,575	3%
4010.9260	EMPLOYEE PENSION/BEN	900,808	870,831	0.06039	29,977	3%
4010.9280	REGULATORY EXPS.	131,083	118,833	0.00824	12,250	10%
4010.9300	MISC GENERAL EXPENSES	86,012	102,621	0.00712	(16,609)	-16%
4010.9310	RENTS	8,307	7,030	0.00049	1,277	18%
<b>TOTAL OPERATION EXPENSES</b>		<b>5,608,237</b>	<b>5,231,851</b>		<b>376,386</b>	<b>7%</b>

REASONS FOR CHANGES ARE ON PAGE 3

Supporting Schedules:

Recap Schedules: C-12

Schedule C-8

DETAIL OF CHANGES IN EXPENSES

Page 2 of 4

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
Historical Year 12/31/2006  
Prior Year 12/31/2005  
Witness: Mehrdad Khojasteh

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Account		Test Year Ended	Prior Year Ended	Increase / (Decrease) Dollars	Percent	



Number	Account	12/31/2006	12/31/2005	(3)-(4)	(5)/(4)	Reason(s) for Change	Page 2 of 3
<b>MAINTENANCE EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						REASONS FOR CHANGES ARE ON PAGE 3	
4020.5700	MAINT STATION EQUIP	99,062	60,096	0.00417	38,966	65%	Explanation provided
4020.5710	MAINT OVERHEAD LINES	77,953	52,312	0.00363	25,641	49%	Explanation provided
4020.5730	MAINT MISC TRANS. PLT.	446	0	-	446		
4020.5900	MAINT SUPER/ENG.	136,320	132,797	0.00921	3,523	3%	
4020.5910	MAINT OF STRUCTURES	10,069	12,940	0.00090	(2,871)	-22%	NO
4020.5920	MAINT OF STATION EQUIP	72,974	170,334	0.01181	(97,360)	-57%	Explanation provided
4020.5930	MAINT OF POLES/COND/SER	1,124,890	1,183,611	0.08208	(58,721)	-5%	
4020.5940	MAINT OF U/G LINES	136,011	133,355	0.00925	2,656	2%	
4020.5950	MAINT OF TRANSFORMERS	126,041	96,160	0.00667	29,881	31%	Explanation provided
4020.5960	MAINT OF STREET LIGHTS	49,099	30,140	0.00209	18,959	63%	Explanation provided
4020.5970	MAINT OF METERS	35,250	28,323	0.00196	6,927	24%	NO
4020.5980	MAINT OF MISC DISTR PLT	71,496	65,809	0.00456	5,687	9%	
4020.9350	MAINT OF GENERAL PLANT	159,702	78,255	0.00543	81,447	104%	Explanation provided
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>2,099,313</b>	<b>2,044,132</b>		<b>55,181</b>	<b>3%</b>	
4030.0000	DEPRECIATION	2,722,498	2,520,503	0.17479	201,995	8%	
4080.0000	TAXES OTHER THAN INCOME TAXES	3,982,172	3,957,576	0.27444	24,596	1%	
4090/4110	INCOME TAXES	544,785	666,437	0.04621	(121,652)	-18%	Fall-out of all Revenue and expense items above.
<b>TOTAL OPERATING EXPENSES</b>		<b>14,957,005</b>	<b>14,420,499</b>		<b>536,506</b>	<b>4%</b>	

NOTE: FUEL AND CONSERVATION ARE RECOVERED THROUGH THE PURCHASED POWER AND CONSERVATION CLAUSES IN OTHE DOCKETS.

Supporting Schedules:

Recap Schedules: C-12

Schedule C-8

DETAIL OF CHANGES IN EXPENSES

Page 3 of 4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
Historical Year 12/31/2006  
Prior Year 12/31/2005  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Explanations of increases/decreases

4010.583	\$14,000 due to shortage of available transformers which required removal of many installed in field that were not in use. \$12,000 of the increase was due to 2005 charges for relocation and removal of field transformers being charged to capital accounts instead of expense account 583.
4010.901	The Company did not have a Division Manager in Marianna for most of the 2006 year (\$23,000). Part of the salary of a temporary manager in Fernandina was charged to 901 supervision in 2005 but his job description changed in 2006 and 901 was no longer charged (\$34,000). Both manager positions include salary and transportation charges.
4010.902	Hiring & training three new meter readers in the electric divisions due to promotions and terminations \$19,000. In 2005 none of the Customer Service Supervisors salary was charged to 902. In 2006 30% was properly charged to meter reading expense \$13,000.
4010.905	Marianna lockbox operation expenses in the amount of \$16,249 were charged to account 903 in 2005 and 9051 in 2006.
4010.913	The Company incurred \$120,000 in informational advertising re: increase in Purchased Power Costs in 2006.
4010.916	The Company incurred \$12,000 in miscellaneous sales expense re: survey of electrical customers and their expectations, awareness of power costs increases and we can better communicate rate & conservation information.
4010.920	\$12,800 for cost of living and merit increases. \$9,100 revised job description for Director of Corporate Services. \$39,200 additional employees in IT and HR Departments \$10,600 for executive salary increases. \$40,000 for executive incentive program. \$11,900 due to capitalization of IT payroll in 2005. \$5,200 additional hours worked in A & G Departments.

4010.921	(\$17,300) IT data and telephone lines reclassified properly to account 935 in 2006. (\$28,400) IT hardware and software maintenance reclassified properly to account 935 in 2006. (\$6,100) due to change in allocation from 26% to 25% in 2006.
4010.923	\$23,000 Additional audit work from BDO, Seidman & Co.; Crowe, Chizek & Co.; and Grau & Co. re: Sarbane/Oxley requirements. \$7,600 for additional legal fees re: various human resource litigation cases. \$18,500 due to change in allocation for 29% in 2005 to 32% in 2006.
4010.928	\$12,100 represents one year of the write-off of fuel consulting fees over a five year period beginning Jan. 2006.
4010.930	The stock split in 2005 required a \$43,666 payment to the American Stock Exchange of which \$12,663 was allocated to Electric Operations. This was not incurred in 2006. Year 2005 included Annual Report expense for the 2004 Annual Report and the accrual for the 2005 Annual Report as of December, 2005. Year 2006 included only the accrual for the preparation and mailing of the 2006 Annual Report. The difference was approximately \$9,700 in reduced expenses on the books in 2006.

Supporting Schedules:

Recap Schedules: C-12

Schedule C-8

## DETAIL OF CHANGES IN EXPENSES

Page 4 of 4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
 Historical Year 12/31/2006  
 Prior Year 12/31/2005  
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## Explanations of increases/decreases

4020.570	Year 2006 includes a GE Energy charge of \$53,181 for transformer oil filtering and other routine transformer maintenance.
4020.571	Woodpecker damage repairs amounted to approximately \$32,900 in 2006. None in 2005.
4020.5920	During 2005 a transformer failed at the AIP substation. This caused significant work at the substation both with contracted and company labor and accounted for substantially all the decrease from year to year.
4020.5950	\$10,000 due to a delay in receiving new overhead transformers in 2006, which required additional contractor and Company maintenance on existing transformers to reuse in the field. \$20,104 for contracted and Company labor to analyze and monitor problems associated with the transformers and transfer switch at the Ritz Carlton Hotel
4020.5960	\$14,755 for after hours (darkness) street light audit and maintenance during the last three months of 2006. Outside contractors were used for this work.
4020.9350	\$77,500 represents vendors who were inappropriately charged to account 9213 in 2005. This amount also includes some upgrades to software and data response time. \$3,600 for New Generation Software AS400 upgrade plus annual maintenance. \$5,700 increase in routine maintenance to Corporate Office building. Maintenance varies from year to year due to age of structure and security requirements.

Supporting Schedules:

Recap Schedules: C-12

## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent ( 0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
#N/A

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Account Number	Account	Test Year Ended 12/31/2006	Prior Year Ended 12/31/2005	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)	Reason(s) for Change	
<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>							
4010 562	STATION EXPENSES	17,124	11,612	5,512	47.47%	TRUE	Still need reason
4010 566	MISC TRANS. EXPS	112	4,473	(4,361)	-97.50%	FALSE	#N/A
4010 580	OP SUPERVISION	307,122	333,852	(26,730)	-8.01%	FALSE	#N/A
4010 581	LOAD DISPATCHING	-	591	(591)	-100.00%	FALSE	#N/A
4010 582	STATION EXPENSES	47,082	49,932	(2,850)	-5.71%	FALSE	#N/A
4010 5831	OPERATION OF OVERHEA	51,417	49,868	1,549	3.11%	FALSE	#N/A
4010 5832	REMOVING & RESETTNG	61,388	31,533	29,855	94.68%	TRUE	reason provided for 583 in totl \$14,000 due to shortage of available transformers which required removal of many installed in field that were not in use. \$12,000 of
4010 5841	UNDERGROUND LINE EXP	3,529	4,128	(599)	-14.51%	FALSE	#N/A
4010 5842	UNDERGRND LINE EXPEN	26,070	24,212	1,858	7.67%	FALSE	#N/A
4010 585	STREET LIGHT EXPENSE	11,957	13,632	(1,675)	-12.29%	TRUE	Still need reason
4010 586	METER EXPENSES	255,670	250,175	5,495	2.20%	FALSE	#N/A
4010 5871	AREA LIGHT EXPENSE	52,046	45,526	6,520	14.32%	TRUE	Still need reason
4010 5872	OTHER CUSTOMER INSTA	41,208	41,080	128	0.31%	FALSE	#N/A
4010 5881	DISTRIBUTION MAPS &	99,182	105,849	(6,667)	-6.30%	FALSE	#N/A
4010 5882	OTHER DIST OFFICE SU	98,065	103,316	(5,251)	-5.08%	FALSE	#N/A
4010 5883	MISC DISTRIBUTION OF	10,420	20,225	(9,805)	-48.48%	TRUE	Would need reason for this aa
4010 589	RENTS	1,030	645	385	59.69%	FALSE	#N/A
4010 901	SUPERVISION	68,566	173,120	(104,554)	-60.39%	TRUE	Reason provided
4010 9011	SUPERVISION A&G	46,499	46,499	#DIV/0!	#DIV/0!	TRUE	The Company did not have a Division Manager in Marianna for most of the 2006 year (\$23,000). Part of the salary of a temporary n
4010 902	METER READING EXPENS	276,881	234,210	42,671	18.22%	TRUE	New Account
4010 903	CUSTOMER RECORDS/COL	497,552	745,761	(248,209)	-33.28%	TRUE	Reason provided
4010 9031	CUSTOMER RECORDS/COL	260,150	260,150	#DIV/0!	#DIV/0!	TRUE	Hiring & training three new meter readers in the electric divisions due to promotions and terminations \$19,000. In 2005 none of the t
4010 904	UNCOLLECTIBLE ACCOUN	87,415	(7,795)	95,210	-1221.42%	TRUE	Only need reason if accounts c
4010 905	MISC CUSTOMER ACCOUN	78,109	80,501	(2,392)	-2.97%	FALSE	New account
4010 9051	MISC CUSTOMER ACCNT	16,251	16,251	#DIV/0!	#DIV/0!	TRUE	Still need reason
							Marianna lockbox operation expenses in the amount of \$16,249 were charged to account 903 in 2005 and 9051 in 2006 .
4010 912	DEMONSTRATING & SELL	-	-	#DIV/0!	#DIV/0!	TRUE	New account
4010 9131	PROMOTIONAL ADVERTIS	-	8,705	(8,705)	-100.00%	FALSE	#N/A
4010 9132	CONSERVATION ADVERTI	1,537	8,496	(6,959)	-81.91%	FALSE	#N/A
4010 9133	SAFETY ADVERTISING	8,224	4,385	3,839	87.55%	TRUE	May not need reason if all adv
4010 9134	OTHER INFO/INSTR/CON	121,226	261	120,965	46346.74%	TRUE	#N/A
4010 9135	COMMUNITY AFFAIRS AD	-	-	#DIV/0!	#DIV/0!	TRUE	#N/A
4010 9136	OTHER ADVERTISING	-	-	#DIV/0!	#DIV/0!	TRUE	#N/A
4010 916	MISC SALES EXPENSE	13,249	1,999	11,250	562.78%	TRUE	The Company incurred \$12,000 in miscellaneous sales expense re: survey of electrical customers and their expectations, awareness
4010 920	ADM & GENERAL SALARIES	960,253	830,980	129,273	15.56%	TRUE	Explanation provided for 920
4010 9211	OFFICE SUPPLIES	10,633	13,018	(2,385)	-18.32%	TRUE	#N/A
4010 9212	OFFICE POSTAGE & MAI	6,958	4,717	2,241	47.51%	FALSE	#N/A
4010 9213	OFF Computer SUPP &	7,938	65,847	(57,909)	-87.94%	TRUE	#N/A
4010 9214	OFFICE UTILITY EXPEN	33,684	30,561	3,123	10.22%	TRUE	#N/A
4010 9215	MISC OFFICE EXPENSE	91,299	88,974	2,325	2.61%	FALSE	#N/A
4010 9216	CO TRAINING EXPENSE-	1,676	4,427	(2,751)	-62.14%	FALSE	#N/A
4010 9231	OUTSIDE SERVICES - O	17,912	6,913	10,999	159.11%	TRUE	#N/A
4010 9232	LEGAL FEES AND EXPEN	39,416	25,064	14,352	57.26%	TRUE	#N/A
4010 9233	OUTSIDE AUDIT & ACCO	139,758	119,888	19,870	16.57%	TRUE	#N/A
4010 924	PROPERTY INSURANCE	175,043	175,054	(11)	-0.01%	FALSE	#N/A
4010 9251	INJURIES AND	107,046	101,818	5,228	5.13%	FALSE	#N/A
4010 9252	GENERAL LIABILITY	331,330	324,983	6,347	1.95%	FALSE	#N/A
4010 9261	EMPLOYEE PENSIONS	408,817	374,465	34,352	9.17%	FALSE	#N/A
4010 9262	EMPLOYEE BENEFITS- O	438,333	418,678	19,655	4.69%	FALSE	#N/A
4010 9263	RETIREE BENEFITS-POS	47,893	77,526	(29,633)	-38.22%	TRUE	#N/A
4010 9264	401(K) EXPENSE COMPA	5,765	162	5,603	3458.64%	FALSE	#N/A
4010 928	REGULATORY EXPS	131,083	118,833	12,250	10.31%	TRUE	\$12,100 represents one year of the write-off of fuel consulting fees over a five year period beginning Jan. 2006.
4010 9301	INSTITUTIONAL/GOODWI	-	-	#DIV/0!	#DIV/0!	TRUE	#N/A
4010 9302	MISC GENERAL EXPENSES	76,622	93,218	(16,596)	-17.80%	TRUE	#N/A
4010 93022	INDUSTRY ASSOCIATION	4,390	4,403	(13)	-0.30%	FALSE	#N/A
4010 93023	ECONOMIC DEVELOPMENT	5,000	5,000	-	0.00%	FALSE	#N/A
4010 931	RENTS	8,307	7,030	1,277	18.17%	TRUE	#N/A
<b>TOTAL OPERATION EXPENSES</b>		<b>5,608,237</b>	<b>5,231,851</b>	<b>376,386</b>			#N/A
<b>MAINTENANCE EXPENSES (LESS FUEL &amp; CONSERVATION)</b>							
4020 570	MAINT STATION EQUIP	99,062	60,096	38,966	64.84%	TRUE	#N/A
4020 571	MAINT OVERHEAD LINES	77,953	52,312	25,641	49.02%	TRUE	#N/A
4020 573	MAINT MISC TRANS. PLT	446	-	446	#DIV/0!	#DIV/0!	FALSE
4020 590	MAINT SUPER/ENG	136,320	132,797	3,523	2.65%	FALSE	#N/A
4020 591	MAINT OF STRUCTURES	10,069	12,940	(2,871)	-22.19%	TRUE	#N/A
4020 592	MAINT OF STATION EQUIP	72,974	170,334	(97,360)	-57.16%	TRUE	#N/A
4020 5931	MAINT OF POLES/TOWER	44,530	80,062	(35,532)	-44.38%	TRUE	#N/A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide the changes in primary accounts that exceed 1/20th of one percent ( 0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change

Type of Data Shown

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

#N/A

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-E1

4020 5932	MAINT OF OVERHEAD CO	947,135	964,878	(17,743)	-1.84%	FALSE	#N/A
4020 5933	MAINT OF SERVICES	133,225	138,671	(5,446)	-3.93%	FALSE	#N/A
4020 5941	MAINT OF UNDERGROUND	7,461	8,881	(1,420)	-15.99%	FALSE	#N/A
4020 5942	MAINT OF UNDERGRND L	128,550	124,474	4,076	3.27%	FALSE	#N/A
4020 5951	MAINT OF LINE TRANSF	64,507	48,695	15,812	32.47%	TRUE	#N/A
4020 5952	MAINT OF LINE TRANSF	6,977	6,914	63	0.91%	FALSE	#N/A
4020 5953	MAINT OF LINE TRANSF	54,557	40,551	14,006	34.54%	TRUE	#N/A
4020 596	MAINT OF STREET LIGHTS	49,099	30,140	18,959	62.90%	TRUE	#N/A
4020 597	MAINT OF METERS	35,250	28,323	6,927	24.46%	TRUE	#N/A
4020 598	MAINT OF MISC DISTR PLT	71,496	65,809	5,687	8.64%	FALSE	#N/A
4020 935	MAINT OF GENERAL PLANT	159,702	78,255	81,447	104.08%	TRUE	#N/A
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>2,099,313</b>	<b>2,044,132</b>	<b>55,181</b>			
4030.0	DEPRECIATION EXPENSE	2,722,498	2,520,503	201,995	8.01%		
4080	TAXES OTHER THAN INCOME TAXES	3,982,172	3,957,576	24,596	0.62%		
4090/4110	INCOME TAXES	544,785	666,437	(121,652)	-18.25%		
<b>TOTAL OPERATING EXPENSES</b>		<b>14,957,005</b>	<b>14,420,499</b>	<b>536,506</b>			

Recap Schedules C-12

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
 Historical Year 12/31/2006  
 Prior Year 12/31/2005  
 Witness: Mehrdad Khojasteh

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Account Number	Account	Test Year Ended 12/31/2006 (000's)	Prior Year Ended 12/31/2005 (000's)	Increase/(Decrease) Dollars (4)-(3) (000's)	Percent (5)/(3) (%)	Reason(s) for Change
<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4010.5620	STATION EXPENSES	13	13	0	0%	
4010.5660	MISC. TRANS. EXPS.	0	8	8		
4010.5800	OP SUPERVISION	254	235	(19)	-7%	
4010.5810	LOAD DISPATCHING			0	0%	
4010.5820	STATION EXPENSES	14	34	20	143%	
4010.5830	OVHD LINES/TRANS	70	89	19	27%	
4010.5840	UNDERGROUND LINE EXP	12	35	23	192%	REASONS FOR CHANGES ARE ON PAGE 3
4010.5850	STREET LIGHT EXPENSE	17	28	11	65%	
4010.5860	METER EXPENSES	193	210	17	9%	
4010.5870	AREA LIGHT EXP.	76	99	23	30%	
4010.5880	MISC. DISTR.OFFICE EXP	172	162	(10)	-6%	
4010.5890	RENTS	6	13	7	117%	
4010.9010	SUPERVISION	104	97	(7)	-7%	
4010.9020	METER READING EXP.	208	221	13	6%	
4010.9030	CUSTOMER RECORDS	670	685	15	2%	
4010.9040	UNCOLL. ACCOUNTS	99	27	(72)	-73%	
4010.9050	MISC. CUST. ACCTS EXP.	75	77	2	3%	
4010.9130	ADVERTISING EXPENSE			0	0%	
4010.9160	MISC. SALES EXPENSE	3	3	0	0%	
4010.9200	ADM & GENERAL SALARIES	809	848	39	5%	
4010.9210	OFFICE SUPPLIES & EXP.	184	229	45	24%	
4010.9230	OUTSIDE SERVICES	64	95	31	48%	
4010.9240	PROPERTY INSURANCE	151	158	7	5%	
4010.9250	INJURIES AND DAMAGES	183	362	179	98%	REASONS FOR CHANGES ARE ON PAGE 3
4010.9260	EMPLOYEE PENSION/BEN	218	255	37	17%	
4010.9280	REGULATORY EXPS.	3	6	3	100%	
4010.9300	MISC GENERAL EXPENSES	80	130	50	63%	
4010.9310	RENTS	4	4	0	0%	
<b>TOTAL OPERATION EXPENSES</b>		<b>3,682</b>	<b>4,123</b>	<b>441</b>	<b>12%</b>	
<b>MAINTENANCE EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4020.5700	MAINT STATION EQUIP	77	20	(57)	-74%	
4020.5710	MAINT OVERHEAD LINES	33	24	(9)	-27%	
4020.5730	MAINT MISC TRANS. PLT.	0	0	0		
4020.5900	MAINT SUPER/ENG.	58	61	3	5%	
4020.5910	MAINT OF STRUCTURES	22	8	(14)	-64%	
4020.5920	MAINT OF STATION EQUIP	120	75	(45)	-38%	REASONS FOR CHANGES ARE ON PAGE 3
4020.5930	MAINT OF POLES/COND/SER	935	808	(127)	-14%	
4020.5940	MAINT OF U/G LINES	138	137	(1)	-1%	
4020.5950	MAINT OF TRANSFORMERS	109	87	(22)	-20%	
4020.5960	MAINT OF STREET LIGHTS	26	19	(7)	-27%	
4020.5970	MAINT OF METERS	26	38	12	46%	
4020.5980	MAINT OF MISC DISTR PLT	38	53	15	39%	
4020.9350	MAINT OF GENERAL PLANT	54	38	(16)	-30%	
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>1,636</b>	<b>1,368</b>	<b>(268)</b>	<b>-16%</b>	

4030.0000	DEPRECIATION	2132	2187	55	3%	
4080.0000	TAXES OTHER THAN INCOME TAXES	3120	3289	169	5%	
4090/4110	INCOME TAXES	396	293	(103)	-26%	Fall-out of all Revenue and expense items above.
TOTAL OPERATING EXPENSES		10,966	11,260	294	3%	

Supporting Schedules:

Recap Schedules: C-12

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:  
DOCKET NO.:

EXPLANATION Provide a schedule showing the change in cost,  
by functional group, for the last five years.

Type of Data Shown:  
Prior Years Ended 2002,03,04,05  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Description of Functional Group	Type of Cost	2002		2003		2004		2005		2005	
		Dollars	Percent Change	Dollars	Percent Change	Dollars	Percent Change	Dollars	Percent Change	Dollars	Percent Change
Purchased Power (1)	Variable	26,498		25,085	-5.33%	26,729	6.55%	29,720	11.19%	30,606	2.98%
Interchange Production	Semi-Variable										
Transmission	Semi-Variable	65		59	-9.23%	33	-44.07%	128	287.88%	194	51.56%
Distribution	Semi-Variable	2,191		2,244	2.42%	2,541	13.24%	2,927	15.19%	2,828	-3.38%
Customer Account	Semi-Variable	1,107		1,246	12.56%	1,281	2.81%	1,226	-4.29%	1,331	8.56%
Customer Service & Info (1)	Semi-Variable	487		382	-21.56%	383	0.26%	474	23.76%	456	-3.80%
Sales	Semi-Variable	3		5	66.67%	21	320.00%	24	14.29%	144	500.00%
Administrative and General	Semi-Variable	2,125		2,526	18.87%	2,740	8.47%	2,971	8.43%	3,208	7.98%
Depreciation	Fixed	2,187		2,416	10.47%	2,419	0.12%	2,520	4.18%	2,722	8.02%
Taxes	Semi-Variable	3,582		3,389	-5.39%	3,965	17.00%	4,624	16.62%	4,527	-2.10%
Interest (without AFUDC)	Semi-Variable	NOT AVAILABLE FOR CONSOLIDATED ELECTRIC OPERATIONS									
TOTAL		<u>38245</u>		<u>37,352</u>		<u>40,112</u>		<u>44,614</u>		<u>46,016</u>	

Note: Purchased Power and Conservation are recovered through the Purchased Power and Conservation Clauses in other dockets.

Supporting Schedules: C-6, C-7, C-8, C-12

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Cheryl Martin

COMPANY:

DOCKET NO.:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Vendor Name	Counsel, Consultant, Or Witness	Specific Services Rendered	Fee (\$)	Basis Of Charge	Travel Expenses (\$)	Other (\$)	Total (4+6+7) (\$)	Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
<b>TOTAL OUTSIDE CONSULTANTS</b>							<u>241,000</u>	
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
<b>TOTAL OUTSIDE LEGAL SERVICES</b>							<u>150,000</u>	
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
<b>TOTAL OTHER RATE CASE COSTS</b>							<u>337,000</u>	
<b>TOTAL RATE CASE COSTS</b>							<u>728,000</u>	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING

B = COST OF CAPITAL

C = ENGINEERING

L = LEGAL

O = OTHER

R = RATE DESIGN

S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438E1	\$ 423,780	4/4/2004	5 years	\$ 106,000	\$ 26,500
DOCKET NO.: 070304-E1	622,000	pending	4 years	652,000	155,500
<b>Total Annual Rate Case Amortization</b>					<u>\$ 182,000</u>

Supporting Schedules:

Recap Schedules: C12, C7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Years Ended 12/31/2002, 04, 05 and 06

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Year	Write-Offs (Retail)	Gross Revenues From Sales Of Electricity (Retail)	Adjustments to Gross Revenues (Specify)	Adjusted Gross Revenues	Bad Debt Factor (2)/(5)
1.	2002	75,649	41,335,703	\$ -	\$ 41,335,703	0.1830%
2.	2003	77,141	39,478,461	-	\$ 39,478,461	0.1954%
3.	2004	76,668	40,424,735	\$ -	\$ 40,424,735	0.1897%
4.	2005	87,665	47,686,561	\$ -	\$ 47,686,561	0.1838%
5.	Total	317,123	168,925,460	\$ -	\$ 168,925,460	0.1877%
6.	2006 Test Year	87,213	#REF!	\$ -	#REF!	#REF!
7.	prior Year 2007	90,352	53,115,151	\$ -	\$ 53,115,151	0.1701%
8.	Test Year 2008	222,567	61,822,965	\$ -	\$ 61,822,965	0.3600%

Calculation of the Bad Debt Component included in the Revenue Expansion Factor:

Supporting Schedules:

Recap Schedules: C-44

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Amount
	Total Miscellaneous General Expenses of \$100,000 or Less			
	<b>ACCOUNT 930.2</b>			
	9302 MISC. GENERAL EXPENS	76,622	100%	76,622
	93022 INDUSTRY ASSOCIATION	4,390	100%	4,390
	93023 ECONOMIC DEVELOPMENT	5,000	100%	5,000
	Miscellaneous General Expenses Exceeding \$100,000 (Specify)	-	100% 100%	- -
	Total Miscellaneous General Expenses	86,012		86,012
	Average Number of Customers	153		153
	Miscellaneous General Expenses Per Customer	562.17		562

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Amount
	ACCOUNT 913				
	909	INFO & INSTRUCTIONAL	159,139	100%	159,139
	Total Account 909		159,139		159,139
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTIS	-	100%	-
	9132	CONSERVATION ADVERTI	1,537	100%	1,537
	9133	SAFETY ADVERTISING	8,224	100%	8,224
	9134	OTHER INFO/INSTR/CON	121,226	100%	121,226
	9135	COMMUNITY AFFAIRS AD	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		130,987		130,987
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		290,126		290,126
	Average Number of Customers		153		153
	Advertising Expenses per Customer		1,896.25		1,896.25

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues include Type of Data Shown:  
 in cost of service by organization for the test year and t Projected Test Year Ended 12/31/2008  
 most recent historical year. Indicate the nature of each Prior Year Ended 12/31/2007  
 organization. Individual dues less than \$10,000 may b Historical Year Ended 12/31/2006  
 aggregated. Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.		Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	93022 Industry Association	4,390	100%	4,390
1 Details	Southeastern Electric Exchange Inv 2057	3,308	100%	3,308
2 Details	Florida Electric Power Coordinating Group	1,000	100%	1,000
3 Details	32% of Florida Institute of Certified Public Accountants	82	100%	82
4				
5	Total Industry Association Dues	4,390	100%	4,390
6				
7				
8				
9				
10				
11	Average Number of Customers	30,636	100%	30,636
12				
13	Dues Per Customer	0.14	100%	0.14
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Total Historic Year Costs	Electric Historic Year Costs	Electric Account(s) Charges
1	Accounting					
2	Aon Consulting Inc.	Actuarial work - pension and 401K	2420.3	70,764	22,644	9,233
3	Crowe, Chizek, and Company	Sarbanes Oxley 404/Internal audit	2420.3	144,059	46,099	9,233
4	BDO Seidman LLP	External audits - quarterly & annual	2420.3	211,980	67,834	9,233
5						
6	Financial					
7	Laurits R. Christiansen assoc.	Purchased Power Matters	557	228,132	192,122	557
8						
9						
10	Engineering					
11	Blasland, Bouck & Lee	Environmental Assessment - former MGP gas sites	2530.31	68,359	-	
12	Blasland, Bouck & Lee	Environmental Assessment - proposed land purchase	1070.389	4,799	-	
13						
14						
15	Legal					
16	Bryan Cave LLP	SEC corporate and securities matters	2420.31	41,566	13,301	9,232
17	Jackson Lewis LLP	Various human resource legal matters and fees	2420.31	48,814	15,620	
18	Messer, Caparello & Self	Renewable energy tariff	928/557	925	925	928/557
19	Messer, Caparello & Self	Fuel Docket	928/557	3,471	3,471	928/557
20	Messer, Caparello & Self	Street light tariff	2420.31	950	304	9,232
21	Messer, Caparello & Self	General Regulatory - Corporate	1840.9232	4,443	1,733	9,232
22	Messer, Caparello & Self	General Regulatory - Electric	928/910	1,649	1,649	928/910
23	Messer, Caparello & Self	General Regulatory - Gas	928/910/9121	3,138	-	
24	Messer, Caparello & Self	Storm recovery issues	928	11,091	11,091	928
25	Messer, Caparello & Self	Territorial issues	928/870	6,942	-	
26	Messer, Caparello & Self	Gas conservation plan	928/910	4,660	-	
27	Messer, Caparello & Self	Power contract	928	17,888	17,888	928
28	Reed Smith LLP	Fuel Docket	557	55,959	55,959	557
29						
30	Akerman, Senterfitt & Eidson	General Business Issues	1860.1	190	-	
31	Akerman, Senterfitt & Eidson	General Business Issues	2280.201	909	-	
32	Akerman, Senterfitt & Eidson	General Business Issues	2420.31	1,171	375	9,232
33	Akerman, Senterfitt & Eidson	General Business Issues	Gas 902	909	-	
34	Akerman, Senterfitt & Eidson	General Business Issues	1070.376	217	-	
35	Akerman, Senterfitt & Eidson	Land Purchase - escrow	1070.389	100,000	-	
36	Akerman, Senterfitt & Eidson	Business Forms & Agreements - Mdse	416	595	-	
37	Akerman, Senterfitt & Eidson	Business Forms & Agreements - Propane	146	2,646	-	
38	Akerman, Senterfitt & Eidson	Business Forms & Agreements - Gas	911916	1,567	-	
39	Akerman, Senterfitt & Eidson	Purchase Agreement - Monceaux Properties (gas)	880.2	1,339	-	
40						

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Total Historic Year Costs	Electric Historic Year Costs	Electric Account(s) Charges
41	Akerman, Senterfitt, Attorneys	Indoor Air Quality	1849.935	443	137	935
42	Akerman, Senterfitt, Attorneys	Patrick Hetherington	2280.201	24,649	-	
43	Akerman, Senterfitt, Attorneys	Alexander Kara	2420.31	7,548	2,415	9,232
44	Akerman, Senterfitt, Attorneys	Lake Worth Generation	2420.31	590	189	9,232
45	Akerman, Senterfitt, Attorneys	General Business Issues	2420.31	5,395	1,726	9,232
46	Akerman, Senterfitt, Attorneys	General Employment Issues	2420.31	220	70	9,232
47	Akerman, Senterfitt, Attorneys	General Environmental Issues	2420.31	3,044	974	9,232
48	Akerman, Senterfitt, Attorneys	Street Lighting Policy	2420.31	236	76	9,232
49	Akerman, Senterfitt, Attorneys	Simpson, ET AL	2420.31	1,632	522	9,232
50	Akerman, Senterfitt, Attorneys	FIBB UCC-3 Continuation Statement	2420.31	2,077	665	9,232
51	Akerman, Senterfitt, Attorneys	Manufactured Gas Plants - Various	2530.31	94,273	-	
52	Akerman, Senterfitt, Attorneys	Fernandina Land Swap	588.2	522	522	588
53	Akerman, Senterfitt, Attorneys	Jog Commercial Park (Gas)	1070.389	12,510	-	
54	Akerman, Senterfitt, Attorneys	Jog Commercial Park (Gas)	8802	3,025	-	
55	Akerman, Senterfitt, Attorneys	Florida Gas Transmission (Gas)	1070.376	1,382	-	
56						
57						
58						
59						
60	Safety					
61	Charles Shelton	Electric Safety Consultant	9251	45,089	45,089	9,251
62						
63						
64	Total Outside Professional Services				503,400	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning pension cost for the test year, and the most recent historical year if the test year is projected.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Description	Amount		
		Projected Test Year 2008	Projected Prior Year 2007	Historical Year 2006
1	Service Cost	1,195,000	1,130,000	1,225,495
2	Interest Cost	2,510,000	2,265,000	2,160,719
3	Actual Return on Assets	(2,564,617)	(2,440,000)	(3,977,806)
4	Net Amortization and Deferral	-	-	1,551,742
a	Amortization of Prior Service Cost	719,476	737,115	737,115
b	Curtailment	N/A	N/A	(97,858)
5	Total Net Periodic Pension Cost	1,859,859	1,692,115	1,599,407
6	For the Year:			
7	Amortization of Transition Asset or Obligation	-	-	-
8	Expected Return on Assets	2,585,867	2,440,000	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%	8.50%	8.50%
10	Amortization of Transition Asset or Obligation	-	-	-
11	Percent of Pension Cost Capitalized	20.00%	20.00%	15.00%
12	Pension Cost Recorded in Account 926	-	-	-
13	Minimum Required Contribution Per IRS	-	-	-
14	Maximum Allowable Contribution Per IRS	-	-	18,262,779
15	Actual Contribution Made to the Trust Fund	-	-	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	5.78%	8.00%	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated	Allocated	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll	Based on payroll	Based on payroll
20	At Year End:			
21	Accumulated Benefit Obligation	39,030,959	37,338,408	33,693,860
22	Projected Benefit Obligation	44,773,179	42,831,620	38,650,888
23	Vested Benefit Obligation	36,165,379	34,597,092	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0	0	0
25	Assumed Rate for Salary Increases	0	0	0
26	Fair Value of Plan Assets	38,170,000	36,900,000	35,635,214
27	Market Related Value of Assets	32,115,000	31,050,000	29,485,534
28	Balance in Working Capital (Specify Account No.)	-	-	-

## Supporting Schedules:

2006 Allocation Schedule - Approximately 29% of Pension Cost is allocated to the Electric Division  
 2007 Allocation Schedule - 27% of Pension Cost is allocated to the Electric Division

## Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,117
	4260.13	CIVIC AND SOCIAL	2,548
	<b>Total Civic and Charitable Contributions</b>		<b>13,665</b>
	4260.4	Lobbying & Other Political Expenses	167
	<b>Total Lobbying and Other Political Expenses and Charitable / Civic contri</b>		<b>13,832</b>

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Provide a schedule for each Amortization/Recovery amount  
by account or sub-account currently in effect or proposed  
and not shown on Schedule B-9.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

(1)	(2)	(3)	(4)	(5)
Line	Account/	Plant	Annual	
No.	Sub-account	Account	Amort/Recovery	Expense
	No.	Title	Expense	Account

NONE

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS ARE INCLUDED ON SCHEDULE B-9.

Supporting Schedules:

Recap Schedules:

FLOPIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLOPIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Type of Tax	(1) Rate	(2) Tax Basis (\$)	(3) Total Amount	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	(7) Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	2,862,280	22,898	1,332	100%	22,898	1,332
2.	State Unemployment	0.0129	2,862,280	36,923	1,017	100%	36,923	1,017
3.	FICA	0.0765	Payroll	2,458,362	241,758	100%	2,458,362	241,758
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5.	State Intangible	N/A	N/A	N/A	N/A	100%		
6.	Utility Assessment Fee	0.00072	44,254,768	34,408	34,408	100%	34,408	34,408
7.	Property	Various	32,942,277	513,886	513,886	100%	513,886	513,886
8.	Gross Receipts	0.025	44,254,768	1,184,787	1,184,784	100%	1,184,787	1,184,784
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,635	100%	2,012,632	2,012,635
10.	Occupational License	N/A	N/A	N/A	N/A	100%		
11.	Other (Specify)	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Emergency Excise Tax	Various	Various	613	613	100%	613	613
	Miscellaneous taxes							
12.	Total			6,256,248	3,982,172		6,256,248	3,982,172

Supporting Schedules: C7 C21

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4				(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	2,722,498	
9	LESS: TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)	(2,379,361)	
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)	(95,832)	
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002	4,002	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)	(62,382)	
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404	40,404	
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302	115,302	
17	PENSION COSTS	(539,996)	(539,996)		539,996	539,996	
18	VACATION PAY	(24,229)	(24,229)		24,229	24,229	
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343	40,343	
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045	8,045	
21	MISC DEFERRAL	(74)	(74)		74	74	
22	GENERAL LIABILITY	50,463	50,463		(50,463)	(50,463)	
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756	84,756	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,232)	(129,232)		129,232	129,232	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)	(23,910)	
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741			\$ (952,363)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 138,641			\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(26,118)			30,252		
41	Interest Sync and adjustment tax	1,241					
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)			\$ 30,252		
44							
45	STATE INCOME TAX	\$ 113,764			(22,128)		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37*state)		\$ 2,383,420			\$ (899,983)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 810,363			\$ (305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(149,991)			132,334	
52	Interest Sync. and adjustment tax		7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (142,734)			\$ 132,334	
58							
59	FEDERAL INCOME TAX		\$ 667,629			\$ (173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES		\$ 781,393			\$ (195,788)	
64							
65	ITC AMORTIZATION		\$ (32,322)				
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72							
73	CURRENT TAX EXPENSE	STATE	FEDERAL	TOTAL			
74	DEFERRED INCOME TAXES	113,764	667,629	781,393			
75	INVESTMENT TAX CREDITS, NET	(22,128)	(173,660)	(195,788)			
76	TOTAL INCOME TAX PROVISION	<u>91,636</u>	<u>493,969</u>	<u>585,605</u>			

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	(1) Historical Base Year Ended 2006	(2) Prior Year Ended 2007	(3) Test Year Ended 2008
1.	Interest on Long Term Debt (1)	1,268,418	1,277,132	1,173,525
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Recquired Debt (1)	-	-	-
4.	Interest on Short Term Debt	75,536	123,947	129,657
5.	Interest on Customer Deposits	129,626	166,567	186,223
6.	Other Interest Expense	-	-	-
7.	Less Allowance for Funds Used During Construction	-	-	-
8.	Total Interest Expense	1,473,580	1,567,647	1,489,405

(1) Amortization of Debt Discount, Premium, Issuing Expense and Loss on Recquired Debt have been included as part of the Interest on Long Term Debt

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If a projected test period is used, provide on both a projected and historical basis.

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.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock				
4.	Common Equity				
5.	Deferred Income Tax		Not Applicable		
6.	Investment Tax Credits				
7.	Other (specify)				
8.	Total	\$	100.00%		%
9.	Weighted cost of parent debt x 38.575% (or applicable consolidated tax rate) x equity of subsidiary			=	%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

To provide information required to present the excess/deficient deferred tax balances due to protected and unprotected timing differences at statutory tax rates different from the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line  
No.

Protected

Unprotected

Total  
(Excess/Deficient)

1.	Balance at Beginning of the Historical Year	16,289,924	1,657,563	17,947,487
2.	Historical Year Amortization	2,202,805	217,860	2,420,665
3.	Balance at Beginning of Historical Year + 1	14,087,119	1,439,703	15,526,822
4.	Historical Year + 1 Amortization	2,202,805	217,860	2,420,665
5.	Balance at Beginning of Projected Test Year	11,884,314	1,221,843	13,106,157
6.	Projected Test Year Amortization	2,202,805	217,860	2,420,665
7.	Balance at End of Projected Test Year	9,681,509	1,003,983	10,685,492

\* 2006 -2008 is estimate based on 2005 actual schedules

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a copy of the company's most recent consolidated  
Federal Income Tax Return, State Income Tax Return and  
most recent final IRS revenue agent's report.

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-E1			

There are no specific tax benefits or detriments in filing a consolidated return versus individual company returns. There are no existing tax-sharing agreements with affiliated companies.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the requested miscellaneous tax information.

Type of Data Shown:

Historical Years Ended 2004, 2005 and 2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

1. For profit and loss purposes, which IRC section 1552 method is used for tax allocation? SECTION 1.1552-1(A)
2. What tax years are open with the IRS? 2004 - FORWARD
3. For the last three tax years, what dollars were paid to or received from the parent for federal income taxes? NOT APPLICABLE
4. How were the amounts in (3) treated? NOT APPLICABLE
5. For each of the last three years, what was the dollar amount of interest deducted on the parent ONLY tax return? NOT APPLICABLE
6. Complete the following chart for the last three years:

	Income (loss)					
	Book Basis Year			Tax Basis Year		
	2004	2005	2006	2004	2005	2006
Parent Only		NOT APPLICABLE			NOT APPLICABLE	
Applicant Only		NOT APPLICABLE			NOT APPLICABLE	
Total Group (1)	3,593,719	4,247,817	4,168,781	(380,767)	4,978,347	*
Total Group Excluding Parent & Applicant		NOT APPLICABLE			NOT APPLICABLE	

(1) FPUC CONSOLIDATED INCLUDES WHOLLY OWNED SUBSIDIARY, FLO-GAS CORPORATION. THE APPLICANT - MARIANNA AND FERNANDINA BEACH DIVISIONS ARE OPERATING DIVISIONS OF FPUC.

\* 2006 INCOME TAX RETURN NOT COMPLETED AT THE TIME OF THIS FILING

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/_
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	--

No gains or losses in excess of \$1 million.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide a copy of the Diversification Report included in the company's most recently filed Annual Report as required by Rule 25-6.135, Florida Administrative Code. Provide any subsequent changes affecting the test year.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Mehrdad Khojasteh

See pages 455-460 from FERC FORM NO. 1 (2006) attached.  
No material changes expected in 2007 and 2008.

Supporting Schedules: C-30

---

Recap Schedules:

***Analysis of Diversification Activity***  
**New or Amended Contracts with Affiliated Companies**

Page 1 of 1

**COMPANY: FLORIDA PUBLIC UTILITIES COMPANY**  
**For the Year Ended December 31, 2006**

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

Name of Affiliated Company (a)	Synopsis of Contract (b)
	NONE

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

**COMPANY: FLORIDA PUBLIC UTILITIES COMPANY**

**For the Year Ended December 31, 2006**

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

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
None		

Page 456

**Analysis of Diversification Activity**  
Summary of Affiliated Transfers and Cost Allocations

Page 1 of 1

**Company: Florida Public Utilities Company**

**For the Year Ended December 31, 2006**

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

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

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
	SEE ATTACHED SCHEDULES				

457

**Analysis of Diversification Activity**  
**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

FLORIDA PUBLIC UTILITIES COMPANY  
For the Year Ended December 31, 2006

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

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		166,647	72,435	94,212	\$ N/A	\$ N/A	N/A
Flo-Gas Corporation	Meters	20,447	7,321	13,126	N/A	Transfer	N/A
	Transp Equipment	26,100	8,094	18,006	N/A	Transfer	N/A
	Regulators	242	122	120	N/A	Transfer	N/A
	Misc. Equipment	55,797	24,141	31,656	N/A	Transfer	N/A
	Computer Equipment	16,075	5,758	10,317	N/A	Transfer	N/A
	Lantana Yard	47,986	26,999	20,987	N/A	Transfer	N/A
Sales to Affiliates:		39,301	16,762	22,539	\$ N/A	Sales Price	N/A
	Transp Equipment	39,301	16,762	22,539	N/A	Transfer	N/A
	0	0	0	-	N/A	Transfer	N/A



# Analysis of Diversification Activity

Page 1 of 1

## Employee Transfers

**Company:** *Florida Public Utilities Company*

**For the Year Ended December 31, 2006**

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Flo-Gas Does Not Have Any Transfers				

Page 459

**Analysis of Diversification Activity**  
**Non-Tariffed Services and Products Provided by the Utility**  
**Company: Florida Public Utilities Company**  
**For the Year Ended December 31, 2006**

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

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

Page 460

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

## EXPLANATION:

Provide an analysis of all non-utility operations such as orange groves, parking lots, etc. that utilized all or part of any utility plant that are not included in Schedule C-31.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line Number	Account Number	Description	Original Purchase Cost	Test Year Revenues (All Accts. 454)	Expense Amounts	Net Revenues

NONE

---

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Historical Prior Years 2002 - 2006

Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 Year
<b>SUMMARY OF OTHER O&amp;M EXPENSES (DOLLARS PER CUSTOMER)</b>					
Power Production Expense					
Transmission Expenses	2.21	2.00	1.09	4.25	6.36
Distribution Expenses	75.34	76.41	85.11	96.85	92.36
Customer Account Expenses	38.04	42.46	42.86	40.55	43.48
Customer Service Expenses	16.73	12.99	12.80	15.67	14.90
Sales Expenses	0.11	0.32	0.72	0.79	4.71
Administration & General Expenses	73.03	86.08	91.89	98.23	104.79
Total Other O & M Expenses	205.46	220.27	234.47	256.34	266.59
<b>GROWTH INDICES</b>					
Consumer Price Index	179.90	184.00	188.90	195.30	201.60
Average Customer	29,084.00	29,365.00	29,885.00	30,232.00	30,623.00
CPI Percent Increase	0.02	0.02	0.03	0.03	0.03
Average Customer Percent Increase	0.02	0.01	0.02	0.01	0.01
Index Percent CPI x Customer Growth	0.03	0.03	0.04	0.05	0.05
Average Customer Increase	522	281	520	347	391
<b>DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:</b>					
O & M Expense Less Fuel per KWH Sold	0.00806	0.00894	0.00914	0.00952	0.00961
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a
Revenue per KWH Sold	0.01533	0.01606	0.01721	0.01725	0.01674
<b>AVERAGE NUMBER OF CUSTOMERS</b>					
Residential	1 n/a	1 n/a	22,878	23,119	23,464
Commercial	1 n/a	1 n/a	4,036	4,097	4,131
Industrial	1 n/a	1 n/a	2	2	2
Outdoor Lights	1 n/a	1 n/a	2,947	2,995	3,007
Street Lighting	1 n/a	1 n/a	22	19	19
Interdepartmental	1 n/a	1 n/a	0	0	0
Total	29,084	29,365	29,885	30,232	30,623

1 Lights incorporated with different rate classes prior to 2004 rate case.

KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616
-----------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules:

Recap Schedules: C-34

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following statistical data for the company,  
by calendar year for the most recent 5 historical years.

Type of Data Shown:

Prior Year Ended 12/31/2006

Historical Prior Years 2002 - 2005

Witness: Mark Cutshaw, Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division

DOCKET NO.: 070304-EI

	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Average Annual Growth Rate
THE LEVEL AND ANNUAL GROWTH RATES FOR:						
Peak Load MW	154	185	171	164	197	7.19%
Peak Load Per Customer (KW)	5	6	6	5	6	5.84%
Energy Sales (MWH)	741,038	723,823	766,349	814,353	849,124	3.52%
Energy Sales Per Customer	25	25	26	27	28	2.19%
Number of Customers (Average)	29,084	29,365	29,885	30,232	30,623	1.30%
Installed Generating Capacity (MW)	n/a	n/a	n/a	n/a	n/a	n/a
Population of Service Area	n/a	n/a	n/a	n/a	n/a	n/a
End of Year Miles of Distribution Lines	1,047	1,053	1,067	1,073	1,081	0.81%
End of Year Miles of Jurisdictional Transmission Lines	22	22	22	22	22	0.00%
Supporting Schedules:						Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:

Historical Year Ended 12/31/05

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: Florida Public Utilities Company  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	12/31/2005			12/31/2006		
	Amount	%Increase	CPI	Amount	%Increase	CPI
1 <u>Total Company Basis</u>						
2						
3						
4 Gross Payroll	16,785,347	N/A	3.40%	17,122,023	2.01%	3.20%
5 Gross Average Salary	47,450	N/A	3.40%	47,683	0.49%	3.20%
6						
7 <u>Fringe Benefits</u>						
8						
9 Life Insurance	100,682	N/A	3.40%	102,596	1.90%	3.20%
10 Medical Insurance	1,956,576	N/A	3.40%	1,878,220	-4.00%	3.20%
11 Retirement Plan - Pension	1,466,952	N/A	3.40%	1,599,407	9.03%	3.20%
12 Employee Savings Plan	N/A	N/A	3.40%	N/A	N/A	3.20%
13 Federal Insurance Contributions Act	2,416,398	N/A	3.40%	2,458,362	1.74%	3.20%
14 Federal & State Unemployment Taxes	65,840	N/A	3.40%	59,821	-9.14%	3.20%
15 Worker's Compensation	25,085	N/A	3.40%	14,981	-40.28%	3.20%
16 Other (Education, Service Awards, 17 Physicals, etc.) -SPECIFY						
18 Employee Stock Purchase Plan	60,948	N/A	3.40%	66,564	9.21%	3.20%
19 Sub Total-Fringes	6,092,481	N/A	3.40%	6,179,951	1.44%	3.20%
20						
21 Total Payroll and Fringes	22,877,828	N/A	3.40%	23,301,974	1.85%	3.20%
22						
23 Average Employees	354	N/A	3.40%	359	1.51%	3.20%
24						
25 Payroll and Fringes Per Employee	64,672	N/A	3.40%	64,893	0.34%	3.20%
26						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a comparison of the change in operation and maintenance expenses (excluding fuel) for the last three years and the test year to the CPI.

Type of Data Shown:  
 Prior Years Ended 12/31/2003, 04, 05  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	2002 (000's)	2003 (000's)	2004 (000's)	2005 (000's)	2006 (000's)	2007 (000's)	2008 (000's)
Non-Fuel Operations & Maintenance Expenses (Excluding Conservation, Adjusted for Regulatory Adjustments).	5,491	6,080	6,616	7,276	7,705	8,617	10,081
Percent Change in Non-Fuel Operations & Maintenance Expense Over Previous Year.		10.73%	8.82%	9.98%	5.90%	11.84%	16.99%
Percent Change in CPI Over Previous Year.		2.28%	2.66%	3.39%	3.23%	2.20%	2.30%
Difference Between Change in CPI and Non-Fuel Operations & Maintenance Expense.		8.45%	6.16%	6.59%	2.67%	9.64%	14.69%

(1) CPI projections used for 2007 &amp; 2008

Supporting Schedules: C-6, C-40

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses,  
provide the benchmark variances.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No.	Function	Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam									
2.	Production - Nuclear									
3.	Production - Other	30,606,436	(30,606,436)	-	-		-	-		-
4.	Transmission	194,697	-	194,697	65,207	1.3071	85,232	109,465		109,465
5.	Distribution	2,828,336	-	2,828,336	2,364,635	1.3071	3,090,814	(262,478)		(262,478)
6.	Customer Accounts	1,331,423	-	1,331,423	1,388,756	1.3071	1,815,243	(483,820)		(483,820)
7.	Customer Service and Information	456,161	(456,161)	-						
8.	Sales Expenses	144,236	-	144,236	2,708	1.3071	3,540	140,696		140,696
9.	Administrative and General	3,208,858	(250)	3,208,608	2,286,653	1.3071	2,988,884	219,724	219,724.00	439,448
10.	Total	38,770,147	(31,062,847)	7,707,300	6,107,959		7,983,713	(276,413)	219,724	(56,689)

Supporting Schedules: C-2, C-7, C-12, C-38, C-39, C-40, C-41

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the detail of adjustments made to test year per books  
O & M expenses by function.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Function	Adjustment	Explanation
1	Production - Steam	N/A	
2			
3	Production - Nuclear	N/A	
4			
5			
6			
7	Total Production	0	
8			
9	Other Power Supply	(30,606,436)	To remove Purchased Power costs which are recovered through the fuel docket.
10			
11	Transmission	0	
12			
13	Distribution	0	
14			
15	Customer Accounts	0	
16			
17	Customer Service and		
18	Information	(456,161)	To remove Conservation costs which are recovered through the conservation docket.
19			
20	Sales Expenses	0	
21			
22	Administrative & General	(250)	To remove Economic Development Expense from acct. 93023.
23			
24			
25		<u>(31,062,847)</u>	
26	Total Administrative & General		
27			
28			
29	TOTAL ADJUSTMENTS	(31,062,597)	

Supporting Schedules: C2

Recap Schedules: 37

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED ELECTRIC DIVISION  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide adjustments to benchmark year O & M expenses related to expenses recoverable through mechanisms other than base rates. Explain any adjustments.

Type of Data Shown:  
 \_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 \_\_\_ X Prior Year Ended 12/31/02  
 \_\_\_ Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 Witness:

Line No.	Function	Benchmark Year Actual O & M \$	Adjustments for Non-Base Rate Expense Recoveries	\$	Benchmark Year Adjusted O & M \$
1	PRODUCTION - STEAM	0		0	0
2	PRODUCTION - NUCLEAR	0		0	0
3	OTHER POWER SUPPLY EXPENSES	26,497,852	PURCHASED POWER RECOVERY CLAUSE	(26,497,852)	0
4	TRANSMISSION	65,207		0	65,207
5	DISTRIBUTION	2,364,635		0	2,364,635
6	CUSTOMER ACCOUNTS	1,388,756		0	1,388,756
7	CUSTOMER SERVICE AND INFORMATION	488,107	CONSERVATION RECOVERY CLAUSE	(488,107)	0
8	SALES EXPENSE	2,708		0	2,708
9	ADMINISTRATIVE AND GENERAL	2,286,653		0	2,286,653
10	TOTAL	<u>33,093,918</u>		<u>(26,985,959)</u>	<u>6,107,959 (1)</u>

(1) INCLUDES FIGURES AS FILED LAST RATE CASE PLUS FPSC AJUSTMENTS MADE PER ORDER NO. PSC-04-0369-AS-EI.

Supporting Schedules:

Recap Schedules: C-37

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each year since the benchmark year, provide the amounts and percent increases associated with customers and average CPI. Show the calculation for each compound multiplier.

Type of Data Shown:

Prior Years Ended 12/31/2002, 03, 04, 05

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Year	Total Customers			Average CPI-U (1967 = 100)			Inflation and Growth Compound Multiplier
	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	
2002	26,266		1.0000	179.9		1.0000	1.0000
2003	26,797	2.02%	1.0202	184.0	2.28%	1.0228	1.0435
2004	29,891	11.55%	1.138	188.9	2.66%	1.0500	1.1949
2005	30,243	1.18%	1.1514	195.3	3.39%	1.0856	1.2500
2006	30,636	1.30%	1.1664	201.6	3.23%	1.1206	1.3071

Supporting Schedules:

Recap Schedules: 37

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

\_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_

\_\_\_ Prior Year Ended \_\_\_/\_\_\_/\_\_\_

\_\_\_X\_\_\_ Historical Test Year Ended 12/31/06

Witness: M. KHOJASTEH

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

FERC ACCOUNTS: 911 - 917

FERC FUNCTIONAL GROUP: SALES EXPENSE

					AMOUNT	
TEST YEAR ADJUSTED					144,236	
BENCHMARK					3,540	
VARIANCE TO JUSTIFY					140,696	
LINE NO	JUSTIFICATION NO	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	S-1	INFORMATIONAL ADV -PURCH. POWER -ACCT 9134	0	0	120,402	120,402
2	S-2	CUSTOMER SATISFACTION SURVEY - ACCT 916	0	0	12,332	12,332
3	S-3	SAFETY ADVERTISING - ACCT 9133	774	1,012	8,224	7,212
4	S-4	PROMOTIONAL ADVERTISING - ACCT 9132	0	0	1,537	1,537

## JUSTIFICATION

S-1	INFORMATIONAL ADVERTISING RE: INCREASE IN PURCHASED POWER COSTS- VENDOR: CURLEY & PYN.
S-2	SURVEY OF ELECTRIC CUSTOMERS AND THEIR EXPECTATIONS. AWARENESS OF POWER COSTS INCREASES AND WHERE WE CAN BETTER COMMUNICATE RATE AND CONSERVATION INFORMATION.
S-3	STORM PREPARATION INFORMATIONAL ADVERTISING
S-4	CONSERVATION ITEMS WHICH DID NOT QUALIFY FOR RECOVERY THROUGH THE CONSERVATION RECOVERY CLAUSE.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide hedging expenses and plant balances by primary account for the test year and the preceding three years. Hedging refers to initiating and/or maintaining a non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for the utility's retail ratepayers, exclusive of the costs referenced in Paragraph 3, Page 5 of Order No. PSC-02-1484-FOF-EI. Show hedging expenses and plant recovered through base rates separate from hedging expenses and plant recovered through the fuel clause.

Type of Data Shown:  
 Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	2006		2007		2008	
			Base Rates	Cause	Base Rates	Cause	Base Rates	Cause
		Hedging Expense						
						Not Applicable		
		Total Hedging Expense						
		Hedging related capital investment						
		Total Hedging investment						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of security expenses and security plant balance by primary account and totals for the test year and the preceding three years.

Type of Data Shown:  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Show the security expenses recovered through base rates separate from security expenses recovered through the fuel/capacity clauses. Show the plant balances supporting base rates separate from the plant balances supporting the fuel/capacity clauses. Provide only those security costs incurred after, and as a result of, the terrorist events of September 11, 2001.

Line No.	Account No.	Account Title	2006		2007		2008	
			Base Rates	Cause	Base Rates	Cause	Base Rates	Cause
		Security Expense						
				Not Applicable				
		Total Security Expense						
		Security capital investment						
		Total Security investment						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	2.5000%
3.	Regulatory Assessment Rate	0.0720%
4.	Bad Debt Rate	0.1877%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>97.2403%</u>
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	<u>5.3482%</u>
8.	Net Before Federal Income Tax (5) - (7)	<u>91.8921%</u>
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	<u>31.2433%</u>
11.	Revenue Expansion Factor (8) - (10)	<u>60.6488%</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u>1.6488</u>

Supporting Schedules:

Recap Schedules:



Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Computer	FW C Schedules.msg <i>Continued Attachment 2</i>	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BIP3014 (C:)	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
ROXIO122 (D:)	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Exhibit 2.8	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
BACHMAN	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
COX	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTE	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
MARTIN	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
MESITE	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
CLeider on 'fp2\hc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flo	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Hg on 'Ground_flo	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Db on 'Ground_flo	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
123 on 'Ground_flo	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Sys on 'Ground_flo	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Transfer on 'Groun	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Fp26dos on 'Groun	FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Bat on 'Ground_flo	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Network Places	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW Updated R Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Thursday, August 02, 2007 5:21 PM  
**To:** Cox Doreen  
**Subject:** FW: C Schedules  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Attachments:** C-MFRS-8-2-07-Nolinks.xls, HC-MFRS-8-2-07-Nolinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 02, 2007 1:52 PM  
**To:** Martin Cheryl  
**Subject:** C Schedules

Cheryl:

Here are the updated C schedules. I still need to speak with Mehrdad regarding C-8 and there are a few details mentioned in my note to you on Monday that have not been resolved. These issues should be able to be solved very quickly. The print formats are by and large set.

I will send the D's in a moment.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Prior Year Ended 12/31/2007  
 Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)+(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	53,075,623		53,075,623	100%	53,075,623	(36,296,779)	16,778,844
3. Other Operating Revenues	708,456		708,456	100%	708,456	-	708,456
4. Total Operating Revenues	53,784,078		53,784,078	100%	53,784,078	(36,296,779)	17,487,299
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel			-	100%	-	-	-
8. Purchased Power	35,867,580		35,867,580	100%	35,867,580	(35,867,580)	-
9. Other	9,020,368		9,020,368	100%	9,020,368	(403,063)	8,617,304
10. Depreciation & Amortization	2,828,638		2,828,638	100%	2,828,638	(1,836)	2,826,802
11. Decommissioning Expense	-		-	100%	-	-	-
12. Taxes Other Than Income Taxes	4,010,760		4,010,760	100%	4,010,760	(26,133)	3,984,627
13. Income Taxes	(314,573)		(314,573)	100%	(314,573)	691	(313,882)
14. Deferred Income Taxes-Net	507,751		507,751	100%	507,751	-	507,751
15. Investment Tax Credit-Net	(29,538)		(29,538)	100%	(29,538)	-	(29,538)
16. (Gain)/Loss on Disposal of Plant			-	100%	-	-	-
17. Total Operating Expenses	51,890,987		51,890,987	100%	51,890,987	(36,297,922)	15,593,065
18. Net Operating Income	1,893,091		1,893,091	100%	1,893,091	1,143	1,894,234

Supporting Schedules: C-2, C-5, C-7

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	61,786,961		61,786,961	100%	61,786,961	(45,301,999)	16,484,962
3. Other Operating Revenues	702,003		702,003	100%	702,003	-	702,003
4. Total Operating Revenues	62,488,964		62,488,964	100%	62,488,964	(45,301,999)	17,186,965
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel			-	100%	-	-	-
8. Purchased Power	44,852,210		44,852,210	100%	44,852,210	(44,852,210)	-
9. Other	10,498,563		10,498,563	100%	10,498,563	(417,172)	10,081,391
10. Depreciation & Amortization	3,421,139		3,421,139	100%	3,421,139	(2,292)	3,418,847
11. Decommissioning Expense			-	100%	-	-	-
12. Taxes Other Than Income Taxes	4,320,401		4,320,401	100%	4,320,401	(32,618)	4,287,783
13. Income Taxes	(1,361,822)		(1,361,822)	100%	(1,361,822)	862	(1,360,960)
14. Deferred Income Taxes-Net	581,498		581,498	100%	581,498	-	581,498
15. Investment Tax Credit-Net	(27,935)		(27,935)	100%	(27,935)	-	(27,935)
16. (Gain)/Loss on Disposal of Plant			-	100%	-	-	-
17. Total Operating Expenses	62,284,054		62,284,054	100%	62,284,054	(45,303,430)	16,980,624
18. Net Operating Income	204,910		204,910	100%	204,910	1,431	206,341

Supporting Schedules: C-2, C-5, C-7

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
Operating Revenues:															
Sales of Electricity	53,075,623	(36,296,779)												(36,296,779)	16,778,844
Other Operating Revenues	708,456	0												-	708,456
Total Operating Revenues	53,784,078	(36,296,779)												(36,296,779)	17,487,299
Operating Expenses:														-	-
Operation & Maintenance:														-	-
Fuel (nonrecoverable)	-	-												-	-
Purchased Power	35,867,580	(35,867,580)												(35,867,580)	-
Other	9,020,368	(403,063)												(403,063)	8,617,304
Depreciation & Amortization	2,828,638	(1,836)												(1,836)	2,826,802
Decommissioning Expense	-	-												-	-
Taxes Other Than Income Taxes	4,010,760	(26,133)												(26,133)	3,984,627
Income Taxes	(314,573)	691												691	(313,882)
Deferred Income Taxes-Net	507,751	-												-	507,751
Investment Tax Credit-Net	(29,538)	-												-	(29,538)
(Gain)/Loss on Disposal of Plant	-	-												-	-
Total Operating Expenses	51,890,987	(36,297,922)												(36,297,922)	15,593,065
Net Operating Income	1,893,091	1,143												1,143	1,894,234

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
Operating Revenues:															
Sales of Electricity	61,786,961	(45,301,999)												(45,301,999)	16,484,962
Other Operating Revenues	702,003	0												-	702,003
Total Operating Revenues	62,488,964	(45,301,999)												(45,301,999)	17,186,965
Operating Expenses:	-													-	-
Operation & Maintenance:	-													-	-
Fuel (nonrecoverable)	-	-												-	-
Purchased Power	44,852,210	(44,852,210)												(44,852,210)	-
Other	10,498,563	(417,172)												(417,172)	10,081,391
Depreciation & Amortization	3,421,139	(2,292)												(2,292)	3,418,847
Decommissioning Expense	-	-												-	-
Taxes Other Than Income Taxes	4,320,401	(32,618)												(32,618)	4,287,783
Income Taxes	(1,361,822)	862												862	(1,360,960)
Deferred Income Taxes-Net	581,498	-												-	581,498
Investment Tax Credit-Net	(27,935)	-												-	(27,935)
(Gain)/Loss on Disposal of Plant	-	-												-	-
Total Operating Expenses	62,284,054	(45,303,430)												(45,303,430)	16,980,624
Net Operating Income	204,910	1,431												1,431	206,341

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel and Conservation Revenues	(36,296,779)	100%	(36,296,779)
3	Other Revenue - Commission				
4	Other Revenue - Company				
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company	Eliminate Fuel Expenses	(35,867,580)	100%	(35,867,580)
9	Fuel Expense - Commission				
10	Fuel Expense - Company	Eliminate Conservation Expenses	(403,063)	100%	(403,063)
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(1,836)	100%	(1,836)
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company	Eliminate Taxes other than Income	(26,133)	100%	(26,133)
19	Income Taxes - Commission				
20	Income Taxes - Company	Eliminate Income Taxes	691	100%	691
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company		0	100%	-

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Year Ended 12/31/2008

Consolidated Electric Division

Witness: Mehrdad Khojasteh, Cheryl Martin

DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel and Conservation Revenues	(45,301,999)	100%	(45,301,999)
3	Other Revenue - Commission				
4	Other Revenue - Company				
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company	Eliminate Fuel Expenses	(44,852,210)	100%	(44,852,210)
9	Fuel Expense - Commission				
10	Fuel Expense - Company	Eliminate Conservation Expenses	(417,172)	100%	(417,172)
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(2,292)	100%	(2,292)
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company	Eliminate Taxes other than Income	(32,618)	100%	(32,618)
19	Income Taxes - Commission				
20	Income Taxes - Company	Eliminate Income Taxes	862	100%	862
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company		0	100%	-
Supporting Schedules:			Recap Schedules:		



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
SALES OF ELECTRICITY													
440	Residential Sales		Billing Determinants	25,001,701	-	25,001,701	15,801,525	166,449	852,671	625,018		17,445,664	7,556,037
442	Commercial Sales		Billing Determinants	20,619,498	-	20,619,498	14,850,206	157,472	807,515	515,467		16,330,660	4,288,838
442	Industrial Sales		Billing Determinants	5,996,020	-	5,996,020	4,964,201	75,998	282,876	149,895		5,472,969	523,050
443	Outdoor Lighting		Billing Determinants	1,123,203	-	1,123,203	205,905	2,511	37,881	28,079		274,375	848,828
444	Public Street & Highway Lighting		Billing Determinants	335,201	-	335,201	71,586	925	13,070	8,380		93,961	241,241
445	Other Sales to Public Authorities			-	-	-						-	-
446	Sales to Railroads & Railways			-	-	-						-	-
448	Interdepartmental Sales			-	-	-						-	-
	Total Sales to Ultimate Consumers			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
447	Sales for Resale			-	-	-						-	-
	TOTAL SALES OF ELECTRICITY			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
OTHER OPERATING REVENUES													
450	Forfeited Discounts	99.65	Base Revenues	353,444	-	353,444						-	353,444
451	Miscellaneous Service Revenues	101.20	2	222,539	-	222,539						-	222,539
453	Sales of Water and Water Power			-	-	-						-	-
454	Rent from Electric Property	102.20	1	116,588	-	116,588						-	116,588
455	Interdepartmental Rents			-	-	-						-	-
456	Other Electric Revenues (In Detail)			-	-	-						-	-
4561	OVER-RECOVERY: FUEL AD		Direct	-	-	-	-					-	-
4562	MISC. ELECTRIC REVENUE	100.00	9	7,846	-	7,846						-	7,846
4563	Unbilled Revenue		Direct	8,039	-	8,039						-	8,039
4566	OVERRECOVERY: CONSER		Direct	-	-	-						-	-
	TOTAL OTHER OPERATING REVENUES			708,456	-	708,456	-	-	-	-	-	-	708,456
	TOTAL ELECTRIC OPERATING REVENUES			53,784,078	-	53,784,078	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	14,166,448

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account Type of Data Shown:  
 for the test year. Provide the per books amounts and the Projected Test Year Ended 12/31/2008  
 adjustments required to adjust the per books amounts to Prior Year Ended 12/31/2007  
 reflect the requested test year operating revenues. Historical Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other Gross Receipts	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
<b>SALES OF ELECTRICITY</b>													
440	Residential Sales	Billing Determinants		29,052,504	-	29,052,504	19,969,427	172,275	829,938	726,284		21,697,924	7,354,580
442	Commercial Sales	Billing Determinants		24,065,255	-	24,065,255	18,441,467	162,984	769,937	601,608		19,975,996	4,089,259
442	Industrial Sales	Billing Determinants		7,103,505	-	7,103,505	6,101,359	78,658	261,809	177,581		6,619,407	484,098
443	Outdoor Lighting	Billing Determinants		1,203,077	-	1,203,077	276,318	2,598	38,196	30,076		347,188	855,889
444	Public Street & Highway Lighting	Billing Determinants		362,619	-	362,619	95,955	958	13,190	9,065		119,167	243,452
445	Other Sales to Public Authorities			-	-	-	-	-	-	-		-	-
446	Sales to Railroads & Railways			-	-	-	-	-	-	-		-	-
448	Interdepartmental Sales			-	-	-	-	-	-	-		-	-
	Total Sales to Ultimate Consumers			61,786,961	-	61,786,961	44,884,527	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
447	Sales for Resale			-	-	-	-	-	-	-		-	-
	<b>TOTAL SALES OF ELECTRICITY</b>			61,786,961	-	61,786,961	44,884,527	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-		-	-
	<b>TOTAL REVENUE NET OF REFUND PROVISION</b>			61,786,961	-	61,786,961	44,884,527	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
<b>OTHER OPERATING REVENUES</b>													
450	Forfeited Discounts	96.80	Base Revenues	342,133	-	342,133	-	-	-	-		-	342,133
451	Miscellaneous Service Revenues	101.20	2	225,209	-	225,209	-	-	-	-		-	225,209
453	Sales of Water and Water Power			-	-	-	-	-	-	-		-	-
454	Rent from Electric Property	102.30	1	119,269	-	119,269	-	-	-	-		-	119,269
455	Interdepartmental Rents			-	-	-	-	-	-	-		-	-
456	Other Electric Revenues (In Detail)			-	-	-	-	-	-	-		-	-
4561	OVER-RECOVERY: FUEL AD		Direct	-	-	-	-	-	-	-		-	-
4562	MISC. ELECTRIC REVENUE	100.00	9	7,846	-	7,846	-	-	-	-		-	7,846
4563	Unbilled Revenue		Direct	7,546	-	7,546	-	-	-	-		-	7,546
4566	OVERRECOVERY: CONSER		Direct	-	-	-	-	-	-	-		-	-
	<b>TOTAL OTHER OPERATING REVENUES</b>			702,003	-	702,003	-	-	-	-	-	-	702,003
	<b>TOTAL ELECTRIC OPERATING REVENUES</b>			62,488,964	-	62,488,964	44,884,527	417,473	1,913,070	1,544,614	-	48,759,683	13,729,281

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Year Ended 12/31/06

Witness:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	2002 Year 1		2003 Year 2		2004 Year 3		2005 Year 4	
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BASE REVENUES										
1	4000.4400	RESIDENTIAL SALES	6,327	6,323	6,317	6,291	7,379	6,997	7,366	7,559
2	4000.4420	COMM. - SMALL	1,493	1,567	1,415	1,589	1,596	1,388	1,748	1,447
3	4000.4421	COMM. - LARGE	2,477	2,446	2,493	2,464	2,537	2,251	2,511	2,285
4	4000.4422	GSLD	0	0	0	0	548	358	551	575
5	4000.4423	INDUSTRIAL	545	453	565	450	572	507	550	556
6	4000.4430	OUTDOOR LIGHTING	0	0	0	0	546	749	687	824
7	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214
8	4000.4450	PUBLIC AUTH.	0		0	0	0	0	0	0
9	4000.4480	INTERDEPT.SALES	39	38	36	12	13	7	0	0
10	4000.4490	RATE REFUNDS	0	(30)	0	0	0	0	0	0
11										
12	4000.4500	FORFEITED DISC.	104	125	253	351	220	352	364	357
13	4000.4510	MISC. SERVICE REVENUE	134	165	132	125	147	200	255	246
14	4000.4540	RENT	105	104	106	105	108	106	108	116
15	4000.4560	MISC OTHER REVENUE	7	15	13	19	11	2	20	9
16										
17	TOTAL BASE REVENUES		11,392	11,385	11,598	11,593	13,926	13,122	14,325	14,188
18										
19										
20	OPERATING EXPENSES (LESS FUEL & CONSERVATION)									
21	4010.5620	STATION EXPENSES	0	13	18	16	24	13	18	11
22	4010.5660	MISC. TRANS. EXPS.	18	8	1	2	1	0	1	4
23										
24	4010.5800	OP SUPERVISION	239	235	215	247	347	283	318	334
25	4010.5820	STATION EXPENSES	13	34	41	41	50	39	50	50
26	4010.5830	OVHD LINES/TRANS	76	89	50	63	54	64	76	81
27										

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Year Ended 12/31/06

Witness:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	2002 Year 1		2003 Year 2		2004 Year 3		2005 Year 4	
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
28	4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28
29	4010.5850	STREET LIGHT EXPENSE	18	28	31	18	28	21	29	14
30	4010.5860	METER EXPENSES	188	210	176	229	241	228	247	250
31	4010.5870	AREA LIGHT EXP.	66	99	72	101	107	108	78	87
32	4010.5880	MISC. DISTR.OFFICE EXP	175	162	157	168	267	177	237	229
33	4010.5890	RENTS	18	13	18	6	13	17	39	1
34										
35	4010.9010	SUPERVISION	122	97	108	122	190	154	154	173
36	4010.9020	METER READING EXP.	173	221	204	242	234	233	253	234
37	4010.9030	CUSTOMER RECORDS	784	685	702	730	877	739	878	746
38	4010.9040	UNCOLL. ACCOUNTS	79	27	77	66	72	73	78	8
39	4010.9050	MISC. CUST. ACCTS. EXP.	56	77	137	86	85	82	97	81
40	4010.9130	ADVERTISING	1	3	0	3	4	19	7	22
41	4010.9160	MISC. SALES EXPENSE			0	2	1	2	3	2
42										
43	4010.9200	ADM & GENERAL SALARIES	732	848	981	833	886	825	1,011	831
44	4010.9210	OFFICE SUPPLIES & EXP.	196	229	172	187	172	195	206	203
45	4010.9230	OUTSIDE SERVICES	73	95	137	156	171	91	216	152
46	4010.9240	PROPERTY INSURANCE	164	158	165	162	229	182	160	175
47	4010.9250	INJURIES AND DAMAGES	206	362	353	591	436	475	471	427
48	4010.9260	EMPLOYEE PENSION/BEN	301	255	573	440	558	768	785	871
49	4010.9280	REGULATORY EXPS.	4	6	24	9	89	66	117	119
50	4010.9300	MISC GENERAL EXPENSES	88	130	94	78	61	87	104	103
51	4010.9310	RENTS	4	4	3	5	4	6	9	7
52										
53	<b>TOTAL OPERATION EXPENSES</b>		<b>3,813</b>	<b>4,123</b>	<b>4,533</b>	<b>4,639</b>	<b>5,235</b>	<b>4,975</b>	<b>5,673</b>	<b>5,243</b>
54										
55	<b>MAINTENANCE EXPENSE</b>									
56										
57	4020.5700	MAINT STATION EQUIP	39	20	23	32	42	11	72	60
58	4020.5710	MAIN OVERHEAD LINES	12	24	12	9	18	9	12	53
59	4020.5730	MAINT MISC TRANS. PLT	0	0	0	0	0	0	0	0
60										

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness:

Line No.	Account No.	Account Title	2002 Year 1		2003 Year 2		2004 Year 3		2005 Year 4	
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
61	4020.5900	MAINT SUPER/ENG	86	61	89	84	89	150	204	133
62	4020.5910	MAINT OF STRUCTURES	2	8	4	3	4	2	20	13
63	4020.5920	MAINT OF STATION EQUIP	74	75	112	57	182	60	84	170
64	4020.5930	MAINT OF POLES/COND/SER	861	808	676	855	1,021	989	1,076	1,184
65	4020.5940	MAINT OF U/G LINES	115	137	119	103	124	145	135	133
66	4020.5950	MAINT OF TRANSFORMERS	114	87	106	117	130	102	218	96
67	4020.5960	MAINT OF STREET LIGHTS	16	19	16	23	20	28	58	30
68	4020.5970	MAINT OF METERS	21	38	19	33	30	30	42	28
69	4020.5980	MAINT OF MISC DISTR PLT	35	53	37	60	54	70	64	66
70										
71	4020.9350	MAINT OF GENERAL PLANT	70	38	122	65	155	50	91	78
72										
73		<b>TOTAL MAINTENANCE EXPENSE</b>	<b>1,445</b>	<b>1,368</b>	<b>1,335</b>	<b>1,441</b>	<b>1,869</b>	<b>1,646</b>	<b>2,076</b>	<b>2,044</b>
74										
75	4030.1000	DEPRECIATION EXPENSE	2,225	2,116	2193	2333	2,608	2,323	2,473	2,404
76										
77	4030.2000	DEPRECIATION EXP. - COMMON	48	71	81	83	101	96	88	116
78										
79	4080.0000	TAXES OTHER THAN INC. TAXES	3,144	3,289	3,110	2,777	2,964	3,401	3,203	3,958
80										
81	4090.4100	INCOME TAXES CURRENT/DEF	490	349	269	664	619	604	516	701
82										
83	4110.0000	INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)
84										
85		<b>TOTAL OPERATING EXPENSES</b>	<b>11,119</b>	<b>11,260</b>	<b>11,469</b>	<b>11,885</b>	<b>13,349</b>	<b>13,005</b>	<b>13,994</b>	<b>14,431</b>

Supporting Schedules:

Recap Sched

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness:

Line No.	Account No.	Account Title	2006		2007		2008
			Year 5 Budget	Actual	Prior Year Budget	Actual	Test Year
BASE REVENUES							
1	4000.4400	RESIDENTIAL SALES	7,447	7,594	7,982	7,556	7,355
2	4000.4420	COMM. - SMALL	1,453	1,449	1,524	1,451	1,412
3	4000.4421	COMM. - LARGE	2,395	2,208	2,363	2,203	2,097
4	4000.4422	GSLD	573	643	659	635	581
5	4000.4423	INDUSTRIAL	543	546	545	523	484
6	4000.4430	OUTDOOR LIGHTING	773	853	874	849	856
7	4000.4440	PUBLIC ST&HWY	206	213	219	241	243
8	4000.4450	PUBLIC AUTH.	0	0	0	0	0
9	4000.4480	INTERDEPT.SALES	7	0	0	0	0
10	4000.4490	RATE REFUNDS	0	0	0	0	0
11							
12	4000.4500	FORFEITED DISC.	347	355	333		
13	4000.4510	MISC. SERVICE REVENUE	269	220	227		
14	4000.4540	RENT	123	114	110		
15	4000.4560	MISC OTHER REVENUE	5	8	9		
16							
17	TOTAL BASE REVENUES		14,141	14,203	14,845	13,458	13,028
18							
19							
20	OPERATING EXPENSES (LESS FUEL & CONSERVATION)						
21	4010.5620	STATION EXPENSES	19	17	16	43	43
22	4010.5660	MISC. TRANS. EXPS.	1	0	10	12	31
23							
24	4010.5800	OP SUPERVISION	346	307	339	380	436
25	4010.5820	STATION EXPENSES	51	47	50	380	100
26	4010.5830	OVHD LINES/TRANS	91	113	76	120	129
27							

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness:

Line No.	Account No.	Account Title	2006		2007		2008
			Year 5 Budget	Actual	Prior Year Budget	Actual	Test Year
28	4010.5840	UNDERGROUND LINE EXP	31	30	34	31	33
29	4010.5850	STREET LIGHT EXPENSE	47	12	14	13	14
30	4010.5860	METER EXPENSES	250	256	247	273	292
31	4010.5870	AREA LIGHT EXP.	103	93	91	100	106
32	4010.5880	MISC. DISTR.OFFICE EXP	230	208	215	273	312
33	4010.5890	RENTS	1	1	1	1	1
34							
35	4010.9010	SUPERVISION	190	115	160	123	134
36	4010.9020	METER READING EXP.	236	277	250	296	316
37	4010.9030	CUSTOMER RECORDS	772	758	690	801	869
38	4010.9040	UNCOLL. ACCOUNTS	80	87	63	88	217
39	4010.9050	MISC. CUST. ACCTS. EXP.	85	94	100	98	101
40	4010.9130	ADVERTISING	89	131	63	164	170
41	4010.9160	MISC. SALES EXPENSE	28	13	4	14	14
42							
43	4010.9200	ADM & GENERAL SALARIES	936	960	1,089	1,071	1,192
44	4010.9210	OFFICE SUPPLIES & EXP.	137	152	165	161	170
45	4010.9230	OUTSIDE SERVICES	270	197	231	285	300
46	4010.9240	PROPERTY INSURANCE	157	175	158	181	263
47	4010.9250	INJURIES AND DAMAGES	546	438	546	591	499
48	4010.9260	EMPLOYEE PENSION/BEN	881	901	867	914	1,006
49	4010.9280	REGULATORY EXPS.	110	131	121	134	254
50	4010.9300	MISC GENERAL EXPENSES	95	86	123	99	102
51	4010.9310	RENTS	7	8	7	8	9
52							
53	<b>TOTAL OPERATION EXPENSES</b>		<b>5,789</b>	<b>5,607</b>	<b>5,730</b>	<b>6,654</b>	<b>7,113</b>
54							
55	<b>MAINTENANCE EXPENSE</b>						
56							
57	4020.5700	MAINT STATION EQUIP	34	99	38	102	106
58	4020.5710	MAIN OVERHEAD LINES	12	78	31	81	83
59	4020.5730	MAINT MISC TRANS. PLT	0	0	0	0	0
60							

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness:

Line No.	Account No.	Account Title	2006		2007		2008
			Year 5 Budget	Actual	Prior Year Budget	Actual	Test Year
61	4020.5900	MAINT SUPER/ENG	138	136	131	147	163
62	4020.5910	MAINT OF STRUCTURES	10	10	8	10	11
63	4020.5920	MAINT OF STATION EQUIP	106	73	89	75	78
64	4020.5930	MAINT OF POLES/COND/SER	1,159	1,125	1,288	1,216	1,868
65	4020.5940	MAINT OF U/G LINES	130	136	119	151	161
66	4020.5950	MAINT OF TRANSFORMERS	82	126	89	135	144
67	4020.5960	MAINT OF STREET LIGHTS	30	49	35	52	56
68	4020.5970	MAINT OF METERS	32	35	37	38	40
69	4020.5980	MAINT OF MISC DISTR PLT	65	71	62	74	77
70							
71	4020.9350	MAINT OF GENERAL PLANT	188	160	156	168	181
72							
73		<b>TOTAL MAINTENANCE EXPENSE</b>	<b>1,986</b>	<b>2,098</b>	<b>2,083</b>	<b>2,249</b>	<b>2,968</b>
74							
75	4030.1000	DEPRECIATION EXPENSE	2,476	2,610	2,793	2,719	2,933
76							
77	4030.2000	DEPRECIATION EXP. - COMMON	120	112	112	108	132
78							
79	4080.0000	TAXES OTHER THAN INC. TAXES	3,913	3,982	4,380	4011	4320
80							
81	4090.4100	INCOME TAXES CURRENT/DEF	303	577	521	193	-780
82							
83	4110.0000	INVESTMENT TAX CREDIT	(32)	(32)	(32)	(30)	(28)
84							
85		<b>TOTAL OPERATING EXPENSES</b>	<b>14,555</b>	<b>14,954</b>	<b>15,587</b>	<b>15,904</b>	<b>16,658</b>

Supporting Schedules:

ules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:

Prior Year Ended 12/31/2007

#N/A

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
1		<b>OPERATING EXPENSES</b>									
2											
3	555-557	<b>Other Power Supply Expenses</b>									
4	555	PURCHASED POWER	Billing Determinants			2,732,628	3,331,037	2,578,653	2,645,833	3,108,065	3,315,527
5	55501	PURCHASED POWER-QUAL	19	0%		-	-	-	-	-	-
6	5551	UNDER REC:FUEL ADJ.	Calculated			234,546	(325,203)	247,468	(91,875)	(396,332)	(262,693)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%		-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%		(565)	5,421	(16,501)	245	44,573	105,507
9											
10	560-567.1	<b>Transmission Expenses - Operation</b>									
11	562	STATION EXPENSES	1	102.2%	25,000	2,434	2,604	2,939	3,860	4,066	6,168
12	566	MISC TRANSMISSION EXPENSES	13	103.4%	12,000	1,010	1,000	1,000	1,000	1,000	1,000
13											
14	580-589	<b>Distribution Expenses - Operation</b>									
15	580	OPERATION SUPERVISION & ENG	5	105.5%	56,408	32,573	25,183	34,414	28,073	32,589	33,368
16	581	LOAD DISPATCHING	13	103.4%		-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	45,000	7,825	6,058	8,000	8,694	6,744	10,572
18	5831	OPERATION OF OVERHEA	16	106.8%		2,596	2,471	4,357	3,454	3,307	5,907
19	5832	REMOVING & RESETTNG	16	106.8%		4,198	3,315	4,196	3,010	6,527	5,116
20	5841	UNDERGROUND LINE EXP	5	105.5%		-	68	716	-	559	263
21	5842	UNDERGRND LINE EXPEN	5	105.5%		1,540	1,888	3,967	2,028	4,535	4,524
22	585	STREET LIGHT/SIGNAL	16	106.8%		494	889	1,250	1,723	1,416	911
23	586	METER EXPENSES	16	106.8%		23,648	18,818	24,107	20,069	20,305	23,132
24	5871	AREA LIGHT EXPENSE	16	106.8%		3,587	5,387	4,747	4,080	3,346	3,572
25	5872	OTHER CUSTOMER INSTA	16	106.8%		3,041	2,833	4,611	1,544	6,922	4,406
26	5881	DISTRIBUTION MAPS &	16	106.8%	-	7,381	7,238	8,678	6,908	10,219	10,378
27	5882	OTHER DIST OFFICE SU	16	106.8%	50,800	11,670	9,638	14,868	12,750	11,444	16,637
28	5883	MISC DISTRIBUTION OF	16	106.8%		1,605	1,928	461	1,880	488	461
29	589	RENTS	1	102.2%		220	-	-	110	-	-
30											
31	901-905	<b>Customer Accounts - Operation</b>									
32	901	SUPERVISION	5	105.5%	1,428	11,897	387	5,457	5,062	5,201	4,927
33	9011	SUPERVISION A&G	5	105.5%		-	8,204	4,238	3,173	4,035	4,996
34	902	METER READING EXPENSE	16	106.8%		22,845	22,476	29,123	21,318	25,415	27,068
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	59,992	20,449	46,530	35,493	39,238	47,572
36	9031	CUSTOMER RECORDS/COL	5	105.5%	1,349	112	41,612	25,588	22,792	22,147	25,524
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	175	5,200	4,551	4,078	4,391	4,570	5,337
38	905	MISC CUSTOMER ACCOUNTS	13	103.4%		9,456	4,263	5,703	6,355	6,159	7,879
39	9051	MISC CUSTOMER ACCNT	13	103.4%		-	1,886	1,464	1,634	1,723	1,491
40											

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:

Prior Year Ended 12/31/2007

#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
41	906-910	Customer Service and Info - Operation									
42	9061	UNDERRECOVERY: CONSERVATION	Calculated			(12,464)	7,736	(20,268)	11,065	(17,737)	(3,204)
43	907	SUPERVISION	13	103.4%		6,184	6,989	8,129	6,326	7,973	5,716
44	908	CUSTOMER ASSISTANCE	13	103.4%		16,977	16,298	18,258	12,016	14,787	15,868
45	909	INFO & INSTRUCTIONAL	13	103.4%		20,794	851	23,319	(1,819)	24,505	15,440
46	910	MISC CUSTOMER SERVICE	13	103.4%		1,846	1,966	2,135	1,115	1,444	1,673
47											
48	911-917	Sales Expenses - Operation									
49	912	DEMONSTRATING & SELLING	5	105.5%		-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.4%		-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.4%		-	-	-	-	-	8,184
52	9133	SAFETY ADVERTISING	13	103.4%		143	-	-	150	1,794	1,781
53	9134	OTHER INFO/INSTR/CON	13	103.4%	28,800	7,736	7,766	8,355	12,823	10,303	10,291
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.4%		-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.4%		-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	13	103.4%		116	140	119	123	58	2,356
57											
58	920-933	Administrative & General - Operation									
59	920	ADM & GENERAL SALARIES	5	105.5%	58,302	85,059	85,110	93,667	83,130	92,799	92,854
60	9211	OFFICE SUPPLIES	1	102.2%		595	918	1,488	753	730	1,158
61	9212	OFFICE POSTAGE & MAI	1	102.2%		783	833	1,087	794	164	896
62	9213	OFF COMPUTER SUPP &	1	102.2%		6,371	686	(7,814)	4,982	(3,123)	401
63	9214	OFFICE UTILITY EXPENSE	1	102.2%		3,099	2,672	3,422	2,040	3,675	3,166
64	9215	MISC OFFICE EXPENSE	1	102.2%	-	5,431	7,182	8,546	7,604	6,235	6,980
65	9216	CO TRAINING EXPENSE	1	102.2%	5,200	433	569	790	433	482	536
66	9231	OUTSIDE SERVICES - O	1	102.2%		-	-	3,575	41	-	-
67	9232	LEGAL FEES AND EXPENSES	1	102.2%		2,197	1,357	491	1,308	12,133	6,363
68	9233	OUTSIDE AUDIT & ACCO	13	103.4%	82,150	18,615	18,615	25,532	19,165	18,751	18,751
69	924	PROPERTY INSURANCE	FPUC			13,510	13,510	13,510	13,510	13,510	13,510
70	9251	INJURIES AND DAMAGES	16	106.8%	632	7,404	3,459	15,089	3,752	9,728	14,731
71	9252	GENERAL LIABILITY	13	103.4%	133000	41,983	41,763	41,467	41,415	42,093	40,333
72	9261	EMPLOYEE PENSIONS	FPUC			27,245	27,245	27,245	27,245	27,245	27,245
73	9262	EMPLOYEE BENEFITS- O	FPUC			36,399	36,399	36,399	36,399	36,399	36,399
74	9263	RETIREE BENEFITS-POS	FPUC			4,025	4,025	4,025	4,025	4,025	4,025
75	9264	401(K) EXPENSE COMPA	16	106.8%		-	-	523	356	642	513
76	928	REGULATORY COMMISSION	1	102.2%	-	732	11,016	12,478	9,576	10,635	13,877
77	9301	INSTITUTIONAL/GOODWILL	13	103.4%		-	-	-	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.4%		3,230	4,984	14,229	4,662	5,534	6,594
79	93022	INDUSTRY ASSOCIATION	13	103.4%		1,034	(1,034)	1,034	-	85	-
80	93023	ECONOMIC DEVELOPMENT	13	103.4%	10,000	833	833	833	833	833	833
81	931	RENTS	1	102.2%		572	593	562	602	656	626

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:

Prior Year Ended 12/31/2007

#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
82											
83		<b>TOTAL OPERATING EXPENSES</b>				3,480,816	3,506,881	3,388,335	3,058,025	3,304,617	3,757,446
84		<b>Total Operating Expenses Less Fuel</b>				514,206	495,626	578,716	503,823	548,311	599,105
85		<b>Maintenance Expenses</b>									
86											
87	541-545.1	<b>Hydraulic Power Gen - Maintenance</b>									
88	554	MAINT OF MISC POWER	13	103.4%		-	-	-	-	-	-
89											
90	568-574	<b>Transmission Expenses - Maintenance</b>									
91	570	MAINT OF STATION EQUIP	13	103.4%		384	874	3,075	4,880	6,505	2,891
92	571	MAINT OF OVERHEAD LINES	13	103.4%		110	150	-	2,933	9,687	25,806
93	573	MAINT OF MISC TRANSMISSION	13	103.4%		-	-	-	-	-	-
94											
95	590-598	<b>Distribution Expenses - Maintenance</b>									
96	590	MAINT SUPERVISION & ENG	5	105.5%	2,856	15,473	17,208	20,088	11,972	9,337	10,353
97	591	MAINT OF STRUCTURES	13	103.4%		1,082	(156)	21	2,474	(746)	1,268
98	592	MAINT OF STATION EQUIP	13	103.4%		5,463	2,299	13,391	683	10,300	5,687
99	5931	MAINT OF POLES/TOWER	13	103.4%	-	13,392	2,354	10,727	2,452	995	2,755
100	5932	MAINT OF OVERHEAD CO	13	103.4%	53,248	61,398	52,002	112,733	48,321	105,902	124,050
101	5933	MAINT OF SERVICES	13	103.4%	-	11,333	6,996	9,447	7,671	11,525	14,052
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%		669	332	523	263	1,765	450
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	5,748	12,493	4,798	9,232	5,945	8,754	17,933
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%		3,193	3,168	4,322	5,079	6,976	8,683
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%		-	-	309	-	-	415
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%		3,361	1,262	4,999	2,423	3,325	10,633
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%		2,746	1,823	5,125	2,077	3,062	2,498
108	597	MAINT OF METERS	16	106.8%		2,152	2,563	3,368	5,974	2,262	2,954
109	598	MAINT OF MISC DIST PLANT	13	103.4%		5,678	4,681	5,912	3,033	3,649	5,797
110	935	<b>Administrative &amp; General - Maintenance</b>									
111	935	MAINT OF GENERAL PLANT	13	103.4%	2,800	14,071	8,034	28,226	10,071	22,284	11,214
112											
113		<b>TOTAL MAINTENANCE EXPENSES</b>				152,997	108,388	231,499	116,253	205,582	247,439
114											
115											
116											
117											
118											
119											
120											

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:

Prior Year Ended 12/31/2007

#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
121											
122		Other Operating Expenses									
123											
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct			222,040	222,710	223,530	223,886	224,295	226,662
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct								
126	4030.2	DEPR EXP-COMMON	Direct			8,241	8,241	8,243	8,575	8,604	8,969
127	403	Depreciation Expenses				230,281	230,951	231,773	232,461	232,899	235,631
128											
129	4070.3	Amortization - Storm Hardening	Direct			-	-	-	-	-	-
130	407	Storm Hardening				-	-	-	-	-	-
131											
132	4080.1	AD VALOREM TAXES	13	103.4%		45,718	45,718	45,718	45,718	45,718	45,718
133	4080.2	STATE GROSS RECEIPTS	Pass-Through			109,600	97,869	90,971	85,461	90,831	102,708
134	4080.3	FPSC ASSESSMENT	Direct			2,824	2,975	2,770	2,604	2,848	3,181
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%		-	-	-	-	-	(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT	5	105.5%		2,841	917	(237)	(794)	(779)	(1,052)
137	4080.6	STATE UNEMPLOYMENT T	5	105.5%		4,246	660	(401)	(1,292)	(1,266)	(1,693)
138	4080.7	F.I.C.A.	16	106.8%		20,269	18,798	34,560	18,521	19,768	17,882
139	4080.8	MISCELLANEOUS TAXES	13	103.4%		-	-	-	-	-	-
140	4080.11	FRANCHISE TAX	Pass-Through			165,307	168,573	154,315	144,349	153,678	172,227
141	408	Taxes Other Than Income Taxes				350,805	335,510	327,697	294,567	310,798	330,709
142											
143	4090.1	I/T -FEDERAL- UTIL O	Direct			(47,642)	(17,729)	(16,675)	(31,397)	4,881	32,569
144	4090.2	I/T -STATE - UTIL O	Direct			(10,480)	(3,980)	(3,678)	(6,903)	1,108	7,603
145	409	Income Taxes				(58,122)	(21,709)	(20,353)	(38,299)	5,990	40,171
146											
147	4100.1	DEFERRED I/T-FEDERAL	Direct			161,756	(52,016)	170,335	130,690	(185,508)	(431,022)
148	4100.2	DEFERRED I/T-STATE	Direct			32,457	(10,446)	34,197	26,213	(37,239)	(86,488)
149	4100.3	DEFERRED I/T AMORTIZ	Direct			-	-	-	-	-	-
150	4100.4	DEFERRED I/T AMORTIZ	Direct			-	-	-	-	-	-
151	410	Deferred Income Taxes				194,213	(62,462)	204,532	156,903	(222,746)	(517,510)
152											
153	4110.4	INVEST TAX CREDIT- U	Direct			(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)
154	411	Investment Tax Credit				(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)
155											
156		TOTAL OTHER OPERATING EXPENSES				714,716	479,828	741,187	643,169	324,478	86,539
157											
158		TOTAL EXPENSES INCLUDING FUEL				4,348,529	4,095,097	4,361,022	3,817,448	3,834,677	4,091,424

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested  
historical test ye  
maintenance ex

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
1		<b>OPERATING EXPENSES</b>									
2											
3	555-557	<b>Other Power Supply Expenses</b>									
4	555	PURCHASED POWER	Billing Determinants		3,535,784	3,566,175	2,971,190	2,726,914	2,521,665	2,756,882	35,790,353
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-	-	-	-	-
6	5551	UNDER REC:FUEL ADJ.	Calculated		180,420	(295,616)	395,298	373,758	(189,714)	(139,068)	(269,012)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%	1,041	26,650	59,797	1,081	39,811	79,179	346,239
9											
10	560-567.1	<b>Transmission Expenses - Operation</b>									
11	562	STATION EXPENSES	1	102.2%	2,456	3,283	3,525	4,266	2,698	4,202	42,501
12	566	MISC TRANSMISSION EXPENSES	13	103.4%	1,000	1,000	1,105	1,000	1,000	1,000	12,116
13											
14	580-589	<b>Distribution Expenses - Operation</b>									
15	580	OPERATION SUPERVISION & ENG	5	105.5%	27,753	34,631	35,651	27,357	26,869	41,960	380,422
16	581	LOAD DISPATCHING	13	103.4%	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	6,228	6,970	6,775	8,112	8,067	10,626	94,672
18	5831	OPERATION OF OVERHEA	16	106.8%	3,134	6,300	3,190	9,324	8,721	2,152	54,913
19	5832	REMOVING & RESETTNG	16	106.8%	8,282	7,200	8,364	7,339	3,352	4,663	65,562
20	5841	UNDERGROUND LINE EXP	5	105.5%	295	294	504	315	406	302	3,723
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,589	1,136	2,085	860	1,345	2,007	27,504
22	585	STREET LIGHT/SIGNAL	16	106.8%	397	1,340	918	751	1,792	889	12,770
23	586	METER EXPENSES	16	106.8%	19,957	21,802	25,877	28,470	25,661	21,212	273,056
24	5871	AREA LIGHT EXPENSE	16	106.8%	4,121	4,817	5,365	5,094	4,090	7,378	55,585
25	5872	OTHER CUSTOMER INSTA	16	106.8%	4,266	4,041	3,258	2,926	3,367	2,795	44,010
26	5881	DISTRIBUTION MAPS &	16	106.8%	8,168	9,414	6,035	8,744	8,877	13,887	105,926
27	5882	OTHER DIST OFFICE SU	16	106.8%	12,688	9,086	16,555	7,882	13,261	19,054	155,533
28	5883	MISC DISTRIBUTION OF	16	106.8%	555	559	461	423	742	1,565	11,129
29	589	RENTS	1	102.2%	110	353	-	68	18	173	1,053
30											
31	901-905	<b>Customer Accounts - Operation</b>									
32	901	SUPERVISION	5	105.5%	4,532	4,961	4,934	7,760	6,896	11,750	73,765
33	9011	SUPERVISION A&G	5	105.5%	3,265	5,353	4,502	3,253	4,893	3,144	49,056
34	902	METER READING EXPENSE	16	106.8%	23,611	26,563	24,338	24,131	24,849	23,970	295,709
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	44,634	47,108	44,297	45,136	44,560	49,909	524,917
36	9031	CUSTOMER RECORDS/COL	5	105.5%	22,547	20,894	22,692	22,227	20,879	28,794	275,807
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	6,101	5,930	6,163	5,052	4,246	31,976	87,590
38	905	MISC CUSTOMER ACCOUNTS	13	103.4%	5,025	6,476	5,999	4,062	6,603	12,785	80,765
39	9051	MISC CUSTOMER ACCNT	13	103.4%	1,211	1,592	1,409	1,382	1,456	1,555	16,804
40											

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested  
historical test ye  
maintenance ex

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
41	906-910	Customer Service and Info - Operation									
42	9061	UNDERRECOVERY: CONSERVATION	Calculated		6,610	(3,122)	(10,101)	1,433	(14,696)	(13,859)	(68,607)
43	907	SUPERVISION	13	103.4%	3,034	9,057	3,175	6,211	5,439	8,221	76,455
44	908	CUSTOMER ASSISTANCE	13	103.4%	15,714	18,921	17,098	19,569	18,652	22,945	207,105
45	909	INFO & INSTRUCTIONAL	13	103.4%	14,726	10,675	24,254	6,180	15,543	10,083	164,550
46	910	MISC CUSTOMER SERVICE	13	103.4%	1,690	1,522	4,077	1,462	1,714	2,917	23,561
47											
48	911-917	Sales Expenses - Operation									
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.4%	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.4%	-	-	(6,595)	6,595	(6,595)	-	1,589
52	9133	SAFETY ADVERTISING	13	103.4%	2,488	-	151	-	-	1,998	8,504
53	9134	OTHER INFO/INSTR/CON	13	103.4%	7,570	27,530	7,684	22,291	15,466	16,332	154,148
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.4%	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.4%	-	-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	13	103.4%	31	12,769	(2,208)	27	55	114	13,699
57											
58	920-933	Administrative & General - Operation									
59	920	ADM & GENERAL SALARIES	5	105.5%	88,613	94,568	88,423	87,917	90,338	88,891	1,071,369
60	9211	OFFICE SUPPLIES	1	102.2%	1,214	1,286	886	625	633	582	10,867
61	9212	OFFICE POSTAGE & MAI	1	102.2%	35	786	91	782	21	839	7,111
62	9213	OFF COMPUTER SUPP &	1	102.2%	1,005	1,486	2,606	204	965	344	8,113
63	9214	OFFICE UTILITY EXPENSE	1	102.2%	2,255	2,800	2,241	3,586	2,659	2,811	34,425
64	9215	MISC OFFICE EXPENSE	1	102.2%	11,302	2,969	7,588	9,484	8,237	11,749	93,308
65	9216	CO TRAINING EXPENSE	1	102.2%	433	482	444	1,383	494	433	6,913
66	9231	OUTSIDE SERVICES - O	1	102.2%	1,803	-	2,099	645	6,755	3,388	18,306
67	9232	LEGAL FEES AND EXPENSES	1	102.2%	1,866	3,407	1,349	3,221	3,246	3,344	40,283
68	9233	OUTSIDE AUDIT & ACCO	13	103.4%	16,547	16,547	16,547	6,738	15,978	34,873	226,660
69	924	PROPERTY INSURANCE	FPUC		13,510	13,510	13,949	13,955	13,952	31,304	181,238
70	9251	INJURIES AND DAMAGES	16	106.8%	8,292	9,759	11,946	8,872	11,237	10,689	114,957
71	9252	GENERAL LIABILITY	13	103.4%	38,497	41,424	41,412	39,396	39,672	26,139	475,595
72	9261	EMPLOYEE PENSIONS	FPUC		27,245	27,245	28,130	28,143	28,136	63,130	365,497
73	9262	EMPLOYEE BENEFITS- O	FPUC		36,399	36,399	37,582	37,598	37,590	84,341	488,303
74	9263	RETIREE BENEFITS-POS	FPUC		4,025	4,025	4,156	4,158	4,157	9,327	54,000
75	9264	401(K) EXPENSE COMPA	16	106.8%	598	(3,247)	4,454	685	782	852	6,157
76	928	REGULATORY COMMISSION	1	102.2%	9,157	10,880	16,191	8,255	13,638	17,533	133,967
77	9301	INSTITUTIONAL/GOODWILL	13	103.4%	-	-	-	-	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.4%	2,119	5,593	6,229	4,999	10,271	10,784	79,227
79	93022	INDUSTRY ASSOCIATION	13	103.4%	3,420	-	-	-	-	-	4,539
80	93023	ECONOMIC DEVELOPMENT	13	103.4%	833	6,003	833	833	833	833	15,170
81	931	RENTS	1	102.2%	626	598	838	41	1,708	1,067	8,490

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested  
historical test ye  
maintenance exj

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
82											
83		<b>TOTAL OPERATING EXPENSES</b>			4,250,827	3,882,186	3,985,816	3,652,978	2,923,292	3,446,745	42,637,966
84		<b>Total Operating Expenses Less Fuel</b>			533,583	584,977	559,530	551,225	551,531	749,752	6,770,386
85		<b>Maintenance Expenses</b>									
86											
87	541-545.1	<b>Hydraulic Power Gen - Maintenance</b>									
88	554	MAINT OF MISC POWER	13	103.4%	-	-	-	-	-	-	-
89											
90	568-574	<b>Transmission Expenses - Maintenance</b>									
91	570	MAINT OF STATION EQUIP	13	103.4%	2,587	2,606	2,382	2,426	2,705	71,115	102,430
92	571	MAINT OF OVERHEAD LINES	13	103.4%	8,305	12,768	8,719	5,886	7,539	(1,298)	80,603
93	573	MAINT OF MISC TRANSMISSION	13	103.4%	-	-	-	-	-	461	461
94											
95	590-598	<b>Distribution Expenses - Maintenance</b>									
96	590	MAINT SUPERVISION & ENG	5	105.5%	7,624	9,906	9,384	9,285	7,007	19,037	146,674
97	591	MAINT OF STRUCTURES	13	103.4%	610	1,378	4,222	(268)	526	-	10,411
98	592	MAINT OF STATION EQUIP	13	103.4%	3,465	10,148	7,520	231	2,692	13,577	75,455
99	5931	MAINT OF POLES/TOWER	13	103.4%	3,826	2,649	1,330	1,218	839	3,508	46,044
100	5932	MAINT OF OVERHEAD CO	13	103.4%	93,244	78,372	104,711	79,711	97,583	74,556	1,032,586
101	5933	MAINT OF SERVICES	13	103.4%	11,936	15,190	12,201	10,344	10,056	17,003	137,755
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%	281	609	586	651	784	1,055	7,968
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	37,035	10,205	10,818	7,138	7,594	11,094	143,039
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%	5,380	4,963	8,956	17,211	8,738	(7,776)	68,893
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%	8,805	340	31	(883)	(1,988)	423	7,451
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%	3,876	10,294	4,433	3,917	7,241	2,501	58,267
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%	3,878	3,153	1,945	3,100	9,708	13,322	52,438
108	597	MAINT OF METERS	16	106.8%	3,245	2,768	4,243	2,053	2,669	3,395	37,647
109	598	MAINT OF MISC DIST PLANT	13	103.4%	3,869	5,248	5,844	4,933	11,939	13,345	73,927
110	935	<b>Administrative &amp; General - Maintenance</b>									
111	935	MAINT OF GENERAL PLANT	13	103.4%	15,619	12,860	8,036	13,394	11,048	13,075	167,932
112											
113		<b>TOTAL MAINTENANCE EXPENSES</b>			213,584	183,457	195,362	160,347	186,679	248,395	2,249,982
114											
115											
116											
117											
118											
119											
120											

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

If the requested  
historical test ye  
maintenance exj

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
121											
122		Other Operating Expenses									
123											
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct		227,421	228,303	228,941	230,421	230,949	231,538	2,720,692
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct								(1,836)
126	4030.2	DEPR EXP-COMMON	Direct		9,060	9,119	9,320	9,443	9,889	10,242	107,946
127	403	Depreciation Expenses			236,481	237,422	238,261	239,864	240,838	241,780	2,828,638
128											
129	4070.3	Amortization - Storm Hardening	Direct		-	-	-	-	-	-	-
130	407	Storm Hardening			-	-	-	-	-	-	-
131											
132	4080.1	AD VALOREM TAXES	13	103.4%	45,718	45,718	45,718	45,718	37,088	37,088	531,358
133	4080.2	STATE GROSS RECEIPTS	Pass-Through		119,260	112,935	116,828	97,125	81,319	91,611	1,196,518
134	4080.3	FPSC ASSESSMENT	Direct		3,804	3,504	3,440	2,894	2,230	2,750	35,823
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%	-	-	-	-	-	-	(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT	5	105.5%	64	135	73	43	74	120	1,405
137	4080.6	STATE UNEMPLOYMENT T	5	105.5%	103	217	117	69	118	194	1,073
138	4080.7	F.I.C.A.	16	106.8%	19,839	35,204	19,643	18,605	19,121	15,988	258,198
139	4080.8	MISCELLANEOUS TAXES	13	103.4%	-	324	310	-	-	-	634
140	4080.11	FRANCHISE TAX	Pass-Through		195,482	189,452	195,131	163,082	137,034	155,384	1,994,012
141	408	Taxes Other Than Income Taxes			384,272	387,490	381,260	327,536	276,984	303,134	4,010,760
142											
143	4090.1	I/T-FEDERAL- UTIL O	Direct		(53,645)	(47,759)	(35,302)	(40,964)	(2,304)	(1,913)	(257,878)
144	4090.2	I/T-STATE - UTIL O	Direct		(12,048)	(10,530)	(7,810)	(9,019)	(504)	(453)	(56,695)
145	409	Income Taxes			(65,693)	(58,289)	(43,111)	(49,983)	(2,808)	(2,367)	(314,573)
146											
147	4100.1	DEFERRED I/T-FEDERAL	Direct		129,199	43,449	132,614	266,330	(33,320)	90,378	422,887
148	4100.2	DEFERRED I/T-STATE	Direct		25,932	8,729	26,609	53,454	(6,708)	18,154	84,864
149	4100.3	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-	-
150	4100.4	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-	-
151	410	Deferred Income Taxes			155,132	52,178	159,224	319,784	(40,028)	108,531	507,751
152											
153	4110.4	INVEST TAX CREDIT- U	Direct		(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(29,538)
154	411	Investment Tax Credit			(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(29,538)
155											-
156		TOTAL OTHER OPERATING EXPENSES			707,729	616,339	733,171	834,740	472,525	648,617	7,003,039
157											
158		TOTAL EXPENSES INCLUDING FUEL			5,172,141	4,681,982	4,914,349	4,648,065	3,582,496	4,343,756	51,890,987

Supporting Schedules:



FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.		Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A						
COMPANY: FLORIDA PUBLIC UTILITIES										
Consolidated Electric Division										
DOCKET NO.: 070304-EI										
Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
1	<b>OPERATING EXPENSES</b>									
2										
3	555-557	<b>Other Power Supply Expenses</b>								
4	555	PURCHASED POWER	Billing Determinants		3,414,137	4,161,787	3,221,760	3,305,695	3,883,206	4,142,408
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-	-	-	-
6	5551	UNDER REC:FUEL ADJ.	Calculated		296,157	(401,650)	308,154	(111,924)	(481,034)	(298,428)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%	(565)	5,421	(16,501)	245	44,573	105,507
9										
10	560-567.1	<b>Transmission Expenses - Operation</b>								
11	562	STATION EXPENSES	1	102.3%	25,575	2,490	2,663	3,006	3,948	6,310
12	566	MISC TRANSMISSION EXPENSES	13	103.5%	30,960	2,591	2,580	2,580	2,580	2,580
13										
14	580-589	<b>Distribution Expenses - Operation</b>								
15	580	OPERATION SUPERVISION & ENG	5	105.5%	93,828	37,224	29,428	39,166	32,477	38,063
16	581	LOAD DISPATCHING	13	103.5%	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	47,475	8,256	6,392	8,440	9,172	11,153
18	5831	OPERATION OF OVERHEA	16	106.8%	2,773	2,639	4,654	3,689	3,531	6,309
19	5832	REMOVING & RESETTNG	16	106.8%	4,484	3,540	4,482	3,214	6,970	5,464
20	5841	UNDERGROUND LINE EXP	5	105.5%	-	71	756	-	590	277
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,625	1,992	4,185	2,139	4,785	4,773
22	585	STREET LIGHT/SIGNAL	16	106.8%	528	949	1,335	1,840	1,512	973
23	586	METER EXPENSES	16	106.8%	25,256	20,098	25,746	21,433	21,686	24,705
24	5871	AREA LIGHT EXPENSE	16	106.8%	3,831	5,753	5,070	4,357	3,574	3,815
25	5872	OTHER CUSTOMER INSTA	16	106.8%	3,247	3,026	4,924	1,649	7,392	4,705
26	5881	DISTRIBUTION MAPS &	16	106.8%	20,909	9,625	11,010	9,120	12,656	12,826
27	5882	OTHER DIST OFFICE SU	16	106.8%	54,254	12,463	10,294	15,880	13,617	12,223
28	5883	MISC DISTRIBUTION OF	16	106.8%	1,714	2,059	493	2,007	521	493
29	589	RENTS	1	102.3%	225	-	-	113	-	-
30										
31	901-905	<b>Customer Accounts - Operation</b>								
32	901	SUPERVISION	5	105.5%	5,791	12,908	765	6,114	5,697	5,555
33	9011	SUPERVISION A&G	5	105.5%	-	8,655	4,471	3,348	4,257	5,271
34	902	METER READING EXPENSE	16	106.8%	24,398	24,004	31,104	22,768	27,143	28,909
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	63,291	21,574	49,089	37,446	41,396
36	9031	CUSTOMER RECORDS/COLLECTION	5	105.5%	25,415	2,118	45,900	28,994	26,045	28,927
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	129,249	15,956	15,307	14,834	15,147	15,326
38	905	MISC CUSTOMER ACCOUNTS	13	103.5%	9,787	4,412	5,902	6,577	6,374	8,155
39	9051	MISC CUSTOMER ACCOUNTS	13	103.5%	-	1,952	1,515	1,691	1,783	1,543
40										
41	906-910	<b>Customer Service and Info - Operation</b>								
42	9061	UNDERRECOVERY: CONSERVATION	Calculated		(12,900)	8,007	(20,978)	11,452	(18,356)	(3,316)
43	907	SUPERVISION	13	103.5%	6,401	7,233	8,414	6,547	8,252	5,916
44	908	CUSTOMER ASSISTANCE	13	103.5%	17,571	16,868	18,897	12,437	15,305	16,423
45	909	INFO & INSTRUCTIONAL	13	103.5%	21,522	881	24,135	(1,882)	25,362	15,980
46	910	MISC CUSTOMER SERVICE	13	103.5%	1,910	2,034	2,210	1,154	1,495	1,732
47										

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.	Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A
COMPANY: FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-EI			

Line No.	Account No.	Account Title		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
48	911-917	Sales Expenses - Operation							
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.5%	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.5%	-	-	-	-	8,471
52	9133	SAFETY ADVERTISING	13	103.5%	148	-	155	1,857	1,843
53	9134	OTHER INFO/INSTR/CON	13	103.5%	29,808	8,007	8,038	13,272	10,663
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.5%	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.5%	-	-	-	-	-
56	916	MISC. SALES EXPENSES	13	103.5%	120	144	123	127	60
57									2,439
58	920-933	Administrative & General - Operation							
59	920	ADM & GENERAL SALARIES	5	105.5%	123,161	94,874	94,929	103,957	92,840
60	9211	OFFICE SUPPLIES	1	102.3%		608	939	1,522	771
61	9212	OFFICE POSTAGE & MAI	1	102.3%		801	852	1,112	812
62	9213	OFF COMPUTER SUPP &	1	102.3%		6,518	702	(7,994)	5,097
63	9214	OFFICE UTILITY EXPENSE	1	102.3%		3,170	2,733	3,500	2,087
64	9215	MISC OFFICE EXPENSE	1	102.3%	5,200	5,989	7,780	9,176	8,212
65	9216	CO TRAINING EXPENSE	1	102.3%	5,486	457	596	822	457
66	9231	OUTSIDE SERVICES - O	1	102.3%		-	-	3,657	42
67	9232	LEGAL FEES AND EXPENSES	1	102.3%		2,248	1,388	502	1,338
68	9233	OUTSIDE AUDIT & ACCO	13	103.5%	90,675	19,737	19,737	26,897	20,306
69	924	PROPERTY INSURANCE	FPUC			19,642	19,642	19,642	19,642
70	9251	INJURIES AND DAMAGES	16	106.8%	21,890	9,675	5,462	17,883	5,775
71	9252	GENERAL LIABILITY	13	103.5%	-	31,982	31,754	31,448	31,393
72	9261	EMPLOYEE PENSIONS	FPUC			29,946	29,946	29,946	29,946
73	9262	EMPLOYEE BENEFITS- O	FPUC			40,548	40,548	40,548	40,548
74	9263	RETIREE BENEFITS-POS	FPUC			4,025	4,025	4,025	4,025
75	9264	401(K) EXPENSE COMPA	16	106.8%		-	-	559	380
76	928	REGULATORY COMMISSION	1	102.3%	117,235	10,518	21,039	22,534	19,566
77	9301	INSTITUTIONAL/GOODWILL	13	103.5%		-	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.5%		3,343	5,158	14,727	4,825
79	93022	INDUSTRY ASSOCIATION	13	103.5%		1,070	(1,070)	1,070	-
80	93023	ECONOMIC DEVELOPMENT	13	103.5%	10,350	863	863	863	863
81	931	RENTS	1	102.3%		585	606	575	616
82									671
83	TOTAL OPERATING EXPENSES				4,283,898	4,319,921	4,155,581	3,756,893	4,056,632
84	Total Operating Expenses Less Fuel				574,169	554,363	642,168	562,877	609,887
									663,143

## OPERATION AND MAINTENANCE EXPENSES – PROJECTED TEST YEAR 2008

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title			Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
85		<b>Maintenance Expenses</b>								
86										
87	541-545.1	Hydraulic Power Gen - Maintenance								
88	554	MAINT OF MISC POWER	13	103.5%	-	-	-	-	-	-
89										
90	568-574	<b>Transmission Expenses - Maintenance</b>								
91	570	MAINT OF STATION EQUIP	13	103.5%	397	904	3,183	5,051	6,733	2,992
92	571	MAINT OF OVERHEAD LINES	13	103.5%	113	155	-	3,036	10,026	26,709
93	573	MAINT OF MISC TRANSMISSION	13	103.5%	-	-	-	-	-	-
94										
95	590-598	<b>Distribution Expenses - Maintenance</b>								
96	590	MAINT SUPERVISION & ENG	5	105.5%	11,581	17,038	18,868	21,907	13,344	10,565
97	591	MAINT OF STRUCTURES	13	103.5%		1,119	(162)	21	2,561	(772)
98	592	MAINT OF STATION EQUIP	13	103.5%		5,654	2,379	13,860	707	10,660
99	5931	MAINT OF POLES/TOWER	13	103.5%	219,833	32,181	20,756	29,422	20,857	19,349
100	5932	MAINT OF OVERHEAD CO	13	103.5%	439,372	95,569	85,844	148,701	82,034	141,630
101	5933	MAINT OF SERVICES	13	103.5%	5,000	12,146	7,658	10,194	8,356	12,345
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%		714	355	559	281	1,885
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	6,139	13,342	5,124	9,860	6,349	9,349
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%		3,410	3,383	4,616	5,425	7,451
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%		-	-	330	-	-
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%		3,590	1,348	5,339	2,588	3,551
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%		2,933	1,947	5,474	2,219	3,270
108	597	MAINT OF METERS	16	106.8%		2,298	2,737	3,598	6,381	2,416
109	598	MAINT OF MISC DIST PLANT	13	103.5%	5,876	4,845	6,119	3,139	3,777	5,999
110	935	<b>Administrative &amp; General - Maintenance</b>								
111	935	MAINT OF GENERAL PLANT	13	103.5%	10,223	15,174	8,925	29,824	11,034	23,675
112										
113		<b>TOTAL MAINTENANCE EXPENSES</b>								
114					211,556	165,068	293,006	173,362	265,909	309,826
115										
116										
117										
118										
119										

FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION:	If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.			Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A		
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI									
Line No.	Account No.	Account Title		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
120									
121									
122		Other Operating Expenses							
123									
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct	239,855	240,449	241,107	241,776	243,113	244,326
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct						
126	4030.2	DEPR EXP-COMMON	Direct	10,324	10,370	10,535	10,666	10,885	10,960
127	403	Depreciation Expenses		250,179	250,819	251,642	252,442	253,998	255,286
128									
129	4070.3	Amortization - Storm Hardening	Direct	29,550	29,550	29,550	29,550	29,550	29,550
130	407	Storm Hardening		29,550	29,550	29,550	29,550	29,550	29,550
131									
132	4080.1	AD VALOREM TAXES	13	103.5%	47,318	47,318	47,318	47,318	47,318
133	4080.2	STATE GROSS RECEIPTS	Pass-Through		127,589	127,593	118,600	111,416	133,901
134	4080.3	FPSC ASSESSMENT	Direct		3,310	3,487	3,248	3,053	3,729
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%	-	-	-	-	(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT	5	105.5%	2,997	967	(250)	(838)	(1,110)
137	4080.6	STATE UNEMPLOYMENT T	5	105.5%	4,480	697	(423)	(1,363)	(1,786)
138	4080.7	F.I.C.A.	16	106.8%	21,647	20,076	36,911	19,781	19,097
139	4080.8	MISCELLANEOUS TAXES	13	103.5%	-	-	-	-	-
140	4080.11	FRANCHISE TAX	Pass-Through		158,597	161,730	148,051	138,489	165,235
141	408	Taxes Other Than Income Taxes			365,938	361,868	353,454	317,856	358,124
142									
143	4090.1	I/T -FEDERAL- UTIL O	Direct		(212,305)	(79,005)	(74,307)	21,753	145,137
144	4090.2	I/T -STATE - UTIL O	Direct		(39,307)	(14,929)	(13,795)	4,157	28,514
145	409	Income Taxes			(251,612)	(93,934)	(88,102)	25,910	173,651
146									
147	4100.1	DEFERRED I/T-FEDERAL	Direct		185,842	(59,761)	195,698	150,150	(495,202)
148	4100.2	DEFERRED I/T-STATE	Direct		36,580	(11,773)	38,541	29,542	(97,473)
149	4100.3	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-
150	4100.4	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-
151	410	Deferred Income Taxes			222,422	(71,534)	234,239	179,692	(592,675)
152									
153	4110.4	INVEST TAX CREDIT- U	Direct		(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
154	411	Investment Tax Credit			(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
155									
156		TOTAL OTHER OPERATING EXPENSES			614,149	474,441	778,455	611,410	221,609
157									
158		TOTAL EXPENSES INCLUDING FUEL			5,109,603	4,959,431	5,227,042	4,541,665	5,144,066

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION:	If the requested historical test year maintenance ex	FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION:	If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.	Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A	
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI				COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI					

Line No.	Account No.	Account Title			Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total
1	OPERATING EXPENSES										
2			Adjustment Basis	Adjustment Factor							
3	555-557	Other Power Supply Expenses									
4	555	PURCHASED POWER	Billing Determinants		4,417,596	4,455,567	3,712,196	3,406,998	3,150,559	3,444,439	44,716,349
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-	-	-	-	-
6	5551	UNDER REC:FUEL ADJ.	Calculated		229,756	(359,075)	512,559	470,647	(224,496)	(151,044)	(210,378)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%	1,041	26,650	59,797	1,081	39,811	79,179	346,239
9											
10	560-567.1	Transmission Expenses - Operation									
11	562	STATION EXPENSES	1	102.3%	2,513	3,359	3,606	4,364	2,760	4,299	43,478
12	566	MISC TRANSMISSION EXPENSES	13	103.5%	2,580	2,580	2,689	2,580	2,580	2,580	31,080
13											
14	580-589	Distribution Expenses - Operation									
15	580	OPERATION SUPERVISION & ENG	5	105.5%	32,140	39,396	40,472	31,721	31,207	47,128	435,662
16	581	LOAD DISPATCHING	13	103.5%	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	6,571	7,353	7,147	8,559	8,511	11,211	99,878
18	5831	OPERATION OF OVERHEA	16	106.8%	3,347	6,729	3,407	9,958	9,314	2,298	58,647
19	5832	REMOVING & RESETTING	16	106.8%	8,846	7,690	8,932	7,838	3,580	4,980	70,021
20	5841	UNDERGROUND LINE EXP	5	105.5%	312	311	532	333	429	318	3,928
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,676	1,199	2,199	907	1,419	2,117	29,017
22	585	STREET LIGHT/SIGNAL	16	106.8%	424	1,431	981	802	1,914	949	13,638
23	586	METER EXPENSES	16	106.8%	21,314	23,285	27,636	30,406	27,406	22,654	291,623
24	5871	AREA LIGHT EXPENSE	16	106.8%	4,402	5,144	5,729	5,441	4,369	7,879	59,365
25	5872	OTHER CUSTOMER INSTA	16	106.8%	4,556	4,316	3,480	3,125	3,596	2,985	47,003
26	5881	DISTRIBUTION MAPS &	16	106.8%	10,466	11,797	8,188	11,081	11,223	16,574	134,038
27	5882	OTHER DIST OFFICE SU	16	106.8%	13,550	9,704	17,681	8,418	14,163	20,350	166,109
28	5883	MISC DISTRIBUTION OF	16	106.8%	593	597	493	452	793	1,671	11,885
29	589	RENTS	1	102.3%	113	361	-	70	19	177	1,077
30											
31	901-905	Customer Accounts - Operation									
32	901	SUPERVISION	5	105.5%	5,138	5,591	5,562	8,544	7,633	12,754	82,107
33	9011	SUPERVISION A&G	5	105.5%	3,445	5,647	4,749	3,431	5,162	3,317	51,755
34	902	METER READING EXPENSE	16	106.8%	25,217	28,370	25,993	25,772	26,539	25,600	315,817
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	47,089	49,699	46,734	47,619	47,011	52,654	553,788
36	9031	CUSTOMER RECORDS/COLLECTION	5	105.5%	25,786	24,042	25,939	25,449	24,027	32,377	314,968
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	16,857	16,686	16,919	15,808	15,002	42,732	216,664
38	905	MISC CUSTOMER ACCOUNTS	13	103.5%	5,201	6,703	6,209	4,204	6,834	13,233	83,591
39	9051	MISC CUSTOMER ACCOUNTS	13	103.5%	1,253	1,648	1,459	1,431	1,507	1,610	17,392
40											
41	906-910	Customer Service and Info - Operation									
42	9061	UNDERRECOVERY: CONSERVATION	Calculated		6,841	(3,232)	(10,455)	1,483	(15,210)	(14,344)	(71,007)
43	907	SUPERVISION	13	103.5%	3,140	9,374	3,287	6,429	5,629	8,509	79,131
44	908	CUSTOMER ASSISTANCE	13	103.5%	16,264	19,583	17,697	20,254	19,305	23,749	214,354
45	909	INFO & INSTRUCTIONAL	13	103.5%	15,242	11,049	25,102	6,397	16,087	10,435	170,309
46	910	MISC CUSTOMER SERVICE	13	103.5%	1,749	1,575	4,220	1,513	1,774	3,019	24,385
47											

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: If the requested historical test year maintenance ex	FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.	Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A	
COMPANY: FLORIDA PUBLIC UTILITIES			COMPANY: FLORIDA PUBLIC UTILITIES				
Consolidated Electric Division			Consolidated Electric Division				
DOCKET NO.: 070304-EI			DOCKET NO.: 070304-EI				

Line No.	Account No.	Account Title			Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total
48	911-917	Sales Expenses - Operation									
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.5%	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.5%	-	-	(6,826)	6,826	(6,826)	-	1,645
52	9133	SAFETY ADVERTISING	13	103.5%	2,575	-	156	-	-	2,068	8,801
53	9134	OTHER INFO/INSTR/CON	13	103.5%	7,835	28,494	7,953	23,071	16,007	16,904	159,543
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.5%	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.5%	-	-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	13	103.5%	32	13,216	(2,285)	28	57	118	14,179
57											
58	920-933	Administrative & General - Operation									
59	920	ADM & GENERAL SALARIES	5	105.5%	98,624	104,907	98,424	97,890	100,444	98,918	1,191,947
60	9211	OFFICE SUPPLIES	1	102.3%	1,242	1,315	906	640	647	595	11,117
61	9212	OFFICE POSTAGE & MAI	1	102.3%	36	804	93	800	22	858	7,275
62	9213	OFF COMPUTER SUPP &	1	102.3%	1,028	1,520	2,666	209	987	352	8,299
63	9214	OFFICE UTILITY EXPENSE	1	102.3%	2,306	2,865	2,293	3,669	2,720	2,875	35,217
64	9215	MISC OFFICE EXPENSE	1	102.3%	11,996	3,471	8,196	10,136	8,860	12,452	100,654
65	9216	CO TRAINING EXPENSE	1	102.3%	457	507	468	1,428	519	457	7,238
66	9231	OUTSIDE SERVICES - O	1	102.3%	1,844	-	2,147	660	6,911	3,466	18,727
67	9232	LEGAL FEES AND EXPENSES	1	102.3%	1,909	3,486	1,380	3,295	3,321	3,421	41,210
68	9233	OUTSIDE AUDIT & ACCO	13	103.5%	17,597	17,597	17,597	7,445	17,008	36,565	240,243
69	924	PROPERTY INSURANCE	FPUC		19,642	19,642	20,280	20,289	20,284	45,512	263,498
70	9251	INJURIES AND DAMAGES	16	106.8%	10,624	12,190	14,526	11,243	13,769	13,184	143,989
71	9252	GENERAL LIABILITY	13	103.5%	28,373	31,403	31,390	29,304	29,590	15,583	354,586
72	9261	EMPLOYEE PENSIONS	FPUC		29,946	29,946	30,919	30,932	30,926	69,388	401,730
73	9262	EMPLOYEE BENEFITS- O	FPUC		40,548	40,548	41,866	41,885	41,875	93,956	543,969
74	9263	RETIREE BENEFITS-POS	FPUC		4,025	4,025	4,156	4,158	4,157	9,327	54,000
75	9264	401(K) EXPENSE COMPA	16	106.8%	639	(3,467)	4,756	731	835	910	6,576
76	928	REGULATORY COMMISSION	1	102.3%	19,137	20,900	26,332	18,214	23,721	27,706	254,283
77	9301	INSTITUTIONAL/GOODWILL	13	103.5%	-	-	-	-	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.5%	2,193	5,789	6,447	5,174	10,630	11,161	82,000
79	93022	INDUSTRY ASSOCIATION	13	103.5%	3,540	-	-	-	-	-	4,698
80	93023	ECONOMIC DEVELOPMENT	13	103.5%	863	6,213	863	863	863	863	15,701
81	931	RENTS	1	102.3%	641	612	857	42	1,747	1,092	8,685
82											
83	TOTAL OPERATING EXPENSES				5,242,667	4,771,108	4,906,700	4,492,044	3,579,529	4,204,118	52,381,724
84	Total Operating Expenses Less Fuel				594,273	647,967	622,148	613,319	613,655	831,544	7,529,514

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION:	If the requested historical test year maintenance ex	FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION:	If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.	Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A	
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI				COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI					

Line No.	Account No.	Account Title			Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total
85		<b>Maintenance Expenses</b>									
86											
87	541-545.1	<b>Hydraulic Power Gen - Maintenance</b>									
88	554	MAINT OF MISC POWER	13	103.5%	-	-	-	-	-	-	-
89											
90	568-574	<b>Transmission Expenses - Maintenance</b>									
91	570	MAINT OF STATION EQUIP	13	103.5%	2,678	2,697	2,466	2,511	2,800	73,604	106,015
92	571	MAINT OF OVERHEAD LINES	13	103.5%	8,596	13,215	9,024	6,092	7,803	(1,343)	83,425
93	573	MAINT OF MISC TRANSMISSON	13	103.5%	-	-	-	-	-	477	477
94											
95	590-598	<b>Distribution Expenses - Maintenance</b>									
96	590	MAINT SUPERVISION & ENG	5	105.5%	8,757	11,165	10,614	10,509	8,106	20,798	163,309
97	591	MAINT OF STRUCTURES	13	103.5%	631	1,427	4,370	(277)	545	-	10,776
98	592	MAINT OF STATION EQUIP	13	103.5%	3,586	10,503	7,783	239	2,786	14,053	78,096
99	5931	MAINT OF POLES/TOWER	13	103.5%	22,279	21,061	19,696	19,580	19,187	21,951	267,489
100	5932	MAINT OF OVERHEAD CO	13	103.5%	128,530	113,137	140,397	114,523	133,020	109,187	1,452,986
101	5933	MAINT OF SERVICES	13	103.5%	12,771	16,139	13,045	11,123	10,824	18,015	147,576
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%	300	650	626	696	837	1,127	8,510
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	39,553	10,899	11,554	7,623	8,110	11,848	152,766
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%	5,745	5,300	9,565	18,381	9,333	(8,305)	73,578
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%	9,403	363	33	(943)	(2,123)	452	7,958
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%	4,139	10,994	4,735	4,184	7,733	2,671	62,229
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%	4,142	3,367	2,077	3,311	10,368	14,228	56,003
108	597	MAINT OF METERS	16	106.8%	3,465	2,956	4,532	2,192	2,850	3,626	40,207
109	598	MAINT OF MISC DIST PLANT	13	103.5%	4,005	5,431	6,049	5,106	12,356	13,812	76,514
110	935	<b>Administrative &amp; General - Maintenance</b>									
111	935	MAINT OF GENERAL PLANT	13	103.5%	16,776	13,920	8,928	14,473	12,045	14,143	181,134
112											
113		<b>TOTAL MAINTENANCE EXPENSES</b>			275,357	243,225	255,493	219,322	246,582	310,344	2,969,049
114											
115											
116											
117											
118											
119											

FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION: If the requested historical test year is not provided, the historical test year is the year of the maintenance expense.	FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.	Type of Data Shown: Projected Test Year Ended 12/31/2008 #N/A		
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI							
Line No.	Account No.	Account Title		Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total
120										
121										
122		Other Operating Expenses								
123										
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct	245,717	246,362	247,151	247,602	248,344	249,231	2,935,033
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct							(2,292)
126	4030.2	DEPR EXP-COMMON	Direct	11,046	11,114	11,273	11,298	11,516	11,519	131,506
127	403	Depreciation Expenses		256,763	257,476	258,424	258,900	259,860	260,750	3,066,539
128										
129	4070.3	Amortization - Storm Hardening	Direct	29,550	29,550	29,550	29,550	29,550	29,550	354,600
130	407	Storm Hardening		29,550	29,550	29,550	29,550	29,550	29,550	354,600
131										
132	4080.1	AD VALOREM TAXES	13	103.5%	47,318	47,318	47,318	47,318	38,386	549,956
133	4080.2	STATE GROSS RECEIPTS	Pass-Through		155,480	147,234	152,310	126,623	106,016	1,544,614
134	4080.3	FPSC ASSESSMENT	Direct		4,460	4,108	4,033	3,393	2,614	41,997
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%	-	-	-	-	-	(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT	5	105.5%	68	142	77	46	78	1,483
137	4080.6	STATE UNEMPLOYMENT T	5	105.5%	109	229	124	72	125	1,132
138	4080.7	F.I.C.A.	16	106.8%	21,188	37,598	20,978	19,870	20,422	275,755
139	4080.8	MISCELLANEOUS TAXES	13	103.5%	-	335	321	-	-	656
140	4080.11	FRANCHISE TAX	Pass-Through		187,547	181,761	187,210	156,462	131,472	1,913,070
141	408	Taxes Other Than Income Taxes			416,171	418,728	412,370	353,784	299,112	4,320,401
142										
143	4090.1	I/T -FEDERAL- UTIL O	Direct		(239,059)	(212,827)	(157,315)	(182,548)	(10,267)	(1,149,183)
144	4090.2	I/T -STATE - UTIL O	Direct		(45,187)	(39,496)	(29,291)	(33,826)	(1,890)	(212,639)
145	409	Income Taxes			(284,246)	(252,323)	(186,606)	(216,374)	(12,157)	(1,361,822)
146										
147	4100.1	DEFERRED I/T-FEDERAL	Direct		148,437	49,919	152,361	305,986	(38,281)	485,855
148	4100.2	DEFERRED I/T-STATE	Direct		29,226	9,838	29,989	60,244	(7,561)	95,643
149	4100.3	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-
150	4100.4	DEFERRED I/T AMORTIZ	Direct		-	-	-	-	-	-
151	410	Deferred Income Taxes			177,663	59,757	182,350	366,230	(45,841)	581,498
152										
153	4110.4	INVEST TAX CREDIT- U	Direct		(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(27,935)
154	411	Investment Tax Credit			(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(27,935)
155										
156		TOTAL OTHER OPERATING EXPENSES			593,573	510,860	693,761	789,762	528,196	6,933,281
157										
158		TOTAL EXPENSES INCLUDING FUEL			6,111,597	5,525,193	5,855,953	5,501,129	4,354,307	62,284,054

Supporting Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

#N/A

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Account Number	Account	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)	Reason(s) for Change
<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4010 562	STATION EXPENSES	43,478	42,501	978	2.30%	
4010 566	MISC. TRANS. EXPS.	31,080	12,116	18,964	156.52%	\$424 - Projection factor 13. \$18,540 - Contractor inspections of the transmission system(storm hardening).
4010 580	OP SUPERVISION	435,662	380,422	55,241	14.52%	\$20,923 - Projection factor 5. \$25,750 - Travel and PURC costs in the utility collaborative research projects(storm hardening) \$8,567 - Salary survey adjustment to bring salaries up to market.
4010 581	LOAD DISPATCHING	-	-	-	0.00%	
4010 582	STATION EXPENSES	99,878	94,672	5,207	5.50%	
4010 5831	OPERATION OF OVERHEA	58,647	54,913	3,734	6.80%	
4010 5832	REMOVING & RESETTING	70,021	65,562	4,458	6.80%	
4010 5841	UNDERGROUND LINE EXP	3,928	3,723	205	5.50%	
4010 5842	UNDERGRND LINE EXPEN	29,017	27,504	1,513	5.50%	
4010 585	STREET LIGHT EXPENSE	13,638	12,770	868	6.80%	
4010 586	METER EXPENSES	291,623	273,056	18,568	6.80%	
4010 5871	AREA LIGHT EXPENSE	59,365	55,585	3,780	6.80%	
4010 5872	OTHER CUSTOMER INSTA	47,003	44,010	2,993	6.80%	
4010 5881	DISTRIBUTION MAPS &	134,038	105,926	28,112	26.54%	\$7,203 - Projection factor 16. \$20,909 - Additional employee to handle joint use audits(storm hardening).
4010 5882	OTHER DIST OFFICE SU	166,109	155,533	10,576	6.80%	
4010 5883	MISC DISTRIBUTION OF	11,885	11,129	757	6.80%	
4010 589	RENTS	1,077	1,053	24	2.30%	
4010 901	SUPERVISION	82,107	73,765	8,342	11.31%	
4010 9011	SUPERVISION A&G	51,755	49,056	2,698	5.50%	\$4,057 - Projection factor 5. \$4,285 - Salary survey adjustment to bring salaries up to market.
4010 902	METER READING EXPENS	315,817	295,709	20,108	6.80%	
4010 903	CUSTOMER RECORDS/COL	553,788	524,917	28,870	5.50%	
4010 9031	CUSTOMER RECORDS/COL	314,968	275,807	39,161	14.20%	\$17,098 - New position to meet SOX 404 internal control requirements. \$15,169 - Projection factor 5. \$5,967 - Postage increase in 2008. \$612 - Salary survey adjustment to bring salaries up to market. \$315 - Lockbox service agreement. \$129,074 - Increased write-offs due to significant increases in base and fuel (purchased power) rates in 2008.
4010 904	UNCOLLECTIBLE ACCOUN	216,664	87,590	129,074	147.36%	
4010 905	MISC CUSTOMER ACCOUN	83,591	80,765	2,827	3.50%	
4010 9051	MISC CUSTOMER ACCNT	17,392	16,804	588	3.50%	
4010 912	DEMONSTRATING & SELL	-	-	-	0.00%	
4010 9131	PROMOTIONAL ADVERTIS	-	-	-	0.00%	
4010 9132	CONSERVATION ADVERTI	1,645	1,589	56	3.50%	
4010 9133	SAFETY ADVERTISING	8,801	8,504	298	3.50%	
4010 9134	OTHER INFO/INSTR/CON	159,543	154,148	5,395	3.50%	
4010 9135	COMMUNITY AFFAIRS AD	-	-	-	0.00%	
4010 9136	OTHER ADVERTISING	-	-	-	0.00%	
4010 916	MISC. SALES EXPENSE	14,179	13,699	479	3.50%	
4010 920	ADM & GENERAL SALARIES	1,191,947	1,071,369	120,578	11.25%	\$58,925 - Projection factor 5. \$32,880 New position-Compliance Acct. for special audits including inventory, cash, etc. \$28,773 - Salary survey adjustment to bring salaries up to market.
4010 9211	OFFICE SUPPLIES	11,117	10,867	250	2.30%	
4010 9212	OFFICE POSTAGE & MAI	7,275	7,111	164	2.30%	
4010 9213	OFF ComPUter SUPP &	8,299	8,113	187	2.30%	
4010 9214	OFFICE UTILITY EXPEN	35,217	34,425	792	2.30%	
4010 9215	MISC OFFICE EXPENSE	100,654	93,308	7,346	7.87%	
4010 9216	CO TRAINING EXPENSE-	7,238	6,913	325	4.71%	
4010 9231	OUTSIDE SERVICES - O	18,727	18,306	421	2.30%	
4010 9232	LEGAL FEES AND EXPEN	41,210	40,283	927	2.30%	
4010 9233	OUTSIDE AUDIT & ACCO	240,243	226,660	13,583	5.99%	
4010 924	PROPERTY INSURANCE	263,498	181,238	82,260	45.39%	\$82,260 - Annual increase in Storm Damage Reserve requested this docket.
4010 9251	INJURIES ANI	143,989	114,957	29,032	25.25%	\$10,000 - Incremental expense - New position to improve employee and public safety. \$7,817 - Projection factor 16. \$1,897 - Salary survey adjustment to bring salaries up to market. \$9,318 - New position-Corp. Services Administrator. \$(133,000) - Law suit recorded in 2007-removed for 2008. \$11,991 - Projection factor 13.
4010 9252	GENERAL LIABILITY	354,586	475,595	(121,009)	-25.44%	
4010 9261	EMPLOYEE PENSIONS	401,730	365,497	36,233	9.91%	
4010 9262	EMPLOYEE BENEFITS- O	543,969	488,303	55,667	11.40%	\$55,667 - Medical insurance estimates from AON Consulting.
4010 9263	RETIREE BENEFITS-POS	54,000	54,000	-	0.00%	
4010 9264	401(K) EXPENSE COMPA	6,576	6,157	419	6.80%	
4010 928	REGULATORY EXPS.	254,283	133,967	120,316	89.81%	\$97,244 - Current electric rate case \$19,991 - Personnel at EOC during emergencies. \$3,081 - Projection factor 1
4010 9301	INSTITUTIONAL/GOODWI	-	-	-	0.00%	
4010 9302	MISC GENERAL EXPENSES	82,000	79,227	2,773	3.50%	
4010 93022	INDUSTRY ASSOCIATION	4,698	4,539	159	3.50%	
4010 93023	ECONOMIC DEVELOPMENT	15,701	15,170	531	3.50%	

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO : 070304-EI

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 #N/A

4010 931	RENTS	8,685	8,490	195	2.30%	
<b>TOTAL OPERATION EXPENSES</b>		<b>7,112,342</b>	<b>6,367,322</b>	<b>745,019</b>		
<b>MAINTENANCE EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
4020 570	MAINT STATION EQUIP	106,015	102,430	3,585	3.50%	
4020 571	MAINT OVERHEAD LINES	83,425	80,603	2,821	3.50%	
4020 573	MAINT MISC TRANS. PLT.	477	461	16	3.50%	
4020 590	MAINT SUPER/ENG.	163,309	146,674	16,635	11.34%	\$8,067 - Projection factor 5. \$8,568 - Salary survey adjustment to bring salaries up to market.
4020 591	MAINT OF STRUCTURES	10,776	10,411	364	3.50%	
4020 592	MAINT OF STATION EQUIP	78,096	75,455	2,641	3.50%	
4020 5931	MAINT OF POLES/TOWER	267,489	46,044	221,445	480.94%	\$219,833 - New employee and contractor expense to handle pole inspections(storm hardening). \$1,612 - Projection factor 13.
4020 5932	MAINT OF OVERHEAD CO	1,452,986	1,032,586	420,401	40.71%	\$352,260 - Three additional tree trimming crews(storm hardening). \$27,000 - Develop and implement Post Storm Data Collection & Forensic Review(storm hardening). \$36,140 - Projection factor 1. \$5,000 - Position upgrade to Lineman.
4020 5933	MAINT OF SERVICES	147,576	137,755	9,821	7.13%	
4020 5941	MAINT OF UNDERGROUND	8,510	7,968	542	6.80%	
4020 5942	MAINT OF UNDERGRND L	152,766	143,039	9,727	6.80%	
4020 5951	MAINT OF LINE TRANSF	73,578	68,893	4,685	6.80%	
4020 5952	MAINT OF LINE TRANSF	7,958	7,451	507	6.80%	
4020 5953	MAINT OF LINE TRANSF	62,229	58,267	3,962	6.80%	
4020 596	MAINT OF STREET LIGHTS	56,003	52,438	3,566	6.80%	
4020 597	MAINT OF METERS	40,207	37,647	2,560	6.80%	
4020 598	MAINT OF MISC DISTR PLT	76,514	73,927	2,587	3.50%	
4020 935	MAINT OF GENERAL PLANT	181,134	167,932	13,203	7.86%	
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>2,969,049</b>	<b>2,249,982</b>	<b>719,067</b>		
4030.0	DEPRECIATION EXPENSE	3,066,539	2,828,638	237,901	8.41%	
4080	TAXES OTHER THAN INCOME TAXES	4,320,401	4,010,760	309,641	7.72%	
4090/4110	INCOME TAXES	(1,389,757)	(344,111)	(1,045,647)	303.87%	
<b>TOTAL OPERATING EXPENSES</b>		<b>16,078,574</b>	<b>15,112,592</b>	<b>965,982</b>		

Recap Schedules C-12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:  
Prior Year Ended 12/31/2007

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Vendor Name	Counsel, Consultant, Or Witness	Specific Services Rendered	Fee (\$)	Basis Of Charge	Travel Expenses (\$)	Other (\$)	Total (4+6+7) (\$)	Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case sup	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Tra	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING  
B = COST OF CAPITAL  
C = ENGINEERING  
L = LEGAL  
O = OTHER  
R = RATE DESIGN  
S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$ 423,780	4/4/2004	5 years	\$ 106,000	\$ 26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortization					<u>\$182,000</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1) Vendor Name	(2) Counsel, Consultant, Or Witness	(3) Specific Services Rendered	(4) Fee (\$)	(5) Basis Of Charge	(6) Travel Expenses (\$)	(7) Other (\$)	(8) Total (4+6+7) (\$)	(9) Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING

B = COST OF CAPITAL

C = ENGINEERING

L = LEGAL

O = OTHER

R = RATE DESIGN

S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$423,780	4/4/2004	5 years	\$106,000	\$ 26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortiz					<u>\$182,000</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of jurisdictional administrative, general, customer service, R & D, and other miscellaneous expenses by category and on a per customer basis for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account	Sub-Account	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2006	(3) Prior Year Ended 12/31/2008	(4) Difference (3)-(2)	(5) Percent Increase/(Decrease) (4)/(2)
	Customer Accounts Expense	901-905		1,331,423	1,636,082	304,659	22.88%
	Sales Expenses	911-916		144,236	184,168	39,932	27.69%
	Administrative and General Expenses	920-935		3,208,858	3,976,775	767,917	23.93%
	Total Administrative Expenses	901-935		4,684,517	5,797,025	1,112,508	23.75%
	Average Number of Customers			30,636	31,425	789	2.58%
	Administrative Expenses Per Customer			153	184	31	20.27%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Amount
1				
2	Total Miscellaneous General			
3	Expenses of \$100,000 or Less			
4				
5	<b>ACCOUNT 930.2</b>			
6	9302 MISC. GENERAL EXPENS	79,227	100%	79,227
7	93022 INDUSTRY ASSOCIATION	4,539	100%	4,539
8	93023 ECONOMIC DEVELOPMENT	15,170	100%	15,170
9				
10	Miscellaneous General Expenses			
11	Exceeding \$100,000 (Specify)	-	100%	-
12				
13				
14	Total Miscellaneous General Expenses	98,936		98,936
15				
16	Average Number of Customers	31,425		31,425
17				
18	Miscellaneous General Expenses Per Customer	3.15		3.15

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Amount
	Total Miscellaneous General Expenses of \$100,000 or Less			
	<b>ACCOUNT 930.2</b>			
	9302 MISC. GENERAL EXPENS	82,000	100%	82,000
	93022 INDUSTRY ASSOCIATION	4,698	100%	4,698
	93023 ECONOMIC DEVELOPMENT	15,701	100%	15,701
	Miscellaneous General Expenses Exceeding \$100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	102,399		102,399
	Average Number of Customers	30,636		30,636
	Miscellaneous General Expenses Per Customer	3.34		3.34

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	164,550	100%	164,550
	Total Account 909		164,550		164,550
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	1,589	100%	1,589
	9133	SAFETY ADVERTISING	8,504	100%	8,504
	9134	OTHER INFO/INSTR/CON	154,148	100%	154,148
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		164,241		164,241
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		328,790		328,790
	Average Number of Customers		31,425		31,425
	Advertising Expenses per Customer		10.46		10.46

Supporting Schedules:

Recap Schedules: C7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	170,309	100%	170,309
	Total Account 909		170,309		170,309
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	1,645	100%	1,645
	9133	SAFETY ADVERTISING	8,801	100%	8,801
	9134	OTHER INFO/INSTR/CON	159,543	100%	159,543
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		169,989		169,989
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		340,298		340,298
	Average Number of Customers		30,636		30,636
	Advertising Expenses per Customer		11.11		11.11

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	93022 Industry Association	4,539	100%	4,539
1 Details	Southeastern Electric Exchange Inv 2057	3,420	100%	3,420
2 Details	Florida Electric Power Coordinating Group	1,034	100%	1,034
3 Details	32% of Florida Institute of Certified Public Accountants	85	100%	85
4				
5	Total Industry Association Dues	4,539	100%	4,539
6				
7				
8				
9				
10				
11	Average Number of Customers	31,004	100%	31,004
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	93022 Industry Association	4,697	100%	4,697
1 Details	Southeastern Electric Exchange Inv 2057	3,540	100%	3,540
2 Details	Florida Electric Power Coordinating Group	1,070	100%	1,070
3 Details	32% of Florida Institute of Certified Public Accountants	88	100%	88
4				
5	Total Industry Association Dues	4,697	100%	4,697
6				
7				
8				
9				
10				
11	Average Number of Customers	31,371	100%	31,371
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or 5% (.005) of operation and maintenance expenses.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Test Year Costs		
<u>Accounting</u>						
	Aon Consulting Inc.	Actuarial work - pension and 401K	2420.3	76,000	23,560	9233
	Crowe, Chizek, and Company	Sarbanes Oxley 404/Internal audit	2420.3	154,100	47,771	9233
	BDO Seidman LLP	External audits - quarterly & annual	2420.3	519,400	161,014	9233
<u>Financial</u>						
	Laurits R. Christiansen Assoc.	Purchased Power and Regulatory matters	557/928/1860.1	125,000	125,000	557/928/1860.1
<u>Engineering</u>						
	Blasland, Bouck & Lee	Environmental Assessment - former MGP gas sites	2530.31	50,000	0	
<u>Legal</u>						
	Bryan Cave LLP	SEC corporate and securities matters	2420.31	44,000	13,640	9232
	Jackson Lewis LLP	Various human resource legal matters and fees	2420.31	51,300	15,903	9232
	Messer, Caparello & Self	General regulatory, territorial and power contract issues	various	107,500	88,800	928/557/9232/ 1860.1
	Reed Smith LLP	Fuel Docket	557	58,600	58,600	557
	Akerman, Senterfitt & Eidson	General business issues	various	10,000	500	9232
	Akerman, Senterfitt, Attorneys	General business, employment and manufactured gas plant issues	various	164,700	7,600	9232
<u>Safety</u>						
	Charles Shelton	Electric Safety Consultant	9251	57,800	57,800	9251
Total Outside Professional Services					<u>600,188</u>	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
1	4260.11	CHARITABLE CONTRIBUTIONS	11,362
2	4260.13	CIVIC AND SOCIAL	2,604
3			
4	<b>Total Civic and Charitable Contributions</b>		<b>13,966</b>
5			
6	4260.4	Lobbying & Other Political Expenses	171
7			
8			
9			
10	<b>Total Lobbying and Other Political Expenses and Charitable / Civic cont</b>		<b>14,136</b>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,628
	4260.13	CIVIC AND SOCIAL	2,665
	<b>Total Civic and Charitable Contributions</b>		<b>14,294</b>
	4260.4	Lobbying & Other Political Expenses	175
	<b>Total Lobbying and Other Political Expenses and Charitable / Civic cont</b>		<b>14,468</b>

Supporting Schedules:

Recap Schedules:

FLOPIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Jim Mesite

Line No.	Type of Tax	(1) rate	(2) Tax Basis (\$)	(3) Total Amount	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	(7) Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	3,019,705	24,158	1,405	100%	24,158	1,405
2.	State Unemployment	0.0129	3,019,705	38,954	1,073	100%	38,954	1,073
3.	FICA	0.0765	Payroll	2,593,572	258,198	100%	2,593,572	258,198
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5.	State Intangible	N/A	N/A	N/A	N/A	100%		
6.	Utility Assessment Fee	0.00072	49,754,772	35,823	35,823	100%	35,823	35,823
7.	Property	Various	32,942,277	531,358	513,886	100%	531,358	513,886
8.	Gross Receipts	0.025	49,754,772	1,243,869	1,243,869	100%	1,243,869	1,243,869
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	1,994,012	1,994,012	100%	1,994,012	1,994,012
10.	Occupational License	N/A	N/A	N/A	N/A	100%		
11.	Other (Specify)							
	Emergency Excise Tax	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Miscellaneous taxes	Various	Various	634	634	100%	634	634
12.	Total			6,454,120	4,040,640		6,454,120	4,040,640

Supporting Schedules: C7 C21

Recap Schedules:

FLOPIDA PUBLIC SEVICE COMMISSION

EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Tax	(1) rate	(2) Tax Basis (\$)	(3) Total Amount	(4) Amount Charged to Operating Expenses	(5) Jurisdictional FactoP	(6) Amount	(7) Jurisdictional Amount Charged to Operating Expenses
1.	Federal Unemployment	0.008	3,185,789	25,486	1,483	100%	25,486	1,483
2.	State Unemployment	0.0129	3,185,789	41,097	1,132	100%	41,097	1,132
3.	FICA	0.0765	Payroll	2,736,218	275,755	100%	2,736,218	275,755
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5.	State Intangible	N/A	N/A	N/A	N/A	100%		
6.	Utility Assessment Fee	0.00072	58,329,277	41,997	41,997	100%	41,997	41,997
7.	Property	Various	34,457,622	549,956	549,956	100%	549,956	549,956
8.	Gross Receipts	0.025	58,329,277	1,458,232	1,458,232	100%	1,458,232	1,458,232
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	1,913,070	1,913,070	100%	1,913,070	1,913,070
10.	Occupational License	N/A	N/A	N/A	N/A	100%		
11.	Other (Specify)							
	Emergency Excise Tax	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Miscellaneous taxes	Various	Various	656	613	100%	656	613
12.	Total			6,758,451	4,233,976		6,758,451	4,233,976

Supporting Schedules: C7 C21

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a calculation of the Gross Receipt Tax  
and Regulatory Assessment Fee for the historical base year,  
historical base year + 1, and the test year.

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.		GROSS RECEIPTS TAX		
		HISTORICAL BASE YEAR 2006	HISTORICAL BASE YEAR + 1 2007	TEST YEAR 2008
1	TOTAL OPERATING REVENUES	48,527,214	53,784,078	62,488,964
2				
3	ADJUSTMENTS:			
4	Overrecoveries	(369,812)	-	-
5	Other Operating Revenues	(688,664)	(692,571)	(686,611)
6	Unbilled Revenues	(8,373)	(8,039)	(7,546)
7	Misc Electric Revenues	(7,847)	(7,846)	(7,846)
8	Gross Receipts Revenues & Franchise Fee	(3,197,750)	(3,320,851)	(3,457,684)
9				
10				
11	TOTAL ADJUSTMENTS	(4,272,446)	(4,029,307)	(4,159,687)
12				
13	ADJUSTED OPERATING REVENUES	44,254,768	49,754,772	58,329,277
14				
15	Gross Receipts Tax			
16	TAX RATE	2.50%	2.50%	2.50%
17	TAX AMOUNT	1,106,369	1,243,869	1,458,232
18	Adjustments	78,418	0	-
19	4080.2 State Gross Receipts	1,184,787	1,243,869	1,458,232
20				
21	Regulatory Assessment Fee			
22	TAX RATE	0.0720%	0.0720%	0.0720%
23	TAX AMOUNT	31,863	35,823	41,997
24	Adjustments	2,545	0	0
25	4080.3 FPSC Assessment	34,408	35,823	41,997

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 1,893,091	\$ 1,893,091				
2	ADD INCOME TAX ACCOUNTS	163,641	163,641				
3	LESS INTEREST CHARGES (FROM C-23)	1,567,647	1,567,647	(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
4							
5	TAXABLE INCOME PER BOOKS	\$ 489,085	\$ 489,085				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(2,991,269)	(2,991,269)		2,991,269	2,991,269	
9	LESS: TAX DEPRECIATION	2,450,742	2,450,742		(2,450,742)	(2,450,742)	
10	UNRECOVERED PURCHASE POWER/GAS	12,280	12,280		(12,280)	(12,280)	
11	OUTSIDE AUDIT FEES	1,224	1,224		(1,224)	(1,224)	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	43,610	43,610		(43,610)	(43,610)	
15	SELF INSURANCE RESERVE	(43,896)	(43,896)		43,896	43,896	
16	TAXABLE CONTRIBUTIONS	(118,761)	(118,761)		118,761	118,761	
17	PENSION COSTS	(395,708)	(395,708)		395,708	395,708	
18	VACATION PAY	(9,677)	(9,677)		9,677	9,677	
19	UNCOLLECTIBLES	11,347	11,347		(11,347)	(11,347)	
20	LOSS ON REACQUIRED DEBT	(5,593)	(5,593)		5,593	5,593	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(147,034)	(147,034)		147,034	147,034	
23	RATE CASE EXPENSE	(84,760)	(84,760)		84,760	84,760	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,280,134)	\$ (1,280,134)		\$ 1,262,162	\$ 1,262,162	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 1,772,498			\$ (1,262,162)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 97,487			\$ (69,419)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(154,283)			154,283		
41	Interest Sync and adjustment tax	101					
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (154,182)			\$ 154,283		
44							
45	STATE INCOME TAX	\$ (56,695)			84,864		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ 1,676,331			\$ (1,192,743)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 569,952			\$ (405,533)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(828,420)			828,420	
52	Interest Sync and adjustment tax		590				
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (827,830)			\$ 828,420	
58							
59	FEDERAL INCOME TAX		\$ (257,878)			\$ 422,887	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ (314,573)			\$ 507,751
64							
65	ITC AMORTIZATION			\$ (29,538)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(56,695)	(257,878)	(314,573)			
74	DEFERRED INCOME TAXES	84,864	422,887	507,751			
75	INVESTMENT TAX CREDITS, NET			(29,538)			
76	TOTAL INCOME TAX PROVISION	<u>28,169</u>	<u>165,009</u>	<u>163,640</u>			

SUPPORTING SCHEDULES: C23

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 204,910	\$ 204,910				
2	ADD INCOME TAX ACCOUNTS	(808,259)	(808,259)				
3	LESS INTEREST CHARGES (FROM C-23)	1,489,405	1,489,405				
4				(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ (2,092,754)	\$ (2,092,754)				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(4,420,232)	(4,420,232)		4,420,232	4,420,232	
9	LESS: TAX DEPRECIATION	3,736,516	3,736,516		(3,736,516)	(3,736,516)	
10	UNRECOVERED PURCHASE POWER/GAS	54,057	54,057		(54,057)	(54,057)	
11	OUTSIDE AUDIT FEES	(943)	(943)		943	943	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	52,996	52,996		(52,996)	(52,996)	
15	SELF INSURANCE RESERVE	(22,728)	(22,728)		22,728	22,728	
16	TAXABLE CONTRIBUTIONS	(122,220)	(122,220)		122,220	122,220	
17	PENSION COSTS	(352,683)	(352,683)		352,683	352,683	
18	VACATION PAY	(12,694)	(12,694)		12,694	12,694	
19	UNCOLLECTIBLES	(14,498)	(14,498)		14,498	14,498	
20	LOSS ON REACQUIRED DEBT	(7,953)	(7,953)		7,953	7,953	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(46,803)	(46,803)		46,803	46,803	
23	RATE CASE EXPENSE	(84,758)	(84,758)		84,758	84,758	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,244,582)	\$ (1,244,582)		\$ 1,226,610	\$ 1,226,610	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ (844,893)			\$ (1,226,610)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ (46,469)			\$ (67,464)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(166,296)			166,296		
41	Interest Sync and adjustment tax	126					
42	FASB 109 Amortization ARAM				(3,189)		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (166,170)			\$ 163,107		
44							
45	STATE INCOME TAX	\$ (212,639)			95,643		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ (797,104)			\$ (1,159,146)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ (271,015)			\$ (394,110)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(878,904)			878,904	
52	Interest Sync and adjustment tax		736			-	
53	FASB 109 amortization ARAM					1,061	
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (878,168)			\$ 879,965	
58							
59	FEDERAL INCOME TAX		\$ (1,149,183)			\$ 485,855	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ (1,361,822)			\$ 581,498
64							
65	ITC AMORTIZATION			\$ (27,935)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(212,639)	(1,149,183)	(1,361,822)			
74	DEFERRED INCOME TAXES	95,643	485,855	581,498			
75	INVESTMENT TAX CREDITS, NET			(27,935)			
76	TOTAL INCOME TAX PROVISION	<u>(116,996)</u>	<u>(663,328)</u>	<u>(808,259)</u>			

SUPPORTING SCHEDULES: C-23

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

To provide information required to present the excess/deficient deferred tax balances due to protected and unprotected timing differences at statutory tax rates different from the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Protected	Unprotected	Total (Excess/Deficient)
1.	Balance at Beginning of the Historical Year	16,289,924	1,657,563	17,947,487
2.	Historical Year Amortization	2,202,805	217,860	2,420,665
3.	Balance at Beginning of Historical Year + 1	14,087,119	1,439,703	15,526,822
4.	Historical Year + 1 Amortization	2,202,805	217,860	2,420,665
5.	Balance at Beginning of Projected Test Year	11,884,314	1,221,843	13,106,157
6.	Projected Test Year Amortization	2,202,805	217,860	2,420,665
7.	Balance at End of Projected Test Year	9,681,509	1,003,983	10,685,492

\* 2006 -2008 is estimate based on 2005 actual schedules

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a copy of the company's most recent consolidated Federal Income Tax Return, State Income Tax Return and most recent final IRS revenue agent's report.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-E1			

There are no specific tax benefits or detriments in filing a consolidated tax return versus individual company returns.  
There are no existing tax-sharing agreements with affiliated companies.

Supporting Schedules:	Recap Schedules:
-----------------------	------------------



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule detailing transactions with affiliated companies and related parties for the test year including intercompany charges, licenses, contracts and fees.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Historical Year Ended 12/31/06  
 Witness: Mehrdad Khojasteh

Line No.	Name of Company or Related Party	Relation to Utility	Type of Service Provided or Received	Effective Contract Date	Charges During year		Acct. No.	Allocation Method Used to Allocate Charges Between Companies
					Amount 2006	Amount 2008 Projected*		
1)	Flo-gas Corporation	Wholly-Owned Subsidiary	Materials & Supplies		139,282	149,032	146	Actual use of materials
2)	Flo-gas Corporation	Wholly-Owned Subsidiary	Transportation		172,127	184,176	146	Actual use of vehicles and various allocation basis
3)	Flo-gas Corporation	Wholly-Owned Subsidiary	Shared expenses charged to clearing accounts		738,899	790,622	146	Various allocation basis
4)	Flo-gas Corporation	Wholly-Owned Subsidiary	Labor		3,181,787	3,630,419	146	Actual use of personnel and various allocation basis
			TOTAL NET AMOUNT		<u>4,232,095</u>	<u>4,754,249</u>		

All transactions are allocated if they affect the affiliated operations of Flo-Gas Corporation. The basis depends on the nature of the transaction with the bulk of the allocations in the corporate office building and Administrative & General expenses. The primary allocation factors are as follows:

\* Projections based on inflation, payroll and customer factors.

<u>NATURE</u>	<u>ALLOCATION BASIS</u>
Corporate Office Structure	Use study and utility plant in service
Property Insurance	Utility plant in service
A & G Salaries	Utility Plant in Service
Customer Accounts Expense	Customers
Pensions and Employee Benefits	Payroll base
Outside Professional Services & General Liability Insurance	Adjusted gross profit

Through the allocation process all charges affecting the affiliated company have been eliminated from the historic and projected test years.  
 All the various allocation factors are available in Special Job 61-227 at our Corporate Office.

Supporting Schedules: C-31

Recap Schedules:

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 2002 - 2006  
 Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)							
Power Production Expense							
Transmission Expenses	2.21	2.00	1.09	4.25	6.36	7.68	8.53
Distribution Expenses	75.34	76.41	85.11	96.85	92.36	102.73	128.14
Customer Account Expenses	38.04	42.46	42.86	40.55	43.48	45.31	52.15
Customer Service Expenses	16.73	12.99	12.80	15.67	14.90	13.00	13.30
Sales Expenses	0.11	0.32	0.72	0.79	4.71	5.74	5.87
Administration & General Expenses	73.03	86.08	91.89	98.23	104.79	116.53	115.15
Total Other O & M Expenses	205.46	220.27	234.47	256.34	266.59	290.99	323.15
GROWTH INDICES							
Consumer Price Index	179.90	184.00	188.90	195.30	201.60	205.97	210.64
Average Customer	29,084	29,365	29,885	30,232	30,623	30,999	31,370
CPI Percent Increase	0.02	0.02	0.03	0.03	0.03	0.02	0.02
Average Customer Percent Increase	0.02	0.01	0.02	0.01	0.01	0.01	0.01
Index Percent CPI x Customer Growth	0.03	0.03	0.04	0.05	0.05		
Average Customer Increase	522	281	520	347	391	376	371
DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:							
O & M Expense Less Fuel per KWH Sold	0.00806	0.00894	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	n/a	n/a
Revenue per KWH Sold	0.01533	0.01606	0.01721	0.01725	0.01674	0.01705	0.01760
AVERAGE NUMBER OF CUSTOMERS							
Residential	1 n/a	1 n/a	22,878	23,119	23,464	23,756	24,058
Commercial	1 n/a	1 n/a	4,036	4,097	4,131	4,178	4,226
Industrial	1 n/a	1 n/a	2	2	2	2	2
Outdoor Lights	1 n/a	1 n/a	2,947	2,995	3,007	3,044	3,065
Street Lighting	1 n/a	1 n/a	22	19	19	19	19
Interdepartmental	1 n/a	1 n/a	0	0	0	0	0
Total	29,084	29,365	29,885	30,232	30,623	30,999	31,370

1 Lights incorporated with different rate classes prior to 2004 rate case.

KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616	830,949,543	780,004,211
-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules:

Recap Schedules: C-34

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

## Type of Data Shown:

Historical Year Ended 12/31/05  
 Historical Year Ended 12/31/06  
 Witness: Mehrdad Khojasteh

Line No.	12/31/2006			12/31/2007		
	Amount	%Increase	CPI	Amount	%Increase	CPI
1 <u>Total Company Basis</u>						
2						
3						
4 Gross Payroll	17,122,023	2.01%	3.20%	18,366,785	7.27%	2.17%
5 Gross Average Salary	47,683	0.49%	3.20%	49,569	3.96%	2.17%
6						
7 <u>Fringe Benefits</u>						
8						
9 Life Insurance	102,596	1.90%	3.20%	104,510	1.87%	2.17%
10 Medical Insurance	1,878,220	-4.00%	3.20%	2,067,500	10.08%	2.17%
11 Retirement Plan - Pension	1,599,407	9.03%	3.20%	1,690,000	5.66%	2.17%
12 Employee Savings Plan	N/A	N/A	3.20%	N/A	N/A	2.17%
13 Federal Insurance Contributions Act	2,458,362	1.74%	3.20%	2,500,326	1.71%	2.17%
14 Federal & State Unemployment Taxes	59,821	-9.14%	3.20%	53,802	-10.06%	2.17%
15 Worker's Compensation	14,981	-40.28%	3.20%	20,033	33.72%	2.17%
16 Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
18 Employee Stock Purchase Plan	66,564	9.21%	3.20%	72,180	8.44%	
19 Sub Total-Fringes	6,179,951	1.44%	3.20%	6,508,351	5.31%	2.17%
20						
21 <u>Total Payroll and Fringes</u>	<u>23,301,974</u>	1.85%	3.20%	<u>24,875,136</u>	6.75%	2.17%
22						
23 Average Employees	359	1.51%	3.20%	364	1.37%	2.17%
24						
25 <u>Payroll and Fringes Per Employee</u>	<u>64,893</u>	0.34%	3.20%	<u>68,338</u>	5.31%	2.17%
26						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:  
 Historical Year Ended 12/31/05  
 Historical Year Ended 12/31/06  
 Witness: Mehrdad Khojasteh

Line No.	12/31/2007			12/31/2008		
	Amount	%Increase	CPI	Amount	%Increase	CPI
1 <u>Total Company Basis</u>						
2						
3						
4 Gross Payroll	18,366,785	7.27%	2.17%	19,602,448	6.30%	2.27%
5 Gross Average Salary	49,569	3.96%	2.17%	51,541	3.83%	2.27%
6						
7 <u>Fringe Benefits</u>						
8						
9 Life Insurance	104,510	1.87%	2.17%	106,424	1.80%	2.27%
10 Medical Insurance	2,067,500	10.08%	2.17%	2,282,263	9.41%	2.27%
11 Retirement Plan - Pension	1,690,000	5.66%	2.17%	1,860,000	9.14%	2.27%
12 Employee Savings Plan	N/A	N/A	2.17%	N/A	N/A	2.27%
13 Federal Insurance Contributions Act	2,500,326	1.71%	2.17%	2,542,290	N/A	2.27%
14 Federal & State Unemployment Taxes	53,802	-10.06%	2.17%	47,783	-12.60%	2.27%
15 Worker's Compensation	20,033	33.72%	2.17%	17,507	-14.43%	2.27%
16 Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
17						
18 Employee Stock Purchase Plan	72,180	8.44%	0.00%	77,796		
19 Sub Total-Fringes	6,508,351	5.31%	2.17%	6,934,063	6.14%	2.27%
20						
21 Total Payroll and Fringes	24,875,136	N/A	2.17%	19,602,448	-26.90%	2.27%
22						
23 Average Employees	364	N/A	2.17%	359	-1.37%	2.27%
24						
25 Payroll and Fringes Per Employee	68,338	N/A	2.17%	54,590	-25.18%	2.27%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses,  
provide the benchmark variances.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No.	Function	Total Company 2007	O & M Adjustments 2007	Adjusted Test Year O & M 2007	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam	NA								
2.	Production - Nuclear	NA								
3.	Other Power Supply Expense:	35,867,580	(35,867,580)	-	-	-	-	-		
4.	Transmission	75,481	-	75,481	65,207	1.3071	85,232	(9,751)		(9,751)
5.	Distribution	293,702	-	293,702	2,364,635	1.3071	3,090,814	(2,797,112)		(2,797,112)
6.	Customer Accounts	163,883	-	163,883	1,388,756	1.3071	1,815,243	(1,651,360)		(1,651,360)
7.	Customer Service and Information	471,670	(471,670)							
8.	Sales Expenses	18,444	-	18,444	2,708	1.3071	3,540	14,904		14,904
9.	Administrative and General	416,329	-	416,329	2,286,653	1.3071	2,988,884	(2,572,555)		(2,572,555)
10.	Total	37,307,090	-	37,307,090	37,307,090		7,983,713	(7,015,874)	-	(7,015,874)

Supporting Schedules: C-2, C-7, C-12, C-38, C-39, C-40, C-41

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O & M expenses,  
provide the benchmark variances.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No.	Function	Total Company 2008	O & M Adjustments 2008	Adjusted Test Year O & M 2008	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam	NA								
2.	Production - Nuclear	NA								
3.	Other Power Supply Expense:	44,852,210	(44,852,210)	-	-	-	-	-		
4.	Transmission	79,617	-	79,617	65,207	1.3071	85,232	(5,615)		(5,615)
5.	Distribution	364,754	-	364,754	2,364,635	1.3071	3,090,814	(2,726,061)		(2,726,061)
6.	Customer Accounts	184,275	-	184,275	1,388,756	1.3071	1,815,243	(1,630,968)		(1,630,968)
7.	Customer Service and Information	488,179	(488,179)							
8.	Sales Expenses	19,089	-	19,089	2,708	1.3071	3,540	15,549		15,549
9.	Administrative and General	462,784	-	462,784	2,286,653	1.3071	2,988,884	(2,526,100)		(2,526,100)
10.	Total	46,450,908	-	46,450,908	46,450,908		7,983,713	(6,873,194)	-	(6,873,194)

Supporting Schedules: C-2, C-7, C-12, C-38, C-39, C-40, C-41

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the detail of adjustments made to test year per books  
O & M expenses by function.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Function	Adjustment	Explanation
1	Production	0	
2			
3			
4			
5			
6			
7	Total Production	0	
8			
9	Other Power Supply	(35,867,580)	To remove Purchased Power costs which are recovered through the fuel docket.
10			
11	Transmission	0	
12			
13	Distribution	0	
14			
15	Customer Accounts	0	
16			
17	Customer Service and		
18	Information	(403,063)	To remove Conservation costs which are recovered through the conservation docket.
19			
20	Sales Expenses		
21			
22	Administrative & General	0	To remove Economic Development Expense from acct. 93023.
23			
24			
25			
26	Total Administrative & General		
27			
28			
29	TOTAL ADJUSTMENTS	(36,270,644)	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the detail of adjustments made to test year per books  
O & M expenses by function.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No.	Function	(000) Adjustment	Explanation
1	Production	0	
2			
3			
4			
5			
6			
7	Total Production	0	
8			
9	Other Power Supply	(44,852,210)	To remove Purchased Power costs which are recovered through the fuel docket.
10			
11	Transmission	0	
12			
13	Distribution	0	
14			
15	Customer Accounts	0	
16			
17	Customer Service and		
18	Information	(417,172)	To remove Conservation costs which are recovered through the conservation docket.
19			
20	Sales Expenses		
21			
22	Administrative & General	0	To remove Economic Development Expense from acct. 93023.
23			
24			
25			
26	Total Administrative & General		
27			
28			
29	TOTAL ADJUSTMENTS	(45,269,382)	

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED ELECTRIC DIVISION  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:  
 \_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 \_\_\_ Prior Year Ended \_\_\_/\_\_\_/\_\_\_  
 \_\_\_X\_\_\_ Historical Test Year Ended 12/31/06  
 Witness: M. KHOJASTEH

FERC ACCOUNTS: 911 - 917

FERC FUNCTIONAL GROUP: SALES EXPENSE

					AMOUNT	
					TEST YEAR ADJUSTED BENCHMARK	144,236
						3,540
					VARIANCE TO JUSTIFY	140,696
LINE NO.	JUSTIFICATION NO.	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	S-1	INFORMATIONAL ADV.-PURCH. POWER -ACCT 9134	0	0	120,402	120,402
2	S-2	CUSTOMER SATISFACTION SURVEY - ACCT 916	0	0	12,332	12,332
3	S-3	SAFETY ADVERTISING - ACCT 9133	774	1,012	8,224	7,212
4	S-4	PROMOTIONAL ADVERTISING - ACCT 9132	0	0	1,537	1,537

## JUSTIFICATION

S-1 INFORMATIONAL ADVERTISING RE: INCREASE IN PURCHASED POWER COSTS- VENDOR: CURLEY & PYNN.

S-2 SURVEY OF ELECTRIC CUSTOMERS AND THEIR EXPECTATIONS. AWARENESS OF POWER COSTS INCREASES AND WHERE WE CAN BETTER COMMUNICATE RATE AND CONSERVATION INFORMATION.

S-3 STORM PREPARATION INFORMATIONAL ADVERTISING

S-4 CONSERVATION ITEMS WHICH DID NOT QUALIFY FOR RECOVERY THROUGH THE CONSERVATION RECOVERY CLAUSE.

## FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	2.5000%
3.	Regulatory Assessment Rate	0.0720%
4.	Bad Debt Rate	0.3600%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>97.0680%</u>
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	<u>5.3387%</u>
8.	Net Before Federal Income Tax (5) - (7)	<u>91.7293%</u>
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	<u>31.1879%</u>
11.	Revenue Expansion Factor (8) - (10)	<u>60.5413%</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u><u>1.6518</u></u>

Supporting Schedules:

Recap Schedules:

**Projection Factors**

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2006-2008</u>
0 No Change	100	100	100
1 Inflation	102.2	102.3	104.6
5 Payroll	105.5	105.5	111.3
2 Customer Growth	101.2	101.2	102.4
6 Sales (KWH) - No Price	100.2	100.9	101.1
13 Inflation & Customer Growth	103.4	103.5	107.0
21 Inflation & Payroll	107.8	107.9	116.3
16 Payroll & Customer Growth	106.8	106.8	114.1
20 Direct	Direct	Direct	Direct
9 Revenues	100	100	100
19 Zero Balance	0	0	0

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW a-1 XLS.msg	57 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
Documents	FW Acquisitions - July 07 xls.msg	187 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Computer	FW Analytical Comments.msg	128 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW A's.msg	1,107 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
BIP3014 (C:)	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
ROXIO122 (D:)	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Exhibit 2.8	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BACHMAN	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
COX	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MARTIN	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
MESITE	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Leider on 'fp2\hc	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
Hg on 'Ground_flc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Db on 'Ground_flc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
123 on 'Ground_fl	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Sys on 'Ground_flc	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Transfer on 'Grou	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Fp26dos on 'Grou	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Bat on 'Ground_flc	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Network Places	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW G-MFRS-8-3-07_NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SEAS 142 Draft Report.msg	896 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Friday, August 03, 2007 12:51 PM  
**To:** Cox Doreen  
**Subject:** FW: Cost of capital testimony, partially completed  
**Attachments:** DIRECT TESTIMONY\_v1UT\_Incomplete.doc

I will let you give him his first proof. I will wait until his next version.

**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 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 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 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. 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?**

A. Infrastructure industries, including the electricity services industry in particular, has undergone 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 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.

*(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.

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 maintain over the foreseeable 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  $j$



$D_{t,j}$  = 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:

$$k_{e,j} = r_f + B_{jm} * (r_m - r_f) \quad \text{with, } B_{jm} = \sigma_{jm} / \sigma_m^2$$

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,  $\sigma_{jm}$ , and the variance of market returns,  $\sigma_m^2$

$r_m$  = 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;
- 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)*



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
op	FW Balance sheet.msg	47 KB	Outlook Item	10/10/2007 1:35 PM	Files Currently on the C
Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Computer	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
3 1/2 Floppy (A:)	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
BIP3014 (C:)	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
ROXIO122 (D:)	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Exhibit 2.8	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
BACHMAN	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
COX	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
KHOJASTER	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
MARTIN	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the C
MESITE	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
Cleider on 'fp2\hc	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Wp on 'Ground_flc	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
filings on 'FP3 (fp3	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the C
Hg on 'Ground_flc	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
Db on 'Ground_flc	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
123 on 'Ground_fl	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the C
Sys on 'Ground_flc	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Transfer on 'Grou	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Fp26dos on 'Grou	FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
Bat on 'Ground_flc	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Public on 'Ground	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the C
Network Places	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
cycle Bin	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the C
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the C
	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the C
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the C
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the C
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the C
	FW Undated R Schedules.msn	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the C

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

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
Adobe	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
CCWin9	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
Corel User Files	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Curr
CyberLink	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Curr
My eBooks	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Curr
My Music	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
My Pictures	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Curr
RegBak	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Curr
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Curr
3 1/2 Floppy (A:)	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
BIP3014 (C:)	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
ROXIO122 (D:)	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Curr
Exhibit 2.8	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
BACHMAN	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Curr
COX	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Curr
KHOJASTEH	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
MARTIN	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
MESITE	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
Cleider on 'fp2\home'	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Curr
Wp on 'Ground_floor'	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Curr
filings on 'FP3 (fp3) (I	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
Hg on 'Ground_floor'	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Curr
Db on 'Ground_floor'	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Curr
123 on 'Ground_floor'	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Curr
Sys on 'Ground_floor'	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Curr
Transfer on 'Ground_f	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
Fp26dos on 'Ground_I	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Curr
Bat on 'Ground_floor'	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
Public on 'Ground_flo	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
Control Panel	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Curr
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Curr
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Curr
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr
	FW Updated C Schedules.msg	408 KB	Outlook Item	10/16/2007 1:35 PM	Files Curr

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



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Adobe	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
CCWin9	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Corel User Files	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
CyberLink	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
My eBooks	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
My Music	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
My Pictures	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
RegBak	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Current
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
3 1/2 Floppy (A:)	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BIP3014 (C:)	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
ROXIO122 (D:)	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
Exhibit 2.8	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BACHMAN	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
COX	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
KHOJASTEH	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MARTIN	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MESITE	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Cleider on 'fp2\home'	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
Wp on 'Ground_floor\'	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
filings on 'FP3 (fp3)' (I	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Hg on 'Ground_floor\'	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Current
Db on 'Ground_floor\'	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Current
123 on 'Ground_floor'	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
Sys on 'Ground_floor'	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
Transfer on 'Ground_f	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Fp26dos on 'Ground_f	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Current
Bat on 'Ground_floor\'	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Public on 'Ground_flo	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Control Panel	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Updated C schedules.msg	408 KB	Outlook Item	10/16/2007 1:35 PM	Files Current

Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, June 18, 2007 10:10 AM  
**To:** Cox Doreen  
**Subject:** FW: D Schedules

**Categories:** Elec Rate Case

Forgot to cc you on this. Cheryl

-----Original Message-----

From: Martin Cheryl  
Sent: Friday, June 15, 2007 12:47 PM  
To: 'Robert Camfield'  
Subject: RE: D Schedules

Some suggested changes on the language. Thanks Cheryl Martin

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 feasible, including 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 shares profits and losses associated with reacquired debt on an allocated basis with its retail customers.

-----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

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Adobe	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
CCWin9	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Corel User Files	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
CyberLink	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
My eBooks	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
My Music	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
My Pictures	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
RegBak	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Current
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
3 1/2 Floppy (A:)	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BIP3014 (C:)	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
ROXIO122 (D:)	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
Exhibit 2.8	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BACHMAN	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
COX	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
KHOJASTEH	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MARTIN	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MESITE	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Cleider on 'fp2\home\	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
Wp on 'Ground_floor\	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
filings on 'FP3 (fp3) (l	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Hg on 'Ground_floor\	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Current
Db on 'Ground_floor\	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Current
123 on 'Ground_floor'	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
Sys on 'Ground_floor'	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
Transfer on 'Ground_f	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Fp26dos on 'Ground_f	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Current
Bat on 'Ground_floor\	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Public on 'Ground_flo	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Control Panel	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Updated C schedules.msg	408 KB	Outlook Item	10/16/2007 1:25 PM	Files Current

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

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Adobe	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
CCWin9	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Corel User Files	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
CyberLink	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
My eBooks	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
My Music	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
My Pictures	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
RegBak	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Current
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
3 1/2 Floppy (A:)	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BIP3014 (C:)	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
ROXIO122 (D:)	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
Exhibit 2.8	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
BACHMAN	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
COX	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
KHOJASTEH	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MARTIN	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MESITE	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Cleider on 'fp2\home'	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
Wp on 'Ground_floor'	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
filings on 'FP3 (fp3)' (I	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Hg on 'Ground_floor'	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Current
Db on 'Ground_floor'	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Current
123 on 'Ground_floor'	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
Sys on 'Ground_floor'	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
Transfer on 'Ground_f	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Fp26dos on 'Ground_f	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Current
Bat on 'Ground_floor'	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Public on 'Ground_flo	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Control Panel	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Updated C schedules.msg	408 KB	Outlook Item	10/16/2007 1:35 PM	Files Current



**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Thursday, August 02, 2007 2:10 PM  
**To:** Cox Doreen  
**Subject:** FW: D schedules  
**Attachments:** D's-Final.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 02, 2007 1:53 PM  
**To:** Martin Cheryl  
**Subject:** D schedules

Cheryl: Here are the D schedules.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Historical Test Year Ended 12/31/06

DOCKET NO.: 070304-EI

Witness: Doreen Cox, Robert Camfield

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Line No.	Class of Capital	Company Total Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	Jurisdictional Factor	Jurisdictional Capital Structure	Ratio	Cost Rate	Weighted Cost Rate	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,241</b>	<b>1.0000</b>		<b>8.18%</b>	<b>1,473,580</b>

		Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>					
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.	<b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.55%</b>

Rate Base	\$38,057,241
Direct Components	\$6,952,231
	<b>\$31,105,010</b>
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division  
DOCKET NO.: 070304-EIHistorical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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	10.50%	3.88%	
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	9.10%	0.03%	
9.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,241</b>	<b>1.0000</b>		<b>7.80%</b>	<b>1,473,580</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
10. Long Term Debt	50,443,237	0.5080	8.03%	4.08%	Rate Base	\$38,057,241
11. Short Term Debt	3,309,077	0.0333	7.29%	0.24%	Direct Components	\$6,952,231
12. Preferred Stock	600,000	0.0060	4.75%	0.03%		\$31,105,010
13. Common Equity	44,943,721	0.4526	10.50%	4.75%		
14. TOTAL	99,296,036	1.0000		9.10%	Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
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.	<b>TOTAL</b>	<b>112,956,971</b>			<b>112,956,971</b>		<b>41,241,279</b>	<b>1.0000</b>		<b>8.06%</b>	<b>1,567,647</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2007</b>					
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.	<b>TOTAL</b>	<b>104,756,724</b>	<b>1.0000</b>		<b>9.52%</b>
<div> <div>Rate Base</div> <div>\$41,241,279</div> </div> <div> <div>Direct Components</div> <div>\$8,200,247</div> </div> <div> <div></div> <div>\$33,041,032</div> </div> <div> <div>Jurisdictional Factor</div> <div>32%</div> </div>					

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
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.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>43,020,997</b>	<b>1.0000</b>		<b>8.07%</b>	<b>1,489,405</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2008</b>						
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.	<b>TOTAL</b>	<b>114,570,173</b>	<b>1.0000</b>		<b>9.67%</b>	
				Rate Base	<b>\$43,020,997</b>	
				Direct Components	<b>\$9,109,471</b>	
					<b>\$33,911,526</b>	
				Jurisdictional Factor	30%	

Common Equity excludes Flo-Gas

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  
 Historical Test Year Ended 12/31/06  
 Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
<u>Specific Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates					
<u>Pro Rata Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

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 12/31/02, 03, 04, 05 and 06

Witness: Doreen Cox, Consultant

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Prior Year Ended 12/31/07  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	7.29%	\$145,595	1,998,015	0.20%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.86%	\$381,070	5,556,250	0.30%



FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			<b>For Test Year 2008</b>		
2008	July, 2008	6.81%	\$423,453	6,222,500	0.30%

FLORIDA PUBLIC SERVICE COMMISSION

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:  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## 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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## 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.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,158
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,158								
22.	Net LT Debt Outstanding				\$50,543,842								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## TEST YEAR, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold (Face Value)	13-Month Average Principal Amt. Outstanding	Discount (Premium) on Principal Amount Sold	Issuing Expense On Principal Amount Sold	Life (Years)	Annual Amortization (7+8)/(9)	Interest Expense (Coupon Rate) (2) x (6)	Total Annual Cost (10)+(11)	Unamortized Discount (Premium) Associated With (6)	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.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,855,553
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,855,553								
22.	Net LT Debt Outstanding				\$49,777,370								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9650%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION    EXPLANATION:    Supply a statement of the company's policy on treatment of profit or loss  
from reacquired bonds. Detail any profit or loss on reacquired bonds for  
the test year and prior year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:  
☐ Projected Test Year Ended 12/31/08  
☐ Prior Year Ended 12/31/07  
☐ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Prior Year Ended 12/31/07  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description,	Issue	Call	Principal	13-month	(Discount)	(Discount)	Issuing	Issuing	Net	Dollar	Effective
No.	Coupon Rate	Date	Provisions or Special Restrictions	Amount Sold	Average Principal Amt. Outstanding	Premium on Principal Amount Sold	Premium Associated with (6)	Expense on Principal Amount Sold	Expense Associated with (6)	Proceeds (6)+(8)-(10)	Dividend on Face Value (2) X (6)	Cost Rate (12)/(11)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description, No. Coupon Rate	Issue Date	Call Provisions or Special Restrictions	Principal Amount Sold	13-month Average Principal Amt. Outstanding	(Discount) Premium on Principal Amount Sold	(Discount) Premium Associated with (6)	Issuing Expense on Principal Amount Sold	Issuing Expense Associated with (6)	Net Proceeds (6)+(8)-(10)	Dollar Dividend on Face Value (2) X (6)	Effective Cost Rate (12)/(11)
<b>For Test Year 2008</b>												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Historic Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total							<u>\$129,626</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.07%</u>				

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Prior Year Ended 12/31/07

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)			<u>6.32%</u>					

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)			<u>6.32%</u>					

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.65	\$ 13.25
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
8.	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

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES  
CONSOLIDATED ELECTRIC DIVISION

Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.

## 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		
	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000

Capital Structure Objectives:Percent of Total

Short-term Debt	2 - 14%
Long-term Debt	43 - 44%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

Interest Rate Assumptions:

Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.

Company's Policy on the Timing of Entrance into Capital Markets:

Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions. The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures. The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:  
Projected Test Year Ended 12/31/08  
Prior Year Ended 12/31/07  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
	Fixed Charges:				
	Interest	1,473,580	1,567,647	1,489,405	1,489,405
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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 REACQD DEBT  
100.1890.1

Monthly Amortization	Monthly													13 Mth Avg
	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	
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	Monthly													13 Mth Avg
	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	
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														
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

Method as per Surveillance Report	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
Int Accrued on NP	3,466,000	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	5,566,250	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	2,332	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	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
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%	

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	

[illegible][illegible]

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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	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	3.68	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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	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	(395,006)	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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	\$24,109,191	613,089	\$24,722,280	(1,536,998)		\$23,185,282	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	6.81	0.60	6.61	0.60	6.61	0.60
COMMON EQUITY	22,678,666	(656,860)	22,021,806	(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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	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	284,358	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	27,602,857	(821,251)	21,981,606	(1,272,695)		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

See next 4 pages  
for clearer view.

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	
LONG TERM DEBT	\$15,530,581	394,925	\$15,925,506	(8,054)		\$15,917,452	41.43	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
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	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
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
TOTAL	<u>\$38,434,741</u>		<u>\$38,434,741</u>	<u>(\$15,852)</u>		<u>\$38,418,889</u>	<u>100.00</u>		<u>7.71</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	
LONG TERM DEBT	\$15,262,481	364,201	\$15,626,682			\$15,626,682	40.64	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	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
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
TOTAL	<u>\$38,449,528</u>		<u>\$38,449,528</u>	<u>\$4,461</u>		<u>\$38,453,989</u>	<u>100.00</u>		<u>7.55</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE COST (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>				
LONG TERM DEBT	\$24,109,191	613,069	\$24,722,260	(1,536,998)		\$23,185,262	39.95	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
PREFERRED STOCK	287,072	4,866	291,938	(18,150)		273,788	0.47	4.75	0.02
CUSTOMER DEPOSITS	5,277,158		5,277,158			5,277,158	9.09	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
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
TOTAL	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE COST (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>				
LONG TERM DEBT	\$24,000,671	572,716	\$24,573,387	(1,422,085)		\$23,151,302	39.75	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
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	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
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
TOTAL	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>

## SCHEDULE 4

<u>MID POINT</u>		<u>HIGH POINT</u>	
<u>COST RATE</u>	<u>WEIGHTED</u>	<u>COST RATE</u>	<u>WEIGHTED</u>
<u>(%)</u>	<u>COST</u>	<u>(%)</u>	<u>COST</u>
8.02	3.32	8.02	3.32
3.28	0.09	3.28	0.09
4.75	0.02	4.75	0.02
6.61	0.37	6.61	0.37
11.50	4.24	12.50	4.61
9.41	0.03	9.87	0.04
	<u>8.07</u>		<u>8.45</u>

<u>MID POINT</u>		<u>HIGH POINT</u>	
<u>COST RATE</u>	<u>WEIGHTED</u>	<u>COST RATE</u>	<u>WEIGHTED</u>
<u>(%)</u>	<u>COST</u>	<u>(%)</u>	<u>COST</u>
8.01	3.26	8.01	3.26
3.13	0.09	3.13	0.09
4.75	0.02	4.75	0.02
5.50	0.33	5.50	0.33
11.50	4.18	12.50	4.55
9.41	0.03	9.86	0.03
	<u>7.91</u>		<u>8.28</u>



SCHEDULE 4

<u>MID POINT</u>		<u>HIGH POINT</u>	
<u>COST RATE</u>	<u>WEIGHTED COST</u>	<u>COST RATE</u>	<u>WEIGHTED COST</u>
<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
8.02	3.20	8.02	3.20
3.28	0.09	3.28	0.09
4.75	0.02	4.75	0.02
6.61	0.60	6.61	0.60
11.25	4.00	12.25	4.36
9.30	0.04	9.75	0.04
	<u>7.95</u>		<u>8.31</u>

<u>MID POINT</u>		<u>HIGH POINT</u>	
<u>COST RATE</u>	<u>WEIGHTED COST</u>	<u>COST RATE</u>	<u>WEIGHTED COST</u>
<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
8.01	3.18	8.01	3.18
3.13	0.09	3.13	0.09
4.75	0.02	4.75	0.02
5.79	0.55	5.79	0.55
11.25	4.00	12.25	4.36
9.30	0.03	9.75	0.04
	<u>7.87</u>		<u>8.24</u>

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2005 - December 2006

Line				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	AVERAGE	13 mth
Ref	Florida Public Utilities:	Notes	Acct #															
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 Reacq'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	999,931	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												



Assumptions:  
 RETAINED EARNINGS.  
 Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Actual)

		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
2006		4,100	923	900	308	472	177	90	238	128	(32)	161	440	205
FPU		4,813	772	700	318	416	207	110	291	195	57	200	433	303
FLO-GAS		158	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
2007		3,879	707	645	446	447	144	99	137	100	136	175	320	463
FPU		3,291	621	518	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
Revised Budget		(671,194)												
(1,999,469)														
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
BF			32,826,619	33,447,252	33,965,990	35,051,321	36,048,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167
NET INCOME			520,943	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)
Flo-Gas Dividend					2,000,000									
Projected Interim Rate Relief	2												37,874	55,247
BALANCE CF			33,447,267	33,965,960	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
FLO-GAS RETAINED EARNINGS														
BF			2,386,526	2,472,443	2,568,925	795,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057
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
DIVIDEND					(2,000,000)									
BAL CF	2		2,472,443	2,568,925	795,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057
CONSOLIDATED PROJECTED RETAINED EARNINGS														
BF			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
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
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Common Dividend			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)
BALANCE CF			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
Projected Interim Rate Relief	Ann NOI	400,000	Now-07	62,423	77,348	60,648	60,208	20,569	14,891	20,569	23,388	18,010	19,964	37,874
														55,247
														400,000
Financials			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	36,606,275	36,421,483
			35,919,703	36,564,911	36,356,371									
			2	4	7									



Assumptions:  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

1.83

PRIOR YEAR NET INCOME (Revised Budget)

	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	3,878	707	645	446	447	144	90	137	160	136	175	320	463
FPU	3,281	621	519	340	386	138	100	138	157	121	134	254	371
FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92
2008	3,895	728	664	459	400	148	102	141	165	140	190	330	477
FPU	3,380	640	525	350	410	142	103	142	162	125	138	262	382
FLO-GAS	606	88	139	109	50	6	(1)	(1)	3	15	42	68	95

(1 000 000)

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	37 779 763	37 655 441	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	362 130	3 389 730
Preferred Dividend				(7 125)			(7 125)			(7 125)			(7 125)	(28 500)
Common Dividend				(7 18 676)	0	0	(867 641)	0	0	(869 504)	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	59 256							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	77 190	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	37 779 763	37 655 441	37 234 178	37 572 978	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	94 700	805 640
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	580 687	580 687

(304 380)

CONSOLIDATED PROJECTED RETAINED EARNINGS

B/F		36 421 483	37 242 154	37 983 778	37 787 981	38 287 648	38 477 902	37 735 492	37 918 534	38 131 040	37 431 189	37 652 136	38 058 916	36 421 483
NET INCOME		728 210	664 350	450 380	460 410	148 320	101 970	141 110	164 800	140 080	180 250	328 600	476 880	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	(7 18 676)	0	0	(867 641)	0	0	(869 504)	0	0	(870 007)	(3 325 917)
Projected NOI - Elec Rate Case		0	0	0	0	41 932 5433	30 385 90094	41 932 5433	47 705 86448	36 766 94014	40 717 10726	77 189 18839	112 731 0025	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	37 431 189	37 652 136	38 058 916	37 771 405	37 491 788

1 070 306

F Receive

Projected Rate Relief	Ann NOI	1 000 000	May-08	188 000	157 703	103 312	125 036	41 933	30 386	41 933	47 706	36 767	40 717	77 189	112 732	1 000 000
Projected Interim Rate Relief		490 000	Nov-07	92 461	77 274	50 623	59 259	28 547	14 880	20 547	23 376	18 016	18 061	37 818	55 236	490 000
			112 312 174	112 736 998	112 287 006	111 438 888	113 127 500	114 257 203	114 662 484	115 306 866	115 187 755	114 964 305	116 054 392	120 489 556	120 549 012	114 924 172

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Adobe	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
CCWin9	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Corel User Files	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
CyberLink	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
My eBooks	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
My Music	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
My Pictures	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
RegBak	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
My Computer	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Current
3½ Floppy (A:)	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
BIP3014 (C:)	FW D's-Final-8-8-07-NoLinks xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
ROXIO122 (D:)	FW D's-Final xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Exhibit 2.8	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Current
BACHMAN	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
COX	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
KHOJASTEH	FW FPU Refunding Model 040207 xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Current
MARTIN	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
MESITE	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
CLeider on 'fp2\home:	FW G-MFRS-8-3-07-NoLinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Wp on 'Ground_floor\	FW G-MFRS-8-6-07-NoLinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
filings on 'FP3 (fp3)' (l	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Current
Hg on 'Ground_floor\	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Db on 'Ground_floor\	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Current
123 on 'Ground_floor\	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Current
Sys on 'Ground_floor'	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
Transfer on 'Ground_f	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
Fp26dos on 'Ground_f	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
Bat on 'Ground_floor\	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Current
Public on 'Ground_flo	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
Control Panel	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
My Network Places	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Current
Recycle Bin	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Current
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Current
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Current
	FW Updated R Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Current

**Clara Leider**

**From:** Lundgren April  
**Sent:** Monday, June 04, 2007 8:21 AM  
**To:** Khojasteh Mehrdad  
**Cc:** Cox Doreen  
**Subject:** FW: Deferred tax projections

Hi Mehrdad, please let me know if I should revise the schedule to include the regulatory liability account...

Thanks!

*April*

x1788

**From:** Cox Doreen  
**Sent:** Monday, June 04, 2007 7:59 AM  
**To:** Lundgren April  
**Subject:** RE: Deferred tax projections

April:

Please remember to check with Mehrdad about the 2821 Regulatory Liability Account for the Deferred Taxes. I would like to send Robert the Cost of Capital Components today.

Thanks

Doreen

**From:** Lundgren April  
**Sent:** Thursday, May 31, 2007 9:41 AM  
**To:** Cox Doreen  
**Subject:** RE: Deferred tax projections

I'm not sure. Mehrdad revised the 2006 year end schedule to what he felt was correct and submitted it to the auditors (without 2821), so I would say we should get his input before making any revisions.

Thanks,

*April*

x1788

**From:** Cox Doreen  
**Sent:** Thursday, May 31, 2007 9:38 AM  
**To:** Lundgren April  
**Subject:** RE: Deferred tax projections

April

Our Dec 2006 actual reconcile except that previously we also picked up the 2821 Regulatory Liability Account. If you agree please add.

Thanks

Doreen

**From:** Lundgren April



**Sent:** Thursday, May 31, 2007 8:44 AM  
**To:** Cox Doreen  
**Subject:** Deferred tax projections

I shall try again!!

P:\Departments & Divisions\Accounting Departments\Rate Proceedings\2007 Electric Rate Case\MISC\Tax  
Schedule.xls

(I'll send you a quick email if I need to revise the pension deferred tax once I do the analysis.)

Thank you,  
**April Lundgren**  
*Sr. SEC Accountant*  
*Florida Public Utilities Company*  
561.838.1788

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
3y	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wp	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filli	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
HC	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Db	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Bar	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recyc	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Friday, January 26, 2007 10:44 AM  
**To:** Cox Doreen  
**Subject:** FW: Dir-Quest.2007-FINAL  
**Attachments:** Dir-Quest.2007-FINAL.doc

Doreen, would you mind getting BOnnie this information later today? We are posting a few entries this morning.

Thanks,

*Cheryl Martin*  
*Controller, FPUC*  
561-838-1725

-----Original Message-----

**From:** Erdek Bonnie  
**Sent:** Friday, January 26, 2007 10:02 AM  
**To:** Martin Cheryl  
**Cc:** Bellechases Dina  
**Subject:** FW: Dir-Quest.2007-FINAL

Hi Cheryl. Just wondering if we were getting close to having the numbers we need so I can release the D&O questionnaire. I'm just trying to stay in the forefront of your thoughts.

Thanks,  
*Bonnie*

**From:** Erdek Bonnie  
**Sent:** Thursday, January 04, 2007 8:51 AM  
**To:** Martin Cheryl  
**Subject:** Dir-Quest.2007-FINAL

Good morning and Happy New Year. Cheryl, I'm meant to release the D&O questionnaires to the parties tomorrow. I've revised our current questionnaire to reflect this year's dates but there are several areas I've highlighted which require accounting input. The highlighted figures were used in last year's questionnaire.

Can you please get back with me with these numbers today or advise me with whom I can follow-up?  
Thanks for your help,

*Bonnie*



## QUESTIONNAIRES FOR DIRECTORS AND OFFICERS

### Directors' and Officers' Proxy Statement Questionnaire

### GENERAL INSTRUCTIONS

In preparing of the Proxy Statement for the 2007 Annual Meeting of Shareholders of Florida Public Utilities Company (the "Company"), we must obtain from you written verification of certain information required to be disclosed in the Proxy Statement.

In order to obtain such verification, this Questionnaire is being sent to each person who, during the Company's Last Fiscal Year (as defined below), served as an officer or director of the Company, as well as current, officers and directors and all nominees for election as a director and to certain officers or employees of the Company's subsidiaries or other principal business units or divisions who may be considered executive officers of the Company under rules of the SEC. Please fill in the answers to the following questions, sign and date the Questionnaire, and return one signed copy to Bonnie Erdek in the enclosed pre-addressed envelope not later than February 5<sup>th</sup>, 2007. The remaining copy is for your files.

Please use the utmost care in responding to this Questionnaire. You should be aware that if the Proxy Statement contains any false or misleading statements which are material to the election of directors or other actions taken at the Annual Meeting, the validity of such actions could be questioned and under certain - circumstances the Company and those in control of the Company, including officers and directors, could be subject to liability. If the answer to any of the questions is "no" "none" or "not applicable," please so indicate. Please do not leave any questions unanswered.

As used herein, "Last Fiscal Year" refers to the Company's fiscal year ended December 31, 2006. Other italicized terms are defined in **Appendix A** to this Questionnaire. **Appendix B** contains a list of all of the subsidiaries of the Company.

If at any time before the Annual Meeting *you* discover that your answer to any question was inaccurate, or if any event occurring subsequent to your completion hereof would require a change in your answers to any questions (including any transaction reducing, increasing or otherwise affecting your beneficial ownership of the Company's securities as reported Part II of this Questionnaire), please contact George Bachman by telephone at 561.838.1731 immediately.

## PART I - STOCK OWNERSHIP

### **Question 1:**

[SEC Regulation S-K, Items 401 (a) and (b)]

#### **Name and Date of Birth**

Please set forth your full name and date of birth.

John t English

---

### **Question 2:**

[SEC Regulation S-K, Item 401 (d)]

#### **Family Relationships**

If you have any family relationship, by blood, marriage or adoption not more remote than first cousin, with any director, *executive officer*, or nominee' or person chosen to become a director or *executive officer* of the Company, its parent, any of its subsidiaries (as listed in Appendix B), or other *affiliates*, or any individual who has been employed by the Company in the past three years as an *executive officer*, please identify such relative and describe the nature of the relationship.

---

### **Question 3:**

[SEC Regulation S-K, Items 401 (a), (b), (c), (e), 4020)(1)(ii)]

#### **Principal Occupation and Employment**

- (a) Please give a brief account of your business experience during the past five years (together with applicable dates); include your principal occupations and employment during that period, including but not limited to any *executive officer* position and directorships; the name and principal business of any company, partnership or other entity in which such occupations and employment were carried on; and whether any such company, partnership or other entity is a parent, subsidiary or other *affiliate* of the Company. If you are an *executive officer* of the Company and have been employed by the Company for less than five years, include a brief explanation of the nature of your responsibilities in prior positions. What is required is information relating to the level of your professional competence, which may include, depending upon the circumstances, such specific information as the size of the operation supervised.
- 

- (b) Please indicate all executive officer positions and offices with the Company, its parent or any subsidiary that you presently hold. State your term of office and the period during which you have served as such.
- 

- (c) If you are a director, please indicate whether at any time in the past you were an *officer* of the Company, its parent or any of its subsidiaries. State the position you held and the dates you held such position.
-

**Question 4:**

[SEC Regulation S-K, Items 401 (e) and 4020), SEC Rule 16b-3(b)(3)]

**Other Directorships and Executive Officer Positions**

- (a) If you are, or have been nominated to become, a director of the Company, list all other directorships held by you during the past five years with respect to any company (or "investment company" registered under the Investment Company Act of 1940) required to file periodic reports with the Securities and Exchange Commission.

COMPANY	TIME PERIOD (MO. & YR.)	EXPIRATION OF CURRENT TERM

- (b) Did you serve as a director, *executive officer*, general partner or perform similar functions of any other company, partnership or other entity (public or private) during the Last Fiscal Year? (Omit entities exempt from tax under Section 501 (c) (3) of the Internal Revenue Code.)

☐ Yes☐ No

If yes:

- (i) Please specify the company name(s) and your position within the company (ies):

- (ii) Do you serve on any board committees or otherwise determine compensation for the executives of such company? If yes, please specify:

☐ Yes☐ No

- (iii) Did any *executive officer* of the Company serve on the compensation committee of the board or otherwise determine compensation of the executives of any such company during the Last Fiscal Year? If yes, please give specifics:

☐ Yes☐ No

- (iv) Did any *executive officer* of the Company serve on the board of any such company? If yes, please give specifics.

☐ Yes☐ No

- (v) If your answer to either Question 4(b)(iii) or 4(b)(iv) above is "yes", did any *executive officer* of any such company also serve on the compensation committee of the Company's board or otherwise serve on the Company's board during the Last Fiscal Year? If yes, please give specifics, including information about whether that company is a competitor of the Company.

☐ Yes☐ No**Question 5:**

[SEC Regulation S-K, Items 103, 401 (I) and 401 (g)]

**Involvement in Certain Legal Proceedings**

Have any of the following events occurred during the last five years:

- (a) Was a petition under the Federal bankruptcy laws, or any state insolvency law, filed by or against you, or was a receiver, fiscal agent or similar officer appointed by a court for the business or property of (i) yourself, (ii) any partnership in which you were a general partner at or within two years before such event or (iii) any corporation or business association of which you were an *executive officer* at or within two years before such event?

☐ Yes☐ No

- (b) Were you convicted in a criminal proceeding, or are you the subject (of a criminal proceeding which is presently pending? Omit traffic violations.  
☐Yes ☐No
- (c) Were you the subject of any order, judgment or decree of any court (not subsequently reversed, suspended or vacated by any court) permanently or temporarily enjoining you (i) from acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission ("CFTC"), or an associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities; or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company; or from engaging in or continuing any conduct or practice in connection with such activity; or (ii) from engaging in any type of business practice; or (iii) from engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws?  
☐Yes ☐No
- (d) Were you the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting for more than 60 days your right to engage in any activity described in subparagraph (c) above, or to be associated with persons engaged in any such activity?  
☐Yes ☐No
- (e) Has any court, the SEC, CFTC, NYSE, American Stock Exchange, NASD or any commodity exchange or NASDAQ imposed a sanction against you or found you to have violated any federal or state securities or commodities laws?  
☐Yes ☐No
- (f) Do you or any of your associates have any claims against the Company or any of its subsidiaries; or are *you* or any of your associates a party adverse to the Company or any of its subsidiaries in any legal proceeding; or do you or any of your associates have a material interest adverse to the Company or any of its subsidiaries in any legal proceeding?  
☐Yes ☐No
- (g) With respect to the following, are you aware of any claims or pending legal proceedings against the Company, any of its subsidiaries or any of its properties involving:
- (i) any pending legal proceeding (or group of proceedings involving the same legal or factual issues) which would involve any claim for monetary damages greater than \$1,000,000; or
  - (ii) any pending administrative or judicial proceeding arising under any federal, State or local provisions regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment which would involve a claim for monetary damages greater than \$1,000,000; or
  - (iii) any proceeding by a governmental authority, involving the imposition of sanctions greater than \$100,000; or
  - (iv) any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its subsidiaries.
- ☐Yes ☐No

If the answer to any of the foregoing questions is "yes," provide a full description of the event or events and your connection therewith (attach a supplemental page if necessary). You may explain any mitigating circumstances associated with any event or events identified.

## PART II - SECURITY OWNERSHIP

### **Question 6:**

[For Questions 6-8: SEC Regulation S-K, Items 402, 403(b) and 405, SEC Rule 13d-3, 13d-4, 16a-2 and 16a-3]

### **Your Securities Holdings**

- (a) As to each class of *equity securities* of the Company, its parent or any subsidiary, state the total number of shares or other units *beneficially owned* by you as of January 15, 2007.

TITLE OF EQUITY SECURITY	NUMBER OF SHARES OR OTHER UNITS BENEFICIALLY OWNED
FPU Common Stock	

In the table provided on the following page:

- (b) If, as a result of applying the rules regarding *beneficial ownership* summarized in **Appendix A** to this Questionnaire, you have included in the amount stated in answer to Question 6(a) above under "Number of Shares or Other Units Beneficially Owned" shares or units not issued in your name, please provide details as to the nature of such *beneficial ownership* of such shares or other units and state the amount of shares or units so owned: and
- (c) If, as a result of applying the rules regarding *beneficial ownership* summarized in Appendix A to this Questionnaire, you have excluded from the amount stated in the answer to Question 6(a) above under "Number of Shares or Other Units Beneficially Owned" shares or units which are issued in your name, please state the amount so excluded and explain why you are not the *beneficial owner* of such shares or units.

	Title of Equity Security	Number of Shares or Units	Nature of Beneficial Ownership
(a) Shares or Units Included but Issued in Another's Name			
(b) Shares or Units Excluded but Issued in Your Name			

(a) Explanation: \_\_\_\_\_

(b) Explanation: \_\_\_\_\_



- (d) Of the total number of shares or units **beneficially owned** by you, as reported in answer to Question 6 (a), indicate below the amounts as to which you have sole or shared voting or investment power and the amount as to which you have the "right to acquire beneficial ownership" (as defined in paragraph 3 (b) of Appendix A).

	Common Stock	Other
Number of shares or units as to which you have sole voting power		
Number of shares or units as to which you have shared voting power		
Number of shares or units as to which you have sole investment power		
Number of shares or units as to which you have shared investment power		
Number of shares or units as to which you have the "right to acquire beneficial ownership" (see paragraph 3 (b) of Appendix A)		

- (e) Has the Company adjusted the exercise price of or otherwise re-priced any of your options during the Last Fiscal Year?  
☐ Yes ☐ No
- (f) Are you aware of any transactions in the Last Fiscal Year for which you did not timely file a Form 3 or Form 4?  
☐ Yes ☐ No
- (g) Did you have any transactions, exempt from Form 4 filing, which now need to be reported on Form 5? (The most common transactions exempt from Form 4 reporting involve employee benefit plans and certain acquisitions involving less than \$10,000.)  
☐ Yes ☐ No
- (h) Have you or a member of your immediate family who lives in your household entered into a contract, issued an instruction or established a plan (other than under any Company savings or compensation plan or dividend reinvestment plan) that provides for the purchase or sale of Company stock in the future (these are often called pre-arranged trading plans or Rule 10b5-1 plans).  
☐ Yes ☐ No

**Question 7:**

**Disclaimer of Beneficial Ownership**

- (a) If you wish to disclaim **beneficial ownership** of any securities referred to above, please set forth the number of such shares or units, the circumstances upon which the disclaimer of beneficial ownership is based, the name of the person or persons who should be shown as the beneficial owner(s) of such shares or units, and your relationship to that person or those persons.

- (b) Do you or any of your **affiliates** or **associates** participate in investment decisions made by any nonprofit entity that owns Company securities? If yes, please provide details and indicate whether you disclaim beneficial ownership of such Company securities.

☐ Yes ☐ No

**Question 8:****Securities Holdings of Your Relatives**

If any *equity securities* of the Company, its parent or any subsidiary are *beneficially owned* by any relative of yours (by blood, marriage or adoption) who shares your home, please indicate below the name of each such relative, your relationship with him or her, and the amount of shares so owned. .

---

---

**Question 9:**

[SEC Regulation S-K, Item 403(a)]

**5% Holders of Company Securities**

If you know of any *person* (including yourself) or *group* which *beneficially owns* more than \$298,000 shares of the Common Stock of the Company <sup>1</sup>, please state name and address of such person, or the name and address of each member of such group, and the number of shares *beneficially owned* by each such person or group as of January 15, 2007.

Name of Person or Members of Group	Address	Number of Shares

---

<sup>1</sup> Note to Company reviewer: "x" and "y" (voting and non-voting shares of the Company's securities) should be the amounts roughly equal to 5% of the outstanding shares in the particular class of stock, perhaps rounded down to some convenient threshold Management can then determine if any person owns 5% or more.

### PART III - DIRECTORS' COMPENSATION

**THIS SECTION SHOULD BE COMPLETED ONLY IF YOU ARE A DIRECTOR OF THE COMPANY. IF YOU ARE AN OFFICER, BUT NOT A DIRECTOR, OF THE COMPANY YOU SHOULD PROCEED TO QUESTION 12.**

**Question 10:**

*[For Questions 10-11, SEC Regulation S-K, Items 402(g), IRS Reg. 1.162-27(e)(3)]*

State the amount of compensation paid to you pursuant to any standard arrangement applicable to all directors during the Last Fiscal Year for your services as director (including any additional amounts paid to you for committee participation or special assignments).

---

---

**Question 11:**

If, as a director of the Company, you received any payment for your services as a director pursuant to any arrangement not applicable to all directors of the Company, please state the amount of such compensation and describe such arrangement.

---

---

## PART IV - CERTAIN TRANSACTIONS AND RELATIONSHIPS

### **Question 12:**

[SEC Regulation S-K, Item 404(a)]

### **Transactions with Management**

In the table on the following page, describe any transaction (or series of similar *transactions*), during the Company's Last Fiscal Year, or any currently proposed *transaction* (or series of similar *transactions*), to which the Company or any of its subsidiaries was or is to be a party, and in which you had or anyone in your *immediate family* has, a material direct or indirect financial interest<sup>2</sup>. Identify the person(s) involved and state the nature of your or their interest in the *transaction*, the amount of the *transaction*, the amount of your or their interest in the *transaction*, and, if the person is a member of your *immediate family*, describe the nature of their relationship to *you* and to the Company, if any. (Attach a supplemental page if necessary.)<sup>3</sup>

Description of Transaction	Persons Involved	Nature of Interest / Relationship	Amount of Transaction <sup>4</sup>	Amount of Interest <sup>5</sup>

<sup>2</sup> A person who has a position or relationship with a firm, corporation or other entity that engages in a *transaction* with the Company or its subsidiaries may have an indirect interest in such *transaction* by reason of such position or relationship. However, you are not deemed to have an indirect material interest in a *transaction* where (a) your interest in the *transaction* arises only (i) from your position as a director of another corporation or organization which is a party to the *transaction* or (n) from the direct or indirect aggregate ownership of less than a 10% equity interest in another person (other than a partnership) which is a party to the *transaction*, by you, or by all other directors, nominees for director, *officers*, holders of more than 5% of any class of the voting securities of the Company or members of the immediate family of any of the foregoing persons; or (iii) from both (a)(i) and (a)(ii); (b) your interest arises only from your position as a limited partnership in a partnership in which you or all other persons specified in (a) (i) and (a) (ii) have an interest of less than 10%; or (c) your interest arises solely from the holding of an equity interest (including a limited partnership interest, but excluding a general partnership interest) or a creditor interest in another person that is a party to the transaction with the Company, and the *transaction* is not material to such other person.

<sup>3</sup> Note to Company reviewer: Item 404 of Reg. S-K requires disclosure only for a transaction or series of similar transactions in which the amount involved exceeds \$60,000.

<sup>4</sup> In computing the amount involved in the *transaction* or series of similar transactions include all periodic installments in the case of any lease or other agreement providing for periodic payments. For any *transaction* involving the purchase or sale of assets by or to the Company or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the *transaction*, the cost thereof to the seller. Indicate the principle followed in determining the Company's purchase or sale price and the name of the person making such determination.

Include information with respect to transactions that involve remuneration from the Company or its subsidiaries, directly or indirectly, for services in any capacity.

<sup>5</sup> The amount of your interest should be computed without regard to the amount of profit or loss involved in the transaction.

**Question 12a:**

If anyone in your *immediate family* is a director or officer of any company, please list their name and the Company name.

---

---

**Question 13:**

[SEC Regulation S-1(, Item 404(c), Section 402 of Sarbanes-Oxley Act of 2002]

**Indebtedness of Management**

If you or any *associate* of yours has been indebted to the Company or any of its subsidiaries at any time during the Company's Last Fiscal Year, state: (a) the name of the indebted person; (b) if the indebted person is an associate, the nature of your relationship to that person; (c) the largest aggregate amount of indebtedness outstanding at any time during the Company's Last Fiscal Year; (d) the nature of the indebtedness and of the transaction in which it was incurred; (e) the amount of indebtedness outstanding as of the latest practicable date (indicating that date); and (f) the rate of interest paid or charged thereon, if any.

Include (with respect to yourself only) any instances where the Company, either directly or indirectly (including through a subsidiary), extended or maintained credit for you, arranged for the extension of credit, or renewed any extension of credit.

You may exclude all amounts due for purchases subject to usual trade terms, for ordinary travel and expense payments and for other transactions in the ordinary course of business.

---

---

**Question 14:**

[SEC Regulation S-K, Item 402(h) and 403(c)]

**Agreements Affecting Control**

- (a) If you know of any contractual agreements, including any pledge of securities of the Company, the operation of the terms of which has resulted since the beginning of the Company's Last Fiscal Year or may, at a subsequent date, result in a change in *control* of the Company, please briefly describe the agreement, the parties thereto and the number and class of securities involved.
- 
- 

- (b) Do you know of or believe that any arrangements exist pursuant to which more than 5% of the Company's stock is held or is to be held subject to any voting trust or other similar arrangement (including through a trading plan implemented under Rule 10b5-1)?

☐ Yes ☐ No

- (c) If you are an *executive officer* of the Company, are you party to any employment, change in control or termination contract with the Company or its subsidiaries?

☐ Yes ☐ No

If your answer to either questions 14(b) or 14(c) is "yes," please explain:

---

---

**Question 15:**

[SEC Regulation S-K, Item 702J]

**Indemnification**

Do you know of any provision, other than the Corporation Law of (state of incorporation of the Company), the Charter and Bylaws of the Company and the Company's **officers'** and directors' liability insurance policy, under which any director, **officer** or controlling person of the Company is insured or indemnified in any manner against any liability which he or she may incur in his or her capacity as such? If so, please describe such provision.

---

---

**Question 16:**

SEC Regulation S-K, Item 401 (a) and 401(b))

**Arrangements as to Election**

(a) If you are a director -or a nominee for election as a director, state whether or not you were or are proposed to be elected pursuant to any arrangement or understanding between yourself and any other person or entity (except directors and **officers** of the Company acting solely in their capacities as such), the names of such other persons or entities and a brief description of the arrangement or understanding.

---

---

(b) If you are an **officer** of the Company, state whether or not you were selected as an **officer** pursuant to any arrangement or understanding between yourself and any other person or entity (except directors and **officers** of the Company acting solely in their capacities as such), the names of such other persons or entities and a brief description of the arrangement or understanding.

---

---

**Question 17:**

[SEC Regulation S-K, Item 404(b)]

**Certain Business Relationships** (please answer the following if you are a director or nominee for director. Otherwise, proceed to Question 19.)<sup>6</sup>

(a) Are you now or have you been, during the Company's Last Fiscal Year, an **executive officer** of, or do you now own or have you owned, during the Company's Last Fiscal Year, of record or beneficially, in excess of a 10% equity interest in, any firm, corporation, or other business or professional entity:

(i) That has made, during the Company's Last Fiscal Year or proposes to make during the Company's current fiscal year payments to the Company or any of its subsidiaries for property or services<sup>7</sup> in excess of (A) 5% of the Company's consolidated gross revenues for the Company's Last Fiscal Year (\$6,501,000) or (B) 5% of such other entity's consolidated gross revenues for its Last Fiscal Year?

☐ Yes      ☐ No

(ii) To which the Company has made, during the Company's Last Fiscal Year or which the Company proposes to make during the Company's current fiscal year payments for property or services in excess of (A) 5% of the Company's consolidated gross revenues for the Company's Last Fiscal Year (\$6,501,000) or (B) 5% of such other entity's consolidated gross revenues for its Last Fiscal Year?

☐ Yes      ☐ No

(iii) To which the Company was indebted,<sup>8</sup> at the end of the Company's Last Fiscal Year, in an aggregate amount in excess of 5% of the Company's total consolidated assets at the end of that fiscal year (\$9,623,000)?

☐ Yes ☐ No

(b) Are you now or have you been, during the Company's Last Fiscal Year:

(i) A member of, or of counsel to, a law firm that the Company retained during the Company's Last Fiscal Year or that the Company proposes to retain during the current fiscal year?

☐ Yes ☐ No

(ii) A partner or executive officer of any investment banking firm or accounting firm that performed services for the Company (other than as a participating underwriter in a syndicate) during the Company's Last Fiscal Year or that the Company proposes to have perform services during the current fiscal year?

☐ Yes ☐ No

(c) If the answer to either Question 17(b)(i) or 17(b)(ii) is yes, does the amount of fees paid by the Company during the Last Fiscal Year or proposed to be paid during the current fiscal year exceed 5% of such firm's consolidated gross revenues for that firm's last full fiscal year?

☐ Yes ☐ No

(d) Are there any other relationships (financial, business or otherwise) between you and the Company or its *executive officers*, or another Company director that are substantially similar in nature and scope to those described in this Question 17?

☐ Yes ☐ No

---

<sup>6</sup> If you are using this questionnaire for the preparation of a registration statement, you should request the information in this question as to the last three fiscal years and provide three years financial information in answer to Question 11(a) (i)-(iii).

<sup>7</sup> In calculating payments for property and services, exclude:

- (i) Payments where the rates or charges involved in the transaction are determined by competitive bids, or common contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority; or
- (ii) Payments that arise solely from the ownership of securities of the Company and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received.

<sup>8</sup> In calculating indebtedness, exclude:

- (i) Debt securities that have been publicly offered, admitted to trading on a national securities exchange or quoted on the automated quotation system of a registered securities association; or
- (ii) Amounts due for purchases subject to usual trade terms.

If you have answered "Yes" to any of the items in this Question 17 above, please describe (attach a supplemental page if necessary):

- (1) the identity of the entity with which the Company has such a relationship;
- (2) the nature of your affiliation with such entity;
- (3) the nature of the relationship between such entity and the Company; and
- (4) the amount of business conducted between the Company and such entity during the Company's Last Fiscal Year or proposed to be conducted during the Company's current fiscal year.

#### **Question 18:**

[SEC Regulation S-K, Item 4020) and Schedule 14A, Items 7(d), (J)]

#### **Board Meeting Attendance**

(a) The Company's records indicate that of the nine (9) board meetings held during the Last Fiscal Year, you attended [ ] of such meetings, and that of the [ ] meetings of the [ ] committee(s) on - which you serve, you attended [ ] such meetings. Is this correct?

☐ Yes ☐ No

If no, please provide correct information.

- (b) If you have been nominated to stand for election to the Board of Directors of the Company at the 2006 Annual Meeting of Stockholders, do you agree to serve if elected?

☐ Yes ☐ No

**Question 19:**

[For Question 19-20, SEC Regulation S-K, Item 402(a) and 404(a)]

If you are an **executive officer** of the Company, state whether: (a) you received any amount in the Last Fiscal Year (including any **personal** benefits) from any third party (individual or entity) or, (b) anyone in your **immediate family** received any amount from the Company or its subsidiaries, under any transaction or due to any relationship, including those described in Questions 12 and 13, the primary purpose of which was to furnish you such compensation for services rendered to the Company or its subsidiaries and describe and state the amount(s) of compensation received.

---

**Question 20:**

If you are a director of the Company, state whether: (a) you received any amount in the Last Fiscal Year (including any **personal benefits**) from any third party (individual or entity) or (b) anyone in your **immediate family** received any amount from the Company or its subsidiaries, under any transaction or due to any relationship, including those described in Questions 12, 13 and 17, the primary purpose of which was to furnish you such compensation and describe and state the amount(s) of compensation received. .

---

**Question 21:**

**Compliance with "Outside Director" Requirements of Internal Revenue Service Regulation 1.162-27(e)(3).**

Please respond to the following questions only if you are a Director of the Company.

- (a) If you are a former employee of the Company, its parent or any of its subsidiaries (for purposes of this Question, the Company, its parents and its subsidiaries are referred to collectively as the "Affiliated Group") and received compensation for your prior services (other than benefits under a tax-qualified retirement plan) during the Company's last fiscal year, please state the amount and nature of such compensation and the member of the Affiliated Group from which such compensation was received.
- (b) (i) During the Last Fiscal Year did *you* or any entity (including any sole proprietorship, trust, estate, partnership, corporation or other entity) in which *you* own, or have owned, in excess of a 50% **beneficial ownership** interest (i) receive payments, either directly or indirectly, from a member of the Affiliated Group in exchange for property or services (other than your service as a director) provided to the Affiliated Group, or (ii) enter into any (or remain a party to any previously entered into) agreement by which *you* or such entity are entitled to receive payments for property and services provided to the Affiliated Group?
- ☐ Yes ☐ No
- (ii) Are you, or have *you* been during the Last Fiscal Year, an employee of, or self-employed by, or have you owned during the Last Fiscal Year, a **beneficial ownership** interest in excess of 5%, but less than 50% in any entity (including any sole proprietorship, trust, estate, partnership, corporation or other entity) to which the Affiliated Group made or proposes to make any payments in exchange for property or services (other than services as director of a member of the Affiliated Group)?
- ☐ Yes ☐ No

If your answer is "Yes," please, answer the following question:



(A) Does the amount of such payments made or proposed to be made by the Affiliated Group exceed the lesser of (i) 5% of such entity's gross revenues for its last fiscal year or (ii) \$60,000?

☐ Yes

☐ No

(iii) Are you, or have *you* been during the Last Fiscal Year, employed or self employed by an entity (including any sole proprietorship, trust, estate, partnership, corporation or other entity) that performed personal services for the Affiliated Group? For purposes of this question, "Personal Services" includes personal or professional services such as legal, accounting, investment banking, management consulting, and similar services.

☐ Yes

☐ No

If your response to any part of question 21 (b) is yes, please indicate the amount of each such payment, the goods or services provided, the Affiliated Group member making or required to make such payments, and, if payment is not made to you, the nature of your interest in the entity receiving payment.

I hereby acknowledge, by my execution and dating of this Questionnaire in the places indicated below, that my answers to the foregoing questions are true and correct to the best of my information and belief. If I am a nominee for director, I confirm my consent to being named as such in the proxy statement and to serve if elected.

If at any time before the Annual Meeting I discover that my answer to any question was inaccurate, or if any event occurring subsequent to my completion hereof would require a change in my answers to any questions, I agree to contact George Bachman by telephone at 561.838.1731 immediately.

Dated \_\_\_\_\_

Signature \_\_\_\_\_

## APPENDIX A

### DEFINITIONS OF CERTAIN TERMS IN QUESTIONNAIRE

#### **1. "Affiliate"**

An "affiliate" of any entity is a person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such person (for example, a parent subsidiary or sister corporation).

#### **2. "Associate"**

Associate" for the purpose of Question 5 means (1) any corporation or organization (other than the Company or a majority-owned subsidiary of the Company) of which you are an officer or partner or are, directly or indirectly, the *beneficial owner* of 10% or more of any class of equity securities; (2) any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar fiduciary capacity; and (3) any member of your *immediate family*.

"Associate" for the purpose of Question 13 means the same as the foregoing, except that subsection (1) shall state "any corporation or organization ... of which you are an *executive officer* ... "

#### **3. "Beneficial Ownership"**

**a. General Rule** Under the rules of the SEC, you are deemed to "beneficially own" or be the "beneficial owner" of any security with respect to which you have or share, directly or indirectly, through any contract, arrangement, understanding, relationship, agreement or otherwise: (1) Voting Power (which includes the power to vote, or to direct the voting of, such security); and/or (2) Investment Power (which includes the power to dispose, or to direct the disposition of, such security). You are also the beneficial owner of a security if you, directly or indirectly, create or use a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting yourself of beneficial ownership of a security or preventing the vesting of such beneficial ownership.

Some specific applications of the above definition of beneficial ownership are:

(i) **Family situations** Although the determination of beneficial ownership of securities is necessarily a question to be determined in light of the facts of each particular case, family relationships may result in your having, or sharing, the power to vote, or direct the voting of, or dispose, or direct the disposition of, shares held by your family members. In view of the broad definition of "Beneficial Ownership," it may be prudent to include such shares in your beneficial ownership disclosure and then disclaim beneficial ownership of such securities pursuant to Question 6.

(ii) **Shares held by others for your benefit** There are numerous instances in which you may have, or share, voting or investment power (as defined above) over securities, although the securities are held by another person or entity. For example, you may have or share such power in securities held for you or your family members living with you by custodians, brokers, relatives, executors, administrators or trustees; securities held for your account by pledgees; securities owned by a partnership in which you are a member, and securities owned by a corporation which is or should be regarded as a personal holding company of yours or is controlled by you.

(iii) **Shares held by you for the benefit of others** Beneficial ownership of securities also includes securities held in your name as a trustee, custodian or other fiduciary where you have, or share, voting or investment power with respect to such securities.

**b. Options and other rights to acquire securities** In addition to being beneficial owner of securities over which you have, or share, voting or investment power, the SEC has determined that you are deemed to be the beneficial owner of a security if you have a right to acquire beneficial ownership of (i.e., the right to obtain or share voting or investment power over) such security at any time within sixty days. Examples of such rights would include the right to acquire: (i) through the exercise of any option, warrant or similar right; (ii) through conversion of any security; or (iii) pursuant to the power to revoke, or the provision for automatic termination of, a trust, discretionary account or similar arrangement. Also, if you have acquired or hold any options, convertible securities or power to revoke such a trust with the "purpose or effect" of changing or influencing control of the Company, you are deemed the beneficial owner of the underlying

securities upon such acquisition. without regard to the sixty-day rule stated above.

#### **4. "Control"**

The term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract or otherwise. An *executive officer* or director of a company generally is considered to control that company. It is suggested that, if you are in doubt as to the meaning of "control" in a particular context, you communicate with counsel.

#### **5. "Equity Security"**

The definition of "equity security" encompasses more than common and preferred stock. It includes for instance convertible debt instruments as well as warrants and options to acquire stock or similar securities. If you have a question as to the proper characterization of your holdings you should consult with the Company's legal counsel.

#### **6. "Executive Officer"**

"Executive officer" for the purpose of this Questionnaire means the chief executive officer or president of a company, any vice president of it in charge of a principal business unit, division or function (such as sales, administration or finance), any other *officer* who performs a policy-making function or any other person who performs similar policy-making functions for the company. Executive officers of subsidiaries may be deemed executive officers of a company if they perform such policy-making functions for the company.

#### **7. "Group"**

A "group" exists when two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of any issuer.

#### **8. "Immediate Family"**

"Immediate family" for the purpose of this Questionnaire includes your spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law.

#### **9. "Officer"**

"Officer" means a president, vice president, secretary, treasurer or principal financial officer, comptroller or principal accounting officer, and any person routinely performing corresponding functions with respect to any organization whether incorporated or unincorporated.

#### **10. "Person."**

"Person" for the purpose of this Questionnaire means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, an unincorporated organization, or any other entity.

#### **11. "Personal Benefits"**

The SEC's prior interpretive releases on what the SEC views as a personal benefit or a "perk," were previously rescinded by Item 402 and as most recently revised, Item 402 does not specifically define "personal benefit." Item 402, however, does not require disclosure of personal benefits for any individual if the aggregate amount paid to that individual is less than the lesser of (i) \$50,000 or (ii) 10% of that individual's compensation. In general, the position of the SEC has been that benefits which are directly related to job performance, as well as benefits provided to broad categories of employees and which do not discriminate in scope or terms of operation in favor of *officers* and directors, may be omitted from the calculation of total compensation, while benefits not so related should be disclosed as compensation. If you have any questions, please resolve the issue in favor of disclosure. The Company will review the necessity for disclosure in the proxy statement with its counsel.

#### **12. "Promoter"**

The term "promoter" includes (i) any person who, acting alone or in conjunction with one or more other persons, directly or indirectly took initiative in founding and organizing the business or enterprise of the Company; or (ii) any person who, in connection with the founding and organizing of the business or enterprise of the Company, directly or indirectly received, or will receive, in consideration of services or property, or both services and property, 10% or more of any class of securities of the Company or 10% or more the proceeds from the sale of any class of such securities. However, a person who received, or will

receive, such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this paragraph if such person did not otherwise take part in founding and organizing the Company.

13. *"Subsidiary."*

"Subsidiary" includes all of the subsidiaries of the Company, as - listed on Appendix B.

**14. *"Transaction or Transactions"***

"Transaction" or "transactions" is to be understood in its broadest sense, and includes the direct or indirect receipt of anything of value. No transaction or interest therein need be disclosed where: (a) the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority; (b) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services; or (c) the interest in question arises solely from the ownership of securities of the Company and the interested party receives no extra or special benefit not shared on a pro rata basis by all shareholders.

**APPENDIX B**

**SUBSIDIARIES:            FLO-GAS CORPORATION**

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Documents	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Documents	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Documents	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Documents	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Documents	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My Documents	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Documents	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, January 22, 2007 7:58 AM  
**To:** Cox Doreen  
**Subject:** FW: Draft Testimony To Support the Gulf Power Contract

**Attachments:** DIRECT TESTIMONY\_RJC\_v2.doc



DIRECT  
TESTIMONY\_RJC\_v

Thanks,

Cheryl Martin  
Controller, FPUC  
561-838-1725

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
Sent: Saturday, January 20, 2007 3:55 PM  
To: Stein Chuck; Martin Cheryl; Bachman George; Cutshaw Mark; Bruce Chapman; Mathew J. Morey  
Cc: English Jack  
Subject: Draft Testimony To Support the Gulf Power Contract

Colleagues,

Attached for your consideration please find the testimony in first draft. In, particular, I suggest the following:

Doreen, Bruce: Please edit.

Henry, Mat: Please review for general content with focus on the section on risk beginning at page 26 or so.

Doreen: Would we yet have available official numbers for customers, peak demands, and energy sales for the year 2006?

Thanks, All. Let's talk soon.

Robert

**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO.**

**DIRECT TESTIMONY  
OF  
ROBERT J. CAMFIELD**

**ON BEHALF OF  
FLORIDA PUBLIC UTILITIES COMPANY**

1   **Q.   PLEASE STATE YOUR NAME, ADDRESS.**

2   A.   My name is Robert J. Camfield, and my business address is 4610 University  
3       Avenue, Madison, Wisconsin 53705.

4

5   **Q.   WITH WHOM ARE YOU EMPLOYED AND WHAT IS YOUR**  
6       **POSITION?**

7   A.   I am employed with Christensen Associates Energy Consulting, LLC, where I  
8       serve in the position of Vice President.

9

10   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11   A.   For the consideration of the Florida Public Service Commission, the testimony  
12       reviews Florida Public Utilities Company's ("FPUC" or "Company") long-term  
13       arrangements for wholesale power supply for its Northwest Division. The  
14       Company has executed a new agreement for power supply that succeeds the  
15       Company's current contract for power supply, and begins in 2008 and extends  
16       through 2017. The testimony discusses several related elements associated with  
17       the new agreement including FPUC's wholesale market context and situation  
18       with a focus on transmission and transmission accessibility, the Company's



1 procurement process, and the results of that process including the implications  
2 for retail electricity consumers of the Northwest Division.

3

4 As I mentioned in previous testimony before this Commission, the process of  
5 power procurement for Florida Public Utilities Company for the Northeast and  
6 Northwest during 2005 and 2006 proved to be unusually arduous, primarily  
7 because of ramifications of the transmission issues associated with service to  
8 the Northeast Division. Transmission service for the Company's Northwest  
9 Division however is fairly straightforward, and the Company could thus  
10 proceed to negotiate a power supply agreement for generation services with the  
11 selected service provider, following the conclusion of the Company's RFP  
12 process of 2005.

13

14 **Q. WOULD YOU BRIEFLY DESCRIBE YOUR BACKGROUND AND**  
15 **PROFESSIONAL EXPERIENCE?**

16 A. Yes. I joined the Michigan Public Service Commission in 1976 as a staff  
17 economist. During my tenure with the Michigan Commission, I was involved  
18 in several retail electricity and natural gas pricing issues, and I testified in rate  
19 case proceedings regarding cost of capital and retail gas tariff design. I joined  
20 the New Hampshire Public Service Commission in 1979 as the senior  
21 economist, and held the position of chief economist beginning in 1981. As  
22 Chief Economist, I was responsible for the administration of the economics  
23 department of the Commission staff. I oversaw the analysis of regulatory

1 issues, the coordination and guidance of staff participation in regulatory  
2 proceedings, the preparation and development of testimony, and I provided  
3 policy advice to the Commission on a variety of issues such as construction  
4 work in progress, financial planning, and the determination of PURPA Section  
5 133 rates. I joined Southern Company in 1983, and held positions in several  
6 departments including Pricing and Economic Analysis at Georgia Power  
7 Company, Costing Analysis of Southern Company Services, and Southern  
8 Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen  
9 Associates, Inc. ("Christensen Associates") as a senior economist, and currently  
10 hold the position of Vice President with Christensen Associates Energy  
11 Consulting LLC., a subsidiary consulting group of Christensen Associates.

12  
13 My experience covers a gamut of issues facing regulated industries. I have been  
14 involved in the negotiation of power supply contracts and the terms of franchise  
15 licenses. My overseas assignments are several, and I have managed a large  
16 market restructuring project in Central Europe. I have served on national and  
17 regional advisory panels, and I have advised integrated electric utilities,  
18 independent power producers, transmission and distribution companies, utility  
19 associations, offices of consumer advocate, and regulatory agencies on  
20 numerous policy and technical issues. Innovations include two-part tariffs for  
21 transmission services, web-based self-designing retail electric products,  
22 marginal cost-based cost-of-service methods, and principles for efficient pricing  
23 of distribution services. I have published chapters in technical books, reports,

1 and articles in noted journals such as *The Electricity Journal*, *IEEE*  
2 *Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program  
3 Director of the Edison Electric Institute's Market Design and Transmission  
4 Pricing School.

5  
6 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY**  
7 **PROCEEDINGS?**

8 A. I have represented regulatory Commission staff, consumer advocates,  
9 generation companies, distribution companies, transmission companies,  
10 integrated utilities, and utility associations in proceedings before a number of  
11 regulatory agencies regarding a host of issues including cost of capital,  
12 performance assessment and benchmarking, electricity forecasting, retail rates,  
13 cost-of-service allocation, generation expansion planning, and transmission  
14 issues.

15

16 **Q. COULD YOU DESCRIBE THE ELECTRIC SERVICE**  
17 **TERRITORY OF FLORIDA PUBLIC UTILITIES COMPANY?**A. Florida

18 Public Utilities Company is a small diversified distribution utility providing  
19 electricity, natural gas, and propane services in the State of Florida. The  
20 Company's electric operations consist of two divisions in northern Florida,  
21 referred to as the Northeast and Northwest Divisions. These two divisions  
22 provide bundled retail services to residential, commercial, and industrial  
23 consumers in two non-contiguous service territories. During 2005, the

1 Northeast Division, also known as Fernandina Beach, served 15,099 customers  
2 with gross electricity sales of 495,370 MWh, while the Northwest Division, also  
3 known as Marianna, served 15,147 customers with gross electricity sales of  
4 356,704 MWh. The Northeast Division is interconnected with the JEA  
5 (previously referred to as Jacksonville Electric Authority) transmission network  
6 at one delivery point with 150 MVA of transformer capability and 138 kV  
7 primary feeders. The Northwest Division interconnects with Southern  
8 Company's (Gulf Power Company) transmission network at six delivery points  
9 with a total of 130 MVA of capability and 12.5 kV primary feeders.

10 **[NOTE: The 2006 sales and customer experience will be incorporated into the**  
11 **above paragraph when such information becomes available.]**  
12

13 **Q. DOES FPUC GENERATE ANY OF THE POWER WHICH IT SELLS TO**  
14 **RETAIL CUSTOMERS IN THESE TWO SERVICE DIVISIONS?**

15 A. No. The Company is a distribution utility, and purchases all generation and  
16 transmission services from regional wholesale service providers.  
17

18 **Q. WHAT ARE THE COMPANY'S CURRENT ARRANGEMENTS FOR**  
19 **POWER SUPPLY FOR THE NORTHWEST DIVISION AND PLANS**  
20 **FOR THE FUTURE?**

21 A. The Company purchases bundled generation and transmission services under a  
22 long-term supply contract with Gulf Power Company that dates from 1997, and  
23 is scheduled to expire on December 31 of 2007. The Company's current

1 contract with Gulf Power Company provides full requirements service including  
2 energy and reserve services, and also covers transmission services.

3

4 **Q. WHAT ARE THE POWER PROCUREMENT OBJECTIVES OF**  
5 **FLORIDA PUBLIC UTILITIES COMPANY?**

6 A. The Company's power supply objectives align with the Company's  
7 longstanding goal of providing, over the long term, high quality service at the  
8 favorable prices to its retail customers. Stated more explicitly, the Company's  
9 underlying power procurement objectives are to obtain long-term power supply  
10 at favorable terms and prices, while assuming an acceptable level of risk. To  
11 this end and as I have documented elsewhere before this Commission, Florida  
12 Public Utilities Company is currently a low-priced service provider within the  
13 region, with very favorable retail electricity prices. The Company's costs of  
14 generation and transmission services, as provided under the Company's current  
15 wholesale supply contracts, are very low with reference to wholesale power  
16 prices within the region. In addition, the Company provides comparatively low-  
17 cost distribution services and, although of small scale, the Company has  
18 realized substantial gains in productivity in distribution services over recent  
19 years.

20

21 **Q. WHAT POWER PROCUREMENT STRATEGIES DID THE COMPANY**  
22 **CONSIDER FOR POWER SUPPLY BEYOND 2007?**

1 A. In view of the pending expiration of the Company's current supply contracts,  
2 Florida Public Utilities Company engaged in a deliberate process that began by  
3 exploring alternative procurement approaches. The Company then initiated an  
4 open solicitation for power supply, referred to as a Request for Proposal, during  
5 2005. Specifically, the Company released a formal *Request for Proposals to*  
6 *Provide Wholesale Power Supply* on April 21, 2005 ("2005 RFP").  
7

8 An open solicitation for supply is one of several procurement formats that are  
9 potentially available to the Company. Alternative formats were initially  
10 explored by the Company including sequential short-term purchases that could  
11 involve contract laddering, as well as self-supply where FPUC owns and  
12 operates generation resources. Because power generation resources are sizable  
13 facilities involving large investment in specialized capital, self-supply would  
14 likely involve a jointly owned facility. In addition, the Company could engage  
15 in several forms of bilateral contracts including, for example, a tolling  
16 agreement with a power generation entity where the Company would purchase  
17 primary fuels that would then be transformed to electricity and transmitted to  
18 the Company's designated delivery points (points of withdrawal of power from  
19 transmission networks). The contractual arrangements for power supply under a  
20 tolling agreement would involve three separate contracts covering primary fuel  
21 inputs, power transformation, and transmission services.  
22

1       The solicitation of power supply by others can be approached in a variety of  
2       ways, and several formats are possible. As mentioned, FPUC currently takes  
3       power under two bundled power supply contracts covering full requirements  
4       generation services (energy and reserves) and transmission services.

5       Alternative solicitation formats include the two general categories of sealed bid  
6       and auction procedures. In the case of a so-called sealed bid solicitation, the  
7       solicitation—which can be as simple as a one- to two-page letter requesting  
8       power services or a formal RFP that is highly specific as regards to information  
9       requirements, process including pre-qualifying, engagement rules, and  
10      timetable—can involve a limited number of pre-identified potential suppliers, or  
11      can be an open invitation seeking offers from interested parties.

12

13      Auctions for electric power supply first appeared, at least in recent years, within  
14      the unbundled wholesale markets of California (CAISO), PJM, and New York  
15      (NYISO). Auctions are, literally, markets that operate under highly specific  
16      rules. For electricity, auctions can be organized as short-term sequential or  
17      simultaneous market procedures involving related services such as energy and  
18      reserves which are provided over same-day and day-ahead timeframes. These  
19      short-term auctions can include pay-as-bid and uniform-price auction formats.

20      Because these auctions are repeated with high levels of frequency, they are  
21      organized electronically as a matter of necessity. Auctions for standard offer  
22      service (“SOS”) have recently been organized in the Eastern and the Midwest  
23      regions of the U.S. (e.g., New Jersey, Maryland, Ohio, and Illinois). In these

1 auctions, pre-qualified candidate bidders provide offers to serve load shape  
2 shares. A type of auction recently implemented in wholesale electricity markets  
3 is referred to as a declining clock auction, where the market price follows a  
4 schedule of pre-defined decrement steps at periodic intervals (rounds) over the  
5 course of the auction. Electricity auctions usually cover very large loads, enjoy  
6 wide participation by many candidate suppliers, and can involve numerous  
7 auction rounds (i.e., 50 iterations or more).

8

9 **Q. PLEASE DESCRIBE THE COMPANY'S APPROACH AND POWER**  
10 **PROCUREMENT FORMAT.**

11 Of the various alternative procurement formats that are potentially available, the  
12 Company settled on the open solicitation format, where bidders are free to  
13 propose a variety of service arrangements and terms. The open solicitation  
14 format, manifest as the 2005 RFP, was designed in a manner to facilitate  
15 participation in order to increase the level of contestability and supply options  
16 available to the Company.



1   **Q.   DID THE POWER PROCUREMENT STRATEGY OF THE COMPANY**  
2       **CONSIDER DIVERSIFICATION OF CONTRACTS?**

3   A.   Yes. The Company's 2005 RFP provided bidders with options to submit offer  
4       packages with multiple offers covering full requirements, partial requirements,  
5       and energy only services. Energy offers could be submitted for a variety of  
6       timeframes such as, for example, specific hours of weekdays of defined seasons  
7       for individual years. The Company sought offers for a five-year term, although  
8       offers of shorter duration would also have been considered. In addition, the  
9       Company's 2005 RFP requested ten-year offers as options. Finally, the 2005  
10      RFP provided bidders with considerable flexibility regarding the proposed  
11      commercial terms; bidders could submit offers with fixed charges, demand  
12      charges, energy charges, or energy charges indexed to primary fuel prices and  
13      wholesale electricity prices.

14  
15      The approach taken, the open solicitation format, provides two main  
16      advantages. First, multiple offers covering a variety of forms provide a basis  
17      for the Company to potentially build a portfolio of supply including laddered  
18      contracts to hedge risks. Second, by allowing for a broad range of potential  
19      services and structure of terms, the 2005 RFP design to the extent possible held  
20      to a minimum the level of constraints and impediments to participation by  
21      serious, potential bidders. As a result, participation by bidders, at least  
22      conceptually, is enhanced thus increasing the potential level of competition and  
23      contestability, all in the interest of obtaining the lowest possible prices.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Q. WOULD YOU DESCRIBE THE IMPLEMENTATION OF THE  
PROCUREMENT PROCESS?**

A. Yes. The Company’s 2005 procurement process began with the identification of power suppliers and power marketing entities operating within the Southeast and Midwest regions. Selected potential suppliers situated toward the west were also identified. Potential suppliers were then surveyed in order to gauge their interest in taking receipt of the Company’s formal RFP. The 2005 RFP was released on April 21 to suppliers that expressed interest in participation. The RFP explicitly defines several procedural steps, and the necessary information and data to be included in the offer packages submitted by bidders.

**Q. CAN YOU BRIEFLY DISCUSS THE POWER SUPPLY SERVICES  
ASSOCIATED WITH THE RFP?**

A. Yes. As a result of the unbundling of wholesale markets into separable transmission and generation services beginning in 1996, the Company’s 2005 RFP process involves generation services including energy and certain ancillary services. Bidders were free to offer various bundles of services within offer packages. The implication is that, for example, a selected bidder could provide a service bundle including energy and load following service, such that the Company would be required to self-supply or contract for transmission and other ancillary services not covered under the bundle provided by the energy service provider (winning bidder).

1       Transmission services would be provided under separate contracts between the  
2       selected generation service provider (on behalf of the Company) and the  
3       relevant control areas, or between the Company and the control areas directly.

4

5       **Q.   BRIEFLY REVIEW THE DATA AND INFORMATION INCLUDED IN**  
6       **THE OFFER PACKAGES OF BIDDERS RESPONDING TO FPUC’S**  
7       **RFP FOR POWER SUPPLY.**

8       A.   In addition to the commercial terms and defined services, several information  
9       items were requested to be included in offer packages submitted by bidders.  
10       First, bidders were requested to provide a summary statement or business  
11       overview with a focus on the bidder’s activities in wholesale markets and the  
12       generation technologies available to them. A business overview provides a  
13       means to gauge the full range and extent of the business activities of bidders, as  
14       bidders are often subsidiary organizations within the diversified business  
15       activities of very large firms—for example, a commodity group of an  
16       investment banking firm, a merchant supply business unit of an independent  
17       power producer, or an energy company involved in oil and gas exploration.  
18       Where relevant, bidders were requested to list their wholesale market  
19       certification.

20

21       The RFP requested bidders to provide statements of financial condition and  
22       credit worthiness and identified financial surety in the form of letters of credit.

1 The 2005 RFP also imposed non-disclosure obligations and commitments on  
2 bidders including confidentiality agreements and signed submission agreements.

3

4 **Q. PLEASE DESCRIBE THE RFP PROCESS.**

5 A. The RFP identified specific procedural steps with an accompanying schedule, as  
6 follows. First, *Response Window for Inquiries and Questions* (April 22 – May  
7 16) provided candidate bidders with the opportunity to obtain additional  
8 information to assist them in deciding whether to prepare an offer package and  
9 in the preparation of such packages. Responses to questions were circulated to  
10 all candidate bidders. Bidders were requested to indicate their *Intent to Submit*  
11 *Offer Packages* on May 17, and *Offer Packages Were Due* on June 2. The  
12 Company conducted an *Initial Screen of Offers* and provided *Notice of Status* to  
13 bidders on June 22. Specifically, offer packages of bidders were reviewed for  
14 completeness and conformance with the delineated information requested  
15 within the 2005 RFP. Bidders were advised of non-conforming conditions of  
16 offer packages, and were provided one week to correct or provide additional  
17 information as identified. Under the original schedule of the 2005 RFP process,  
18 the Company then conducted an initial assessment of offer packages, identified  
19 qualifying bids, and noticed qualifying bidders by July 29 of their status. The  
20 Company then proceeded to interview qualifying bidders during early  
21 September 2005.

1   **Q.   HOW WERE BIDS SOLICITED AND HOW MANY RESPONSES**  
2       **WERE OBTAINED?**

3   A.   The Company contacted numerous potential suppliers, and thirty-five entities  
4       expressed interest in taking receipt of the 2005 RFP. Nine entities provided  
5       Letters of Intent to submit offer packages following the release of the RFP.  
6       Seven offer packages were submitted.

7  
8   **Q.   WITH RESPECT TO THE SUBMISSIONS RECEIVED, WERE THE**  
9       **OFFERS BY BIDDERS TO SERVE ONE OR BOTH DIVISIONS?**

10  A.   Three bidders provided offers to serve either or both electric divisions of the  
11       Company. Other offer packages focused on one of the two divisions.

12  
13  **Q.   OF THE OFFER PACKAGES RECEIVED, WERE ANY PACKAGES**  
14       **SUBMITTED BY ENTITIES AFFILIATED WITH FPUC?**

15  A.   No entities providing offer packages, or for that matter participating in the RFP  
16       process, are affiliated with FPUC in any way.

17  
18  **Q.   ONCE THE RESPONSES WERE RECEIVED AND QUALIFIED**  
19       **BIDDERS IDENTIFIED, WHAT WERE THE NEXT STEPS?**

20  A.   At the time that the RFP was released, the schedule would have placed the  
21       Company in the position of selecting bidders during August and subsequently  
22       negotiating contracts during the September-October timeframe. However, the  
23       overall level of participation was greater than anticipated, and several viable

1 bidders for both the Northeast and the Northwest Divisions were identified.  
2 Also, it became evident that, at least potentially, the Company could induce  
3 lower prices through an auction-style market procedure. Thus, the Company's  
4 2005 RFP concluded with a quasi-auction involving three rounds, where bidders  
5 were invited to provide revisions to the price terms of offers. The relative  
6 standings of the offers of bidders were noticed to bidders following the first and  
7 second rounds.

8  
9 **Q. WHAT FACTORS WERE INCLUDED IN THE EVALUATION OF**  
10 **OFFERS?**

11 A. The criteria for evaluation of offers of bidders, as stated within the Company's  
12 2005 RFP, included overall price level, counterparty risk, environmental quality  
13 of the underlying resources used to provide services, and delivery risks. Where  
14 appropriate, the potential monetary impact of policy actions at the federal level  
15 aimed to internalize the social costs of CO2 emissions were incorporated into  
16 the analyses.

17  
18 To the extent possible, the analyses involve quantitative assessment and utilize  
19 multi-criteria analysis methods. Particular attention was given to the implied  
20 level of price risks, as some of the terms of the offer packages of bidders  
21 contained variable price terms. Indeed, one specific offer package with highly  
22 favorable terms, stated on an expected value basis, would involve a contract for  
23 differences with a major financial institution in order to hedge much of the

1           inherent price risk associated with the commercial terms of the offer, should the  
2           offer be selected.

3

4   **Q.   HOW WAS THE EVALUATION CONDUCTED?**

5   A.   The evaluation was conducted independent of the Company by Christensen  
6       Associates Energy Consulting, and the results of the evaluation were presented  
7       to the Company as an outside assessment. The evaluation included unit-specific  
8       and total bills criteria, where the commercial (price) terms are converted to an  
9       equivalent price basis, stated as net present value over the term of the potential  
10      contract.

11

12       The evaluation of the final terms of the Offers, as obtained during the third  
13       round, was conducted during late 2005. The evaluation of terms, when  
14       combined with the assessment of non-price factors, provided the basis for the  
15       recommendations provided to the Company. The Company selected the  
16       winning bidder and bidders were advised of the outcome during late January  
17       2006.

1   **Q.   PLEASE IDENTIFY THE SERVICE PROVIDERS SELECTED**  
2       **THROUGH THE 2005 RFP PROCESS.**

3   A.   Through the 2005 RFP process, the Company selected Southern Company as its  
4       prospective service provider, including Southern Power Company (“Southern  
5       Power”) to serve the Northeast Division over the 2008 – 2017 period, and Gulf  
6       Power Company (“Gulf Power”)to serve the Northwest Division from 2008  
7       through 2012.

8  
9       The prospective contracts with Southern Power and Gulf Power would cover  
10      several key generation services including energy and reserves service categories  
11      s including imbalance energy, regulation, spin, and supplemental reserves. The  
12      contracts would not cover voltage support and reactive and reactive power.

13  
14   **Q.   PLEASE DISCUSS SUBSEQUENT DEVELOPMENTS FOLLOWING**  
15      **THE CONCLUSION OF THE COMPANY’S RFP PROCESS?**



1 A. Two events subsequent to the RFP process are of interest. First, as I have  
2 discussed at considerable length in testimony before this Commission, Florida  
3 Public Utilities Company was forestalled from completing its contract with  
4 Southern Power Company for generation services for the Northeast Division  
5 because of transmission constraints. The Company thus negotiated and  
6 executed a power supply agreement with Jacksonville Electric Authority for the  
7 Northeast for the period 2007 – 2017. Second, the Company explored through  
8 discussion with Gulf Power a ten-year power supply agreement beginning in  
9 2008 in lieu of the five-year contract 2008 – 2012, as originally contemplated.

10

11 **Q. IS IT YOUR VIEW THAT, AS A RESULT OF THE 2005 RFP PROCESS,**  
12 **THE SELECTION OF GULF POWER COMPANY TO SERVE THE**  
13 **NORTHWEST DIVISION IS IN THE BEST INTEREST OF RETAIL**  
14 **CUSTOMERS?**

15 A. Yes, the Company's decision to continue with uninterrupted power supply from  
16 the incumbent supplier, Gulf Power Company, beyond 2007 is the best of power  
17 supply alternatives known by and available to the Company and its customers of  
18 the Northwest Division, in view of the offer packages and potential suppliers  
19 available to the Company through the 2005 RFP process, contemporary  
20 wholesale electricity prices in the region during late-2005 – early-2006, and the  
21 current long-term outlook for power supply at the wholesale level.

22

1 Over many years, Gulf Power has proved to provide high levels of service  
2 reliability to FPU and the Northwest Division. Gulf Power Company has  
3 served as a good business partner with Company. Consistently, Gulf Power has  
4 promptly responded to various technical issues with regards to electric services,  
5 and has also provided various support services to FPU in the form of data and  
6 data analysis.

7  
8 Gulf Power and the parent organization, Southern Company, is a well  
9 recognized, established electricity service provider with attending low levels of  
10 counterparty risks. Through conservative resource management and a focus on  
11 the markets that it serves, Gulf Power and Southern Company provide very high  
12 levels of customer satisfaction to electricity consumers through high service  
13 quality and innovative products at favorable prices. These attributes were tested  
14 over the course of the Company's 2005 RFP.

15  
16 **Q. PLEASE DISCUSS TRANSMISSION SERVICES FOR THE**  
17 **NORTHWEST DIVISION.**

1     A.   Going forward, arrangements for transmission services will be handled directly  
2         by the Company, whereas under the current contract transmissions services are  
3         provided with the full requirements contract with Gulf Power Company. Gulf  
4         Power manages and contracts for the transmission services with Southern  
5         Company. In the case of the Company's Northwest Division, the Company is  
6         recognized as an entity serving native loads and is thus entitled, as a matter of  
7         the market rules regarding transmission access rights, to Network Integration  
8         Transmission Service. Under the Company's contract with Gulf Power  
9         Company, FPUC for many years drawn upon and paid for the generation  
10        services provided by Southern Company's system-wide generation resources  
11        situated at various locations across Southern's transmission network including,  
12        in particular, the generation resources of Gulf Power Company. Because of its  
13        longstanding status as native load, the Company is entitled to continued access  
14        to the network transmission resources of its service provider, Southern  
15        Company (Gulf Power Company). For its new contract with Gulf Power for  
16        generation services, the Company *rolls over* (continues) the transmission  
17        service provided under the current agreement with Gulf Power.

18

1 In parallel with the new contractual arrangement for generation services, the  
2 Company will assume the position of a direct customer of Southern Company  
3 for transmission services, and under the transmission service agreement with  
4 Southern will pay transmission charges monthly for voltage control and reactive  
5 power, scheduling services, regulatory fees and charges, and direct transport  
6 services (transmission). These services are (will be) defined in the transmission  
7 service agreement between the Company and Southern Company. The charge  
8 levels for these services are posted within Southern Company's Open Access  
9 Transmission Tariff, and are set by the Federal Energy Regulatory Commission.

10  
11 In addition, the Company will pay for interconnection services, including costs  
12 for dedicated substations (transformation and related equipment including  
13 metering equipment), and metering activities, where such costs are based on  
14 embedded costs that, as a matter of level, are very similar to the charges for  
15 interconnection services included within the current contract.

16  
17 **Q. PLEASE HIGHLIGHT THE STRUCTURE OF THE COMMERCIAL**  
18 **TERMS OF THE NEW CONTRACT. HOW DOES THE STRUCTURE**  
19 **OF TERMS OF THE NEW CONTRACT COMPARE WITH THAT OF**  
20 **THE CURRENT CONTRACT?**

21 A. I will start with a review of the terms of the Company's current contract with  
22 Gulf Power, which include charges for energy stated as dollars per kWh,  
23 charges for demand stated as dollars per kW-month, and fixed monthly charges

1 for transformation services. The terms also include a monthly customer charge,  
2 or fee. The current contract includes provision for escalation in the level of the  
3 charges over course of the life of the contract. The current contract also  
4 includes specific charges for transmission services, which are set at levels  
5 defined within Southern Company's OATT as discussed above.

6

7 The structure of the commercial terms of new contract beginning in 2008  
8 includes an energy charge (\$/MWh), an environmental compliance charge  
9 (\$/MWh), and a demand charge (\$/kW-month), sometimes referred to as  
10 capacity payments. The first two charge elements are embedded cost-based,  
11 where the cost levels are regulated and set by the Florida Public Service  
12 Commission.

13

14 **Q. PLEASE REVIEW OTHER PROVISIONS OF THE NEW CONTRACT.**

15 A. The new contract deals explicitly with contingency events, which is a natural  
16 result of recent industry experience. The history of the electric power industry  
17 and energy markets since 1998 reveals much higher levels of uncertainty and  
18 risks. These risks have assumed several dimensions, such as high short-term  
19 variation in wholesale electricity prices and primary fuel prices; much higher  
20 likelihood of power system reliability failures; potential for large-scale financial  
21 losses incurred by investors in entities in energy markets; unforeseen congestion  
22 events across major transmission corridors; the potential for environmental  
23 policy initiatives at the federal, regional, and state level; and force majeure

1 weather events. Risks such as these translate into financial risks and the  
2 potential for loss of power supply. Accordingly, contemporary power contracts  
3 to a much greater extent than in the past incorporate provisions to explicitly  
4 manage and share these and other risks between counterparties to contracts.  
5  
6 The new contract with Gulf Power follows this line and, in addition to  
7 incorporating credit worthiness standards, includes provisions that specify how  
8 the cost impacts of potential changes in the business environments confronting  
9 the counterparties to the contract, Florida Public Utilities Company and Gulf  
10 Power Company, are to be managed. Specifically, the new contract  
11 incorporates a *Change in Law* provision to manage the cost impacts associated  
12 with potential policy actions by governing authorities. Second, the contract  
13 includes a provision to accommodate renewable resource requirements that may  
14 potentially imposed on the Company in the form of, for example, a renewable  
15 portfolio standard mandated by federal and/or state legislation, or by regulatory  
16 policy rule. Third, the new contract incorporates a provision that protects  
17 Florida Public Utilities Company and its Northwest Customers by explicitly  
18 defining the responsibilities of the supplier, Gulf Power Company, should the  
19 organization of wholesale power markets in the Southeast region of the Eastern  
20 Interconnection undergo a major market design change – e.g., the formation of a  
21 Regional Transmission Organization.

22

1     **Q. PLEASE REVIEW THE RELATIVE PRICE LEVELS FOR**  
2         **GENERATION SERVICES IMPLIED BY THE COMMERCIAL TERMS**  
3         **OF THE COMPANY'S NEW CONTRACT WITH GULF POWER**  
4         **COMPANY?**

5         The RFP-obtained all-in offer prices submitted by bidders for the Northwest  
6         Division, as estimated for the standard suite of generation services identified  
7         above, average \$67/MWh for the period 2008 through 2012. The all-prices of  
8         the new contract for the Northwest beginning in 2008, as executed by the  
9         Florida Public Utilities Company and Gulf Power Company are estimated to be  
10        significantly lower in the early years but to rise steadily. Overall, the estimated  
11        prices that the Company will pay for generation services in serve of the  
12        Northwest Division are below that the other offers. On a discounted basis, the  
13        stated (and implied) prices contained in the new contract are estimated to be  
14        significantly below that of the offers obtained through the 2005 RFP process.

15  
16        Wholesale electricity prices and primary fuel prices have eased somewhat since  
17        the late-2005 – early-2006 timeframe and, as a consequence, it is useful to  
18        consider how the estimated prices of the new contract compare to estimates of  
19        wholesale prices in the Southeast region. Because of lower levels of market  
20        liquidity in the Southeast particularly within the FRCC region, however,  
21        wholesale market benchmarks over several years ahead are not readily  
22        observable. Thus, price benchmarks must be developed, either directly by  
23        developing wholesale electricity price projections with computer simulation

1 techniques, or by inferring future wholesale prices from historical experience.  
2 In the latter approach, relative levels of observed short-term prices over past  
3 years for commercial hubs within the Eastern Interconnection including the  
4 Southeast region are used, in conjunction with forward power contracts for  
5 selected hubs, to develop projections of prices over longer-term forward periods  
6 in Southeast – say, 3-years ahead.  
7  
8 Once developed, the wholesale price benchmark then serve as a basis to gauge  
9 (to test, essentially), the estimated prices implied by the new contract. Here, the  
10 approach taken is to use inferred wholesale electricity prices as the benchmark.  
11  
12 The analysis results suggest that the estimated prices for the new contract are  
13 favorable. Projections of wholesale electricity prices stated on a MWh basis for  
14 the Southeast region, not including reserve services, are estimated at \$62, \$68,  
15 and \$66 for the years 2008 – 2010, respectively. In summary, projected  
16 regional prices are somewhat above the estimated prices for the new contract,  
17 notwithstanding that the projected regional prices do not cover reserve services.  
18 Over the ten-year contract term, the prices for generation services implied by  
19 the new contract are likely to escalate at annual rates of change approximately  
20 equal to overall inflation, though contract price changes of any one year, either  
21 up or down, can deviate substantially from overall price inflation for the year.  
22



1 It is perhaps useful to mention that the commercial terms of the current contract  
2 between the Company and Gulf Power are unusually favorable to retail  
3 consumers, with commensurate economic losses for Gulf Power, Southern  
4 Company, and Southern Company shareholders. For years, the current contract  
5 has provided overall prices covering energy, reserve services, and transmission  
6 services of about \$39 to \$41, stated on a MWh basis. These contract prices  
7 contrast sharply with the corresponding average day-ahead prices for 2003 –  
8 2006 of \$66, \$60, and \$55, stated on a MWh basis, for regional hubs referred to  
9 as Instate Florida, Florida-Georgia Border, and Into Southern Company,  
10 respectively.

11

12 **Q. PLEASE REVIEW RISKS INHERENT TO THE COMPANY'S**  
13 **EXECUTED CONTRACT WITH GULF POWER.**

14 A. The expiration of the current contracts of Florida Public Utilities Company and  
15 its power procurement process are taking place within an unusually difficult and  
16 challenging timeframe for power markets, and energy markets more generally.  
17 Currently, primary fuel supplies at the national level are fairly tight, a direct  
18 consequence of high worldwide demands for fuels and fairly high levels of  
19 uncertainty in several dimensions including weather-induced supply disruptions  
20 such as that associated with Katrina in the case of natural gas and oil supplies,  
21 and rail line failures in the case of Powder River Basin coal supplies.  
22 Accordingly, wholesale electric prices reside at fairly high levels and remain  
23 sensitive to unplanned events. These events coupled with the history of recent

1 years as briefly mentioned above affect power supply contracts, and it is useful  
2 to review the implied risks, as they are significant, and how the contract  
3 manages and shares risks.

4  
5 Because the commercial terms of the contract, including fuel and environmental  
6 charges, are based upon embedded costs, the contract prices are likely to have  
7 greater stability than short-term wholesale electricity prices. Second, the price  
8 levels (and annual changes) for generation services under the contract are likely  
9 to vary in similar fashion to that of the retail prices charged by Gulf Power, and  
10 are likely to remain below that of the charges for generation services implicit in  
11 retail tariffs charged by other incumbent service providers within the State of  
12 Florida, though not necessarily by service prices within the Southeast region as  
13 whole.

14  
15 Moreover, annual changes in the contract prices will to a substantial extent  
16 follow primary fuel prices particularly coal prices, and primary fuel prices can  
17 vary greatly. Gulf Power's embedded fuel costs are sensitive to changes in  
18 short-term market prices for fuels experienced nationally. Because fuel charges  
19 are directly reflected in both the retail charges to Gulf Power's retail customers  
20 and wholesale charges under this contract, the charges for services paid by FPU  
21 for the Northwest Division will, to a substantial extent, follow Gulf Power's  
22 charges to its retail consumers. Primary fuel prices including natural gas and  
23 coal have risen substantially in recent years, particularly during late 2005 and

1 continuing through the second quarter of 2006. Moreover, the prices for these  
2 two fuels appear to be more highly correlated currently than in past years, a  
3 natural result of the increased substitution of fuels for electric power generation,  
4 in the short run. Since early 2005, the sharp increases in electric prices  
5 nationally are largely attributable to much higher costs for fuels.

6  
7 As mentioned, a risk dimension is the costs of environmental compliance, as the  
8 Company is subject to future environmental charges through the Change in Law  
9 provision of the Agreement. Of particular concern is future restrictions imposed  
10 by federal legislation on CO2 emissions associated with fossil fuels, and the  
11 resulting cost impacts on electricity service providers and retail electricity  
12 prices. While CO2 compliance costs will be born by all electricity generators,  
13 compliance costs are likely to be highly uneven. Indeed, restrictions on CO2  
14 emissions will favor natural gas-fired generators and, to the degree that natural  
15 gas is increasingly “on the margin”, regional wholesale prices are likely to  
16 increase relatively less, with respect to the embedded cost impacts on electric  
17 utilities, like Gulf Power Company, that predominantly employ coal-fired  
18 generation. In short, the implication is that, in the face of restrictions on CO2  
19 emissions – which would be implemented in the form of a so-called *cap and*  
20 *trade* market scheme such as that currently in place to manage SO2 or a direct  
21 tax on emissions – Gulf Power and most incumbent utilities in the Southeast  
22 region are comparatively disadvantaged. Because the Northwest Division’s  
23 costs and retail prices for services under the Agreement are wedded to Gulf

1 Power's potential compliance costs for CO2 compliance, the Company's costs  
2 can also be comparatively disadvantaged with respect to regional wholesale  
3 prices.

4  
5 The other concerns regarding risks are with respect to various contingency  
6 events. Contingency events can cover any number of dimensions. Under the  
7 Agreement, of particular concern are the cost impacts and other effects  
8 associated with: 1) declines in the future level of electricity consumption, 2) the  
9 impact of storms in the Gulf region resulting in long-term power outages, and 3)  
10 change in the structure of wholesale electricity markets. Each is worthy of  
11 consideration and review.

12  
13 Possible Declines in the Future Level of Electricity Consumption: Growth in  
14 electricity sales of the Company's Northwest Division has been within the range  
15 of 1.5-2.0% in recent years, although year-by-year change in retail sales are  
16 quite sensitive to weather and the resulting demand for space conditioning. We  
17 can realistically anticipate that sales will advance at rates of change that  
18 approximate historically patterns, or perhaps somewhat less. Nonetheless, there  
19 is the possibility that sales could decline. The risks associated with a decline in  
20 retail sales levels are a direct result of the structure of the commercial terms of  
21 the Agreement regarding capacity purchase, which are manifested as demand  
22 charges. Specifically, the demand charges have a ratchet provision, where the  
23 minimum level of demand charges are based upon the level of peak demand

1 (MWs) observed when the contract is initiated. Demand charges are not  
2 harmful to retail consumers in terms of impact on the overall prices for services,  
3 unless demand declines fairly significantly over the term of the contract. For  
4 example, declining future retail sales levels of the Northwest Division could  
5 potentially result from the combined impact of a slowdown in the growth of  
6 long-term economic activity for the territory covered by the Northwest  
7 Division, coupled with aggressive electricity conservation policy. The  
8 likelihood of this contingency event, and the impact of it, should it occur is  
9 small, however.

10 .  
11 Storm Activity and Supply Interruptions: The Force Majeure provisions of the  
12 new contract excuse the payment of demand charges in the case of transmission  
13 interruptions, but not in the case of power interruptions at the distribution level.  
14 This means that the Company will continue to be responsible for monthly  
15 demand charges for up to 90 days. This puts the retail customers at risk in the  
16 case of a natural disaster that results in an extended loss of power at the  
17 distribution level. As a practical matter, the negative impact of this contract  
18 provision should not be material, particularly in view of the location of the  
19 Northwest which is substantially inland from the Gulf Coast..

20  
21 Change In the Structure of Wholesale Markets: As mentioned earlier, the new  
22 power supply agreement covers generation services and the Company must  
23 purchase and arrange for transmission services in order to transport generation

1 services from points of delivery of supply to the transmission network to the  
2 Company's Northwest substations, where power is delivered. The prices and  
3 charges for transmission services for the Northwest are based on the embedded  
4 costs of transmission facilities, as reflected in the Open Access Transmission  
5 Tariff (OATT) of Southern Company. These OATT prices are based on  
6 contract path principles, which do not recognize the true underlying economic  
7 costs of transmission services, which are highly locational. The risks, here, are  
8 that the Southeast region, as a result of federal mandate or for other reasons,  
9 implements locational pricing principles, and that the relevant delivery points  
10 designated by Gulf Power under the Agreement change in a manner that is  
11 unfavorable to Company, such that transmission charges under a locational  
12 pricing regime increase dramatically. The risks of this event are very small.  
13 First, it is highly likely that the transition to a locational pricing framework  
14 would involve the grandfathering of existing transmission rights, where  
15 Financial Transmission Rights (FTRs) are granted in lieu of the contract path-  
16 based transmission rights that the Company will purchase under Southern  
17 Company's OATT. This means that the Company should be fully protected  
18 from locational congestion charges. Second, it is likely that, should Gulf Power  
19 Company designate new delivery points, such points would not, relatively,  
20 disadvantage the Northwest Division, as the Division resides within Gulf  
21 Power's service territory.

22

Nonetheless, risks exist that a change in delivery points could cause increases in transmission charges for the Company in two ways: First, following the implementation of locational pricing, a change in delivery points involves the substitution of one set of FTRs for another. Second, locational pricing involves marginal losses not covered by the FTRs, and such losses are large. Taken as a whole, and given the current direction in the structure of wholesale markets, the inherent protections through grandfathering of rights discussed above, the risks are small.

**Q. WILL CUSTOMERS IN THE NORTHEAST DIVISION EXPERIENCE ANY CHANGES IN 2008, AS A RESULT OF THE NEW CONTRACT WITH GULF POWER FOR SERVICE TO THE NORTHWEST?**

A. No. Retail customers of the Company's Northeast Division will experience no change in the level of customer bills during 2008 as a result of the pending contract with Gulf Power Company.

1    **Q.    IN YOUR PROFESSIONAL OPINION, IS THE COMPANY’S**  
2       **SELECTION OF THE EMBEDDED COST-BASED CONTRACT WITH**  
3       **GULF POWER COMPANY FOR THE NORTHWEST DIVISION THE**  
4       **MOST PRUDENT ARRANGMENT FOR RETAIL CUSTOMERS OVER**  
5       **THE SHORT- AND LONG-TERM?**

6    A.   Yes, the new contract with Gulf Power Company for generation services for the  
7       Northwest Division, is the best long-term least cost power supply option and  
8       choice available to the Company and its retail consumers at this time.

9  
10       The commercial terms of the new contract with Gulf Power are based largely on  
11       embedded costs and, while the prices will be follow charges for primary fuels  
12       and environmental costs, such prices are likely to demonstrate reasonably high  
13       levels of stability. The outlook for the overall level of the contract prices are  
14       favorable though it is possible that future wholesale electricity prices within the  
15       region may be somewhat below (or somewhat above) the terms of the new  
16       contract with Gulf Power. Gulf Power and Southern Company are well  
17       established and provide exceptionally high levels of reliability and service  
18       quality, and they have obtained high levels of credit worthiness. Gulf Power  
19       through participation with Southern’s generation pool is well balanced and  
20       draws upon a substantial amount of coal-fired resources and nuclear power,  
21       which is complemented by gas-fired generation for peaking capability.

22  
23    **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**



1 A. Yes, it does.



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Documents	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Documents	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Documents	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Documents	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Documents	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Documents	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Documents	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Documents	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My Documents	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Documents	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Documents	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Documents	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW Updated G schedules.msg	408 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, August 08, 2007 11:11 AM  
**To:** Cox Doreen  
**Subject:** FW: D's-Final-8-8-07-NoLinks.xls  
**Attachments:** D's-Final-8-8-07-NoLinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Wednesday, August 08, 2007 10:19 AM  
**To:** Martin Cheryl  
**Subject:** D's-Final-8-8-07-NoLinks.xls

Revised D schedules.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division  
DOCKET NO.: 070304-EIHistorical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,241</b>	<b>1.0000</b>		<b>8.18%</b>	<b>1,473,580</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>				
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. <b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.55%</b>

Rate Base	\$38,057,241
Direct Components	\$6,952,231
	\$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

Historical Test Year Ended 12/31/06  
 Witness: Doreen Cox, Robert Carnfield

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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	10.50%	3.88%	
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	9.10%	0.03%	
9.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,241</b>	<b>1.0000</b>		<b>7.80%</b>	<b>1,473,580</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>				
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	10.50%	4.75%
14. <b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.10%</b>

Rate Base	\$38,057,241
Direct Components	\$6,952,231
	\$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
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.	<b>TOTAL</b>	<b>112,956,971</b>			<b>112,956,971</b>		<b>41,241,279</b>	<b>1.0000</b>		<b>8.06%</b>	<b>1,567,647</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2007</b>					
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.	<b>TOTAL</b>	<b>104,756,724</b>	<b>1.0000</b>		<b>9.52%</b>
Common Equity excludes Flo-Gas					
					Rate Base \$41,241,279
					Direct Components \$8,200,247
					\$33,041,032
					Jurisdictional Factor 32%

Supporting Schedules

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
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.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>43,020,997</b>	<b>1.0000</b>		<b>8.07%</b>	<b>1,489,405</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2008</b>					
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.	<b>TOTAL</b>	<b>114,570,173</b>	<b>1.0000</b>		<b>9.67%</b>
<div> <div>Rate Base</div> <div>\$43,020,997</div> </div> <div> <div>Direct Components</div> <div>\$9,109,471</div> </div> <div> <div></div> <div>\$33,911,526</div> </div> <div> <div>Jurisdictional Factor</div> <div>30%</div> </div>					

Common Equity excludes Flo-Gas

Supporting Schedules

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

## Type of Data Shown:

Projected Test Year Ended 12/31/08

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

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		<u>Specific Adjustments</u>			
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		<u>Pro Rata Adjustments</u>			
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

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 12/31/02, 03, 04, 05 and 06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2004 Year		2005 Year		2006 Year		2007 Year		2008 Year	
		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%
		<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,341,000</u>	<u>100.000%</u>	<u>112,502,632</u>	<u>100.000%</u>	<u>120,721,186</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Prior Year Ended 12/31/07  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	7.29%	\$145,595	1,998,015	0.20%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.86%	\$381,070	5,556,250	0.30%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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.

				13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
	Maturity Date	Interest Rate	Interest Expense		
<b>For Test Year 2008</b>					
2008	July, 2008	6.81%	\$423,453	6,222,500	0.30%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## HISTORICAL YEAR, 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold (Face Value)	13-Month Average Principal Amt. Outstanding	Discount (Premium) on Principal Amount Sold	Issuing Expense On Principal Amount Sold	Life (Years)	Annual Amortization (7+8)/(9)	Interest Expense (Coupon Rate) (2) x (6)	Total Annual Cost (10)+(11)	Unamortized Discount (Premium) Associated With (6)	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:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## PRIOR YEAR, 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold (Face Value)	13-Month Average Principal Amt. Outstanding	Discount (Premium) on Principal Amount Sold	Issuing Expense On Principal Amount Sold	Life (Years)	Annual Amortization (7+8)/(9)	Interest Expense (Coupon Rate) (2) x (6)	Total Annual Cost (10)+(11)	Unamortized Discount (Premium) Associated With (6)	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:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

## TEST YEAR, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold (Face Value)	13-Month Average Principal Amt. Outstanding	Discount (Premium) on Principal Amount Sold	Issuing Expense On Principal Amount Sold	Life (Years)	Annual Amortization (7+8)/(9)	Interest Expense (Coupon Rate) (2) x (6)	Total Annual Cost (10)+(11)	Unamortized Discount (Premium) Associated With (6)	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:

---

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on required bonds for the test year and prior year.
COMPANY: Florida Public Utilities Consolidated Electric Division		

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historical Test Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

---

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

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  
 Historical Test Year Ended 12/31/06  
 Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

DOCKET NO.: 070304-EI

(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)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:



FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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 Test Year 2008												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Historic Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

(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				<u>\$2,136,661</u>				
16									
17	12 Month Total							<u>\$129,626</u>	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			<u>6.07%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Prior Year Ended 12/31/07

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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				<u>\$2,637,518</u>				
16									
17	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
18									
19									
20	Effective Interest Rate								
21	12 Month Interest								
22	Expense (9) divided								
23	by Total Deposits (6)			<u>6.32%</u>					

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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				<u>\$2,948,763</u>				
16									
17	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
18									
19									
20	Effective Interest Rate								
21	12 Month Interest								
22	Expense (9) divided								
23	by Total Deposits (6)			<u>6.32%</u>					

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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 &  
 Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

DOCKET NO.: 070304-EI

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	\$ 0.42
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

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

Type of Data Shown:

Projected Test Year Ended 12/31/08

COMPANY: FLORIDA PUBLIC UTILITIES  
CONSOLIDATED ELECTRIC DIVISION

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.

## Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds			For Stock			Principal Amount
			Capitalization (Thousands)	Interest Rate	Life in Years	No. of Shares	Market Price	Issue Costs	
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	<u>Capital Structure Objectives:</u>				<u>Percent of Total</u>				
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	<u>Interest Rate Assumptions:</u>		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	<u>Company's Policy on the Timing of Entrance into Capital Markets:</u>								
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      EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:  
Projected Test Year Ended 12/31/08  
Prior Year Ended 12/31/07  
Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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	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	0	0	1,409,000	1,409,000
11	Tax on Sinking Fund Payments	-	-	530,066	530,066
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC				
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules:

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		<u>52,500,000</u>	<u>52,500,000</u>	<u>52,500,000</u>
Unamortized debt discount	1810		<u>(1,777,139)</u>	<u>(1,797,719)</u>	<u>(1,880,040)</u>
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		<u>(204,170)</u>	<u>(208,741)</u>	<u>(227,025)</u>
				<u>(2,006,460)</u>	<u>(2,107,065)</u>
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			<u>50,518,691</u>	<u>50,493,540</u>	<u>50,392,935</u>
				(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 REACQD 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														
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%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%	

## 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	\$ 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		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																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
---------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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	

0.732%

13 mth

AVERAGE  
2,136,661

129,626

6.07%

13 mth

AVERAGE  
2,637,518

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
----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

6.378%

13 mth

AVERAGE  
2,948,763

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
----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

6.338%

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>	<u>MID POINT</u>	<u>WEIGHTED COST (%)</u>	<u>HIGH POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,434,741</u>		<u>\$38,434,741</u>	<u>(\$15,852)</u>		<u>\$38,418,889</u>	<u>100.00</u>		<u>7.71</u>		<u>8.07</u>		<u>8.45</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>	<u>MID POINT</u>	<u>WEIGHTED COST (%)</u>	<u>HIGH POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,449,528</u>		<u>\$38,449,528</u>	<u>\$4,461</u>		<u>\$38,453,989</u>	<u>100.00</u>		<u>7.55</u>		<u>7.91</u>		<u>8.28</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	2.62	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	22,678,696	(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	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>		<u>7.95</u>		<u>8.31</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>		<u>7.87</u>		<u>8.24</u>



**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2005 - December 2006

[illegible]



Assumptions:  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Actual)

		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	
		2006	4,160	923	900	368	472	177	90	238	(32)	161	440	285	
		FPU	4,013	772	709	318	418	207	110	291	57	200	433	303	
		FLO-GAS	158	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 (671,194) (1,999,469)		2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463
		FPU	3,291	621	519	340	368	138	100	138	157	121	134	254	371
		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	86	92
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	
		FPU	32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,870,332	35,297,343	35,431,343	35,723,167	32,826,619
			620,643	518,728	340,116	368,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487
					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)
					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)
2					2,000,000										2,000,000
			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,870,332	35,297,343	35,431,343	35,723,167	35,448,425	35,448,425
			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
			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
					(2,000,000)										(2,000,000)
2			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
EARNINGS															
			35,213,145	36,919,705	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
			708,580	645,210	448,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018
			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)
			0	0	(647,860)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)
			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
0															
Ann NOI	490,000	Nov-07	92,423	77,246	50,648	50,288	20,550	14,891	20,550	23,380	16,019	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	
			35,919,703	36,564,911	36,356,371										
			2	4	7										



Assumptions:  
RETAINED EARNINGS:  
Annual Profit Margin Projected Increase

1.03

PRIOR YEAR NET INCOME (Revised Budget)

	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	3,878	707	645	446	447	144	99	137	160	136	175	320	463
FPU	3,291	621	519	340	308	138	100	138	157	121	134	254	371
FLO-GAS	588	86	126	106	40	6	(1)	(1)	3	15	41	66	92
2008	3,865	728	664	459	480	148	102	141	165	140	180	330	477
FPU	3,399	640	535	350	410	142	103	142	162	125	138	282	382
FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95
(1,000,000)													
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
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
Preferred Dividend				(7,125)			(7,125)			(7,125)			(7,125)
Common Dividend				(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
Flo-Gas Dividend		0	0	1,000,000									1,000,000
Projected Interim Rate Relief	Ann NOI	490,000	92,461	50,623	59,259	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08										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
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
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
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
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
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
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Common Dividend		0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
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
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
Projected Rate Relief	Effective	1,000,000	May-08	188,696	157,703	103,312	120,936	41,933	41,933	47,706	36,767	40,717	77,180
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,899	20,547	23,378	18,016	18,951
		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	116,654,382	120,469,556
													120,549,012
													114,924,172

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	4/ KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Cc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
3y	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wp	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filii	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Hc	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Db	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Bar	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Ne	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recyc	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

## Clara Leider

**From:** Martin Cheryl  
**Sent:** Friday, July 20, 2007 10:29 AM  
**To:** Cox Doreen  
**Subject:** FW: D's-Final.xls  
**Attachments:** D's-Final.xls

Latest Ds to check. Cheryl

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, July 20, 2007 9:38 AM  
**To:** Martin Cheryl  
**Subject:** D's-Final.xls

D Schedules as they currently stand (marked final only due to a need to link to a file name that is constant. I understand that the contents of this file may change)

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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		8.19%	1,473,580

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
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

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31.37%	15,822,824	0.4153	8.03%	3.33%	1,270,121
2.	Short Term Debt	3,309,077			3,309,077	31.37%	1,037,977	0.0272	7.29%	0.20%	75,637
3.	Preferred Stock	600,000			600,000	31.37%	188,205	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.37%	14,097,759	0.3700	10.50%	3.89%	
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	0.1227	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	9.10%	0.03%	
9.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,098,997</b>	<b>1.0000</b>		<b>7.81%</b>	<b>1,475,384</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>				
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	10.50%	4.75%
14. <b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.10%</b>

Rate Base	\$38,098,997
Direct Components	\$6,952,231
	<b>\$31,146,766</b>

Jurisdictional Factor 31.37%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ 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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	31%	15,898,403	0.3863	8.01%	3.10%	1,273,648
2.	Short Term Debt	5,729,846			5,729,846	31%	1,802,305	0.0438	6.86%	0.30%	123,609
3.	Preferred Stock	600,000			600,000	31%	188,728	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	31%	15,061,455	0.3660	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0641	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1325	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.	<b>TOTAL</b>	<b>112,956,971</b>			<b>112,956,971</b>		<b>41,151,137</b>	<b>1.0000</b>		<b>8.06%</b>	<b>1,563,825</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
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. <b>TOTAL</b>	<b>104,756,724</b>	<b>1.0000</b>		<b>9.52%</b>

Rate Base	\$41,151,137
Direct Components	\$8,200,247
	\$32,950,890
Jurisdictional Factor	31%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	29%	14,595,390	0.3418	7.97%	2.72%	1,162,948
2.	Short Term Debt	6,436,923			6,436,923	29%	1,887,392	0.0442	6.81%	0.30%	128,441
3.	Preferred Stock	600,000			600,000	29%	175,928	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	29%	16,934,795	0.3966	11.50%	4.56%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0691	6.32%	0.44%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1423	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		42,702,976	1.0000		8.06%	1,477,612

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2008</b>					
10.	Long Term Debt	49,777,370	0.4345	7.97%	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	\$42,702,976
				Direct Components	\$9,109,471
					\$33,593,505
				Jurisdictional Factor	29%

Common Equity excludes Flo-Gas

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 ____ Historical Test Year Ended 12/31/06 Witness: Doreen Cox, Robert Camfield
--	--	--

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:

## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	7.29%	\$145,595	1,998,015	0.20%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.86%	\$381,070	5,556,250	0.30%

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Test Year 2008</b>					
2008	July, 2008	6.81%	\$423,453	6,222,500	0.30%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

**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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				<u>\$50,443,237</u>								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on required bonds for the test year and prior year.
COMPANY: Florida Public Utilities		

**COMPANY:** Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

Projected Test Year Ended 12/31/08

Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1) Line	(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)
<b>For Test Year 2008</b>												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368				
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.33%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total							<u>\$129,626</u>	
	Effective Interest Rate								
	12 Month Interest								
	Expense (9) divided								
	by Total Deposits (6)				<u>6.07%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on  
customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.65	\$ 13.25
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
8.	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

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: FLORIDA PUBLIC UTILITIES  
CONSOLIDATED ELECTRIC DIVISION2.) 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.

Witness: Cox; Camfield

DOCKET NO.: 070304-EI

## 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		
	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000

Capital Structure Objectives:Percent of Total

Short-term Debt	2 - 14%
Long-term Debt	43 - 44%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

Interest Rate Assumptions:

Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.

Company's Policy on the Timing of Entrance into Capital Markets:

Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.  
The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.  
The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

\_\_\_\_ Prior Year Ended 12/31/07

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
	Fixed Charges:				
	Interest	1,473,580	1,563,825	1,477,612	1,477,612
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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)
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														
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		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 Balan
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%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%	

## Effective Cost of ST Debt

Effective Cost of ST Debt																												
LOC Available																												
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		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%	

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																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
---------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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)	(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	(50,443,237)
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)	(8.01)	(8.02)
												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	

0.732%

[illegible]

Pg. 1 of 2

2006	@6%	1,421,005	1,425,676	1,437,005	1,442,879	1,447,773	1,450,915	1,447,804	1,456,178	1,460,124	1,460,090	1,476,808	1,502,347	1,590,029
	@7%	654,364	656,515	661,732	664,437	666,690	668,137	666,705	670,561	672,378	672,362	680,061	691,821	732,198
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

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		ADJUSTED RETAIL	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MID POINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)
				PRORATA	SPECIFIC			COST RATE (%)		COST RATE (%)		COST RATE (%)	
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		ADJUSTED RETAIL	RATIO (%)	LOW POINT	WEIGHTED COST (%)	MID POINT	WEIGHTED COST (%)	HIGH POINT	WEIGHTED COST (%)
				PRORATA	SPECIFIC			COST RATE (%)		COST RATE (%)		COST RATE (%)	
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

Pg. 1 of 2

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	2.62	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	22,678,696	(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

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED</u>		<u>MID POINT WEIGHTED</u>		<u>HIGH POINT WEIGHTED</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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

Pg. 2 of 2

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2005 - December 2006

Line				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
Ref	Florida Public Utilities:	Notes	Acct #														
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		1274,16	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		129	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		120	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	130	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		119+110+21+123+124+125+126+130+141+142+143	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		119+121+123+124+125+126	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	117+132+133	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	136	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	131,135	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%

\*\*\*\*\*

Pg. 1 of 2

Pg. 1 of 2



Assumptions:  
RETAINED EARNINGS:  
Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Actual)

		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
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	463
(671,194)		FPU	3,291	621	519	340	398	138	100	138	157	121	134	371
(1,999,469)		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	92
			Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007
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
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
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)
Flo-Gas Dividend	2				2,000,000									2,000,000
Projected Interim Rate Relief													37,824	55,247
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
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
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
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
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
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
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Common Dividend			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)
BALANCE C/F	0		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
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07 62,423	77,246	50,648	59,268	20,550	14,891	20,550	23,380	18,019	19,954	37,824	55,247
														490,000

Pg. 2 of 2

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	AVG. RATE	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 Reac'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	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				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
37				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
38	Flo-Gas Corp.:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	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	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				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49	Consolidated:	Line Reference		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
50	Long Term Debt	1274-15		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	129		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	120		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	130	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	4,154,159+1,274,123+1,244,254+294,130+1,411,424,43		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	4,119+1,214+1,204+1,244,254+20		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	64,364,125	64,692,925	64,329,572	57,755,879	
56	DEFERRED INC TAXES	Electric only	4,117+1,324,33	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	4,136	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	4,131+36	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			59%	59%	58%	58%	58%	59%	58%	58%	58%	58%	58%	59%	50%	53%	
	Debt			41%	41%	42%	42%	42%	41%	42%	42%	42%	42%	42%	51%	50%	47%	
	Equity																	

Notes:

1 Sinking Fund Payments on L.T. Debt May 1, 2008

\$10M	\$	909,000
\$5.5M	\$	500,000
	\$	1,409,000

2 Projected Equity Offering June 2008

\$ 15 M

Pg. 1 of 3

PRIOR YEAR NET INCOME (Revised Budget)

Pg. 20 of 2

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Computer	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Computer	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Computer	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
31/	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BJF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wf	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filli	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Hc	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Db	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Ba	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Computer	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recyc	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Tuesday, May 29, 2007 6:01 PM  
**To:** Cox Doreen  
**Subject:** FW: Expenses for Rate Case - 2006 Normalization  
**Attachments:** ExpenseTempl - NE FL.xls; ExpenseTempl \_ NW FL.xls

Doreen, does our storm hardening include these items added? Cheryl

**From:** Cutshaw Mark  
**Sent:** Tuesday, May 29, 2007 5:58 PM  
**To:** Myers Don; Martin Cheryl  
**Cc:** Mesite Jim; Khojasteh Mehrdad  
**Subject:** RE: Expenses for Rate Case - 2006 Normalization

Don,  
 Do you have any more information on the cost of developing a spec. book?

Cheryl,  
 The spec. book is a manual that shows the specifications on different types of installations. This includes the engineering analysis to ensure all installations meet the code requirements as outlined by the FPSC. The hurricane restoration cost will probably covered in the storm fund but may not so we need to include this. As for #5, I added the training, advertising, NERC assessment and tree replacement program.

All,  
 I have revised the NERC assessments for both divisions and have included (see attachments) the updated numbers on these. The expenses were less than shown on the original version.

Mark Cutshaw, General Manager  
 Florida Public Utilities Company  
 911 South 8th Street  
 Fernandina Beach, Florida 32034  
 (904)277-1957 office  
 (904)753-1272 cell

**From:** Martin Cheryl  
**Sent:** Tuesday, May 29, 2007 7:58 AM  
**To:** Cutshaw Mark  
**Cc:** Mesite Jim  
**Subject:** RE: Expenses for Rate Case - 2006 Normalization

If you get the capital costs to Jim this week, he can include them. What is a spec book? Need more info to decide if it is capital costs or not. Jim can research that if you give him a little more information. The depr and revenue requirements will be accounted for in the rate case itself. What was the hurricane restoration costs though? What is number 5? Thanks Cheryl

**From:** Cutshaw Mark  
**Sent:** Saturday, May 26, 2007 1:51 PM  
**To:** Stein Chuck; Martin Cheryl; Khojasteh Mehrdad; Mesite Jim; Myers Don; Cox Doreen  
**Subject:** Expenses for Rate Case - 2006 Normalization

Attached are three spreadsheets showing additional expenses above 2006 for Storm Hardening, NE FL and NW

FL. I added some to the sheet that Don submitted to match some that I added for NE FL that could be required in NW FL. Please review these and see if anything else comes up that we need to include. If we forget it now we will not be able to do get it completed.

There are other items that we need to consider.

1. We did not include the development of the spec. book in either the expense or capital budget. This may be a significant cost so we need to decide on how to proceed on this.
2. There are some depreciation, revenue requirements and hurricane restoration cost shown on the storm hardening template. Should these remain or will they be accounted for elsewhere.
3. In order to comply with the traffic control and work zone requirements, we will need to purchase more capital equipment and will either need to allocate money for a contractor or add personnel. I don't know the answer to this but is something we need to discuss.
4. Should the economic development amounts be added or not?
5. Do we want to include the items I added in NW FL or should they be deleted.

Any comments?

Mark Cutshaw, General Manager  
Florida Public Utilities Company  
911 South 8th Street  
Fernandina Beach, Florida 32034  
(904)277-1957 office  
(904)753-1272 cell

Department - NE FL					2006	2007	2008
Account #	Account Description	Item	Reason				
115.4010.560	Transmission Station Expenses	Inspection and Testing of Transmission Substation Equipment	Perform inspection and testing on all substation equipment and relays in accordance with manufacuters recommendations		\$25,000		
115.4010.582	Distribution Station Expenses	Inspection and Testing of Transmission Substation Equipment	Perform inspection and testing on all substation equipment and relays in accordance with manufacuters recommendations		\$45,000		
Various	Salaries	\$1.00 additional annual increase for Working Foreman	Additional increase necessary to attract and retain Working Foreman. The includes 2080 straight time and 200 hours overtime for seven (7) personnel. 50% of cost to expense and 50% to capital		\$8,330		
115.1840.1	Training	Travel and Incidental Expense	Training in accordance with Apprentice Lineman Training will include three (3) weeks travel for 8 apprentices. \$850/week travel and \$5000 per year incidental training aides for NE FL		\$25,400		
115.4010.93023	Economic Development Expense	Contributions	Contribute to local economic development organizations in order to promote growth in the community		\$10,000		
115.4010.9134	Other Advertising	Additional communications to customers	Additional costs associated with communication to customers regarding rate increase, fuel increase, storm hardending, tree trimming and undergrounding		\$14,400		
100.1860.1 (36164)	Rate Case Expenses	Temporary labor for rate case	Assist with clerical duties associated with rate case filing for three months at \$6800/month		\$20,400		
115.4010.566	Miscellaneous Transmission Exp	NERC Assessments	Annual amount due to the NERC for transmission access		\$8,000		
115.4020.5932	Maint. Of OH Lines	Tree Trimming	Two months during 2006 NE FL only had one tree trimming crews (rather than two) due to the unavailability of contractors		\$17,500		
115.4020.5932	Maint. Of OH Lines	Tree Replacments	Implemenation of program to replace trees with low growing trees for customers. Estimate 500 trees at \$30 each		\$15,000		

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

**Example:**

A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 (40,000/12 X 3).

We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 (36,000/12 X 2)

We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 (\$30,000/2).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.

Department - NW FL								
Account #	Account Description	Item	Reason	2006	2007	2008		
114.4010.580	Operation Supervision	Vacant Posit. -Op. Manager	Vacant position - 5 Months in 2006	\$36,000				
114.1840.1	Training	Travel and Incidental Expense	Training in accordance with Apprentice Lineman Training will include three (3) weeks travel for 8 apprentices. \$850/week travel and \$5000 per year incidental training aides for NE FL	\$25,400				
114.4010.9134	Other Advertising	Additional communications to customers	Additional costs associated with communication to customers regarding rate increase, fuel increase, storm hardening, tree trimming and undergrounding	\$14,400				
114.4010.566	Miscellaneous Transmission Exp	NERC Assessments	Annual amount due to the NERC for transmission access	\$4,000				
114.4020.5932	Maint. Of OH Lines	Tree Replacments	Implementen of program to replace trees with low growing trees for customers. Estimate 500 trees at \$30 each	\$15,000				

Please provide the amounts for 2006 to normalize the year's expenses.

Please provide the amounts over and above the 2006 normalized and trended data for the years 2007 and 2008.

Update the cells in blue.

**Note:** You need to keep in mind the unusual events in 2006. For example, if you had a vacancy in your department during 2006, you need to account for it by providing the amount needed to normalize 2006. Also, if you are planning for new expenditures such as new positions, etc. in 2007 or 2008, you must provide these amounts which are going to be above and beyond the 2007 and 2008 trended figure.

**Example:**

A position which was vacant for 3 months in 2006 with the salary and overhead of \$40,000 per year. Based on this assumption, 2006 expense is under-reported by \$10,000 ( $40,000/12 \times 3$ ).

We will have a new position starting in November of 2007 with the salary and overhead of \$36,000 which results in \$6,000 over and above adjustment to the year 2007 ( $36,000/12 \times 2$ ).

We will have a new position starting in the second half of 2008 with the salary and overhead of \$30,000 ( $\$30,000/2$ ).

When you input the data in the cells, please use formulas so that we have an audit trail for the total amounts. For example, in the above example for the year 2006, I entered \$40,000 and then had the formula calculate the amount for the 3 months.



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Computer	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My Computer	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Computer	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
31	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wf	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filli	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Hc	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Dt	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Ba	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Computer	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recyc	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Monday, July 09, 2007 8:31 AM  
**To:** Cox Doreen  
**Subject:** FW: For Interim Relief  
**Categories:** Elec Rate Case  
**Attachments:** D's\_030707.xls

We have to use the G schedules for Interim, not the Ds. Did you let Robert know. Cheryl

**From:** Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
**Sent:** Tuesday, July 03, 2007 2:10 PM  
**To:** Mike Welsh  
**Cc:** Martin Cheryl; Cox Doreen  
**Subject:** For Interim Relief

Mike,

Attached is the latest. For Interim relief, please use cell "L28" of tab "D-1a,06 I" which is 7.70%. This weighted average cost of capital (WACC) for regulatory purposes includes cost rates of 3.28% for short-term debt, and 6.07% for customer deposits. Both of these two elements of the WACC are currently under review, and should be finalized shortly.

Robert

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,765	0.4152	8.02%	3.33%	1,267,302
2.	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31.33%	187,955	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,996	0.3699	10.50%	3.88%	
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	8.96%	0.03%	
9.	TOTAL	106,248,266			106,248,266		38,057,542	1.0000		7.70%	1,430,928

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
10.	Long Term Debt	50,443,237	0.5080	8.02%	4.07%	
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%	
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%	
13.	Common Equity	44,943,721	0.4526	10.50%	4.75%	
14.	TOTAL	99,296,036	1.0000		8.96%	
				Rate Base		\$38,057,542
				Direct Components		\$6,952,231
						\$31,105,311
				Jurisdictional Factor		31.33%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,765	0.4152	8.03%	3.33%	1,268,431
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31%	187,955	0.0049	3.28%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,996	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	9.41%	0.03%	
9.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,542</b>	<b>1.0000</b>		<b>8.07%</b>	<b>1,432,057</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2006</b>						
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%	
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%	
12.	Preferred Stock	600,000	0.0060	3.28%	0.02%	
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%	
14.	<b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.41%</b>	
				Rate Base	\$38,057,542	
				Direct Components	\$6,952,231	
					\$31,105,311	
				Jurisdictional Factor	31%	

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

\_\_\_\_ 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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	29%	14,860,505	0.3810	8.01%	3.05%	1,190,500
2.	Short Term Debt	5,729,846			5,729,846	29%	1,684,645	0.0432	6.02%	0.26%	101,416
3.	Preferred Stock	600,000			600,000	29%	176,407	0.0045	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	29%	14,078,196	0.3610	11.50%	4.15%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0676	6.32%	0.43%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1398	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	0.0028	9.48%	0.03%	
9.	TOTAL	112,956,971			112,956,971		39,000,000	1.0000		7.94%	1,458,483

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11. Short Term Debt	5,729,846	0.0547	6.02%	0.33%
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		9.48%

Rate Base	\$39,000,000 TO BE UPDATED
Direct Components	\$8,200,247
	\$30,799,753
Jurisdictional Factor	29%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	27%	13,421,026	0.3355	7.97%	2.67%	1,069,376
2.	Short Term Debt	6,436,923			6,436,923	27%	1,735,530	0.0434	6.03%	0.26%	104,652
3.	Preferred Stock	600,000			600,000	27%	161,773	0.0040	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	27%	15,572,200	0.3893	11.50%	4.48%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0737	6.32%	0.47%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1520	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	0.0020	9.62%	0.02%	
9.	TOTAL	123,679,644			123,679,644		40,000,000	1.0000		7.92%	1,360,252

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2008</b>				
10. Long Term Debt	49,777,370	0.4345	7.97%	3.46%
11. Short Term Debt	6,436,923	0.0562	6.03%	0.34%
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		9.62%

Rate Base	\$40,000,000 TO BE UPDATED
Direct Components	\$9,109,471
	\$30,890,529

Jurisdictional Factor 27%

Common Equity excludes Flo-Gas

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

\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:

## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Prior Year Ended 12/31/07

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	3.28%	\$108,538	3,309,077	0.09%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.02%	\$344,937	5,729,846	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
 \_\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			<b>For Test Year 2008</b>		
2008	July, 2008	6.03%	\$388,146	6,436,923	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14)				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired bonds for the test year and prior year.	Type of Data Shown: <input type="checkbox"/> Projected Test Year Ended 12/31/08 <input type="checkbox"/> Prior Year Ended 12/31/07 <input type="checkbox"/> Historical Test Year Ended 12/31/06 Witness: Doreen Cox, Robert Camfield
COMPANY: Florida Public Utilities Consolidated Electric Division			
DOCKET NO.: 070304-EI			

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.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description,	Issue	Call	Principal	13-month	(Discount)	(Discount)	Issuing	Issuing	Net	Dollar	Effective
No.	Coupon Rate	Date	Provisions or Special Restrictions	Amount Sold	Average Principal Amt. Outstanding	Premium on Principal Amount Sold	Premium Associated with (6)	Expense on Principal Amount Sold	Expense Associated with (6)	Proceeds (6)+(8)-(10)	Dividend on Face Value (2) X (6)	Cost Rate (12)/(11)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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 Test Year 2008												
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.												
5.												
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:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368	7,105	3,817	10,922	
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total							<u>\$129,626</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.07%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	7,950	4,271	12,221	
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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	9,659	5,189	14,848	
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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.37	\$ 13.53
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	175.0%	170.4%
8.	Price/Earning Ratio (6) / (5)	\$ 17.37	\$ 24.49	\$ 21.28	\$ 18.83	\$ 19.61

\* Excluding the Sale of Water Division

FLORIDA PUBLIC SERVICE COMMISSION

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 \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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		<u>52,500,000</u>	<u>52,500,000</u>	<u>52,500,000</u>
Unamortized debt discount	1810		<u>(1,777,139)</u>	<u>(1,797,719)</u>	<u>(1,880,040)</u>
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		<u>(204,170)</u>	<u>(208,741)</u>	<u>(227,025)</u>
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			<u>50,518,691</u>	<u>50,493,540</u>	<u>50,392,935</u>
				(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	\$ 22,549				
\$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/ACOD 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				

		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg				
Total 1810.1 & 1890.1	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				



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 AGO	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		
<b>SHORT TERM DEBT</b>															
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)	(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
<b>LONG TERM DEBT</b>															
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)	(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
<b>FUEL COST</b>															
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	

0.732%

13 mth

AVERAGE  
2,136,661

%	7,105	7,128	7,185	7,214	7,239	7,255	7,239	7,281	7,301	7,300	7,384	7,512	7,950	95,093
%	3,817	3,830	3,860	3,876	3,889	3,897	3,889	3,912	3,922	3,922	3,967	4,036	4,271	51,088
	10,922	10,958	11,045	11,090	11,128	11,152	11,128	11,192	11,223	11,223	11,351	11,547	12,221	146,181

6.842%

13 mth

AVERAGE  
2,637,518

%	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	117,384
%	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	63,064
	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	180,448

6.842%

13 mth

AVERAGE  
2,948,763

%	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	131,236
%	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	70,506
	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	201,742

6.842%

@6%	1,421,005	1,425,676	1,437,005	1,442,879	1,447,773	1,450,915	1,447,804	1,456,178	1,460,124	1,460,090	1,476,808	1,502,347	1,590,029
@7%	654,364	656,515	661,732	664,437	666,690	668,137	666,705	670,561	672,378	672,362	680,061	691,821	732,198
@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
@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

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>	WEIGHTED COST (%)	<u>MID POINT</u>	WEIGHTED COST (%)	<u>HIGH POINT</u>	WEIGHTED COST (%)
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,434,741</u>		<u>\$38,434,741</u>	<u>(\$15,852)</u>		<u>\$38,418,889</u>	<u>100.00</u>		<u>7.71</u>		<u>8.07</u>		<u>8.45</u>

<u>YEAR END</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>	WEIGHTED COST (%)	<u>MID POINT</u>	WEIGHTED COST (%)	<u>HIGH POINT</u>	WEIGHTED COST (%)
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,449,528</u>		<u>\$38,449,528</u>	<u>\$4,461</u>		<u>\$38,453,989</u>	<u>100.00</u>		<u>7.55</u>		<u>7.91</u>		<u>8.28</u>

Pg. 1 of 2

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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	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	2.62	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	22,678,696	(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		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
				PRORATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	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

Pg. 2 of 2

**Florida Public Utilities**  
**CAPITAL COMPONENTS**  
**December 2005 - December 2006**

Line				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
Ref	Florida Public Utilities:	Notes	Acct.#														
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		L274-L6	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		L28	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		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	2,075,368	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+L19+L21+L23+L24+L25+L26+L39+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		L16+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	L36	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					PROJECTED										13 mth	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	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	10,000	Constant	
16		Unamortized Debt/Loss on Reaq'd Debt	1	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	1,956,158	Amortization Schedule	
17		ACCUM DEF TAXES	Electric only	1900	1,048,453	1,056,992	1,064,958	1,062,642	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	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	5,542,986	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	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	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	0	
34		CURRENT BONDS		0	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	0	0	
36																				
37																				
38		Fio-Gas Corp.:																		
39		Investment in Assoc. Co.	Zeroed	1230	0	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	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	265,667	81,449	OCI Projection Schedule	
44		Customer Deposits	Zeroed	2350	0	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	0	
46		ACCUM DEF TAXES	Zeroed	2820	0	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	0	
48																				
49		Consolidated:		Line Reference																
50		Long Term Debt		1271,14	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	8,660,000	11,860,000	12,160,000	5,729,846		
52		Preferred Stock		126	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	600,000	
53		Customer Deposits	Electric only	136	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		1151,151,211,231,241,251,261,271,281,291,301,311,321,33	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 Fio-Gas		1151,151,211,231,241,251,261,271,281,291,301,311,321,33	45,289,010	46,116,929	46,635,657	48,332,782	48,690,934	48,868,910	48,265,564	48,516,519	48,673,519	48,119,902	48,214,639	48,506,463	48,248,639	47,883,036		
56		DEFERRED INC TAXES	Electric only	1151,151,211,231,241,251,261,271,281,291,301,311,321,33	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	1135	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58		TAX CREDITS-WEIGHTED	Electric only	1131,136	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	114,060,635		
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	116,621,607	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%	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			Monthly Amort
	\$14M	\$	2,239	
	\$15M	\$	3,357	
	\$10M	\$	601	
	\$5.5M	\$	324	
	\$8M	\$	339	6,860
	Loss on Recaptured Debt	\$5M	\$	1,524
			\$	8,384

2 Fio-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

Pg. 1 of 2

Assumptions  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase  
 PRIOR YEAR NET INCOME (Actual)

OR YEAR NET INCOME (Actual)			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
		2006	4,980	923	900	308	472	177	90	238	128	(32)	161	446	285
		FPU	4,613	772	709	318	418	207	110	201	195	57	200	433	303
		FLO-GAS	158	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
		2007	3,879	707	645	446	447	144	99	137	160	138	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
	Revised Budget (671,194) (1,999,469)														
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	35,851,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167
NET INCOME		FPU		620,843	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)
Common Dividend						(647,660)		0	(695,864)			(695,864)			(695,864)
Flo-Gas Dividend	2					2,000,000									2,000,000
Projected Interim Rate Relief															
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
															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
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
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
															(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
NET INCOME				706,560	645,210	446,248	447,000	144,000	99,000	137,000	190,000	136,000	175,000	320,000	463,000
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Common Dividend				0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)
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
	0														1,115,266
Projected Interim Rate Relief	Ann NOI	490,000	Nov 07	92,423	77,266	50,646	50,268	20,550	14,691	20,560	22,380	18,019	19,054	37,824	55,247
															490,000

Pg. 2 of 2

**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. Sls	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	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	0	
36				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
37				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
38	Flo-Gas Corp.:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	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	186,337	146,672	146,672	107,007	198,542	OCI Projection Schedule
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				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49	Consolidated:	Line Reference		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
50	Long Term Debt	L274-L5		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+L19+L21+L23+L24+L25+L26+L30+L31+L32+L33		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	L19+L21+L23+L24+L25+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	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	L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	L31+L36	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	123,833,991	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				59%	59%	58%	58%	58%	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, 2008	\$10M	\$ 909,000
		\$5.5M	\$ 500,000
		\$	\$ 1,409,000

2 Projected Equity Offering, June 2008 \$ 15 M



Assumptions  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

PRIOR YEAR NET INCOME (Revised Budget)

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	90	137	100	136	175	320	463
FPU		3,291	621	518	340	306	138	100	138	157	121	134	254	371
FLO-GAS		588	86	128	106	40	6	(1)	(1)	3	15	41	66	92
2008		3,995	728	664	459	460	148	102	141	165	140	180	330	477
FPU		3,350	640	535	350	410	142	103	142	162	125	138	262	382
FLO-GAS		606	89	130	109	50	6	(1)	(1)	3	15	42	68	95
(1,000,000)														
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
NET INCOME	FPU		639,630	534,570	350,200	408,940	142,140	103,000	142,140	161,710	124,530	138,020	261,620	382,130
Preferred Dividend					(7,125)			(7,125)		(7,125)			(7,125)	(28,500)
Common Dividend			0	0	(718,676)	0	0	(867,641)	0	0	(869,564)	0	0	(870,007)
Flo-Gas Dividend					1,000,000									1,000,000
Projected Interest Rate Relief	Ann NOI	400,000	Nov-07			59,259								279,617
Projected NOI - Elec. Rate Case	Annual	1,000,000	May-08	77,274	50,623		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
1,744,783														
FLO-GAS RETAINED EARNINGS														
B/F			975,057	1,063,637	1,193,417	302,597	353,067	358,247	358,217	357,187	360,277	375,727	417,957	485,937
NET INCOME			88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,080	15,450	42,230	67,980	94,760
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
(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
NET INCOME			728,210	664,350	459,380	490,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(28,500)
Common Dividend			0	0	(718,676)	0	0	(867,641)	0	0	(869,564)	0	0	(870,007)
Flo-Gas Dividend			0	0	1,000,000									1,000,000
Projected NOI - Elec. Rate Case			0	0	0	419,032,543	303,855,900,4	419,032,543	419,032,543	477,055,864,48	367,665,940,14	407,117,107,26	77,180,198,39	112,731,692,5
BALANCE C/F			37,149,693	37,906,504	37,717,358	38,226,391	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														
Projected Rate Relief		Effective	1,000,000	May-08	100,000	100,000	120,000	41,933	30,386	41,933	47,706	36,767	40,717	77,180
Projected Interest Rate Relief	Ann NOI	400,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,000	20,547	23,376	18,810	19,851	55,238
			112,312,174	112,736,908	112,787,006	111,436,888	113,127,590	114,257,203	114,682,484	115,366,866	115,187,755	114,964,305	116,654,382	120,469,556
														120,549,012
														114,924,172

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
37	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wp	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filli	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
HC	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Db	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Ba	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Bachman George  
**Sent:** Monday, January 29, 2007 8:58 AM  
**To:** Cox Doreen  
**Subject:** FW: FPU Presentation  
**Attachments:** A.G. Edwards Presentation.pdf

*George*

**From:** Strobel, Jeffrey [mailto:strobeljw@AGEDWARDS.com]  
**Sent:** Friday, January 26, 2007 2:34 PM  
**To:** Bachman George  
**Cc:** Donovan, William; Gipson, Derek  
**Subject:** FPU Presentation

George,

Attached is an outline regarding our thoughts on FPU and the debt capital markets. We will expand on this presentation when we meet next Thursday. We wanted to be very thorough in our analysis of both your present debt characteristics and how a new issuance would look and what effect it would have on the company, which is why this is a few days later in coming than anticipated.

Please call if you have any questions. We look forward to meeting with you in person next week.

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

<<A.G. Edwards Presentation.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.  
-----

# PRIVATE PLACEMENT DISCUSSION REGARDING

FEBRUARY 2007



# TABLE OF CONTENTS

---

	<u>Section</u>
EXECUTIVE SUMMARY .....	I
PRELIMINARY SUMMARY OF PROPOSED TERMS .....	II
PRIVATE PLACEMENT CAPABILITIES .....	III
OFFERING TIMETABLE .....	IV
A.G. EDWARDS PRIVATE PLACEMENTS .....	V

## EXECUTIVE SUMMARY

A.G. Edwards is pleased to be asked to provide inputs regarding Florida Public Utilities Company's proposed capital raise.

- Florida Public Utilities Company ("FPUC" or the "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
- FPUC currently has an NAIC-2 rating which equates to a BBB/Baa public rating range.
- Due to the structure of the proposed debt and FPUC's operations, it is A.G. Edwards' opinion that a \$30 million FMB (\$15 million new) would also achieve an NAIC-2 rating.
- FPUC 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.

# 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 (4.86%) = 6.11%  
+140 basis points to the interpolated yield of the twenty-year U.S. Treasury (4.91%) = 6.31%

**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.



**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.

# FLORIDA PUBLIC UTILITIES COMPANY

## PRELIMINARY SUMMARY OF PROPOSED TERMS

### ALL-IN-COST OF FINANCING COMPARISON

	10 Years	20 Years	30 Years
<b>Distribution</b>	<b>Private</b>	<b>Private</b>	<b>Retail</b>
<b>Insured/Uninsured</b>	<b>Uninsured</b>	<b>Uninsured</b>	<b>Insured</b>
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
Offering Size (\$000's)	\$30,000	\$30,000	\$30,000
Yield on Comparable Treasury	4.86%	4.91%	4.85%
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	6.11%	6.31%	6.00% - 6.25%
Gross Spread Estimate	1.50%	1.50%	3.15%
<b>All-in-Cost of Financing to Maturity (c)</b>	<b>6.31%</b>	<b>6.44%</b>	<b>6.40% - 6.66%</b>

(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 approximate 16 bp annual cost on principal.

(c) All-in cost does not include offering expenses (i.e. legal, printing, etc.)

**FLORIDA PUBLIC UTILITIES COMPANY**  
**PRELIMINARY SUMMARY OF PROPOSED TERMS**  
**COST OF DELAYED CLOSE**

<b>10-Year</b>		<b>20-Year</b>	
10-Year Treasury Yield (Interpolated)	4.86%	20-Year Treasury Yield	4.91%
Spread (as %)	1.25%	Spread (as %)	1.40%
Principal Amount	\$30,000,000	Principal Amount	\$30,000,000
Pricing Date	3/15/2007	Pricing Date	3/15/2007
Settlement Date	7/15/2007	Settlement Date	7/15/2007
Maturity Date	7/15/2027	Maturity Date	7/15/2017
Coupon Rate	6.11%	Coupon	6.31%
Commercial Paper Rate	5.21%	Commercial Paper Rate	5.21%
Difference (as a %)	0.90%	Difference (as a %)	1.10%
Days Delayed	120	Days Delayed	120
Negative carry	\$90,000	Negative carry	\$110,000
Modified Duration	11.5	Modified Duration	7.3
Cost (bps)	2.6	Cost (bps)	5.0
<b>Adjusted Coupon</b>	<b>6.14%</b>	<b>Adjusted Coupon</b>	<b>6.36%</b>

## PRIVATE PLACEMENT 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.

## PRIVATE PLACEMENT CAPABILITIES

### 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

# PRIVATE PLACEMENT CAPABILITIES

## 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.

# FLORIDA PUBLIC UTILITIES COMPANY

## OFFERING TIMETABLE

January 2007						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2007						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March 2007						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- Market Holiday
- FOMC Meeting

<u>Key Event</u>	<u>Date</u>
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
<b>Purchasers Circle the Placement - Pricing</b>	<b>Week 4</b>
Purchasers Due Diligence Visit and Investment Committee Approval	Week 5 - 6
Preparation of Legal Documentation	Weeks 5 - 7
Closing and Funding	Week 8

# FLORIDA PUBLIC UTILITIES COMPANY



## OFFERING TIMETABLE

(CONTINUED)

January 2007						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2007						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March 2007						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

-  Market Holiday  
 FOMC Meeting

Key Event	Date	Responsible Party
(Week 1)	<ul style="list-style-type: none"> <li>Organizational discussion with key management</li> <li>Perform initial due diligence and management interviews</li> <li>Discuss historical financial performance and financial projections</li> </ul>	Edwards/Florida Public Utilities Company Edwards/Florida Public Utilities Company Edwards/Florida Public Utilities Company
(Week 2)	<ul style="list-style-type: none"> <li>Analyze and discuss projections</li> <li>Review Due Diligence documents</li> <li>Discuss, review and finalize target investor list</li> <li>Initiate marketing calls to prospective investors</li> <li>Investors counsel begins drafting documentation</li> <li>Begin drafting PPM</li> </ul>	Edwards/Florida Public Utilities Company Edwards Edwards/Florida Public Utilities Company Edwards Counsel/Edwards Edwards
(Week 3)	<ul style="list-style-type: none"> <li>Finalize and distribute PPM</li> <li>Respond to investor questions and due diligence requests</li> </ul>	Edwards/Florida Public Utilities Company
(Week 4)	<ul style="list-style-type: none"> <li>Obtain indications of interest</li> <li>Select participating investor(s)</li> <li>Circle pricing</li> </ul>	Edwards Edwards/Florida Public Utilities Company Edwards/Florida Public Utilities Company/Investor
(Week 5)	<ul style="list-style-type: none"> <li>Investor commences legal, financial and business due diligence</li> </ul>	Edwards/Florida Public Utilities Company/Investor
(Week 6)	<ul style="list-style-type: none"> <li>Investor continues due diligence</li> <li>Investor Committee Approval</li> </ul>	All Hands Investor
(Week 7)	<ul style="list-style-type: none"> <li>Review, discuss and revise closing documentation</li> <li>Investor continued due diligence</li> </ul>	Edwards/Florida Public Utilities Company/Counsel
(Week 8)	<ul style="list-style-type: none"> <li>Review, discuss and revise closing documentation</li> <li>Close transaction</li> </ul>	Edwards/Florida Public Utilities Company/Counsel



# 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**  
Power Company

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**

**YAH 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**

**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

Private Debt

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
3v	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
CL	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wf	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
filii	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Hc	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Db	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
12	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Sy	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Tr	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Fp	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Bar	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Pu	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Co	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Network Places	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recycle Bin	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

---

**From:** Bachman George  
**Sent:** Wednesday, May 16, 2007 11:30 AM  
**To:** Cox Doreen  
**Subject:** FW: FPU Refunding Model 040207.xls  
**Attachments:** FPU Refunding Model 040207.xls



**From:** Sprouse, Kevin E [mailto:kevin.sprouse@edwardjones.com]  
**Sent:** Monday, May 14, 2007 11:53 AM  
**To:** Bachman George  
**Subject:** FPU Refunding Model 040207.xls

<<FPU Refunding Model 040207.xls>>

George,

I hope you are doing well. Knowing your responsibilities and the number of hats you are wearing... I have an idea to help you with any internal processing and to capture over \$700,000 of NPV savings for FPU (that's the estimate from the FPU Tax Effectuated computation). The no tax effect of course shows a greater NPV savings. So we are looking at the more conservative NPV savings for you.

Kevin

# 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
<b>Coupon</b>	<b>6.85%</b>	<b>5.60%</b>	<b>-1.25%</b>
Annual Interest Expense	\$1,027,500	\$840,000	-\$187,500
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.15%	
<b>All-In Cost</b>	<b>6.85%</b>	<b>5.97%</b>	<b>-0.88%</b>
<b>NPV Savings through Initial Maturity</b>			<b>\$831,464</b>

### 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.



Edward Jones

# Florida Public Utilities Savings Analysis

## Detailed

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
<b>NPV Savings</b>	<b>\$1,392,143</b>

### Expenses

Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	341,640
Other Expenses	100,000
<b>Total</b>	<b>\$1,064,140</b>

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	6/1/2007
Maturity date	6/1/2037
Maturity (years)	30.0
New Call Date	5/30/2012
<b>All-in Cost (Discount Rate)</b>	<b>6.12%</b>

\* 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

Refunding Bond Analysis  
Edward Jones Assumptions  
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	<sup>2</sup>	-	(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		(\$12,984,001)																									

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 2	-	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)	
Interest	2	-	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	
Total Outflows		-	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	(937,251)	
NPV		(\$11,843,570)																									
Coupon Rate			5.60%																								
UF Underwriting Fee			3.15%																								
Bond Insurance			0.15%																								

SAVINGS	-	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249	90,249
	\$1,140,431																										

Discount Rate 8.12%

Assumptions:  
<sup>1</sup> Call Premium, Bond Insurance, Underwriting Fee and Other Expenses financed over 30 years  
<sup>2</sup> Expenses not tax affected  
<sup>3</sup> Discount Rate of 6.12%

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	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)	
NPV		(\$8,432,412)																								

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		(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	(\$7,706,353)																									

Coupon Rate 5.60%  
UF Underwriting Fee 3.15%  
Bond Insurance 0.15%

SAVINGS		(722,500)	110,108	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
		\$726,059																								

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 Deductible
  - 3 Discount Rate of 5.7%

Refunding Bond Analysis  
FPU'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	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)	(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		(\$12,884,001)																									
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	1	(150,000)																									
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)	(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	1 2	(100,000)																									
Interest	2		(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	(840,000)	
Total Outflows		(722,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	(862,500)	
NPV		(\$11,821,478)																									
Coupon Rate		5.80%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.15%																									
SAVINGS		(722,500)	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	
		\$1,362,522																									
Discount Rate	3	8.12%																									
Assumptions																											
	1	Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front																									
	2	No tax effect																									
	3	Discount Rate of 8.12%																									



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Cy	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
31	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wp	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filli	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Hg	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
De	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Ba	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Network Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recycle Bin	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, July 25, 2007 3:40 PM  
**To:** Cox Doreen; Khojasteh Mehrdad; Mesite Jim  
**Subject:** FW: G-MFRS-1.xls  
**Attachments:** G-MFRS-1.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, July 20, 2007 10:41 AM  
**To:** Martin Cheryl  
**Subject:** G-MFRS-1.xls

G Schedules

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

## Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO 070304-E1

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	8.1852%
3.	Jurisdictional Income Requested	Line 1 x Line 2	3,115,060
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,538,729
5.	Income Deficiency (Excess)	Line 3 - Line 4	576,331
6.	Earned Rate of Return	Line 4/Line 1	6.6708%
7.	Net Operating Income Multiplier	Schedule G-18	1.6599
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	956,652

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh, 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
System Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,505)	-	39,956,598
Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,505)	-	39,956,598
<u>Adjustments:</u>	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,106)	-	38,057,241

Supporting Schedules:

## INTERIM RATE BASE ADJUSTMENTS

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:

Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	Total	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supprting schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Electric Plant in Service:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Gross Plant				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Accumulated Depreciation:				
2.	Intangible				
3.	Production:				
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Accumulated Depreciation				

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	NET PLANT IN SERVICE				
	CWIP				
2.	Production				
3.	Transmission				
4.	Distribution				
5.	Customer Accounts				
6.	Customer Services				
7.	Total CWIP				
	CWIP - NOT BEARING INTEREST				
8.	Production				
9.	Transmission				
10.	Distribution				
11.	Total CWIP Not Bearing Interest				
12.	PLANT HELD FOR FUTURE USE				
13.	UNAMORTIZED NUCLEAR SITE				
	WORKING CAPITAL				
14.	Net of Current Assets and Current Liabilities				
15.	Preliminary Survey and Investigation Charges				
16.	Prepayments				
17.	Clearing Accounts				
18.	Unamortized Deferred O & M				
19.	Injuries and Damages Reserve				
20.	Property Insurance Reserves				
21.	Other Deferred Credits & Debits				
22.	Total Working Capital				
23.	Total Adjusted Rate Base				

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
		Current and Accrued Assets	7,586,505	-	7,586,505	100%	7,586,505
		Adjustments to Current and Accrued Assets (Specify)					
	1820.2	Commision Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
		Adjusted Current and Accrued Assets	5,728,904	-	5,728,904	100%	5,728,904
		Current and Accrued Liabilities	(9,269,010)	-	(9,269,010)	100%	(9,269,010)
		Adjustments to Current and Accrued Liabilities (Specify)					
	2310.1	Commision Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	2310.1	Proposed Company Adjustment:	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
		Adjusted Current and Accrued Liabilities	(9,269,010)	-	(9,269,010)	100%	(9,269,010)
		Working Capital Allowance	(3,540,106)	-	(3,540,106)	100%	(3,540,106)
		Unbilled Revenue Adjustments (Specify)	-	-	-	100%	-
		Adjusted Working Capital Allowance	(3,540,106)	-	(3,540,106)	100%	(3,540,106)

## INTERIM FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance Units / (\$000) / \$ / Unit	Receipts Units / (\$000) / \$ / Unit	Fuel Issued to Generation Units / (\$000) / \$ / Unit	Fuel Issued (Other) Units / (\$000) / \$ / Unit	Inventory Adjustments Units / (\$000) / \$ / Unit	Ending Balance Units / (\$000) / \$ / Unit	13 Month Average Units / (\$000) / \$ / Unit (See Note 1)
-------	-----------	--	---	--	--	--	---	---

Not Applicable

System Coal  
Inventory Petcoke  
Residual Oil  
Distillate Oil  
Natural Gas  
Biomass  
Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)+(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	-30359023	77,811,549
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	-759903	1,834,608
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	-31118926	79,646,157
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	0	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	-30606436	61,212,872
9. Other	8,163,711	-	8,163,711	100%	8,163,711	-456411	8,620,122
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	-11398	2,733,896
11. Decommissioning Expense	-	-	-	100%	-	0	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	-22079	4,004,251
13. Income Taxes	772,895	-	772,895	100%	772,895	8498	764,397
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	0	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	0	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	0	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	-31087826	77,107,428
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,538,729

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to Net Operating Income for the Interim Test Year. List adjustments included in the last case that are not proposed in the interim test year and the reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
-------------	------------	--	----------------------------	---------------------------------	-------------------------------------

TOTAL ADJUSTMENTS

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

## INTERIM OPERATING REVENUES DETAIL

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total (4)thru(8)	(10) Adjusted Total (3)+(9)
					(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Specify)	(8) Other (Specify)		
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4,561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4,562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2476529	\$				
2	ADD INCOME TAX ACCOUNTS		0				
3	LESS INTEREST CHARGES (FROM C-44)	1473580.029					
4							
5	TAXABLE INCOME PER BOOKS	\$	\$				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION						
9	LESS: TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$			\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$			\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES FOR THE INTERIM YEAR.

COMPANY:

Type of Data Shown:  
Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Witness:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							
52	WRITE OFF OF EXCESS DEFERRED TAXES					\$	
53							
54	OTHER ADJUSTMENTS (LIST)						
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$			\$	
58							
59	FEDERAL INCOME TAX		\$			\$	
60							
61	ITC AMORTIZATION					\$	
62						\$	
63							
64							
65							
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		FEDERAL	STATE	TOTAL			
73	CURRENT TAX EXPENSE						
74	DEFERRED INCOME TAXES						
75	INVESTMENT TAX CREDITS, NET						
76	TOTAL INCOME TAX PROVISION						

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

## INTERIM INTEREST IN TAX EXPENSE CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Description		(1) Historical Base Year Ended 2006	(2) Test Year Ended
		Account		
1.	Interest on Long Term Debt	4270.1	1,268,418	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	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	

Supporting Schedules:

Recap Schedules:

## INTERIM PARENT(S) DEBT INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ _____ =====	100.00% =====		_____% =====

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/_
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	--

No gains or losses in excess of \$1 million.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Interim Test Year
1	Service Cost	
2	Interest Cost	
3	Actual Return on Assets	
4	Net Amortization and Deferral	
5	Total Net Periodic Pension Cost	
6	For the Year:	
7	Amortization of Transition Asset (Obligation)	
8	Expected Return on Assets	
9	Assumed Rate of Return on Plan Assets	
10	Amortization of Transition Asset or Obligation	
11	Percent of Pension Cost Capitalized	
12	Pension Cost Recorded in Account 926	
13	Minimum Required Contribution Per IRS	
14	Maximum Allowable Contribution Per IRS	
15	Actual Contribution Made to the Trust Fund	
16	Actuarial Attribution Approach Used for Funding	
17	Assumed Discount Rate for Computing Funding	
18	Allocation Method Used to Assign Costs if the Utility Is Not the	
19	Sole Participant in the Plan. Attach the Relevant Procedures.	
20	At Year End:	
21	Accumulated Benefit Obligation	
22	Projected Benefit Obligation	
23	Vested Benefit Obligation	
24	Assumed Discount Rate (Settlement Rate)	
25	Assumed Rate for Salary Increases	
26	Fair Value of Plan Assets	
27	Market Related Value of Assets	
28	Balance in Working Capital (Specify Account No.)	

Supporting Schedules:

Recap Schedules:

---

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

---

We do not have any changes in accounting policy.

---

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	2.500%
3.	Regulatory Assessment Rate	0.720%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.592%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.313%
8.	Net Before Federal Income Tax (5) - (7)	91.280%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	31.035%
11.	Revenue Expansion Factor (8) - (10)	60.245%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	0
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.19%	1,473,580

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,443,237	50.80%	8.03%	4.08%
11. Short Term Debt	3,309,077	3.33%	7.29%	0.24%
12. Preferred Stock	600,000	0.60%	4.75%	0.03%
13. Common Equity	44,943,721	45.26%	11.50%	5.21%
14. TOTAL	99,296,036	100.00%		9.55%

Rate Base	\$38,057,241
Direct Components	\$6,952,231
	\$31,105,010
Jurisdictional Factor	31.33%



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
----------	------------------	-------------	----------------------	------------	-----------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification. (\$000)

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Increase

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	(3) Dollars (2) - (1)	(4) Percent (3) / (1)
------	---	--	-----------------------------	-----------------------------

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	<u>Increase</u>	
						<u>Dollars</u>	<u>Percent</u>

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule _____		<u>Proposed Revenue Calculation</u>		Percent Increase
	Units	Charge/Unit	\$ Revenue	Units		Charge/Unit	\$ Revenue	
Customer Charge:								
Standard								
T-O-D								
Total								
KWH Charge:								
Standard								
T-O-D On-Peak								
T-O-D Off-Peak								
Total								
Etc.								
Total Base Revenue (Calculated)								
Correction Factor								
Total Base Revenue (Booked)								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO: 070304-EI

Type of Facility	<u>Present Rates</u>							<u>Proposed Rates</u>						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase

Annual KWH:

Supporting Schedules:

Recap Schedules:

Sheet 12

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Cy	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Computer	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
3y	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
CL	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wp	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
filii	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
HC	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Db	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
12	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Sy	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Tr	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Fp	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Bar	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Pu	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Co	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Network Places	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recycle Bin	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, July 25, 2007 4:55 PM  
**To:** Cox Doreen; Khojasteh Mehrdad; Mesite Jim  
**Subject:** FW: G-MFRS-3.xls  
**Attachments:** G-MFRS-3.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Wednesday, July 25, 2007 4:46 PM  
**To:** Martin Cheryl  
**Subject:** G-MFRS-3.xls

Here are the G schedules for your review.



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	8.1800%
3.	Jurisdictional Income Requested	Line 1 x Line 2	3,113,082
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	636,553
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6599
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	1,056,615

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh, 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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 2003 Rate Case Proceeding								(24,312)		
7 Eliminate 1/2 Deferred Rate Case								(116,540)		
8 Expense Per 2003 Rate Case										
9 Eliminate Fuel Under-Recover Per								(1,716,749)		
10 2003 Rate Case Proceeding										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(41,756)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(5,397,708)	-	38,057,241

Supporting Schedules:

\* Includes Account 2520 - Customer Advances for Construction

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the 13-month average rate base for the interim test year.

List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supprting schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Electric Plant in Service:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Gross Plant				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Accumulated Depreciation:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Accumulated Depreciation				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	NET PLANT IN SERVICE				
	CWIP				
2.	Production				
3.	Transmission				
4.	Distribution				
5.	Customer Accounts				
6.	Customer Services				
7.	Total CWIP				
	CWIP - NOT BEARING INTEREST				
8.	Production				
9.	Transmission				
10.	Distribution				
11.	Total CWIP Not Bearing Interest				
12.	PLANT HELD FOR FUTURE USE				
13.	UNAMORTIZED NUCLEAR SITE				
	WORKING CAPITAL				
14.	Net of Current Assets and Current Liabilities				
15.	Preliminary Survey and Investigation Charges				
16.	Prepayments				
17.	Clearing Accounts				
18.	Unamortized Deferred O & M				
19.	Injuries and Damages Reserve				
20.	Property Insurance Reserves				
21.	Other Deferred Credits & Debits				
22.	Total Working Capital				
23.	Total Adjusted Rate Base				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
		Adjustments to Current and Accrued Assets (Specify)					
	1820.2	Commission Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
		Adjusted Current and Accrued Assets	5,728,901	-	5,728,901	100%	5,728,901
		Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Adjustments to Current and Accrued Liabilities (Specify)					
	2310.1	Commission Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	2310.1	Proposed Company Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
		Adjusted Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
		Unbilled Revenue Adjustments (Specify)	-	-	-	100%	-
		Adjusted Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

## INTERIM FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

Not Applicable

System Coal  
 Inventory Petcoke  
 Residual Oil  
 Distillate Oil  
 Natural Gas  
 Biomass  
 Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments  
for the interim test year. Provide the details of all  
adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

TOTAL ADJUSTMENTS

### Recap Schedules:

Schedule G-10

INTERIM JURISDICTIONAL SEPARATION FACTORS - NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

## INTERIM OPERATING REVENUES DETAIL

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total (4)thru(8)	(10) Adjusted Total (3)+(9)
					(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Specify)	(8) Other (Specify)		
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4,561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4,562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-E1

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2476529	\$				
2	ADD INCOME TAX ACCOUNTS	0					
3	LESS INTEREST CHARGES (FROM C-44)	1473580.029					
4							
5	TAXABLE INCOME PER BOOKS	\$	\$				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION						
9	LESS: TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$			\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$			\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES FOR THE INTERIM YEAR.

COMPANY:

Type of Data Shown:  
Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Witness:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							
52	WRITE OFF OF EXCESS DEFERRED TAXES					\$	
53							
54	OTHER ADJUSTMENTS (LIST)						
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$			\$	
58							
59	FEDERAL INCOME TAX		\$			\$	
60							
61	ITC AMORTIZATION					\$	
62						\$	
63							
64							
65							
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		FEDERAL	STATE	TOTAL			
73	CURRENT TAX EXPENSE						
74	DEFERRED INCOME TAXES						
75	INVESTMENT TAX CREDITS, NET						
76	TOTAL INCOME TAX PROVISION						

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description		(1) Historical Base Year Ended 2006	(2) Test Year Ended
		Account		
1.	Interest on Long Term Debt	4270.1	1,268,418	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	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	

Supporting Schedules:

Recap Schedules:



## INTERIM PARENT(S) DEBT INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide information required in order to adjust income tax  
 expenses by reason of interest expense of parent(s) that  
 that may be invested in the equity of the utility in question.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Doreen Cox

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ _____ =====	_____ 100.00% =====		_____ % =====

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/
-------------------------	---------------	---------------	---------------------------------	-----------------------------	--------------------------	--------------------------	----------------------------	-------------------------------	---------------------------------	----------------	-----------------------------	-------------------------------------

No gains or losses in excess of \$1 million

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO : 070304-EI

Line No.	Description	Interim Test Year
1	Service Cost	
2	Interest Cost	
3	Actual Return on Assets	
4	Net Amortization and Deferral	
5	Total Net Periodic Pension Cost	
6	For the Year:	
7	Amortization of Transition Asset (Obligation)	
8	Expected Return on Assets	
9	Assumed Rate of Return on Plan Assets	
10	Amortization of Transition Asset or Obligation	
11	Percent of Pension Cost Capitalized	
12	Pension Cost Recorded in Account 926	
13	Minimum Required Contribution Per IRS	
14	Maximum Allowable Contribution Per IRS	
15	Actual Contribution Made to the Trust Fund	
16	Actuarial Attribution Approach Used for Funding	
17	Assumed Discount Rate for Computing Funding	
18	Allocation Method Used to Assign Costs if the Utility Is Not the	
19	Sole Participant in the Plan. Attach the Relevant Procedures.	
20	At Year End:	
21	Accumulated Benefit Obligation	
22	Projected Benefit Obligation	
23	Vested Benefit Obligation	
24	Assumed Discount Rate (Settlement Rate)	
25	Assumed Rate for Salary Increases	
26	Fair Value of Plan Assets	
27	Market Related Value of Assets	
28	Balance in Working Capital (Specify Account No.)	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen CoxCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	2.500%
3.	Regulatory Assessment Rate	0.720%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.592%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.313%
8.	Net Before Federal Income Tax (5) - (7)	91.280%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	31.035%
11.	Revenue Expansion Factor (8) - (10)	60.245%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	11.50%	4.25%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	0
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580
<b>Conventional Capital Structure, 2007</b>											
10.	Long Term Debt	50,443,237	50.80%	8.03%	4.08%						
11.	Short Term Debt	3,309,077	3.33%	7.29%	0.24%						
12.	Preferred Stock	600,000	0.60%	4.75%	0.03%						
13.	Common Equity	44,943,721	45.26%	11.50%	5.21%						
14.	TOTAL	99,296,036	100.00%		9.55%						
						Rate Base	\$38,057,241				
						Direct Components	\$6,952,231				
							\$31,105,010				
						Jurisdictional Factor	31.33%				

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

- 1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.
- 2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
<u>Specific Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates					
<u>Pro Rata Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification. (\$000)

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO: 070304-EI

Increase

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	(3) Dollars (2) - (1)	(4) Percent (3) / (1)
------	---	--	-----------------------------	-----------------------------

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	<u>Increase</u>	
						<u>Dollars</u>	<u>Percent</u>

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule _____		<u>Proposed Revenue Calculation</u>		Percent Increase
	Units	Charge/Unit	\$ Revenue	Units		Charge/Unit	\$ Revenue	
Customer Charge:								
Standard								
T-O-D								
Total								
KWH Charge:								
Standard								
T-O-D On-Peak								
T-O-D Off-Peak								
Total								
Etc.								
Total Base Revenue (Calculated)								
Correction Factor								
Total Base Revenue (Booked)								

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Facility	<u>Present Rates</u>							<u>Proposed Rates</u>						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase

Annual KWH:

Supporting Schedules:

Recap Schedules:

Sheet 1a

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Address: D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
Desktop	FW balance sheet.msg	47 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Documents	FW BOD Presentation - Aug 2006.msg	141 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Ac	FW C Schedules.msg	1,969 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CC	FW Cost of capital testimony partially completed.msg	175 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Co	FW D Schedules (11).msg	28 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Cy	FW D Schedules (39).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (40).msg	28 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
My	FW D Schedules (56).msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My	FW D schedules.msg	672 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My	FW Deferred tax projections.msg	34 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
Re	FW Dir-Quest 2007-FINAL.msg	432 KB	Outlook Item	10/16/2007 2:28 PM	Files Currently on the CD
My Cc	FW Draft Testimony To Support the Gulf Power Contract.msg	140 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
37	FW D's-Final-8-8-07-NoLinks.xls.msg	678 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BIF	FW D's-Final.xls.msg	819 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
RC	FW Expenses for Rate Case - 2006 Normalization.msg	91 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	FW For Interim Relief .msg	790 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
CL	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Wf	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
filii	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
HC	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Db	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
12	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Sy	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Tr	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Fp	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Ba	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Pu	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Co	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Ne	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Recyc	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Friday, August 03, 2007 10:49 AM  
**To:** Cox Doreen; Khojasteh Mehrdad; Mesite Jim; Troy Darryl  
**Subject:** FW: G-MFRS-8-3-07\_Nolinks.xls  
**Attachments:** G-MFRS-8-3-07\_Nolinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, August 03, 2007 10:34 AM  
**To:** Martin Cheryl  
**Subject:** G-MFRS-8-3-07\_Nolinks.xls

Here are the revised Gs reflecting the changes in the last batch of edits I got last evening. Note that since you looked at this schedule last, the gross up factor changed as a result of a conversation I had with Doreen. The numbers come out close to what you had in your handwritten notes but not quite "spot on" - most likely attributable to slight differences in how Dan and I brought the new information about the discount customers. It also has the lighting details provided. I have not yet included the information on the deviations at the bottom of the detailed rates schedules.

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,936
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6075
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,792

Supporting Schedules: G2, G-19a, G-7, G-18

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 2003 Rate Case Proceeding								(24,312)		(24,312)
7 Eliminate 1/2 Deferred Rate Case Expense Per 2003 Rate Case								(116,540)		(116,540)
8 Eliminate Fuel Under-Recover Per 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241

Supporting Schedules: G3

\* Includes Account 2520 - Customer Advances for Construction



## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the  
 13-month average rate base for the interim test year.  
 List the adjustments made by the Commission in  
 the last case not proposed in the current case  
 and reasons for excluding them.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Suppirtng schedules:

Recap Schedules: G-2

## PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

FLORIDA PUBLIC UTILITIES

Electric Division

070304-EI

Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
Electric Plant in Service:				
Intangible				
Production:				
Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	
Total Production	-	-	-	
Transmission:				
Land and Land Rights	74,148	74,148	74,148	100%
Structure and Improvements	22,007	22,007	22,007	100%
Station Equipment	2,414,632	2,414,632	2,414,632	100%
Towers & Fixtures	224,665	224,665	224,665	100%
Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
U.G. Conductor and Devices	-	-	-	
Roads and Trails	6,788	6,788	6,788	100%
Total Transmission	6,947,302	6,947,302	6,947,302	100%
Distribution:				
Land and Land Rights	32,878	32,878	32,878	100%
Structure and Improvements	96,042	96,042	96,042	100%
Station Equipment	5,673,433	5,673,433	5,673,433	100%
Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
Line Transformers	12,830,071	12,830,071	12,830,071	100%
Services	8,005,494	8,005,494	8,005,494	100%
Meters	3,335,843	3,335,843	3,335,843	100%
Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
Street Lighting	1,177,470	1,177,470	1,177,470	100%
Total Distribution	58,317,743	58,317,743	58,317,743	100%
General Plant	5,522,761	5,522,761	5,522,761	100%
Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
Adjustments	(67,783)	(67,783)	(67,783)	100%
Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

## Accumulated Depreciation:

## Intangible

## Production:

Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	

## Total Production

## Transmission:

Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
Station Equipment	(581,595)	(581,595)	(581,595)	100%
Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
U.G. Conductor and Devices	-	-	-	

## Roads and Trails

## Total Transmission

## Distribution:

Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
Street Lighting	(438,848)	(438,848)	(438,848)	100%

## Total Distribution

## General Plant

## Total Electric Accumulated Depreciation

## Allocated Common Reserve

## Customer Advances for Construction

## Adjustments

## Total Accumulated Reserve

## NET PLANT IN SERVICE

## CWIP:

Production	-	-	-	
Transmission	12,803	12,803	12,803	100%
Distribution	1,067,683	1,067,683	1,067,683	100%
Customer Accounts	-	-	-	
General	296,070	296,070	296,070	100%
Customer Services	-	-	-	
Allocated Common	85,048	85,048	85,048	100%
Adjustments	(7,343)	(7,343)	(7,343)	100%
Total CWIP	1,454,261	1,454,261	1,454,261	100%

## CWIP - NOT BEARING INTEREST

## Production

## Transmission

## Distribution

## Total CWIP Not Bearing Interest

PLANT HELD FOR FUTURE USE  
 UNAMORTIZED NUCLEAR SITE  
 WORKING CAPITAL

Net of Current Assets and Current Liabilities	1,687,010	1,687,010	1,687,010	100%
Preliminary Survey and Investigation Charges	-	-	-	
Prepayments	270,889	270,889	270,889	100%
Clearing Accounts	-	-	-	
Unamortized Deferred O & M	-	-	-	
Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
Property Insurance Reserves	-	-	-	
Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
Total Adjusted Rate Base	<u>38,057,542</u>	<u>38,057,542</u>	<u>38,057,542</u>	100%

---

Schedules: G2, G19-a, G-7, G-18

Recap Schedules: G2

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5	1820.2	Commision Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
6							
7		Adjusted Current and	5,728,901	-	5,728,901	100%	5,728,901
8		Accrued Assets					
9							
10		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
11		Liabilities					
12							
13		Adjustments to Current and					
14		Accrued Liabilities					
15		(Specify)					
16							
17		NONE					
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33		Adjusted Current and					
34		Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
35							
36		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
37							
38		Unbilled Revenue					
39		Adjustments (Specify)	-	-	-	100%	-
40							
41		Adjusted Working Capital					
42		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division

DOCKET NO.: 070304-EI

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)						
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 2,383,420			\$ (899,983)	
48			\$ 810,363			\$ (305,994)	
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51							
52			(149,991)			132,334	
53			7,257			0	
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (142,734)			\$ 132,334	
58							
59	FEDERAL INCOME TAX		\$ 667,629			\$ (173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72							
73	CURRENT TAX EXPENSE	STATE	FEDERAL	TOTAL			
74	DEFERRED INCOME TAXES	113,764	667,629	781,393			
75	INVESTMENT TAX CREDITS, NET	(22,128)	(173,660)	(195,788)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Prior Year Ended 12/31/2007  
 Projected Test Year Ended 12/31/2008  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

Not Applicable

System Coal  
 Inventory Petcoke  
 Residual Oil  
 Distillate Oil  
 Natural Gas  
 Biomass  
 Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules: G-8

Recap Schedules: G-1



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules: G-7

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Eliminate Fuel revenues		(30,359,023)	100%	(30,359,023)
2					
3	Other Revnue Adjustment		(759,903)	100%	(759,903)
4					
5	Eliminate Fuel Expenses		(30,606,436)	100%	(30,606,436)
6					
7	Eliminate Conservation Expenses		(456,411)	100%	(456,411)
8					
9	Eliminate NonUtility Depreciation Expense		(11,398)	100%	(11,398)
10					
11	Eliminate Taxes other than Income		(22,079)	100%	(22,079)
12					
13	Eliminate Income Taxes		8,498	100%	8,498

TOTAL ADJUSTMENTS

(62,206,752)

(62,206,752)

**Supporting Schedules:**

### Recap Schedules: G-8

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	----------------------------------

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments		(6) Franchise Fees	(7) Other (Specify)	(8) Other (Specify)	(9) Total (4) thru (8)	(10) Adjusted Total (3)+(9)
					(4) Fuel	(5) Conservation					
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4,561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4,562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5

Recap Schedules: G-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4				(Income tax adjustment for interest calculated of 1,473,580 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741			\$ (952,363)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 138,641			\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)			30,252		
41		1,241			0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)			\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764			(22,128)		

SUPPORTING SCHEDULES: C-22, G-13

RECAP SCHEDULES: G-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	1,567,647	N/A

Supporting Schedules:

Recap Schedules: G-12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ <u>          </u> =====	<u>100.00%</u> =====		<u>          </u> ===== %

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

## Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/_
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	--

No gains or losses

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Specify Account No.)	(814,231)

Supporting Schedules: C-17

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen CoxCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	99.740%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.486%
8.	Net Before Federal Income Tax (5) - (7)	94.255%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	32.047%
11.	Revenue Expansion Factor (8) - (10)	62.208%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6075

Supporting Schedules:

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		7.80%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>					
10.	Long Term Debt	50,443,237	0.5080	8.03%	4%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0%
12.	Preferred Stock	600,000	0.0060	4.75%	0%
13.	Common Equity	44,943,721	0.4526	10.50%	5%
14.	TOTAL	99,296,036	1.0000	0%	9%

Rate Base	38,057,241
Direct Components	6,952,231
	\$31,105,010
Jurisdictional Factor	31.33%

Supporting Schedules: G-2

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
<u>Specific Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates					
<u>Pro Rata Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	<u>Increase</u>	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,038,168	444,622	5.86%
GS	1,448,830	1,533,663	84,833	5.86%
GSD	2,208,265	2,337,565	129,300	5.86%
GSLD	643,312	680,980	37,668	5.86%
GSLD1	545,955	577,922	31,967	5.86%
Outdoor Lighting	853,003	902,949	49,946	5.86%
Street Lighting	212,743	225,200	12,457	5.86%
<b>Total</b>	<b>13,505,654</b>	<b>14,296,446</b>	<b>790,792</b>	

Supporting Schedules: G-11, G-1

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	<u>Increase</u>	
						<u>Dollars</u>	<u>Percent</u>
1	805	44.00	44.00	35,420	35,420		0.00%
2	5,395	19.00	19.00	102,505	102,505		0.00%
3	196	27.00	27.00	5,292	5,292		0.00%
4	972	37.00	37.00	35,964	35,964		0.00%
5	68	60.00	60.00	4,080	4,080		0.00%
6	152	44.00	44.00	6,688	6,688		0.00%
7	3,487	11.50	11.50	40,101	40,101		0.00%
8	541	Per Statute	Per Statute	16,518	16,518		0.00%
9	1251 N/A		N/A	4,417	4,417		0.00%
TOTAL	12,867			250,985	250,985	-	0.00%
*1	Initial Establishment of 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	Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service						
7	Collection Charge						
8	Returned Check Charge						
9	Credit Card Fees						

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule RS				<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue		Units	Charge/Unit	\$ Revenue				
Customer Charge:											
Standard	23,454	10.00	2,814,440		23,454	10.59	2,979,233				5.86%
T-O-D	0	-	-		-	-	-				
Total	23,454		2,814,440		23,454		2,979,233				5.86%
KWH Charge:											
Standard	349,930,593	0.01373	4,804,547		349,930,593	0.01453	5,085,866				5.86%
T-O-D On-Peak	0	0	-		0	0	-				
T-O-D Off-Peak	0	0	-		0	0	-				
Total	349,930,593		4,804,547		349,930,593		5,085,866				5.86%
Etc.											
Total Base Revenue (Calculated)			7,618,987				8,065,099				5.86%
Correction Factor											
Total Base Revenue (Booked)											

Supporting Schedules: G-20

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. : 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	3,411	14.00	572,978	3,411	14.82	606,527	5.86%
T-O-D	0	-	-	-	-	-	-
Total	3,411		572,978	3,411		606,527	5.86%
KWH Charge:							
Standard	59,621,785	0.01473	878,229	59,621,785	0.01559	929,652	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Total	59,621,785		878,229	59,621,785		929,652	5.86%
Etc.							
Total Base Revenue (Calculated)			1,451,207			1,536,179	5.86%
Correction Factor							
Total Base Revenue (Booked)							

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	699	44.00	369,292	699	46.58	390,915				5.86%
T-O-D	0	-	-			-				
Total	699		369,292	699		390,915				5.86%
KWH Charge:										
Standard	178,753,210	0.00232	414,707	178,753,210	0.00246	438,990				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	1,771,200	-2.32E-05	(41)	1,771,200	(0.0000246)	(43)				
Total	180,524,410		414,666	180,524,410		438,946				5.86%
KW Charge										
Standard	574,289	2.48	1,424,238	574,289	2.625210556	1,507,630				
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	6,042	-0.0248	(150)	6,042	-0.026252106	(159)				5.87%
Primary \$0.55 discount	6,042	-0.55	(3,323)	6,042	-0.55	(3,323)				
Total	586,373		1,420,765	586,373		1,504,149				
Total Base Revenue (Calculated)			2,204,723			2,334,010				5.86%
Correction Factor										
Total Base Revenue (Booked)										

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	<u>Present Revenue Calculation</u>			<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	20	75.00	18,000	20	79.39	19,054	5.86%
T-O-D	0	-	-	0	-	-	-
Total	20		18,000	20		19,054	5.86%
KWH Charge:							
Standard	92,691,048	0.00086	79,714	92,691,048	0.00091	84,382	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	25,402,800	-8.6E-06	(218)	25,402,800	(0.0000091)	(231)	-
Total	118,093,848		79,496	118,093,848		84,151	5.86%
KW Charge							
Standard	198,159	2.89	572,680	198,159	3.06	606,367	
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	49,209	-0.0289	(1,422)	49,209	-0.0306	(1,506)	
Primary \$0.55 discount	49,209	-0.55	(27,065)	49,209	-0.55	(27,065)	
Total	296,577		544,193	296,577		577,797	6.17%
Total Base Revenue (Calculated)			641,689			681,001	6.13%
Correction Factor							
Total Base Revenue (Booked)							

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD1			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	2	600.00	14,400	2	635.13	15,243				5.86%
T-O-D	0	-	-	-	-	-				
Total	2		14,400	2		15,243				5.86%
KWH Charge:										
Standard	159,780,000	-	-	159,780,000	0	-				0.00%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	159,780,000		-	159,780,000		-				0.00%
KW Charge										
Standard	472,200	1.12	528,864	472,200	1.19	561,918				6.25%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	472,200		528,864	472,200		561,918				6.25%
KVAR Charge										
Standard	11,216	0.24	2,692	11,216	0.25	2,804				4.17%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	11,216		2,692	11,216		2,804				4.17%
Total Base Revenue (Calculated)			545,956			579,965				6.23%
Correction Factor										
Total Base Revenue (Booked)										

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Facility	Present Rates						Proposed Rates							
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.62	\$1.30	\$0.84	\$7.76	\$173,534	5.86%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.23	\$2.29	\$0.43	\$4.95	\$28,951	5.86%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.11	\$4.89	\$0.75	\$11.75	\$3,584	5.86%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.03	\$12.86	\$1.92	\$29.81	\$4,382	5.86%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.95	\$12.86	\$1.78	\$28.59	\$77,397	5.86%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.55	\$12.86	\$2.35	\$34.76	\$4,589	5.86%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.43	\$1.30	\$1.01	\$9.74	\$12,388	5.86%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.62	\$1.30	\$0.84	\$7.76	\$91,015	5.86%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.68	\$1.30	\$2.76	\$20.75	\$2,303	5.86%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.56	\$1.30	\$1.93	\$19.78	\$5,203	5.86%
150w HPS Acorn-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.23	\$1.94	\$1.60	\$16.77	\$12,743	5.86%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.69	\$1.94	\$2.29	\$23.91	\$19,082	5.86%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.62	\$1.94	\$1.00	\$10.55	\$13,234	5.86%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.82	\$2.25	\$2.33	\$24.40	\$878	5.86%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.25	\$2.25	\$1.88	\$19.39	\$85,289	5.86%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.55	\$2.57	\$0.37	\$11.50	\$38,212	5.86%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.29	\$3.21	\$1.28	\$14.78	\$10,640	5.86%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.79	\$3.21	\$1.17	\$12.17	\$39,722	5.86%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.23	\$3.21	\$2.10	\$21.53	\$4,478	5.86%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.74	\$5.14	\$1.17	\$14.06	\$19,737	5.86%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.00	\$5.14	\$1.45	\$18.60	\$1,153	5.86%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.09	\$5.14	\$1.22	\$14.45	\$69,443	5.86%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.32			\$12.32	\$14,576	5.86%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.46			\$9.46	\$1,656	5.86%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.28			\$6.28	\$13,961	5.86%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.72			\$10.72	\$58,720	5.86%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$60,948	5.86%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.47			\$10.47	\$14,761	5.86%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.16			\$7.16	\$43	5.86%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,430	5.86%

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Facility	Present Rates							Proposed Rates						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.97	\$3.91	\$18,940	5.86%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.89	\$1.11	\$7.08	\$496	5.86%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.97	\$3.91	\$20,999	5.86%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.89	\$1.11	\$7.08	\$6,161	5.86%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.91	\$12.86	\$5.47	\$27.25	\$3,597	5.86%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.18	\$441	5.86%
100w HPS Cobra Head- SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.51	\$1.30	\$2.24	\$7.06	\$97,993	5.86%
150w HPS Acorn -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.42	\$1.94	\$4.95	\$15.31	\$3,857	5.86%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.70	\$1.94	\$3.45	\$10.09	\$9,745	5.86%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.96	\$2.25	\$1.38	\$21.59	\$2,850	5.86%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.51	\$2.57	\$2.32	\$9.40	\$33,285	5.86%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.32	\$3.21	\$3.18	\$10.70	\$27,889	5.86%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.41	\$3.21	\$4.34	\$14.96	\$3,769	5.86%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.05	\$5.14	\$3.56	\$13.75	\$2,846	5.86%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.74	\$5.14	\$9.34	\$22.22	\$1,822	5.86%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.97			\$11.97	\$1,293	5.86%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.31			\$8.31	\$100	5.86%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.12			\$6.12	\$6,204	5.86%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.19			\$9.19	\$2,205	5.86%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.94			\$2.94	\$5,818	5.86%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.28			\$10.28	\$2,714	5.86%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
WebLink	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
at on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD



## Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, August 06, 2007 5:12 PM  
**To:** Khojasteh Mehrdad; Mesite Jim; Troy Darryl; Cox Doreen  
**Subject:** FW: G-MFRS-8-6-07-Nolinks.xls  
**Attachments:** G-MFRS-8-6-07-Nolinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Monday, August 06, 2007 5:08 PM  
**To:** Martin Cheryl  
**Subject:** G-MFRS-8-6-07-Nolinks.xls

Latest version of the Gs.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,936
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6075
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,787

Supporting Schedules: G2, G8, G-19a, G-7, G-18

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 2003 Rate Case Proceeding								(24,312)		(24,312)
Eliminate 1/2 Deferred Rate Case										
7 Expense Per 2003 Rate Case								(116,540)		(116,540)
Eliminate Fuel Under-Recover Per										
8 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241

Supporting Schedules: G3

\* Includes Account 2520 - Customer Advances for Construction

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the  
 13-month average rate base for the interim test year.  
 List the adjustments made by the Commission in  
 the last case not proposed in the current case  
 and reasons for excluding them.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Suppirtng schedules:

Recap Schedules: G-2

## PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

FLORIDA PUBLIC UTILITIES

Electric Division

070304-EI

Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
Electric Plant in Service:				
Intangible				
Production:				
Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	
Total Production	-	-	-	
Transmission:				
Land and Land Rights	74,148	74,148	74,148	100%
Structure and Improvements	22,007	22,007	22,007	100%
Station Equipment	2,414,632	2,414,632	2,414,632	100%
Towers & Fixtures	224,665	224,665	224,665	100%
Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
U.G. Conductor and Devices	-	-	-	
Roads and Trails	6,788	6,788	6,788	100%
Total Transmission	6,947,302	6,947,302	6,947,302	100%
Distribution:				
Land and Land Rights	32,878	32,878	32,878	100%
Structure and Improvements	96,042	96,042	96,042	100%
Station Equipment	5,673,433	5,673,433	5,673,433	100%
Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
Line Transformers	12,830,071	12,830,071	12,830,071	100%
Services	8,005,494	8,005,494	8,005,494	100%
Meters	3,335,843	3,335,843	3,335,843	100%
Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
Street Lighting	1,177,470	1,177,470	1,177,470	100%
Total Distribution	58,317,743	58,317,743	58,317,743	100%
General Plant	5,522,761	5,522,761	5,522,761	100%
Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
Adjustments	(67,783)	(67,783)	(67,783)	100%
Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

**3023**

## Accumulated Depreciation:

## Intangible

## Production:

Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	
Total Production	<u>-</u>	<u>-</u>	<u>-</u>	

## Transmission:

Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
Station Equipment	(581,595)	(581,595)	(581,595)	100%
Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
U.G. Conductor and Devices	-	-	-	
Roads and Trails	(3,785)	(3,785)	(3,785)	100%
Total Transmission	<u>(2,126,145)</u>	<u>(2,126,145)</u>	<u>(2,126,145)</u>	100%

## Distribution:

Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
Street Lighting	(438,848)	(438,848)	(438,848)	100%
Total Distribution	<u>(25,612,714)</u>	<u>(25,612,714)</u>	<u>(25,612,714)</u>	100%
General Plant	<u>(3,075,994)</u>	<u>(3,075,994)</u>	<u>(3,075,994)</u>	100%
Total Electric Accumulated Depreciation	<u>(30,814,853)</u>	<u>(30,814,853)</u>	<u>(30,814,853)</u>	100%
Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
Adjustments	33,670	33,670	33,670	100%
Total Accumulated Reserve	<u>(32,165,812)</u>	<u>(32,165,812)</u>	<u>(32,165,812)</u>	100%

NET PLANT IN SERVICE	40,143,388	40,143,388	40,143,388	100%
----------------------	------------	------------	------------	------

## CWIP:

Production	-	-	-	
Transmission	12,803	12,803	12,803	100%
Distribution	1,067,683	1,067,683	1,067,683	100%
Customer Accounts	-	-	-	
General	296,070	296,070	296,070	100%
Customer Services	-	-	-	
Allocated Common	85,048	85,048	85,048	100%
Adjustments	(7,343)	(7,343)	(7,343)	100%
Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%

## CWIP - NOT BEARING INTEREST

Production	
Transmission	
Distribution	
Total CWIP Not Bearing Interest	

PLANT HELD FOR FUTURE USE  
 UNAMORTIZED NUCLEAR SITE  
 WORKING CAPITAL

Net of Current Assets and Current Liabilities	1,687,010	1,687,010	1,687,010	100%
Preliminary Survey and Investigation Charges	-	-	-	
Prepayments	270,889	270,889	270,889	100%
Clearing Accounts	-	-	-	
Unamortized Deferred O & M	-	-	-	
Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
Property Insurance Reserves				
Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
Total Adjusted Rate Base	<u>38,057,542</u>	<u>38,057,542</u>	<u>38,057,542</u>	100%

---

Schedules: G2, G19-a, G-7, G-18

Recap Schedules: G2

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5	1820.2	Commision Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
6							
7		Adjusted Current and	5,728,901	-	5,728,901	100%	5,728,901
8		Accrued Assets					
9							
10		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
11		Liabilities					
12							
13		Adjustments to Current and					
14		Accrued Liabilities					
15		(Specify)					
16							
17		NONE					
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33		Adjusted Current and					
34		Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
35							
36		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
37							
38		Unbilled Revenue					
39		Adjustments (Specify)	-	-	-	100%	-
40							
41		Adjusted Working Capital					
42		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

Supporting Schedules:

Recap Schedules: G-2



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Prior Year Ended 12/31/2007  
 Projected Test Year Ended 12/31/2008  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

Not Applicable

System Coal  
 Inventory Petcoke  
 Residual Oil  
 Distillate Oil  
 Natural Gas  
 Biomass  
 Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules: G-8

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules: G-7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	Adjustments (6) Franchise Fees	(7) Other (Specify)	(8) Other (Specify)	(9) Total (4)thru(8)	(10) Adjusted Total (3)-(9)
SALES OF ELECTRICITY											
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
OTHER OPERATING REVENUES											
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5

Recap Schedules: G-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287	(Income tax adjustment for interest calculated of 1,473,580 has been included in tax adjustments)			
4							
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741	-		\$ (952,363)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 138,641	-		\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)	-		30,252		
41		1,241	-		0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)	-		\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764	-		(22,128)		

SUPPORTING SCHEDULES: C-22 G-13

RECAP SCHEDULES: G-7

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEARType of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ 2,383,420			\$ (899,983)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 810,363			\$ (305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51			(149,991)			132,334	
52			7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (142,734)			\$ 132,334	
58							
59	FEDERAL INCOME TAX		\$ 667,629			\$ (173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	113,764	667,629	781,393			
74	DEFERRED INCOME TAXES	(22,128)	(173,660)	(195,788)			
75	INVESTMENT TAX CREDITS, NET			(32,322)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	1,473,580	N/A

Supporting Schedules:

Recap Schedules: G-12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ <u>          </u> =====	<u>100.00%</u> =====		<u>          </u> ===== %

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended __/__/__
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	---

No gains or losses

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Specify Account No.)	(814,231)

Supporting Schedules: C-17

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

We do not have any changes in accounting policy.

---

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	99.740%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.486%
8.	Net Before Federal Income Tax (5) - (7)	94.255%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	32.047%
11.	Revenue Expansion Factor (8) - (10)	62.208%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6075

Supporting Schedules:

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9.	TOTAL	106,248,265			106,248,265		38,057,241	1.0000		7.80%	1,473,580

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2007</b>					
10.	Long Term Debt	50,443,237	0.5080	8.03%	4%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0%
12.	Preferred Stock	600,000	0.0060	4.75%	0%
13.	Common Equity	44,943,721	0.4526	10.50%	5%
14.	TOTAL	99,296,035	1.0000	0%	9%
				Rate Base	38,057,241
				Direct Components	6,952,231
					\$31,105,010
				Jurisdictional Factor	31.33%

Supporting Schedules: G-2

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
-------------	------------------	-------------	-------------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	Increase	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,038,166	444,620	5.86%
GS	1,448,830	1,533,662	84,832	5.86%
GSD	2,208,265	2,337,564	129,299	5.86%
GSLD	643,312	680,979	37,667	5.86%
GSLD1	545,955	577,922	31,967	5.86%
Outdoor Lighting	853,003	902,948	49,945	5.86%
Street Lighting	212,743	225,200	12,457	5.86%
Total	<u>13,505,654</u>	<u>14,296,442</u>	<u>790,788</u>	

Supporting Schedules: G-1, G-11, G-23

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
						Dollars	Percent
1	805	44.00	44.00	35,420	35,420		0.00%
2	5,395	19.00	19.00	102,505	102,505		0.00%
3	196	27.00	27.00	5,292	5,292		0.00%
4	972	37.00	37.00	35,964	35,964		0.00%
5	68	60.00	60.00	4,080	4,080		0.00%
6	152	44.00	44.00	6,688	6,688		0.00%
7	3,487	11.50	11.50	40,101	40,101		0.00%
8	541	Per Statute	Per Statute	16,518	16,518		0.00%
9	1251	N/A	N/A	4,417	4,417		0.00%
TOTAL	12,867			250,985	250,985		0.00%
*1	Initial Establishment of 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	Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service						
7	Collection Charge						
8	Returned Check Charge						
9	Credit Card Fees						

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule RS		<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units		Charge/Unit	\$ Revenue		
Customer Charge:									
Standard	23,454	10.00	2,814,440	23,454		10.59	2,979,232		5.86%
T-O-D	0	-	-	-		-	-		-
Total	23,454		2,814,440	23,454			2,979,232		5.86%
KWH Charge:									
Standard	349,930,593	0.01373	4,804,547	349,930,593		0.01453	5,085,864		5.86%
T-O-D On-Peak	0	0	-	0		0	-		-
T-O-D Off-Peak	0	0	-	0		0	-		-
Total	349,930,593		4,804,547	349,930,593			5,085,864		5.86%
Etc.									
Total Base Revenue (Calculated)			7,618,987				8,065,096		5.86%
Correction Factor			25,441				26,931		
Total Base Revenue (Booked)			7,593,546				8,038,166		

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	3,411	14.00	572,978	3,411	14.82	606,527	5.86%
T-O-D	0	-	-	-	-	-	
Total	3,411		572,978	3,411		606,527	5.86%
KWH Charge:							
Standard	59,621,785	0.01473	878,229	59,621,785	0.01559	929,651	5.86%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	59,621,785		878,229	59,621,785		929,651	5.86%
Etc.							
Total Base Revenue (Calculated)			1,451,207			1,536,178	5.86%
Correction Factor			2,377			2,516	
Total Base Revenue (Booked)			1,448,830			1,533,662	

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	699	44.00	369,292	699	46.58	390,915				5.86%
T-O-D	0	-	-	0	-	-				
Total	699	-	369,292	699	-	390,915				5.86%
KWH Charge:										
Standard	178,753,210	0.00232	414,707	178,753,210	0.00246	438,990				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	1,771,200	(0.0000232)	(41)	1,771,200	(0.0000246)	(43)				
Total	180,524,410		414,666	180,524,410		438,946				5.86%
KW Charge										
Standard	574,289	2.48	1,424,238	574,289	2.625209707	1,507,630				
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				5.87%
Primary 1% discount	6,042	-0.0248	(150)	6,042	-0.026252097	(159)				
Primary \$0.55 discount	6,042	-0.55	(3,323)	6,042	-0.55	(3,323)				
Total	586,373		1,420,765	586,373		1,504,148				
Total Base Revenue (Calculated)			2,204,723			2,334,009				5.86%
Correction Factor			(3,542)			(3,555)				
Total Base Revenue (Booked)			2,208,265			2,337,564				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Charges	<u>Present Revenue Calculation</u>			<u>Rate Schedule GSLD</u>			<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	20	75.00	18,000	20	79.39	19,054				5.86%
T-O-D	0	-	-	-	-	-				
Total	20		18,000	20		19,054				5.86%
KWH Charge:										
Standard	92,691,048	0.00086	79,714	92,691,048	0.00091	84,382				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	25,402,800	-8.6E-06	(218)	25,402,800	(0.0000091)	(231)				
Total	118,093,848		79,496	118,093,848		84,151				5.86%
KW Charge										
Standard	198,159	2.89	572,680	198,159	3.06	606,367				
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	49,209	-0.0289	(1,422)	49,209	-0.0306	(1,506)				
Primary \$0.55 discount	49,209	-0.55	(27,065)	49,209	-0.55	(27,065)				
Total	296,577		544,193	296,577		577,797				6.17%
Total Base Revenue (Calculated)			641,689			681,001				6.13%
Correction Factor			(1,623)			22				
Total Base Revenue (Booked)			643,312			680,979				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD1			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	2	600.00	14,400	2	635.13	15,243				5.86%
T-O-D	0	-	-	-	-	-				
Total	2		14,400	2		15,243				5.86%
KWH Charge:										
Standard	159,780,000	-	-	159,780,000	0	-				0.00%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	159,780,000		-	159,780,000		-				0.00%
KW Charge:										
Standard	472,200	1.12	528,864	472,200	1.19	561,918				6.25%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	472,200		528,864	472,200		561,918				6.25%
KVAR Charge:										
Standard	11,216	0.24	2,692	11,216	0.25	2,804				4.17%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	11,216		2,692	11,216		2,804				4.17%
Total Base Revenue (Calculated)			545,956			579,965				6.23%
Correction Factor			1			2,043				
Total Base Revenue (Booked)			545,955			577,922				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown.  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Facility	Present Rates - Outdoor Lighting							Proposed Rates- Outdoor Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.62	\$1.30	\$0.84	\$7.76	\$173,534	5.86%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.23	\$2.29	\$0.43	\$4.95	\$28,951	5.86%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.11	\$4.89	\$0.75	\$11.75	\$3,584	5.86%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.03	\$12.86	\$1.92	\$29.81	\$4,382	5.86%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.95	\$12.86	\$1.78	\$28.59	\$77,397	5.86%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.55	\$12.86	\$2.35	\$34.76	\$4,589	5.86%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.43	\$1.30	\$1.01	\$9.74	\$12,388	5.86%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.62	\$1.30	\$0.84	\$7.76	\$91,015	5.86%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.68	\$1.30	\$2.76	\$20.75	\$2,303	5.86%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.56	\$1.30	\$1.93	\$19.78	\$5,203	5.86%
150w HPS Acorn-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.23	\$1.94	\$1.60	\$16.77	\$12,743	5.86%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.69	\$1.94	\$2.29	\$23.91	\$19,082	5.86%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.62	\$1.94	\$1.00	\$10.55	\$13,234	5.86%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.82	\$2.25	\$2.33	\$24.40	\$878	5.86%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.25	\$2.25	\$1.88	\$19.39	\$85,289	5.86%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.55	\$2.57	\$0.37	\$11.50	\$38,212	5.86%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.29	\$3.21	\$1.28	\$14.78	\$10,640	5.86%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.79	\$3.21	\$1.17	\$12.17	\$39,722	5.86%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.23	\$3.21	\$2.10	\$21.53	\$4,478	5.86%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.74	\$5.14	\$1.17	\$14.06	\$19,737	5.86%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.00	\$5.14	\$1.45	\$18.60	\$1,153	5.86%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.09	\$5.14	\$1.22	\$14.45	\$69,443	5.86%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.32			\$12.32	\$14,576	5.86%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.46			\$9.46	\$1,656	5.86%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.28			\$6.28	\$13,961	5.86%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.72			\$10.72	\$58,720	5.86%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$60,948	5.86%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.47			\$10.47	\$14,761	5.86%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.16			\$7.16	\$43	5.86%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,430	5.86%
Total Base Revenue Calculated								\$841,766					\$891,054	
Correction Factor								(11,237)					(11,895)	
Total Base Revenue (Booked)								853,003					902,948	

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Facility	Present Rates - Street Lighting							Proposed Rates - Street Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.97	\$3.91	\$18,940	5.86%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.89	\$1.11	\$7.08	\$496	5.86%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.97	\$3.91	\$20,999	5.86%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.89	\$1.11	\$7.08	\$6,161	5.86%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.91	\$12.86	\$5.47	\$27.25	\$3,597	5.86%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.18	\$441	5.86%
100w HPS Cobra Head- SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.51	\$1.30	\$2.24	\$7.06	\$97,993	5.86%
150w HPS Acorn -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.42	\$1.94	\$4.95	\$15.31	\$3,857	5.86%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.70	\$1.94	\$3.45	\$10.09	\$9,745	5.86%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.96	\$2.25	\$1.38	\$21.59	\$2,850	5.86%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.51	\$2.57	\$2.32	\$9.40	\$33,285	5.86%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.32	\$3.21	\$3.18	\$10.70	\$27,889	5.86%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.41	\$3.21	\$4.34	\$14.96	\$3,769	5.86%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.05	\$5.14	\$3.56	\$13.75	\$2,846	5.86%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.74	\$5.14	\$9.34	\$22.22	\$1,822	5.86%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.97			\$11.97	\$1,293	5.86%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.31			\$8.31	\$100	5.86%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.12			\$6.12	\$6,204	5.86%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.19			\$9.19	\$2,205	5.86%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.94			\$2.94	\$5,818	5.86%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.28			\$10.28	\$2,714	5.86%
Total Base Revenue Calculated								\$239,029					\$253,025	
Correction Factor								26,286					27,825	
Total Base Revenue (Booked)								212,743					225,200	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Links	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Recent Places	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Slider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Slider on 'fp2	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
Slider on 'Ground	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
ings on 'FP3	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
g on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
rs on 'Ground	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
at on 'Ground	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ublic on 'Grou	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ontrol Panel	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
le Bin	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, August 08, 2007 11:21 AM  
**To:** Troy Darryl; Mesite Jim; Khojasteh Mehrdad; Cox Doreen  
**Subject:** FW: G-MFRS-8-8-07-NoLinks.xls  
**Attachments:** G-MFRS-8-8-07-NoLinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Wednesday, August 08, 2007 11:11 AM  
**To:** Martin Cheryl  
**Cc:** Dan Hansen  
**Subject:** G-MFRS-8-8-07-NoLinks.xls

Revised G's. These reflect all of the changes in the pdf sent to me plus the 2005 data Doreen sent me for sent for 19a. I still need to talk to Doreen about G-20 and confer with Dan as to why some of the KW and KVAR charges don't go up by exactly the same rate as the revenue requirement.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,936
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6075
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,787

Supporting Schedules: G2, G8, G-19a, G-7, G-18

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Non-regulated Propane Operations	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 Eliminate Interest Bearing Cash Per 2003 Rate Case Proceeding								(24,312)		(24,312)
7 Eliminate 1/2 Deferred Rate Case Expense Per 2003 Rate Case								(116,540)		(116,540)
8 Eliminate Fuel Under-Recover Per 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
14										
15 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241
16										
17										
18 * Includes Account 2520 - Customer Advances for Construction										

Supporting Schedules: G3

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supporting Schedules:

Recap Schedules: G-2

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

## Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Electric Plant in Service:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	74,148	74,148	74,148	100%
10	Structure and Improvements	22,007	22,007	22,007	100%
11	Station Equipment	2,414,632	2,414,632	2,414,632	100%
12	Towers & Fixtures	224,665	224,665	224,665	100%
13	Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
14	O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	6,788	6,788	6,788	100%
17	Total Transmission	6,947,302	6,947,302	6,947,302	100%
18	Distribution:				
19	Land and Land Rights	32,878	32,878	32,878	100%
20	Structure and Improvements	96,042	96,042	96,042	100%
21	Station Equipment	5,673,433	5,673,433	5,673,433	100%
22	Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
23	O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
24	U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
25	U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
26	Line Transformers	12,830,071	12,830,071	12,830,071	100%
27	Services	8,005,494	8,005,494	8,005,494	100%
28	Meters	3,335,843	3,335,843	3,335,843	100%
29	Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
30	Street Lighting	1,177,470	1,177,470	1,177,470	100%
31	Total Distribution	58,317,743	58,317,743	58,317,743	100%
32	General Plant	5,522,761	5,522,761	5,522,761	100%
33	Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
34	Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
35	Adjustments	(67,783)	(67,783)	(67,783)	100%
36	Total Gross Plant	72,309,200	72,309,200	72,309,200	100%



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Accumulated Depreciation:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
10	Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
11	Station Equipment	(581,595)	(581,595)	(581,595)	100%
12	Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
13	Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
14	O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	(3,785)	(3,785)	(3,785)	100%
17	Total Transmission	(2,126,145)	(2,126,145)	(2,126,145)	100%
18	Distribution:				
19	Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
20	Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
21	Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
22	Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
23	O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
24	U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
25	U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
26	Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
27	Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
28	Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
29	Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
30	Street Lighting	(438,848)	(438,848)	(438,848)	100%
31	Total Distribution	(25,612,714)	(25,612,714)	(25,612,714)	100%
32	General Plant	(3,075,994)	(3,075,994)	(3,075,994)	100%
33	Total Electric Accumulated Depreciation	(30,814,853)	(30,814,853)	(30,814,853)	100%
34	Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
35	Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
36	Adjustments	33,370	33,370	33,370	100%
37	Total Accumulated Reserve	(32,165,112)	(32,165,112)	(32,165,112)	100%
1	NET PLANT IN SERVICE	40,143,088	40,143,088	40,143,088	100%
2	CWIP:				
3	Production	-	-	-	
4	Transmission	12,803	12,803	12,803	100%
5	Distribution	1,067,683	1,067,683	1,067,683	100%
6	Customer Accounts	-	-	-	

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

## Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
7	General	296,070	296,070	296,070	100%
8	Customer Services	-	-	-	
9	Allocated Common	85,048	85,048	85,048	100%
10	Adjustments	(7,343)	(7,343)	(7,343)	100%
11	Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%
12	CWIP - NOT BEARING INTEREST				
13	Production				
14	Transmission				
15	Distribution				
16	Total CWIP Not Bearing Interest				
17	PLANT HELD FOR FUTURE USE				
18	UNAMORTIZED NUCLEAR SITE				
19	WORKING CAPITAL				
20	Net of Current Assets and Current Liabil	1,687,010	1,687,010	1,687,010	100%
21	Preliminary Survey and Investigation Ch	-	-	-	
22	Prepayments	270,889	270,889	270,889	100%
23	Clearing Accounts	-	-	-	
24	Unamortized Deferred O & M	-	-	-	
25	Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
26	Property Insurance Reserves				
27	Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
28	Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
29	Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
30					
31	Total Adjusted Rate Base	<u>38,057,242</u>	<u>38,057,242</u>	<u>38,057,242</u>	100%

Supporting Schedules: G2, G19-a, G-7, G-18

Recap Schedules: G2

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5		Commission Adjustments:					
6	1860.1	Eliminate 1/2 Rate Case Deferral	(116,540)		(116,540)	100%	(116,540)
7	1860.21	Eliminate Fuel Under-recover	(1,716,749)		(1,716,749)	100%	(1,716,749)
8	1310.8	Eliminate Interest Bearing Cash	(24,312)		(24,312)	100%	(24,312)
9							
10		Adjusted Current and	5,728,901	-	5,728,901		5,728,901
11		Accrued Assets					
12							
13		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
14		Liabilities					
15							
16		Adjustments to Current and					
17		Accrued Liabilities					
18		NONE					
19							
20		Adjusted Current and					
21		Accrued Liabilities	(9,269,008)	-	(9,269,008)		(9,269,008)
22							
23		Working Capital Allowance	(3,540,107)	-	(3,540,107)		(3,540,107)
24							
25		Unbilled Revenue					
26		Adjustments (Specify)	-	-	-	100%	-
27							
28		Adjusted Working Capital					
29		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
30							
31							
32							
33		Adjusted Current and					
34		Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
35							
36		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
37							
38		Unbilled Revenue					
39		Adjustments (Specify)	-	-	-	100%	-
40							
41		Adjusted Working Capital					
42		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

Supporting Schedules:

Recap Schedules: G-2

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)	Type of Data Shown: Historical Year Ended 12/31/2006 Prior Year Ended 12/31/2007 Projected Test Year Ended 12/31/2008 Witness: Jim Mesite
COMPANY: FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

Plant	Fuel Type	Beginning Balance Units / (\$000) / \$ / Unit	Receipts Units / (\$000) / \$ / Unit	Fuel Issued to Generation Units / (\$000) / \$ / Unit	Fuel Issued (Other) Units / (\$000) / \$ / Unit	Inventory Adjustments Units / (\$000) / \$ / Unit	Ending Balance Units / (\$000) / \$ / Unit	13 Month Average Units / (\$000) / \$ / Unit (See Note 1)
-------	-----------	--	---	--	--	--	---	---

Not Applicable

- System
- Inventory
- Coal
- Petcoke
- Residual Oil
- Distillate Oil
- Natural Gas
- Biomass
- Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules: G-8

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules: G-7



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments						(10) Adjusted Total (3)-(9)
					(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other Gross Receipts	(8) Other (Specify)	(9) Total (4)thru(8)	
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5

Recap Schedules: G-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4				(Income tax adjustment for interest calculated of 1,473,580 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741			\$ (952,363)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 138,641			\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)			30,252		
41		1,241			0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)			\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764			(22,128)		

SUPPORTING SCHEDULES C-22, G-13

RECAP SCHEDULES G-7

FLORIDA PUBLIC SERVICE COMMISSION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEARType of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37/state)	\$	2,383,420		\$	(899,983)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)	\$	810,363		\$	(305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51			(149,991)			132,334	
52			7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX	\$	(142,734)		\$	132,334	
58							
59	FEDERAL INCOME TAX	\$	667,629		\$	(173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	113,764	667,629	781,393			
74	DEFERRED INCOME TAXES	(22,128)	(173,660)	(195,788)			
75	INVESTMENT TAX CREDITS, NET			(32,322)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12. 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:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	1,473,580	N/A

Supporting Schedules:

Recap Schedules: G-12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock		<u>Not Applicable</u>	
4.	Common Equity			
5.	Deferred Income Tax			
6.	Other (specify)			
	Total			

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended 12/31/2004
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	---

No gains or losses

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Account No. 228.31)	(814,231)

Supporting Schedules: C-17

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	99.740%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.486%
8.	Net Before Federal Income Tax (5) - (7)	94.255%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	32.047%
11.	Revenue Expansion Factor (8) - (10)	62.208%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6075

Supporting Schedules:

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

Historical Year Ended 12/31/2006

Prior Year Ended 12/13/05

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9											
10	TOTAL	106,248,265			106,248,265		38,057,241	1.0000		7.80%	1,473,580
11											
12											
13											
14											
15	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate						
16											
17	<b>Conventional Capital Structure, 2007</b>										
18	Long Term Debt	50,443,237	0.5080	8.03%	4%		Rate Base	38,057,241			
19	Short Term Debt	3,309,077	0.0333	7.29%	0%		Direct Components	6,952,231			
20	Preferred Stock	600,000	0.0060	4.75%	0%			\$31,105,010			
21	Common Equity	44,943,721	0.4526	10.50%	5%						
22							Jurisdictional Factor	31.33%			
23	TOTAL	99,296,035	1.0000	0%	9%						

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the company's 13-month average cost of capital for the interim test year and the prior year.

## Type of Data Shown:

Historical Year Ended 12/31/2006

Prior Year Ended 12/13/05

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2005</b>											
24	Long Term Debt	50,342,633			50,342,633	32.08%	16,150,106	0.4240	8.04%	3.41%	1,298,469
25	Short Term Debt	3,129,000			3,129,000	32.08%	1,003,795	0.0264	2.52%	0.07%	25,296
26	Preferred Stock	600,000			600,000	32.08%	192,482	0.0051	4.75%	0.02%	
27	Common Equity	43,201,749			43,201,749	32.08%	13,859,284	0.3639	11.50%	4.18%	
28	Customer Deposits	2,016,250			2,016,250		2,016,250	0.0529	6.47%	0.34%	130,451
29	Deferred Income Taxes	4,690,307			4,690,307		4,690,307	0.1231	0.00%	0.00%	
30	Tax Credits-Zero Cost	1,483			1,483		1,483	0.0000	0.00%	0.00%	
31	Tax Credits-Weighted Cost	173,292			173,292		173,292	0.0045	9.38%	0.04%	
32											
33	TOTAL	104,154,714			104,154,714		38,086,999	1.0000		8.06%	1,454,216
34											
35											
36											
37		Company Total									
38	Class of Capital	Per Books	Ratio	Cost	Weighted						
39				Rate	Cost Rate						
40											
41	<b>Conventional Capital Structure, 2006</b>										
42	Long Term Debt	50,342,633	0.5175	8.04%	4.16%		Rate Base	\$38,086,999			
43	Short Term Debt	3,129,000	0.0322	2.52%	0.08%		Direct Components	\$6,881,332			
44	Preferred Stock	600,000	0.0062	4.75%	0.03%			\$31,205,667			
45	Common Equity	43,201,749	0.4441	11.50%	5.11%						
46	TOTAL	97,273,382	1.0000		9.38%		Jurisdictional Factor	32.08%			

Supporting Schedules: G-2, G-19b

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Prior Year Ended 12/31/2005

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
----------	------------------	-------------	----------------------	------------	-----------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '05 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '05 capital structure or cost rates

Supporting Schedules:

Recap Schedules: G-19a

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	<u>Increase</u>	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,038,166	444,620	5.86%
GS	1,448,830	1,533,662	84,832	5.86%
GSD	2,208,265	2,337,564	129,299	5.86%
GSLD	643,312	680,979	37,667	5.86%
GSLD1	545,955	577,922	31,967	5.86%
Outdoor Lighting	853,003	902,948	49,945	5.86%
Street Lighting	212,743	225,200	12,457	5.86%
Total	<u>13,505,654</u>	<u>14,296,442</u>	<u>790,788</u>	

Supporting Schedules: G-1, G-11, G-23

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mark Cutshaw, Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
						Dollars	Percent
1	805	44.00	44.00	35,420	35,420		0.00%
2	5,395	19.00	19.00	102,505	102,505		0.00%
3	196	27.00	27.00	5,292	5,292		0.00%
4	972	37.00	37.00	35,964	35,964		0.00%
5	68	60.00	60.00	4,080	4,080		0.00%
6	152	44.00	44.00	6,688	6,688		0.00%
7	3,487	11.50	11.50	40,101	40,101		0.00%
8	541	Per Statute	Per Statute	16,518	16,518		0.00%
9	1251	N/A	N/A	4,417	4,417		0.00%
TOTAL	12,867			250,985	250,985		0.00%
*1	Initial Establishment of 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	Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service						
7	Collection Charge						
8	Returned Check Charge						
9	Credit Card Fees						

Supporting Schedules:

Recap Schedules: G-11

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule RS			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	23,454	10.00	2,814,440	23,454	10.59	2,979,232				5.86%
T-O-D	0	-	-	-	-	-				
Total	23,454		2,814,440	23,454		2,979,232				5.86%
KWH Charge:										
Standard	349,930,593	0.01373	4,804,547	349,930,593	0.01453	5,085,864				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	349,930,593		4,804,547	349,930,593		5,085,864				5.86%
Etc.										
Total Base Revenue (Calculated)			7,618,987			8,065,096				5.86%
Correction Factor			25,441			26,931				
Total Base Revenue (Booked)			7,593,546			8,038,166				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Mark Culshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	3,411	14.00	572,978	3,411	14.82	606,527	5.86%
T-O-D	0	-	-	-	-	-	
Total	3,411		572,978	3,411		606,527	5.86%
KWH Charge:							
Standard	59,621,785	0.01473	878,229	59,621,785	0.01559	929,651	5.86%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	59,621,785		878,229	59,621,785		929,651	5.86%
Etc.							
Total Base Revenue (Calculated)			1,451,207			1,536,178	5.86%
Correction Factor			2,377			2,516	
Total Base Revenue (Booked)			1,448,830			1,533,662	

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	699	44.00	369,292	699	46.58	390,915	5.86%
T-O-D	0	-	-	0	-	-	
Total	699	-	369,292	699	-	390,915	5.86%
KWH Charge:							
Standard	178,753,210	0.00232	414,707	178,753,210	0.00246	438,990	5.86%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Primary 1% discount	1,771,200	(0.0000232)	(41)	1,771,200	(0.0000246)	(43)	
Total	180,524,410	-	414,666	180,524,410	-	438,946	5.86%
KW Charge							
Standard	574,289	2.48	1,424,238	574,289	2.63	1,510,381	
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	6.06%
Primary 1% discount	6,042	(0.0248)	(150)	6,042	(0.0263)	(159)	
Primary \$0.55 discount	6,042	(0.55)	(3,323)	6,042	(0.55)	(3,323)	
Total	586,373	-	1,420,765	586,373	-	1,506,899	
Total Base Revenue (Calculated)			2,204,723			2,336,760	5.99%
Correction Factor			(3,542)			(804)	
Total Base Revenue (Booked)			2,208,265			2,337,564	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO: 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	20	75.00	18,000	20	79.39	19,054	5.86%
T-O-D	0	-	-	-	-	-	-
Total	20		18,000	20		19,054	5.86%
KWH Charge:							
Standard	92,691,048	0.00086	79,714	92,691,048	0.00091	84,382	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	25,402,800	-0.0000086	(218)	25,402,800	(0.0000091)	(231)	-
Total	118,093,848		79,496	118,093,848		84,151	5.86%
KW Charge							
Standard	198,159	2.89	572,680	198,159	3.06	606,367	5.88%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	49,209	(0.0289)	(1,422,140)	49,209,000	(0.0306)	(1,506)	-
Primary \$0.55 discount	49,209	(0.55)	(27,065)	49,209	(0.55)	(27,065)	-
Total	296,577		544,193	296,577		577,797	-
Total Base Revenue (Calculated)			641,689			681,001	
Correction Factor			(1,623)			22	
Total Base Revenue (Booked)			643,312			680,979	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended: 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD1			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	2	600.00	14,400	2	635.13	15,243				5.86%
T-O-D	0	-	-	0	-	-				
Total	2		14,400	2		15,243				5.86%
KWH Charge:										
Standard	159,780,000	-	-	159,780,000	0	-				0.00%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	159,780,000		-	159,780,000		-				0.00%
KW Charge										
Standard	472,200	1.12	528,864	472,200	1.19	561,918				6.25%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	472,200		528,864	472,200		561,918				6.25%
KVAR Charge										
Standard	11,216	0.24	2,692	11,216	0.25	2,804				4.17%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	11,216		2,692	11,216		2,804				4.17%
Total Base Revenue (Calculated)			545,956			579,965				6.23%
Correction Factor			1			2,043				
Total Base Revenue (Booked)			545,955			577,922				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Facility	Present Rates - Outdoor Lighting							Proposed Rates- Outdoor Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.62	\$1.30	\$0.84	\$7.76	\$173,534	5.86%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.23	\$2.29	\$0.43	\$4.95	\$28,951	5.86%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.11	\$4.89	\$0.75	\$11.75	\$3,584	5.86%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.03	\$12.86	\$1.92	\$29.81	\$4,382	5.86%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.95	\$12.86	\$1.78	\$28.59	\$77,397	5.86%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.55	\$12.86	\$2.35	\$34.76	\$4,589	5.86%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.43	\$1.30	\$1.01	\$9.74	\$12,388	5.86%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.62	\$1.30	\$0.84	\$7.76	\$91,015	5.86%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.68	\$1.30	\$2.76	\$20.75	\$2,303	5.86%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.56	\$1.30	\$1.93	\$19.78	\$5,203	5.86%
150w HPS Acorn-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.23	\$1.94	\$1.60	\$16.77	\$12,743	5.86%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.69	\$1.94	\$2.29	\$23.91	\$19,082	5.86%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.62	\$1.94	\$1.00	\$10.55	\$13,234	5.86%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.82	\$2.25	\$2.33	\$24.40	\$878	5.86%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.25	\$2.25	\$1.88	\$19.39	\$85,289	5.86%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.55	\$2.57	\$0.37	\$11.50	\$38,212	5.86%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.29	\$3.21	\$1.28	\$14.78	\$10,640	5.86%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.79	\$3.21	\$1.17	\$12.17	\$39,722	5.86%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.23	\$3.21	\$2.10	\$21.53	\$4,478	5.86%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.74	\$5.14	\$1.17	\$14.06	\$19,737	5.86%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.00	\$5.14	\$1.45	\$18.60	\$1,153	5.86%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.09	\$5.14	\$1.22	\$14.45	\$69,443	5.86%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.32			\$12.32	\$14,576	5.86%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.46			\$9.46	\$1,656	5.86%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.28			\$6.28	\$13,961	5.86%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.72			\$10.72	\$58,720	5.86%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$60,948	5.86%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.47			\$10.47	\$14,761	5.86%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.16			\$7.16	\$43	5.86%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,430	5.86%
Total Base Revenue Calculated								\$841,766					\$891,054	
Correction Factor								(11,237)					(11,895)	
Total Base Revenue (Booked)								853,003					902,948	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Facility	Present Rates - Street Lighting							Proposed Rates - Street Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.97	\$3.91	\$18,940	5.86%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.89	\$1.11	\$7.08	\$496	5.86%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.97	\$3.91	\$20,999	5.86%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.89	\$1.11	\$7.08	\$6,161	5.86%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.91	\$12.86	\$5.47	\$27.25	\$3,597	5.86%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.18	\$441	5.86%
100w HPS Cobra Head - SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.51	\$1.30	\$2.24	\$7.06	\$97,993	5.86%
150w HPS Acorn -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.42	\$1.94	\$4.95	\$15.31	\$3,857	5.86%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.70	\$1.94	\$3.45	\$10.09	\$9,745	5.86%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.96	\$2.25	\$1.38	\$21.59	\$2,850	5.86%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.51	\$2.57	\$2.32	\$9.40	\$33,285	5.86%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.32	\$3.21	\$3.18	\$10.70	\$27,889	5.86%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.41	\$3.21	\$4.34	\$14.96	\$3,769	5.86%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.05	\$5.14	\$3.56	\$13.75	\$2,846	5.86%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.74	\$5.14	\$9.34	\$22.22	\$1,822	5.86%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.97			\$11.97	\$1,293	5.86%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.31			\$8.31	\$100	5.86%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.12			\$6.12	\$6,204	5.86%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.19			\$9.19	\$2,205	5.86%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.94			\$2.94	\$5,818	5.86%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.28			\$10.28	\$2,714	5.86%
Total Base Revenue Calculated								\$239,029					\$253,025	
Correction Factor								26,286					27,825	
Total Base Revenue (Booked)								212,743					225,200	

Supporting Schedules: G-20

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
OXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
rs on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ansfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
it on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
iblic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**Clara Leider**

**From:** Khojasteh Mehrdad  
**Sent:** Friday, July 27, 2007 4:59 PM  
**To:** Cox Doreen  
**Subject:** FW: HC-MFRS-6-NoLinks.xls  
**Attachments:** HC-MFRS-6-NoLinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, July 27, 2007 9:20 AM  
**To:** Martin Cheryl  
**Cc:** Khojasteh Mehrdad  
**Subject:** HC-MFRS-6-NoLinks.xls

Cheryl: Here are the updated C schedules for the projected years. I have severed the links to avoid any problems with updates. If you would like the version with links to trace the source and/paths of data I will be happy to send that as well.



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1.	Operating Revenues:							
2.	Sales of Electricity	53,115,151		53,115,151	100%	53,115,151	(36,296,779)	16,818,372
3.	Other Operating Revenues	709,307		709,307	100%	709,307	-	709,307
4.	Total Operating Revenues	53,824,459		53,824,459	100%	53,824,459	(36,296,779)	17,527,680
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	-	-
8.	Purchased Power	35,867,580		35,867,580	100%	35,867,580	(35,867,580)	-
9.	Other	9,020,368		9,020,368	100%	9,020,368	(403,063)	8,617,304
10.	Depreciation & Amortization	2,828,638		2,828,638	100%	2,828,638	(1,836)	2,826,802
11.	Decommissioning Expense	-		-	100%	-	-	-
12.	Taxes Other Than Income Taxes	4,016,076		4,016,076	100%	4,016,076	(26,133)	3,989,943
13.	Income Taxes	(302,068)		(302,068)	100%	(302,068)	691	(301,377)
14.	Deferred Income Taxes-Net	507,751		507,751	100%	507,751	-	507,751
15.	Investment Tax Credit-Net	(29,538)		(29,538)	100%	(29,538)	-	(29,538)
16.	(Gain)/Loss on Disposal of Plant			-	100%	-	-	-
17.	Total Operating Expenses	51,908,807		51,908,807	100%	51,908,807	(36,297,922)	15,610,885
18.	Net Operating Income	1,915,652		1,915,652	100%	1,915,652	1,143	1,916,795

Supporting Schedules:

Recap Schedules:

## ADJUSTED JURISDICTIONAL NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1.	Operating Revenues:							
2.	Sales of Electricity	61,822,965		61,822,965	100%	61,822,965	(45,301,999)	16,520,966
3.	Other Operating Revenues	702,779		702,779	100%	702,779	-	702,779
4.	Total Operating Revenues	62,525,744		62,525,744	100%	62,525,744	(45,301,999)	17,223,745
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	-	-
8.	Purchased Power	44,852,210		44,852,210	100%	44,852,210	(44,852,210)	-
9.	Other	10,498,563		10,498,563	100%	10,498,563	(417,172)	10,081,391
10.	Depreciation & Amortization	3,421,139		3,421,139	100%	3,421,139	(2,292)	3,418,847
11.	Decommissioning Expense			-	100%	-	-	-
12.	Taxes Other Than Income Taxes	4,325,834		4,325,834	100%	4,325,834	(32,618)	4,293,216
13.	Income Taxes	(1,350,888)		(1,350,888)	100%	(1,350,888)	862	(1,350,026)
14.	Deferred Income Taxes-Net	581,498		581,498	100%	581,498	-	581,498
15.	Investment Tax Credit-Net	(27,935)		(27,935)	100%	(27,935)	-	(27,935)
16.	(Gain)/Loss on Disposal of Plant			-	100%	-	-	-
17.	Total Operating Expenses	62,300,421		62,300,421	100%	62,300,421	(45,303,430)	16,996,991
18.	Net Operating Income	225,323		225,323	100%	225,323	1,431	226,754

Supporting Schedules:

Recap Schedules:

## NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
Operating Revenues:															
Sales of Electricity	53,115,151	(36,296,779)												(36,296,779)	16,818,372
Other Operating Revenues	709,307	0												-	709,307
Total Operating Revenues	53,824,459	(36,296,779)												(36,296,779)	17,527,680
Operating Expenses:														-	-
Operation & Maintenance:														-	-
Fuel (nonrecoverable)	-	-												-	-
Purchased Power	35,867,580	(35,867,580)												(35,867,580)	-
Other	9,020,368	(403,063)												(403,063)	8,617,304
Depreciation & Amortization	2,828,638	(1,836)												(1,836)	2,826,802
Decommissioning Expense	-	-												-	-
Taxes Other Than Income Taxes	4,016,076	(26,133)												(26,133)	3,989,943
Income Taxes	(302,068)	691												691	(301,377)
Deferred Income Taxes-Net	507,751	-												-	507,751
Investment Tax Credit-Net	(29,538)	-												-	(29,538)
(Gain)/Loss on Disposal of Plant	-	-												-	-
Total Operating Expenses	51,908,807	(36,297,922)												(36,297,922)	15,610,885
Net Operating Income	1,915,652	1,143												1,143	1,916,795

Supporting Schedules:

Recap Schedules:

## NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
Operating Revenues:															
Sales of Electricity	61,822,965	(45,301,999)												(45,301,999)	16,520,966
Other Operating Revenues	702,779	0												-	702,779
Total Operating Revenues	62,525,744	(45,301,999)												(45,301,999)	17,223,745
Operating Expenses:	-													-	-
Operation & Maintenance:	-													-	-
Fuel (nonrecoverable)	-	-												-	-
Purchased Power	44,852,210	(44,852,210)												(44,852,210)	-
Other	10,498,563	(417,172)												(417,172)	10,081,391
Depreciation & Amortization	3,421,139	(2,292)												(2,292)	3,418,847
Decommissioning Expense	-	-												-	-
Taxes Other Than Income Taxes	4,325,834	(32,618)												(32,618)	4,293,216
Income Taxes	(1,350,888)	862												862	(1,350,026)
Deferred Income Taxes-Net	581,498	-												-	581,498
Investment Tax Credit-Net	(27,935)	-												-	(27,935)
(Gain)/Loss on Disposal of Plant	-	-												-	-
Total Operating Expenses	62,300,421	(45,303,430)												(45,303,430)	16,996,991
Net Operating Income	225,323	1,431												1,431	225,754

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

List and explain all proposed adjustments  
to net operating income for the test year, the prior year  
and the most recent historical year.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel and Conservation Revenues	(36,296,779)	100%	(36,296,779)
3	Other Revenue - Commission				
4	Other Revenue - Company				
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company	Eliminate Fuel Expenses	(35,867,580)	100%	(35,867,580)
9	Fuel Expense - Commission				
10	Fuel Expense - Company	Eliminate Conservation Expenses	(403,063)	100%	(403,063)
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(1,836)	100%	(1,836)
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company	Eliminate Taxes other than Income		100%	(26,133)
19	Income Taxes - Commission				
20	Income Taxes - Company	Eliminate Income Taxes	691	100%	691
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company			100%	-

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO : 070304-EI

## EXPLANATION

List and explain all proposed adjustments  
to net operating income for the test year, the prior year  
and the most recent historical year.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

Line No	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel and Conservation Revenues	(45,301,999)	100%	(45,301,999)
3	Other Revenue - Commission				
4	Other Revenue - Company				
5	Provision for Rate Refund - Commission				
6	Provision for Rate Refund - Company				
7	Operating Expense - Commission				
8	Operating Expense - Company	Eliminate Fuel Expenses	(44,852,210)	100%	(44,852,210)
9	Fuel Expense - Commission				
10	Fuel Expense - Company	Eliminate Conservation Expenses	(417,172)	100%	(417,172)
11	Maintenance Expense - Commission				
12	Maintenance Expense - Company				
13	Depreciation Expense - Commission				
14	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(2,292)	100%	(2,292)
15	Taxes Other than Income Exclu GR - Commission				
16	Taxes Other than Income Exclu GR - Company				
17	Taxes Other than Income - Commission				
18	Taxes Other than Income - Company	Eliminate Taxes other than Income		100%	(32,618)
19	Income Taxes - Commission				
20	Income Taxes - Company	Eliminate Income Taxes	862	100%	862
21	Deferred Income Tax - Commission				
22	Deferred Income Tax - Company			100%	-

Supporting Schedules

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide jurisdictional factors for net operating income for the test year, and the most recent historical year if the test year is projected.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity in the Northwest/Marianna and Northeast/Fernandina Beach Divisions are subject to regulation by the Florida Public Service Commission.  
Therefore, the Jurisdictional Factor is 100 %

Supporting Schedules:

Recap Schedules:

## OPERATING REVENUES DETAIL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
	SALES OF ELECTRICITY												
440	Residential Sales		Billing Determinants	25,001,701	-	25,001,701	15,801,525	166,449	852,671	625,018		17,445,664	7,556,037
442	Commercial Sales		Billing Determinants	20,659,026	-	20,659,026	14,850,206	157,472	813,621	516,456		16,337,755	4,321,271
442	Industrial Sales		Billing Determinants	5,996,020	-	5,996,020	4,964,201	75,998	282,876	149,895		5,472,969	523,050
443	Outdoor Lighting		Billing Determinants	1,123,203		1,123,203	205,905	2,511	37,881	28,079		274,375	848,828
444	Public Street & Highway Lighting		Billing Determinants	335,201	-	335,201	71,586	925	13,070	8,380		93,961	241,241
445	Other Sales to Public Authorities			-	-	-						-	-
446	Sales to Railroads & Railways			-	-	-						-	-
448	Interdepartmental Sales			-	-	-						-	-
	Total Sales to Ultimate Consumers			53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
447	Sales for Resale			-	-	-						-	-
	TOTAL SALES OF ELECTRICITY			53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION			53,115,151	-	53,115,151	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	13,490,427
	OTHER OPERATING REVENUES												
450	Forfeited Discounts	99.89	Base Revenues	354,296	-	354,296						-	354,296
451	Miscellaneous Service Revenues	101.20	2	222,539	-	222,539						-	222,539
453	Sales of Water and Water Power			-	-	-						-	-
454	Rent from Electric Property	102.20	1	116,588	-	116,588						-	116,588
455	Interdepartmental Rents			-	-	-						-	-
456	Other Electric Revenues (In Detail)			-	-	-						-	-
4561	OVER-RECOVERY FUEL AD		Direct	-	-	-	-					-	-
4562	MISC. ELECTRIC REVENUE	100.00	9	7,846	-	7,846						-	7,846
4563	Unbilled Revenue		Direct	8,039	-	8,039						-	8,039
4566	OVERRECOVERY CONSER		Direct	-	-	-		-				-	-
	TOTAL OTHER OPERATING REVENUES			709,307	-	709,307	-	-	-	-	-	-	709,307
	TOTAL ELECTRIC OPERATING REVENUES			53,824,459	-	53,824,459	35,893,424	403,355	2,000,119	1,327,827	-	39,624,725	14,199,734

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

## 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, Mark Cutshaw

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)	(9) Total (4) thru (8)	Adjusted Total (3)+(9)
	SALES OF ELECTRICITY												
440	Residential Sales	Billing Determinants		29,052,504	-	29,052,504	19,969,427	172,275	829,938	726,284		21,697,924	7,354,580
442	Commercial Sales	Billing Determinants		24,101,260	-	24,101,260	18,441,467	162,984	775,500	602,508		19,982,459	4,118,801
442	Industrial Sales	Billing Determinants		7,103,505	-	7,103,505	6,101,359	78,658	261,809	177,581		6,619,407	484,098
443	Outdoor Lighting	Billing Determinants		1,203,077	-	1,203,077	276,318	2,598	38,196	30,076		347,188	855,889
444	Public Street & Highway Lighting	Billing Determinants		362,619	-	362,619	95,955	958	13,190	9,065		119,167	243,452
445	Other Sales to Public Authorities			-	-	-	-	-	-	-		-	-
446	Sales to Railroads & Railways			-	-	-	-	-	-	-		-	-
448	Interdepartmental Sales			-	-	-	-	-	-	-		-	-
	Total Sales to Ultimate Consumers			61,822,965	-	61,822,965	44,884,527	417,473	1,918,632	1,545,514	-	48,766,145	13,056,820
447	Sales for Resale			-	-	-	-	-	-	-		-	-
	TOTAL SALES OF ELECTRICITY			61,822,965	-	61,822,965	44,884,527	417,473	1,918,632	1,545,514	-	48,766,145	13,056,820
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-		-	-
	TOTAL REVENUE NET OF REFUND PROVISION			61,822,965	-	61,822,965	44,884,527	417,473	1,918,632	1,545,514	-	48,766,145	13,056,820
	OTHER OPERATING REVENUES												
450	Forfeited Discounts	96.79	Base Revenues	342,908	-	342,908	-	-	-	-		-	342,908
451	Miscellaneous Service Revenues	101.20		225,209	-	225,209	-	-	-	-		-	225,209
453	Sales of Water and Water Power			-	-	-	-	-	-	-		-	-
454	Rent from Electric Property	102.30	1	119,269	-	119,269	-	-	-	-		-	119,269
455	Interdepartmental Rents			-	-	-	-	-	-	-		-	-
456	Other Electric Revenues (In Detail)			-	-	-	-	-	-	-		-	-
4561	OVER-RECOVERY: FUEL AD		Direct	-	-	-	-	-	-	-		-	-
4562	MISC. ELECTRIC REVENUE	100.00	9	7,846	-	7,846	-	-	-	-		-	7,846
4563	Unbilled Revenue		Direct	7,546	-	7,546	-	-	-	-		-	7,546
4566	OVERRECOVERY: CONSER		Direct	-	-	-	-	-	-	-		-	-
	TOTAL OTHER OPERATING REVENUES			702,779	-	702,779	-	-	-	-	-	-	702,779
	TOTAL ELECTRIC OPERATING REVENUES			62,525,744	-	62,525,744	44,884,527	417,473	1,918,632	1,545,514	-	48,766,145	13,759,599

Supporting Schedules:

Recap Schedules:

## BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

Consolidated Electric Division

DOCKET NO.: 070304-EI 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness.

Line No.	Account No.	Account Title	2002 Year 1		2003 Year 2		2004 Year 3		2005 Year 4		2006 Year 5		2007 Prior Year		2008 Test Year	
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BASE REVENUES																
	4000.4400	RESIDENTIAL SALES	6,327	6,323	6,317	6,291	7,379	6,997	7,366	7,559	7,447	7,594	7,982	7,556		7,355
	4000.4420	COMM - SMALL	1,493	1,567	1,415	1,589	1,596	1,388	1,748	1,447	1,453	1,449	1,524	1,451		1,412
	4000.4421	COMM - LARGE	2,477	2,446	2,493	2,464	2,537	2,251	2,511	2,285	2,395	2,208	2,363	2,207		2,100
	4000.4422	GSLD	0	0	0	0	548	358	551	575	573	643	659	664		607
	4000.4423	INDUSTRIAL	545	453	565	450	572	507	550	556	543	546	545	523		484
	4000.4430	OUTDOOR LIGHTING	0	0	0	0	546	749	687	824	773	853	874	849		856
	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214	206	213	219	241		243
	4000.4450	PUBLIC AUTH.	0		0	0	0	0	0	0	0	0	0	0		0
	4000.4480	INTERDEPT SALES	39	38	36	12	13	7	0	0	7	0	0	0		0
	4000.4490	RATE REFUNDS	0	(30)	0	0	0	0	0	0	0	0	0	0		0
	4000.4500	FORFEITED DISC.	104	125	253	351	220	352	364	357	347	355	333			
	4000.4510	MISC. SERVICE REVENUE	134	165	132	125	147	200	255	246	269	220	227			
	4000.4540	RENT	105	104	106	105	108	106	108	116	123	114	110			
	4000.4560	MISC.OTHER REVENUE	7	15	13	19	11	2	20	9	5	8	9			
TOTAL BASE REVENUES			11,392	11,385	11,598	11,593	13,926	13,122	14,325	14,188	14,141	14,203	14,845	13,491		13,057
OPERATING EXPENSES (LESS FUEL & CONSERVATION)																
	4010.5620	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	16	43		43
	4010.5660	MISC. TRANS. EXPS.	18	8	1	2	1	0	1	4	1	0	10	12		31
	4010.5800	OP SUPERVISION	239	235	215	247	347	283	318	334	346	307	339	380		436
	4010.5820	STATION EXPENSES	13	34	41	41	50	39	50	50	51	47	50	380		436
	4010.5830	OVHD LINES/TRANS	76	89	50	63	54	64	76	81	91	113	76	120		129
	4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28	31	30	34	31		33
	4010.5850	STREET LIGHT EXPENSE	18	28	31	18	28	21	29	14	47	12	14	13		14
	4010.5860	METER EXPENSES	188	210	176	229	241	228	247	250	250	256	247	273		292
	4010.5870	AREA LIGHT EXP.	66	99	72	101	107	108	78	87	103	93	91	100		106
	4010.5880	MISC. DISTR OFFICE EXP	175	162	157	168	267	177	237	229	230	208	215	273		312
	4010.5890	RENTS	18	13	18	6	13	17	39	1	1	1	1	1		1
	4010.9010	SUPERVISION	122	97	108	122	190	154	154	173	190	115	160	123		134
	4010.9020	METER READING EXP.	173	221	204	242	234	233	253	234	236	277	250	296		316
	4010.9030	CUSTOMER RECORDS	784	685	702	730	877	739	878	746	772	758	690	801		869
	4010.9040	UNCOLL. ACCOUNTS	79	27	77	66	72	73	78	8	80	87	63	88		217
	4010.9050	MISC. CUST. ACCTS. EXP.	56	77	137	86	85	82	97	81	85	94	100	98		101
	4010.9130	ADVERTISING	1	3	0	3	4	19	7	22	89	131	63	164		170
	4010.9160	MISC. SALES EXPENSE			0	2	1	2	3	2	28	13	4	14		14

4010.9200 ADM & GENERAL SALARIES	732	848	981	833	886	825	1,011	831	936	960	1,089	1,071	1,192
4010.9210 OFFICE SUPPLIES & EXP.	196	229	172	187	172	195	206	203	137	152	165	161	170
4010.9230 OUTSIDE SERVICES	73	95	137	156	171	91	216	152	270	197	231	285	300
4010.9240 PROPERTY INSURANCE	164	158	165	162	229	182	160	175	157	175	158	181	263
4010.9250 INJURIES AND DAMAGES	206	362	353	591	436	475	471	427	546	438	546	591	499
4010.9260 EMPLOYEE PENSION/BEN	301	255	573	440	558	768	785	871	881	901	867	914	1,006
4010.9280 REGULATORY EXPS.	4	6	24	9	89	66	117	119	110	131	121	134	254
4010.9300 MISC GENERAL EXPENSES	88	130	94	78	61	87	104	103	95	86	123	99	102
4010.9310 RENTS	4	4	3	5	4	6	9	7	7	8	7	8	9
<b>TOTAL OPERATION EXPENSES</b>	<b>3,813</b>	<b>4,123</b>	<b>4,533</b>	<b>4,639</b>	<b>5,235</b>	<b>4,975</b>	<b>5,673</b>	<b>5,243</b>	<b>5,789</b>	<b>5,607</b>	<b>5,730</b>	<b>6,654</b>	<b>7,449</b>
<b>MAINTENANCE EXPENSE</b>													
4020.5700 MAINT STATION EQUIP	39	20	23	32	42	11	72	60	34	99	38	102	106
4020.5710 MAIN OVERHEAD LINES	12	24	12	9	18	9	12	53	12	78	31	81	83
4020.5730 MAINT MISC TRANS. PLT	0	0	0	0	0	0	0	0	0	0	0	0	0
4020.5900 MAINT SUPER/ENG	86	61	89	84	89	150	204	133	138	136	131	147	163
4020.5910 MAINT OF STRUCTURES	2	8	4	3	4	2	20	13	10	10	8	10	11
4020.5920 MAINT OF STATION EQUIP	74	75	112	57	182	60	84	170	106	73	89	75	78
4020.5930 MAINT OF POLES/COND/SER	861	808	676	855	1,021	989	1,076	1,184	1,159	1,125	1,288	1,216	1,868
4020.5940 MAINT OF U/G LINES	115	137	119	103	124	145	135	133	130	136	119	151	151
4020.5950 MAINT OF TRANSFORMERS	114	87	106	117	130	102	218	96	82	126	89	135	144
4020.5960 MAINT OF STREET LIGHTS	16	19	16	23	20	28	58	30	30	49	35	52	56
4020.5970 MAINT OF METERS	21	38	19	33	30	30	42	28	32	35	37	38	40
4020.5980 MAINT OF MISC DISTR PLT	35	53	37	60	54	70	64	66	65	71	62	74	77
4020.9350 MAINT OF GENERAL PLANT	70	38	122	65	155	50	91	78	188	160	156	168	181
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>1,445</b>	<b>1,368</b>	<b>1,335</b>	<b>1,441</b>	<b>1,869</b>	<b>1,646</b>	<b>2,076</b>	<b>2,044</b>	<b>1,986</b>	<b>2,098</b>	<b>2,083</b>	<b>2,249</b>	<b>2,968</b>
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2193	2333	2,608	2,323	2,473	2,404	2,476	2,610	2,793	2,719	2,933
4030.2000 DEPRECIATION EXP - COMMON	48	71	81	83	101	96	88	116	120	112	112	108	132
4080.0000 TAXES OTHER THAN INC. TAXES	3,144	3,289	3,110	2,777	2,964	3,401	3,203	3,958	3,913	3,982	4,380	4016	4326
4090.4100 INCOME TAXES CURRENT/DEF	490	349	269	664	619	604	516	701	303	577	521	206	-769
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(32)	(30)	(28)
<b>TOTAL OPERATING EXPENSES</b>	<b>11,119</b>	<b>11,260</b>	<b>11,469</b>	<b>11,885</b>	<b>13,349</b>	<b>13,005</b>	<b>13,994</b>	<b>14,431</b>	<b>14,555</b>	<b>14,954</b>	<b>15,587</b>	<b>15,922</b>	<b>17,011</b>

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown:  
Prior Year Ended 12/31/2007  
N/A

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
1		<b>OPERATING EXPENSES</b>																
2																		
3	555-557	<b>Other Power Supply Expenses</b>																
4	555	PURCHASED POWER	Billing Determinants			2,732,628	3,331,037	2,578,853	2,845,833	3,108,065	3,315,527	3,535,784	3,566,175	2,971,190	2,726,914	2,521,605	2,756,882	35,790,353
5	55501	PURCHASED POWER-QUAL	19	0%		-	-	-	-	-	-	-	-	-	-	-	-	-
6	5551	UNDER REC FUEL ADJ.	Calculated			234,546	(325,203)	247,468	(91,875)	(306,332)	(262,693)	180,420	(295,616)	395,298	373,758	(189,714)	(139,068)	(269,012)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%		-	-	-	-	-	-	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%		(565)	5,421	(16,501)	245	44,573	105,507	1,041	26,650	59,797	1,081	39,811	79,179	346,230
9																		
10	560-567.1	<b>Transmission Expenses - Operation</b>																
11	562	STATION EXPENSES	1	102.2%	25,000	2,434	2,604	2,939	3,860	4,066	6,168	2,456	3,283	3,525	4,266	2,698	4,202	42,501
12	566	MISC TRANSMISSION EXPENSES	13	103.4%	12,000	1,010	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,105	1,000	1,000	1,000	12,116
13																		
14	580-589	<b>Distribution Expenses - Operation</b>																
15	580	OPERATION SUPERVISION & ENG	5	105.5%	56,408	32,573	25,183	34,414	28,073	32,589	33,368	27,753	34,631	35,651	27,357	26,869	41,960	380,422
16	581	LOAD DISPATCHING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	45,000	7,825	8,058	8,000	8,694	6,744	10,572	6,228	6,970	6,775	8,112	8,067	10,626	94,672
18	5831	OPERATION OF OVERHEA	16	106.8%	-	2,596	2,471	4,357	3,454	3,307	5,907	3,134	6,300	3,190	9,324	8,721	2,152	54,913
19	5832	REMOVING & RESETTNG	16	106.8%	-	4,198	3,315	4,196	3,010	6,527	5,116	8,282	7,200	8,364	7,339	3,352	4,663	95,562
20	5841	UNDERGROUND LINE EXP	5	105.5%	-	-	68	716	-	559	263	295	294	504	315	406	302	3,723
21	5842	UNDERGRND LINE EXPEN	5	105.5%	-	1,540	1,888	3,967	2,028	4,535	4,524	1,589	1,136	2,085	860	1,345	2,007	27,504
22	585	STREET LIGHT/SIGNAL	16	106.8%	-	494	889	1,250	1,723	1,416	911	397	1,340	918	751	1,792	889	12,770
23	586	METER EXPENSES	16	106.8%	-	23,648	18,818	24,107	20,069	20,305	23,132	19,957	21,802	25,877	28,470	25,661	21,212	273,056
24	5871	AREA LIGHT EXPENSE	16	106.8%	-	3,041	2,833	4,611	1,544	6,922	4,406	4,266	4,041	3,258	2,926	3,367	2,795	44,010
25	5872	OTHER CUSTOMER INSTA	16	106.8%	-	3,041	2,833	4,611	1,544	6,922	4,406	4,266	4,041	3,258	2,926	3,367	2,795	44,010
26	5881	DISTRIBUTION MAPS &	16	106.8%	-	7,381	7,238	8,678	6,908	10,219	10,378	8,168	9,414	6,035	8,744	8,877	13,887	105,926
27	5882	OTHER DIST OFFICE SU	16	106.8%	50,800	11,670	9,638	14,868	12,750	11,444	16,637	12,688	9,086	16,555	7,882	13,261	10,054	155,533
28	5883	MISC DISTRIBUTION OF	16	106.8%	-	1,605	1,928	461	1,880	488	461	555	559	461	423	742	1,565	11,129
29	589	RENTS	1	102.2%	-	220	-	-	110	-	-	110	353	-	68	18	173	1,053
30																		
31	901-905	<b>Customer Accounts - Operation</b>																
32	901	SUPERVISION	5	105.5%	1,428	11,897	387	5,457	5,062	5,201	4,927	4,532	4,961	4,934	7,760	6,896	11,750	73,765
33	9011	SUPERVISION A&G	5	105.5%	-	-	8,204	4,238	3,173	4,035	4,996	3,265	5,353	4,502	3,253	4,893	3,144	40,056
34	902	METER READING EXPENSE	16	106.8%	-	22,845	22,476	29,123	21,318	25,415	27,068	23,611	26,563	24,338	24,131	24,840	23,970	295,709
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	59,992	20,449	46,530	35,493	39,238	47,572	44,634	47,108	44,297	45,136	44,560	49,909	295,708.91
36	9031	CUSTOMER RECORDS/COL	5	105.5%	1,349	112	41,612	25,588	22,792	22,147	25,524	22,547	20,894	22,692	22,227	20,879	28,794	275,807
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	175	5,200	4,551	4,078	4,391	4,570	5,337	6,101	5,930	6,163	5,052	4,246	31,976	87,580
38	905	MISC CUSTOMER ACCOUNTS	13	103.4%	-	9,456	4,263	5,703	6,355	6,159	7,879	5,025	6,476	5,999	4,062	6,603	12,785	80,765
39	9051	MISC CUSTOMER ACCT	13	103.4%	-	-	1,886	1,464	1,634	1,723	1,491	1,211	1,592	1,409	1,382	1,456	1,555	16,804
40																		
41	906-910	<b>Customer Service and Info - Operation</b>																
42	9061	UNDERRECOVERY, CONSERVATION	Calculated			(12,484)	7,736	(20,298)	11,065	(17,737)	(3,204)	6,610	(3,122)	(10,101)	1,433	(14,696)	(13,859)	(68,807)
43	907	SUPERVISION	13	103.4%	-	6,184	6,989	8,129	6,326	7,973	5,716	3,034	9,057	3,175	6,211	5,439	8,221	76,455
44	908	CUSTOMER ASSISTANCE	13	103.4%	-	16,977	16,298	18,258	12,016	14,787	15,868	15,714	18,921	17,098	19,569	18,652	22,945	207,105
45	909	INFO & INSTRUCTIONAL	13	103.4%	-	20,794	851	23,319	(1,819)	24,505	15,440	14,726	10,675	24,254	6,180	15,543	10,083	164,550
46	910	MISC CUSTOMER SERVICE	13	103.4%	-	1,846	1,966	2,135	1,115	1,444	1,673	1,090	1,522	4,077	1,462	1,714	2,917	23,561
47																		
48	911-917	<b>Sales Expenses - Operation</b>																
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.4%	-	-	-	-	-	-	8,184	-	-	(6,595)	6,595	(6,595)	-	1,589
52	9133	SAFETY ADVERTISING	13	103.4%	-	143	-	-	150	1,794	1,781	2,488	-	151	-	-	1,998	8,504
53	9134	OTHER INFO/INSTR/CON	13	103.4%	28,800	7,736	7,766	8,355	12,823	10,303	10,291	7,570	27,530	7,684	22,291	15,466	16,332	154,148
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	916	MISC SALES EXPENSES	13	103.4%	-	116	140	119	123	58	2,356	31	12,769	(2,208)	27	55	114	13,690
57																		

Pg. 1 of 3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expenses by primary account for the test year

Type of Data Shown:

Prior Year Ended 12/31/2007  
#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total	
58	920-933	Administrative & General - Operation																	
59	920	ADM & GENERAL SALARIES	5	105.5%	58,302	85,059	85,110	93,667	83,130	92,799	92,854	88,613	94,568	88,423	87,917	90,338	88,891	1,071,369	1,071,368.92
60	9211	OFFICE SUPPLIES	1	102.2%		595	918	1,488	753	730	1,158	1,214	1,286	886	625	633	582	10,867	
61	9212	OFFICE POSTAGE & MAIL	1	102.2%		783	833	1,087	794	164	896	35	786	91	782	21	839	7,111	
62	9213	OFF. COMPUTER SUPP & EXPENSE	1	102.2%		6,371	686	(7,814)	4,982	(3,123)	401	1,005	1,486	2,606	204	965	344	8,113	
63	9214	OFFICE UTILITY EXPENSE	1	102.2%		3,099	2,672	3,422	2,040	3,675	3,166	2,255	2,800	2,241	3,586	2,659	2,811	34,425	
64	9215	MISC OFFICE EXPENSE	1	102.2%		5,431	7,182	8,546	7,604	6,235	6,980	11,302	2,969	7,588	9,484	8,237	11,749	93,308	93,307.58
65	9216	CO TRAINING EXPENSE	1	102.2%	5,200	433	569	790	433	482	536	433	482	444	1,383	494	433	6,913	6,912.87
66	9231	OUTSIDE SERVICES - O	1	102.2%		2,197	1,357	491	1,308	12,133	6,363	1,866	3,407	2,099	645	6,755	3,388	18,306	
67	9232	LEGAL FEES AND EXPENSES	1	102.2%		433	569	790	433	482	536	433	482	444	1,383	494	433	6,913	
68	9233	OUTSIDE AUDIT & ACCO	13	103.4%	82,150	18,615	18,615	25,532	19,165	18,751	18,751	16,547	16,547	16,547	6,738	15,978	34,873	226,060	226,659.77
69	924	PROPERTY INSURANCE	FPUC			13,510	13,510	13,510	13,510	13,510	13,510	13,510	13,510	13,949	13,955	13,952	31,304	181,238	
70	9251	INJURIES AND DAMAGES	16	106.8%	632	7,404	3,459	15,089	3,752	9,728	14,731	8,292	9,759	11,946	8,872	11,237	10,689	114,957	114,957.13
71	9252	GENERAL LIABILITY	13	103.4%	133,000	41,983	41,763	41,467	41,415	42,093	40,333	38,497	41,424	41,412	39,396	39,672	26,139	475,595	
72	9261	EMPLOYEE PENSIONS	FPUC			27,245	27,245	27,245	27,245	27,245	27,245	27,245	27,245	28,130	28,143	28,136	63,130	385,497	
73	9262	EMPLOYEE BENEFITS - O	FPUC			36,399	36,399	36,399	36,399	36,399	36,399	36,399	36,399	37,582	37,588	37,580	84,341	488,303	
74	9263	RETIREE BENEFITS-POS	FPUC			4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,156	4,156	4,157	9,327	54,000	
75	9264	401(K) EXPENSE COMPA	16	106.8%		-	-	523	356	642	513	598	(3,247)	4,454	685	782	852	8,157	
76	928	REGULATORY COMMISSION	1	102.2%	-	732	11,016	12,478	9,576	10,635	13,877	9,157	10,880	16,191	8,255	13,638	17,533	133,966.83	133,966.83
77	9301	INSTITUTIONAL/GOODWILL	13	103.4%		-	-	-	-	-	-	-	-	-	-	-	-	-	
78	9302	MISC. GENERAL EXPENSE	13	103.4%		3,230	4,984	14,229	4,662	5,534	6,594	2,119	5,593	6,229	4,999	10,271	10,784	79,227	
79	93022	INDUSTRY ASSOCIATION	13	103.4%		1,034	(1,034)	1,034	-	85	-	3,420	-	-	-	-	-	4,539	
80	93023	ECONOMIC DEVELOPMENT	13	103.4%	10,000	833	833	833	833	833	833	833	6,003	833	833	833	833	15,170	15,170.00
81	931	RENTS	1	102.2%		572	593	562	602	656	626	626	598	838	41	1,708	1,067	8,490	
82																			
83		TOTAL OPERATING EXPENSES				3,480,816	3,506,881	3,368,335	3,058,025	3,304,617	3,757,446	4,250,827	3,882,186	3,985,816	3,852,978	2,923,292	3,446,745	42,637,966	
84		Total Operating Expenses Less Fuel				514,208	495,626	578,716	503,823	548,311	599,105	533,583	584,877	559,530	551,225	551,531	749,752	6,770,386	
85		Maintenance Expenses																	
86																			
87	541-545.1	Hydraulic Power Gen - Maintenance																	
88	554	MAINT OF MISC POWER	13	103.4%		-	-	-	-	-	-	-	-	-	-	-	-	-	
89																			
90	568-574	Transmission Expenses - Maintenance																	
91	570	MAINT OF STATION EQUIP	13	103.4%		384	874	3,075	4,880	6,505	2,891	2,587	2,606	2,382	2,426	2,705	71,115	102,430	
92	571	MAINT OF OVERHEAD LINES	13	103.4%		110	150	-	2,933	9,687	25,806	8,305	12,768	8,719	5,886	7,539	(1,298)	80,603	
93	573	MAINT OF MISC TRANSMISSION	13	103.4%		-	-	-	-	-	-	-	-	-	-	-	461	481	
94																			
95	590-598	Distribution Expenses - Maintenance																	
96	590	MAINT SUPERVISION & ENG	5	105.5%	2,856	15,473	17,208	20,088	11,972	9,337	10,353	7,624	9,906	9,384	9,285	7,007	19,037	146,674	146,673.60
97	591	MAINT OF STRUCTURES	13	103.4%		1,082	(156)	21	2,474	(746)	1,268	610	1,378	4,222	(268)	526	-	10,411	
98	592	MAINT OF STATION EQUIP	13	103.4%		5,463	2,299	13,391	683	10,300	5,687	3,465	10,148	7,520	231	2,692	13,577	75,455	
99	5931	MAINT OF POLES/TOWER	13	103.4%		13,392	2,354	10,727	2,452	995	2,755	3,826	2,649	1,330	1,218	839	3,508	46,044	46,044.02
100	5932	MAINT OF OVERHEAD CO	13	103.4%	53,248	61,398	52,002	112,733	48,321	105,902	124,050	93,244	78,372	104,711	79,711	97,583	74,556	1,032,586	1,032,585.59
101	5933	MAINT OF SERVICES	13	103.4%		11,333	6,996	9,447	7,671	11,525	14,052	11,936	15,190	12,201	10,344	10,056	17,003	137,755	
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%		669	332	523	263	1,785	450	281	609	586	651	784	1,055	9,968	
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	5,748	12,493	4,798	9,232	5,945	8,754	17,933	37,035	10,205	10,818	7,138	7,594	11,094	143,039	143,039.40
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%		3,193	3,168	4,322	5,078	6,976	8,683	5,380	4,963	8,956	17,211	8,738	(7,776)	68,893	
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%		-	-	309	-	-	415	8,805	340	31	(883)	(1,988)	423	7,451	
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%		3,361	1,262	4,999	2,423	3,325	10,633	3,876	10,294	4,433	3,917	7,241	2,501	58,267	
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%		2,746	1,823	5,125	2,077	3,062	2,498	3,878	3,153	1,945	3,100	9,708	13,322	52,438	
108	597	MAINT OF METERS	16	106.8%		2,152	2,563	3,368	5,974	2,262	2,954	3,245	2,768	4,243	2,053	2,669	3,395	37,647	
109	598	MAINT OF MISC DIST PLANT	13	103.4%		5,678	4,681	5,912	3,033	3,649	5,797	3,869	5,248	5,844	4,933	11,939	13,345	73,927	
110	935	Administrative & General - Maintenance																	
111	935	MAINT OF GENERAL PLANT	13	103.4%	2,800	14,071	8,034	28,226	10,071	22,284	11,214	15,619	12,860	8,036	13,394	11,048	13,075	167,931.87	167,931.87
112																			
113		TOTAL MAINTENANCE EXPENSES				152,997	108,388	231,499	116,253	205,582	247,439	213,584	183,457	195,362	160,347	186,679	248,395	2,249,982	
114																			

Pg. 2 of 3

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

## EXPLANATION

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown:  
Prior Year Ended 12/31/2007  
RVA

Line No	Account No	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
115																		
116																		
117																		
118																		
119																		
120																		
121																		
122		Other Operating Expenses																
123																		
124	4030 1	DEPRECIATION EXPENSE - ELECTRIC	Direct			222,040	222,710	223,530	223,886	224,295	226,662	227,421	228,303	228,941	230,421	230,949	231,538	2,720,692
125	4030 1	DEPR ADJ - NONREGULATED ELECTRIC	Direct															(1,836)
126	4030 2	DEPR EXP-COMMON	Direct			8,241	8,241	8,243	8,575	8,604	8,969	9,060	9,119	9,320	9,443	9,889	10,242	107,946
127	403 -	Depreciation Expenses				230,281	230,951	231,773	232,461	232,899	235,631	236,481	237,422	238,261	239,864	240,838	241,780	2,828,838
128																		
129	4070 3	Amortization - Storm Hardening	Direct			-	-	-	-	-	-	-	-	-	-	-	-	-
130	407 -	Storm Hardening				-	-	-	-	-	-	-	-	-	-	-	-	-
131																		
132	4080 1	AD VALOREM TAXES	13	103.4%		45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	37,088	37,088	531,358
133	4080 2	STATE GROSS RECEIPTS	Pass-Through			109,682	97,869	90,971	85,461	90,831	102,708	119,260	112,935	116,828	97,125	81,319	91,611	1,196,600
134	4080 3	FPSC ASSESSMENT	Direct			2,755	2,902	2,703	2,540	2,778	3,103	3,712	3,419	3,356	2,824	2,176	2,683	34,951
135	4080 4	EMERGENCY EXCISE TAX	9	100.0%		-	-	-	-	-	(8,261)	-	-	-	-	-	-	(8,261)
136	4080 5	FEDERAL UNEMPLOYMENT	5	105.5%		2,841	917	(237)	(794)	(779)	(1,052)	64	135	73	43	74	120	1,405
137	4080 6	STATE UNEMPLOYMENT T	5	105.5%		4,246	660	(401)	(1,292)	(1,266)	(1,693)	103	217	117	69	118	194	1,073
138	4080 7	F.I.C.A	16	106.8%		20,269	18,798	34,560	18,521	19,768	17,882	19,839	35,204	19,643	18,605	19,121	15,988	258,168
139	4080 8	MISCELLANEOUS TAXES	13	103.4%		-	-	-	-	-	-	-	-	-	-	-	-	634
140	4080 11	FRANCHISE TAX	Pass-Through			165,813	169,089	154,787	144,791	154,148	172,754	196,081	190,032	195,728	163,581	137,454	155,860	2,000,119
141	408 -	Taxes Other Than Income Taxes				351,324	335,953	328,102	294,945	311,199	331,150	384,778	387,065	381,773	327,965	277,350	303,543	4,016,076
142																		
143	4090 1	VT -FEDERAL- UTIL O	Direct			(45,669)	(16,995)	(15,984)	(30,097)	4,679	31,220	(51,424)	(45,781)	(33,840)	(39,268)	(2,209)	(1,834)	(247,201)
144	4090 2	VT -STATE - UTIL O	Direct			(10,142)	(3,852)	(3,560)	(6,680)	1,073	7,358	(11,660)	(10,191)	(7,558)	(8,728)	(488)	(439)	(54,867)
145	409 -	Income Taxes				(55,811)	(20,847)	(19,544)	(36,777)	5,752	38,578	(63,084)	(55,972)	(41,388)	(47,996)	(2,696)	(2,273)	(302,068)
146																		
147	4100 1	DEFERRED VT-FEDERAL	Direct			161,756	(52,016)	170,335	130,690	(185,508)	(431,022)	129,199	43,449	132,614	266,330	(33,320)	90,378	422,887
148	4100 2	DEFERRED VT-STATE	Direct			32,457	(10,446)	34,197	26,213	(37,239)	(86,488)	25,932	8,729	26,609	53,454	(6,708)	18,154	84,864
149	4100 3	DEFERRED VT AMORTIZ	Direct			-	-	-	-	-	-	-	-	-	-	-	-	-
150	4100 4	DEFERRED VT AMORTIZ	Direct			-	-	-	-	-	-	-	-	-	-	-	-	-
151	410 -	Deferred Income Taxes				194,213	(82,462)	204,532	156,903	(222,746)	(517,510)	155,132	52,178	159,224	319,784	(40,028)	108,531	507,751
152																		
153	4110 4	INVEST TAX CREDIT- U	Direct			(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(26,538)
154	411 -	Investment Tax Credit				(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(26,538)
155																		
156		TOTAL OTHER OPERATING EXPENSES				717,546	481,134	742,401	645,070	324,642	85,306	710,845	619,151	735,306	837,155	473,002	649,120	7,020,859
157																		
158		TOTAL EXPENSES INCLUDING FUEL				4,351,359	4,096,403	4,362,236	3,819,349	3,834,840	4,090,281	5,175,256	4,684,794	4,916,576	4,650,481	3,562,973	4,344,259	51,908,807

Pg. 3 of 3

Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES - PROJECTED TEST YEAR 2008

Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES - PROJECTED TEST YEAR 2008

FLORIDA PUBLIC SERVICE COMMISSION

If the requested revenue requirements are based on a

Type of Data Shown

FLORIDA PUBLIC SERVICE COMMISSION

If the requested revenue requirements are based on a

Type of Data Shown

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 373364-E

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 670264-E

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total	Check
1		OPERATING EXPENSES																Check on over and under
2	555-557	Other Power Supply Expenses																
3	555	PURCHASED POWER	Being Determined	2%	3,414,137	4,181,787	3,721,790	3,305,055	3,883,208	4,142,408	4,417,586	4,406,567	3,712,195	3,405,988	3,150,558	3,444,438	44,710,340	
4	556	PURCHASED POWER CUL																
5	5561	UNDER REC FUEL ADJ	Calculated	100%	288,157	(481,694)	308,154	(111,824)	(481,034)	(268,438)	729,758	(268,075)	517,558	470,847	(224,482)	(151,048)	(219,378)	
6	557	SYSTEM CONTROL & LOAD (SPL)																
7	557	OTHER EXPENSES																
8	557	OTHER EXPENSES																
9	557	OTHER EXPENSES																
10	558-567	Transmission Expenses - Operation																
11	558	STATION EXPENSES																
12	558	MISC TRANSMISSION EXPENSES																
13	558	MISC TRANSMISSION EXPENSES																
14	558	MISC TRANSMISSION EXPENSES																
15	560	Distribution Expenses - Operation																
16	560	OPERATION SUPERVISION & ENCL																
17	561	LOAD DISPATCHING																
18	562	STATION EXPENSES																
19	563	OPERATION OF OVERHEAD																
20	563	REPAIRING & RESETTING																
21	564	UNDERGROUND LINE EXP																
22	564	UNDERGROUND LINE EXPEN																
23	565	STREET LIGHT SIGNAL																
24	565	METER EXPENSES																
25	567	OTHER CUSTOMER INSTA																
26	567	OTHER CUSTOMER INSTA																
27	568	DISTRIBUTION MAPS &																
28	568	OTHER DIST OFFICE SL																
29	568	MISC DISTRIBUTION OF																
30	568	RENTS																
31	601-605	Customer Accounts - Operation																
32	601	SUPERVISION																
33	601	SUPERVISION AGO																
34	602	METER READING EXPENSE																
35	603	CUSTOMER RECORDS COLLECTION																
36	603	CUSTOMER RECORDS COLLECTION																
37	604	INDUSTRY ELECTRIC ACCOUNTS																
38	605	MISC CUSTOMER ACCOUNTS																
39	605	MISC CUSTOMER ACCOUNTS																
40	605	MISC CUSTOMER ACCOUNTS																
41	606-610	Customer Service and Info - Operation																
42	606	UNDERRECOVERY CONSIDERATION	Calculated															
43	607	SUPERVISION																
44	608	CUSTOMER ASSISTANCE																
45	609	MFG & INSTRUCTIONAL																
46	610	MISC CUSTOMER SERVICE																





Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES - PROJECTED TEST YEAR 2008

Schedule C-7

## OPERATION AND MAINTENANCE EXPENSES - PROJECTED TEST YEAR 2008

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 073204-E

## EXPLANATION

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown:  
Projected Test Year (Index: 12/31/2008)  
By A

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 073204-E

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown:  
Projected Test Year (Index: 12/31/2008)  
By A

Line No.	Account No.	Account Title	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	12 Month Total
115															
116															
117															
118															
119															
120															
121															
122		Other Overtime Expenses													
123															
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct	236,856	240,440	241,107	241,778	243,113	244,325	245,717	246,302	247,151	247,802	248,544	2,826,033
125	4030.2	DEPR ADJ - NONREGULATED ELECTRIC	Direct												(2,202)
126	4030.2	DEPR EXP-COMMON	Direct	12,324	12,321	10,536	10,066	10,886	10,995	11,246	11,114	11,273	11,208	11,519	131,508
127	403	Depreciation Expenses		250,179	250,819	251,642	252,442	253,999	255,280	256,783	257,416	258,424	258,800	259,863	3,080,339
128															
129	4070	Amortization - Storm Hardening	Direct	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	364,000
130	407	Storm Hardening		29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	29,560	364,000
131															
132	4080.1	AD - UNIFORM TAXES	100.0%	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	568,056
133	4080.2	STATE GROSS RECEIPTS	Pass-Through	177,603	177,603	177,603	177,603	177,603	177,603	177,603	177,603	177,603	177,603	177,603	2,131,236
134	4080.3	FEDERAL ASSESSMENT	Direct	3,226	3,402	3,168	2,878	3,266	3,437	4,361	4,008	3,954	3,310	3,146	40,088
135	4080.4	EMERGENCY FLOOD TAX	0												(8,201)
136	4080.5	FEDERAL UNEMPLOYMENT	5	2,907	2,907	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)	(2,907)
137	4080.6	STATE UNEMPLOYMENT	5	4,482	4,482	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)	(4,482)
138	4080.7	FICA	100.0%	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	260,164
139	4080.8	MEDICAL UNEMPLOYMENT TAXES	100.0%	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647	260,164
140	4080.11	FRANCHISE TAX	100.0%	156,558	156,558	156,558	156,558	156,558	156,558	156,558	156,558	156,558	156,558	156,558	1,878,696
141	408	Taxes Other Than Income Taxes	Pass-Through	380,383	382,327	383,824	385,249	386,884	388,581	390,339	392,157	394,035	395,974	397,974	4,736,834
142															
143	4090.1	LT-FEDERAL - TNLG	Direct	(215,546)	(178,363)	(173,033)	(138,776)	(138,776)	(138,776)	(138,776)	(138,776)	(138,776)	(138,776)	(138,776)	(1,387,847)
144	4090.2	LT-STATE - TNLG	Direct	(136,111)	(14,817)	(13,981)	(25,895)	(4,128)	(28,304)	(44,848)	(38,188)	(26,671)	(13,872)	(11,876)	(211,841)
145	409	Income Taxes		(249,181)	(193,180)	(187,014)	(164,671)	(162,902)	(162,902)	(162,902)	(162,902)	(162,902)	(162,902)	(162,902)	(1,599,688)
146															
147	4100.1	DEFERRED LT-FEDERAL	Direct	185,842	156,781	195,596	156,150	(213,136)	(405,702)	(48,437)	46,916	152,361	305,986	(38,281)	486,966
148	4100.2	DEFERRED LT-STATE	Direct	36,582	(11,773)	38,541	29,542	(41,896)	(97,473)	(25,225)	9,838	29,946	80,244	(7,561)	86,843
149	4100.3	DEFERRED LT-MORTG	Direct												
150	4100.4	DEFERRED LT-MORTG	Direct												
151	410	Deferred Income Taxes		222,422	(71,536)	234,137	179,882	(254,988)	(582,675)	(177,663)	56,757	182,360	388,230	(46,841)	124,294
152															
153	4110.4	INVEST TAX CREDIT	Direct	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(27,936)
154	411	Investment Tax Credit		(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(27,936)
155															
156		TOTAL OTHER OPERATING EXPENSES		616,624	475,656	779,582	613,734	387,709	230,687	546,381	513,369	695,793	781,646	528,674	6,946,646
157															
158		TOTAL EXPENSES INCLUDING FUEL		5,172,079	4,985,644	5,228,169	4,543,789	4,710,248	5,143,138	5,114,436	5,527,793	5,857,686	5,603,912	6,364,786	62,300,421

Succeeding Schedules

## DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION		Provide the changes in primary accounts that exceed 120th of one percent ( .0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change		Type of Data Shown Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 #N/A	
COMPANY FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO. 070304-E1							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Account Number	Account	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)	Reason(s) for Change	
OPERATING EXPENSES (LESS FUEL & CONSERVATION)							
4010 562	STATION EXPENSES	43,478	42,501	978	2.30%	FALSE	
4010 566	MISC. TRANS. EXPS	31,080	12,116	18,964	156.52%	TRUE	
4010 580	OP SUPERVISION	435,662	380,422	55,241	14.52%	TRUE	
4010 581	LOAD DISPATCHING	-	-	-	#DIV/0!	#DIV/0!	
4010 582	STATION EXPENSES	99,878	94,672	5,207	5.50%	FALSE	
4010 5831	OPERATION OF OVERHEA	58,647	54,913	3,734	6.80%	FALSE	
4010 5832	REMOVING & RESETTING	70,021	65,562	4,458	6.80%	FALSE	
4010 5841	UNDERGROUND LINE EXP	3,928	3,723	-	-	-	
4010 5842	UNDERGRND LINE EXPEN	29,017	27,504	-	-	-	
4010 585	STREET LIGHT EXPENSE	13,638	12,770	868	6.80%	FALSE	
4010 586	METER EXPENSES	291,623	273,056	18,568	6.80%	FALSE	
4010 5871	AREA LIGHT EXPENSE	59,365	55,585	3,780	6.80%	FALSE	
4010 5872	OTHER CUSTOMER INSTA	47,003	44,010	2,993	6.80%	FALSE	
4010 5881	DISTRIBUTION MAPS &	134,038	105,926	28,112	26.54%	TRUE	
4010 5882	OTHER DIST OFFICE SU	166,109	155,533	10,576	6.80%	FALSE	
4010 5883	MISC DISTRIBUTION OF	11,885	11,129	757	6.80%	FALSE	
4010 589	RENTS	1,077	1,053	24	2.30%	FALSE	
4010 901	SUPERVISION	82,107	73,765	8,342	11.31%	TRUE	
4010 9011	SUPERVISION A&G	51,755	49,056	2,698	5.50%	FALSE	
4010 902	METER READING EXPENS	315,817	295,709	20,108	6.80%	FALSE	
4010 903	CUSTOMER RECORDS/SCOL	553,788	524,917	28,870	5.50%	FALSE	
4010 9031	CUSTOMER RECORDS/SCOL	314,968	275,807	39,161	14.20%	TRUE	
4010 904	UNCOLLECTIBLE ACCOUN	216,664	87,590	129,074	147.36%	TRUE	
4010 905	MISC CUSTOMER ACCOUN	83,591	80,765	2,827	3.50%	FALSE	
4010 9051	MISC CUSTOMER ACCNT	17,392	16,804	588	3.50%	FALSE	
4010 912	DEMONSTRATING & SELL	-	-	-	#DIV/0!	#DIV/0!	
4010 9131	PROMOTIONAL ADVERTIS	-	-	-	#DIV/0!	#DIV/0!	
4010 9132	CONSERVATION ADVERTI	1,645	1,589	56	3.50%	FALSE	
4010 9133	SAFETY ADVERTISING	8,801	8,504	298	3.50%	FALSE	
4010 9134	OTHER INFOINSTR/CON	159,543	154,148	5,395	3.50%	FALSE	
4010 9135	COMMUNITY AFFAIRS AD	-	-	-	#DIV/0!	#DIV/0!	
4010 9136	OTHER ADVERTISING	-	-	-	#DIV/0!	#DIV/0!	
4010 916	MISC SALES EXPENSE	14,179	13,699	479	3.50%	FALSE	
4010 920	ADM & GENERAL SALARIES	1,191,947	1,071,369	120,578	11.25%	TRUE	
4010 9211	OFFICE SUPPLIES	11,117	10,867	250	2.30%	FALSE	
4010 9212	OFFICE POSTAGE & MAI	7,275	7,111	164	2.30%	FALSE	
4010 9213	OFF. COMPUTER SUPP &	8,299	8,113	187	2.30%	FALSE	
4010 9214	OFFICE UTILITY EXPEN	35,217	34,425	792	2.30%	FALSE	
4010 9215	MISC OFFICE EXPENSE	100,654	93,308	7,346	7.87%	FALSE	
4010 9216	CO TRAINING EXPENSE-	7,238	6,913	325	4.71%	FALSE	
4010 9231	OUTSIDE SERVICES - O	18,727	18,306	421	2.30%	FALSE	
4010 9232	LEGAL FEES AND EXPEN	41,210	40,283	927	2.30%	FALSE	
4010 9233	OUTSIDE AUDIT & ACCO	240,243	226,660	13,583	5.99%	FALSE	
4010 924	PROPERTY INSURANCE	263,498	181,238	82,260	45.39%	TRUE	
4010 9251	INJURIES AND	143,989	114,957	29,032	25.25%	TRUE	
4010 9252	GENERAL LIABILITY	354,586	475,585	(121,000)	-25.44%	TRUE	
4010 9261	EMPLOYEE PENSIONS	401,730	365,497	36,233	9.91%	FALSE	
4010 9262	EMPLOYEE BENEFITS- O	543,969	488,303	55,667	11.40%	TRUE	
4010 9263	RETIREE BENEFITS-POS	54,000	54,000	-	0.00%	FALSE	
4010 9264	401(K) EXPENSE COMPA	6,576	6,157	419	6.80%	FALSE	
4010 928	REGULATORY EXPS	254,283	133,967	120,316	89.81%	TRUE	
4010 9301	INSTITUTIONAL/GOODWI	-	-	-	#DIV/0!	#DIV/0!	
4010 9302	MISC GENERAL EXPENSES	82,000	79,227	2,773	3.50%	FALSE	
4010 93022	INDUSTRY ASSOCIATION	4,698	4,539	159	3.50%	FALSE	
4010 93023	ECONOMIC DEVELOPMENT	15,701	15,170	531	3.50%	FALSE	
4010 931	RENTS	8,685	8,490	195	2.30%	FALSE	
TOTAL OPERATION EXPENSES		7,112,342	6,367,322	745,020			

## DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION	Provide the changes in primary accounts that exceed 1/20th of one percent (.005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.	Type of Data Shown: Projected Test Year Ended: 12/31/2008 Prior Year Ended: 12/31/2007 Historical Year Ended: 12/31/2006 #N/A
COMPANY FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO. 070304-E1			

**MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)**

4020 570	MAINT STATION EQUIP	106,015	102,430	3,585	3.50%	FALSE
4020 571	MAINT OVERHEAD LINES	83,425	80,603	2,821	3.50%	FALSE
4020 573	MAINT MISC TRANS. PLT	477	461	16	3.50%	FALSE
4020 590	MAINT SUPER.ENG	163,309	146,674	16,635	11.34%	TRUE
4020 591	MAINT OF STRUCTURES	10,776	10,411	364	3.50%	FALSE
4020 592	MAINT OF STATION EQUIP	78,096	75,455	2,641	3.50%	FALSE
4020 5931	MAINT OF POLES/TOWER	267,489	46,044	221,445	480.94%	TRUE
4020 5932	MAINT OF OVERHEAD CO	1,452,986	1,032,586	420,401	40.71%	TRUE
4020 5933	MAINT OF SERVICES	147,576	137,755	9,821	7.13%	FALSE
4020 5941	MAINT OF UNDERGROUND	8,510	7,968	542	6.80%	FALSE
4020 5942	MAINT OF UNDERGRND L	152,766	143,039	9,727	6.80%	FALSE
4020 5951	MAINT OF LINE TRANSF	73,578	68,893	4,685	6.80%	FALSE
4020 5952	MAINT OF LINE TRANSF	7,958	7,451	507	6.80%	FALSE
4020 5953	MAINT OF LINE TRANSF	62,229	58,267	3,962	6.80%	FALSE
4020 596	MAINT OF STREET LIGHTS	56,003	52,438	3,566	6.80%	FALSE
4020 597	MAINT OF METERS	40,207	37,647	2,560	6.80%	FALSE
4020 598	MAINT OF MISC DISTR PLT	76,514	73,927	2,587	3.50%	FALSE
4020 935	MAINT OF GENERAL PLANT	181,134	167,932	13,203	7.86%	FALSE
<b>TOTAL MAINTENANCE EXPENSES</b>		<b>2,999,049</b>	<b>2,249,982</b>	<b>719,067</b>		
4030 0	DEPRECIATION EXPENSE	3,066,539	2,828,638	237,901	8.41%	
4080	TAXES OTHER THAN INCOME TAXES	4,325,834	4,016,076	309,758	7.71%	
4090/4110	INCOME TAXES	(1,378,823)	(331,606)	(1,047,217)	315.80%	
<b>TOTAL OPERATING EXPENSES</b>		<b>16,094,941</b>	<b>15,130,412</b>	<b>962,812</b>		

Recap Schedules

## DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:

Prior Year Ended 12/31/2007

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1) Vendor Name	(2) Counsel, Consultant, Or Witness	(3) Specific Services Rendered	(4) Fee (\$)	(5) Basis Of Charge	(6) Travel Expenses (\$)	(7) Other (\$)	(8) Total (4+6+7) (\$)	(9) Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	#####	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		#####	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING

B = COST OF CAPITAL

C = ENGINEERING

L = LEGAL

O = OTHER

R = RATE DESIGN

S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$423,780	4/4/2004	5 years	\$106,000	\$26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortization					#####

Supporting Schedules:

Recap Schedules:

## DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Vendor Name	Counsel, Consultant, Or Witness	Specific Services Rendered	Fee (\$)	Basis Of Charge	Travel Expenses (\$)	Other (\$)	Total (4+6+7) (\$)	Type of Services (a)
Christensen Associates	Consultant	MFR support, schedule preparation, testimony, rate case support	165,000	Bid, hourly, direct	20,000	25,000	210,000	A,B,C,O,R,S
Darryl Troy	Consultant	MFR support and schedule preparation, rate case support	30,000	Hourly		1,000	31,000	A
TOTAL OUTSIDE CONSULTANTS								
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES								
Various Vendors	Temporary Help	Accounting and operations related work	110,400	Hourly			110,400	A,C,O
Employees	Overtime Pay	Rate Case related work	28,000	Hourly			28,000	A,B,C,O,R,S
Various Vendors	Administrative, Other & Travel	Rate Case related work	92,600	Direct Costs			92,600	O
Various Vendors	Prior Unamortized RC	Rate Case related work	106,000	Various			106,000	O
TOTAL OTHER RATE CASE COSTS								
TOTAL RATE CASE COSTS							728,000	

(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

A = ACCOUNTING

B = COST OF CAPITAL

C = ENGINEERING

L = LEGAL

O = OTHER

R = RATE DESIGN

S = COST OF SERVICE

## SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Test Year Amortization
DOCKET NO.: 030438EI	\$423,780	4/4/2004	5 years	\$106,000	\$ 26,500
DOCKET NO.: 070304-EI	622,000	pending	4 years	652,000	155,500
Total Annual Rate Case Amortization					<u>\$182,000</u>

Supporting Schedules:

Recap Schedules:

## UNCOLLECTIBLE ACCOUNTS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

	(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Year	Write-Offs (Retail)	Gross Revenues From Sales Of Electricity (Retail)	Adjustments to Gross Revenues (Specify)	Adjusted Gross Revenues	Bad Debt Factor (2)/(5)
1.	2002	75,649	41,335,703	\$ -	\$ 41,335,703	0.1830%
2.	2003	77,141	39,478,461	-	\$ 39,478,461	0.1954%
3.	2004	76,668	40,424,735	\$ -	\$ 40,424,735	0.1897%
4.	2005	87,665	47,686,561	\$ -	\$ 47,686,561	0.1838%
5.	Total	317,123	168,925,460	\$ -	\$ 168,925,460	0.1877%
6.	2006 Test Year	87,213	47,452,526	\$ -	\$ 47,452,526	0.1838%
7.	prior Year 2007		53,115,151	\$ -	\$ 53,115,151	0.0000%
8.	Test Year 2008		61,822,965	\$ -	\$ 61,822,965	0.0000%

Calculation of the Bad Debt Component included in the Revenue Expansion Factor:

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of jurisdictional administrative, general, customer service, R & D, and other miscellaneous expenses by category and on a per customer basis for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account	Sub-Account	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2008	(3) Prior Year Ended 12/31/2007	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expenses	901-905		1,636,082	2,347,861	(711,779)	-30.32%
	Customer Service and Information Expense	906-910		417,172	403,063	14,109	n/a
	Sales Expenses	911-916		184,168	332,088	(147,920)	-44.54%
	Administrative and General Expenses	920-932		3,795,641	5,106,838	(1,311,197)	-25.68%
	Total Administrative Expense	901-932		6,033,063	8,189,850	(2,156,787)	-26.33%
	Average Number of Customers			31,370	30,999	371	1.20%
	Administrative Expense Per Customer			192	264	(72)	-27.21%

Supporting Schedules:

Recap Schedules:

## MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Amount
1				
2	Total Miscellaneous General			
3	Expenses of \$100,000 or Less			
4				
5	<b>ACCOUNT 930.2</b>			
6	9302 MISC. GENERAL EXPENS	79,227	100%	79,227
7	93022 INDUSTRY ASSOCIATION	4,539	100%	4,539
8	93023 ECONOMIC DEVELOPMENT	15,170	100%	15,170
9				
10	Miscellaneous General Expenses			
11	Exceeding \$100,000 (Specify)	-	100%	-
12				
13				
14	Total Miscellaneous General Expenses	98,936		98,936
15				
16	Average Number of Customers	30,999		30,999
17				
18	Miscellaneous General Expenses Per Customer	3.19		3.19

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of \$100,000 or Less			
	<b>ACCOUNT 930.2</b>			
	9302 MISC. GENERAL EXPENS	82,000	100%	82,000
	93022 INDUSTRY ASSOCIATION	4,698	100%	4,698
	93023 ECONOMIC DEVELOPMENT	15,701	100%	15,701
	Miscellaneous General Expenses Exceeding \$100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	102,399		102,399
	Average Number of Customers	31,370		31,370
	Miscellaneous General Expenses Per Customer	3.26		3.26

Supporting Schedules:

Recap Schedules:

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Junsdictional Factor	Amount (000)
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	10,083	100%	10,083
	Total Account 909		10,083		10,083
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	-	100%	-
	9133	SAFETY ADVERTISING	1,998	100%	1,998
	9134	OTHER INFO/INSTR/CON	16,332	100%	16,332
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		18,330		18,330
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		28,412		28,412
	Average Number of Customers		30,999		30,999
	Advertising Expenses per Customer		0.92		0.92

Supporting Schedules:

Recap Schedules: C7

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Amount (000)
	ACCOUNT 909				
	909	INFO & INSTRUCTIONAL	10,435	100%	10,435
	Total Account 909		10,435		10,435
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTISING	-	100%	-
	9132	CONSERVATION ADVERTISING	-	100%	-
	9133	SAFETY ADVERTISING	2,068	100%	2,068
	9134	OTHER INFO/INSTR/CON	16,904	100%	16,904
	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		18,971		18,971
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		29,407		29,407
	Average Number of Customers		31,370		31,370
	Advertising Expenses per Customer		0.94		0.94

Supporting Schedules:

Recap Schedules: C7

## ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended \_\_\_/\_\_\_/\_\_\_

Historical Test Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility (000)	Jurisdictional Factor	Amount (000)
	ACCOUNT 913				
	909	INFO & INSTRUCTIONAL	159,139	100%	159,139
	Total Account 909		159,139		159,139
	ACCOUNT 913				
	9131	PROMOTIONAL ADVERTIS	-	100%	-
	9132	CONSERVATION ADVERTI	1,537	100%	1,537
	9133	SAFETY ADVERTISING	8,224	100%	8,224
	9134	OTHER INFO/INSTR/CON	121,226	100%	121,226
	9135	COMMUNITY AFFAIRS AD	-	100%	-
	9136	OTHER ADVERTISING	-	100%	-
	Total Account 913		130,987		130,987
	ACCOUNT 930.1				
	9301	INSTITUTIONAL/GOODWILL	-	100%	-
	Total Account 930.1		-		-
	Total Advertising Expenses		290,126		290,126
	Average Number of Customers		31,370		31,370
	Advertising Expenses per Customer		9.25		9.25

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Electric Utility	Jurisdictional Factor	Amount
	93022 Industry Association	4,539	100%	4,539
1 Details	Southeastern Electric Exchange Inv 2057	3,420	100%	3,420
2 Details	Florida Electric Power Coordinating Group	1,034	100%	1,034
3 Details	32% of Florida Institute of Certified Public Accountants	85	100%	85
4				
5	Total Industry Association Dues	4,539	100%	4,539
6				
7				
8				
9				
10				
11	Average Number of Customers	31,004	100%	31,004
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.		Electric Utility	Jurisdictional	
	93022 Industry Association	4,697	100%	4,697
1 Details	Southeastern Electric Exchange Inv 2057	3,540	100%	3,540
2 Details	Florida Electric Power Coordinating Group	1,070	100%	1,070
3 Details	32% of Florida Institute of Certified Public Accountants	88	100%	88
4				
5	Total Industry Association Dues	4,697	100%	4,697
6				
7				
8				
9				
10				
11	Average Number of Customers	31,371	100%	31,371
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

OUTSIDE PROFESSIONAL SERVICES

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY: FLORIDA PUBLIC UTILITIES			
Consolidated Electric Division			
DOCKET NO.: 070304-EI			

Line No	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Test Year Costs
	Accounting			
	Financial			
	Engineering			
	Legal			
	Other (specify)			
	Total Outside Professional Services			\$ =====

Supporting Schedules:

Recap Schedules:

## PENSION COST

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the following information concerning pension cost for the test year, and the most recent historical year if the test year is projected.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	Description	Amount		
		Projected Test Year 2008	Projected Prior Year 2007	Historical Year 2006
1	Service Cost	1,195,000	1,130,000	1,225,495
2	Interest Cost	2,510,000	2,265,000	2,160,719
3	Actual Return on Assets	(2,564,617)	(2,440,000)	(3,977,806)
4	Net Amortization and Deferral	-	-	1,551,742
a	Amortization of Prior Service Cost	719,476	737,115	737,115
b	Curtailment	N/A	N/A	(97,858)
5	Total Net Periodic Pension Cost	1,859,859	1,692,115	1,599,407
6	For the Year:			
7	Amortization of Transition Asset or Obligation	-	-	-
8	Expected Return on Assets	2,585,867	2,440,000	2,426,064
9	Assumed Rate of Return on Plan Assets	0	0	0
10	Amortization of Transition Asset or Obligation	-	-	-
11	Percent of Pension Cost Capitalized	0	0	0
12	Pension Cost Recorded in Account 926	-	-	-
13	Minimum Required Contribution Per IRS	-	-	-
14	Maximum Allowable Contribution Per IRS	-	-	18,262,779
15	Actual Contribution Made to the Trust Fund	-	-	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	5.78%	8.00%	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated	Allocated	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll	Based on payroll	Based on payroll
20	At Year End:			
21	Accumulated Benefit Obligation	39,030,959	37,338,408	33,693,860
22	Projected Benefit Obligation	44,773,179	42,831,620	38,650,888
23	Vested Benefit Obligation	36,165,379	34,597,092	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0	0	0
25	Assumed Rate for Salary Increases	0	0	0
26	Fair Value of Plan Assets	38,170,000	36,900,000	35,635,214
27	Market Related Value of Assets	32,115,000	31,050,000	29,485,534
28	Balance in Working Capital (Specify Account No.)	-	-	-

## Supporting Schedules:

2006 Allocation Schedule - Approximately 29% of Pension Cost is allocated to the Electric Division  
 2007 Allocation Schedule - 27% of Pension Cost is allocated to the Electric Division

## Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,362
	4260.13	CIVIC AND SOCIAL	2,604
	<b>Total Civic and Charitable Contributions</b>		<b>13,966</b>
	4260.4	Lobbying & Other Political Expenses	171
	<b>Total Lobbying and Other Political Expenses and Charitable / Civic contributions</b>		<b>14,136</b>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,628
	4260.13	CIVIC AND SOCIAL	2,665
	<b>Total Civic and Charitable Contributions</b>		<b>14,294</b>
	4260.4	Lobbying & Other Political Expenses	175
	<b>Total Lobbying and Other Political Expenses and Charitable / Civic contributions</b>		<b>14,468</b>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule for each Amortization/Recovery amount  
by account or sub-account currently in effect or proposed  
and not shown on Schedule B-9.

COMPANY: FLORIDA PUBLIC UTILITIES

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Jim Mesite

Consolidated Electric Division

DOCKET NO.: 070304-EI

Total Amount of Amortization/Recovery: \$

Effective Date:

Amortization/Recovery Period:

Reason:

(1)	(2)	(3)	(4)
Line	Account/	Plant	Total
No.	Sub-account	Account	Amort/Recovery
	No.	Title	Expense

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 200? ARE SHOWN ON SCHEDULE B-??.

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 200? &amp; 200? ARE SHOWN ON SCHEDULE B-9.

Supporting Schedules:

Recap Schedules:

FLOPIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Type of Tax	(1)	(2)	(3)	(4)	(5)		(6)	(7)
		rate	Tax Basis (\$)	Total Amount	Amount Charged to Operating Expenses	Jurisdictional		Amount	Jurisdictional Amount Charged to Operating Expenses
						Factor			
1.	Federal Unemployment	0.008	3,019,705	24,158	1,405	100%		24,158	1,405
2.	State Unemployment	0.0129	3,019,705	38,954	1,073	100%		38,954	1,073
3.	FICA	0.0765	Payroll	2,593,572	258,198	100%		2,593,572	258,198
4.	Federal Vehicle	N/A	N/A	N/A	N/A	100%			
5.	State Intangible	N/A	N/A	N/A	N/A	100%			
6.	Utility Assessment Fee	0.00072	49,787,205	34,951	34,951	100%		34,951	34,951
7.	Property	Various	32,942,277	531,358	513,886	100%		531,358	513,886
8.	Gross Receipts	0.025	49,787,205	1,244,680	1,244,680	100%		1,244,680	1,244,680
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,000,119	2,000,119	100%		2,000,119	2,000,119
10.	Occupational License	N/A	N/A	N/A	N/A	100%			
11.	Other (Specify)	N/A	ACRS Depreciation	(8,261)	(8,261)	100%		(8,261)	(8,261)
	Emergency Excise Tax	Various	Various	634	634	100%		634	634
	Miscellaneous taxes								
12.	Total			6,460,164	4,046,684			6,460,164	4,046,684

Supporting Schedules: C7 C21

Recap Schedules: C1

FLOPIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Witness: Jim Mesite

Line No.	Type of Tax	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		rate	Tax Basis (\$)	Total Amount	Amount Charged to Operating Expenses	Jurisdictional		Jurisdictional Amount Charged to Operating Expenses
						FacileP	Amount	
1	Federal Unemployment	0.008	3,185,789	25,486	1,483	100%	25,486	1,483
2	State Unemployment	0.0129	3,185,789	41,097	1,132	100%	41,097	1,132
3	FICA	0.0765	Payroll	2,736,218	275,755	100%	2,736,218	275,755
4	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
5	State Intangible	N/A	N/A	N/A	N/A	100%		
6	Utility Assessment Fee	0.00072	58,358,819	40,968	40,968	100%	40,968	40,968
7	Property	Various	34,457,622	549,956	549,956	100%	549,956	549,956
8	Gross Receipts	0.025	58,358,819	1,458,970	1,458,970	100%	1,458,970	1,458,970
9	Franchise Fee	Various	Base, Fuel & Conservation Revenues	1,918,632	1,918,632	100%	1,918,632	1,918,632
10	Occupational License	N/A	N/A	N/A	N/A	100%		
11	Other (Specify)	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
	Emergency Excise Tax	Various	Various	656	613	100%	656	613
	Miscellaneous taxes							
12	Total			6,763,723	4,239,248		6,763,723	4,239,248

Supporting Schedules: C7 C21

Recap Schedules: C1

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a calculation of the Gross Receipt Tax  
and Regulatory Assessment Fee for the historical base year,  
historical base year + 1, and the test year.

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.		GROSS RECEIPTS TAX		
		HISTORICAL BASE YEAR 2006	HISTORICAL BASE YEAR + 1 2007	TEST YEAR 2008
1	TOTAL OPERATING REVENUES	48,527,214	53,824,459	62,525,744
2				
3	ADJUSTMENTS:			
4	Overrecoveries	(369,812)	-	-
5	Other Operating Revenues	(688,664)	(693,423)	(687,387)
6	Unbilled Revenues	(8,373)	(8,039)	(7,546)
7	Misc Electric Revenues	(7,847)	(7,846)	(7,846)
8	Gross Receipts Revenues & Franchise Fee	(3,197,750)	(3,327,946)	(3,464,146)
9				
10				
11	TOTAL ADJUSTMENTS	(4,272,446)	(4,037,253)	(4,166,925)
12				
13	ADJUSTED OPERATING REVENUES	44,254,768	49,787,205	58,358,819
14				
15	Gross Receipts Tax			
16	TAX RATE	2.50%	2.50%	2.50%
17	TAX AMOUNT	1,106,369	1,244,680	1,458,970
18	Adjustments	78,418	0	-
19	4080.2 State Gross Receipts	1,184,787	1,244,680	1,458,970
20				
21	Regulatory Assessment Fee			
22	TAX RATE	0.0720%	0.0702%	0.0702%
23	TAX AMOUNT	31,863	34,951	40,968
24	Adjustments	2,545	0	0
25	4080.3 FPSC Assessment	34,408	34,951	40,968

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-E1

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 1,915,652	\$ 1,915,652				
2	ADD INCOME TAX ACCOUNTS	176,145	176,145				
3	LESS INTEREST CHARGES (FROM C-23)	1,567,647	1,567,647				
4				(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 524,150	\$ 524,150				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(2,991,269)	(2,991,269)		2,991,269	2,991,269	
9	LESS TAX DEPRECIATION	2,450,742	2,450,742		(2,450,742)	(2,450,742)	
10	UNRECOVERED PURCHASE POWER/GAS	12,280	12,280		(12,280)	(12,280)	
11	OUTSIDE AUDIT FEES	1,224	1,224		(1,224)	(1,224)	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	43,610	43,610		(43,610)	(43,610)	
15	SELF INSURANCE RESERVE	(43,896)	(43,896)		43,896	43,896	
16	TAXABLE CONTRIBUTIONS	(118,761)	(118,761)		118,761	118,761	
17	PENSION COSTS	(395,708)	(395,708)		395,708	395,708	
18	VACATION PAY	(9,677)	(9,677)		9,677	9,677	
19	UNCOLLECTIBLES	11,347	11,347		(11,347)	(11,347)	
20	LOSS ON REACQUIRED DEBT	(5,593)	(5,593)		5,593	5,593	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(147,034)	(147,034)		147,034	147,034	
23	RATE CASE EXPENSE	(84,760)	(84,760)		84,760	84,760	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,280,134)	\$ (1,280,134)		\$ 1,262,162	\$ 1,262,162	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 1,807,563			\$ (1,262,162)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 99,416			\$ (69,419)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(154,283)			154,283		
41	Interest Sync and adjustment tax	101					
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (154,182)			\$ 154,283		
44							
45	STATE INCOME TAX	\$ (54,766)			84,864		

SUPPORTING SCHEDULES

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:  
Projected Test Year Ended    /    /  
Prior Year Ended            /    /  
Historical Test Year Ended   /    /  
Witness:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME ((L5+L28+L34-L37)state)		\$ 1,709,467			\$ (1,192,743)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 581,219			\$ (405,533)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(828,420)			828,420	
52	Interest Sync and adjustment tax		590				
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (827,830)			\$ 828,420	
58							
59	FEDERAL INCOME TAX		\$ (246,611)			\$ 422,887	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ (301,377)			\$ 507,751
64							
65	ITC AMORTIZATION			\$ (29,538)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(54,766)	(246,611)	(301,377)			
74	DEFERRED INCOME TAXES	84,864	422,887	507,751			
75	INVESTMENT TAX CREDITS, NET			(29,538)			
76	TOTAL INCOME TAX PROVISION	30,098	176,276	176,836			

SUPPORTING SCHEDULES

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 225,323	\$ 225,323				
2	ADD INCOME TAX ACCOUNTS	(797,325)	(797,325)				
3	LESS INTEREST CHARGES (FROM C-23)	1,489,405	1,489,405				
4				(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ (2,061,407)	\$ (2,061,407)				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(4,420,232)	(4,420,232)		4,420,232	4,420,232	
9	LESS TAX DEPRECIATION	3,736,516	3,736,516		(3,736,516)	(3,736,516)	
10	UNRECOVERED PURCHASE POWER/GAS	54,057	54,057		(54,057)	(54,057)	
11	OUTSIDE AUDIT FEES	(943)	(943)		943	943	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	52,996	52,996		(52,996)	(52,996)	
15	SELF INSURANCE RESERVE	(22,728)	(22,728)		22,728	22,728	
16	TAXABLE CONTRIBUTIONS	(122,220)	(122,220)		122,220	122,220	
17	PENSION COSTS	(352,683)	(352,683)		352,683	352,683	
18	VACATION PAY	(12,694)	(12,694)		12,694	12,694	
19	UNCOLLECTIBLES	(14,498)	(14,498)		14,498	14,498	
20	LOSS ON REACQUIRED DEBT	(7,953)	(7,953)		7,953	7,953	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(46,803)	(46,803)		46,803	46,803	
23	RATE CASE EXPENSE	(84,758)	(84,758)		84,758	84,758	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,244,582)	\$ (1,244,582)		\$ 1,226,610	\$ 1,226,610	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ (813,546)			\$ (1,226,610)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ (44,745)			\$ (67,464)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(166,296)			166,296		
41	Interest Sync and adjustment tax	126					
42	FASB 109 Amortization ARAM				(3,189)		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (166,170)			\$ 163,107		
44							
45	STATE INCOME TAX	\$ (210,915)			\$ 95,643		

SUPPORTING SCHEDULES:

RECAP SCHEDULES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

COMPANY

Type of Data Shown:  
 Projected Test Year Ended / /  
 Prior Year Ended / /  
 Historical Test Year Ended / /  
 Witness:

DOCKET NO.

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ (767,481)			\$ (1,159,146)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ (260,943)			\$ (394,110)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(878,904)			878,904	
52	Interest Sync and adjustment tax		736				
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (878,168)			\$ 878,904	
58							
59	FEDERAL INCOME TAX		\$ (1,139,111)			\$ 484,794	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES		\$ (1,350,026)			\$ 580,437	
64							
65	ITC AMORTIZATION		\$ (27,935)				
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(210,915)	(1,139,111)	(1,350,026)			
74	DEFERRED INCOME TAXES	95,643	484,794	580,437			
75	INVESTMENT TAX CREDITS, NET			(27,935)			
76	TOTAL INCOME TAX PROVISION	<u>(115,272)</u>	<u>(654,317)</u>	<u>(769,524)</u>			

SUPPORTING SCHEDULES

RECAP SCHEDULES

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
 FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$	1,916,795	\$			
2	ADD INCOME TAX ACCOUNTS						
3	LESS INTEREST CHARGES (FROM C-23)		1,567,647				
4							
5	TAXABLE INCOME PER BOOKS	\$	349,148	\$			
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION						
9	LESS TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)				\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)				\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:  
\_\_\_\_ Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
\_\_\_\_ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
\_\_\_\_ Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Witness \_\_\_\_\_

COMPANY

DOCKET NO

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34+L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							
52	WRITE OFF OF EXCESS DEFERRED TAXES					\$	
53							
54	OTHER ADJUSTMENTS (LIST)						
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$			\$	
58							
59	FEDERAL INCOME TAX		\$			\$	
60							
61	ITC AMORTIZATION					\$	
62						\$	
63							
64							
65							
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>			
73	CURRENT TAX EXPENSE						
74	DEFERRED INCOME TAXES						
75	INVESTMENT TAX CREDITS, NET						
76	TOTAL INCOME TAX PROVISION						

SUPPORTING SCHEDULES

RECAP SCHEDULES

## INTEREST IN TAX EXPENSE CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION

## 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		(1) Prior Year Ended 2007	(2) Test Year Ended 2008
		Account		
1.	Interest on Long Term Debt (1)	4270.1	1,277,132	1,173,525
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	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:

PARENT(S) DEBT INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If a projected test period is used, provide on both a projected and historical basis.	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
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock				
4.	Common Equity				
5.	Deferred Income Tax		Not Applicable		
6.	Investment Tax Credits				
7.	Other (specify)				
8.	Total	\$	100.00%		%
9.	Weighted cost of parent debt x 38.575% (or applicable consolidated tax rate) x equity of subsidiary				= %

Supporting Schedules:

Recap Schedules:

## DEFERRED TAX ADJUSTMENT

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

To provide information required to present the excess/deficient deferred tax balances due to protected and unprotected timing differences at statutory tax rates different from the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line  
No.

Protected

Unprotected

Total  
(Excess/Deficient)

1.	Balance at Beginning of the Historical Year	16289924	1657563	17947487
2.	Historical Year Amortization	2202805	217860	2420665
3.	Balance at Beginning of Historical Year + 1	14087119	1439703	15526822
4.	Historical Year + 1 Amortization	2202805	217860	2420665
5.	Balance at Beginning of Projected Test Year	11884314	1221843	13106157
6.	Projected Test Year Amortization	2202805	217860	2420665
7.	Balance at End of Projected Test Year	9681509	1003983	10685492

\* 2006 -2008 is estimate based on 2005 actual schedules

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a copy of the company's most recent consolidated Federal Income Tax Return, State Income Tax Return and most recent final IRS revenue agent's report.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers.	Type of Data Shown: Projected Test Year Ended 12/31/2008 Prior Year Ended 12/31/2007 Historical Year Ended 12/31/2006 Witness: Mehrdad Khojasteh
COMPANY:FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI			

There are no specific tax benefits or detriments in filing a consolidated tax return versus individual company returns.  
There are no existing tax-sharing agreements with affiliated companies.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the requested miscellaneous tax information.

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2007  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

1. For profit and loss purposes, which IRC section 1552 method is used for tax allocation?

2. What tax years are open with the IRS?

The Company's tax returns are available for staff review at the General Office Complex.

3. For the last three tax years, what dollars were paid to or received from the parent for federal income taxes?

4. How were the amounts in (3) treated?

5. For each of the last three years, what was the dollar amount of interest deducted on the parent ONLY tax return?

6. Complete the following chart for the last three years:

Income (loss)

	Book Basis Year			Tax Basis Year		
	1	2	3	1	2	3
Parent Only						
Applicant Only						
Total Group						
Total Group Excluding Parent & Applicant						

Supporting Schedules:

Recap Schedules:

GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY

FLORIDA PUBLIC SERVICE COMMISSION  
  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on deposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/___
No gains or losses in excess of \$1 million.												

Supporting Schedules:

Recap Schedules:

TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION  
  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule detailing transactions with affiliated companies and related parties for the test year including intercompany charges, licenses, contracts and fees.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Name of Company or Related Party	Relation to Utility	Type of Service Provided or Received	Effective Contract Date	Charge or Credit During Year		Amount Included in Test Year	Allocation Method Used to Allocate Charges Between Companies
					Amount (000)	Acct. No.		

All transactions are allocated if they affect affiliated operations.

Supporting Schedules:

Recap Schedules:

AFFILIATED COMPANY RELATIONSHIPS

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide a copy of the Diversification Report included in the company's most recently filed Annual Report as required by Rule 25-6.135, Florida Administrative Code. Provide any subsequent changes affecting the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Not Applicable

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide an analysis of all non-utility operations such as orange groves, parking lots, etc. that utilized all or part of any utility plant that are not included in Schedule C-31.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line Number	Account Number	Description	Original Purchase Cost	Test Year Revenues (All Accts. 454)	Expense Amounts	Net Revenues
		NONE				

Supporting Schedules:

Recap Schedules:

Schedule C-33

## PERFORMANCE INDICES

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Prior Year Ended 12/31/2006  
Historical Prior Years 2002 - 2005  
Witness Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)							
Power Production Expense							
Transmission Expenses	2.21	2.00	1.09	4.25	6.36	7.68	8.53
Distribution Expenses	75.34	76.41	85.11	96.85	92.36	102.73	128.14
Customer Account Expenses	38.04	42.46	42.86	40.55	43.48	45.31	52.15
Customer Service Expenses	16.73	12.99	12.80	15.67	14.90	403063.371	417172.3514
Sales Expenses	0.11	0.32	0.72	0.79	4.71	5.74	5.87
Administration & General Expenses	73.03	86.08	91.89	98.23	104.79	116.53	115.15
Total Other O & M Expenses	205.46	220.27	234.47	256.34	266.59	403,341.36	417,482.21
GROWTH INDICES							
Consumer Price Index	179.90	184.00	188.90	195.30	201.60	205.97	210.64
Average Customer	29,084	29,365	29,885	30,232	30,623	30,999	31,370
CPI Percent Increase	0.02	0.02	0.03	0.03	0.03	0.02	0.02
Average Customer Percent Increase	0.02	0.01	0.02	0.01	0.01	0.01	0.01
Index Percent CPI x Customer Growth	0.03	0.03	0.04	0.05	0.05		
Average Customer Increase	522	281	520	347	391	376	371
DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR							
O & M Expense Less Fuel per KWH Sold	0.00806	0.00894	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	n/a	n/a
Revenue per KWH Sold	0.01533	0.01606	0.01721	0.01725	0.01674	0.01709	0.01764
AVERAGE NUMBER OF CUSTOMERS							
Residential	1 n/a	1 n/a	22,878	23,119	23,464	23,756	24,058
Commercial	1 n/a	1 n/a	4,036	4,097	4,131	4,178	4,226
Industrial	1 n/a	1 n/a	2	2	2	2	2
Outdoor Lights	1 n/a	1 n/a	2,947	2,995	3,007	3,044	3,065
Street Lighting	1 n/a	1 n/a	22	19	19	19	19
Interdepartmental	1 n/a	1 n/a	0	0	0	0	0
Total	29,084	29,365	29,885	30,232	30,623	30,999	31,370

1 Lights incorporated with different rate classes prior to 2004 rate case

KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616
-----------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules

Recap Schedules

C-34

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following statistical data for the company,  
by calendar year for the most recent 5 historical years.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EIPrior Year Ended 12/31/2006  
Historical Prior Years 2002 - 2005  
Witness: Mark Cutshaw, Doreen Cox

	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Average Annual Growth Rate
THE LEVEL AND ANNUAL GROWTH RATES FOR:						
Peak Load MW	154	185	171	164	197	7.19%
Peak Load Per Customer (KW)	5	6	6	5	6	5.84%
Energy Sales (MWH)	741,038	723,823	766,349	814,353	849,124	3.52%
Energy Sales Per Customer	25	25	26	27	28	2.19%
Number of Customers (Average)	29,084	29,365	29,885	30,232	30,623	1.30%
Installed Generating Capacity (MW)	n/a	n/a	n/a	n/a	n/a	n/a
Population of Service Area	n/a	n/a	n/a	n/a	n/a	n/a
End of Year Miles of Distribution Lines	1,047	1,053	1,067	1,073	1,081	0.81%
End of Year Miles of Jurisdictional Transmission Lines	22	22	22	22	22	0.00%
Supporting Schedules:	Recap Schedules:					



## PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

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

Type of Data Shown:  
Historical Year Ended 12/31/05  
Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	12/31/2006			12/31/2007		
	Amount	%Increase	CPI	Amount	%Increase	CPI
<u>Total Company Basis</u>						
Gross Payroll	17,122,023	N/A	3.20%	17,122,023	0.00%	2.17%
Gross Average Salary	47,683	N/A	3.20%	47,683	0.00%	2.17%
<u>Fringe Benefits</u>						
Life Insurance	102,596	N/A	3.20%	102,596	0.00%	2.17%
Medical Insurance	1,726,200	N/A	3.20%	1,726,200	0.00%	2.17%
Retirement Plan - Pension	1,363,590	N/A	3.20%	1,363,590	0.00%	2.17%
Retirement Plan - Medical	190,000	N/A	3.20%	190,000	0.00%	2.17%
Employee Savings Plan	N/A	N/A	3.20%	N/A	#VALUE!	2.17%
Federal Insurance Contributions Act	2,458,362	N/A	3.20%	2,458,362	0.00%	2.17%
Federal & State Unemployment Taxes	59,821	N/A	3.20%	59,821	0.00%	2.17%
Worker's Compensation	14,981	N/A	3.20%	14,981	0.00%	2.17%
Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
Employee Stock Purchase Plan	66,564	N/A	3.40%	66,564	0.00%	2.17%
Sub Total-Fringes	5,982,114	N/A	3.40%	5,982,114	0.00%	2.17%
Total Payroll and Fringes	23,104,137	N/A	3.40%	23,104,137	0.00%	2.17%
Average Employees	359	N/A	3.40%	359	0.00%	2.17%
Payroll and Fringes Per Employee	64,342	N/A	3.40%	64,342	0.00%	2.17%

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:

Historical Year Ended 12/31/05

Historical Year Ended 12/31/06

COMPANY: Florida Public Utilities Company  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Witness: Mehrdad Khojasteh

Line No.	12/31/2007			12/31/2008		
	Amount	%Increase	CPI	Amount	%Increase	CPI
<u>Total Company Basis</u>						
Gross Payroll	17,122,023	N/A	2.17%	17,122,023	0.00%	2.27%
Gross Average Salary	47,683	N/A	2.17%	47,683	0.00%	2.27%
<u>Fringe Benefits</u>						
Life Insurance	102,596	N/A	2.17%	102,596	0.00%	2.27%
Medical Insurance	1,726,200	N/A	2.17%	1,726,200	0.00%	2.27%
Retirement Plan - Pension	1,363,590	N/A	2.17%	1,363,590	0.00%	2.27%
Retirement Plan - Medical	190,000	N/A	2.17%	190,000	0.00%	2.27%
Employee Savings Plan	N/A	N/A	2.17%	N/A	N/A	2.27%
Federal Insurance Contributions Act	2,458,362	N/A	2.17%	2,458,362	0.00%	2.27%
Federal & State Unemployment Taxes	59,821	N/A	2.17%	59,821	0.00%	2.27%
Worker's Compensation	14,981	N/A	2.17%	14,981	0.00%	2.27%
Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
Employee Stock Purchase Plan	66,564	N/A	2.17%	66,564	0.00%	2.27%
Sub Total-Fringes	5,982,114	N/A	2.17%	5,982,114	0.00%	2.27%
Total Payroll and Fringes	23,104,137	N/A	2.17%	23,104,137	0.00%	2.27%
Average Employees	359	N/A	2.17%	359	0.00%	2.27%
Payroll and Fringes Per Employee	64,342	N/A	2.17%	64,342	0.00%	2.27%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a comparison of the change in operation and maintenance expenses (excluding fuel) for the last three years and the test year to the CPI.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

	2004	2005	2006	19__
Non-Fuel Operations & Maintenance Expenses (Excluding Conservation, Adjusted for Regulatory Adjustments).			15,413,166	
Percent Change in Non-Fuel Operations & Maintenance Expense Over Previous Year.			#DIV/0!	
Percent Change in CPI Over Previous Year.				
Difference Between Change in CPI and Non-Fuel Operations & Maintenance Expense.				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For test year functionalized O & M expenses,  
provide the benchmark variances.COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No.	(1) Function	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Adjusted Benchmark Variance
		Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	
1.	Production - Steam	NA								
2.	Production - Nuclear	NA								
3.	Production - Other	-	-	-	-	-	-	-		
4.	Transmission	75,481	-	75,481	65,207	1.3071	85,232	(9,751)		(9,751)
5.	Distribution	293,702	-	293,702	2,364,635	1.3071	3,090,814	(2,797,112)		(2,797,112)
6.	Customer Accounts	163,883	-	163,883	1,388,756	1.3071	1,815,243	(1,651,360)		(1,651,360)
7.	Customer Service and Information	NA								
8.	Sales Expenses	18,444	-	18,444	2,708	1.3071	3,540	14,904		14,904
9.	Administrative and General	416,329	-	416,329	2,286,653	1.3071	2,988,884	(2,572,555)		(2,572,555)
10.	Total	967,839	-	967,839	967,839		7,983,713	(7,015,874)	-	(7,015,874)

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For test year functionalized O & M expenses,  
provide the benchmark variances.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line No.	Function	Test Year Total Company Per Books 2006	O & M Adjustments 2006	Adjusted Test Year O & M 2006	Base Year Adjusted O & M 2002	Compound Multiplier	Historic Year Benchmark (5) x (6)	Unadjusted Benchmark Variance (4) - (7)	Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam	NA								
2.	Production - Nuclear	NA								
3.	Production - Other	-	-	-	-	-	-	-		
4.	Transmission	79,617	-	79,617	65,207	1.3071	85,232	(5,615)		(5,615)
5.	Distribution	364,754	-	364,754	2,364,635	1.3071	3,090,814	(2,726,061)		(2,726,061)
6.	Customer Accounts	184,275	-	184,275	1,388,756	1.3071	1,815,243	(1,630,968)		(1,630,968)
7.	Customer Service and Information	NA								
8.	Sales Expenses	19,089	-	19,089	2,708	1.3071	3,540	15,549		15,549
9.	Administrative and General	462,784	-	462,784	2,286,653	1.3071	2,988,884	(2,526,100)		(2,526,100)
10.	Total	1,110,520	-	1,110,520	1,110,520		7,983,713	(6,873,194)	-	(6,873,194)

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For test year functionalized O & M expenses,  
provide the benchmark variances.COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No.	(1) Function	(2) Test Year Total Company Per Books 2006	(3) O & M Adjustments 2006	(4) Adjusted Test Year O & M 2006	(5) Base Year Adjusted O & M 2002	(6) Compound Multiplier	(7) Historic Year Benchmark (5) x (6)	(8) Unadjusted Benchmark Variance (4) - (7)	(9) Unadjusted Benchmark Variance Excluding:	Adjusted Benchmark Variance
1.	Production - Steam									
2.	Production - Nuclear									
3.	Production - Other									
4.	Transmission	194,697	-	194,697	65,207	1.3071	85,232	109,465		109,465
5.	Distribution	2,828,336	-	2,828,336	2,364,635	1.3071	3,090,814	(262,478)		(262,478)
6.	Customer Accounts	1,331,423	-	1,331,423	1,388,756	1.3071	1,815,243	(483,820)		(483,820)
7.	Customer Service and Information	456,161	-	456,161						
8.	Sales Expenses	144,236	-	144,236	2,708	1.3071	3,540	140,696		140,696
9.	Administrative and General	3,208,858	-	3,208,858	2,286,653	1.3071	2,988,884	219,974		219,974
10.	Total	8,163,711	-	8,163,711	8,163,711		7,983,713	(276,163)	-	(276,163)

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the detail of adjustments made to test year per books  
O & M expenses by function.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Line No.	Function	(000) Adjustment	Explanation
1	Production	0	
2			
3			
4			
5			
6			
7	Total Production	0	
8			
9	Other Power Supply	0	
10			
11	Transmission	0	
12			
13	Distribution	0	
14			
15	Customer Accounts	0	
16			
17	Customer Service and		
18	Information	0	
19			
20	Sales Expenses		
21		0	
22	Administrative & General		
23			
24			
25			
26	Total Administrative & General		
27			
28			
29	TOTAL ADJUSTMENTS	0	

Supporting Schedules:

Recap Schedules:

## BENCHMARK YEAR RECOVERABLE O &amp; M EXPENSES BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED ELECTRIC DIVISION  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide adjustments to benchmark year O & M expenses related to expenses recoverable through mechanisms other than base rates. Explain any adjustments.

Type of Data Shown:

\_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 \_\_\_ X Prior Year Ended \_12/31/02  
 \_\_\_ Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 Witness:

Line No.	Function	Benchmark Year Actual O & M \$	Adjustments for Non-Base Rate Expense Recoveries	\$	Benchmark Year Adjusted O & M \$
1	PRODUCTION - STEAM	0		0	0
2	PRODUCTION - NUCLEAR	0		0	0
3	OTHER POWER SUPPLY EXPENSES	26,497,852	PURCHASED POWER RECOVERY CLAUSE	(26,497,852)	0
4	TRANSMISSION	65,207		0	65,207
5	DISTRIBUTION	2,364,635		0	2,364,635
6	CUSTOMER ACCOUNTS	1,388,756		0	1,388,756
7	CUSTOMER SERVICE AND INFORMATION	488,107	CONSERVATION RECOVERY CLAUSE	(488,107)	0
8	SALES EXPENSE	2,708		0	2,708
9	ADMINISTRATIVE AND GENERAL	2,286,653		0	2,286,653
10	TOTAL	<u>33,093,918</u>		<u>(26,985,959)</u>	<u>6,107,959 (1)</u>

(1) INCLUDES FIGURES AS FILED LAST RATE CASE PLUS FPSC AJUSTMENTS MADE PER ORDER NO. PSC-04-0369-AS-EI.

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each year since the benchmark year, provide the amounts and percent increases associated with customers and average CPI. Show the calculation for each compound multiplier.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

Year	Total Customers			Average CPI-U (1967 = 100)			Inflation and Growth Compound Multiplier
	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	
2002	26,266		1.0000	179.9		1.0000	1.0000
2003	26,797	2.02%	1.0202	184.0	2.28%	1.0228	1.0435
2004	29,891	11.55%	1.138	188.9	2.66%	1.0500	1.1949
2005	30,243	1.18%	1.1514	195.3	3.39%	1.0856	1.2500
2006	30,636	1.30%	1.1664	201.6	3.23%	1.1206	1.3071

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY  
 CONSOLIDATED ELECTRIC DIVISION  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:  
 \_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
 \_\_\_ Prior Year Ended \_\_\_/\_\_\_/\_\_\_  
X Historical Test Year Ended 12/31/06  
 Witness: M. KHOJASTEH

FERC ACCOUNTS: 911 - 917

FERC FUNCTIONAL GROUP: SALES EXPENSE

	AMOUNT
TEST YEAR ADJUSTED	144,236
BENCHMARK	3,540
VARIANCE TO JUSTIFY	140,696

LINE NO.	JUSTIFICATION NO.	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	S-1	INFORMATIONAL ADV.-PURCH. POWER -ACCT 9134	0	0	120,402	120,402
2	S-2	CUSTOMER SATISFACTION SURVEY - ACCT 916	0	0	12,332	12,332
3	S-3	SAFETY ADVERTISING - ACCT 9133	774	1,012	8,224	7,212
4	S-4	PROMOTIONAL ADVERTISING - ACCT 9132	0	0	1,537	1,537

## JUSTIFICATION

S-1	INFORMATIONAL ADVERTISING RE: INCREASE IN PURCHASED POWER COSTS- VENDOR: CURLEY & PYNN
S-2	SURVEY OF ELECTRIC CUSTOMERS AND THEIR EXPECTATIONS. AWARENESS OF POWER COSTS INCREASES AND WHERE WE CAN BETTER COMMUNICATE RATE AND CONSERVATION INFORMATION.
S-3	STORM PREPARATION INFORMATIONAL ADVERTISING
S-4	CONSERVATION ITEMS WHICH DID NOT QUALIFY FOR RECOVERY THROUGH THE CONSERVATION RECOVERY CLAUSE.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:

Projected Test Year Ended 12/31/2

Prior Year Ended 12/31/2007

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	2.5000%
3.	Regulatory Assessment Rate	0.7200%
4.	Bad Debt Rate	0.1877%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.5923%
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	5.3126%
8.	Net Before Federal Income Tax (5) - (7)	91.2797%
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	31.0351%
11.	Revenue Expansion Factor (8) - (10)	60.2446%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:

### Projection Factors

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2006-2008</u>
0 No Change	100	100	100
1 Inflation	102.2	102.3	104.6
5 Payroll	105.5	105.5	111.3
2 Customer Growth	101.2	101.2	102.4
6 Sales (KWH) - No Price	100.2	100.9	101.1
13 Inflation & Customer Growth	103.4	103.5	107.0
21 Inflation & Payroll	107.8	107.9	116.3
16 Payroll & Customer Growth	106.8	106.8	114.1
20 Direct	Direct	Direct	Direct
9 Revenues	100	100	100
19 Zero Balance	0	0	0

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Outlook User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Outlook Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My EXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ansfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
at on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Friday, August 17, 2007 10:41 AM  
**To:** Cox Doreen; Khojasteh Mehrdad; Mesite Jim; Troy Darryl  
**Subject:** FW: Latest version of G's  
**Attachments:** G-MFRS-8-17-08-NoLinks.xls

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Friday, August 17, 2007 10:31 AM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl  
**Subject:** Latest version of G's

Doreen: I think you had these already, but if not here is the latest version.

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

## Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,531
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,934
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6075
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,784

Supporting Schedules: G-2, G-19a, G-7, G-18

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Non-regulated Propane Operations	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 Eliminate Interest Bearing Cash Per 2003 Rate Case Proceeding								(24,312)		(24,312)
7 Eliminate 1/2 Deferred Rate Case Expense Per 2003 Rate Case								(116,540)		(116,540)
8 Eliminate Fuel Under-Recover Per 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
14										
15 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241
16										
17										
18 * Includes Account 2520 - Customer Advances for Construction										

Supporting Schedules: B-1 (2006), G3

Recap Schedules: G-1



## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO : 070304-EI

List and explain all proposed adjustments to the 13-month average rate base for the interim test year.

List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supporting Schedules: B-3 (2006)

Recap Schedules: G-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Electric Plant in Service:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	74,148	74,148	74,148	100%
10	Structure and Improvements	22,007	22,007	22,007	100%
11	Station Equipment	2,414,632	2,414,632	2,414,632	100%
12	Towers & Fixtures	224,665	224,665	224,665	100%
13	Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
14	O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	6,788	6,788	6,788	100%
17	Total Transmission	6,947,302	6,947,302	6,947,302	100%
18	Distribution:				
19	Land and Land Rights	32,878	32,878	32,878	100%
20	Structure and Improvements	96,042	96,042	96,042	100%
21	Station Equipment	5,673,433	5,673,433	5,673,433	100%
22	Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
23	O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
24	U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
25	U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
26	Line Transformers	12,830,071	12,830,071	12,830,071	100%
27	Services	8,005,494	8,005,494	8,005,494	100%
28	Meters	3,335,843	3,335,843	3,335,843	100%
29	Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
30	Street Lighting	1,177,470	1,177,470	1,177,470	100%
31	Total Distribution	58,317,743	58,317,743	58,317,743	100%
32	General Plant	5,522,761	5,522,761	5,522,761	100%
33	Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
34	Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
35	Adjustments	(67,783)	(67,783)	(67,783)	100%
36	Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Accumulated Depreciation:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
10	Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
11	Station Equipment	(581,595)	(581,595)	(581,595)	100%
12	Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
13	Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
14	O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	(3,785)	(3,785)	(3,785)	100%
17	Total Transmission	(2,126,145)	(2,126,145)	(2,126,145)	100%
18	Distribution:				
19	Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
20	Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
21	Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
22	Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
23	O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
24	U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
25	U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
26	Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
27	Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
28	Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
29	Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
30	Street Lighting	(438,848)	(438,848)	(438,848)	100%
31	Total Distribution	(25,612,714)	(25,612,714)	(25,612,714)	100%
32	General Plant	(3,075,994)	(3,075,994)	(3,075,994)	100%
33	Total Electric Accumulated Depreciation	(30,814,853)	(30,814,853)	(30,814,853)	100%
34	Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
35	Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
36	Adjustments	33,370	33,370	33,370	100%
37	Total Accumulated Reserve	(32,165,112)	(32,165,112)	(32,165,112)	100%
1	NET PLANT IN SERVICE	40,143,088	40,143,088	40,143,088	100%
2	CWIP:				
3	Production	-	-	-	
4	Transmission	12,803	12,803	12,803	100%
5	Distribution	1,067,683	1,067,683	1,067,683	100%

3165

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
6	Customer Accounts	-	-	-	
7	General	296,070	296,070	296,070	100%
8	Customer Services	-	-	-	
9	Allocated Common	85,048	85,048	85,048	100%
10	Adjustments	(7,343)	(7,343)	(7,343)	100%
11	Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%
12	CWIP - NOT BEARING INTEREST				
13	Production				
14	Transmission				
15	Distribution				
16	Total CWIP Not Bearing Interest				
17	PLANT HELD FOR FUTURE USE				
18	UNAMORTIZED NUCLEAR SITE				
19	WORKING CAPITAL				
20	Net of Current Assets and Current Liabil	1,687,010	1,687,010	1,687,010	100%
21	Preliminary Survey and Investigation Ch	-	-	-	
22	Prepayments	270,889	270,889	270,889	100%
23	Clearing Accounts	-	-	-	
24	Unamortized Deferred O & M	-	-	-	
25	Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
26	Property Insurance Reserves				
27	Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
28	Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
29	Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
30					
31	Total Adjusted Rate Base	<u>38,057,242</u>	<u>38,057,242</u>	<u>38,057,242</u>	100%

Supporting Schedules: B-6 (2006), G-2, G-19-a, G-7, G-18

Recap Schedules: G2

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Electric Plant in Service:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	74,148	74,148	74,148	100%
10	Structure and Improvements	22,007	22,007	22,007	100%
11	Station Equipment	2,414,632	2,414,632	2,414,632	100%
12	Towers & Fixtures	224,665	224,665	224,665	100%
13	Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
14	O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	6,788	6,788	6,788	100%
17	Total Transmission	6,947,302	6,947,302	6,947,302	100%
18	Distribution:				
19	Land and Land Rights	32,878	32,878	32,878	100%
20	Structure and Improvements	96,042	96,042	96,042	100%
21	Station Equipment	5,673,433	5,673,433	5,673,433	100%
22	Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
23	O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
24	U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
25	U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
26	Line Transformers	12,830,071	12,830,071	12,830,071	100%
27	Services	8,005,494	8,005,494	8,005,494	100%
28	Meters	3,335,843	3,335,843	3,335,843	100%
29	Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
30	Street Lighting	1,177,470	1,177,470	1,177,470	100%
31	Total Distribution	58,317,743	58,317,743	58,317,743	100%
32	General Plant	5,522,761	5,522,761	5,522,761	100%
33	Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
34	Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
35	Adjustments	(67,783)	(67,783)	(67,783)	100%
36	Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Accumulated Depreciation:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
10	Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
11	Station Equipment	(581,595)	(581,595)	(581,595)	100%
12	Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
13	Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
14	O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	(3,785)	(3,785)	(3,785)	100%
17	Total Transmission	(2,126,145)	(2,126,145)	(2,126,145)	100%
18	Distribution:				
19	Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
20	Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
21	Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
22	Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
23	O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
24	U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
25	U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
26	Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
27	Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
28	Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
29	Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
30	Street Lighting	(438,848)	(438,848)	(438,848)	100%
31	Total Distribution	(25,612,714)	(25,612,714)	(25,612,714)	100%
32	General Plant	(3,075,994)	(3,075,994)	(3,075,994)	100%
33	Total Electric Accumulated Depreciation	(30,814,853)	(30,814,853)	(30,814,853)	100%
34	Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
35	Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
36	Adjustments	33,370	33,370	33,370	100%
37	Total Accumulated Reserve	(32,165,112)	(32,165,112)	(32,165,112)	100%

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	NET PLANT IN SERVICE	40,143,088	40,143,088	40,143,088	100%
2	CWIP:				
3	Production	-	-	-	
4	Transmission	12,803	12,803	12,803	100%
5	Distribution	1,067,683	1,067,683	1,067,683	100%
6	Customer Accounts	-	-	-	
7	General	296,070	296,070	296,070	100%
8	Customer Services	-	-	-	
9	Allocated Common	85,048	85,048	85,048	100%
10	Adjustments	(7,343)	(7,343)	(7,343)	100%
11	Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%
12	CWIP - NOT BEARING INTEREST				
13	Production				
14	Transmission				
15	Distribution				
16	Total CWIP Not Bearing Interest				
17	PLANT HELD FOR FUTURE USE				
18	UNAMORTIZED NUCLEAR SITE				
19	WORKING CAPITAL				
20	Net of Current Assets and Current Liabil	1,687,010	1,687,010	1,687,010	100%
21	Preliminary Survey and Investigation Ch	-	-	-	
22	Prepayments	270,889	270,889	270,889	100%
23	Clearing Accounts	-	-	-	
24	Unamortized Deferred O & M	-	-	-	
25	Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
26	Property Insurance Reserves				
27	Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
28	Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
29	Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
30					
31	Total Adjusted Rate Base	<u>38,057,242</u>	<u>38,057,242</u>	<u>38,057,242</u>	100%

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5		Commission Adjustments:					
6	1860.1	Eliminate 1/2 Rate Case Deferral	(116,540)		(116,540)	100%	(116,540)
7	1860.21	Eliminate Fuel Under-recover	(1,716,749)		(1,716,749)	100%	(1,716,749)
8	1310.8	Eliminate Interest Bearing Cash	(24,312)		(24,312)	100%	(24,312)
9							
10		Adjusted Current and	5,728,901	-	5,728,901		5,728,901
11		Accrued Assets					
12							
13		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
14		Liabilities					
15							
16		Adjustments to Current and					
17		Accrued Liabilities					
18		NONE					
19							
20		Adjusted Current and					
21		Accrued Liabilities	(9,269,008)	-	(9,269,008)		(9,269,008)
22							
23		Working Capital Allowance	(3,540,107)	-	(3,540,107)		(3,540,107)
24							
25		Unbilled Revenue					
26		Adjustments (Specify)	-	-	-	100%	-
27							
28		Adjusted Working Capital					
29		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Prior Year Ended 12/31/2007  
 Projected Test Year Ended 12/31/2008  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance Units / (\$000) / \$ / Unit	Receipts Units / (\$000) / \$ / Unit	Fuel Issued to Generation Units / (\$000) / \$ / Unit	Fuel Issued (Other) Units / (\$000) / \$ / Unit	Inventory Adjustments Units / (\$000) / \$ / Unit	Ending Balance Units / (\$000) / \$ / Unit	13 Month Average Units / (\$000) / \$ / Unit (See Note 1)
-------	-----------	--	---	--	--	--	---	---

Not Applicable

System Coal  
 Inventory Petcoke  
 Residual Oil  
 Distillate Oil  
 Natural Gas  
 Biomass  
 Other \_\_\_\_\_

Note 1 - Applicable only to system fuel inventory balances.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,021)	17,093,505
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	<u>48,527,231</u>	-	<u>48,527,231</u>	100%	<u>48,527,231</u>	<u>(31,118,924)</u>	<u>17,408,307</u>
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	<u>46,019,602</u>	-	<u>46,019,602</u>	100%	<u>46,019,602</u>	<u>(31,087,826)</u>	<u>14,931,776</u>
18. Net Operating Income	<u>2,507,629</u>		<u>2,507,629</u>		<u>2,507,629</u>	<u>(31,098)</u>	<u>2,476,531</u>

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,021)												(30,359,021)	17,093,505
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	<u>48,527,231</u>	<u>(31,118,924)</u>												<u>(31,118,924)</u>	<u>17,408,307</u>
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	<u>46,019,602</u>	<u>(31,087,826)</u>												<u>(31,087,826)</u>	<u>14,931,776</u>
18. Net Operating Income	<u>2,507,629</u>	<u>(31,098)</u>												<u>(31,098)</u>	<u>2,476,531</u>

Supporting Schedules: G-9

Recap Schedules: G-7

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: List and explain all proposed adjustments to Net Operating Income for the Interim Test Year. List adjustments included in the last case that are not proposed in the interim test year and the reasons for excluding them.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Company	Eliminate Fuel Revenues	(30,359,021)	100%	(30,359,021)
2					
3	Other Revenue/Fuel & Conservation O/U - Company	Eliminate Conservation and Fuel O/U and Conservation Revenues	(759,903)	100%	(759,903)
4					
5	Operating Expense - Company	Eliminate Fuel Expenses	30,606,436	100%	30,606,436
6					
7	Fuel Expense - Company	Eliminate Conservation Expenses	456,411	100%	456,411
8					
9	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	11,398	100%	11,398
10					
11	Taxes Other than Income - Company	Eliminate Taxes other than Income	22,079	100%	22,079
12					
13	Income Taxes - Company	Eliminate Income Taxes	(8,498)	100%	(8,498)
TOTAL ADJUSTMENTS			<u>(31,098)</u>		<u>(31,098)</u>

Supporting Schedules:

Recap Schedules: G-8

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	----------------------------------

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules: G-7

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments						(10) Adjusted Total
					(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other Gross Receipts	(8) Other (Specify)	(9) Total (4) thru (8)	
											(3)-(9)
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5 (2006)

Recap Schedules: G-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4							
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741	-		\$ (952,363)		
37	STATE INCOME TAX (5 5% OR APPLICABLE RATE OF L36)	\$ 138,641	-		\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)	-		30,252		
41		1,241	-		0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)	-		\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764	-		(22,128)		

SUPPORTING SCHEDULES C-22, G-13

RECAP SCHEDULES G-7

FLORIDA PUBLIC SERVICE COMMISSION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEARType of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)	\$	2,383,420		\$	(899,983)	
47	FEDERAL INCOME TAX (34% OR APPLICABLE RATE)	\$	810,363		\$	(305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51			(149,991)			132,334	
52			7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX	\$	(142,734)		\$	132,334	
58							
59	FEDERAL INCOME TAX	\$	667,629		\$	(173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	113,764	667,629	781,393			
74	DEFERRED INCOME TAXES	(22,128)	(173,660)	(195,788)			
75	INVESTMENT TAX CREDITS, NET			(32,322)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	<u>1,473,580</u>	N/A

Supporting Schedules: G-19a

Recap Schedules: G-12

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock		<u>Not Applicable</u>	
4.	Common Equity			
5.	Deferred Income Tax			
6.	Other (specify)			
	Total			

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended 12/31/2004
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	---

No gains or losses

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Account No. 228.31)	(814,231)

Supporting Schedules: C-17

Recap Schedules:

---

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

---

We do not have any changes in accounting policy.

---

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>99.740%</u>
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	<u>5.486%</u>
8.	Net Before Federal Income Tax (5) - (7)	94.255%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	<u>32.047%</u>
11.	Revenue Expansion Factor (8) - (10)	<u>62.208%</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u>1.6075</u>

Supporting Schedules: C-44

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Prior Year Ended 12/13/05  
 Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9											
10	TOTAL	106,248,265			106,248,265		38,057,241	1.0000		7.80%	1,473,580
11											
12											
13											
14											
15	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate						
16											
17	<b>Conventional Capital Structure, 2007</b>										
18	Long Term Debt	50,443,237	0.5080	8.03%	4.08%		Rate Base	38,057,241			
19	Short Term Debt	3,309,077	0.0333	7.29%	0.24%		Direct Components	6,952,231			
20	Preferred Stock	600,000	0.0060	4.75%	0.03%			\$31,105,010			
21	Common Equity	44,943,721	0.4526	10.50%	4.75%						
22							Jurisdictional Factor	31.33%			
23	TOTAL	99,296,035	1.0000		9.10%						





FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historic Year Ended 12/31/2006

Prior Year Ended 12/31/2005

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
<u>Specific Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '05 capital structure or cost rates					
<u>Pro Rata Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '05 capital structure or cost rates					
Supporting Schedules:			Recap Schedules: G-19a		

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	Increase	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,038,164	444,618	5.86%
GS	1,448,830	1,533,662	84,832	5.86%
GSD	2,208,265	2,337,563	129,298	5.86%
GSLD	643,312	680,979	37,667	5.86%
GSLD1	545,955	577,922	31,967	5.86%
Outdoor Lighting	853,003	902,948	49,945	5.86%
Street Lighting	212,743	225,200	12,457	5.86%
Total	<u>13,505,654</u>	<u>14,296,439</u>	<u>790,785</u>	

Supporting Schedules: G-1, G-11, G-23

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mark Cutshaw, Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
						Dollars	Percent
1	322	44.00	44.00	14,179	14,179	-	0.00%
2	5,395	19.00	19.00	102,505	102,505	-	0.00%
3	196	27.00	27.00	5,292	5,292	-	0.00%
4	972	37.00	37.00	35,964	35,964	-	0.00%
5	68	60.00	60.00	4,080	4,080	-	0.00%
6	3,487	11.50	11.50	40,101	40,101	-	0.00%
7	551	Per Statute	Per Statute	16,519	16,519	-	0.00%
8	1251	\$ 3.50 3.5% (Non-Residential)	\$ 3.50 3.5% (Non-Residential)	4,379	4,379	-	0.00%
9	274	Various	Various	(3,432)	(3,432)	-	0.00%
Correction Factor	n/a	n/a	n/a	314	314	-	0.00%
<b>TOTAL</b>	<b>12,516</b>			<b>219,900</b>	<b>219,900</b>	<b>-</b>	<b>0.00%</b>
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 \$3.50 (Residential) 3.50% (All Other Accounts)						
9	Miscellaneous Allowance & Adjustments						

Supporting Schedules:

Recap Schedules: G-11

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule RS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	23,454	10.00	2,814,440	23,454	10.59	2,979,231	5.86%
T-O-D	0	-	-	-	-	-	
Total	23,454		2,814,440	23,454		2,979,231	5.86%
KWH Charge:							
Standard	349,930,593	0.01373	4,804,547	349,930,593	0.01453	5,085,863	5.86%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	349,930,593		4,804,547	349,930,593		5,085,863	5.86%
Etc.							
Total Base Revenue (Calculated)			7,618,987			8,065,094	5.86%
Correction Factor			(25,441)			(26,931)	
Total Base Revenue			7,593,546			8,038,164	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historic Year Ended: 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	3,411	14.00	572,978	3,411	14.82	606,527				5.86%
T-O-D	0	-	-	-	-	-				
Total	3,411		572,978	3,411		606,527				5.86%
KWH Charge:										
Standard	59,621,785	0.01473	878,229	59,621,785	0.01559	929,651				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	59,621,785		878,229	59,621,785		929,651				5.86%
Etc.										
Total Base Revenue (Calculated)			1,451,207			1,536,178				5.86%
Correction Factor			(2,377)			(2,516)				
Total Base Revenue			1,448,830			1,533,662				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO. 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	699	44.00	369,292	699	46.58	390,915	5.86%
T-O-D	0	-	-	-	-	-	-
Total	699		369,292	699		390,915	5.86%
KWH Charge:							
Standard	178,753,210	0.00232	414,707	178,753,210	0.00246	438,989	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	1,771,200	(0.0000232)	(41)	1,771,200	(0.0000246)	(43)	-
Total	180,524,410		414,666	180,524,410		438,946	5.86%
KW Charge							
Standard	574,289	2.48	1,424,238	574,289	2.63	1,507,630	-
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	6,042	(0.0248)	(150)	6,042	(0.0263)	(159)	-
Primary \$0.55 discount	6,042	(0.55)	(3,323)	6,042	(0.55)	(3,323)	-
Total	586,373		1,420,765	586,373		1,504,148	5.87%
Total Base Revenue (Calculated)			2,204,723			2,334,009	5.86%
Correction Factor			3,542			3,555	-
Total Base Revenue			2,208,265			2,337,563	-

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-EI

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	20	75.00	18,000	20	79.39	19,054	5.86%
T-O-D	0	-	-	-	-	-	-
Total	20		18,000	20		19,054	5.86%
KWH Charge:							
Standard	92,691,048	0.00086	79,714	92,691,048	0.00091	84,382	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	25,402,800	-0.0000086	(218)	25,402,800	(0.0000091)	(231)	-
Total	118,093,848		79,496	118,093,848		84,150	5.86%
KW Charge							
Standard	198,159	2.89	572,680	198,159	3.06	606,212	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Primary 1% discount	49,209	(0.0289)	(1,422.14)	49,209	(0.0306)	(1,505)	-
Primary \$0.55 discount	49,209	(0.55)	(27,065)	49,209	(0.55)	(27,065)	-
Total	296,577		544,193	296,577		577,641	-
Total Base Revenue (Calculated)			641,689			680,846	
Correction Factor			1,623			133	
Total Base Revenue			643,312			680,979	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO. 070304-E1

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD1			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	2	600.00	14,400	2	635.13	15,243				5.86%
T-O-D	0	-	-	-	-	-				
Total	2		14,400	2		15,243				5.86%
KWH Charge:										
Standard	159,780,000	-	-	159,780,000	0	-				0.00%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	159,780,000		-	159,780,000		-				0.00%
KW Charge										
Standard	472,200	1.12	528,864	472,200	1.19	559,830				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	472,200		528,864	472,200		559,830				5.86%
KVAR Charge										
Standard	11,216	0.24	2,692	11,216	0.25	2,849				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	11,216	0	2,692	11,216	0	2,849				5.86%
Total										
Total Base Revenue (Calculated)			545,956			577,923				5.86%
Correction Factor			(1)			(1)				
Total Base Revenue			545,955			577,922				

Supporting Schedules: G-20

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Facility	Present Rates - Outdoor Lighting							Proposed Rates - Outdoor Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.62	\$1.30	\$0.84	\$7.76	\$173,534	5.86%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.23	\$2.29	\$0.43	\$4.95	\$28,951	5.86%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.11	\$4.89	\$0.75	\$11.75	\$3,584	5.86%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.03	\$12.86	\$1.92	\$29.81	\$4,382	5.86%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.95	\$12.86	\$1.78	\$28.59	\$77,397	5.86%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.55	\$12.86	\$2.35	\$34.76	\$4,589	5.86%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.43	\$1.30	\$1.01	\$9.74	\$12,388	5.86%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.62	\$1.30	\$0.84	\$7.76	\$91,015	5.86%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.68	\$1.30	\$2.76	\$20.75	\$2,303	5.86%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.56	\$1.30	\$1.93	\$19.78	\$5,203	5.86%
150w HPS Acom-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.23	\$1.94	\$1.60	\$16.77	\$12,743	5.86%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.69	\$1.94	\$2.29	\$23.91	\$19,082	5.86%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.62	\$1.94	\$1.00	\$10.55	\$13,234	5.86%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.82	\$2.25	\$2.33	\$24.40	\$878	5.86%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.25	\$2.25	\$1.88	\$19.39	\$85,289	5.86%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.55	\$2.57	\$0.37	\$11.50	\$38,212	5.86%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.29	\$3.21	\$1.28	\$14.78	\$10,640	5.86%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.79	\$3.21	\$1.17	\$12.17	\$39,722	5.86%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.23	\$3.21	\$2.10	\$21.53	\$4,478	5.86%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.74	\$5.14	\$1.17	\$14.06	\$19,737	5.86%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.00	\$5.14	\$1.45	\$18.60	\$1,153	5.86%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.09	\$5.14	\$1.22	\$14.45	\$69,443	5.86%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.32			\$12.32	\$14,576	5.86%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.46			\$9.46	\$1,656	5.86%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.28			\$6.28	\$13,961	5.86%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.72			\$10.72	\$58,720	5.86%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$60,948	5.86%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.47			\$10.47	\$14,761	5.86%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.16			\$7.16	\$43	5.86%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,430	5.86%
Total Base Revenue Calculated								\$841,766					\$891,053	
Correction Factor								11,237					11,895	
Total Base Revenue								\$853,003					\$902,948	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Facility	Present Rates - Street Lighting							Proposed Rates - Street Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.97	\$3.91	\$18,940	5.86%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.89	\$1.11	\$7.08	\$496	5.86%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.97	\$3.91	\$20,999	5.86%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.89	\$1.11	\$7.08	\$6,161	5.86%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.91	\$12.86	\$5.47	\$27.25	\$3,597	5.86%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.18	\$441	5.86%
100w HPS Cobra Head- SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.51	\$1.30	\$2.24	\$7.06	\$97,993	5.86%
150w HPS Acorn -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.42	\$1.94	\$4.95	\$15.31	\$3,857	5.86%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.70	\$1.94	\$3.45	\$10.09	\$9,745	5.86%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.96	\$2.25	\$1.38	\$21.59	\$2,850	5.86%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.51	\$2.57	\$2.32	\$9.40	\$33,285	5.86%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.32	\$3.21	\$3.18	\$10.70	\$27,889	5.86%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.41	\$3.21	\$4.34	\$14.96	\$3,769	5.86%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.05	\$5.14	\$3.56	\$13.75	\$2,846	5.86%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.74	\$5.14	\$9.34	\$22.22	\$1,822	5.86%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.97			\$11.97	\$1,293	5.86%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.31			\$8.31	\$100	5.86%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.12			\$6.12	\$6,204	5.86%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.19			\$9.19	\$2,205	5.86%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.94			\$2.94	\$5,818	5.86%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.28			\$10.28	\$2,714	5.86%
Total Base Revenue Calculated								\$239,029					\$253,025	
Correction Factor								(26,286)					(27,825)	
Total Base Revenue								\$212,743					\$225,200	

Supporting Schedules: G-20

Recap Schedules:

Sheet 12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1 xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3 xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_Nolinks xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-Nolinks xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
2Win9	FW G-MFRS-8-8-07-NoLinks xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-Nolinks xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
rs on 'Ground	HC-MFRS-7 xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
at on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**Clara Leider**

**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 4<sup>th</sup> 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 4<sup>th</sup> tab.

Thanks  
Nadira

**Nadira Bhatia**  
Sr. Financial Accountant  
**Florida Public Utilities Company**  
nbhatia@fpuc.com  
561.838.1776

**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.**

---

NOTICE:

The contents of this email and any attachments to it may contain privileged and confidential information from BDO Seidman, LLP. This information is only for the viewing or use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of, or the taking of any action in reliance upon, the information contained in this e-mail, or any of the attachments to this e-mail, is strictly prohibited and that this e-mail and all of the attachments to this e-mail, if any, must be immediately returned to BDO Seidman, LLP or destroyed and, in either case, this e-mail and all attachments to this e-mail must be immediately deleted from your computer without making any copies hereof. If you have received this e-mail in error, please notify BDO Seidman, LLP by e-mail immediately.

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.

---

NOTICE:

The contents of this email and any attachments to it may contain privileged and confidential information from BDO Seidman, LLP. This information is only for the viewing or use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of, or the taking of any action in reliance upon, the information contained in this e-mail, or any of the attachments to this e-mail, is strictly prohibited and that this e-mail and all of the attachments to this e-mail, if any, must be immediately returned to BDO Seidman, LLP or destroyed and, in either case, this e-mail and all attachments to this e-mail must be immediately deleted from your computer without making any copies hereof. If you have received this e-mail in error, please notify BDO Seidman, LLP by e-mail immediately.



Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
OWin9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Personal eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Personal Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Personal Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Personal Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Personal Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
OXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Grounc	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Grounc	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Grounc	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
at on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Thursday, January 18, 2007 4:44 PM  
**To:** Cox Doreen  
**Subject:** FW: LPCS Performance Report - Summer Glen Reprojection.xls  
**Attachments:** LPCS Performance Report - Summer Glen Reprojection.xls

He was thinking he could unlock it by coping the file, but I think you need to do it ☺ Thanks!

*Heidi Dysard*

**From:** Dysard Heidi  
**Sent:** Thursday, January 18, 2007 4:40 PM  
**To:** English Jack  
**Subject:** LPCS Performance Report - Summer Glen Reprojection.xls

Attached is the NPV without the additional capital costs. Don is going to call me back in just a little bit with those. If you can't get it to unlock, we can get the password from Doreen Cox.

I will send you an update when I get the costs from Don.

Heidi Dysard

# Cash Flow Investment Analysis

Date: 3/28/2008 Revision # 11.5

Procedure No. ACT-5.11

Effective Date: 4/21/2005

Initial Date

Input Area:	NR		Increase margins by:		per gal	Project Title: Summer Glen		Beginning in Year: 2004		Prepared By:		Initial		Date			
	Residential	Commercial	Residential	Commercial						Approved By:							
Annual Gallons per Customer	301					Overall Result: Project meets or exceeds minimum 15 year required return!										Dir of Propane	
Piping Expense	\$ -															Dir of Mktg	
Cost of SERVICE per Customer	\$ 384			\$ 525												Fin Analyst	
Average Tank Charge	\$10.00	\$8.00	\$0.00													CFO	
Non-Fuel Charge (Gallons)	\$0.95000	\$0.35000	\$0.00000		Occupancy Rate :	100%										CEO	
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
New Residential Customers	20	185	187	100	100	100	100	35	-	-	-	-	-	-	-		
New Commercial Customers																	
Other Customers																	
Total Customers added for year	20	185	187	100	100	100	100	35	0	0	0	0	0	0	0		
Lost Propane Customers																	
Cumulative Customers	20	205	392	492	592	692	792	827	827	827	786	748	709	674	640		
Other Income																	
Other Expenses																	
Capital Exp on Services & Access Fee	18,180	168,165	169,983	90,900	90,900	90,900	90,900	31,815	-	-	-	-	-	-	-		
Capital Expenditures (Exc. Services)	119,962	116,235	67,559														
Upfront Capital Exp (Contributions) <sup>1</sup>																	
Total Capital Expenditures by Year <sup>2</sup>	\$ 138,142	\$ 284,400	\$ 237,542	\$ 90,900	\$ 90,900	\$ 90,900	\$ 90,900	\$ 31,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
List All P LCC as contribution (credit)																	
Output Area: Cash Flow by Year																	
Total Base Revenue	\$8,119	\$83,220	\$159,132	\$199,727	\$240,322	\$280,917	\$321,512	\$335,721	\$335,721	\$335,721	\$318,935	\$302,988	\$287,838	\$273,447	\$259,774		
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	\$8,119	\$83,220	\$159,132	\$199,727	\$240,322	\$280,917	\$321,512	\$335,721	\$335,721	\$335,721	\$318,935	\$302,988	\$287,838	\$273,447	\$259,774		
O&M Expense (Incl TOTI)	2,842	29,127	55,696	69,905	84,113	98,321	112,529	117,502	117,502	117,502	111,627	106,046	100,743	95,706	90,921		
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Piping Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depreciation, Book	9,209	28,169	44,006	50,066	56,126	62,186	68,246	70,367	70,367	70,367	70,367	70,367	70,367	70,367	70,367	0	
	12,051	57,296	99,702	119,970	140,238	160,507	180,775	187,869	187,869	187,869	181,994	176,412	171,110	166,073	161,288		
Operating Income before Income Tax	(3,932)	25,923	59,430	79,757	100,084	120,411	140,737	147,852	147,852	147,852	136,941	126,576	116,728	107,374	98,487		
Adjust to cash flow:																	
Add: Depreciation, Book	9,209	28,169	44,006	50,066	56,126	62,186	68,246	70,367	70,367	70,367	70,367	70,367	70,367	70,367	70,367	0	
Add: Amortized Piping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Actual Income Tax	(10,163)	(22,405)	(29,398)	(18,527)	1,031	15,340	31,718	48,973	61,849	69,947	70,701	70,741	69,696	66,866	63,523		
After Tax Cash Flow (before capital investments)	15,440	76,498	132,834	148,350	155,179	167,256	177,265	169,245	156,369	148,271	136,606	126,201	117,399	110,874	105,331		
Less: Piping Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Capital Expenditure - Cash Outlay	138,142	284,400	237,542	90,900	90,900	90,900	90,900	31,815	-	-	-	-	-	-	-	-	
Memo: Cumulative Capital Expenditure <sup>2</sup>	138,142	422,542	660,084	750,984	841,884	932,784	1,023,684	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499	
Asset remaining value																	
Net Cash Flow (w/ 15 yr ending book value)	(122,702)	(207,902)	(104,708)	57,450	64,279	76,356	86,365	137,430	156,369	148,271	136,606	126,201	117,399	110,874	994,812		
Net Present Value (fifteen years) \$	154,000	Zero = Meets Required Return															
Operating Income before Income Tax	(3,932)	25,923	59,430	79,757	100,084	120,411	140,737	147,852	147,852	147,852	136,941	126,576	116,728	107,374	98,487		
Less: Interest Costs*	4,663	12,563	16,542	14,359	11,916	9,015	5,733	510	0	0	0	0	0	0	0	0	
Net Income before Taxes	(8,595)	13,360	42,889	65,398	88,168	111,396	135,005	147,341	147,852	147,852	136,941	126,576	116,728	107,374	98,487		
Less: Book Income Tax (37.63%)	(3,233)	5,026	16,135	24,603	33,169	41,907	50,789	55,430	55,622	55,622	51,517	47,618	43,913	40,394	37,051		
Net Income after Book I/T	(5,361)	8,334	26,754	40,796	54,999	69,489	84,216	91,912	92,230	92,230	85,424	78,958	72,815	66,980	61,436		
Earnings Per Share - Investment																	
Corporate EPS after Investment	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	0.72	0.72	0.72	
Cumulative Net Cash Flow	(122,702)	(330,604)	(435,312)	(377,862)	(313,584)	(237,227)	(150,862)	(13,432)	142,937	291,208	427,815	554,016	671,415	782,290	1,777,101		
Cumulative Depr. Reserve	9,209	37,379	81,385	131,450	187,576	249,761	318,007	388,374	458,740	529,107	599,473	669,840	740,207	810,573	880,940		
Cumulative Piping Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Book Rate of Return	-0.54%	5.43%	7.48%	8.90%	10.23%	11.49%	12.75%	13.85%	15.46%	17.52%	18.73%	20.47%	23.09%	27.35%	35.19%		
Economic Value Added (EVA)	(20,039)	(36,877)	(43,509)	(37,776)	(31,231)	(23,950)	(15,903)	(7,647)	2,716	13,271	17,020	21,109	25,521	30,241	924,733		
NPV (EVA) \$	4,000																
Average Rate of Return on Investment:																	
Net Present Value of Cap. Exp.	773,255																
Net Present Value of Pip. Exp.	0																
Revenue Comparison:																	
Four Year Revenue										\$798,910		Customer Totals:		15 Yr Total			
												Added Residential Customers		827			
												Added Commercial Customers		-			
												Added Industrial Customers		-			
												Cumulative Customers		827			
Capital Expenditure per Customer \$ 1,276																	
CONFIDENTIAL																	
Summary of Rates used																	
Depreciation Book % 50.00%																	
Income Tax % 37.62%																	
Base Earnings per Share 0.71																	
Required Return 15.00%																	
Ratio of Debt Financing 50.00%																	
O&M Expense % 35.00%																	
Interest Rate 7.60%																	

RATES :

RESIDENTIAL COMMERCIAL OTHER

NON-REGULATED

Average Tank Charge	\$10.00	\$8.00
Non-Fuel Charge (Gallons)	\$0.95000	\$0.35000

REQUIRED RETURN

REGULATED NON-REGULATED

8.07%	15.00%
-------	--------

Required Return - R	8.07%
Required Return - NR	15.00%
Ratio of Debt Financing	50.00%
O&M Expense %	35.00%
Interest Rate	7.60%
Regulated / Non Regulated	NR
NIBITD Factor - R	8
NIBITD Factor - NR	5

Not updated to current 71% as future projects will mostly likely be equity-financed.  
Updated 4/21/2005 - Budget 2005 + Projected Propane Savings

# Community Gas System Performance Report

Project Name:	Summer Glen	Residential	Non-Fuel Charge	Customer Charge
IR #	21319		0.90	11.47
Division	West	Expenses Start	03/2004	

## I.R. Information:

Total Amount Authorized	\$892,546
Non-Tracked Plant	\$317,315
Total IR Cost	\$1,209,861

as of 1/5/2007

## Capital Expenditures

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Actual Expenditures													
Closed to IR	-	-	-	681,913	-	-	-	-	-	-	-	\$ 681,913	
Projected Expenditures (Source NPV)													
Capital (Exc Services)	\$ -	\$ 242,310	\$ 70,421	\$ 136,046	\$ 136,046	\$ 149,171	\$ -	\$ -	\$ -	\$ -	\$ -	448,777	\$ 733,994
Actual Tracked Capital v Projected Tracked Capital (source NPV):												152%	
Projected Expenditures (Source IR)													
Capital (Exc Services)	\$ -	\$ -	\$ 280,614	\$ 561,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	841,840	\$ 841,840
Actual Tracked Capital v Projected Tracked Capital (source IR):												81%	
Estimated Services (NPV) (\$384 per customer)	\$ -	\$ 9,600	\$ 28,800	\$ 57,600	\$ 57,600	\$ 67,200	\$ 67,200	\$ 29,568	\$ -	\$ -	\$ -	288,000	\$ 317,568

## Delivery v. Usage (Gallons)

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Actual Usage	\$ -	\$ 245	\$ 21,939	\$ 118,021								\$ 140,205	
Delivery History	\$ -	\$ -	\$ 30,882	\$ 130,840								\$ 161,722	
Difference	\$ -	\$ 245	\$ (8,943)	\$ (12,818)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,516)	
Cummulative Difference	\$ -	\$ 245	\$ (8,698)	\$ (21,516)									

\* Note: Delivery history is for the time period 06/2005 to 12/2006 - this has been manually tracked by the division

## Customers Added

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Actual	0	20	185	187	0	0	0	0	0	0	0	392	
Projected	0	25	75	150	150	175	175	77	0	0	0	250	827
Cummulative Customers v Projected												157%	47%

## Statistical Data - Customers

as at:	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Cummulative Customers v Projected	0%	80%	205%	157%									47%
Cummulative Overage ( Shortfall )	0	(5)	105	142									(435)

## Usage (Gallons)

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Actual	0	245	21,939	118,021	0	0	0	0	0	0	0	140,205	
Projected	0	9,350	37,400	93,500	149,600	215,050	280,500	309,298	309,298	309,298	309,298	140,250	2,022,592
(374 per customer)													
Cummulative Actual Usage v Projected												100%	7%

## Statistical Data - Usage (Gallons)

as at:	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Cummulative Actual Usage / Projected	0%	3%	47%	100%									7%
Cummulative Excess ( Shortfall )	0	(9,105)	(24,566)	(45)									(1,882,387)
Average Usage Per Customer													
Actual	0	12	107	301									204
Projected	0	374	374	374									374
Percentage	0%	3%	29%	81%									55%

## Access Fees and Piping Allowance (per Developer Agreement)

	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	To Date Project	Total Project
Actual Payments	0	710	1321	2864	0	0	0	0	0	0	0	4895	
Projected Access Fees	0	13125	39375	78750	78750	91875	91875	40425	0	0	0	131250	434175
Projected Piping Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0
(\$525 Access fee per customer)													
Access Fee (per unit):													
\$525 units with W/H & Furnace only													
or \$750 "Summer Glen" package - W/H, Range, Dryer, Furnace													
Percentage of Estimated Fees Paid												4%	0%
(\$0 Piping Allowance per customer)													

**Project Name:**

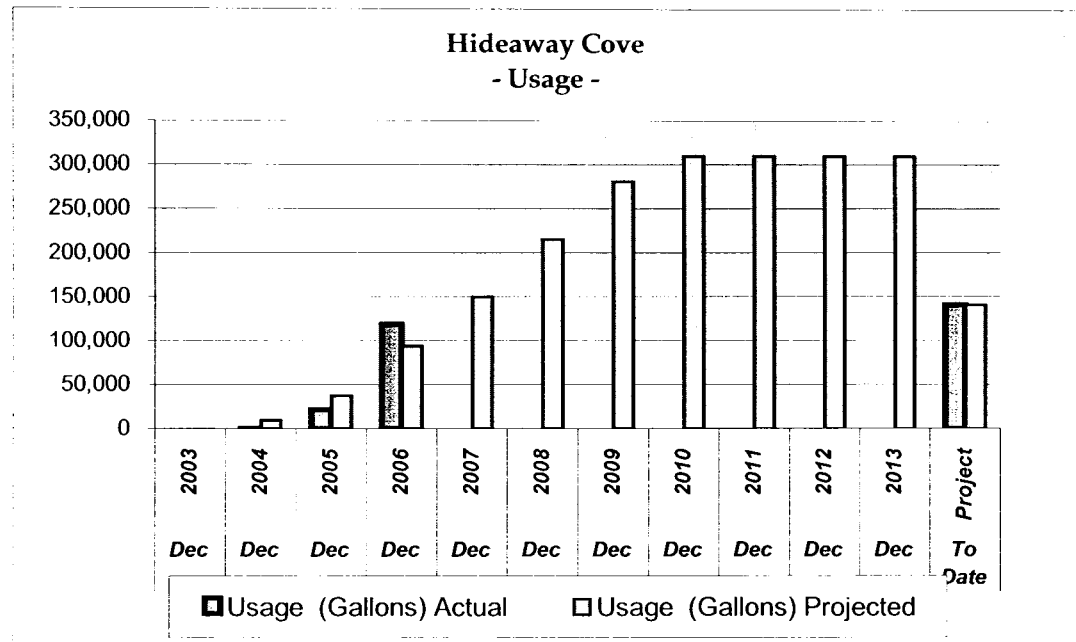
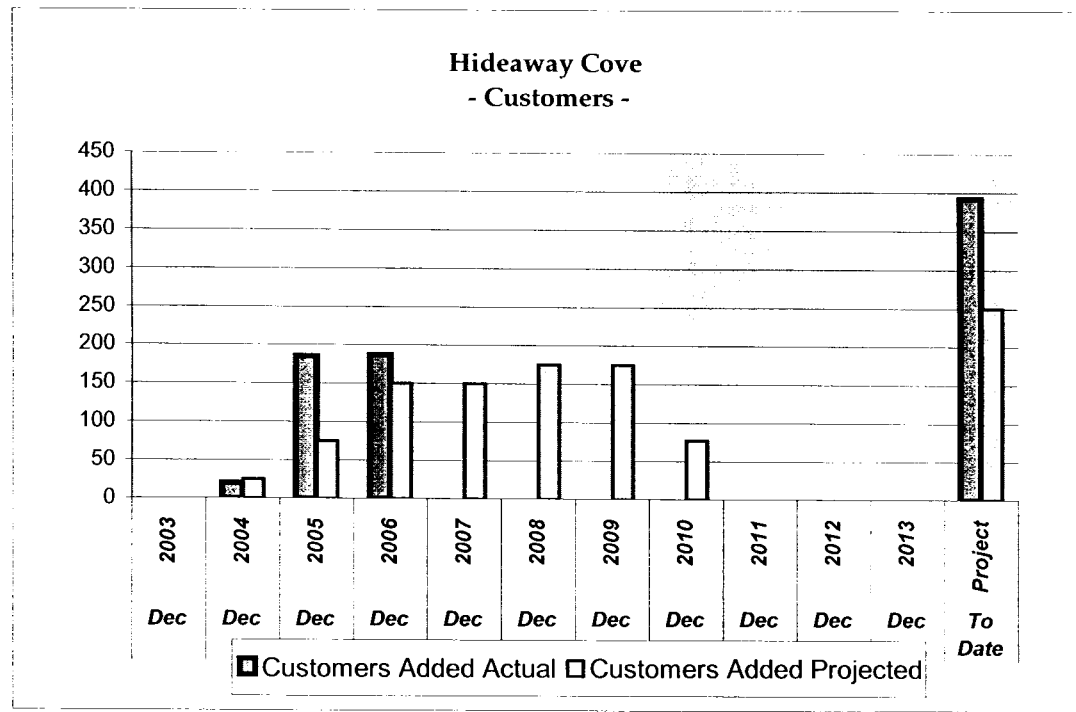
**Summer Glen**

**IR #**

**21319**

**Notes:**

- None



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
it on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD



**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, August 22, 2007 1:59 PM  
**To:** Cox Doreen  
**Subject:** FW: PDF Document of All Testimony and Exhibits  
**Attachments:** Testimony Binder.pdf

Does it look like it is all here for you and RC. Thanks Cheryl

**From:** Teresa Sholts [mailto:tjsholts@LRCA.com]  
**Sent:** Wednesday, August 22, 2007 11:47 AM  
**To:** Martin Cheryl  
**Cc:** Mike Welsh  
**Subject:** PDF Document of All Testimony and Exhibits

Cheryl:

Attached for your review are the final testimony documents with: (1) cover page, (2) table of contents, (3) 4 sets of testimony with all appendices and exhibits included.

Teresa J. Sholts  
Office Manager  
Christensen Associates  
4610 University Avenue, Suite 700  
Madison WI 53705-2164  
Voice: 608.231.2266  
Fax: 608.231.1365  
Email: tjsholts@LRCA.com  
We can be found on the web at <http://www.LRCA.com>

FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC DIVISION

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070304-EI

MINIMUM FILING REQUIREMENTS  
DIRECT TESTIMONY AND EXHIBITS

AUGUST 2007

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 070304-EI

**MINIMUM FILING REQUIREMENTS**

**DIRECT TESTIMONY AND EXHIBITS**

TABLE OF CONTENTS

TITLE	PAGE
<b>Direct Testimony of George Bachman</b>	1
<b>Direct Testimony of Cheryl Martin, Mehrdad Khojasteh and Jim Mesite</b>	3
Exhibits	
Exhibit CMM-1 Schedule C-1 (2008) Adjusted Jurisdictional Net Operating Income	16
Exhibit CMM-2 Schedule B-1 (2008) Adjusted Rate Base	17
Exhibit CMM-3 Schedule G-1 Interim Revenue Requirements Increased Requested	18
<b>Direct Testimony of Doreen Cox and Robert Camfield</b>	19
Appendix 1: Present Value of Investment and Derivation of the Constant Growth and Multi-Stage Discounted Cash Flow Model (DCF)	82
Appendix 2: Derivation of Capital Asset Pricing Model	89
Exhibits	
Exhibit DC-RC-1 Overall Rate of Return Requirements	91
Exhibit DC-RC-2 Cost of Common Equity and Equity Rate of Return Recommendation	94
Exhibit DC-RC-3 Long Term Debt Cost Rate, 2008	96
Exhibit DC-RC-4 Short Term Debt Cost Rate, 2008	97
Exhibit DC-RC-5 Preferred Stock Cost Rate, 2008	98
Exhibit DC-RC-6 CAPM Estimates of the Cost of Equity Capital: Mid-Sized Electric Utilities	99
Exhibit DC-RC-7 Discounted Cash Flow Estimates of Cost of Equity: Mid-Sized Electric Utilities	101
Exhibit DC-RC-8 Risk Premium Analysis: Mid-Sized Electric Utilities	103
Exhibit DC-RC-9 Average Returns Per Annum: Mid-Sized Electric Utilities	105
Exhibit DC-RC-10 Selection Screen: Mid-Sized Electric Utilities	111
Exhibit DC-RC-11 Historical Year-End Capital Structure	115
Exhibit DC-RC-12 Financial Results Over Recent Years	116
<b>Direct Testimony of P. Mark Cutshaw and Don Myers</b>	119
Exhibit	
Exhibit 1: Own-Price Elasticities of Demand for Electricity – Synthesis of Values Reported in the Literature	139

**DIRECT TESTIMONY  
OF  
GEORGE BACHMAN  
IN**

**FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 070304-EI**

**IN RE: PETITION OF  
FLORIDA PUBLIC UTILITIES COMPANY  
FOR AN ELECTRIC RATE INCREASE**

1   **Q.   Please state your name, affiliation, business address and summarize your**  
2       **academic background and professional experience.**

3   A.   Witness Bachman: My name is George Bachman. I am the CFO for Florida Public  
4       Utilities Company (FPU), which has business offices at 401 South Dixie, West  
5       Palm Beach, Florida 33401. I have been employed by FPU since 1985 and  
6       performed numerous accounting functions including General Accounting Manager  
7       and Controller until I was promoted to Chief Financial Officer and Treasurer in  
8       1999 with responsibilities for managing the overall fiduciary responsibility and to  
9       oversee the accounting and finance departments with all related functions. I have  
10      been a witness for numerous proceedings before the Florida Public Service  
11      Commission (FPSC). The most recent proceedings were for rate relief in Docket  
12      Numbers 030438-EI for electric and 040216-GU for natural gas.

13   **Q.   What is the purpose of your testimony in this proceeding?**

14   A.   Witness Bachman: I provided finance, pension and insurance information that  
15      support the proposed increase in revenue requirements for FPU. This information  
16      has been included in Schedules B, C, D and G.

17   **Q.   Why is it appropriate to allow recovery for all expected pension and insurance**  
18       **expenses?**

19   A.   Witness Bachman: Pension costs are similar to salaries and wages; it is a necessary  
20      cost to operate a utility function. We only provide prudent wages and benefits to our  
21      employees, and accordingly, all costs are appropriate for recovery including the  
22      pension costs. The pension plan assets have been prudently invested, and provide

1       for a return on the assets. All costs are necessary and should be allowed for  
2       recovery in our base rates.

3    A.   Witness Bachman: Insurance costs included in our expenses are a necessary and  
4       prudent expenditure and should be allowed and are appropriate for recovery in base  
5       rates. Insurance is a prudent cost to help a company manage risk associated with  
6       operating a business.

7    **Q.   Does this conclude your written prepared testimony?**

8       A. Witness Bachman: Yes.

**DIRECT TESTIMONY  
OF  
CHERYL MARTIN,  
MEHRDAD KHOJASTEH  
AND  
JIM MESITE**

**IN**

**FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 070304-EI**

**IN RE: PETITION OF  
FLORIDA PUBLIC UTILITIES COMPANY  
FOR AN ELECTRIC RATE INCREASE**

1   **Q. Please state your name, affiliation, business address and summarize your**  
2   **academic background and professional experience.**

3   A.   Witness Martin: My name is Cheryl Martin. I am the Controller for Florida Public  
4   Utilities Company (FPU), which has business offices at 401 South Dixie, West  
5   Palm Beach, Florida 33401. I have been employed by FPU since 1985 and  
6   performed numerous accounting functions until I was promoted to Corporate  
7   Accounting Manager in 1995 with responsibilities for managing the Corporate  
8   Accounting Department including regulatory accounting (Fuel, PGA, conservation,  
9   rate cases, surveillance reports, reporting), tax accounting, external reports, and  
10   special projects. In January 2002 I was promoted to my current position of  
11   Controller where my responsibilities are the same as above with additional  
12   responsibilities in the purchasing and general accounting areas and Security and  
13   Exchange Commission (SEC) filings. I have been an expert witness for numerous  
14   proceedings before the Florida Public Service Commission (FPSC) including rate  
15   relief in Docket Numbers 881056-EI, 930400-EI and 030438-EI for electric and  
16   900151-GU, 940620-GU and 040216-GU for natural gas. I graduated from Florida  
17   State University in 1984 with a BS degree in Accounting. Also, I am a Certified  
18   Public Accountant in the state of Florida.

19   Witness Khojasteh: My name is Mehrdad Khojasteh. I am the Assistant Controller  
20   for FPU, a position I have held since August, 2006. In this position, I am the direct

1 supervisor of the Senior Tax Accountant, Senior Regulatory Accountant and Senior  
 2 Project Accountant. I also assist the Controller with supervising the Corporate  
 3 Accounting Department. Prior to this position, I was a Regulatory Accountant from  
 4 November 1996 to March 1997, Tax Accountant from April 1997 to May 2003 and  
 5 Corporate Accounting Supervisor from June 2004 to July 2006. I received a BS  
 6 degree from Florida Atlantic University with a major in Accounting. I have been a  
 7 witness for two proceedings before the Florida Public Service Commission (FPSC).  
 8 These proceedings were for rate relief in Docket Numbers 030438-EI for electric  
 9 and 040216-GU for natural gas.

10 Witness Mesite: My name is Jim Mesite. I am the Senior Project Accountant in the  
 11 Corporate Accounting department at FPUC. On an ongoing basis, I am responsible  
 12 for all preparation, filing, reconciliation and audit of documents as directed under  
 13 PGA Docket No. NN0003-GU. Using various company systems and computer  
 14 application, I prepare several periodic accounting analysis reports. In the past I was  
 15 responsible for converting the Company's manual CPR records to a computerized  
 16 system. I am responsible for the review and evaluation of fixed asset issues  
 17 involving acquisitions, dispositions, retirements, capital versus expense, and chart  
 18 of accounts. I am responsible for the filing of FPSC depreciation studies for the  
 19 regulated electric and natural gas divisions. Additionally I am involved with various  
 20 internal control and review projects as circumstances dictate. I joined FPUC in 1995  
 21 as a Special Project Accountant and was promoted to my current position in March  
 22 2002. I graduated from Northeastern University in 1976 with a BS degree in  
 23 Business Administration, major in Accounting. I have been a witness in two rate  
 24 relief proceedings before the FPSC: Docket Numbers 030438-EI for electric and  
 25 040216-GU for natural gas.

26 **Q. What is the purpose of your testimony in this proceeding?**

27 A. Witness Khojasteh, Mesite, and Martin: We provide the accounting information  
 28 that supports the proposed increase in revenue requirements for FPU. We are  
 29 specifically responsible for the information provided in Schedules B, C and G.  
 30 Supporting information to these schedules has also been provided by the division

1 general managers of each area, our Cost of Capital expert as well as the Financial  
2 Analyst in their testimony (see the testimony of Mark Cutshaw, George Bachman,  
3 Don Myers, Robert Camfield and Doreen Cox).

4 **Q. Why is FPU seeking a rate increase in its base rates at this time?**

5 A. Witness Martin: The Company has experienced and is expecting to experience  
6 continued increases in expenses, and despite efforts to keep expenses down, many  
7 are beyond the control of the Company. We expect a significant decline in our rate  
8 of return in our electric operations. The Company believes the proposed 2008 test  
9 year will accurately reflect the economic conditions in which the Consolidated  
10 Electric division will be operating during the first twelve months the new rates will  
11 be in effect, and this period is appropriate for rate setting purposes. We have had  
12 historical events that had a significant unfavorable impact to earnings since our last  
13 rate proceeding. We expect many costs to continue to increase; and for the most  
14 part, these costs are beyond our control. We anticipate continued increases in our  
15 insurance, audit fees, and pension costs. The recent storm hardening mandates have  
16 also placed a large financial burden on our Company, and relief is necessary for  
17 these expenditures. The inflationary impacts on new and replacement utility plant  
18 as well as operating expenses contributed to our declining rate of return. We have  
19 not been able to achieve our allowed rate of return in any calendar year since our  
20 last rate proceeding. We feel it is appropriate to seek a rate increase at this time to  
21 allow the Company the opportunity to earn a fair rate of return on our investment in  
22 utility plant and working capital. Earning a fair rate of return will enable us to  
23 continue our high quality of service and maintain financial integrity, which are in  
24 the best interest of our customers.

25 **Q. What is the revenue increase requested by FPU in this proceeding?**

26 A. Witness Martin: FPU is requesting a permanent increase in the electric rates and  
27 charges for its consolidated electric operations in the amount of \$5,249,895 in order  
28 to cover the deficiencies in revenues for the projected 2008 test year. In accordance  
29 with Rule 25-6.140, F.A.C., Test Year Notification, we have notified the FPSC that  
30 we have selected the twelve-month period ending December 31, 2008 as the



1 projected test year for our petition to increase our rates and charges. We are also  
2 requesting an interim increase in the electric rates and charges for its consolidated  
3 electric operations in the amount of \$790,784 based on the historic year 2006  
4 deficiency in revenues.

5 **Q. How did you derive the projected revenue requirement for the 2008 test year?**

6 A. Witness Martin: The derivation of the revenue requirement and projected revenue  
7 deficiency is summarized in Exhibit CMM-1, which is a re-creation of Schedule C-  
8 1. In summary, the 2008 revenue requirement is determined by multiplying the  
9 projected rate base by the required rate of return to arrive at the operating income  
10 required. This required operating income is then compared to the projected 2008  
11 operating income using our existing billing rates and charges and projected rate  
12 base and operating expenses. Any deficiency in operating income is then expanded  
13 using the revenue expansion factor to arrive at the additional revenue required to  
14 realize a fair rate of return on rate base. This required increase amounts to an  
15 additional \$5,249,895 in annual electric rates and charges. The required rate of  
16 return is 8.07% as is shown on schedule D-1a. The projected rate base is  
17 \$43,020,996 and is provided in Exhibit CMM-2, also provided as schedule B-1.

18 **Q. How did you derive the interim revenue requirement?**

19 A. Witness Martin: The derivation of the revenue requirement for interim rate relief is  
20 summarized in Exhibit CMM-3, which is a re-creation of Schedule G-1. In  
21 summary, the interim revenue requirement is determined by multiplying the historic  
22 2006 rate base by the required rate of return using the last authorized rate of return  
23 (low-point authorized common equity rate) to arrive at the operating income  
24 required. This required operating income is then compared to the actual 2006  
25 operating income. Any deficiency in operating income is then expanded using the  
26 revenue expansion factor to arrive at the additional revenue required on an interim  
27 basis until final rates can be reviewed and authorized. The required rate of return for  
28 interim purposes is shown on schedule G-19a. The interim rate base for the historic  
29 year 2006 is shown on Schedule G-2.

30 **Q. What was the method for determining the projected test year billing**  
31 **determinants?**

1 A. Witness Khojasteh: A projection of 2008 operating revenues is required to complete  
 2 the various schedules mentioned above. Operating revenues for 2008 are projected  
 3 using current rates multiplied by the projected 2008 weather-normalized billing  
 4 determinants (number of customers and usage). We also included the impact of the  
 5 recent and expected large fuel price increases and projected base revenue increases  
 6 on our customer's consumption. Projected operating revenues for 2008 are shown  
 7 on schedule C-5. See Mark Cutshaw's testimony and Schedule F-5 for additional  
 8 information on billing determinant forecasts.

9 **Q. How did you project O&M expenses for the projected test year 2008?**

10 A. Witness Khojasteh: O&M expenses were projected using the adjusted 2006  
 11 expenses multiplied by one of several trend factors. Expense items for which  
 12 deviation from the trended amount is anticipated have been adjusted for specific  
 13 cost estimates or other increases and decreases over and above the trended amounts.  
 14 We use the national-level consumer price index for all urban consumers (CPI-U) as  
 15 the basis of the inflation rate. The primary data sources are the CPI-U forecasts  
 16 contained in the Congressional Budget Office (CBO) economic projections  
 17 generated on January 24, 2007 (which are the most recent available forecast  
 18 values), and the Bureau of Labor Statistics (BLS) historical CPI-U data ending May  
 19 2007.

20 The CBO projections of inflation factors are: 2006 to 2007 = 101.92%; 2007 to  
 21 2008 = 102.27%; 2006 to 2008 = 104.24%.

22 However, because the CBO forecast was generated in January, we updated their  
 23 inflation forecast using actual data for the first five months of 2007. Using BLS  
 24 data to calculate inflation over the first five months of 2006 versus the first five  
 25 months of 2007, the actual annualized inflation factor for January through May  
 26 2007 is 102.51%.

27 We used this actual value for the first five months of 2007, and then reverted to the  
 28 CBO forecast for the remainder of the forecast time period. This is implemented as  
 29 follows:

30 Equation 1: 2006 to 2007 inflation factor =  $1 + (5/12) * 2.51\% + (7/12) * 1.92\% =$   
 31 102.17%

1 We used the CBO forecast of inflation over 2007 to 2008. However, because of the  
 2 updating to the 2006 to 2007 factor described above, the 2006 to 2008 inflation  
 3 factor increases to 104.48% (which equals 102.17% times 102.27%).

4 In summary, our inflation factors are as follows (rounded to the nearest 10th of a  
 5 percent):

6 2006 to 2007: 102.2%

7 2007 to 2008: 102.3%

8 2006 to 2008: 104.5%

9 Schedule C-7 provides a list of the projection factors used. The most commonly  
 10 used trend factors include Inflation, Payroll Growth, KWH Growth, Inflation &  
 11 Customer Growth, and Payroll Growth & Customer Growth.

12 **Q. Can you explain the basis for some of the expenses outside of those based on**  
 13 **historical data trended to the projected test year?**

14 A. Witness Mesite: Depreciation & amortization expenses for 2008 are projected to be  
 15 \$3,418,847. Depreciation expense was adjusted for several general plant accounts  
 16 to reflecting the allocation of depreciation to our propane operation at our  
 17 Fernandina Beach location. The depreciation expenses are shown by plant sub-  
 18 account on schedule B-9. The depreciation expense and reserves have not been  
 19 adjusted for the effects of our current electric depreciation study, to be effective  
 20 January 1, 2008, and the revenue requirement, rate base and depreciation expense  
 21 will need to be adjusted for this change accordingly. Amortization expense is shown  
 22 on schedule C-19 and includes recovery for future storm hardening capital  
 23 improvements as contributions. More information on this follows later in this  
 24 testimony and in the testimony provided by Mark Cutshaw and Don Myers.

25 Witness Khojasteh: Current and deferred income taxes for 2008 are projected using  
 26 the projected taxable operating income less interest expenses less deductions  
 27 multiplied by the current state and federal tax rates. These calculations are shown  
 28 on schedules C-22 and C-23. The 2008-projected investment tax credit is  
 29 calculated from the ITC amortization schedule for the electric utility divisions. ITC  
 30 amortization amounts are credits taken from the 1962 through 1988 periods and are

1 currently amortized based on the average depreciation rates. Annual ITC balances  
2 and amortization details appear in schedule B-23.

3 Direct O & M adjustments and Specific projections were made to certain accounts  
4 outside of trending historical data. We have noted these items on Schedule C-7 and  
5 a brief explanation on the schedule itself.

6 Maintenance expense levels are appropriate as projected in our test year; however  
7 the specific projects and amounts in specific maintenance accounts may vary from  
8 year to year. We try and maintain a consistent level of maintenance expenses  
9 annually, and spread required work over a period of time to keep our systems  
10 reliable, safe and properly maintained. With this approach and by spreading out  
11 projects over time we do not unduly burden the customers or the Company.

12 **Q. What was the basis for the storm reserve and expense included in the projected**  
13 **test year?**

14 A. Witness Martin: The Company has projected an increase to their storm accrual  
15 expense to reflect additional storm reserve needed to mitigate the impact of future  
16 hurricane damages. Since our storm damage reserve is not adequate to cover the  
17 risk of future storm damages, we have increased our storm accrual to approximately  
18 \$17,000 per month, for a total storm reserve of \$3,338,800 over an eight year time  
19 period. We estimated the required reserve to be 5% of the current value of the  
20 transmission and distribution plant. Understandably, this is a conservative estimate  
21 and does not take into account the replacement cost. We are not able to obtain  
22 reasonable insurance for storms on this property, and feel that 5% is the minimum  
23 value that should be used for an adequate reserve.

24 **Q. What is the basis for the regulatory expense included in the projected test**  
25 **year?**

26 Witness Martin: We have projected rate case expense based on specific forecasts  
27 including the cost to use consultants to assist us in preparation of a rate case, in the  
28 expenses for recovery over a four year period. We are not staffed at a level to allow  
29 for preparation of rate proceedings, and do not have the expertise in all areas to help  
30 facilitate the preparation of a proceeding, therefore we had to hire the expertise and

extra assistance to complete this process. In addition to expenses directly associated with preparation of a rate proceeding, we also incurred additional costs in the area of internal audit. We originally were planning to do some of the work internally on internal audit, but due to the rate proceeding we had to expand the scope of our outside consultants while we focused on the rate proceeding work internally. We also are projecting an amortization period of four years and have incorporated this into our expense projections. This period is consistent with the time period since our last electric rate proceeding and is an appropriate period for recovery for this rate proceeding. See Schedule C-10 for more details on these expenses.

**Q. Why is the uncollectible expense appropriate for the test year?**

A. Witness Khojasteh: Increasing fuel costs over historic levels has significantly increased our uncollectible expense for the test year, and years going forward. We took the estimated impact of the fuel revenue, and made additional allowances for these bad debts. They are reasonable as a percentage of sales, and are prudent for recovery in base rates.

**Q. Have you included the costs associated with the recent mandated storm hardening requirements?**

A. Witness Khojasteh: The Company has also included the costs associated with the storm hardening mandates required by the Florida Public Service Commission. We had previously filed for a storm hardening surcharge to pay for these costs and deferral of the program until storm rate recovery was received; however, since other factors have necessitated a rate proceeding we have incorporated the costs associated with these programs for rate recovery in this proceeding. Additional support and testimony detailing the storm hardening costs and requirements can be found in Docket No. 060638-EI and Docket No. 070300-EI which has been consolidated in this docket.

**Q. What is nature of the special storm hardening amortization included in the amortization expense?**

A. Witness Mesite: We have identified significant capital improvements that will be required to strengthen our transmission system for storm hardening over the next twenty years. We included the cost of this future storm hardening capital project for

1 special recovery through amortization over the period of twenty years. This  
 2 program is similar to our natural gas program for bare steel replacement, in that we  
 3 are collecting the costs through base rates, and amortizing the contributions for the  
 4 special capital improvements. This directly benefits the customers through  
 5 increased reliability, and delays the need for future rate increases that would  
 6 typically result from these capital expenditures. See testimony from Mark Cutshaw  
 7 and Don Meyers on the projects that will be included in this special storm  
 8 hardening capital improvement program.

9 **Q. Please explain the increase to outside audit fees beyond trends for the**  
 10 **projected test year?**

11 A. Witness Khojasteh: Recent rules relating to Sarbanes Oxley and 404 requirements  
 12 have caused significant increases to our external and internal audit fees over the last  
 13 several years. We are also close to becoming an accelerated filer and anticipate we  
 14 will achieve this status in 2008. This status will further increase our audit costs as  
 15 we will have to comply with additional rules. We have included the additional audit  
 16 costs related to current Sarbanes Oxley requirements as well as those that will be  
 17 required as it relates to accelerated filers in our 2008 projected test year.

18 **Q. What is the support for pension costs included in the projected test year?**

19 A. Witness Khojasteh: We received estimates from our actuary on our pension costs  
 20 for 2008. These costs have been included in the projected test year as a direct  
 21 estimate. The Company continues to look for ways to keep these costs at reasonable  
 22 levels and has recently implemented a 401K plan for all new hires; however, due to  
 23 economic conditions of the market and items outside of our Company's control, the  
 24 pension costs have increased significantly over the last several years. This cost is a  
 25 prudent benefit to our employees and this expenditure is prudent for recovery from  
 26 our customers as a payroll related cost necessary to provide customers with  
 27 adequate service to operate our company effectively. The regulatory impact to OCI  
 28 from the implementation of FASB 158 has been deferred as a regulatory asset-  
 29 retirement plans. This regulatory asset will be deferred until it is recognized as  
 30 current pension expense. It is appropriate for both this asset and the pension liability  
 31 be included in working capital. An alternative treatment would be to amortize this

1 deferred account over five years, and allow current recovery of this cost deferral in  
2 our current rate proceeding. We are seeking approval for appropriate treatment and  
3 recovery of implementation of FASB 158 relating to our retirement plans within  
4 this rate proceeding. We have also received information from our CFO, George  
5 Bachman on pensions for projections included in this rate proceeding. He is also a  
6 witness in this proceeding.

7 **Q. Please explain the O & M adjustment for the salary survey?**

8 A. Witness Khojasteh: The Company is also implementing a salary adjustment related  
9 to a recent salary survey completed for our Company and our employees. Several  
10 positions were found to be significantly under compensated, and required a salary  
11 adjustment over and above our typical salary adjustments. Our Human Resource  
12 department undertook an extensive salary survey during 2006 and 2007, and  
13 utilized data within the utility industry, and similar sized and located generic  
14 companies, to develop this survey. The last salary survey the Company conducted  
15 was in 2002. We have estimated the impact of this survey and included these salary  
16 adjustments above and beyond the normal trended expenditures anticipated for  
17 2007 and 2008.

18 **Q. Explain the company adjustments made to expenses for the historic and**  
19 **projected test years?**

20 A. Witness Khojasteh: The fuel and conservation expenses and revenues have been  
21 eliminated from both the historic year and projected years. These items are handled  
22 in separate dockets outside of a base rate proceeding and are appropriate for review  
23 and approval within those separate proceedings. We have also eliminated the  
24 impacts of prior period tax adjustments from net operating income. The effective  
25 tax rate has been included as income tax expense in years presented along with an  
26 amortization of the ARAM for our regulatory deferred tax liability. Finally,  
27 nonregulated depreciation expense has been removed for the plant in service shared  
28 by our nonregulated operations. See schedule C-2 for a summary of these  
29 adjustments.

30 **Q. What were some of the material items outside of normal capital expenditures**  
31 **included in projected rate base for the test year 2008?**

1 A. Witness Mesite: We have previously discussed the special storm hardening capital  
 2 projects. The offsetting contributions received and the first year of this amortization  
 3 has been included in our rate base and expenses for the projected test year 2008.

4 The Company has included the full recovery in rate base for a transformer that was  
 5 ordered in 2006. Circumstances outside of our control could contribute to this item  
 6 not being delivered by December 2007; however, it is appropriate for the purposes  
 7 of rate setting that the full 13 month average remain in 2008 average rate base and  
 8 be allowed for recovery. This item is significant to our operations and delays if any  
 9 will be beyond our control. If full recovery is not allowed, this will accelerate the  
 10 requirement for a future rate case, and thus increase the overall cost to the  
 11 customers as rate case costs are significant.

12 **Q. What items have been included in Working Capital and Rate Base that**  
 13 **requires additional information in addition to that presented in the MFR**  
 14 **filing?**

15 A. Witness Mesite: We have included the net over and under recovery of fuel and  
 16 conservation costs in working capital. Previously, only the over recoveries have  
 17 been included. This is an unfair burden on the company and penalizes the  
 18 Company. The fuel is reviewed as well as the over and under recoveries in a  
 19 special fuel hearing each year. Only those prudently incurred fuel expenses and  
 20 appropriate fuel rates are approved. It is unfair to penalize the Company for items  
 21 outside of their control if an over recovery results from these approved fuel rates.  
 22 Factors such as sales levels, purchased fuel levels, and fuel costs different from  
 23 expectations can all contribute to an over recovery; but are not in the direct control  
 24 of the Company. These same circumstances may apply to conservation whereby the  
 25 timing of revenues and expenses may deviate from projections. Therefore, the  
 26 Company should not be penalized by only including over recoveries and not under  
 27 recoveries in working capital. Although the projected test year includes an under  
 28 recovery for fuel, this should be allowed in working capital so as to not unfairly  
 29 penalize the Company. We are seeking approval going forward for fair treatment of  
 30 including both the under and over recovery related to fuel and conservation in



1 Working Capital. As an alternative, we feel that to eliminate both over recoveries  
2 and under recoveries from working capital would be acceptable and fair since these  
3 items are handled outside of a base rate proceeding.

4 Also, we have included all of the deferred rate case costs in working capital.  
5 Previously, the Commission has disallowed one-half of this deferral in working  
6 capital; however, this unfairly penalizes the Company. We only incur reasonable  
7 and prudent expenditures for the rate case. The Company does not have the staff or  
8 expertise to complete a rate proceeding without additional assistance from outside  
9 resources. The customers have benefited from the Company not keeping staff at a  
10 level that would allow for preparing a rate proceeding without these rate case  
11 deferred costs, and accordingly, the Company should not be penalized for these  
12 prudent actions. The entire deferred balance should be allowed in working capital.  
13 Finally, we have included all cash in working capital. The Company has a prudent  
14 cash management system, and accordingly, it is appropriate to allow all cash in  
15 working capital that is allocated to our electric divisions.

16 **Q. Explain the company adjustments made to rate base for the historic year and**  
17 **projected years?**

18 A. Witness Mesite: Adjustments were made to remove the utility plant and reserve of  
19 our nonregulated operations shared with our electric division. The adjustments are  
20 summarized on Schedules B-2.

21 **Q. How does the company allocate costs for corporate charges across the different**  
22 **utility services?**

23 A. Witness Martin: The Company allocates costs for corporate charges across the  
24 different utility services on a consistent basis. The allocation method varies by  
25 account, but we use allocation factors based on number of customers, base revenue  
26 recovered, plant in service, and time studies to allocate the various charges as  
27 appropriate. At the local level, when there are multiple utilities, the company  
28 applies these same methods but at the divisional level. The allocations from the  
29 local office in Fernandina Beach, and the corporate office, include appropriate  
30 adjustments to the remaining divisions and utilities as appropriate. We have

1 indicated the effects of some allocations as adjustment to the historic year and  
2 projected years, and have the details supporting all allocation adjustments at the  
3 office for review.

4 **Q. Please explain the methodology for the turnaround of the deferred taxes**  
5 **associated with the average rate assumption method?**

6 A. Witness Khojasteh: The Company is requesting permission to change the method of  
7 amortizing the deferred taxes associated with the average rate assumption method  
8 (ARAM) on depreciation related items, and allow for a straight line amortization  
9 over the average remaining life of the property. This method is consistent with the  
10 method used and approved for the Regulatory asset related to Flow-through  
11 deferred taxes on property. The current methodology of the average rate assumption  
12 method is quite cumbersome, and is not easily implemented and maintained. Since  
13 we are not required to keep book depreciation by vintage year since we use a  
14 composite method of depreciation for book purposes, the results from using the  
15 ARAM are not based on specific information, but rather estimates of the  
16 depreciation by vintage year. The results of these estimates sometimes produces  
17 distortions of what the intent of this method was suppose to produce. Using a  
18 straight line method is easier, and spreads out the impact of these rate changes over  
19 a reasonable time period. The impact to customers is more even over each year, and  
20 is easier to determine on an annual basis without harm to customers. We are  
21 requesting permission to change this methodology for use in amortizing this  
22 regulatory liability associated with deferred income taxes. The impact to the  
23 customers is not materially different with these two methodologies, yet the  
24 proposed method produces a more even turnaround of these deferred taxes and is  
25 easier to maintain. We have included the amortization of the ARAM portion of the  
26 FASB 109 deferred taxes in our income taxes for the projected test year.

27 **Q. Does this conclude your written prepared testimony?**

28 A. Witness Khojasteh, Mesite, and Martin: Yes

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)+(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues						
2	Sales of Electricity	61,786,961	61,786,961	100%	61,786,961	(45,301,999)	16,484,962
3	Other Operating Revenues	702,003	702,003	100%	702,003	-	702,003
4	Total Operating Revenues	62,488,964	62,488,964	100%	62,488,964	(45,301,999)	17,186,965
5							
6	Operating Expenses:						
7	Operation & Maintenance:						
8	Fuel:			100%	-	-	-
9	Purchased Power	44,852,209	44,852,209	100%	44,852,209	(44,852,209)	-
10	Other	10,498,563	10,498,563	100%	10,498,563	(417,172)	10,081,391
11	Depreciation & Amortization	3,421,139	3,421,139	100%	3,421,139	(2,292)	3,418,847
12	Decommissioning Expense	-	-	100%	-	-	-
13	Taxes Other Than Income Taxes	4,320,401	4,320,401	100%	4,320,401	(32,618)	4,287,783
14	Income Taxes	(1,361,822)	(1,361,822)	100%	(1,361,822)	862	(1,360,960)
15	Deferred Income Taxes-Net	581,498	581,498	100%	581,498	-	581,498
16	Investment Tax Credit-Net	(27,935)	(27,935)	100%	(27,935)	-	(27,935)
17	(Gain)/Loss on Disposal of Plant	-	-	100%	-	-	-
18	Total Operating Expenses	62,284,053	62,284,053	100%	62,284,053	(45,303,429)	16,980,624
19							
20	Net Operating Income	204,910	204,910	100%	204,910	1,431	206,341

Supporting Schedules: C-2, C-5, C-7

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION

## 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

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304 E

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)	81,494,977	(37,206,306)	44,288,671	75,000	-	44,363,671	(1,310,654)	-	43,053,017
2	Jurisdictional Factors	100%	100%	100%	100%	100%	-	100%	100%	-
3	Jurisdictional Per Books	81,494,977	(37,206,306)	44,288,671	75,000	-	44,363,671	(1,310,654)	-	43,053,017
4	Adjustments									
5	Non-regulated Propane Operations	(57,464)	25,443	(32,021)	-	-	(32,021)	-	-	(32,021)
6										
7										
8										
9										
10										
11										
12										
13	Total Adjustments	\$ (57,464)	\$ 25,443	\$ (32,021)	\$ -	\$ -	\$ (32,021)	\$ -	\$ -	\$ (32,021)
14										
15	Adjusted Jurisdictional	\$ 81,437,513	\$ (37,180,863)	\$ 44,256,650	\$ 75,000	\$ -	\$ 44,331,650	\$ (1,310,654)	\$ -	\$ 43,020,996
16										
17	* 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)

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

Provide the calculation of the requested  
interim revenue requirements increase

Type of Data Shown

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-El

Line No	Description	Source	Amount
1	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,531
5	Income Deficiency (Excess)	Line 3 - Line 4	491,934
6	Earned Rate of Return	Line 4/Line 1	6.5074%
7	Net Operating Income Multiplier	Schedule G-18	1.6075
8	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,784

Supporting Schedules: G-2, G-19a, G-7, G-18

Recap Schedules: G-1

DIRECT TESTIMONY

**DOREEN COX**  
**ROBERT CAMFIELD**

**COST OF EQUITY AND RATE OF RETURN REQUIREMENTS**  
*of*  
**FLORIDA PUBLIC UTILITIES COMPANY**

1   **Q.   Please state your name, title, and business address.**

2   A.   Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida  
3       Public Utilities Company. My business address is 401 South Dixie Highway,  
4       West Palm Beach, Florida, 33401.

5       Witness Camfield. My name is Robert Camfield. I am Vice President with  
6       Christensen Associates Energy Consulting LLC, and my business address is  
7       Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

8

9   **Q.   What is the scope of your testimony?**

10   A.   The scope of our testimony is twofold. First, we address the issue of the cost of  
11       common equity to Florida Public Utilities Company. Estimates of the equity  
12       cost rate underlie our common equity rate of return recommendation. Second,  
13       we integrate the equity rate of return with the other financial components of  
14       Florida Public Utilities Company's capital structure to determine the weighted  
15       average cost of capital and accompanying overall rate of return  
16       recommendation. Our rate of return recommendation should be used by the

1 Commission to set retail electricity prices of Florida Public Utilities Company  
2 in the current docket.

3

4 **Q. Please review your professional background and experience that qualifies**  
5 **you to provide such recommendations.**

6 A. Witness Cox. I received a Bachelor of Science Degree in Management from the  
7 University of the West Indies in 1979, with a concentration in Accounting. In  
8 1990, I earned a Master of Science Degree in Accounting, also from the  
9 University of the West Indies. I am a member of the Jamaican Institute of  
10 Chartered Accountants.

11

12 I joined Florida Public Utilities Company in 1999, and I hold the position of  
13 Financial Analyst, which reports to the Chief Financial Officer (CFO). In this  
14 position, I support the CFO as well as the Accounting and Finance Divisions of  
15 Florida Public Utilities Company. My position covers a variety of operating  
16 and planning responsibilities including project assessment, budget and financial  
17 projections, and cash flow analysis. I assist in the preparation of quarterly  
18 reports to our Board of Directors, and the compliance monitoring with respect  
19 to the Financial Covenants of Florida Public Utilities Company's long- and  
20 short-term sources of external funds. In was a witness in the Natural Gas rate  
21 relief proceedings before the FPSC, Docket Number 040216-GU.

22

23 Witness Camfield. I joined the Michigan Public Service Commission in 1976  
24 as a staff economist. During my tenure with the Michigan Commission, I was  
25 involved in several retail electricity and natural gas pricing issues, and I testified

1 in rate case proceedings regarding cost of capital and retail gas tariff design. I  
2 joined the New Hampshire Public Service Commission in 1979 as Senior  
3 Economist, and held the position of Chief Economist beginning in 1981. As  
4 Chief Economist, I was responsible for the administration of the Economics  
5 Department of the Commission Staff. I oversaw the analysis of regulatory  
6 issues, the coordination and guidance of Staff participation in regulatory  
7 proceedings, the preparation and development of testimony, and I provided  
8 policy advice to the Commission on a variety of issues such as construction  
9 work in progress, financial planning, and the determination of PURPA Section  
10 133 rates. I joined Southern Company in 1983, and held positions in several  
11 departments including Pricing and Economic Analysis at Georgia Power  
12 Company, Costing Analysis of Southern Company Services, and Southern  
13 Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen  
14 Associates, Inc. ("Christensen Associates") as a senior economist, and currently  
15 hold the position of Vice President with Christensen Associates Energy  
16 Consulting LLC., a subsidiary consulting group of Christensen Associates.  
17  
18 My experience covers a gamut of issues facing regulated industries. I have been  
19 involved in the negotiation of power supply contracts and the terms of franchise  
20 licenses. My overseas assignments are several, and I have managed a large  
21 market restructuring project in Central Europe. I have served on national and  
22 regional advisory panels, and I have advised integrated electric utilities,  
23 independent power producers, transmission and distribution companies, utility  
24 associations, offices of consumer advocate, and regulatory agencies on  
25 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. Would 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

1           and economical management, to maintain and support its credit  
2           and enable it to raise the money necessary for the proper discharge  
3           of its public duties. A rate of return may be reasonable at one  
4           time and become too high or too low by changes affecting  
5           opportunities for investment, the money market and business  
6           conditions generally.”

7

8           A second landmark decision of U.S. Supreme Court echoed, fortified, and  
9           expanded upon the fair return standard established by the “Bluefield” decision  
10          cited above for capital committed to public utilities. This second decision is the  
11          Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391,  
12          1944). A relevant passage of this latter decision is as follows:

13               “From the investor or company point of view it is important that  
14               there be enough revenue not only for operating expenses but also  
15               for the capital costs of the business. These include service on the  
16               debt and dividends on the stock... By that standard the return to  
17               the equity owner should be commensurate with return on  
18               investments in other enterprises having corresponding risks. That  
19               return, moreover, should be sufficient to assure confidence in the  
20               financial integrity of the enterprise, so as to maintain its credit and  
21               attract capital.”

22

23          These longstanding decisions provide the recognized framework for the fair rate  
24          of return on capital committed by investors to public service. In these  
25          decisions, the U.S. Supreme Court codified, in clear and readily understandable

1 terms, a statutory benchmark that serves as the basis to set fair and equitable  
2 prices for retail public services such as natural gas, while also providing a fair  
3 rate of return on the capital provided by investors. Though they reach back  
4 many years, these decisions remain to this day the cornerstone for the  
5 determination of rate of return requirements. The challenge for regulators,  
6 regulated utilities, and interested parties to regulatory proceedings is to  
7 operationalize these principles in contemporary regulatory processes.

8  
9 **Q. Please provide an overview of your approach to the determination of the**  
10 **rate of return requirements for Florida Public Utilities Company.**

11 A. Our approach follows the prescribed methodology of the Florida Public Service  
12 Commission to determine the overall weighted average cost of capital  
13 (“WACC”) and the overall rate of return, for regulatory purposes. Specifically,  
14 we develop a forward-looking consolidated capital structure for the year 2008  
15 with the exclusion of capital structure balances associated with the Company’s  
16 propane subsidiary, Flo-Gas. For determining retail prices in the instant docket,  
17 the recommended capital structure is determined on the basis of the 13-month  
18 average balances of the components that comprise the capital structure of the  
19 Company. We develop a traditional capital structure including the key elements  
20 of long-term debt, short-term debt, preferred stock, and common shareholder  
21 equity. Similarly, we develop a regulatory capital structure that contains, in  
22 addition to these components, balances for customer deposits, accumulated  
23 deferred taxes and accumulated investment tax credits of the Company  
24 dedicated to providing retail electricity services. Traditional elements of the

1 capital structure are scaled pro rata, such that the regulatory capital structure, in  
2 total, matches the rate base attributable to the provision of electricity services.

3

4 It is good regulatory policy to accurately capture the means by which Florida  
5 Public Utilities Company underwrites its assets and rate within the regulatory  
6 capital structure, providing that such structure contains an appropriate balance  
7 of equity and debt, given the regulatory and operational business risks facing the  
8 Company. Contemporary business, regulatory, and financial risks confronting  
9 energy utilities are higher than in past years. Consequently, and consistent with  
10 the business objectives of providing low-cost and reliable service, Florida  
11 Public Utilities will fund its assets with larger equity participation in total  
12 capital than in years past and, to this end, the year-end 2008 capital structure is a  
13 better representation of the expected capital structure of the Company. This is  
14 because the year-end balances capture the prospective weight, on average, that  
15 common equity will assume within the Company's capital structure.  
16 Furthermore, the year-end balances of the components of capital provide a  
17 better balance of debt and equity for the purpose of minimizing the weighted  
18 average cost of capital. Accordingly, the adoption of the projected year-end  
19 capital structure to determine retail prices, which would constitute a departure  
20 of the Florida PSC from its general policy of using the 13-month average capital  
21 structure, would be in the long-term interests of retail consumers and the  
22 Company as well. Accordingly, we offer the year-end capital structure as an  
23 alternative to the 13-month average approach.

1 The cost rates applied to the 13-month 2008 balances of long-term debt and  
2 preferred stock include the interest rate on the face amount and issuance costs  
3 unique to each individual issue, and related debt expenses where appropriate.

4 The cost rate applied to customer deposits balances is based upon market  
5 segment-specific interest rates, as determined by the Commission. The balances  
6 for accumulated deferred taxes and investment tax credits are included in the  
7 regulatory capital structure at cost rates of zero and the overall cost of capital  
8 stated on a traditional basis, respectively.

9  
10 The rate of return for common equity is determined by applying four capital  
11 cost assessment methodologies including Discounted Cash Flow, Capital Asset  
12 Pricing Model, Risk Premia, and an assessment of Realized Historical Returns.  
13 The fourth approach constitutes a benchmark by which investors gauge the  
14 future earnings prospects of financial assets and, along with other information,  
15 form expectations of future returns. By assumption and empirical assessment,  
16 efficient markets value (price) financial assets accordingly. These four methods  
17 are well founded by modern finance theory and are often used to determine the  
18 cost rate for common equity capital. The Risk Premia methodology infers the  
19 underlying opportunity cost of capital on a basis of the relative risks of debt and  
20 equity capital.

21

22 **Q. Can you please summarize your findings and recommendations?**

23 A. Yes. Our studies give rise to an overall rate of return recommendation of  
24 8.07%. The determination of the 8.07% rate of return is shown in Exhibit 1,  
25 which reveals the balance amounts for each financial component of the capital

1 structure, the share that each component represents, the attending cost rate, and  
2 the overall rate of return. As mentioned above, the overall rate of return  
3 recommendation is based upon a 13-month 2008 regulatory capital structure  
4 that, consistent with utility regulatory policy in the State of Florida incorporates  
5 customer deposits, accumulated deferred income taxes, and investment tax  
6 credit balances.

7  
8 The recommended 8.07% overall return level incorporates a common equity  
9 return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida  
10 Public Utilities Company is assessed with four valuation methods. The results  
11 of studies based on the valuation methods are shown in Exhibit 2, along with the  
12 equity return recommendation.

13  
14 This recommendation, if adopted by the Florida Public Service Commission,  
15 will enable Florida Public Utilities Company to continue to provide highly  
16 reliable electricity service to its customers at favorable prices. At the same  
17 time, the recommendation provides an adequate level of compensation to the  
18 shareholders of Florida Public Utilities Company on the capital that they have  
19 committed to the Company. Satisfactory returns to equity also enable the  
20 Company to continue to attract long- and short-term debt at favorable terms and  
21 interest rates that, in both the near-term future and the long-run, are in the best  
22 interests of retail electricity consumers.

23  
24 Fair and adequate allowed returns to capital are vital, and we cannot over-  
25 emphasize to the Commission the importance of setting the overall rate of return

1 at a sufficient level, particularly in the current environment of considerable  
2 levels of risk and uncertainty. The determination of an adequate return level by  
3 the Florida Public Service Commission signals to the investment community  
4 including mutual funds, long-term private investors, speculators, mortgage  
5 bankers, and commercial banks that the business and regulatory environment in  
6 which Florida Public Utilities Company operates has continuity and stability  
7 over the long term. Importantly, it also signals that the Commission is  
8 supportive of the Company and the job that we do on an ongoing basis for retail  
9 consumers.

10  
11 **Q. Electricity is intermingled with and highly dependent upon energy**  
12 **markets, particularly markets for primary fuels. Can you please provide a**  
13 **profile of contemporary electricity markets and the implications for**  
14 **electricity distributors and the cost of equity capital?**

15 A. Infrastructure industries, including the electricity services industry in particular,  
16 are undergoing significant restructuring with no immediate end in sight. This  
17 restructuring assumes a number of dimensions including service unbundling in  
18 both retail and wholesale markets, competitive entry and new mechanisms to  
19 determine the prices for services. At the wholesale level, utilities face and are  
20 part of the expansion of wholesale services and contract mechanisms to hedge  
21 varying degrees of risks; divestiture of generation; and the appearance of wide-  
22 scale participation in wholesale electricity commodity markets by power traders  
23 and speculators who are deeply involved in commodity markets generally.  
24 Wholesale markets are being organized under the auspices of regional  
25 transmission organizations referred to as RTOs. RTOs serve as the agent for

1 markets as a whole, where regional markets are unbundled according to time  
2 (hourly markets), space (locational pricing of energy), and services including  
3 energy, reserves (including regulation, spin, non-spin, and supplemental  
4 categories), as well as financial transmission rights (FTRs) of various types.  
5 While wide-scale change has been in the works for years and is arguably most  
6 pronounced at the wholesale level, as precipitated by the Energy Act of 1992,  
7 significant change has been and is currently underway within retail markets as  
8 well. At the retail level, regulated utilities face a gamut of changes regarding  
9 new regulatory governance arrangements including pre-approval, decoupling,  
10 and various performance assessment mechanisms; auctions for provider of last  
11 resort ("POLR") services; renewable resource portfolio standards, and new rules  
12 and requirements regarding reliability requirements, aside from the new  
13 reliability (and implied cost) commitments imposed on service providers by the  
14 North American Electric Reliability Council ("NERC"), which has been  
15 recently designated by the Federal Energy Regulatory Commission ("FERC")  
16 as the national electric reliability organization ("ERO").  
17  
18 Driven to improve earnings performance and exploit growth opportunities,  
19 many integrated electric utilities have since the late-1980s pursued non-  
20 regulated business ventures including activities fairly far afield from electricity  
21 services such as real estate and insurance, as well as diversified energy services  
22 including distribution operations, nuclear generation, renewable resources, and  
23 power trading. In a number of cases, generation (and to a lesser extent  
24 transmission) assets have been sold off to independent generation companies or  
25 unregulated generation entities have been formed from the generation business



1 units of the integrated utilities. Thus, deregulation has resulted in an  
2 increasingly broad range of business activities, business organizations and entity  
3 structures within the electricity services sector of the economy, obtained  
4 through competitive entry and consolidation of functionality across entities.  
5 The financial performance of entities within the electricity services industry  
6 including the expected returns to capital and financial risks, is much more  
7 closely linked to energy markets, generally, than was previously the case.

8  
9 The net result is generally positive, as competitive entry arguably obtains  
10 reduced costs to the benefit of consumers, at least in the long run. Nonetheless,  
11 these changes in structure, much of which have been accompanied by and  
12 ushered in through regulatory changes, have also raised capital risks associated  
13 with electricity services, as perceived by investors. This backdrop of higher  
14 capital risks occurs at a time when electricity service providers, including  
15 Florida Public Utilities Company, face steadily expanding electricity service  
16 demands and an array of new requirements covering, among other things,  
17 capital renewal at a time of fast rising costs for electrical equipment.

18

19 **Q. Your testimony mentions capital risks and capital renewal. Perhaps you**  
20 **can elaborate on the meaning of capital, and how it comes about.**

21 A. Capital refers to economic resources of a durable nature that contribute to  
22 production of good and services, or may provide services directly. Capital  
23 resources of an economy are readily at hand; examples include manufacturing  
24 equipment, software, commercial buildings, residential dwellings, streets and

1 highways, airports and, importantly, the accumulation of skills and knowledge  
 2 of the workforce. Capital is accumulated savings over time, where savings  
 3 refers to the proportion of the output of an economy that is not consumed as  
 4 current goods and services. Essentially, savings is the share of output held back  
 5 and invested in—i.e., put into—capital resources. The cumulative level of  
 6 investment over time, covering decades, constitutes the capital stock of an  
 7 economy and a society. It is useful to mention that capital can assume various  
 8 investment forms aside from financial assets in private and public companies  
 9 and other entities. The stock of capital includes real estate, durable household  
 10 goods, education, public property and infrastructure such as libraries, museums,  
 11 parks, roads, and transit systems. Individuals, firms, and government entities  
 12 invest funds in capital resources if the expected flows of benefits realized by the  
 13 investments in the future are equal to or greater than the value of current  
 14 consumption given up or foregone.

15  
 16 **Q. Please review the notions of cost of capital, opportunity cost of capital, and**  
 17 **discuss how risk affects the opportunity cost of capital.**

18 A. The cost of capital is the compensation required by investors for postponing  
 19 consumption, for expected inflation, and for exposure to capital risks of various  
 20 dimensions. *Cost of capital* refers to the underlying interest rate used to  
 21 discount expected benefit flows of capital resources including returns to  
 22 financial assets, and is sometimes referred to as the rate of discount, or simply  
 23 the discount rate.

1 Financial assets include a multitude of debt vehicles, equity, and derivatives,  
2 and are tailored to participants of capital markets including household, small  
3 business, corporate, and government segments. Participants across these  
4 segments—*i.e.*, investors including lenders and holders of common and  
5 preferred stock— can supply capital while other participants (such as borrowers  
6 and common stock issuing companies) demand capital. Commercial banks,  
7 credit unions, finance companies, capital exchanges, and investment banks  
8 serve as intermediaries that provide the institutional means that facilitate the  
9 interaction and linkage of the supply and demand sides of financial markets.  
10 These functions essentially include lending, borrowing, and the issuance of  
11 equity vehicles. Banks and credit unions borrow (and store) financial assets that  
12 in turn are invested in the form of debt and to a lesser extent equity.

13  
14 Household debt vehicles include, for example, personal loans covering  
15 appliances, household services, and credit card mechanisms through finance  
16 companies and banks, and real estate and so-called home equity loans. Business  
17 loans include short-term loans and lines of credit with banks, inventory  
18 financing through business wholesalers, and commercial paper of various terms.  
19 Corporate debt can be in the form of lines of credit with banks, and mortgage  
20 and debenture bonds, while government debt can be in the form of revenue  
21 bonds of cities, and short- and long-term debt of various terms.

22  
23 Equity refers to common and preferred stock, where the investor assumes a  
24 share in the ownership of a corporate entity. In some cases, debt instruments  
25 can participate in equity returns and have rights of conversion to common stock.

1 Derivatives refers to options and forward contracts that are specifically designed  
 2 for speculation and risk hedging, where the market worth of the derivative is  
 3 determined by investor expectations in the underlying price of a financial asset  
 4 or commodity.

5

6 **Q. What factors contribute to the underlying cost of capital regarding**  
 7 **financial assets?**

8 A. The underlying cost of capital is determined by investors and, in the large, by  
 9 individuals and entities (including government entities) that provide savings and  
 10 thus the accumulation of capital within the economy. In the case of financial  
 11 assets, expected benefits are in the form of future cash flows including interest  
 12 payments, dividend payments, market appreciation, and return of principal.  
 13 When investors supply funds to entities such as utilities and government entities  
 14 and municipalities, not only are they postponing consumption—giving up the  
 15 value of alternative expenditures in some other way, they are also exposing  
 16 funds to the devaluation of ongoing inflation and various uncertainties and risk  
 17 attending future cash flows. Investors are willing to incur these risk factors only  
 18 if they are adequately compensated. While the market prices of other inputs  
 19 including labor, materials, energy can be easily verifiable, the cost of capital—  
 20 essentially, the price of capital—is not easily discerned and, all too often,  
 21 requires estimation through the cautious application of analytical methods.

22

23 The cost of capital, however, remains positive absent inflation and risks, as  
 24 savers require compensation for foregoing the right to use the funds saved for  
 25 consumption of goods and services—essentially, the time value of money.

1       The cost of capital is determined by the demand for capital, supply of savings,  
 2       expectations of inflation, and perceptions of risks harbored by participants in  
 3       capital markets. The demand for and supply of capital are determined by  
 4       expectations of future levels of economic activity, while expected inflation is  
 5       driven largely by monetary policy over the relevant timeframe. Perceptions of  
 6       risk, in turn, cover many dimensions including uncertain government policy and  
 7       the effects of natural phenomena such as weather. The cost of capital—the  
 8       discount rate stated in nominal terms—increases with rising demand for capital,  
 9       with expectations of higher rates of inflation, and with heightened perceptions  
 10      of risk. Arguably, risk is the key contributing factor for the estimation of the  
 11      cost of capital.

12

13      **Q. Please elaborate on capital risks, and estimation of the cost of capital.**

14      A. In addition to the global risks alluded to above (weather, government policy,  
 15      etc.) dimensions of risk also cover idiosyncratic factors associated with specific  
 16      capital resources, such as that of individual entities or companies. Accordingly,  
 17      financial markets will re-price downward the bonds of a private company,  
 18      should the *current* financial condition of the company suddenly decline.  
 19      Essentially, the decrease in the company's current condition, reflected as  
 20      reduced interest coverage—causes the expectation of the future condition of the  
 21      company to also decline. Expectations of future financial conditions (possible  
 22      states) of the specific company are idiosyncratic risks. Because cost of capital  
 23      rises with increased risks, the price of the bonds decline. Bond prices and  
 24      discount rates, in the form of the net interest rates or bond yields (and yield to

1 maturity), move in opposite directions; bond yields increase as bond prices  
 2 decline, and decrease as bond prices rise.

3

4 Resources migrate to the highest valued use and worth, given perceived risks,  
 5 such that the returns to capital are equivalent to opportunity costs. The various  
 6 forms of capital compete among themselves for savings and with other non-  
 7 capital resource inputs and opportunities. Similarly, the vehicles of investment  
 8 of individual entities, such as the specific bonds of a municipality or the  
 9 common stock of a company, must compete for savings through a process of  
 10 capital attraction. That is, if the outlook for earnings of a company rises,  
 11 participants in capital markets—investors—allocate more capital to the  
 12 company by bidding up the price of the stock thus increasing the company's  
 13 market capitalization. Conversely, perceptions of heightened risks associated  
 14 with the debt of a company or municipality precipitates a decline in the market  
 15 value of the outstanding bonds, as capital migrates from the  
 16 company/municipality to other resource opportunities. Thus, the prices of  
 17 financial assets of entities including debt and equity securities are highly  
 18 sensitive to perceptions of risk. Capital markets trade off risks and expected  
 19 returns, given the overall menu of available choices, as alternative  
 20 opportunities.

21

22 At an undefined point in time such that levels of supply and demand for capital  
 23 and expectations of inflation are roughly equivalent (as a matter of consensus),  
 24 the cost of capital is a matter of risk. Essentially, then, the cost of a specific  
 25 source of capital is basically determined by the underlying riskiness of that

1 investment in view of alternative opportunities that, together, represent the  
 2 investors' current opportunity set. Hence, the cost of capital associated with  
 3 specific investment opportunities, is differentiated by risks alone, as the other  
 4 factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation  
 5 expectations—are common to all investments, and capital more generally.  
 6 Competitive capital markets, through the process of assessing, buying, and  
 7 selling, ensure that the expected payoff in the form of market rate of return is  
 8 approximately equal to that of other investments of equivalent risk. In short,  
 9 debt and equity investment vehicles of comparable risk are priced the same. If  
 10 not, investors as participants in capital markets will bid up securities with  
 11 comparatively low risks and bid down others with comparatively high risks. If  
 12 investor perceptions of capital risks attending a utility increase—or the  
 13 expectations for returns decline—markets bid down the securities of the utility.  
 14 This implies that a utility will be unable to attract capital on equivalent terms, a  
 15 result that is manifested in either of two ways: the quantity of capital acquired,  
 16 in the form of new securities offerings, is reduced for a given level of return  
 17 (stated in dollars), or a higher prospective rate of return attends the new  
 18 offerings—it costs more to obtain an equivalent quantity of capital.  
 19  
 20 As mentioned above, investor rate of return is the discount rate that causes the  
 21 present value of the expected cash flows, as receipts realized by investors, to  
 22 equal the market value of the financial asset. From the utility side, the cost of  
 23 funds raised by the utility through the sale of securities is equal to the  
 24 discounted present value of the cash outflows to be paid by the utility, as  
 25 expected by investors. But since the (positive) cash flows stream to the investor

1 is identical to the cash outflows of the utility, the two discount rates must be  
 2 identical, abstracting from the effects of flotation costs, which causes the costs  
 3 to the issuer to exceed the return required by investors to the extent that  
 4 flotation costs decrease the net amount of funds actually available to the issue.  
 5 In other words, the cost of capital to the utility is synonymous with the  
 6 investors' expected rate of return. Hence, the cost of capital is the discounted  
 7 expected cash flows necessary for the security to "pay the price"—*i.e.*, in order  
 8 to satisfy investors' required rate of return.

9  
 10 When capital markets are sufficiently competitive, they ensure that the market  
 11 value and worth of financial vehicles of the outstanding debt and equity—as  
 12 held by the investment community, which can include households, financial  
 13 institutions, government entities, and non-financial companies, is set (*i.e.*,  
 14 priced) at a level such that the returns to capital approximate the cost of capital.  
 15 Because investors are averse to risks, competitive financial markets price  
 16 financial assets inversely according to perceptions of risks, all other factors held  
 17 constant.

18

19 **Q. Why is this construct relevant and how does it relate to Florida Public**  
 20 **Utilities Company and its capital needs?**

21 A. As discussed, capital resources are the result of cumulative investment, and are  
 22 obtained or funded directly or indirectly from savings of households and firms  
 23 over time. Savings is the share of income of the economy as a whole that is not  
 24 expended as consumption within a current period, and is typically measured as



1 dollars or percentage shares in either quarterly or annual periods. This means  
 2 that the capital resources employed by Florida Public Utilities Company  
 3 including power delivery systems such as transformers and lines, meters, trucks  
 4 and vehicles, computer systems, software, office facilities and buildings,  
 5 inventory and stores, and land are costly, where cost is reflected as the annual  
 6 carrying charges on capital, measured in the form of the net utility rate base.

7  
 8 Whereas the cost of skilled labor, materials and supplies, purchases of  
 9 generation and transmission services, or other inputs used in the production  
 10 process of utilities are expressed in money terms—*e.g.*, purchased power stated  
 11 as dollars per megawatt hour—the cost of capital is expressed as an interest rate,  
 12 typically shown as an annual percentage of the principal amount committed by  
 13 investors. The cost of capital—or perhaps more accurately, the *cost rate of*  
 14 *capital*—to the firm can be referred to as the *required rate of return (%)* on the  
 15 capital resources committed by investors. In the case of public utilities,  
 16 invested capital is referred to as the rate base, valued at either original cost or  
 17 fair market value. For the determination of setting retail prices in the U.S., the  
 18 regulatory convention is to value the capital of public utilities at original cost.

19  
 20 To facilitate the commitment of capital (investment) by savers and their agents  
 21 to the firm, the firm offers property rights, including bonds or promissory notes  
 22 to debt holders and shares of stock to equity investors. These property rights  
 23 define the commercial terms and conditions under which savers and their  
 24 agents, as investors, commit capital. Property rights are capital (financial)  
 25 assets, and are generally tradable. Financial assets are claims on the income of

1       the firm as compensation for the commitment of capital, and are the financial  
2       obligations of the firm. Shares of stock constitute ownership in the firm.

3

4       In the case of long-term debt—*i.e.*, mortgage bonds, debentures, and long-term  
5       notes—the interest on the principal (face) amount of a bond (debt) or the  
6       coupon rate on the share of preferred stock defines the level of compensation.

7       Often, the interest rate is a predefined annual rate that remains fixed over the  
8       term of the debt. However, long-term debt instruments can have a number of  
9       other provisions that, in essence, provide for more complete contracting by  
10      managing risks through risk sharing between the debt holders and the borrower  
11      (the firm). These provisions can include 1) adjustments to the rate of interest to  
12      reflect contemporary market conditions *and* rates of inflation, 2) participation in  
13      earnings of the firm, 3) conversion rights, and 4) voting rights in the  
14      management of the firm.

15

16      In the case of short-term promissory notes, agreements with commercial banks  
17      define the mechanism by which interest, stated in dollars, is determined. Often,  
18      the commercial terms of promissory notes define interest to be paid monthly on  
19      the outstanding daily balance (principal) outstanding. The rate of interest  
20      applied to the outstanding balance is typically tied (indexed) to the interest rate  
21      on obligations of some widely known financial market—say, the London  
22      Interbank Offer Rate (LIBOR) or Fed Funds—which also varies daily or  
23      monthly.

1 Common stock property rights are somewhat different from other financial  
2 obligations because, as owners of the firm, the returns to shareholders are  
3 residual amounts following the compensation of other resources employed by  
4 the firm including debt obligations. Common equity is essentially compensated  
5 last, and bears the burden of much of the business, regulatory, and financial  
6 risks of the firm. For this reason, common equity is, in virtually all cases, more  
7 costly than other forms of financial instruments.

8  
9 As with other markets, capital markets have primary and secondary dimensions.  
10 Primary markets are the institutions and processes that facilitate the initial sale  
11 of the financial obligations of the firm to initial investors, whereas secondary  
12 markets are structured market processes that provide the means by which  
13 investors can purchase and sell existing rights, including shares of stock and  
14 debt obligations. Financial instruments can assume many forms, and debt  
15 securities (bonds) and equity shares are actively traded in financial markets,  
16 which are generally considered to be highly liquid and competitive. However,  
17 to the degree that financial obligations 1) carry specialized and non-common  
18 commercial terms, and 2) secondary—and to a lesser extent, primary—markets  
19 are less liquid, holders of such obligations assume higher risks, other factors  
20 held constant. This is the case where the pool of buyers and sellers is limited  
21 and the volume of transactions is comparatively small. Relatively low levels of  
22 liquidity imply higher transaction costs and risks to investors, which translates  
23 directly into higher costs of capital to the firm.

1        Competition is a term that describes some markets, and markets are said to be  
 2        competitive if certain conditions exist. Markets can be characterized as  
 3        competitive if they involve: 1) a very large number of buyers and sellers, 2)  
 4        information relevant to the determination of prices is readily available, complete  
 5        and not costly, and 3) transactions costs are low. Because of the workably  
 6        competitive nature of financial markets, arbitrage opportunities are more or less  
 7        exhausted. This means that, for both primary and secondary markets, financial  
 8        property rights trade at levels (prices) such that perceived risks and  
 9        opportunities for prospective returns to capital are appropriately balanced and  
 10       approximate those of other investment opportunities. Thus, above-normal  
 11       returns, which implicitly include compensation for risks, cannot be seemingly  
 12       realized by investors over prospective periods in systematic fashion.

13  
 14       Competition inherent to U.S. and worldwide financial markets ensures that the  
 15       prices of common shares (share prices) and bonds are at a level that reflects the  
 16       opportunity cost of capital. As an example, assume that the perceived risks  
 17       attending the returns to common shareholders of firm A are equivalent to those  
 18       of firm B and other firms. If the share prices of firm A suggest a market return  
 19       of 10%, while the prices of firm B and other firms of comparable risks suggest  
 20       (allow) market returns of 13%, the market price of firm A will fall to a level that  
 21       provides a basis for market returns of just 13%, prospectively. A price that  
 22       allowed for a 10% prospective market return is insufficient in the presence of  
 23       opportunities for market return of 13% on alternate investments of comparable  
 24       risk. Essentially, the 13% market rate of return on investment alternatives  
 25       constitutes the opportunity cost of capital. Most remarkable is the expedience—

1       literally, in minutes—with which share prices adjust to levels that appropriately  
2       balance prospective returns to equilibrium levels *based upon perceptions of*  
3       *risks*. In short, equivalent and comparable risks translate directly into  
4       comparable rates of return, which is the cost of capital of common shareholders  
5       in—and thus of—the firm.

6  
7       As mentioned early on, the cost of capital is a function of the demand for and  
8       supply of capital, investor expectations of inflation, and investor perceptions of  
9       risks. Because the conditions of demand and supply as well as expectations of  
10      inflation are more-or-less common to financial markets at any point in time,  
11      financial vehicles are differentiated by risks. Hence, the expected returns and  
12      prices of bonds and common shares (normalized for denomination and size) at  
13      any point in time are largely if not exclusively differentiated by perceptions of  
14      risk.

15

16   **Q.   How is this general discussion of capital markets relevant to Florida Public**  
17   **Utilities Company?**

18   A.   Because the cost of capital is positively related to risks, continuity of regulatory  
19   policy mitigates capital risks of Florida Public Utilities Company to the benefit  
20   of retail consumers by providing a sustained regulatory environment that  
21   facilitates a steady flow of revenue that closely adheres to the costs of electricity  
22   services.

23

24   **Q.   Would you please review the capital structure, interest coverage**  
25   **requirements, and the implications for sufficient coverage?**

1     A.   Interest coverage refers to the times that debt interest is covered by income, and  
2         is the most important measure of investment risk of corporate debt. Interest  
3         coverage is a major concern of Florida Public Utilities Company as it is the  
4         basis upon which the Company maintains its favorable credit standing with  
5         markets and continues to obtain long- and short-term debt at favorable rates of  
6         interest. Interest coverage under the recommended capital structure and rate of  
7         return for the Company's consolidated electricity services business unit is  
8         estimated to be 4.06, compared to 2.5 times using current rates. Please reference  
9         Exhibit 12, Page 2

10

11         For purposes of comparison, we also show interest coverage over the historical  
12         timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the  
13         recommended rate of return is adequate though not at a robust level. Two  
14         conclusions are reached:

15             1) While the implied coverage level is acceptable, the Company must  
16             sustain a flow of earnings at consistent levels in order to maintain  
17             adequate coverage and also satisfy debt covenants.

18             2) Contingency events and business conditions that give rise to sudden  
19             and unexpected changes in revenue or cost flows can imply immediate  
20             shortfall in coverage. In short, the coverage level obtained from  
21             earnings at the recommended rate of return is only adequate in today's  
22             environment of higher capital risks.

23         The importance of coverage cannot be overstated. Indeed, in discussions with  
24         investment banks, commercial banks, and stock analysts regarding the financial  
25         condition and soundness of the Company, a salient point of concern continues to

1 be coverage of debt. Lending entities, private investors, and investment banks  
 2 continue to emphasize the importance of consistently-realized adequate interest  
 3 coverage as the essential measure of the Company's capability to service long-  
 4 and short-term corporate debt.

5  
 6 As can be seen, the recommended rate of return requirement, 8.07%, provides  
 7 satisfactory interest coverage. And although the overall return recommendation  
 8 provides adequate coverage, it is certainly not abundant. Hence, it is absolutely  
 9 necessary that Florida Public Utilities Company realize adequate and sustained  
 10 flows of income to ensure that the Company satisfies credit risk requirements.  
 11 Coverage is our window of access to capital at favorable rates of interest and  
 12 under reasonable terms, enables the Company to provide electricity services.  
 13 Setting the overall rate of return at a satisfactory level of 8.07% is necessary and  
 14 in the best interest of retail electricity consumers.

15  
 16 **Q. What is the appropriate capital structure for determining retail prices in**  
 17 **this docket?**

18 A. Two fundamental issues are present. First, should the Commission utilize a  
 19 consolidated capital structure for setting retail electricity prices and under what  
 20 conditions should the Commission depart from a consolidated capital structure?  
 21 Second, should an average or year-end capital structure be utilized?

22  
 23 *Issue 1: Conditions to Justify Departures from the Consolidated Capital*  
 24 *Structure.* In the absence of large-scale subsidiary operations, the Florida  
 25 Commission should generally utilize a consolidated capital structure where such

1 approach provides a reasonable balance between debt and equity. Under such  
2 conditions, the Commission is assured that the service provider is, in the best  
3 interest of retail consumers, underwriting its assets dedicated to providing utility  
4 services at least cost.

5

6 This can be viewed as a principle that defines criteria useful to the Commission  
7 in regulatory decisions regarding the issue of the appropriate capital structure  
8 for the determination of retail prices. Specifically, and as a general rule, the  
9 Commission should only deviate from a consolidated capital structure when this  
10 condition—*i.e.*, an appropriate balance between debt and equity—is not  
11 satisfied. The corollary to this principle is that the Commission and its staff  
12 should never remove or add accounting-based line items from a consolidated  
13 capital structure that is appropriately balanced. Two facts of financial  
14 accounting underlie this corollary, as follows:

15 1) A firm cannot ever trace and identify, as a matter of dollar flows, specific  
16 sources of funds to specific uses of funds. The Treasury of a firm  
17 essentially constitutes a pool or inventory of current funds, cash, that  
18 continually experiences fund inflows and outflows. One cannot say that a  
19 specific source of funds is earmarked for a specific use. As an example,  
20 one cannot say that cash flow returns and operating income that arise from  
21 the Company's electricity operations are used solely to underwrite  
22 resources for the electricity business. Electricity-sourced cash flows are,  
23 in fact, used across the combined operations of the natural gas, electricity,  
24 and propane businesses of the Company—and similarly for the natural gas  
25 and propane operations.



1           2) The Company's balances of long-term debt, short-term debt, preferred  
2           stock, and common equity stated on a consolidated basis represent the  
3           accrual over years of the net flows of funds of the Company including  
4           external and internal sources. The balances for these financing vehicles  
5           can and should be used as the basis by which the Company underwrites  
6           any and all of its assets, stated on either a consolidated or an individual  
7           basis. This is simply a business, accounting, and financial fact.

8           There is no reasonable basis, thus, to exclude Flo-Gas balances from the  
9           Company's capital structure for purposes of setting retail electricity prices in the  
10          current docket. Indeed, exclusion of Flo-Gas balances may harm retail  
11          electricity consumers in various ways, aside from the inherent contradiction to  
12          the realities and facts of financial accounting identified above.

13  
14          Second, exclusion of Flo-Gas balances from the capital structures used to set  
15          prices for the regulated operations, including electricity and natural gas,  
16          implicitly assigns common equity, which is comparatively high-cost, to the  
17          Company's unregulated propane operations, placing the propane operations at a  
18          competitive disadvantage with other propane companies. One can expect that  
19          other companies will leverage assets in a manner similar to that of the  
20          Company, in order to finance propane and competitive, non-regulated energy  
21          services. As a consequence, the Company needs to follow a similar policy. If  
22          the Company is required to assign only equity to non-regulated operations, it is  
23          implicitly forced to charge correspondingly higher prices in order to generate  
24          adequate returns.

1 Third, the consolidated capital structure of Florida Public Utilities Company  
2 stated on 13-month average basis for 2008 represents a sound balance of debt  
3 and equity financing that fully satisfies the financial needs of the Company,  
4 particularly in view of the comparatively small size of Florida Public Utilities.  
5 This is evidenced by the comparative sample of electric utilities used to  
6 determine the cost of capital. Specifically, equity participation within the  
7 Company's 2008 capital structure resides within one standard deviation of the  
8 average participation of the sample. Hence, the Company's financing policy  
9 and strategy conforms to a reasonableness standard, in addition to fully  
10 satisfying the financial prudence and flow of funds criteria outlined above.

11  
12 Nonetheless, the recommended weighted average cost of capital presented  
13 within our testimony follows the Commission's prescription. Namely, the Flo-  
14 Gas balances are excluded from common shareholder equity for purposes of  
15 determining the overall rate of return to set retail electricity prices within the  
16 immediate docket.

17  
18 *Issue 2: Average or Year-End Capital Structure.* This second issue implies two  
19 subsidiary questions: is the average or year-end capital structure the most  
20 representative on a forward-looking basis beyond 2008. As shown on Exhibit 1,  
21 page 1, the average capital structure for 2008 for Florida Public Utilities  
22 Company contains equity participation of 40% and 50%, respectively, under  
23 regulatory and traditional methods of stating the underlying invested capital. As  
24 a result of the issuance of common equity shares at mid-year 2008, the average  
25 balances approach inherently does not take account of the level of equity

1 participation beyond 2008, the period over which the retail prices will be in  
2 effect.

3  
4 The appropriate correction for this understatement of the overall cost of capital  
5 for the Company, which is inherent with the use of average capital balances in  
6 the face of the pending issuance of new shares, is to use a year-end capital  
7 structure. The result of such approach is shown on pages 2 and 3 of Exhibit 1,  
8 where the year-end based weighted average cost of capital is presented, shown  
9 with and without Flo-Gas balances. Specifically, year-end balances reflect  
10 equity participation of 42% and 54% for the regulatory and traditional capital  
11 structure. This higher equity participation level translates into weighted average  
12 cost of capital results of 8.13%, stated for regulatory purposes. In short, the  
13 average capital structure for 2008 leaves Florida Public Utilities Company short  
14 by 6 basis points, which implies an unrecognized revenue shortfall of about  
15 \$40,000, stated on a going-forward basis.

16

17 **Q. Can you please review your recommendation for the cost rate of long-term**  
18 **debt?**

19 A. Yes. Florida Public Utilities Company has raised long-term debt from time to  
20 time based upon the need for capital and our Company's financial policy of  
21 maintaining a balanced capital structure. Because of our conservative  
22 management philosophy, we have consistently raised new debt issues at  
23 favorable rates of interest at the time of issue. Contributing to favorable interest  
24 rates are the conservative sinking fund provisions of the earlier higher-cost debt  
25 issues of the late-1980s – early-1990s.

1 The cost rate of 7.96% for long-term debt, shown in the column entitled  
2 “Annual Cost Based Rate” of Exhibit 3, reflects the weighted average cost of  
3 the five issues of long-term mortgage bonds of the Company, currently. These  
4 debt issues have face interest rates of 4.90% to 10.03%, and were issued by the  
5 Company over the period 1988 – 2001. The balances shown reflect the amounts  
6 that the Company expects to carry on its balance sheet on average over the year  
7 2008 and beyond. The Company does not plan to issue long-term debt during  
8 the interim two years.

9  
10 The 7.96% overall cost rate of long-term debt reflects issuance costs and losses  
11 on reacquired debt, which causes the effective cost rate to be somewhat greater  
12 than that of the weighted cost of the face interest rates alone. The 7.96% overall  
13 cost rate for long-term debt is calculated using the amortization schedule for  
14 debt expenses. This costing procedure follows the conventional accounting  
15 approach to determining the cost rate for long-term debt, and is consistent with  
16 the policy endorsed by the Florida Public Service Commission.

17  
18 **Q. Would you please review the cost rate of short-term debt and related**  
19 **issues?**

20 A. Florida Public Utilities Company maintains, and expects to maintain over the  
21 foreseeable future, a short-term debt facility that makes available short-term  
22 debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The  
23 short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus  
24 other charges related to unused facility balances as well as fees charged for the  
25 facility itself. The Company currently has a \$12 million line of credit with

1 Bank of America, which upon 30 days notice can be increased to a maximum of  
2 \$20 million. Based on current cash flow projections we anticipate increasing  
3 the line to \$15 million by November 2007. We anticipate lowering the line of  
4 credit to \$12 million after the issuance of additional shares of common equity,  
5 which is scheduled for the middle of 2008.

6  
7 The interest rate margin above LIBOR (90 basis points) for the Company's  
8 current short-term debt facility is somewhat above that of the Company's  
9 previous short-term debt facility, which reached the end of its contract in March  
10 2003. The higher margin requirements, as imposed by financial lending  
11 institutions internationally, reflect higher perceived risks, both generally and  
12 within energy markets, than in previous years.

13  
14 The expected effective short-term debt cost rate incurred by the Company for  
15 short-term debt, for use to determine prices in the current docket, is determined  
16 by first projecting the Federal Funds rates in the U.S. for the timeframe over  
17 which the retail electricity prices will apply. Then, given the historical  
18 relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is  
19 estimated. Once determined, the short-term debt cost to Florida Public Utilities  
20 is obtained by recognition of the 90 basis points margin above LIBOR plus  
21 other charges covering the unused balances and the fee for the availability of the  
22 credit facility.

23  
24 The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds  
25 have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe.

1       The interest rate on Fed Funds is determined by the monetary policy of the  
2       Board of Governors of the Federal Reserve Bank, and closely follows that of  
3       short-term U.S. Treasury Bills. Historically, Federal Funds “trade” at an  
4       interest rate slightly above that of 90-day T-Bills. At this point, the apparent  
5       consensus view is that monetary policy and thus the short-term interest rates  
6       will hold firm at or near current levels over the foreseeable future, which  
7       implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of  
8       5.43%. In turn, this result translates into a cost rate of 6.33% for the  
9       outstanding balances on short-term debt balances, once the margin above  
10      LIBOR is recognized. The fees associated with the unused credit line and direct  
11      charges when coupled to charges for the outstanding balances obtain an overall  
12      effective short-term debt interest rate of 6.81%, which is applied to the 13-  
13      month average balances of short-term debt.

14  
15      It is useful to briefly describe the longer history, as it relates to the  
16      determination of short-term interest rates. Specifically, the Federal Reserve  
17      followed a policy of interest rate targeting for a number of years prior to late  
18      1979, when money supply targeting was abruptly adopted. The result was high  
19      and volatile short-term interest rates, although money supply targeting arguably  
20      reduced substantially the high levels of inflation and inflation expectations of  
21      the early 1980s. From the mid-1980s forward, monetary policy has been more  
22      accommodative of economic conditions and needs, within the long-term  
23      objective of containing overall inflation at moderate levels. As observed during  
24      the 1990s, the Federal Reserve has employed an array of indicators and metrics  
25      to determine monetary policy, including reserve targeting. As a general rule,

1        reserve targeting gives rise to greater variation in short-term interest rates, while  
2        interest rate targeting, which suggests greater variation in the supply of reserves,  
3        results in less variation. At this writing, short-term interest rates, with Fed  
4        Funds residing at 5.25%, are expected to hold steady to slightly declining over  
5        the foreseeable future, barring changes in the expected level of economic  
6        activity or current escalation of core inflation.

7

8        The use of the current 5.25% Fed Funds interest rate as the basis for the  
9        Company's effective short-term debt cost rate is in keeping with the  
10       Commission's decisions regarding the Company's rate change filings of 2003  
11       and 2004. Also, and as mentioned above, it appears that this interest rate level  
12       is likely to hold over the foreseeable future.

13

14       Finally, we wish to discuss the methodology used to determine the effective  
15       interest rate for 2006. The interest rate charges on the Company's short-term  
16       debt facility are based on daily balances. If the daily balances closely  
17       approximate month-end balances, month-end balances provide a useful basis to  
18       determine the average short-term debt cost rate. Where the daily balances  
19       deviate significantly from the month end balances, however, this approach will  
20       not provide an accurate reflection of the Company's true cost of short-term  
21       debt. This was the case for the Company during 2006. Accordingly, the short-  
22       term debt cost rate for the historical year 2006 has been developed using the  
23       average daily balances which accurately reflect the true cost rate incurred by the  
24       Company on short-term debt during that year.

1   **Q.   Please review the cost rate of preferred stock.**

2   A.   Florida Public Utilities preferred stock consists of a single issue of 6000 shares  
3       that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on  
4       Exhibit 5.

5  
6   **Q.   You briefly discussed methods for the determination of the cost of common**  
7       **equity capital in the summary of your approach to rate of return. Can you**  
8       **elaborate on these methods?**

9   A.   Yes. We begin by reiterating three essential points. First, the cost of equity of  
10       the firm—and of investors in the firm—is a function of perceptions of risk, the  
11       demand for and supply of capital, and expectations of inflation. Second, the  
12       cost of common equity of the firm is equal to the opportunity cost of capital  
13       incurred by common shareholders of the firm contemporaneously, though the  
14       experience of long-term history guides the assessment of opportunity costs.  
15       Third, the cost of equity of the firm is equal to the expected market rate of  
16       return on alternative investments of comparable risks available to  
17       shareholders—*i.e.*, the opportunity cost of capital.

18  
19       The determination of the opportunity cost rate for equity capital is challenging  
20       for two reasons. In the case of debt, both the market price and future expected  
21       cash flow returns to capital are observable by inspection. Thus, the net  
22       expected yield to maturity, which reflects the opportunity cost of capital to  
23       holders of debt, can be determined directly. This *is* the market rate of return, *ex*  
24       *ante*. For purposes of determining the overall utility rate of return, however, the



1 cost rate of long-term debt is that which is set at the time of issuance in primary  
2 financial markets.

3  
4 In contrast, expectations of investors about the prospective cash flows and  
5 market returns on common equity cannot be observed directly, and must be  
6 inferred with estimation procedures. Also, the allowed equity rate of return is  
7 typically set according to the current and expected cost of capital, though much  
8 of the equity investment was committed in many years past.

9  
10 In the determination of cost rate for debt obligations, investors' perceptions of  
11 risks are implicit in the primary and secondary market prices of the debt  
12 obligations themselves, and need not be known or even estimated. In contrast,  
13 the determination of the cost of common equity involves the perceptions of  
14 future risks harbored by investors, as a matter of the consensus view.  
15 Perceptions of risk are also not observable directly, and thus must be inferred.  
16 In short, the cost of common equity can only be discerned through the proper  
17 and careful application of well-established methods that provide the cornerstone  
18 for modern finance theory. While the methods employed herein are well-  
19 established, the procedures to determine the cost of equity capital require  
20 estimation of key parameters.

21  
22 As mentioned, the recommendation for the rate of return on equity for Florida  
23 Public Utilities Company is developed by applying four estimation methods.  
24 These procedures include variants of the constant growth Discounted Cash Flow  
25 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 risk-premium methodology. These four methods are discussed below.

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

1 non-constant growth. This means that, at least under some market conditions,  
 2 the constant growth form of discounted cash flow may not represent investor  
 3 expectations of growth with sufficient accuracy. Arguably, other forms of DCF  
 4 may serve as better approximations of investor expectations.

5  
 6 A plausible means to better model expectations of varying growth might be with  
 7 stochastic models, where the path of returns and growth is a function of time,  
 8 with a random component. However, stochastic models introduce considerable  
 9 complexity. As a first-order approximation to stochastic processes, multiple-  
 10 step constant growth models known as multi-stage DCF can serve nicely.  
 11 Essentially, multi-stage DCF is a variation of present value theory which  
 12 postulates that future returns assume a pattern of several growth steps or stages.  
 13 While any number of stages of constant growth is possible, two or three stages  
 14 are typically applied. In stylized fashion, the Three-Stage DCF model is shown  
 15 below:

$$16 \quad P_{0,j} = (1+g_j)/(k_{e,j}-g_j) \{D_{0,j}(1-F_j^5) + D_{5,j}(F_j^5 - F_j^{10}) + D_{10,j}(F_j^{10})\}$$

17 with,

18  $k_{e,j}$  = cost of equity capital, asset  $j$

19  $D_{t,j}$  = current and future dividends per common share, asset  $j$

20  $E(g_j)$  = expected growth in future cash flow returns to investors in asset  $j$

21  $P_{0,j}$  = current price per common share, asset  $j$

22  $F_j = (1+E(g_j))/(1+k_{e,j})$

23 Appendix I provides a step-by-step derivation of the classical and multi-stage  
 24 discounted cash flow models shown above.

1 The Capital Asset Price Model (CAPM) was developed by William Sharpe  
 2 (1961) and John Lintner (1964). CAPM was derived from mean-variation  
 3 analysis and, in particular, portfolio selection developed by H. Markowitz  
 4 (1952). The derived CAPM shows how the valuation of a financial asset (price)  
 5 is based upon two components: risk-free returns and an *adjusted risk-based*  
 6 *return*. Surrogates for risk-free returns can be observed directly in capital  
 7 markets, and include market returns on short- and intermediate-term debt. As a  
 8 general rule, the cost rates and market returns on government debt obligations  
 9 serve as appropriate surrogates.

10

11 The adjusted risk-based return is based upon three factors: 1) the covariation of  
 12 the returns to the asset and that of markets for risky assets, 2) the statistical  
 13 variance of returns of the market for risky assets, and 3) the *difference* between  
 14 expected overall returns on risky assets, and risk free returns. The third  
 15 parameter is referred to as the excess return, and is equal to the difference  
 16 between the overall returns to risky assets for the market as a whole, and the  
 17 risk free return rate. The CAPM is shown below:

$$18 \quad k_{e,j} = r_f + B_{jm}*(r_m - r_f) \quad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

19 where,

20  $k_{e,j}$  = cost of capital for risky asset  $j$ , stated in percentage terms

21  $r_f$  = risk-free rate of return

22  $B_{jm}$  = ratio of the covariation between risky asset  $j$  and the market as a

23 whole,  $\sigma_{jm}$ , and the variance of market returns,  $\sigma_m^2$

24  $r_m$  = rate of return on the market as a whole

25 Appendix II derives the Capital Asset Pricing Model, as shown above.

1       The efficient market hypothesis plays an essential role in the determination of  
 2       the cost of capital. Specifically, the working assumption, which is largely  
 3       though not completely borne out by empirical analysis, is that capital markets  
 4       are fairly efficient. This means that the supply and demand for risky financial  
 5       assets, as reflected in bid and asked prices to buy and sell shares, result in  
 6       financial assets being traded at price levels where *rates of return above the cost*  
 7       *of capital cannot be systematically realized.* Above-normal returns—returns  
 8       above the cost of capital—are realized only randomly. Essentially, the  
 9       opportunities to systematically realize returns above the underlying cost of  
 10      capital are exhausted by the competitive market process.

11  
 12      Estimating the cost of capital, though not trivial, can be fairly straightforward,  
 13      and both the DCF and CAPM approaches provide a useful framework. The  
 14      risks to investors in various sectors of the energy services industry cannot ever  
 15      be known directly; risks—and hence the implied cost of capital—can only be  
 16      inferred. Specifically, the determination of useful estimates of the cost of  
 17      common equity capital within either framework requires a discerning  
 18      application of theory through careful analysis, such as that presented herein. In  
 19      particular, the determination of the cost of equity capital faces two overarching  
 20      challenges, as follows:

- 21           • both approaches are forward looking and thus the results are highly  
 22           dependent upon useful estimates of investor expectations about future  
 23           market performance.
- 24           • The underlying assumptions for DCF and CAPM include, among other  
 25           things, an efficient market and rational behavior of investors such that

1           all opportunities for above- and below-normal returns to capital are  
2           exhausted on an expected value basis. In short, capital markets value  
3           financial assets at the implied opportunity costs of capital, given  
4           investor perceptions of risk.

5

6           It is useful to mention that the notion of *risky assets* can apply to any real or  
7           financial asset wherein the prospective returns from holding the asset are  
8           uncertain. Risky assets include commodity contracts, financial property rights,  
9           financial derivatives, and real assets such as transmission facilities. Risk  
10          assessment and option theory, moreover, can be applied to the analysis of  
11          unbundled services, such as electricity transmission development plans. Within  
12          the context of this discussion, however, risky assets refers to financial  
13          obligations of firms—common stock—and asset values refers to prices of  
14          common stock as observed on major stock exchanges.

15

16          Measurement of historical returns and risk metrics are increasingly used as a  
17          basis to assess plausible returns in the future. As discussed, efficient markets  
18          suggest that *all* financial assets are priced at levels such that the *expected* future  
19          returns of individual assets are equivalent to the underlying opportunity cost.  
20          Thus, if historical returns guide expectations of future returns, historical returns  
21          provide a useful benchmark and, within reasonable bounds, reflect the  
22          opportunity cost of capital. In this respect, the Historical Returns methodology  
23          can be viewed as a market-based approach of Comparable Earnings, and thus  
24          fully satisfies the *Bluefield* and *Hope* criteria. The key to successfully applying

1       this approach is to identify and measure historical returns in a manner that  
2       reasonably reflects expectations of investors about the future outlook.

3  
4       Historically realized returns and future expected returns of financial assets are  
5       ordered according to risks. This ordering according to risks is a natural and  
6       inevitable result of competitive financial markets: because risk is costly, higher  
7       costs must be offset by higher returns. While it is not based upon an explicit  
8       model, the analysis of the risk premia among classes of risky assets provides a  
9       means to infer the underlying opportunity cost of capital. The underlying  
10      concept of the risk premium approach is that *differences* in perceptions of risks  
11      among financial assets such as equities and debt are revealed in differences  
12      between the historical market returns. The historical differences between equity  
13      and debt returns—*i.e.*, risk premia—can thus serve as a surrogate for the  
14      compensation for risk over future timeframes. Risk premia, when combined  
15      with the expected cost of short-term debt, prospectively, provides a useful  
16      benchmark to gauge the underlying cost of equity capital.

17  
18      Application of the Risk Premium approach contains two potential pitfalls, as  
19      follows:

- 20           • the opportunity cost of common equity capital, stated in nominal terms,  
21           is sensitive to the demand for and supply of capital;
- 22           • risk premia among debt and equity instruments are also quite sensitive  
23           to expected inflation. Thus, Risk Premium analysis must account for  
24           expected inflation in the future. That is, the underlying rate of inflation  
25           and conditions of the historical period over which risk premia are

1                   estimated must match that of the expected conditions of the relevant  
 2                   period over which the common equity recommendation is being  
 3                   applied, and over which retail electricity prices are being set.

4

5   **Q. You discuss the importance of comparability and measures of risk as the**  
 6   **basis to determine the cost of common equity. Please elaborate.**

7   A. As defined by the “Bluefield” and “Hope” decisions of the U.S. Supreme Court,  
 8       a public utility (to paraphrase), is entitled to a rate of return on shareholder  
 9       capital committed for the convenience and necessity of the public equivalent to  
 10      that realized by companies in other businesses of comparable risk. Thus, the  
 11      immediate task at hand is comparability: to identify and select companies of  
 12      comparable business, regulatory, and financial risks to that of Florida Public  
 13      Utilities Company. Once selected, we estimate the cost of common equity for  
 14      the sample(s) of comparable companies that, by definition, is the opportunity  
 15      cost of capital and thus Florida Public Utilities Company. The key distinction  
 16      regarding comparability is market size, as recent empirical evidence  
 17      convincingly demonstrates that, predominantly because of information  
 18      inefficiencies and uncertainty, the cost of capital rises with progressively  
 19      smaller companies, all other factors held constant.

20

21      The starting point is the market portfolio; that is, we begin with virtually all  
 22      common shares traded on U.S. equity markets. Specifically, we have drawn  
 23      heavily—though not exclusively—from a set of data sources and information  
 24      including the Value Line data banks which cover some 7,000 companies with  
 25      equity shares listed on capital market exchanges in the U.S. With few



1 exceptions, the shares of interest are traded on the New York Stock Exchange  
2 and the exchange operated by the National Association of Securities Dealers  
3 referred to as NASDAQ. For these equity listings, Value Line reports a wide  
4 range of financial data, business descriptions and classification, historical price  
5 experience, and various diagnostic statistics of interest.

6  
7 From the market portfolio we proceed to develop two samples. One sample,  
8 referred to as the Mid-Sized Electric Utility sample, is limited to retail  
9 electricity service providers that have modest yet significant levels of market  
10 participation and, with the exception of size-related capital risks, are of  
11 comparable risk to that of Florida Public Utilities Company. The second sample  
12 is referred to as the Gas Utility sample, and is composed of retail natural gas  
13 service providers. Our studies demonstrate that, as a practical matter, the level  
14 of capital risks and thus the opportunity cost of capital for the two samples,  
15 electric utilities and natural gas utilities, is comparable. It is useful to mention  
16 that for purposes of determining the equity rate of return requirements,  
17 Christensen Associates Energy Consulting has often drawn a third sample  
18 referred to as *comparable risk non-utility companies*, as our methods tend to  
19 demonstrate that, particularly within contemporary capital markets with high  
20 levels of international capital flows, comparable risk is the predominant  
21 selection criterion; line of business appears to have only a modest level of  
22 relevance to cost of capital, once the comparable risk criteria are satisfied.  
23 Thus, samples can be drawn from a broad range of business fields, generally  
24 speaking.

1 The determination of the first sample, the mid-sized electric utilities, involves  
 2 two steps. The first step is to conduct an initial screen according to the  
 3 predefined selection criteria. As mentioned, these criteria are as follows:

- 4 • *Liquidity*: companies that are of modest size but yet have sufficient market  
 5 presence and participation to ensure sufficient market activity and  
 6 transaction volume;
- 7 • *Business Line*: companies whose primary business line is retail electricity  
 8 services; and,
- 9 • *Reasonably consistent financial experience*.

10 This first screen produced the 17 electric utility companies shown on Exhibit  
 11 10, page 1, including Florida Public Utilities Company, from an initial list of  
 12 over 30 mid-sized entities from across the electric utility industry. As can be  
 13 seen, the market capitalization of these companies, measured by common shares  
 14 outstanding and market prices during 2005 range from \$77 million for Florida  
 15 Public Utilities Company to slightly greater than \$4.6 billion for SCANA  
 16 (South Carolina Electric and Gas). The non-weighted average size of Sample 1,  
 17 the electric utilities, is \$1.6 billion, as shown. Also shown on page 1 of Exhibit  
 18 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM  
 19 Betas, which are arguably the most significant measure of capital risk, are  
 20 shown in the adjusted form for 2005 and for 2001-2004 on average. In  
 21 particular, note that CAPM Betas have risen, suggesting significantly higher  
 22 capital associated energy markets including electric service providers.

23  
 24 Some of these 17 electric companies have substantial involvement in non-  
 25 electric retail business lines including natural gas. It is virtually impossible

1       these days to assemble a sample of companies that are exclusively in the retail  
 2       electric business—sometimes referred to as a *pure play*. This should not matter,  
 3       at least on the surface, if the sample is determined on a basis of comparable  
 4       risks. Indeed, endeavors to diversify risk over alternative business lines tends to  
 5       reduce variation in earnings, variation in internal cash flow, and variation in  
 6       market returns, thus reducing overall investment risk and the cost of capital.

7

8       The second selection step of determining the utility sample applies risk criteria.  
 9       These criteria include five dimensions, or metrics:

- 10           1. *Equity Participation in Total Capital*;
- 11           2. *Coefficient of Variation in Internal Cash Flow* per share over five  
 12           and ten years;
- 13           3. *CAPM Beta* which, as discussed above, is the ratio of the  
 14           covariation of the market returns of a specific stock of a company  
 15           and the market as a whole, and the statistical variance of the returns  
 16           of the market; and,
- 17           4. *Variation in Market Returns*, which is measured as the coefficient  
 18           of variation of monthly market prices—essentially, an index of  
 19           volatility in market value (market capitalization).

20

21       The mean-variation theory on which Capital Asset Pricing Model is based  
 22       suggests that risk metrics other than CAPM Beta do not matter, for the  
 23       determination of portfolios that efficiently trade-off risks and potential future  
 24       return levels. However, empirical evidence suggests that a) internal financial  
 25       metrics such as items 1-3 above are also utilized by investors to value equities,

1 and b) CAPM theory (as with other capital market theories) does not necessarily  
2 explain historical market returns particularly well. Thus, it appears that to a  
3 substantial degree information other than CAPM Beta is also relevant to  
4 investors in the valuation of equities.

5  
6 Nonetheless, the risk metrics for each of the 17 initial members of the Mid-  
7 Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined.  
8 Those electric utility companies with risk metrics that generally fall within one  
9 standard deviation of that of the average for the sample of electric utilities as  
10 first drawn or are reasonably close to the metrics for Florida Public Utilities  
11 Company are retained in sample one, the electric utility sample. It is these  
12 utility companies that, by this arguably objective approach, satisfy the criteria of  
13 comparable risk and thus that of Supreme Court guidelines regarding fair rate of  
14 return and contained within the Bluefield Waterworks and Hope decisions. The  
15 companies utilized for the determination of the cost of capital are denoted in the  
16 far right column of page 2, Exhibit 10.

17  
18 Turning to sample 2, the natural gas utilities, the selection process proceeds in  
19 similar fashion using equivalent criteria to those employed to determine the  
20 electric utility sample (sample 1). That is, a sample is first drawn on a basis of  
21 market liquidity and business line. The selected natural gas utilities are shown  
22 on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented  
23 along with revenues, assets, and operating margins. As observed, the selected  
24 natural gas companies range in size, measured by market capitalization, from  
25 \$219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity

1 participation, CAPM Betas, variation in market returns, as well as the statistical  
2 variation in cash flows. As observed, these companies, though of comparatively  
3 modest scale, are all significantly larger than Florida Public Utilities Company.  
4

5 It should be mentioned that, with respect to the selection of both samples, the  
6 study will take occasional exception to the stated selection criteria where  
7 historical experience contains anomalies of various types, and when good sense  
8 suggests the exclusion or inclusion of specific companies. As an example, the  
9 10-year coefficient of variation in cash flow for some companies may reside  
10 slightly outside one standard deviation of the statistical distribution of the  
11 sample. Or, low equity participation may not appear to translate into  
12 particularly high variation in market variation or Beta; an example is Southwest  
13 Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05,  
14 and Betas for several members of the sample are somewhat below one standard  
15 deviation and, for others, somewhat above.  
16

17 Once determined, the two samples including the Mid-Sized Electric Utilities  
18 (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate  
19 the cost of equity capital to Florida Public Utilities Company within the  
20 immediate proceeding. The estimate of the cost of capital, and thus the  
21 recommended return on common equity, is reflected as an interest rate that, by  
22 objective criteria of comparable risks, is the opportunity cost of capital incurred  
23 by the common shareholders of Florida Public Utilities Company.

1       Market Liquidity is a necessary selection criterion, as stated above. The  
2       selection process resulted in generally smaller-sized electric and gas utilities  
3       that have sufficient liquidity. However, the selected utility companies of the  
4       two samples are substantially larger than Florida Public Utilities Company.  
5       Because the cost of equity capital appears to increase progressively with smaller  
6       size, other factors constant, the implication is that the cost of equity capital, as  
7       estimated for the two samples, may not fully capture the inherent capital risks  
8       incurred by investors of Florida Public Utilities Company. This is discussed  
9       later within the testimony, and the exhibits present levels of risk premia  
10      associated with small sized equities.

11

12   **Q.   The outlook for the U.S. economy plays heavily in the formation by**  
13   **investors of the future expectations of financial markets. Because future**  
14   **economic performance is used to estimate the cost of common equity, it is**  
15   **useful to elaborate on the inherent linkage between economic performance**  
16   **and the cost of equity.**

17   A.   As mentioned above, future returns to capital and thus estimation of cost of  
18       capital are inherently expectational in nature. The assessment of equity costs  
19       involves implicit and explicit estimates of investor expectations about inflation,  
20       interest rates, and future market performance. This is particularly important, as  
21       near-term interest rates and market experience and conditions do not necessarily  
22       reflect long-term expectations of and about capital markets as a whole. The  
23       basis of selection of historical timeframes is overall macroeconomic  
24       performance. That is, the analyses incorporate observed market returns from

1       timeframes where the overall economic performance, measured in terms of  
2       growth in productivity and real output, are equivalent to the outlook today.

3

4       The relationships between factor inputs and the real output of goods and  
5       services of the economy are crucial to U.S. citizens, and to capital markets and  
6       investors. This is because resource productivity, to a large extent, determines  
7       the future level of real output of the economy as a whole. Productivity growth,  
8       when coupled with the growth in the aggregate pool of capital and labor  
9       resources, translates directly into real output, employment, savings, earnings,  
10      and market performance. Furthermore, real output is a significant element  
11      within overall economic and social well being.

12

13      The current outlook for macroeconomic growth calls for prospective long-term  
14      productivity change to range between 2.00 and 2.60% annually. This is a more-  
15      or-less consensus view held by well-known macroeconomists and economic  
16      forecasters, although expected productivity has declining recently from the  
17      exceptionally high levels beginning in the early to mid-1990s. Three years  
18      previous, long-term productivity appeared to be capable of upwards of 2.75%  
19      over the extended future. And while this range of productivity is fairly high by  
20      overall long-term historical standards, it is consistent with selected periods of  
21      the post-War period including the 1950's, 1960's, and 1990's. Specifically,  
22      productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s,  
23      much of the 1960s, and the latter 1990s, respectively. Of particular interest and  
24      crucial to the immediate analyses, productivity increased very sharply beginning

1       about 1994, departing substantially from the low productivity growth of the  
2       previous two decades.

3  
4       Productivity growth slowed significantly during 2000 and 2001, as overall  
5       economic activity attenuated amid the stress attributable to a number of factors  
6       and events of a transient nature that, in total, ultimately precipitated the modest  
7       recession of early 2001. Since then, the economy has resumed a recovery path  
8       and productivity growth appears to have accelerated to pre-recession levels.  
9       Indeed, overall productivity growth of 2003-2005 observed a return to high  
10      rates, which continues to contribute significantly to ongoing earnings  
11      performance and significant market returns realized by investors within equity  
12      markets internationally.

13  
14      In short, the U.S. economy is well positioned to realize and sustain substantial,  
15      if not high, rates of growth in productivity and real output, along with full  
16      employment and modest inflation over the foreseeable long-term future.  
17      Investors generally share this consensus view and, accordingly, the analyses  
18      herein draws upon realized overall market rates of return and interest rates as  
19      representative surrogates for the period of time that the retail prices for Florida  
20      Public Utilities Company are likely to be in place. The average percentage  
21      market return over the historical timeframes mentioned above, as gauged by the  
22      S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and  
23      higher within recent years except for the years of major market corrections,  
24      2000 and 2002.

25



1 Overall economic performance and long-term growth can, however, be  
 2 attenuated by events of a transitory nature and various long-term processes that  
 3 can contribute to capital risks such as the costs to maintain environmental  
 4 quality, or world-wide cultural friction. An immediate example is the decline in  
 5 credit market liquidity observed in recent weeks. Finally, it is important to  
 6 mention the impact of government fiscal policy and global demand for capital  
 7 on interest rates. As mentioned, the cost of capital is a function of the demand  
 8 and supply of funds, and we expect U.S. and world demand for capital to remain  
 9 at high levels, thus placing steady pressure on interest rates. As a result, interest  
 10 rates are likely to remain at current levels, which approach long-term trends,  
 11 although short-term interest rates in the short run may decline somewhat from  
 12 current levels.

13  
 14 **Q. What are the analysis results obtained from the application of the cost of**  
 15 **common equity methodologies?**

16 A. The task before us is to estimate the cost of capital over the relevant and  
 17 foreseeable timeframe for which retail electricity rates are to be effective. This  
 18 means that the analyses should, to the degree possible, recognize future events  
 19 and market conditions that might be reasonably expected by investors.

20  
 21 As mentioned, the analyses include Discounted Cash Flow, Capital Asset  
 22 Pricing Model, Risk Premium methods, and Historical Market Returns, with the  
 23 first two approaches representing formal models of capital valuation. The  
 24 Discounted Cash Flow analysis is applied to the sample of natural gas  
 25 companies only. All analyses are shown as a range of plausible values, as the

1 analysis of the cost of common equity is confronted with the problem of  
2 observability that inherently results in unknown levels of model estimation  
3 error.

4  
5 The assessment of the opportunity cost of capital involves obtaining and  
6 processing a considerable amount of data, and using these data within structured  
7 analysis procedures that begins with selection, as discussed above. Data are  
8 obtained from several sources including Ibbotson Associates, MarketVector,  
9 UBS PaineWebber, Value Line Investment Survey, and Zacks Security Market  
10 Research.

11  
12 The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric  
13 Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2  
14 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of  
15 common equity capital for the sample of electric utilities resides within the  
16 range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar  
17 results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average  
18 of 9.5%. A key point is that these analyses are for a sample of companies  
19 which, as mentioned, are significantly larger than Florida Public Utilities  
20 Company and, absent further adjustment for size premia associated with very  
21 small capitalization companies such as the Company, will systematically  
22 understate the cost of common equity capital.

23  
24 While nettlesome details are always present within capital market analyses, the  
25 classical DCF model consists of the two essential components of prospective

1 dividend yield, and expected growth. For the sample of Mid-Sized Electric  
2 utilities, the analyses and the resulting estimates of the opportunity cost of  
3 capital reveal that the adjusted one year prospective yield lies within the range  
4 of 4.5% – 5.4%, while the corresponding estimates of expected growth of future  
5 cash flows are within the range of 3.3% – 4.7%. Analysis results are shown on  
6 a simple- and weighted-average basis, with the weights based upon the market  
7 capitalization of the sample utilities. The multi-stage DCF estimates of the cost  
8 of equity capital obtain similar results and are not shown.

9  
10 The essential element for both single- and multi-stage DCF analysis is to  
11 appropriately assess investor expectations of growth of capitalization value and  
12 dividends. The analyses rely upon the historical experience of the sample  
13 companies to develop reasonable estimates of growth of internal cash and  
14 earnings. My studies generally rely on a combination of historical experience  
15 and analyst projections of cash flow and earnings growth, as implicitly  
16 contained within the valuation of investors, including larger institutions and  
17 individual investors. Timeframe is important and, for the immediate study,  
18 analyst views appear to be highly similar to those of historical experience. The  
19 study relies on long-term historical experience as the basis for expected growth  
20 in the future. The immediately study utilizes historical cash flow and earnings  
21 per share growth, which is measured in two ways for single-stage DCF.  
22 Specifically, historical growth experience is assessed over successive five-year  
23 periods, as well as by logarithmic trend-based analysis over ten years.

1 We should mention that while the immediate study utilizes historical growth  
2 experience, other studies by Christensen Associates Energy Consulting,  
3 depending on timeframe, have also drawn on and applied analyst expectations  
4 of future growth within the DCF formulation of the cost of capital. Historical  
5 growth and analyst expectations of growth are positively correlated and, not  
6 surprisingly, our studies suggests that, other factors held constant, differences  
7 among the dividend yields and other metrics for companies actively traded on  
8 equity markets are explained by historical growth analyst expectations of future  
9 growth. Generally speaking, analyst expectations are above those of historical  
10 experience and, were analyst expectations incorporated within the current  
11 analyses, it is likely that the DCF model would obtain higher estimates of the  
12 cost of common equity than those obtained via historical growth alone.

13  
14 As mentioned above, the DCF analyses, as with CAPM and Risk Premium  
15 methods incorporate an adjustment for issuance costs of 6%, which translates  
16 into about 33 basis points. However, the cost of capital studies presented herein  
17 incorporate no allowance for market pressure or quarterly dividends. Empirical  
18 evidence suggests that market pressure is very small to non-existent, at least for  
19 larger capitalization companies. Had the analyses incorporated an adjustment  
20 for quarterly payment of dividends, the result would be—depending on  
21 perspective (frequency of payment or frequency of discounting)—to alter the  
22 estimated cost of capital by about 20 – 30 basis points.

23  
24 As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to  
25 both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM

1 analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The  
2 application of CAPM requires estimates of the risk-free rate, investor  
3 expectations of overall market returns, and market Betas which account for and  
4 embody systematic risk with reference to equity markets as a whole.  
5 Incorporating estimates of market rates of return and short-term interest rates  
6 into the CAPM formulation along with the market Betas results in estimates of  
7 the cost of common equity for Florida Public Utilities Company.

8  
9 Expected market returns for equity markets in the large are captured by the  
10 S&P500 Index, measured with the inclusion of dividend payments. The  
11 expected value of future returns of course is a key element to the application of  
12 the Capital Asset Pricing Model. Plausible measures of expected market returns  
13 used in CAPM can be gleaned from timeframes of similar economic  
14 performance to that of the period for which the cost of capital is estimated—  
15 mid-year 2006 and prior to the run-up in equity markets of the second half of  
16 that year. For this timeframe, the CAPM analysis utilizes the experience of U.S.  
17 equity markets for the period 1970 forward, which is equal to 13.0% through  
18 2005. Realized market returns, for monthly and annual periods as well as for  
19 decades, vary greatly as shown within the table referred to as “Market Inputs:  
20 Dividend Yields and Overall Returns”. Here, we observe significant differences  
21 in return levels experienced by investors across decades. This is also shown  
22 within the table entitled “Variation in Yields and Returns” where, as can be seen  
23 toward the right, the standard deviation in monthly returns varies greatly—by  
24 over 20% during the 1970s and since 1999—the years 2000 and 2002 in  
25 particular. This level of variation for equity market returns is not unusual, and

1 demonstrates the order of magnitude of the greater risk assumed by investors in  
2 equities in comparison to the inherent risks within debt markets, which are  
3 much lower. In short, equity market returns of well above 10% are absolutely  
4 necessary in order to compensate investors for the level of risks that they  
5 inherently assume. Though drawn from a sufficiently long interval, this level of  
6 expected market return is not unusually high; indeed, it is significantly  
7 diminished from previous eras including the 1950s, the 1960s, and the 1994 –  
8 1999 period in particular. Stated without reinvested dividends, these decade-  
9 long eras reveal overall equity market returns of close to 15%. These  
10 timeframes represent periods of overall productivity that approximates, but is  
11 arguably somewhat above, expectations of mid-year 2006, when the cost of  
12 capital was estimated within the immediate docket, or currently. Not surprising,  
13 productivity expectations are somewhat diminished from those of the 1950s,  
14 1960s and the surge of the 1990s continuing into 2003 – 2004. Nonetheless,  
15 should expectations of future market returns be somewhat greater, the CAPM  
16 analyses understate the cost of capital to Florida Public Utilities Company;  
17 conversely, lower expectations imply that the cost of capital is somewhat  
18 overstated.

19  
20 Market Betas for the companies of the two samples are drawn from the 2005-  
21 ending experience, as we observe a substantial increase in market Betas for the  
22 sample vis-à-vis the average Beta over the previous four years. Notably, the  
23 variation of CAPM Beta for the electric utilities of sample 1 is significantly  
24 higher than that for the gas utility sample, as demonstrated by the differences  
25 between the standard deviation of the sample (referred to “S.D.”) for 2005 with

1        respect to the average Beta for 2001 – 2004. Nevertheless, the CAPM Betas for  
 2        2005 for the two samples are closely comparable, overall; hence, the CAPM  
 3        analyses produce similar cost of capital estimates. Specifically, CAPM analyses  
 4        for the Mid-Sized Electric Utility sample suggest a cost of common equity to  
 5        Florida Public Utilities Company of 9.6% – 13.3% with a weighted average  
 6        midpoint of 11.3%, while the corresponding analyses for the Gas Utilities  
 7        sample obtain 9.4% – 13.2% with a midpoint value also of 11.3%, shown with  
 8        the inclusion of issuance costs.

9  
 10       As discussed earlier, the *Risk Premium* methodology infers the cost of common  
 11       equity capital from the premia of realized equity returns with reference to rates  
 12       of return on debt. The immediate studies rely upon historically observed risk  
 13       premia for common stocks over that of intermediate term government debt for  
 14       timeframes that reflect the current outlook for the U.S. economy as regards to  
 15       advances of productivity and real output. This analysis suggests that the overall  
 16       market returns prospectively are somewhat less (12.25%) on average across  
 17       scenarios than the overall market return inputs used with the CAPM analysis.

18  
 19       Of particular interest, these timeframes experienced modest rates of inflation,  
 20       which is important to the determination of risk premia over forward timeframes.  
 21       Specifically, risk premia tend to decline as inflation rises. This is because  
 22       inflation risk—*i.e.*, uncertainty regarding the future level of expected  
 23       inflation—rises with higher inflation. Unlike equity returns which are  
 24       somewhat hedged against inflation (higher nominal revenues, operating income,  
 25       and net income), high inflation implies losses for debt holders. Hence, capital

1 markets capitalize the uncertainty attending higher inflation in higher market  
2 costs of debt. Second, high inflation appears to be commensurate with lower  
3 returns to equity holders, a result of less favorable economic conditions.

4 Together, risk premia tend to be significantly reduced during periods of  
5 relatively high inflation and less favorable economic and business conditions.

6

7 The manifestation of inflation risk and business conditions within risk premia  
8 between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s  
9 reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%.

10 This is in sharp contrast to the U.S. experience of the 1970s and 1980s, with risk  
11 premia of 3.0% – 4.3% and corresponding inflation of 5.7% over the period.

12 The main point, for purposes of assessing capital costs prospectively, is that risk  
13 premia must be developed from historical timeframes where underlying  
14 inflation matches that of the current and prospective period for which rate of  
15 return is being determined—2008 forward. Thus, the analyses draw risk premia  
16 from the 1950s, 1960s and, where corresponding rates of change in overall  
17 prices were experienced. And as discussed above, these historical timeframes  
18 match the current outlook fairly well from the perspective of productivity and  
19 market returns.

20

21 The essential elements of the risk premium analysis includes 1) the risk-free  
22 holding period return, 2) the risk premia between equity and debt, and 3) cost  
23 rate adjustments for industry and size differences with respect to U.S. equity  
24 markets overall. Specifically, the approach adds risk premia to the risk-free  
25 holding period return. Consistent with the CAPM analyses, the risk premium



1 analyses use the cost rate for 1-year treasury securities, as expected over the  
2 prospective timeframe, as the baseline cost rate. Essentially, the cost rate for 1-  
3 year Treasury securities is the basis for the risk-free holding period return.

4  
5 Debt cost rates are differentiated by term. Thus, the analyses incorporate an  
6 upward adjustment for the historical spread between 1-year and 4-year  
7 treasuries, as the historical risk premia are based upon realized market returns  
8 between equities and intermediate term government debt. Together, the cost  
9 rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and  
10 the historical debt-equity risk premia provide an estimate of the cost of common  
11 equity for equity markets as a whole. As shown in the table entitled “Equity  
12 Market Return” of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of  
13 equity for equity markets of 11.5 – 13.0%, which confirms the historical  
14 analysis utilized in the CAPM analyses discussed above.

15  
16 Further adjustments are necessary in order to fairly assess the cost of equity  
17 capital for investors in Florida Public Utilities Company, including 1) a  
18 differential for lower market risks of utilities generally, referred to as  
19 “diversifiable risks” and 2) the small size premia (small firm effect) referred to  
20 as “small cap equities.” (Adjustments are shown for small and very small-sized  
21 companies.) The effects of these adjustments are shown in the section entitled  
22 “Cost Rate Adjustments” of Exhibit 10, pages 1 and 2. The CAPM analysis  
23 reviewed earlier is the basis to determine how diversifiable risks associated with  
24 samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities  
25 respectively, are below those of the composite market (CAPM Betas of 0.75).

1 As shown, this adjustment lowers the common equity cost rate by -2.2% and  
2 -2.5% respectively, for the electric and gas utility samples.

3

4 The differential for the small size premia recognizes that the cost of equity is  
5 higher for small firms, other factors held constant. Empirically, the Small Firm  
6 Effect is the difference between realized market returns and the cost of equity  
7 capital, as estimated by CAPM over many years. As shown on page 2 of  
8 Exhibit 2, the small size premia can be well over four percentage points for very  
9 small-sized companies such as Florida Public Utilities Company. The Risk  
10 Premium analysis takes a conservative approach and uses the Low  
11 Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating  
12 these two adjustments into the analysis across the two samples suggests that the  
13 cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of  
14 issuance expenses associated with incremental shares of common equity  
15 provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two  
16 samples, with corresponding ranges.

17

18 The fourth analysis approach relies upon *Historical Returns* to determine  
19 estimates of expectations of future returns harbored by investors. The estimates  
20 are drawn from the historical market returns over the late 1996 – 2005  
21 timeframe. This timeframe includes years of exceptionally low and  
22 exceptionally high rates of return that, overall, are fairly well balanced. The  
23 historical realized returns for the Mid-Sized Electric Utilities are presented on  
24 pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on  
25 pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas

1 Utilities—historical returns are shown in three ways including “Average  
2 Returns Per Annum” (1996-2001 – 1996-2005); “Five-Year Returns” for  
3 consecutive 5-year periods (1996-2001 – 2000-2005); and “Cumulative  
4 Returns” (1996-2001 – 1996-2005). As shown, the results, which are  
5 determined on a simple- and weighted-average basis, suggest that investors can  
6 expect to realize future rates of return of between 10.1 – 12.5%. Realized  
7 historical returns realized by investors conform to the cost of capital estimates  
8 obtained by the formal cost of capital models, Discounted Cash Flow, CAPM,  
9 and Risk Premium methods.

10

11 **Q. What conclusions are reached by your analysis and what is your rate of**  
12 **return recommendation?**

13 A. The analysis of the opportunity cost of capital incurred by common shareholders  
14 of Florida Public Utilities Company is summarized in Exhibit 2. Exhibit 2  
15 compiles the results of the four analysis methods including the DCF, CAPM,  
16 Risk Premium, and Historical Returns approaches. As mentioned earlier, the  
17 DCF, CAPM and Historical Returns are estimated for mid-sized companies that,  
18 while not large, have much larger market capitalization than Florida Public  
19 Utilities Company. The clear implication is that estimates of the cost of equity  
20 capital for Florida Public Utilities Company based on these three methods are  
21 conservative. As shown on page 2 of Exhibit 2, small size premia for Florida  
22 Public Utilities Company are about 2.00 percentage points or somewhat higher.

23

24 Mid-point values are shown in this summary, though ranges of values are  
25 presented within the exhibits presenting the detailed results for each approach.

1       The ranges for the cost of equity estimates are based on statistics drawn from  
2       the analyses themselves, and could be presented as either larger (wider) or  
3       smaller (narrower) ranges of plausible values. The analyses suggest that, for  
4       common shareholders of Florida Public Utilities Company to be adequately  
5       compensated on the capital committed to public service, and to fully satisfy the  
6       statutory requirements defined by the U.S. Supreme Court, the rate of return on  
7       common equity must be set at a level equal to 11.5% or higher.

8

9   **Q. Does this conclude your testimony?**

10  A. It does.

## APPENDIX I

### **Present Value of Investment and Derivation of the Constant Growth and Multi-Stage Discounted Cash Flow Model (DCF)**

#### Present Value Theory

As wages are the compensation to labor, interest is the compensation or return to savings and capital. Savings is the share of current income held back to be consumed in later periods. A unit of current consumption has greater value than an equivalent amount of consumption later. Hence, savings must obtain greater consumption later, in order to compensate for its reduced (discounted) value.

The inducement to save is interest; essentially, the accrual of interest on savings offsets the reduction in value of later consumption vis-à-vis current consumption. Without the expectation of interest, savings would be largely exhausted as consumption in the current period. Savings are invested and, over time, give rise to and constitute the accumulation of capital. Savings realize the market rate of interest. Savings and investment – and thus the accumulation of capital – rise as expected interest increases.

Returns to savings, investment, and capital can be viewed as cash flow returns, and can be stated as an annual percentage amount. Cash flows in subsequent periods forego the interest that would have accrued on earlier cash flows. Because of foregone interest, later cash flows are worth less than those of earlier periods by the amount of interest that would have been realized on the earlier flows.

Cash flows over time can be ordered with a discounting procedure commonly known as present value. Present value revalues future cash flows according to the accrual of interest that would have been realized, had they occurred in the present. Specifically, the cash flow within a time step is discounted by a factor equal to the inverse of one plus the market rate of interest,  $k$ , compounded by time –  $(1/(1+k))^t$ . The present value procedure can be shown more formally as:

$$PV = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \Lambda + \frac{CF_n}{(1+k)^n} \quad (1)$$

or,

$$\sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (2)$$

where,

$PV$  = present value

$CF_t$  = cash flow in time  $t$

$k$  = market cost (rate) of interest

Hence,  $1/(1+k)^t$  is the discount factor by which the cash flows at time  $t$  are reduced.

Present value analysis equates cash flows at different points in time to the present, and constitutes a fundamental principle of financial and investment analysis. Essentially, present value normalizes the cash flows at the market rate of discount.

Consider a cash flow occurring at time,  $t=0$ . Since the cash flow occurs in the present and, unlike the subsequent cash flows shown in (3), below, no interest is foregone and thus it is not discounted:

$$NPV = CF_0 + \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \Lambda + \frac{CF_n}{(1+k)^n} \quad (3)$$

Presume that a savings agent, a household, invests savings. The purchase of an investment or financial asset such as securities or other liquid assets by the agent constitutes a negative cash flow – an outflow of money. It is the expectation of positive cash flows later that induces the purchase. Positive cash flows prospectively, as expected, tend to balance the negative cash outflow associated with the purchase of the asset. All negative and positive cash flows are contained in net present value, as shown in (4) below:

$$NPV = -CF_0 + \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (4)$$

where,

$NPV$  = net present value – *i.e.*, the net of all positive and negative cash flows

If net present value ( $NPV$ ) is positive, the investment action is “economic” in the sense that the expected positive cash flows, discounted at the market cost of capital, are greater than – or at least equivalent to – the purchase price of the asset, the negative flow.

Competitive capital markets – or the processes of market competition – seek to discover and exhaust all opportunities for positive and negative present values. That is, the *expected* NPV of investment opportunities approximates zero, given the implicit rate of discount harbored by investors. Essentially, the market value of assets is driven to its competitive level prospectively because of arbitrage inherent to competitive markets. Market forces bid prices up in the presence of expected positive returns ( $NPV$ ), or bid prices down if negative returns are expected. The discounted positive cash flows equate to and balance the purchase cost of the asset, as shown in (5), below:

$$CF_0 = \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (5)$$

In market equilibrium, then:

$$P_0 = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \Lambda + \frac{CF_n}{(1+k)^n} \quad (6)$$

$$P_0 = \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (7)$$

where,

$P_0$  = market price at time  $t=0$

The market cost of capital implicitly incorporates investor’s perceptions of risk and expectations about inflation over the life of future cash flows. It is straightforward to solve for the market cost of capital,  $k$ , as we are confronted with one equation and one unknown value. For example,

to solve for the internal rate of cost of a debt obligation of a borrowing firm, such as bond, simply determine the internal rate of discount that equates the positive cash flow occurring at time zero,  $CF_0$ , and the negative flows,  $-\Sigma CF_t$ , which represent the annual interest cost and retirement of the principle. The discounted negative cash flows from the perspective of the borrowing firm can be shown as  $-\Sigma CF_t/(1+k)^t$ . The analysis problem for lenders is precisely the same except that the signs attending the cash flows are reversed. Hence, the rate of discount is both the opportunity cost of capital to investors, given market arbitrage, and the cost of capital to the borrowing firm.

#### Constant Growth Discounted Cash Flow

For equity capital, investors' expected earnings reflect expectations of future cash flows associated with shares of stock, and thus determine the stock price currently. Assume that investors expect earnings,  $E_t$ , and dividends,  $D_t$ , to grow at some constant rate,  $g$ , over the future, such that:

$$\begin{aligned} E_t &= (1+g)E_{t-1} \\ E_1 &= (1+g)E_0 \\ E_2 &= (1+g)E_1 = (1+g)^2 E_0 \\ &\text{--} \\ &\text{--} \\ &\text{--} \\ E_n &= (1+g)^n E_0 \end{aligned} \tag{8}$$

Dividends of course are a function of earnings and therefore represent, along with price appreciation, the discounted cash flows. Dividends can thus be shown similarly to that of earnings, as below:

$$\begin{aligned} D_t &= (1+g)D_{t-1} \\ \text{i.e., } D_1 &= (1+g)D_0 \\ D_2 &= (1+g)D_1 = (1+g)^2 D_0 \\ &\text{--} \\ &\text{--} \\ &\text{--} \\ D_n &= (1+g)^n D_0 \end{aligned} \tag{9}$$

Further, assume that dividends,  $D_t$ , are a fixed share,  $m$ , of earnings,  $E_t$ , such that:

$$D_t = mE_t \quad \text{and,} \quad D_t / E_t = m \tag{10}$$

From equation (8), then:

$$D_t = m(1+g)E_{t-1} \tag{11}$$

$$\text{and, } D_n = m(1+g)^n E_0$$

Restating equation (7) to represent dividends as a fixed share of earnings which are paid out, provides:

$$\begin{aligned}
 P_o &= \sum_{i=1}^n \frac{mE_i}{(1+k)^i} \\
 &= \frac{mE_1}{(1+k)^1} + \frac{mE_2}{(1+k)^2} + \frac{mE_3}{(1+k)^3} + \Lambda + \frac{mE_n}{(1+k)^n}
 \end{aligned} \tag{12}$$

Observation will disclose that in fact the payout ratio is volatile and tends to offset the volatility in earnings so that dividend growth (realized cash flows) is smoothed.

Equation (12) can be restated to read:

$$\begin{aligned}
 P_o &= \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \frac{D_3}{(1+k)^3} + \Lambda + \frac{D_n}{(1+k)^n} \\
 &= \sum_{i=1}^n \frac{D_i}{(1+k)^i}
 \end{aligned} \tag{13}$$

The relationship between  $D_{t-1}$  and  $D_t$  is simply  $(1+g)$ , which is also the relationship between  $E_{t-1}$  and  $E_t$  defined in (8). And, with an assumed constant payout ratio or share of earnings, the following is obtained:

$$\begin{aligned}
 P_o &= \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \Lambda + \frac{D_o(1+g)^n}{(1+k)^n} \\
 &= \sum_{i=1}^n \frac{D_o(1+g)^i}{(1+k)^i}
 \end{aligned} \tag{14}$$

Now, assume an infinite time horizon:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \Lambda + \frac{D_o(1+g)^\infty}{(1+k)^\infty} \tag{15}$$

Equation (15) above is simply a geometric series with a growth and discounting parameter,  $(1+g)/(1+k)$ , that defines the relative value of any two sequential terms.<sup>1</sup> Therefore, (15) may be expressed as:

$$P_o = \frac{D_o(1+g)}{(1+k)} \left[ \frac{1 - [(1+g)/(1+k)]^\infty}{1 - (1+g)/(1+k)} \right] \tag{16}$$

<sup>1</sup> With  $(1+g) = d$ , and  $(1+k) = r$ , a series of the form:

$$\sum_{i=1}^n a(d/r)^i = a \sum_{i=1}^n (d/r)^i$$

This may be alternately expressed as:

$$a \frac{d}{r} [(1 - (d/r)^n) / (1 - (d/r))]$$



And since  $((1+g)/(1+k))^{\infty}$  is zero,<sup>2</sup> and  $(1-(1+g)/(1+k))$  is equal to  $(k-g)/(1+k)$ , the following form can be obtained:

$$P_o = D_o(1+g)/(k-g) \quad (17)$$

Multiplying through by  $(k-g)$  and  $1/P_o$ , and rearranging gives:

$$k = D_o(1+g)/P_o + g \quad (18)$$

This is the derived form of the constant growth Discounted Cash Flow model.

In addition, the assumption of an infinite time horizon can be relaxed. Assume that the investor has a finite time horizon,  $n$ , with a salvage value equal to  $P_n$  and a constant price-earnings ratio. Equation (14) is then restated as:

$$P_o = \sum_{t=1}^n \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_n}{(1+k)^n} \quad (19)$$

Since  $P_o/E_o = P_n/E_n$ ,  $P_n = P_o(1+g)^n$ . Thus, (19) can be restated as:

$$P_o = \sum_{t=1}^n \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_o(1+g)^n}{(1+k)^n} \quad (20)$$

The first term on the right may be restated as described above, and incorporated into (21), shown below:

$$P_o = \frac{D_o(1+g)}{(k-g)} \left[ 1 - (1+g)^n / (1+k)^n \right] + P_o(1+g)^n / (1+k)^n \quad (21)$$

Rearranging and simplifying terms obtains:

$$P_o - P_o(1+g)^n / (1+k)^n = \frac{D_o(1+g)}{(k-g)} \left[ 1 - (1+g)^n / (1+k)^n \right] \quad (22)$$

or,

$$P_o \left[ 1 - (1+g)^n / (1+k)^n \right] = \frac{D_o(1+g)}{(k-g)} \left[ 1 - (1+g)^n / (1+k)^n \right]$$

Now, dividing both sides by  $\left[ 1 - (1+g)^n / (1+k)^n \right]$  gives an equivalent result to (17):

$$P_o = D_o(1+g)/(k-g) \quad (23)$$

Rearranging terms provides:

$$k = D_o(1+g)/P_o + g \quad (24)$$

Thus, the constant growth form of Discounted Cash Flow is derived for a finite time horizon.

---

<sup>2</sup> If  $k > g$

### Multi-Stage DCF

The model of constant growth over the future holding period may not be a fully satisfactory representation of investor expectations under some market conditions. The constant growth form can be generalized to a varying growth path or growth with stochastic elements. Such approach increases complexity.

As a practical matter, a useful extension of the constant growth model known as multi-stage DCF can be easily developed. Arguably, multi-stage DCF presents a platform for a more accurate representation of expectations of growth harbored by investors. A derived form of the multi-stage form is developed below:

Multi-stage DCF can be shown as a restatement of Equation 14 with three patterns or rates of growth applicable to specific forward timeframes or stages:

$$P_o = \sum_{t=1}^5 \frac{D_o(1+g_1)^t}{(1+k)^t} + \sum_{t=1}^5 \frac{D_5(1+g_2)^t}{(1+k)^t} (1/(1+k)^5) + \sum_{t=1}^{\infty} \frac{D_{10}(1+g_3)^t}{(1+k)^t} (1/(1+k)^{10}) \quad (25)$$

Each stage can be shown in a simplified form. We begin by separating out the first stage,  $S_1$  – i.e., the first rhs term with growth =  $g_1$  – as follows:

$$S_1 = \sum_{t=1}^5 \frac{D_o(1+g_1)^t}{(1+k)^t} \quad (26)$$

Pulling out the initial rate of dividends,  $D_o$ , from the sum,

$$S_1 = D_o \sum_{t=1}^5 \frac{(1+g_1)^t}{(1+k)^t}$$

Presenting the ratio of the growth and discount factors as a single term,  $F = \frac{(1+g_1)}{(1+k)}$ , and

incorporating  $F$  into the sum,  $S_1 = D_o \sum_t F^t$ .

The sum can then be expanded as follows:

$$S_1 = D_o(F^1 + F^2 + \Lambda + F^5). \quad (27)$$

Defining a new term equal to unity,  $\frac{(1-F)}{(1-F)}$ , and including the term into the rhs of Equation 27:

$$S_1 = D_o(F^1 + F^2 + \Lambda + F^5) \left( \frac{(1-F)}{(1-F)} \right), \text{ and then expanding,}$$

$$S_1 = D_o((F^1 + F^2 + \Lambda + F^5) - (F^2 + F^3 + \Lambda + F^6)) / (1-F). \quad (28)$$

Canceling terms of Equation 28 provides,  $S_1 = D_o(F^1 - F^6) / (1-F)$ , and then collecting common terms gives a simplified result, as follows:

$$S_1 = D_o F^1 (1 - F^5) / (1-F) \quad (29)$$

Expanding  $F$  in Equation 29 provides,

$$S_1 = D_o \left( \frac{(1+g_1)}{(1+k)} \right) \left( 1 - \left( \frac{(1+g_1)}{(1+k)} \right)^5 \right) / \left( \frac{(1+k)-(1+g_1)}{(1+k)} \right)$$

Finally, canceling terms to simplify Equation 29 provides the result,

$$S_1 = D_o(1+g_1) \left( 1 - \left( \frac{(1+g_1)}{(1+k)} \right)^5 \right) / (k - g_1) \quad (30)$$

The above result for Stage 1 can be stated as follows,

$$S_1 = D_o \left( \frac{(1+g_1)}{(k-g_1)} \right) \left( 1 - \left( \frac{(1+g_1)}{(1+k)} \right)^5 \right) \quad (31)$$

Note that this outcome for Stage 1 is identical to Equation 22, above.

Stage 2 of Equation 25 is:

$$S_2 = \sum_{i=1}^5 \frac{D_5(1+g_2)^i}{(1+k)^i} (1/(1+k)^5)$$

The derived form of Stages 2 and 3 are obtained through application of the same procedures as above, and need not be reviewed. The derived result for Stage 2 is as follows:

$$S_2 = D_5 \left( \frac{(1+g_2)}{(k-g_2)} \right) \left( 1 - \left( \frac{(1+g_2)}{(1+k)} \right)^5 \right) (1/(1+k)^5) \quad (32)$$

Stage 3 of Equation 25 is:

$$S_3 = \sum_{i=1}^{\infty} \frac{D_{10}(1+g_3)^i}{(1+k)^i} (1/(1+k)^{10})$$

Similarly, the derived form of Stage 3 is:

$$S_3 = D_{10} \left( \frac{(1+g_3)}{(k-g_3)} \right) \left( 1 - \left( \frac{(1+g_3)}{(1+k)} \right)^{\infty} \right) (1/(1+k)^{10}) \quad (33)$$

Note that in Stage 3, the second term in the second bracket of the rhs vanishes as a result of, by assumption,  $k > g$ .

## APPENDIX II

### **Derivation of Capital Asset Pricing Model<sup>1</sup>**

The Capital Asset Pricing Model (CAPM) defines the market rate of return of asset  $j$  as a combination of the risk free return,  $R_f$ , and the product of a risk factor and the excess return above the risk free return,  $\beta_{jm}(R_m - R_f)$ . Excess return is determined as the difference between the return of the market as a whole,  $R_m$ , and the risk free return. The relevant risk factor is the well known market beta, which is defined as,

$$\beta_{jm} = \sigma_{jm} / \sigma_m^2 \quad (1)$$

Start with an investment amount,  $I$ , where the share,  $\alpha$ , is invested in asset  $j$ , and the share  $(1 - \alpha)$  is invested in the market portfolio,  $m$ . The rate of return on the portfolio is,

$$R_\alpha = \alpha R_j + (1 - \alpha) R_m \quad (2)$$

The measure of variation in the portfolio returns is defined as,

$$\sigma_\alpha = [\alpha^2 \sigma_j^2 + 2\alpha(1 - \alpha)\sigma_{jm} + (1 - \alpha)^2 \sigma_m^2]^{(1/2)} \quad (3)$$

If the portfolio share coefficient,  $\alpha$ , is equal to zero, then the return on the portfolio is equal to  $R_m$ . This return point within rate of return – risk space is equivalent to the tangency point of market portfolio with the well-known market line.

Taking the relevant derivatives,

$$dR_\alpha / d\alpha = R_j - R_m \quad (4)$$

$$d\sigma_\alpha / d\alpha = [\alpha \sigma_j^2 + (1 - 2\alpha)\sigma_{jm} + (\alpha - 1)\sigma_m^2] / \sigma_\alpha \quad (5)$$

For  $\alpha=0$ , the solution to (5) is,

$$d\sigma_\alpha / d\alpha = (\sigma_{jm} - \sigma_m^2) / \sigma_m \quad (6)$$

Defining a key relationship:

$$dR_\alpha / d\sigma_\alpha = (dR_\alpha / d\alpha) / (d\sigma_\alpha / d\alpha) \quad (7)$$

For  $\alpha=0$ , the above result obtains,

$$dR_\alpha/d\sigma_\alpha = (R_j - R_m)\sigma_m / (\sigma_{jm} - \sigma_m^2) \quad (8)$$

The result in (8) defines change a rate of change with respect to  $\sigma_\alpha$ , which must be equivalent to the slope of the capital market line. Therefore,

$$(R_j - R_m)\sigma_m / (\sigma_{jm} - \sigma_m^2) = (R_m - R_f) / \sigma_m \quad (9)$$

Now solving for  $R_j$  obtains the capital asset pricing model, stated in its well-known form,

$$R_j = R_f + [(R_m - R_f) / \sigma_m^2] \sigma_{jm} = R_f + \beta_{jm}(R_m - R_f) \quad (10)$$

where  $\beta_{jm}$  is defined as above.

EXHIBIT DC-RC-1

Page 1 of 3

OVERALL RATE OF RETURN REQUIREMENTS

FLORIDA PUBLIC UTILITIES COMPANY

WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE

(2008 13-MONTH AVERAGE)

Capital Component	Amounts Balances	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	\$14,733,561	34.25%	7.96%	2.73%
Short-Term Debt	\$1,905,259	4.43%	6.81%	0.30%
Preferred Stock	\$177,593	0.41%	4.75%	0.02%
Common Equity	\$17,095,113	39.74%	11.50%	4.57%
Customer Deposits	\$2,948,763	6.85%	6.32%	0.43%
Deferred Taxes	\$6,078,743	14.13%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$81,965	0.19%	9.67%	0.02%
Total	\$43,020,997	100.00%		8.07%

WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE

(2008 13-MONTH AVERAGE)

Capital Component	Amounts Balances	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	\$49,777,370	43.45%	7.96%	3.46%
Short-Term Debt	\$6,436,923	5.62%	6.81%	0.38%
Preferred Stock	\$600,000	0.52%	4.75%	0.02%
Common Equity	\$57,755,879	50.41%	11.50%	5.80%
Total	\$114,570,173	100.00%		9.67%

**EXHIBIT DC-RC-1**  
**Page 2 of 3**  
**OVERALL RATE OF RETURN REQUIREMENTS**

**FLORIDA PUBLIC UTILITIES COMPANY**

**WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, EXCLUDING FLO-GAS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$13,817,716	32.12%	7.96%	2.56%
Short-Term Debt	\$1,642,905	3.82%	6.81%	0.26%
Preferred Stock	\$168,216	0.39%	4.75%	0.02%
Common Equity	\$18,035,391	41.92%	11.50%	4.82%
Customer Deposits	\$3,079,556	7.16%	6.32%	0.45%
Deferred Taxes	\$6,208,701	14.43%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$68,513	0.16%	9.79%	0.02%
Total	\$43,020,997	100.00%		<u>8.13%</u>

**WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, EXCLUDING FLO-GAS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$49,285,749	41.05%	7.96%	3.27%
Short-Term Debt	\$5,860,000	4.88%	6.81%	0.33%
Preferred Stock	\$600,000	0.50%	4.75%	0.02%
Common Equity	\$64,329,572	53.57%	11.50%	6.16%
Total	\$120,075,321	100.00%		<u>9.79%</u>

**EXHIBIT DC-RC-1**  
**Page 3 of 3**  
**OVERALL RATE OF RETURN REQUIREMENTS**

**FLORIDA PUBLIC UTILITIES COMPANY**

**WEIGHTED AVERAGE COST OF CAPITAL: REGULATORY CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$13,763,420	31.99%	7.96%	2.55%
Short-Term Debt	\$1,636,449	3.80%	6.81%	0.26%
Preferred Stock	\$167,555	0.39%	4.75%	0.02%
Common Equity	\$18,096,803	42.07%	11.50%	4.84%
Customer Deposits	\$3,079,556	7.16%	6.32%	0.45%
Deferred Taxes	\$6,208,701	14.43%	0.00%	0.00%
ITC at Zero Cost	\$0	0.00%	0.00%	0.00%
ITC at Overall Cost	\$68,513	0.16%	9.79%	0.02%
Total	\$43,020,997	100.00%		<u>8.14%</u>

**WEIGHTED AVERAGE COST OF CAPITAL: CONVENTIONAL CAPITAL STRUCTURE**  
**(2008 YEAR END BALANCES, CONSOLIDATED BASIS)**

<b>Capital Component</b>	<b>Amounts Balances</b>	<b>Capitalization Share</b>	<b>Cost Rate</b>	<b>Weighted Cost Rate</b>
Long Term Debt	\$49,285,749	40.88%	7.96%	3.26%
Short-Term Debt	\$5,860,000	4.86%	6.81%	0.33%
Preferred Stock	\$600,000	0.50%	4.75%	0.02%
Common Equity	\$64,803,263	53.76%	11.50%	6.18%
Total	\$120,549,012	100.00%		<u>9.79%</u>



**COST OF COMMON EQUITY and EQUITY RATE OF RETURN RECOMMENDATION**

**FLORIDA PUBLIC UTILITIES COMPANY**

<b>METHODOLOGY</b>	<b>COMPARABLE RISK SAMPLE</b>	
	<b>MID-SIZED ELECTRIC UTILITIES</b>	<b>GAS UTILITIES</b>
<b>Discounted Cash Flow</b>		
Single Stage Model*	9.63%	9.46%
<b>Capital Asset Pricing Model</b>		
Classical Single Factor Model	11.27%	11.28%
<b>Risk Premia, Small-Size Adjusted</b>		
CAPM-Based, Size-Premia Adjusted	12.50%	12.30%
<b>Realized Market Returns</b>		
Per Annum, For 5- to 10-Year Periods	11.45%	10.10%
For Larger Sample	12.24%	
Per Annum, For Consecutive 5-Year Periods	10.85%	10.00%
For Larger Sample	10.98%	
Cumulative, For 5- to 10-Year Periods	11.09%	11.86%
For Larger Sample	12.49%	

**Common Equity Rate of Return Recommendation:** 11.5%

\* Multi-Stage DCF Approach Provides Similar Results

### MARKET CAPITALIZATION SIZE PREMIA

Market Capitalization (\$ Millions)			Equity Cost Rate Premia
Deciles	Smallest Sized Entity In Decile	Largest Sized Entity In Decile	
1 (Largest)	\$16,848	\$371,187	-0.36%
2	\$7,847	\$16,821	0.65%
3	\$4,098	\$7,777	0.81%
4	\$2,862	\$4,085	1.03%
5	\$1,947	\$2,849	1.45%
5	\$1,379	\$1,947	1.67%
7	\$978	\$1,378	1.62%
8	\$627	\$977	2.28%
9	\$315	\$627	2.70%
10 (Smallest)	\$2,200	\$314	6.27%

Market Capitalization of FPU, 2006: \$76.5

Small Size Premia,  
Florida Public Utilities Company: 2.00%

As developed with cost of capital studies of, and shown in reports of, Ibbotson Associates

**EXHIBIT DC-RC-3**  
**LONG TERM DEBT COST RATE, 2008**  
**FLORIDA PUBLIC UTILITIES COMPANY**

Life	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold	13-Month Average Principal Amt. Outstanding	Issuing Expenses	Annual Amortization	Interest Expense	Total Annual Cost	Average Unamortized Issuing Expenses and Loss on Reacquired Debt
30	9.57%	5/1/1988	5/1/2018	\$10,000,000	\$9,440,615	\$180,273	\$7,211	\$903,467	\$910,678	\$34,855
30	10.03%	5/1/1988	5/1/2018	\$5,500,000	\$5,192,308	\$97,070	\$3,883	\$520,788	\$524,671	\$18,766
30	9.08%	6/1/1992	6/1/2022	\$8,000,000	\$8,000,000	\$121,967	\$4,066	\$726,400	\$730,466	\$56,935
30	6.85%	10/1/2001	10/1/2031	\$15,000,000	\$15,000,000	\$1,208,670	\$40,289	\$1,027,500	\$1,067,789	\$936,719
30	4.90%	11/1/2001	11/1/2031	\$14,000,000	\$14,000,000	\$805,956	\$26,865	\$686,000	\$712,865	\$627,025
Loss on Re-acquired Debt						\$548,516	\$18,288	\$0	\$18,288	\$181,316
Rounding Adjustment										-\$63
<b>TOTALS:</b>					\$51,632,923	\$2,962,452	\$100,602	\$3,864,155	\$3,964,757	\$1,855,553
Net Balance of Long Term Debt:										\$49,777,370
Embedded Cost Rate of Outstanding Long-term Debt:										<u><u>7.9650%</u></u>

**FLORIDA PUBLIC UTILITIES COMPANY**

97

## EXHIBIT DC-RC-5

### PREFERRED STOCK COST RATE, 2008

#### FLORIDA PUBLIC UTILITIES COMPANY

Description, Coupon Rate	Issue Date	Principal	Dividends	Effective Cost Rate
4.75% Cumulative	12/28/1945	\$600,000	\$28,500	<u>4.75%</u>

## EXHIBIT DC-RC-6

Page 1 of 2

## CAPM ESTIMATES OF THE COST OF EQUITY CAPITAL: MID-SIZED ELECTRIC UTILITIES

Electric Utilities		Adjusted Beta		Unadjusted Beta, as Inferred		MARKET INPUTS: AVERAGE YIELDS AND OVERALL RETURNS				
Company	Ticker	2005	5 Year Average, 2005 Ending	2005	5 Year Average, 2005 Ending	1-Year Gov't Debt Interest Rates	10-Year Gov't Debt Interest Rates	1- to 10-Year Spread in Debt Rates	S&P500, Total Return	Chain-Weighted Rates of Inflation
Hawaiian Elec.	HE	0.70	0.59	0.55	0.39	1950s 2.62	3.22	0.60		2.60
MGE Energy	MGEE	0.65	0.55	0.48	0.33	1960s 4.40	4.67	0.28		2.62
Otter Tail Corp.	OTTR	0.55	0.56	0.33	0.34	1970s 7.00	7.50	0.50	7.92	6.82
Cen. Vermont Pub. Serv.	CV	0.50	0.49	0.25	0.24	1980s 9.74	10.60	0.85	18.23	4.44
Energy East Corp.	EAS	0.80	0.71	0.70	0.57	1990s 5.36	6.66	1.30	18.99	2.14
Florida Public Utilities	FPU	0.65	0.57	0.48	0.36	2000s 3.32	4.73	1.41	-3.60	1.83
SCANA Corp.	SCG	0.75	0.61	0.63	0.42	60s, 70s, 90s 5.58	6.28	0.74		
GT Plains Energy	GXP	0.85	0.71	0.78	0.57	Overall 5.40	6.23	0.83	13.00	3.57
Average		0.68	0.60	0.52	0.40	VARIATION IN YIELDS AND RETURNS				
S. D.		0.12	0.08	0.18	0.11		1-Year	10-Year	1- to 10-Year Spread	S&P500 Total Return
Weighted Average:		0.75	0.64	0.63	0.46	1950s 1.07	0.63	0.51		
						1960s 1.32	0.91	0.46		
						1970s 1.75	0.99	1.02	20.36	
						1980s 2.70	2.16	1.02	13.07	
						1990s 1.21	1.00	0.96	14.16	
						2000s 1.75	0.67	1.23	22.24	
						60s, 70s, 90s 1.43	0.97	0.81		
						Overall 1.96	1.53	0.87	17.46	

## CAPM ESTIMATES: MID-SIZED ELECTRIC UTILITIES

	Cost of Equity Capital, Unadjusted	Risk-Free Rate	Market Beta, Adjusted	Expected Market Return	Risk Free Rate
Low	9.05%	4.24%	0.72	10.91%	4.24%
High	12.93%	5.21%	0.78	15.10%	5.21%
Weighted Average	10.94%	4.73%	0.75	13.00%	4.73%
	Cost Rate, Adjusted for Issuance Costs				
Low	9.38%				
High	13.26%				
Weighted Average	11.27%				

## EXHIBIT DC-RC-6

Page 2 of 2

## CAPM ESTIMATES OF THE COST OF EQUITY CAPITAL: GAS UTILITIES

Gas Utilities		Adjusted Beta		Unadjusted Beta, as Inferred		MARKET INPUTS: AVERAGE YIELDS AND OVERALL RETURNS				
Company	Ticker	2005	5 Year Average, 2005 Ending	2005	5 Year Average, 2005 Ending	1-Year Gov't Debt Interest Rates	10-Year Gov't Debt Interest Rates	1- to 10-Year Spread in Debt Rates	S&P500, Total Return	Chain-Weighted Rates of Inflation
AGL Resources	ATG	0.85	0.73	0.78	0.60	1950s 2.62	3.22	0.60		2.60
Atmos Energy	ATO	0.70	0.63	0.55	0.45	1960s 4.40	4.67	0.28		2.62
Cascade Natural Gas	CGC	0.75	0.67	0.63	0.51	1970s 7.00	7.50	0.50	7.92	6.82
EnergySouth Inc.	ENSI	0.55	0.50	0.33	0.25	1980s 9.74	10.60	0.85	18.23	4.44
New Jersey Resources	NJR	0.75	0.66	0.63	0.49	1990s 5.36	6.66	1.30	18.99	2.14
Northwest Nat. Gas	NWN	0.70	0.62	0.55	0.43	2000s 3.32	4.73	1.41	-3.60	1.83
Piedmont Natural Gas	PNY	0.75	0.68	0.63	0.52	60s, 70s, 90s 5.58	6.28	0.74		
South Jersey Inds.	SJI	0.60	0.52	0.40	0.28	Overall 5.40	6.23	0.83	13.00	3.57
Southwest Gas	SWX	0.75	0.71	0.63	0.57					
WGL Holdings Inc.	WGL	0.80	0.69	0.70	0.54					
Average										
S. D.										
Weighted Average:										
						VARIATION IN YIELDS AND RETURNS				
						1-Year	10-Year	1- to 10-Year Spread	S&P500 Total Return	
						1950s 1.07	0.63	0.51		
						1960s 1.32	0.91	0.46		
						1970s 1.75	0.99	1.02	20.36	
						1980s 2.70	2.16	1.02	13.07	
						1990s 1.21	1.00	0.96	14.16	
						2000s 1.75	0.67	1.23	22.24	
						60s, 70s, 90s 1.43	0.97	0.81		
						Overall 1.96	1.53	0.87	17.46	

## CAPM ESTIMATES: GAS UTILITIES

	Cost of Equity Capital, Unadjusted	Risk-Free Rate	Market Beta, Adjusted	Expected Market Return	Risk Free Rate
Low	9.11%	4.24%	0.73	10.91%	4.24%
High	12.87%	5.21%	0.77	15.10%	5.21%
Weighted Average	10.95%	4.73%	0.75	13.00%	4.73%
	Cost Rate, Adjusted for Issuance Costs				
Low	9.44%				
High	13.20%				
Weighted Average	11.28%				

# EXHIBIT DC-RC-7

Page 1 of 2

## DISCOUNTED CASH FLOW ESTIMATES OF COST OF EQUITY: MID-SIZED ELECTRIC UTILITIES

Electric Utility	Ticker	Quarter Dividends Declared Per Share	Effective Annual Dividend Rate	Average Market Price Per Share, May - June '06	Adjusted Dividend Yield	Expected Growth	Single Stage DCF Estimates of Cost of Equity Capital
Hawaiian Elec.	HE	0.31	\$1.26	\$26.15	4.81%	1.50%	6.32%
MGE Energy	MGEE	0.35	\$1.44	\$29.79	4.83%	4.22%	9.05%
Otter Tail Corp.	OTTR	0.29	\$1.18	\$25.74	4.57%	4.14%	8.71%
Cen. Vermont Pub. Serv.	CV	0.23	\$0.97	\$17.55	5.54%	5.74%	11.28%
Energy East Corp.	EAS	0.29	\$1.19	\$22.74	5.21%	4.39%	9.60%
Florida Public Utilities	FPU	0.10	\$0.42	\$12.55	3.37%	2.72%	6.09%
SCANA Corp.	SCG	0.42	\$1.70	\$36.97	4.61%	5.31%	9.91%
G't Plains Energy	GXP	0.42	\$1.73	\$26.42	6.54%	4.04%	10.58%

### DCF ESTIMATES, MID-SIZED ELECTRIC UTILITIES

	Adjusted Dividend Yield	Expected Growth	Unadjusted Cost Rate
Average	4.94%	4.01%	8.94%
S. D.	0.90%	1.35%	1.87%
Range			
Low	4.48%	3.33%	8.01%
High	5.39%	4.68%	9.88%
Weighted Average	5.11%	4.19%	9.30%

### Cost Rate, Adjusted for Issuance Costs

Weighted Average	9.63%
Range	
Low	8.98%
High	9.92%



# EXHIBIT DC-RC-7

Page 2 of 2

## DISCOUNTED CASH FLOW ESTIMATES OF COST OF EQUITY: GAS UTILITIES

Gas Utility	Ticker	Quarter Dividends Declared Per Share	Effective Annual Dividend Rate	Average Market Price Per Share, May - June '06	Adjusted Dividend Yield	Expected Growth	Single Stage DCF Estimates of Cost of Equity Capital
AGL Resources	ATG	0.37	\$1.53	\$37.82	4.05%	6.72%	10.76%
Atmos Energy	ATO	0.32	\$1.28	\$30.41	4.21%	2.06%	6.26%
Cascade Natural Gas	CGC	0.24	\$1.04	\$20.29	5.12%	8.19%	13.31%
EnergySouth Inc	ENSI	0.22	\$0.91	\$30.88	2.95%	5.74%	8.69%
New Jersey Resources	NJR	0.36	\$1.49	\$44.66	3.34%	7.40%	10.74%
Northwest Nat. Gas	NWN	0.35	\$1.39	\$34.76	4.01%	2.11%	6.12%
Piedmont Natural Gas	PNY	0.24	\$0.97	\$23.54	4.12%	4.17%	8.29%
South Jersey Inds.	SJI	0.23	\$0.95	\$26.41	3.61%	7.91%	11.52%
Southwest Gas	SWX	0.21	\$0.91	\$29.55	3.08%	11.03%	14.11%
WGL Holdings Inc.	WGL	0.33	\$1.35	\$27.65	4.88%	2.57%	7.45%

## DCF ESTIMATES, GAS UTILITIES

	Adjusted Dividend Yield	Expected Growth	Unadjusted Cost Rate
Average	3.94%	5.79%	9.73%
S. D.	0.71%	3.01%	2.80%
Range			
Low	3.58%	4.28%	8.32%
High	4.29%	7.30%	11.13%
Weighted Average	4.01%	5.19%	9.20%

## Cost Rate, Adjusted for Issuance Costs

Weighted Average	9.46%
Range	
Low	9.02%
High	10.42%

**EXHIBIT DC-RC-8**  
**Page 1 of 2**

**RISK PREMIUM ANALYSIS: MID-SIZED ELECTRIC UTILITIES**

Timeframes	S&P 500 minus Intermediate Term Debt		S&P 500 minus Short Term Debt		GDP Inflation
	Average Per Annum	Geometric	Average Per Annum	Geometric	
1950s	18.2%	16.6%	19.0%	17.4%	2.6%
1960s	4.2%	3.2%	4.8%	3.8%	2.6%
1970s	0.4%	-1.3%	1.2%	-0.7%	6.8%
1980s	8.2%	7.4%	9.3%	8.4%	4.4%
1990s	12.7%	11.8%	14.1%	13.2%	2.1%
2000s	-1.7%	0.0%	-0.6%	0.0%	1.8%
Average, 50s-90s	8.7%	7.5%	9.7%	8.4%	3.7%
'50s, '60s, '80s, '90s	10.8%	9.8%	11.8%	10.7%	2.5%
'70s, '80s	4.3%	3.0%	5.2%	3.9%	5.6%
2000s	-1.7%	0.0%	-0.6%	0.0%	1.8%

Timeframes	Mid-Cap Size Premia		Small-Cap Size Premia		Micro-Cap Size Premia		1-Year Treasury Yields	1-Year to 10-Year Spread
	Average	S.D.	Average	S.D.	Average	S.D.		
1950s	1.8%	2.1%	2.3%	2.9%	3.6%	4.3%	2.6%	0.6%
1960s	3.0%	3.3%	4.5%	6.5%	8.3%	10.7%	4.4%	0.3%
1970s	3.4%	5.5%	4.6%	9.8%	5.6%	13.8%	7.0%	0.5%
1980s	2.2%	4.2%	3.6%	8.0%	2.4%	11.3%	9.7%	0.9%
1990s	-1.0%	4.2%	-1.6%	5.3%	-1.5%	8.1%	5.4%	1.3%
2000s	3.2%	5.3%	5.9%	6.9%	11.3%	11.2%	3.3%	1.4%
Average, 50s-90s	1.9%	3.8%	2.7%	6.5%	3.7%	11.0%	6.6%	0.7%
'50s, '60s, '80s, '90s	1.5%	3.4%	2.2%	5.7%	3.5%	7.7%	4.1%	0.7%
'70s, '80s	2.8%	4.8%	4.1%	8.9%	4.0%	12.5%	8.4%	0.7%
2000s	3.2%	5.3%	5.9%	6.9%	11.3%	11.2%	3.3%	1.4%
S. D. Across Decades	1.6%		2.6%		4.5%		2.6%	0.5%

**EQUITY MARKET  
RETURN**

Cost Rate Components	Market Return Requirements	
	Lower Bound	Upper Bound
1-Year Treasuries	2.0%	4.6%
1-Yr - 10-Yr Spread	1.2%	1.6%
Equity - T. Debt Risk Premia	7.5%	
Expected Returns, Equity Markets	11.5%	13.0%

**COST RATE ADJUSTMENTS**

Diversifiable Risks (CAPM-based)	
Lower Bound	-2.9%
Upper Bound	-1.6%
Mid-Point	-2.2%
Small Cap Equities	
Lower Bound	1.5%
Upper Bound	2.8%
Mid-Point	2.2%
Very Small Cap Equities	
Lower Bound	2.3%
Upper Bound	4.6%
Mid-Point	3.5%

**COST OF CAPITAL, SMALL-SIZED  
ELECTRIC UTILITIES**

**W/O Issuance Cost Adjustment**

For Small Capitalization Equities	
Lower Bound	10.2%
Upper Bound	14.2%
Mid-Point	12.2%

**For Very Small  
Capitalization  
Equities**

Lower Bound	12.2%
Upper Bound	16.0%
Mid-Point	14.1%

**With Issuance Cost Adjustment**

For Small Capitalization Equities	
Lower Bound	10.5%
Upper Bound	14.6%
Mid-Point	12.5%

**For Very Small  
Capitalization  
Equities**

Lower Bound	12.5%
Upper Bound	16.3%
Mid-Point	14.4%

**EXHIBIT DC-RC-8**  
**Page 2 of 2**

**RISK PREMIUM ANALYSIS: GAS UTILITIES**

Timeframes	S&P 500 minus Intermediate Term Debt		S&P 500 minus Short Term Debt		GDP Inflation
	Average Per Annum	Geometric	Average Per Annum	Geometric	
1950s	18.2%	16.6%	19.0%	17.4%	2.6%
1960s	4.2%	3.2%	4.8%	3.8%	2.6%
1970s	0.4%	-1.3%	1.2%	-0.7%	6.8%
1980s	8.2%	7.4%	9.3%	8.4%	4.4%
1990s	12.7%	11.8%	14.1%	13.2%	2.1%
2000s	-1.7%	0.0%	-0.6%	0.0%	1.8%
Average, 50s-90s	8.7%	7.5%	9.7%	8.4%	3.7%
'50s, '60s, '80s, '90s	10.8%	9.8%	11.8%	10.7%	2.5%
'70s, '80s	4.3%	3.0%	5.2%	3.9%	5.6%
2000s	-1.7%	0.0%	-0.6%	0.0%	1.8%

Timeframes	Mid-Cap Size Premia		Small-Cap Size Premia		Micro-Cap Size Premia		1-Year Treasury Yields	1-Year To 10-Year Spread
	Average	S.D.	Average	S.D.	Average	S.D.		
1950s	1.8%	2.1%	2.3%	2.9%	3.6%	4.3%	2.6%	0.6%
1960s	3.0%	3.3%	4.5%	6.5%	8.3%	10.7%	4.4%	0.3%
1970s	3.4%	5.5%	4.6%	9.8%	5.6%	13.8%	7.0%	0.5%
1980s	2.2%	4.2%	3.6%	8.0%	2.4%	11.3%	9.7%	0.9%
1990s	-1.0%	4.2%	-1.6%	5.3%	-1.5%	8.1%	5.4%	1.3%
2000s	3.2%	5.3%	5.9%	6.9%	11.3%	11.2%	3.3%	1.4%
Average, 50s-90s	1.9%	3.8%	2.7%	6.5%	3.7%	11.0%	6.6%	0.7%
'50s, '60s, '80s, '90s	1.5%	3.4%	2.2%	5.7%	3.5%	7.7%	4.1%	0.7%
'70s, '80s	2.8%	4.8%	4.1%	8.9%	4.0%	12.5%	8.4%	0.7%
2000s	3.2%	5.3%	5.9%	6.9%	11.3%	11.2%	3.3%	1.4%
S. D. Across Decades	1.6%		2.6%		4.5%		2.6%	0.5%

Equity Market Return			COST RATE ADJUSTMENTS		COST OF CAPITAL, SMALL-SIZED UTILITIES	
Cost Rate Components	Market Return Requirements		Diversifiable Risks (CAPM-based)		W/O Issuance Cost Adjustment	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Small Capitalization Equities	
1-Year Treasuries	2.0%	4.6%	Lower Bound	-1.5%	Lower Bound	9.6%
			Upper Bound	-3.4%	Upper Bound	14.4%
			Mid-Point	-2.5%	Mid-Point	12.0%
1-Yr - 10-Yr Spread	1.2%	1.6%	Small Cap Equities			
			Lower Bound	2.8%		
Equity - T. Debt Risk Premia	7.5%		Upper Bound	1.5%	Very Small Capitalization Equities	
			Mid-Point	2.2%	Lower Bound	12.3%
Expected Returns, Equity Markets	11.5%	13.0%	Very Small Cap Equities		Upper Bound	16.1%
			Lower Bound	4.6%	Mid-Point	14.2%
			Upper Bound	2.3%		
			Mid-Point	3.5%	With Issuance Cost Adjustment	
					For Small Capitalization Equities	
					Lower Bound	9.9%
					Upper Bound	14.7%
					Mid-Point	12.3%
					For Very Small Capitalization Equities	
					Lower Bound	12.7%
					Upper Bound	16.5%
					Mid-Point	14.6%

## EXHIBIT DC-RC-9

Page 1 of 6

## AVERAGE RETURNS PER ANNUM: MID-SIZED ELECTRIC UTILITIES

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
Black Hills	24.75%	16.89%	15.16%	13.98%	15.38%
Hawaiian Elec.	8.55%	10.85%	10.00%	12.02%	11.46%
PNM Resources	14.65%	10.08%	9.81%	12.44%	14.38%
Cleco Corp.	16.49%	11.77%	8.48%	10.18%	11.57%
Empire Dist. Elec.	8.84%	7.80%	8.50%	8.78%	9.10%
MGE Energy	7.73%	9.46%	10.43%	10.45%	
OGE Energy	9.30%	7.11%	7.24%	10.00%	10.45%
Otter Tail Corp.	15.63%	14.28%	11.87%	10.51%	10.43%
Cen. Vermont Pub. Serv.	13.50%	13.12%	14.07%	13.71%	11.05%
CH Energy Group	14.17%	14.76%	12.06%	11.91%	11.15%
Energy East Corp.	20.41%	18.95%	16.84%	17.50%	16.74%
Florida Public Utilities	16.03%	16.88%	16.68%	17.21%	16.38%
NSTAR	17.10%	15.77%	14.75%	14.79%	15.29%
SCANA Corp.	6.01%	7.00%	8.49%	9.37%	10.01%
UIL Holdings	14.97%	12.72%	9.03%	12.46%	12.35%
UNITIL Corp.	8.79%	9.29%	7.83%	8.56%	7.03%
G't Plains Energy	5.20%	3.71%	7.47%	8.73%	8.16%
<b>Sample Average</b>	13.07%	11.79%	11.10%	11.92%	11.93%
<b>Weighted Average</b>	12.66%	11.40%	11.06%	12.10%	12.03%

Average: 11.91%  
Average with Issuance Costs: 12.24%

## COST OF EQUITY SAMPLE

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
Hawaiian Elec.	8.55%	10.85%	10.00%	12.02%	11.46%
MGE Energy	7.73%	9.46%	10.43%	10.45%	0.00%
Otter Tail Corp.	15.63%	14.28%	11.87%	10.51%	10.43%
Cen. Vermont Pub. Serv.	13.50%	13.12%	14.07%	13.71%	11.05%
Energy East Corp.	20.41%	18.95%	16.84%	17.50%	16.74%
Florida Public Utilities	16.03%	16.88%	16.68%	17.21%	16.38%
SCANA Corp.	6.01%	7.00%	8.49%	9.37%	10.01%
G't Plains Energy	5.20%	3.71%	7.47%	8.73%	8.16%
<b>Sample Average</b>	11.63%	10.72%	10.77%	11.62%	10.41%
<b>Weighted Average</b>	10.79%	10.83%	11.14%	12.00%	11.27%

Average: 11.12%  
Average with Issuance Costs: 11.45%

## EXHIBIT DC-RC-9

## Page 2 of 6

## FIVE YEAR RETURNS: MID-SIZED ELECTRIC UTILITIES

Company	1996 - 2001	1997 - 2002	1998 - 2003	1999 - 2004	2000 - 2005
Black Hills	24.75%	15.69%	11.15%	12.05%	13.99%
Hawaiian Elec.	8.55%	11.23%	8.99%	15.39%	16.55%
PNM Resources	14.65%	11.48%	8.89%	17.73%	21.33%
Cleco Corp.	16.49%	12.41%	5.26%	9.02%	8.20%
Empire Dist. Elec.	8.84%	8.32%	5.46%	3.58%	5.37%
MGE Energy	7.73%	12.59%	12.56%	14.95%	
OGE Energy	9.30%	4.65%	0.91%	8.51%	13.13%
Otter Tail Corp.	15.63%	16.90%	12.73%	10.20%	9.76%
Cen. Vermont Pub. Serv.	13.50%	16.04%	17.55%	19.53%	17.88%
CH Energy Group	14.17%	13.70%	6.79%	9.55%	11.58%
Energy East Corp.	20.41%	19.66%	3.92%	4.27%	9.44%
Florida Public Utilities	16.03%	17.71%	12.62%	11.62%	14.81%
NSTAR	17.10%	14.65%	7.08%	9.09%	11.52%
SCANA Corp.	6.01%	8.21%	6.37%	12.22%	13.30%
UIL Holdings	14.97%	15.32%	1.20%	8.24%	9.52%
UNITIL Corp.	8.79%	10.67%	6.07%	6.58%	2.25%
G't Plains Energy	5.20%	1.78%	6.04%	11.42%	10.72%
<b>Sample Average</b>	13.07%	12.41%	7.86%	10.82%	11.83%
<b>Weighted Average</b>	12.66%	11.54%	6.44%	10.48%	12.15%

Average: 10.65%  
Average with Issuance Costs: 10.98%

## COST OF EQUITY SAMPLE

Company	1996 - 2001	1997 - 2002	1998 - 2003	1999 - 2004	2000 - 2005
Hawaiian Elec.	8.55%	11.23%	8.99%	15.39%	16.55%
MGE Energy	7.73%	12.59%	12.56%	14.95%	0.00%
Otter Tail Corp.	15.63%	16.90%	12.73%	10.20%	9.76%
Cen. Vermont Pub. Serv.	13.50%	16.04%	17.55%	19.53%	17.88%
Energy East Corp.	20.41%	19.66%	3.92%	4.27%	9.44%
Florida Public Utilities	16.03%	17.71%	12.62%	11.62%	14.81%
SCANA Corp.	6.01%	8.21%	6.37%	12.22%	13.30%
G't Plains Energy	5.20%	1.78%	6.04%	11.42%	10.72%
<b>Sample Average</b>	11.63%	11.72%	8.20%	11.38%	10.87%
<b>Weighted Average</b>	10.79%	11.50%	6.92%	10.62%	11.61%

Average: 10.52%  
Average with Issuance Costs: 10.85%

## EXHIBIT DC-RC-9

## Page 3 of 6

## CUMULATIVE RETURNS: MID-SIZED ELECTRIC UTILITIES

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
Black Hills	23.54%	16.72%	14.93%	13.74%	15.10%
Hawaiian Elec.	8.08%	11.43%	10.48%	12.32%	11.72%
PNM Resources	12.75%	13.18%	12.46%	14.61%	16.21%
Cleco Corp.	16.13%	13.74%	9.77%	11.24%	12.45%
Empire Dist. Elec.	8.00%	8.93%	9.46%	9.62%	9.84%
MGE Energy	6.97%	10.94%	11.69%	11.55%	11.91%
OGE Energy	8.22%	9.12%	8.96%	11.31%	11.61%
Otter Tail Corp.	15.17%	15.28%	12.53%	11.02%	10.88%
Cen. Vermont Pub. Serv.	11.56%	12.18%	13.23%	12.98%	10.12%
CH Energy Group	13.11%	16.70%	13.46%	13.13%	12.20%
Energy East Corp.	16.27%	16.23%	14.43%	15.36%	14.84%
Florida Public Utilities	14.91%	18.89%	18.40%	18.71%	17.67%
NSTAR	16.11%	16.11%	15.01%	15.02%	15.49%
SCANA Corp.	5.20%	10.14%	11.15%	11.69%	12.07%
UIL Holdings	13.21%	4.45%	1.74%	5.54%	6.19%
UNITIL Corp.	8.25%	13.77%	11.54%	11.80%	9.77%
G't Plains Energy	4.91%	6.71%	9.76%	10.71%	9.90%
<b>Sample Average</b>	11.90%	12.62%	11.71%	12.37%	12.23%
<b>Weighted Average</b>	11.29%	12.31%	11.76%	12.64%	12.78%

Average: 12.16%

Average with Issuance Costs: 12.49%

## COST OF EQUITY SAMPLE

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
Hawaiian Elec.	8.55%	11.23%	8.99%	15.39%	16.55%
MGE Energy	7.73%	12.59%	12.56%	14.95%	0.00%
Otter Tail Corp.	15.63%	16.90%	12.73%	10.20%	9.76%
Cen. Vermont Pub. Serv.	13.50%	16.04%	17.55%	19.53%	17.88%
Energy East Corp.	20.41%	19.66%	3.92%	4.27%	9.44%
Florida Public Utilities	16.03%	17.71%	12.62%	11.62%	14.81%
SCANA Corp.	6.01%	8.21%	6.37%	12.22%	13.30%
G't Plains Energy	5.20%	1.78%	6.04%	11.42%	10.72%
<b>Sample Average</b>	11.63%	11.72%	9.89%	11.74%	11.17%
<b>Weighted Average</b>	10.79%	11.50%	6.92%	10.62%	11.61%

Average: 10.76%

Average with Issuance Costs: 11.09%

## EXHIBIT DC-RC-9

Page 4 of 6

## AVERAGE RETURNS PER ANNUM: GAS UTILITIES

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
AGL Resources	9.32%	9.23%	10.67%	11.66%	13.00%
Atmos Energy	6.24%	5.43%	6.06%	7.11%	8.00%
Cascade Natural Gas	10.95%	10.76%	8.86%	9.48%	8.82%
EnergySouth Inc	12.62%	15.06%	14.77%	17.08%	17.04%
New Jersey Resources	13.43%	13.73%	13.56%	14.43%	
Northwest Nat. Gas	6.64%	8.84%	8.15%	9.23%	10.40%
Piedmont Natural Gas	13.49%	12.60%	12.34%	13.10%	13.48%
South Jersey Inds.	12.47%	12.01%	12.56%	14.34%	16.25%
Southwest Gas	10.53%	10.30%	8.49%	9.07%	9.44%
WGL Holdings Inc.	10.55%	8.82%	7.83%	8.75%	9.55%
<b>Sample Average</b>	10.62%	10.68%	10.33%	11.42%	11.78%
<b>Weighted Average</b>	8.51%	8.26%	8.29%	9.13%	8.66%
				Average:	9.77%
				Average with Issuance Costs:	<u>10.10%</u>

**EXHIBIT DC-RC-9**  
**Page 5 of 6**

**FIVE YEAR RETURNS: GAS UTILITIES**

<b>Company</b>	<b>1996 - 2001</b>	<b>1997 - 2002</b>	<b>1998 - 2003</b>	<b>1999 - 2004</b>	<b>2000 - 2005</b>
AGL Resources	9.32%	8.70%	11.92%	14.66%	20.32%
Atmos Energy	6.24%	4.49%	2.00%	5.25%	12.89%
Cascade Natural Gas	10.95%	10.64%	9.09%	9.86%	10.18%
EnergySouth Inc	12.62%	12.79%	9.55%	17.65%	21.48%
New Jersey Resources	13.43%	13.86%	11.51%	13.47%	
Northwest Nat. Gas	6.64%	7.47%	5.84%	10.23%	15.20%
Piedmont Natural Gas	13.49%	12.45%	8.03%	10.36%	15.31%
South Jersey Inds.	12.47%	12.30%	11.20%	15.83%	20.08%
Southwest Gas	10.53%	9.99%	5.18%	2.48%	9.86%
WGL Holdings Inc.	10.55%	7.39%	4.11%	7.07%	8.77%
<b>Sample Average</b>	10.62%	10.01%	7.84%	10.68%	14.90%
<b>Weighted Average</b>	8.51%	7.74%	6.36%	8.55%	11.47%
				Average:	9.67%
				Average with Issuance Costs:	<u>10.00%</u>



## EXHIBIT DC-RC-9

Page 6 of 6

## CUMULATIVE RETURNS: GAS UTILITIES

Company	1996 - 2001	1996 - 2002	1996 - 2003	1996 - 2004	1996 - 2005
AGL Resources	8.68%	11.86%	12.89%	13.59%	14.68%
Atmos Energy	4.70%	8.70%	8.86%	9.54%	10.15%
Cascade Natural Gas	10.64%	12.66%	10.35%	10.78%	9.96%
EnergySouth Inc	11.62%	17.21%	16.60%	18.56%	18.36%
New Jersey Resources	13.30%	18.69%	17.79%	18.13%	18.07%
Northwest Nat. Gas	6.19%	11.14%	10.10%	10.91%	11.86%
Piedmont Natural Gas	12.61%	15.59%	14.89%	15.32%	15.46%
South Jersey Inds.	12.31%	15.26%	15.35%	16.72%	18.28%
Southwest Gas	8.76%	12.21%	9.99%	10.38%	10.61%
WGL Holdings Inc.	10.37%	12.16%	10.64%	11.20%	11.72%
<b>Sample Average</b>	9.92%	13.55%	12.75%	13.51%	13.91%
<b>Weighted Average</b>	7.86%	10.81%	10.46%	11.01%	11.51%
				Average:	11.53%
				Average with Issuance Costs:	<u>11.86%</u>

# EXHIBIT DC-RC-10

Page 1 of 4

## SELECTION SCREEN: MID-SIZED ELECTRIC UTILITIES

Company	Ticker	Market Cap (\$M)	2005 Beta	Average Beta 2001-2004	Standard Deviation, Beta 2001-2005	Stock Price	Revenues	Operating Margins	Total Assets	Assets/ Revenue
Black Hills	BKH	1,208.02	1.00	0.74	0.15	36.43	1,121.70	19.77	2,056.16	1.83
Hawaiian Elec.	HE	2,160.47	0.70	0.56	0.06	26.68	1,924.06	21.44	9,610.63	4.99
PNM Resources	PNM	1,865.03	0.90	0.66	0.15	27.11	1,604.79	14.56	3,487.64	2.17
Cleco Corp.	CNL	1,068.19	1.15	0.79	0.23	21.37	745.82	22.07	1,837.06	2.46
Empire Dist. Elec.	EDE	587.79	0.70	0.55	0.09	22.54	325.54	30.06	1,027.54	3.16
MGE Energy	MGEE	719.47	0.65	0.53	0.06	35.18	424.88	20.44	827.37	1.95
OGE Energy	OGE	2,478.54	0.75	0.58	0.10	27.36	4,926.60	10.23	4,870.30	0.99
Otter Tail Corp.	OTTR	805.91	0.55	0.56	0.03	27.41	882.32	13.46	1,134.15	1.29
Central Vermont Pub. Service	CV	225.21	0.50	0.49	0.03	18.31	302.20	14.01	546.76	1.81
CH Energy Group	CHG	731.64	0.80	0.68	0.10	46.42	791.51	13.87	1,287.00	1.63
Energy East Corp.	EAS	3,830.60	0.80	0.69	0.09	25.94	4,756.69	23.69	10,796.11	2.27
Florida Public Utilities Company	FPU	76.52	0.65	0.55	0.04	12.84	110.04	16.03	171.69	1.56
NSTAR	NST	3,034.26	0.70	0.61	0.09	28.41	2,954.33	23.75	7,117.23	2.41
SCANA Corp.	SCG	4,617.60	0.75	0.58	0.10	40.15	3,885.00	22.96	8,996.00	2.32
UIL Holdings	UIL	740.03	0.80	0.64	0.13	30.43	1,101.29	13.44	1,787.61	1.62
UNITIL Corp.	UTL	135.30	0.40	0.40	0.00	24.16	214.14	22.14	457.01	2.13
G't Plains Energy	GXP	2,274.86	0.85	0.68	0.10	30.44	2,464.02	20.38	3,798.90	1.54
Average		1,562.32	0.74	0.60	0.09		1,678.53	18.96	3,518.19	2.13

EXHIBIT DC-RC-10

Page 2 of 4

SCREEN 2: MID-SIZED ELECTRIC UTILITIES

										Measures of Business and Financial Risk				
Equity Participation in Total Capital						Measures of Market Risk			Variation In Market Returns	Variation in Cashflow per share	CV in Cashflow per Share	Variation in Cashflow per share	CV in Cashflow per Share	
Company	Ticker	1995	2000	2003	2005	Average	2005 Beta	S.D. of Beta		5 Year	5 Year	10 Year	10 Year	
Black Hills	BKH	52%	47%	44%	52%	49%	1.00	0.15	0.18	0.67	0.28	0.65	0.34	
Hawaiian Elec.	HE	46%	40%	50%	53%	47%	0.70	0.06	0.17	0.16	0.11	0.13	0.09	x
PNM Resources	PNM	49%	49%	52%	42%	48%	0.90	0.15	0.27	0.62	0.40	0.47	0.34	
Cleco Corp.	CNL	47%	40%	34%	52%	43%	1.15	0.23	0.24	0.12	0.08	0.18	0.14	
Empire Dist. Elec.	EDE	46%	42%	48%	49%	46%	0.70	0.09	0.16	0.32	0.30	0.26	0.23	
MGE Energy	MGEE	46%	52%	57%	61%	54%	0.65	0.06	0.11	0.05	0.03	0.28	0.18	x
OGE Energy	OGE	51%	39%	46%	50%	47%	0.75	0.10	0.30	0.25	0.16	0.24	0.14	
Otter Tail Corp.	OTTR	47%	54%	54%	63%	54%	0.55	0.03	0.11	0.12	0.08	0.20	0.14	x
Cen. Vermont Pub. Serv.	CV	52%	50%	58%	62%	55%	0.50	0.03	0.15	0.24	0.19	0.40	0.33	x
CH Energy Group	CHG	50%	56%	62%	58%	57%	0.80	0.10	0.10	0.39	0.14	0.28	0.10	
Energy East Corp.	EAS	50%	42%	39%	44%	44%	0.80	0.09	0.15	0.29	0.17	0.31	0.20	
Florida Public Utilities	FPU	49%	53%	44%	46%	48%	0.65	0.04	0.21	0.07	0.14	0.07	0.14	x
NSTAR	NST	42%	39%	40%	39%	40%	0.70	0.09	0.22	0.07	0.04	0.23	0.16	
SCANA Corp.	SCG	48%	40%	41%	47%	44%	0.75	0.10	0.18	0.23	0.10	0.35	0.16	x
UIL Holdings	UIL	33%	48%	50%	53%	46%	0.80	0.13	0.25	0.59	0.30	0.67	0.32	
UNITIL Corp.	UTL	48%	47%	45%	44%	46%	0.40	0.00	0.08	0.14	0.10	0.22	0.14	
G't Plains Energy	GXP	49%	43%	44%	51%	47%	0.85	0.10	0.19	0.33	0.16	0.35	0.18	x
Average		47%	46%	47%	51%	48%	0.74	0.09	0.18	0.27	0.16	0.31	0.20	

**EXHIBIT DC-RC-10**

Page 3 of 4

**SELECTION SCREEN: GAS UTILITIES**

Company	Ticker	Market Cap (\$M)	2005 Beta	Average Beta	Standard Deviation, Beta	Stock Price	Revenues	Operating Margins	Total Assets	Assets/ Revenue	
				2001-2004	2001-2005						
AGL Resources	ATG	2,762.16	0.85	0.70	0.12	35.55	1,832.00	25.16	5,640.00	3.08	X
Atmos Energy	ATO	2,224.84	0.70	0.61	0.06	27.62	2,920.04	11.91	2,869.88	0.98	X
Cascade Natural Gas	CGC	235.09	0.75	0.65	0.08	20.60	318.08	15.58	422.62	1.33	X
EnergySouth Inc	ENSI	219.32	0.55	0.49	0.04	27.76	115.97	40.64	242.45	2.09	X
Laclede Group	LG	652.97	0.75	0.61	0.10	30.84	1,250.32	8.23	1,265.30	1.01	X
New Jersey Resources	NJR	1,225.40	0.75	0.64	0.07	44.48	2,533.61	6.30	1,855.60	0.73	X
Nicor Inc.	GAS	1,731.33	1.10	0.84	0.19	39.19	2,739.70	12.51	3,975.20	1.45	
Northwest Nat. Gas	NWN	989.98	0.70	0.60	0.06	35.90	707.60	23.66	1,732.19	2.45	X
Piedmont Natural Gas	PNY	1,811.96	0.75	0.66	0.08	23.62	1,529.74	17.07	2,335.88	1.53	X
South Jersey Inds.	SJI	821.84	0.60	0.50	0.06	28.36	819.08	14.12	1,243.33	1.52	X
Southwest Gas	SWX	1,014.91	0.75	0.70	0.07	25.81	1,477.06	21.60	2,938.12	1.99	X
WGL Holdings Inc.	WGL	1,523.96	0.80	0.66	0.08	31.33	2,089.60	13.93	2,504.91	1.20	X
Average		1,267.81	0.75	0.64	0.08		1,527.73	17.56	2,252.12	1.61	

EXHIBIT DC-RC-10

Page 4 of 4

SCREEN 2: GAS UTILITIES

		Equity Participation in Total Capital					Measures of Market Risk			Measures of Business and Financial Risk				
		1995	2000	2003	2005	Average	2005 Beta	S.D. of Beta	Variation In Market Returns	Variation in Cashflow per share	CV in Cashflow per Share	Variation in Cashflow per share	CV in Cashflow per Share	
Company	Ticker									5 Year	5 Year	10 Year	10 Year	
AGL Resources	ATG	48%	48%	50%	48%	48%	0.85	0.12	0.26	0.41	0.23	0.41	0.27	X
Atmos Energy	ATO	55%	52%	50%	42%	50%	0.70	0.06	0.22	0.26	0.18	0.31	0.22	X
Cascade Natural Gas	CGC	45%	49%	44%	41%	45%	0.75	0.08	0.14	0.24	0.19	0.32	0.31	X
EnergySouth Inc	ENSI	44%	55%	48%	57%	51%	0.55	0.04	0.27	0.23	0.17	0.28	0.24	X
Laclede Group	LG	59%	55%	49%	52%	54%	0.75	0.10	0.20	0.28	0.18	0.25	0.16	
New Jersey Resources	NJR	41%	53%	62%	58%	53%	0.75	0.07	0.21	0.31	0.14	0.43	0.24	X
Nicor Inc.	GAS	59%	67%	60%	63%	62%	1.10	0.19	0.19	0.43	0.16	0.36	0.14	
Northwest Nat. Gas	NWN	50%	51%	50%	53%	51%	0.70	0.06	0.20	0.10	0.06	0.26	0.16	X
Piedmont Natural Gas	PNY	50%	54%	58%	59%	55%	0.75	0.08	0.20	0.13	0.12	0.15	0.15	X
South Jersey Inds.	SJI	48%	38%	49%	55%	47%	0.60	0.06	0.29	0.20	0.16	0.28	0.27	X
Southwest Gas	SWX	35%	36%	34%	36%	35%	0.75	0.07	0.21	0.22	0.18	0.52	0.50	X
WGL Holdings Inc.	WGL	59%	55%	54%	59%	57%	0.80	0.08	0.15	0.43	0.23	0.33	0.19	X
Average		49%	51%	51%	52%	51%	0.75	0.08	0.21		0.17		0.24	

**EXHIBIT DC-RC-11**

**HISTORICAL YEAR-END CAPITAL STRUCTURE**

**FLORIDA PUBLIC UTILITIES COMPANY**

<b>Capital Component</b>	<b>1998</b>		<b>1999</b>		<b>2000</b>		<b>2001</b>		<b>2002</b>	
	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)
Common Equity	27,622	46.1%	25,866	41.1%	27,510	39.6%	29,329	29.1%	30,883	30.6%
Preferred Stock	600	1.0%	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	39.2%	23,500	37.3%	23,500	33.8%	50,325	50.0%	50,367	49.9%
Short Term Debt	8,200	13.7%	13,000	20.6%	17,900	25.8%	20,430	20.3%	19,183	19.0%
Total Capitalization	59,922	100.0%	62,966	100.0%	69,510	100.0%	100,684	100.0%	101,033	100.0%

<b>Capital Component</b>	<b>2003</b>		<b>2004</b>		<b>2005</b>		<b>2006</b>	
	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)
Common Equity	41,463	43.7%	43,213	43.1%	45,503	42.8%	47,573	46.5%
Preferred Stock	600	0.6%	600	0.6%	600	0.6%	600	0.6%
Long Term Debt	50,454	53.2%	50,538	50.5%	50,620	47.6%	50,702	49.5%
Short Term Debt	2,278	2.4%	5,825	5.8%	9,558	9.0%	3,466	3.4%
Total Capitalization	94,795	100.0%	100,176	100.0%	106,281	100.0%	102,341	100.0%

**EXHIBIT DC-RC-12**

Page 1 of 3

**FINANCIAL RESULTS OVER RECENT YEARS****FLORIDA PUBLIC UTILITIES COMPANY**

	2002	2003	2004	2005	2006
Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
Book Value/Share (\$)	\$5.32	\$7.08	\$7.31	\$7.64	\$7.94
Dividends/Share (\$)	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42
Earnings/Share (\$)	\$0.57	\$0.43	\$0.60	\$0.71	\$0.69
Market Value/Share (\$)	\$9.90	\$10.53	\$12.77	\$13.65	\$13.25
Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
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

EXHIBIT DC-RC-12  
Page 2 of 3  
CONSOLIDATED ELECTRIC INTEREST COVERAGE

FLORIDA PUBLIC UTILITIES COMPANY

	Historical	Projected		
	2006	2007	2008	
			Current Rates	Proposed Rates
Interest Coverage Ratios	4.52	4.01	2.50	4.06
Interest Charges	\$1,473,580	\$1,567,647	\$1,489,405	\$1,489,405



**EXHIBIT DC-RC-12**

Page 3 of 3

**FINANCIAL POLICY AND PLANS**

---

**FLORIDA PUBLIC UTILITIES COMPANY****Capital Structure O Percent of Total**

Long-term Debt	40 - 45%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

**Financing Plans for 2008**

June 2008 issuance of 1,250,000 of common stock, priced at \$12.00 per share, thus obtaining proceeds of \$15 million.

Associated issuance costs are anticipated to be \$900,000.

The specific timing of the common stock issuance is largely dependent on the capital needs of the Company including environmental costs and the general condition of capital markets.

The cash requirements of the Company are projected to increase significantly due to environmental requirements, land purchase, long-term debt payments, and pension contributions. The Company plans to use a combination of short-term borrowing and the net proceeds of the equity sale of 2008 to finance future growth and satisfy capital requirements.

**DIRECT TESTIMONY  
OF  
P. MARK CUTSHAW  
AND  
DON MYERS**

**IN**

**FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 70304-EI**

**IN RE: PETITION OF  
FLORIDA PUBLIC UTILITIES COMPANY  
FOR AN ELECTRIC RATE INCREASE**

**Q. Please state your name, affiliation, business address and summarize your professional experience and academic background.**

A. Witness Cutshaw: My name is P. Mark Cutshaw. I am the General Manager, Northeast Florida for Florida Public Utilities Company (FPU). My business office address is 911 South 8th Street, Fernandina Beach, Florida 32034. I joined FPUC in May 1991 as Division Manager in the Marianna (Northwest Florida) Division. In January 2006, I moved into my current position of General Manager in our Northeast Florida Division. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering and began my career with Mississippi Power Company in June 1982. While at Mississippi Power Company I held positions of increasing responsibility that involved budgeting, operations and maintenance activities at different company locations. My work experience at FPUC includes all aspects of budgeting, customer service, operations and maintenance in both the Northeast and Northwest Florida Divisions. In 1993, I participated in the Cost of Service study for the Marianna Division Rate Case Filing and testified during the proceeding. I also participated in the 2003 rate case filing that consolidated the rates for both divisions. I have also been involved with other filings, audits and data requests before the FPSC.

Witness Myers: My name is Don Myers. I am General Manager, Northwest Florida for Florida Public Utilities Company (FPU). My business office is 2825

1 Pennsylvania Avenue, Marianna, Florida 32447. I joined FPUC in May 1989 as  
2 Engineer in the NW Fla. Division. In Dec. 1990, I was promoted to Operations  
3 Manager. In October 2006, I was promoted to General Manager, Northwest  
4 Florida. My work experience at FPUC includes designing lines to provide customer  
5 service, administrative support for the Line Department, operations and outage  
6 management and maintenance in the Northwest Florida Division. I have been  
7 involved with other filings, audits, and data requests for the FPSC. I graduated  
8 from the University of Vermont in 1974 with a B. S. in Electrical Engineering.  
9 From June 1974 to September 1976, I worked for GTE Sylvania and in 1979 joined  
10 Gulf Power Company as Engineer and later as Substation Engineer. While at GPC,  
11 I was involved in Distribution line design and substation equipment testing,  
12 operation, and maintenance.  
13

14 **Q. Are you also familiar with the operations and management of the Northeast**  
15 **and Northwest Florida divisions?**

16 A. Yes. As General Managers of both divisions, we are familiar with all aspects of  
17 the operations and management. Since the consolidation of the rates during the  
18 2003 proceeding it has become even more critical to share information and attempt  
19 to use similar management techniques as much as practical. However, there are  
20 some necessary differences based upon the coastal and inland locations of the  
21 service areas that have some impact on the operations.  
22

23 **Q. What is the purpose of your testimony in this proceeding?**

24 A. I will cover a number of issues with regard to the FPU application for a general  
25 rate increase. First, I will describe the determination of the projected revenue  
26 requirement for 2008, the projected revenues for that year and what we expect to be  
27 a revenue deficiency if rates remain at their current levels. I will also describe,  
28 from an operations perspective, why this increase in rates is necessary at this time.  
29 In addition, I am available to answer detailed questions regarding the projected  
30 capital and operating cost items as they relate specifically to the division operations.  
31 Second, I will describe the derivation of the storm reserve that we are including in

1 the revenue requirement. Third will be a presentation of the interclass revenue  
2 allocation proposed for recovery of the 2008 revenue requirement with a description  
3 of the cost-of-service study that was conducted to determine these allocations.  
4 Fourth, I will describe the changes that will take place regarding the design of rates,  
5 i.e. the change in component prices for each class of service and will present the bill  
6 impacts that will result from these classes of service.

7

8 **Derivation of the Projected Revenue Requirement**

9

10 **Q. What is the revenue requirement increase requested by FPU in this proceeding**  
11 **and how is this determined.**

12 A. FPU is requesting a \$5,249,895 increase in base and other service rates using a  
13 2008 forecasted test year. The total base and other service revenue requirement for  
14 the test year 2008 is \$18,979,176 which includes an overall rate of return of 8.07%  
15 as shown in Schedule D-1 and described in the written prepared testimony of  
16 Doreen Cox and Robert J. Camfield. Base revenues in 2008 using current rates are  
17 projected to be \$13,027,278. This represents a 39.90% increase in base revenues  
18 and a 40.30% increase in overall revenues. Witnesses Martin, Khojasteh and  
19 Mesite describe derivation of these numbers in the Accounting Panel testimony  
20 submitted as part of this filing.

21

22 **Q. What are the primary reasons for the projected revenue deficiency?**

23 A. The last increase of FPU base rates became effective in April, 2004 based on  
24 the results of Docket No. 030438-EI. During this proceeding the base rates of  
25 both divisions were consolidated. Prior to that increase the Northwest Florida  
26 division had an increase of base rates on February 10, 1994 in accordance with  
27 Order No. PSC-94-0170-FOF-EI and the Northeast Florida Division had an  
28 increase of base rates on November 27, 1989 in accordance with Order No.  
29 22224. Factors that have led to the projected revenue deficiency are outlined in  
30 the testimony of Cheryl Martin, many of which are outside the scope of control of  
31 FPU. Also outlined in her testimony are actions that have occurred to reduce the

1 impact of the projected revenue deficiency. During this time there have been  
2 factors such as the inflationary effect on all utility plant replacements,  
3 replacement of large capital related plant items, storm hardening initiatives,  
4 reliability improvement work, increase in the storm reserve requirements and the  
5 decrease in usage by customer resulting from higher rates.

6  
7 **Q. Briefly describe what large capital related plant items that have been**  
8 **or will be replaced?**

9 Since the last rate proceeding, two 20 MVA substation transformers in our  
10 Northeast Florida Division failed while in service. One transformer was replaced  
11 in 2005 and the second is to be replaced near the end of 2007. Both transformers  
12 were installed in 1982 and 1986 and were approximately 73% depreciated. Due  
13 to the tremendous load growth in that area, replacement transformers rated at 40  
14 MVA were necessary to provide continued redundancy necessary to ensure  
15 reliable electric service. The estimated value of these replacements is estimated at  
16 nearly 1.5 million. These transformer replacements along with replacement of  
17 nearly depreciated plant, system improvements for reliability and expansion due  
18 to customer growth has increased total Electric Net Utility Plant from  
19 \$34,900,000 for historic year-end 2002 during the last rate proceeding to what is  
20 projected to be \$44,800,000 as of December 2008. Also included in this filing is  
21 a plan to begin replacing all wood transmission poles with concrete poles on our  
22 69 KV transmission system in accordance with the storm hardening requirements  
23 for transmission lines. This plan will result in the replacement of all wood  
24 structures over a 20 year period with total cost over the period being  
25 approximately \$7,092,000. In order to accomplish this work, a cost amortization  
26 and work schedule has been included in this filing.

27  
28 **Q. Could you briefly describe what storm hardening initiatives are**  
29 **involved and the impact on your operations?**

30 On September 20, 2006, FPU filed a petition for the approval of cost recovery  
31 surcharge to recover cost associated with mandatory storm preparedness

1 initiatives and was docketed under Docket No. 060638-EI. This docket remains  
2 unresolved at this date. On July 3, 2007, FPU filed its storm hardening plans as  
3 required by PSC rules in Docket 070300-EI and that petition and plan have been  
4 consolidated with this proceeding. In the initial docket, FPU identified  
5 approximately \$700,000 in costs associated with implementation of these  
6 initiatives. With the plan filed in response to the Commission rules we have  
7 identified similar costs and those have been incorporated in the request for rate  
8 relief. The majority of the additional costs for the storm hardening plans as we go  
9 forward involve the additional costs associated with Commission requirements for  
10 increased vegetation management, wood pole inspections, joint use attachment  
11 inspections, transmission line inspections and the depreciation associated with the  
12 GIS that has been installed in the Northeast Florida Division.

13  
14 **Q. Could you briefly describe what work is being conducted to improve**  
15 **the overall reliability in your operations?**

16 FPU has continued to focus on reliability issues that resulted from vegetation,  
17 lighting, animal contacts and other operation problems. Efforts are also underway  
18 to begin complying with the storm initiatives, pole inspections and use of the  
19 NESC extreme wind loading requirements. However, FPU has encountered  
20 increased plant replacement costs and expense related costs that have resulted in a  
21 negative impact to the rate of return for recent years. FPU will also continue to  
22 improve system design, mapping, facilities management applications and SCADA  
23 systems to assist in improving and measuring system reliability.

24  
25 **Q. Could you briefly describe the quality of service that you provide customers**  
26 **in your service areas?**

27 A. For many years, both divisions have provided reliable and low cost service to  
28 the customers within our service territory and have very few customer  
29 complaints. FPU has consistently provided some of the lowest electrical rates in  
30 Florida. Although exact measurement of service reliability using the current  
31 reliability factors has only been used in the last few years, results compare very

1 well to other utilities. All this has been achieved with very few FPSC customer  
2 complaints.

3  
4 **Q. Do you have any way in which you measure the quality of service that you**  
5 **offer?**

6 A. We measure our service based on cost, reliability and customer service. As  
7 mentioned above, we consistently rank very favorably to other utilities in all  
8 areas. This rate proceeding will have a direct effect on both cost and reliability  
9 factors. Although cost will increase, FPU will still provide fair electric rates to  
10 customers while allowing for continued focus on increasing reliability above  
11 current levels. We will also increase our ability to measure these factors more  
12 accurately to ensure the reliability data provided is accurate and documented.  
13 Indirectly customer service will be improved based on improvement in reliability.

14  
15 **Q. What methods have been used to inform customers of increases in their**  
16 **electric costs?**

17 A. Prior to 2005, rates paid by FPU customers were well below the average rates  
18 of other utilities while reliability was good. Based on these factors the necessity  
19 of a high level of communications was not necessary. However, the favorable  
20 purchased power contracts were nearing the expiration date and the expectation  
21 was that significant increases would occur. This required an increased level of  
22 communications with customers beginning during 2005 in order to inform them  
23 of the increases in cost that should be anticipated. Communications included  
24 information in the form of print media, direct letters and bill stuffers. These  
25 communications continued into 2006 and 2007 with emphasis on the impact of  
26 the fuel increases. The communications will continue into 2007 and 2008 with  
27 additional information concerning the annual fuel increases and the base rate  
28 increases that are being considered. Customer communications will continue into  
29 the future to ensure all customers are informed on electrical costs so that the  
30 necessary conservation measures can be implemented to avoid higher prices.

1     **Q.     How were projections made for the 2008 test year?**

2     A. Usage, expenses, billing determinants, and revenues were forecasted for 2007  
3     and 2008 using projection factors based on a weather-normalized trend analysis  
4     performed by CA Energy Consulting, LLC which is a wholly owned subsidiary of  
5     Laurits R. Christensen Associates, Inc. (Christensen Associates) the Company's  
6     rate consultant. A discussion of the process used and the resulting projection  
7     factors is provided in Schedules F9 – F11. In order to arrive at the company-level  
8     growth factors, they developed class-level forecasts of usage per customer and  
9     total customers, and then aggregated them up to operating division and total  
10    company levels. Sixteen separate analyses were performed to derive these  
11    factors. There were separate analyses performed for usage per customer and the  
12    number of customers by division by rate class, excluding GSLD-1 and lighting  
13    classes. (Therefore, two divisions and four customer classes were modeled,  
14    which is  $2 \times 2 \times 4 = 16$  separate analyses.) CA Energy Consulting used these  
15    values to calculate total usage for each customer class, which is simply the  
16    product of usage per customer and the total number of customers. Lighting sales  
17    and revenues were projected to increase at the rate of customer growth, and  
18    GSLD-1 billing determinants were assumed to remain at 2006 levels. The total  
19    usage values are then added across customer classes and then pooled across  
20    operating divisions.

21  
22    **Q.     Were the recent increases in fuel costs for FPU customers considered in the**  
23    **usage projections?**

24    A. Yes. Customers in the Northeast Florida Division experienced a 35% - 50%  
25    increase in their total bill at the beginning of 2007 due to a new purchased power  
26    contract with additional increases expected at the beginning of 2008. At the  
27    beginning of 2008 the customers in the Northwest Florida will experience similar  
28    increases compared to 2006 and other historic levels. Based on the well below  
29    average prices seen by FPU customers for many years, these increases will force  
30    customers to focus on conservation of electricity as they have never done before.



1 Based on this, a decrease in overall usage has been anticipated in the usage  
2 amounts.

3  
4 **Q What method did you use to adjust projected the billing determinants for the**  
5 **effect of increasing electricity prices?**

6 A. First, the annual percentage bill increase was estimated for 2007 and 2008 for  
7 each customer class and division. The quantities used in these calculations were  
8 equal to the average kWh (and kW, if applicable) of the customer class. The rates  
9 used in creating the estimated bill changes were based on our preliminary  
10 estimates of fuel and base price increases for 2007 and 2008. For the Northwest  
11 Division, 2008 bill impacts (relative to 2006 bills) ranged from 34.5 percent to  
12 50.0 percent. For the Northeast Division, 2007 bill impacts (relative to 2006)  
13 ranged from 15.1 percent to 22.0 percent; and 2008 bill impacts (relative to 2006)  
14 ranged from 44.7 percent to 61.9 percent.

15 Second, we assumed a price elasticity value of -0.20 for each customer  
16 class. This value is based on a survey of customer price response studies  
17 conducted by Dr. Steven Braithwait for EPRI.<sup>1</sup> Table 2-1 of this study is attached  
18 as Exhibit 1. We selected -0.20 as a price elasticity based on the results that  
19 appear in the short-run, medium column. Note that this selection is somewhat  
20 conservative, as we have failed to include the fact that commercial customers are  
21 estimated to have a slightly higher (in absolute value) short-run elasticity (-0.30)  
22 and we have not considered long-run price response effects (which result in  
23 significantly higher elasticity estimates that can exceed -1.0). The third and final  
24 step in deriving the load reduction projections is to multiply the assumed price  
25 elasticity value of -0.20 by the estimated bill increase for each rate class and  
26 division combination. This method results in load reduction estimates that range  
27 from 3 percent to 12.4 percent, depending upon the rate class and year in  
28 question.

---

<sup>1</sup> "Customer Response to Electricity Prices: Information to Support Wholesale Price Forecasting and Market Analysis," EPRI, Palo Alto, CA: 2001.

1     **Q     Were the same projected billing determinants for 2008 used throughout your**  
2     **revenue and rate determinations?**

3     A. Yes. The billing determinants for 2008 as shown in Schedules E-18a, b, and c  
4     were used for all such determinations under present and proposed rates as well as  
5     the proposed rate design. These same billing determinants are the bases used for  
6     the cost of service study used to arrive at our proposed interclass revenue  
7     allocation.

8

9     **Q.     How were the projected billing determinants used in deriving projected**  
10    **revenues for the 2008 test year?**

11    A. First, revenue verification was performed for the 2006 historical year using  
12    actual billing determinants and existing rates to demonstrate that base rate  
13    revenue matched our accounting records. Then projected billing determinants  
14    were applied to the existing tariffs to derive a base rate revenue projection for the  
15    2008 test year. We added projected revenues from service charges, pole rentals  
16    and other miscellaneous sources of revenue to derive an estimate of the total  
17    operating revenues for the 2008 test year.

18

19    **Q.     Do the revenues you have computed from the sale of electricity include any**  
20    **revenues for the recovery of purchase power (fuel) and energy conservation**  
21    **expenses (ECCR)?**

22    A. No. The revenues from those two sources are not considered base rate  
23    revenue and are excluded from revenue computations in accordance with the  
24    Commission's minimum filing requirements. The conservation revenues are  
25    determined on a consolidated basis for both the Northeast and Northwest  
26    Divisions. However, due to the differences in wholesale power providers in the  
27    two divisions, the purchased power adjustments have not yet been consolidated.

28

29    **Q.     How are the test year 2008 operating revenues used in this filing?**

30    A. The projected revenues are a key input used by Ms. Martin in determining the  
31    total revenue increase needed for 2008. The projected revenues, by service class,

1 are also a key input in the cost of service study used to determine the proposed  
2 interclass revenue allocation – the proposed increase in revenues by class of  
3 service.

4  
5 **Q. Do the projected billing determinants accurately reflect the realistic revenues**  
6 **and costs?**

7 A. Yes. The projected billing determinants are reflective of the anticipated usage  
8 levels given the significant cost increases that will be included in customer bills.  
9 Customers will implement conservation measures in order to reduce overall cost  
10 resulting from the continued increase in fuel cost along with the base rate  
11 increases.

12  
13 **Derivation of the Required Storm Reserve**  
14

15 **Q. Mr. Cutshaw, you are requesting an increase in the annual property damage**  
16 **accrual from the present level of \$121,620 to \$203,880. What is the basis of**  
17 **the \$121,620 annual accrual?**

18 A. The present level of \$121,620 was established in the last rate case and has not  
19 been increased for many years. The Fernandina Beach annual accrual of \$21,620  
20 was authorized in Docket No. 881056-EI (1989) and the Marianna annual accrual  
21 of \$100,000 was authorized in Docket No. 930400-EI (1994). An increase of  
22 these amounts was not approved in our 2003 rate proceeding Docket 074304-EI.

23  
24 **Q. Why is it necessary to increase the annual accrual at this time?**

25 A. The need for additional reserves is apparent when we look at the substantial  
26 growth in transmission and distribution facilities since the last FPU rate cases.  
27 The State of Florida has been impacted by several storm events that resulted in  
28 significant damage to utility infrastructure in the state. The devastation caused  
29 the entire state to look seriously at methods of minimizing the impact of these  
30 storms in order to reduce overall statewide economic impact. Storm hardening  
31 initiatives, increased pole inspections and an emphasis on placing electric

1 infrastructure underground were implemented in order to address this situation.  
2 However, it will be several years before the implementation of these measures  
3 will have a significant impact on reducing the overall damage. Considering the  
4 small service territory and locations, the impact on the two divisions could be  
5 extensive.

6  
7 **Q. When will the improvements from the storm hardening initiatives, increased**  
8 **pole inspections and emphasis on underground decrease storm reserves?**

9 A. The storm hardening initiatives, increased pole inspections and emphasis on  
10 undergrounding will provide future improvements related to the ability to  
11 withstand hurricanes. The initiatives will take from three to eight years to  
12 complete and the transmission system hardening as proposed with cover twenty  
13 years. Due to the length of time necessary to implement all the improvements and  
14 the uncertainty of when a hurricane may impact one of the service territories, the  
15 storm reserve should be increased.

16  
17 **Q. What was the impact of hurricanes on FPUC during the 2004 and 2005**  
18 **storm seasons?**

19 A. During the 2004 and 2005 hurricane seasons, FPU was impacted by seven (7)  
20 different hurricanes. Of these hurricanes only three (3) had significant impact on  
21 the operations. During September 2004 Hurricane Frances (Northeast and  
22 Northwest Florida Divisions) and Hurricane Ivan (Northwest Florida Division)  
23 caused considerable damage and outages. The total impact during 2004 to the  
24 storm reserve was \$805,700 that was necessary to address the damage resulting  
25 from these two hurricanes. During 2005, only Hurricane Dennis (Northwest  
26 Florida Division) had a major impact on the operations. However, this had no  
27 impact to the storm reserve.

28  
29 **Q. How is the Northeast Florida Division (Amelia Island) system affected by**  
30 **storms?**

1 A. Our Northeast Florida Division (Amelia Island) is located on the east coast of  
2 Florida at the Florida/Georgia border. Amelia Island consists of approximately  
3 thirty five (35) square miles and has an extremely low elevation. Significant storm  
4 damage has not occurred on Amelia Island since the 1960's. However, based on  
5 the coastal location, should a major hurricane impact the area with winds and an  
6 associated storm surge, damage to the area would be extensive and would be  
7 comparable damage experienced by other similar areas within the state during the  
8 2004 and 2005 storm seasons.

9  
10 **Q. How is the Northwest Florida Division (Jackson, Calhoun and Liberty**  
11 **Counties) system affected by storms?**

12 A. Our Northwest Florida Division consists of service territories in three  
13 counties, all of which are located 40 – 60 miles inland but still within range of  
14 wind and tornadoes associated with major hurricanes. Experience during 2004  
15 from Hurricanes Frances and Ivan indicated that the hurricane force winds and the  
16 associated tornadoes are possible in this division. Damage from these forces  
17 resulted in significant damage and extended customer outages.

18  
19 **Q. How was the determination made regarding the appropriate level of the**  
20 **storm reserve?**

21 A. The current investment in transmission and distribution plant is \$66,776,000.  
22 Using current accruals, the storm reserve will be funded at \$1,707,737 by  
23 December 2007. Based upon an estimate that a major storm could realistically  
24 result in damage totaling 5% of the transmission and distribution plant  
25 investment, a total of \$3,338,800 is required.

26  
27 **Q. What does the \$3,338,800 represent?**

28 A. This would represent the cost of the worst-case storm striking in our service  
29 area that would be charged against the reserve. This should be the amount

1 necessary in the reserve to minimize the impact on rates.

2  
3 **Q. What effect will this reserve amount have on the annual property damage**  
4 **accrual?**

5 A. Presently we are authorized to increase the consolidated electric damage  
6 reserve to \$2,900,000 (see Docket No. 001146-EI Marianna and Docket No.  
7 001147-EI Fernandina Beach). Our reserve balance is projected to be \$1,707,737  
8 as of December 2007. To arrive at a projected reserve balance of \$3,338,800 over  
9 the next 8 years would require an annual accrual of \$203,880. This would  
10 increase the monthly accrual from \$10,135 to \$16,990.

11  
12 **Q. Are there any other accruals made to the storm reserve on an annual basis?**

13 A. Yes. We have the approved annual accrual of 121,620. In previous years any  
14 over earnings from the electric operations or unused economic development  
15 contributions were accrued to the storm reserve. Since the last rate the only  
16 accruals made to the storm reserve were related to the unused economic  
17 development contributions. The accruals during 2004 and 2006 were \$21,509 and  
18 \$16,759 respectively.

19  
20 **Q. Mr. Cutshaw, what property insurance does the consolidated electric division**  
21 **presently carry?**

22 A. We have property insurance on all buildings, yards and contents, vehicles and  
23 substations. The annual premiums run approximately \$36,000 with a \$100,000  
24 deductible per incident. As of December 31, 2006 we had approximately \$66.8  
25 million in installed cost of transmission and distribution facilities that were  
26 uninsured.

1 **Q. Have you received insurance quotes on your uninsured transmission and**  
 2 **distribution facilities?**

3 A. No we have not. Based upon previous quotations from insurance providers,  
 4 this option has not proven to be feasible and would more prohibitive based on the  
 5 recent storm history in Florida. During our 2003 rate proceeding, information  
 6 was provided that indicated coverage with a \$10 million limit with \$1.5 million  
 7 deductible would have an annual cost of \$1,200,000.

8  
 9 **Q. Is it your opinion that with these premium quotes, a self-insurance approach**  
 10 **is the route to follow?**

11 A. Yes. At this time it would obviously be cost beneficial to self-insure the  
 12 distribution and transmission systems. We would also need some assurance from  
 13 the Commission that any prudent storm damage expense incurred could be  
 14 recovered through some type of appropriate regulatory action should we be struck  
 15 by a severe hurricane. The purpose of this regulatory action would be to recover  
 16 expenses incurred over and above the balance in reserve, replenish the reserve and  
 17 also enable the company to obtain bank financing to make the necessary repairs.

18  
 19 **Interclass Revenue Allocation**

20  
 21 **Q. What increase in rates are you requesting for each of the classes of customers**  
 22 **served by FPU?**

23 A. The total base rate revenue recovered from each of the customer classes (on a  
 24 consolidated basis) will increase by the following percentages:

<u>Class</u>	<u>Base Rate Increase %</u>
Residential	42.0%
General Service	50.0%
General Service Demand	40.0%

1	General Service Large Demand	50.0%
2	General Service Large Demand 1	0.00%
3	Outdoor Lighting	20.0%
4	Street Lighting	43.0%

5

6 **Q. How did FPU determine the increases in revenues by class?**

7 A. Our fundamental ratemaking objective is to apportion revenue recovery  
8 responsibility and design rates to reflect, to the maximum extent practicable, the  
9 cost of serving each customer and customer class. In order to determine the cost  
10 responsibility we used the results of a fully-allocated embedded cost of service  
11 study conducted on the consolidated divisions served by FPU as provided in  
12 Schedule E1. A comparison of the rates of return by class for present rates is  
13 provided in Schedule E3 along with the percentage increase in base rates required  
14 for each class to recover the target rate of return. It is a Commission policy that  
15 the percentage rate increase for each class must be no more than 1.5 times the  
16 system average increase and that no rate receive a decrease in rates. Based on the  
17 results of the Cost of Service study, the RS, GS, GSD, GSLD, GSLD1, Outdoor  
18 Lighting and Street Lighting rates were determined to match parity percentages,  
19 as much as practical, that were determined during the last rate proceeding with an  
20 attempt to recover the target return without exceeding this constraint.

21

22 **Q. Please describe the fully-allocated cost of service study that was used to**  
23 **determine this interclass revenue allocation.**

24 A. The method used to allocate our costs closely follows the long-held  
25 ratemaking principles and practices of cost apportionment as specified in the  
26 "Electric Utility Cost Allocation Manual" developed by the National Association  
27 of Regulatory Utility Commissioners (NARUC) in January 1992. Once the  
28 relevant data on rate base and net operating income are compiled, as the Company  
29 has done in Schedules A-D, these costs are apportioned to customer classes  
30 through a three step process called functionalization, classification, and allocation.  
31 I will describe each of these steps.



Functionalization: The costs are identified by the function they perform or, another way of looking at it, the service provided. FPU provides three services: transmission, distribution, and customer services. Since FPU purchases all of its power from a third party and delivers it to the customer, there is no production service provided by the Company.

Classification: The costs identified for each function are classified based on the manner in which costs vary, i.e. costs will change by changes in this component of utility service provided. The three (standard) cost classifications used by FPU are demand related (costs vary by kW load); energy related (costs vary by kWh used); and, customer related (costs that are directly related to the number of customers using the service). Transmission services are treated predominantly as a demand-related cost. Distribution services are separated into demand, energy and customer related. And, customer services are either demand related or customer related.

Allocation: Once the costs are functionalized and classified, they must be allocated to the different customer classes. This is done using allocation factors for each of the cost classification categories. The allocation factors used in the FPU study are listed and described in Schedule E-13. As a summary, transmission costs are allocated according to the coincident peak plus 1/13<sup>th</sup> demand factor (a weighted combination of contribution to the system peak and the average hourly demand of the class). Distribution demand costs are allocated according to each class' non-coincident peak demands. Customer costs are allocated by the number of customers and by a weighting of the specific customer-related cost, e.g. meter expense.

**Q. Please describe the load data used derive the class coincident and non-coincident demands used in the cost of service study.**

A. Florida Public Utilities Company is too small to have its own load research program; therefore, we rely on the load research data collected by Gulf Power Company (Gulf Power). Gulf Power Company provided data for 2003 and 2006

which were translated to billing determinants and load-based cost of service allocators for the 2008 test year.

**Q. Please describe any special studies performed and how they relate to the allocation methods you described above.**

A. In order to allocate certain cost, a study was performed on distribution plant as it related to poles, conductors/conduit/devices, meters, outdoor lights and street lights. The poles and conductors/conduit/devices were evaluated to determine the appropriate contribution to either the primary or secondary distribution systems. Meters were evaluated to determine the appropriate contribution to each rate class. Customer Lights and Street Lights were evaluated to determine the appropriate contribution to the each class. These factors were then used as a basis for allocating cost.

**Q. Please describe the results of your cost of service study.**

A. The cost of service study was completed in order to achieve parity similar to the last rate proceeding for all rate classes. The initial results were analyzed to ensure that no rate class received an increase greater than a 1.5 times the system average and no rate class received a decrease. Adjustments were made to ensure compliance with these requirements and any difference in the revenue requirement was then allocated back to the other rate classes with each rate adjusted accordingly to provide for the target revenue return. Final percentage increases were shown above.

### **Rate Design**

**Q. After you determined the interclass revenue allocation, how did you design rates to achieve the revenue requirement?**

A. The results of the cost of service study shown in Schedule E-1 include unitized costs for customer, demand and energy charges within each specified

1 class of service. We use these unitized costs to adjust the pricing components  
2 within each class to the maximum degree possible.

3  
4 **Q. Please describe the rate design changes for the Residential Class.**

5 A. The current Residential rate consists of \$10.00 per month customer charge  
6 with a 1.373¢ per kWh energy charge. To this we applied the percentage increase  
7 for the Residential class to derive the proposed rates of \$14.00 per month and  
8 1.967¢ per kWh.

9  
10 **Q. Please describe the rate design changes for the General Service Non-Demand**  
11 **Class.**

12 A. The current General Service rate consists of \$14.00 per month customer  
13 charge with a 1.473¢ per kWh energy charge. To this we applied the percentage  
14 increase for the General Service class to derive the proposed rates of \$21.00 per  
15 month and 2.206¢ per kWh.

16  
17 **Q. Please describe the rate design changes for the General Service Demand**  
18 **Class.**

19 A. The current General Service Demand rate consists of \$44.00 per month  
20 customer charge with a 0.232¢ per kWh energy charge and \$2.48 demand charge.  
21 To this we applied the percentage increase for the General Service Demand class  
22 to derive the proposed rates of \$62.00 per month and 0.323¢ per kWh and \$3.47  
23 per kW.

24  
25 **Q. Please describe the rate design changes for the General Service Large**  
26 **Demand Class.**

27 A. The current General Service Large Demand consists of \$75.00 per month  
28 customer charge with a 0.086¢ per kWh energy charge and \$2.89 demand charge.  
29 To this we applied the percentage increase for the General Service Large Demand

class to derive the proposed rates of \$113.00 per month and 0.113¢ per kWh and \$4.34 per kW.

**Q. Please describe the rate design changes for the General Service Demand - Large 1 Class.**

A. The current General Service Large Demand 1 rate consists of \$600.00 per month customer charge with a 0.000¢ per kWh energy charge, \$1.12 per KW demand charge and \$0.24 per KVAR reactive demand charge. To this we applied the percentage increase for the General Service Large Demand 1 class to derive the proposed rates of \$600.00 per month and 0.000¢ per kWh, \$1.12 per kW demand and \$0.24 per KVAR reactive demand. The rates in this class were not changed based on the cost of service study results.

**Q. Please describe the rate design changes for the Outdoor Lighting Classes.**

A. The current Outdoor Lighting base rates were increased by 20% for all lights and poles. The cost of study results were combined for all Outdoor Lighting types in order to determine the overall increase which was applied to each fixture and pole.

**Q. Please describe the rate design changes for the Street Lighting Classes.**

A. The current Street Lighting base rates increased by 43% for all lights and poles. The cost of study results were combined for all Street Lighting types in order to determine the overall increase which was applied to each fixture and pole.

**Q. Are you proposing any changes to the Transformer Ownership Discount and Standby Service Rates?**

The Transformer Ownership Discount is currently set at \$0.55 KW demand for customers who own their distributions facilities. Using the billing determinants,

1 we derived a rate of \$0.26 KW demand for GSD and \$0.34 KW demand for  
2 GSLED. However, we propose to leave the discount at the current rate of \$0.55  
3 KW demand for both GSD and GSLED. There are currently no customers on the  
4 Standby Service Rate and that rate is currently set based on demand requirements.  
5 The current rates for customers with less than 500 KW are a \$25.00 customer  
6 charge and \$1.89 KW demand charge. The current rates for customers with more  
7 than 500 KW are a \$25.00 customer charge and \$0.50 KW demand charge. Using  
8 the billing determines the proposed charges for customer with less than 500 KW  
9 are a \$25.00 customer charge and \$1.76 KW demand charge and for customers  
10 with more than 500 KW a \$25.00 customer charge and \$0.43 KW demand charge.

11  
12 **Q. Are you proposing changes to the service charges in this filing?**

13 A. Yes. The proposed service charges are provided in Schedule E-10. Each  
14 service charge was evaluated in order to determine the appropriate cost and  
15 revenue requirement for each. Labor cost, transportation cost and overheads were  
16 applied to the typical task associated with each service charge. Based on typical  
17 costs, service charge amounts were determined for six different tasks.

18 A service charge for the initial establishment of service was set at \$53.00 as  
19 compared to the existing amount of \$44.00. A service charge for making changes  
20 to or reestablishing an existing service was set at \$23.00 as compared to the  
21 existing amount of \$19.00. A service charge to temporarily disconnect and then  
22 reconnect a service due to customer request was set at \$33.00 as compared to the  
23 existing amount of \$27.00. A service charge to reconnect a service after a rule  
24 violation was set at \$44.00 during normal business hours and \$95.00 after normal  
25 business hours as compared to the existing amount of \$37.00 during normal  
26 business hours and \$60.00 after normal business hours. A service charge used for  
27 connecting a temporary service was set at \$52.00 as compared to the existing  
28 amount of \$44.00. A service charge for collection of delinquent accounts in the  
29 field was set at \$14.00 as compared to the existing amount of \$11.50.

1 **Q. Does this conclude your written testimony at this time?**

2 A. Yes it does.

3  
4  
5  
6  
7  
8 **Exhibit 1**

9  
10 **Table 2-1: Own-Price Elasticities of Demand for Electricity –**  
11 **Synthesis of Values Reported in the Literature**  
12

Private	Short-Run			Long-Run		
	Low	Med	High	Low	Med	High
Residential	-0.05	-0.20	-0.40	-0.30	-0.60	-1.20
Commercial	-0.20	-0.30	-0.70	-0.80	-1.10	-1.30
Industrial	-0.10	-0.20	-0.30	-0.90	-1.20	-1.40

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
OWin9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
rs on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
at on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places:	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

**From:** Martin Cheryl  
**Sent:** Monday, July 09, 2007 8:46 AM  
**To:** Young Curtis  
**Cc:** Cox Doreen  
**Subject:** FW: rate case

**Categories:** Elec Rate Case  
**Attachments:** D's 06-07\_A DC.xls



D's 06-07\_A  
DC.xls

We should have 12 mths expense over 13 mth average balance. Curtis please fix this for the ROR. Cheryl

-----Original Message-----

**From:** Cox Doreen  
**Sent:** Monday, July 02, 2007 6:02 PM  
**To:** Robert Camfield  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Robert

I agree with your method of calculating the Interest on the Customer Deposits which result in a cost rate of 6.32% (12 Mth Int / 13 Mth Avg Cust Dep Bal). As we discussed the Surveillance Report is using a different methodology (13 Mth Int Exp / 13 Mth Avg) resulting in a Cost Rate of 6.61%. I will discuss with Cheryl on her return, but have forwarded the revised schedule using 6.32%.

Thanks  
Doreen

-----Original Message-----

**From:** Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
**Sent:** Monday, July 02, 2007 4:30 PM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Doreen,

I accept your corrections and edits, which include:

- 1) Your addition of the Loss on reacquired debt. I did not have these data available, or at least I did know where the data were reported.
- 2) Remaining balances on unamortized issuance expenses, where you had pulled these data from financial records, I had estimated them.

There remains a couple of points:

First, your version of my spreadsheet does not utilize the calculated cost of LT Debt, or of ST Debt. The calculated LT Debt rate is 8.03%, vs. the surveillance value of 8.02% (my first calculated value was also 8.02%). In the case of ST Debt, the daily vs. month-end balances issue (which I brought up earlier) suggests that the observed and calculated values can diverge significantly.

Second, the customer deposits rate of 6.61% is significantly above the value that I had calculated, 6.32%. This is a significant difference that I cannot explain. While it is appropriate to utilize the value reported in the surveillance reports (6.61%), the difference suggests that our methodology, as used to obtain '07 and '08 may be in error. I can't figure out the reason for the discrepancy, though I have not looked into the



surveillance report in depth.

MIKE: The rate of return value provided on tab D-1a, '06 - currently at 7.73% - of the attached file (D's 06,07\_a DC, RC) should be used for the determination of the revenue requirement amount for interim relief.

This value includes a 10.50% return on equity, and should hold, notwithstanding Doreen's review of the customer deposits interest rate issue discussed above. If Doreen adopts 6.32% in lieu of 6.61% (as currently used) for deposits, the overall rate of return for interim relief remains virtually unchanged (7.72%).

Robert

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]

Sent: Monday, July 02, 2007 2:16 PM

To: Robert Camfield

Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Robert:

Please find attached a revised Cost of Capital Worksheet and D schedules.

The changes to the Cost of Capital Worksheet are twofold:

1 The Deferred Taxes have been revised to reconcile to the Surveillance Report which excludes fuel under-recoveries which are not allowed by the PSC for determining working capital.

2 Regulatory Assets & Liabilities are also excluded and remain as reconciling items to the Surveillance Report.

3 Additional total lines have been added to show totals excluding Flo-Gas Equity.

Schedules Ds

Please note that I have made changes or updates to the cells highlighted in yellow. The projected rate base figures for 2007 and 2008 are not yet available, so the figures in blue are just hypothetical. We should have the projected rate base by mid-week.

The MFR requirements, not yet addressed have been highlighted in green.

Please review and let us know if you have any questions, or would like to discuss.

Thanks

Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]

Sent: Thursday, June 28, 2007 8:42 AM

To: Cox Doreen

Cc: Martin Cheryl; Mike Welsh

Subject: RE: rate case

Doreen,

Attached please find the latest set of D Schedules. I think these schedules are correct. Nonetheless, the schedules need your review, particularly as regards to the calculation of long-term debt costs as related to issuance expenses and amortization of expenses.

I will return to the office tomorrow morning.

Thanks, 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

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,765	0.4152	8.02%	3.33%	1,267,302
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31%	187,955	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,996	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.32%	0.35%	134,937
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	9.41%	0.03%	
9.	TOTAL	106,248,266			106,248,266		38,057,542	1.0000		8.09%	1,436,238

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2006</b>					
10.	Long Term Debt	50,443,237	0.5080	8.02%	4.07%
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%
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		9.42%
				Rate Base	\$38,057,542
				Direct Components	\$6,952,231
					\$31,105,311
				Jurisdictional Factor	31%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

\_\_\_\_ 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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	29%	14,860,505	0.3810	8.01%	3.05%	1,190,500
2.	Short Term Debt	5,729,846			5,729,846	29%	1,684,645	0.0432	6.02%	0.26%	101,416
3.	Preferred Stock	600,000			600,000	29%	176,407	0.0045	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	29%	14,078,196	0.3610	11.50%	4.15%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0676	6.38%	0.43%	168,227
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1398	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	0.0028	9.48%	0.03%	
9.	TOTAL	112,956,971			112,956,971		39,000,000	1.0000		7.94%	1,460,143

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11. Short Term Debt	5,729,846	0.0547	6.02%	0.33%
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		9.48%

Rate Base	\$39,000,000 TO BE UPDATED
Direct Components	\$8,200,247
	\$30,799,753
Jurisdictional Factor	29%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	27%	13,421,026	0.3355	7.97%	2.67%	1,069,376
2.	Short Term Debt	6,436,923			6,436,923	27%	1,735,530	0.0434	6.03%	0.26%	104,652
3.	Preferred Stock	600,000			600,000	27%	161,773	0.0040	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	27%	15,572,200	0.3893	11.50%	4.48%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0737	6.34%	0.47%	186,893
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1520	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	0.0020	9.62%	0.02%	
9.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>40,000,000</b>	<b>1.0000</b>		<b>7.92%</b>	<b>1,360,922</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2008</b>				
10. Long Term Debt	49,777,370	0.4345	7.97%	3.46%
11. Short Term Debt	6,436,923	0.0562	6.03%	0.34%
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		9.62%

Rate Base \$40,000,000 TO BE UPDATED  
 Direct Components \$9,109,471  
 \$30,890,529  
 Jurisdictional Factor 27%

Common Equity excludes Flo-Gas

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:

## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Prior Year Ended 12/31/07

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	3.28%	\$108,538	3,309,077	0.09%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.02%	\$344,937	5,729,846	0.26%



FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	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	6.03%	\$388,146	6,436,923	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

**EXPLANATION:** Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired bonds for the test year and prior year.

**COMPANY:** Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

\_\_\_\_ Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1) Line	(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)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description, No. Coupon Rate	Issue Date	Call Provisions or Special Restrictions	Principal Amount Sold	13-month Average Principal Amt. Outstanding	(Discount) Premium on Principal Amount Sold	(Discount) Premium Associated with (6)	Issuing Expense on Principal Amount Sold	Issuing Expense Associated with (6)	Net Proceeds (6)+(8)-(10)	Dollar Dividend on Face Value (2) X (6)	Effective Cost Rate (12)/(11)
<b>For Test Year 2008</b>												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368	7,105	3,817	10,922	
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	7,950	4,271	12,221	
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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.38%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	9,659	5,189	14,848	
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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.34%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.37	\$ 13.53
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	175.0%	170.4%
8.	Price/Earning Ratio (6) / (5)	\$ 17.37	\$ 24.49	\$ 21.28	\$ 18.83	\$ 19.61

\* Excluding the Sale of Water Division

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_

Prior Year Ended \_\_\_/\_\_\_/\_\_\_

Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	(2,006,460)	(2,107,065)
				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

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	

0.732%

13 mth

AVERAGE  
2,136,661

Effective Interest Rate	6.842%
-------------------------	--------

13 mth

AVERAGE  
2,637,518

Effective Interest Rate 6.842%

13 mth

AVERAGE  
2,948,763

Effective Interest Rate	6.842%
-------------------------	--------

2006	@6%	1,421,005	1,425,676	1,437,005	1,442,879	1,447,773	1,450,915	1,447,804	1,456,178	1,460,124	1,460,090	1,476,808	1,502,347	1,590,029
	@7%	654,364	656,515	661,732	664,437	666,690	668,137	666,705	670,561	672,378	672,362	680,061	691,821	732,198
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



FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED</u>	<u>MID POINT</u>	<u>WEIGHTED</u>	<u>HIGH POINT</u>	<u>WEIGHTED</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	<u>\$38,434,741</u>		<u>\$38,434,741</u>	<u>(\$15,852)</u>		<u>\$38,418,889</u>	<u>100.00</u>		<u>7.71</u>		<u>8.07</u>		<u>8.45</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED</u>	<u>MID POINT</u>	<u>WEIGHTED</u>	<u>HIGH POINT</u>	<u>WEIGHTED</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	<u>\$38,449,528</u>		<u>\$38,449,528</u>	<u>\$4,461</u>		<u>\$38,453,989</u>	<u>100.00</u>		<u>7.55</u>		<u>7.91</u>		<u>8.28</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST (%)</u>		<u>MID POINT WEIGHTED COST (%)</u>		<u>HIGH POINT WEIGHTED COST (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	2.62	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	22,678,696	(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	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>		<u>7.95</u>		<u>8.31</u>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST (%)</u>		<u>MID POINT WEIGHTED COST (%)</u>		<u>HIGH POINT WEIGHTED COST (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>	<u>COST RATE (%)</u>	<u>COST (%)</u>
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	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>		<u>7.87</u>		<u>8.24</u>

**Florida Public Utilities**  
**CAPITAL COMPONENTS**  
**December 2005 - December 2006**

[illegible]

**Florida Public Utilities**  
**CAPITAL COMPONENTS**  
**December 2006 - December 2007**

\*\*\*\*\*

Line					ACTUALS					PROJECTED					13 mth					
Ref	Florida Public Utilities:	Notes	Acct #		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	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	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	1,062,642	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		5,542,986	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	2,837,518	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													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	265,667	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		1274+15		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		136		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		126		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	136		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	2,837,518		
54	Common Equity		415+115+214+224+254+264+36+41+42+43		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		415+115+214+224+254+264		45,289,010	46,116,929	46,635,657	48,332,782	48,690,934	48,868,910	48,265,564	48,516,519	48,673,519	48,119,902	48,214,639	48,506,463	48,248,639	47,883,036		
56	DEFERRED INC TAXES	Electric only	417+132+133		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	435		0	0	0	0	0	0	0	0	0	0	0	0	0	0		
58	TAX CREDITS-WEIGHTED	Electric only	437+438		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	120,978,971	120,876,557	114,060,635		
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	116,621,607	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				51%	56%	55%	56%	56%	55%	56%	58%	58%	58%	58%	58%	59%	57%		
	Equity				43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%		

1 Unamortized Debt Discount	\$14M	\$	2,239	Monthly Amort	
	\$15M	\$	3,357		
	\$10M	\$	601		
	\$5.5M	\$	324		
	\$8M	\$	339	\$	6,860

1 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

PRIOR YEAR NET INCOME (Actual)

		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		
Revised Budget (671,194) (1,999,469)	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		
Note	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	40	6	(1)	(1)	3	15	41	66	92		
2			Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
	FPU		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	
			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	
					(7,125)			(7,125)			(7,125)				(7,125)	
2					(847,660)		0	(695,864)			(695,864)				(2,735,252)	
					2,000,000										2,000,000	
			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
2			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	
			85,917	126,482	106,132	49,000	5,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,331	
					(2,000,000)										(2,000,000)	
			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)
EARNINGS																
0			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	
			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	
			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
			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
Ann NOI																
		490,000	Nov-07	92,423	77,246	50,646	50,208	20,550	14,801	20,550	28,300	18,019	19,964	37,824	55,247	490,000

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2007 - December 2008

\*\*\*\*\*

Line	<<<<<<<< PROJECTED >>>>>>>>															13 mth		
Ref	Florida Public Utilities:	Notes	Acc'd	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	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				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
37				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
38	Flo-Gas Corp.:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	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	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				0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49	Consolidated:	Line Reference		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
50	Long Term Debt	L274,115	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	49,294,132	49,777,370	
51	Short Term Debt	L26	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	6,436,923	
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	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	+1,15+1,19+1,21+1,23+1,24+1,25+1,26+1,27+1,28+1,29	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	58,109,878	
55	Common Equity-Excl Flo-Gas	+1,19+1,21+1,23+1,24+1,25+1,26	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	57,755,879	
56	DEFERRED INC TAXES	Electric only	+1,17+1,32+1,33	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	+1,35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	+1,31+1,36	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	111,438,988	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					58%	59%	58%	58%	59%	48%	48%	48%	48%	49%	50%	50%	53%	
Debt					41%	41%	42%	42%	41%	52%	52%	52%	52%	51%	50%	50%	47%	
Equity																		

Notes			
1	Sinking Fund Payments on LT Debt May 1, 2008	\$10M	\$ 909,000
		\$0.5M	\$ 500,000
		\$	\$ 1,409,000
2	Projected Equity Offering, June 2008	\$	15 M

Assumptions  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

1.03

PRIOR YEAR NET INCOME (Revised Budget)

(1,000,000)

			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	89	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
2008			3,995	728	664	459	460	148	102	141	165	140	180	330	477
FPU			3,390	640	505	350	410	142	103	142	162	125	138	262	382
FLO-GAS			606	89	130	109	50	6	(1)	(1)	3	15	42	68	95
FPU RETAINED EARNINGS 2008															
BF				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008
NET INCOME		FPU		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	37,955,441	37,234,178	37,572,978
Preferred Dividend				639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130
Common Dividend				0	0	(7,125)	0	0	(867,641)	0	0	(869,594)	0	0	(7,125)
Flo-Gas Dividend				0	0	(718,576)	0	0	(867,641)	0	0	(869,594)	0	0	(7,125)
Projected Interim Rate Relief				0	0	1,000,000	0	0	(867,641)	0	0	(869,594)	0	0	(7,125)
Projected NOI - Elec Rate Case	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732
BALANCE CF	Annual	1,000,000	May-08	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,955,441	37,234,178	37,572,978	37,190,708
FLO-GAS RETAINED EARNINGS															
BF															
NET INCOME				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
DIVIDEND				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760
BAL CF				1,063,637	1,193,417	(1,000,000)	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937
CONSOLIDATED PROJECTED RETAINED EARNINGS															
BF															
NET INCOME				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
Preferred Dividend				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890
Common Dividend				0	0	(7,125)	0	0	(867,641)	0	0	(869,594)	0	0	(7,125)
Projected NOI - Elec Rate Case				0	0	(718,576)	0	0	(867,641)	0	0	(869,594)	0	0	(7,125)
BALANCE CF				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
Projected Rate Relief			Effective												
Projected Interim Rate Relief	Ann NOI	1,000,000	May-08	188,000	157,703	103,312	120,938	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732
		490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,888	20,547	23,376	18,018	19,951	37,818	65,239
				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

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-Nolinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Win9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
OXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ansfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
it on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
blic on 'Grou	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD



Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, July 09, 2007 8:46 AM  
**To:** Young Curtis  
**Cc:** Cox Doreen  
**Subject:** FW: rate case

**Categories:** Elec Rate Case  
**Attachments:** D's 06-07\_A DC.xls



D's 06-07\_A  
DC.xls

We should have `12 mths expense over 13 mth average balance. Curtis please fix this for the ROR. Cheryl

-----Original Message-----

**From:** Cox Doreen  
**Sent:** Monday, July 02, 2007 6:02 PM  
**To:** Robert Camfield  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Robert

I agree with your method of calculating the Interest on the Customer Deposits which result in a cost rate of 6.32% (12 Mth Int / 13 Mth Avg Cust Dep Bal). As we discussed the Surveillance Report is using a different methodology (13 Mth Int Exp / 13 Mth Avg) resulting in a Cost Rate of 6.61%. I will discuss with Cheryl on her return, but have forwarded the revised schedule using 6.32%.

Thanks  
Doreen

-----Original Message-----

**From:** Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
**Sent:** Monday, July 02, 2007 4:30 PM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Doreen,

I accept your corrections and edits, which include:

- 1) Your addition of the Loss on reacquired debt. I did not have these data available, or at least I did know where the data were reported.
- 2) Remaining balances on unamortized issuance expenses, where you had pulled these data from financial records, I had estimated them.

There remains a couple of points:

First, your version of my spreadsheet does not utilize the calculated cost of LT Debt, or of ST Debt. The calculated LT Debt rate is 8.03%, vs. the surveillance value of 8.02% (my first calculated value was also 8.02%). In the case of ST Debt, the daily vs. month-end balances issue (which I brought up earlier) suggests that the observed and calculated values can diverge significantly.

Second, the customer deposits rate of 6.61% is significantly above the value that I had calculated, 6.32%. This is a significant difference that I cannot explain. While it is appropriate to utilize the value reported in the surveillance reports (6.61%), the difference suggests that our methodology, as used to obtain '07 and '08 may be in error. I can't figure out the reason for the discrepancy, though I have not looked into the

surveillance report in depth.

MIKE: The rate of return value provided on tab D-1a, '06 - currently at 7.73% - of the attached file (D's 06,07\_a DC, RC) should be used for the determination of the revenue requirement amount for interim relief. This value includes a 10.50% return on equity, and should hold, notwithstanding Doreen's review of the customer deposits interest rate issue discussed above. If Doreen adopts 6.32% in lieu of 6.61% (as currently used) for deposits, the overall rate of return for interim relief remains virtually unchanged (7.72%).

Robert

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]  
Sent: Monday, July 02, 2007 2:16 PM  
To: Robert Camfield  
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
Subject: RE: rate case

Robert:

Please find attached a revised Cost of Capital Worksheet and D schedules.

The changes to the Cost of Capital Worksheet are twofold:

- 1 The Deferred Taxes have been revised to reconcile to the Surveillance Report which excludes fuel under-recoveries which are not allowed by the PSC for determining working capital.
- 2 Regulatory Assets & Liabilities are also excluded and remain as reconciling items to the Surveillance Report.
- 3 Additional total lines have been added to show totals excluding Flo-Gas Equity.

Schedules Ds

Please note that I have made changes or updates to the cells highlighted in yellow. The projected rate base figures for 2007 and 2008 are not yet available, so the figures in blue are just hypothetical. We should have the projected rate base by mid-week.

The MFR requirements, not yet addressed have been highlighted in green.

Please review and let us know if you have any questions, or would like to discuss.

Thanks  
Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
Sent: Thursday, June 28, 2007 8:42 AM  
To: Cox Doreen  
Cc: Martin Cheryl; Mike Welsh  
Subject: RE: rate case

Doreen,

Attached please find the latest set of D Schedules. I think these schedules are correct. Nonetheless, the schedules need your review, particularly as regards to the calculation of long-term debt costs as related to issuance expenses and amortization of expenses.

I will return to the office tomorrow morning.

Thanks, 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

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,765	0.4152	8.02%	3.33%	1,267,302
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31%	187,955	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,996	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.32%	0.35%	134,937
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	9.41%	0.03%	
9.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,542</b>	<b>1.0000</b>		<b>8.09%</b>	<b>1,436,238</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate	
<b>Conventional Capital Structure, 2006</b>					
10.	Long Term Debt	50,443,237	0.5080	8.02%	4.07%
11.	Short Term Debt	3,309,077	0.0333	3.28%	0.11%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	<b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.42%</b>
				Rate Base	\$38,057,542
				Direct Components	\$6,952,231
					\$31,105,311
				Jurisdictional Factor	31%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

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

\_\_\_\_ 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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	29%	14,860,505	0.3810	8.01%	3.05%	1,190,500
2.	Short Term Debt	5,729,846			5,729,846	29%	1,684,645	0.0432	6.02%	0.26%	101,416
3.	Preferred Stock	600,000			600,000	29%	176,407	0.0045	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	29%	14,078,196	0.3610	11.50%	4.15%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0676	6.38%	0.43%	168,227
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1398	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	0.0028	9.48%	0.03%	
9.	TOTAL	112,956,971			112,956,971		39,000,000	1.0000		7.94%	1,460,143

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11. Short Term Debt	5,729,846	0.0547	6.02%	0.33%
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		9.48%

Rate Base \$39,000,000 TO BE UPDATED  
Direct Components \$8,200,247  
\$30,799,753  
Jurisdictional Factor 29%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	27%	13,421,026	0.3355	7.97%	2.67%	1,069,376
2.	Short Term Debt	6,436,923			6,436,923	27%	1,735,530	0.0434	6.03%	0.26%	104,652
3.	Preferred Stock	600,000			600,000	27%	161,773	0.0040	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	27%	15,572,200	0.3893	11.50%	4.48%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0737	6.34%	0.47%	186,893
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1520	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	0.0020	9.62%	0.02%	
9.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>40,000,000</b>	<b>1.0000</b>		<b>7.92%</b>	<b>1,360,922</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2008</b>				
10. Long Term Debt	49,777,370	0.4345	7.97%	3.46%
11. Short Term Debt	6,436,923	0.0562	6.03%	0.34%
12. Preferred Stock	600,000	0.0052	4.75%	0.02%
13. Common Equity	57,755,879	0.5041	11.50%	5.80%
14. <b>TOTAL</b>	<b>114,570,173</b>	<b>1.0000</b>		<b>9.62%</b>

Rate Base \$40,000,000 TO BE UPDATED  
 Direct Components \$9,109,471  
 \$30,890,529

Jurisdictional Factor 27%

Common Equity excludes Flo-Gas

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: Florida Public Utilities  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:

## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Prior Year Ended 12/31/07  
 \_\_\_\_ Historical Test Year Ended 12/31/06  
 Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

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.

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	3.28%	\$108,538	3,309,077	0.09%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.02%	\$344,937	5,729,846	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Test Year 2008</b>					
2008	July, 2008	6.03%	\$388,146	6,436,923	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

**EXPLANATION:** Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired bonds for the test year and prior year.

**COMPANY:** Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

Projected Test Year Ended 12/31/08

\_\_\_\_ Prior Year Ended 12/31/07

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

**DOCKET NO.: 070304-EI**

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.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1) Line	(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)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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)
<b>For Test Year 2008</b>												
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.												
5.												
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:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368	7,105	3,817	10,922	
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	7,950	4,271	12,221	
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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.38%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	9,659	5,189	14,848	
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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.34%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.37	\$ 13.53
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	175.0%	170.4%
8.	Price/Earning Ratio (6) / (5)	\$ 17.37	\$ 24.49	\$ 21.28	\$ 18.83	\$ 19.61

\* Excluding the Sale of Water Division

FLORIDA PUBLIC SERVICE COMMISSION

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 \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

Recap Schedules:

## Florida Public Utilities Long-Term Debt

	<u>GL #</u>	<u>Start of Sinking Fund Payments</u>	<u>March 31 2007</u>	<u>December 31 2006</u>	<u>December 31 2005</u>
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 REACQD 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

		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
Total 1810.1 & 1890.1	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

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	



0.732%

<<<<<<<ACTUALS >>>>>>>>

13 mth

Ratio	68.47%	6%	7,105	7,128	7,185	7,214	7,239	7,255	7,239	7,281	7,301	7,300	7,384	7,512	7,950	95,093
	31.53%	7%	3,817	3,830	3,860	3,876	3,889	3,897	3,889	3,912	3,922	3,922	3,967	4,036	4,271	51,088
Total Interest			10,922	10,958	11,045	11,090	11,128	11,152	11,128	11,192	11,223	11,223	11,351	11,547	12,221	146,181

Effective Interest Rate 6.842%

:&lt;&lt;&lt;&lt;&lt;&lt;&lt;&lt; ACTUALS &gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;

<<<<<<<<<< PROJECTED >>>>>>>>>>>>>>

13 mth

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	117,384
	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	63,064
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	180,448

Effective Interest Rate 6.842%

<<<<<<< PROJECTED >>>>>>>

13 mth

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	131,236
	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	70,506
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	201,742

Effective Interest Rate 6.842%

2006	@6%	1,421,005	1,425,676	1,437,005	1,442,879	1,447,773	1,450,915	1,447,804	1,456,178	1,460,124	1,460,090	1,476,808	1,502,347	1,590,029
	@7%	654,364	656,515	661,732	664,437	666,690	668,137	666,705	670,561	672,378	672,362	680,061	691,821	732,198
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

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>	<u>MID POINT</u>	<u>WEIGHTED COST (%)</u>	<u>HIGH POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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
<b>TOTAL</b>	<b>\$38,434,741</b>		<b>\$38,434,741</b>	<b>(\$15,852)</b>		<b>\$38,418,889</b>	<b>100.00</b>		<b>7.71</b>		<b>8.07</b>		<b>8.45</b>

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT</u>	<u>WEIGHTED COST (%)</u>	<u>MID POINT</u>	<u>WEIGHTED COST (%)</u>	<u>HIGH POINT</u>	<u>WEIGHTED COST (%)</u>
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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
<b>TOTAL</b>	<b>\$38,449,528</b>		<b>\$38,449,528</b>	<b>\$4,461</b>		<b>\$38,453,989</b>	<b>100.00</b>		<b>7.55</b>		<b>7.91</b>		<b>8.28</b>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>		<u>MID POINT</u>		<u>HIGH POINT</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)	<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)	<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)
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	2.62	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	22,678,696	(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	<u>\$61,054,452</u>		<u>\$61,054,452</u>	<u>(\$3,024,991)</u>		<u>\$58,029,461</u>	<u>100.00</u>		<u>7.60</u>		<u>7.95</u>		<u>8.31</u>

<u>YEAR END</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>		<u>MID POINT</u>		<u>HIGH POINT</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)	<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)	<u>COST RATE</u> (%)	<u>WEIGHTED</u> <u>COST</u> (%)
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	<u>\$61,043,969</u>		<u>\$61,043,969</u>	<u>(\$2,808,780)</u>		<u>\$58,235,189</u>	<u>100.00</u>		<u>7.51</u>		<u>7.87</u>		<u>8.24</u>

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2005 - December 2006

Line	<<<<<<<ACTUALS>>>&gt														
------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

\*\*\*\*\*

1 Unamortized Debt Discount

Loss on Recaptured Debt

www.elsevier.com/locate/jmb

Assumptions  
RETAINED EARNINGS:  
Annual Profit Margin Projected Increase  
PRIOR YEAR NET INCOME (Actual)

PRIOR YEAR NET INCOME (Actual)		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	
		2006	4,199	923	900	398	472	177	90	238	128	(32)	161	449	285
		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	
		2007	3,879	707	645	446	447	144	99	137	160	136	175	320	483
		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
	Revised Budget														
	(671,194)														
	(1,999,469)														
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					(847,660)		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	780,057	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	568,531
DIVIDEND	2				(2,000,000)										(2,000,000)
BAL C/F			2,472,443	2,598,925	705,057	754,057	780,057	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	0		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
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	62,423	77,246	50,648	59,288	20,559	14,891	20,550	23,380	18,019	19,854	37,824	55,247
															490,000

**Florida Public Utilities**  
**CAPITAL COMPONENTS**  
**December 2007 - December 2008**

\*\*\*\*\*

Line				Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	PROJECTED			Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	AVERAGE	Basis of Projection
Ref	Florida Public Utilities:	Notes	Acct#							Jun-2008	Jul-2008								
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	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	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	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	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	0	
34	CURRENT BONDS		0	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	0	
36				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
37				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
38	Flo-Gas Corp.:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
39	Investment in Assoc. Co.	Zeroed	1230	0	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	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	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	0	
46	ACCUM DEF TAXES	Zeroed	2820	0	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	0	
48				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49	Consolidated:		Line Reference	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
50	Long Term Debt		L27-L15	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		L26	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		L28	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	L36	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+L19+L21+L23+L24+L25+L36+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		L19+L21+L23+L24+L25+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	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	0	
58	TAX CREDITS-WEIGHTED	Electric only	L31+L36	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			59%	59%	58%	58%	58%	59%	58%	58%	58%	58%	59%	59%	50%	53%		
	Equity			41%	41%	42%	42%	42%	41%	42%	42%	42%	42%	41%	40%	50%	47%		

Notes  
1 Sinking Fund Payments on LT Debt May 1, 2008  
\$10M \$ 909,000  
\$5.5M \$ 500,000  
\$ 1,409,000

2 Projected Equity Offering June 2008  
\$ 15 M

Assumptions  
 RETAINED EARNINGS  
 Annual Profit Margin Projected Increase

1.03

PRIOR YEAR NET INCOME (Revised Budget)

(1,000,000)

			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			3,079	707	645	446	447	144	99	137	180	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
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	125	138	262	382
FLO-GAS			606	89	130	109	50	6	(1)	(1)	3	15	42	68	95
FPU RETAINED EARNINGS 2008															
BF				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008
NET INCOME				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
Preferred Dividend				639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130
Common Dividend						(7,125)			(7,125)			(7,125)			(7,125)
Flo-Gas Dividend				0	0	1,000,000	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
Projected Interim Rate Relief	Ann NOI														
Projected NOI - Elec. Rate Case	Annual	490,000		92,461	77,274	50,623	59,259	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732
BALANCE CF		1,000,000		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
FLO-GAS RETAINED EARNINGS															
BF															
NET INCOME				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
DIVIDEND				88,580	129,780	108,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760
BAL CF				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
CONSOLIDATED PROJECTED RETAINED EARNINGS															
BF				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
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
Preferred Dividend				0	0	(7,125)	0	0	0	0	0	(7,125)	0	0	(7,125)
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
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
BALANCE CF				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
Effective															
Projected Rate Relief		1,000,000		May-08	108,888	157,703	103,312	120,038	41,933	30,386	41,933	47,706	36,767	40,717	77,180
Projected Interim Rate Relief	Ann NOI	490,000		Nov-07	92,461	77,274	50,623	59,259	20,547	14,888	20,547	23,376	18,918	18,959	37,818
				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

1,744,283

(394,360)

1,070,306





Back Search Folders

Address D:\Exhibit 2.8\COX


Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Documents	FW G-MFRS-8-3-07_NoLinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Jobe	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
OWin9	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Personal User Files	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Personal Link	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My eBooks	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Music	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Pictures	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Backup	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
1/2 Floppy (A:)	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:)	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Exhibit 2.8	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHM	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MARTIN	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
MESITE	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ings on 'FP3	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
g on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ransfer on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
it on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Gro	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
ontrol Panel	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
le Bin	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD

Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, July 09, 2007 8:46 AM  
**To:** Young Curtis  
**Cc:** Cox Doreen  
**Subject:** FW: rate case

**Categories:** Elec Rate Case  
**Attachments:** D's 06-07\_A DC.xls

  
D's 06-07\_A  
DC.xls

We should have 12 mths expense over 13 mth average balance. Curtis please fix this for the ROR. Cheryl

-----Original Message-----

**From:** Cox Doreen  
**Sent:** Monday, July 02, 2007 6:02 PM  
**To:** Robert Camfield  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Robert

I agree with your method of calculating the Interest on the Customer Deposits which result in a cost rate of 6.32% (12 Mth Int / 13 Mth Avg Cust Dep Bal). As we discussed the Surveillance Report is using a different methodology (13 Mth Int Exp / 13 Mth Avg) resulting in a Cost Rate of 6.61%. I will discuss with Cheryl on her return, but have forwarded the revised schedule using 6.32%.

Thanks  
Doreen

-----Original Message-----

**From:** Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
**Sent:** Monday, July 02, 2007 4:30 PM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
**Subject:** RE: rate case

Doreen,

I accept your corrections and edits, which include:

- 1) Your addition of the Loss on reacquired debt. I did not have these data available, or at least I did know where the data were reported.
- 2) Remaining balances on unamortized issuance expenses, where you had pulled these data from financial records, I had estimated them.

There remains a couple of points:

First, your version of my spreadsheet does not utilize the calculated cost of LT Debt, or of ST Debt. The calculated LT Debt rate is 8.03%, vs. the surveillance value of 8.02% (my first calculated value was also 8.02%). In the case of ST Debt, the daily vs. month-end balances issue (which I brought up earlier) suggests that the observed and calculated values can diverge significantly.

Second, the customer deposits rate of 6.61% is significantly above the value that I had calculated, 6.32%. This is a significant difference that I cannot explain. While it is appropriate to utilize the value reported in the surveillance reports (6.61%), the difference suggests that our methodology, as used to obtain '07 and '08 may be in error. I can't figure out the reason for the discrepancy, though I have not looked into the

surveillance report in depth.

MIKE: The rate of return value provided on tab D-1a, '06 - currently at 7.73% - of the attached file (D's 06,07\_a DC, RC) should be used for the determination of the revenue requirement amount for interim relief.

This value includes a 10.50% return on equity, and should hold, notwithstanding Doreen's review of the customer deposits interest rate issue discussed above. If Doreen adopts 6.32% in lieu of 6.61% (as currently used) for deposits, the overall rate of return for interim relief remains virtually unchanged (7.72%).

Robert

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]

Sent: Monday, July 02, 2007 2:16 PM

To: Robert Camfield

Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Robert:

Please find attached a revised Cost of Capital Worksheet and D schedules.

The changes to the Cost of Capital Worksheet are twofold:

- 1 The Deferred Taxes have been revised to reconcile to the Surveillance Report which excludes fuel under-recoveries which are not allowed by the PSC for determining working capital.
- 2 Regulatory Assets & Liabilities are also excluded and remain as reconciling items to the Surveillance Report.
- 3 Additional total lines have been added to show totals excluding Flo-Gas Equity.

Schedules Ds

Please note that I have made changes or updates to the cells highlighted in yellow. The projected rate base figures for 2007 and 2008 are not yet available, so the figures in blue are just hypothetical. We should have the projected rate base by mid-week.

The MFR requirements, not yet addressed have been highlighted in green.

Please review and let us know if you have any questions, or would like to discuss.

Thanks

Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]

Sent: Thursday, June 28, 2007 8:42 AM

To: Cox Doreen

Cc: Martin Cheryl; Mike Welsh

Subject: RE: rate case

Doreen,

Attached please find the latest set of D Schedules. I think these schedules are correct. Nonetheless, the schedules need your review, particularly as regards to the calculation of long-term debt costs as related to issuance expenses and amortization of expenses.

I will return to the office tomorrow morning.

Thanks, 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

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ Historical Test 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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,765	0.4152	8.02%	3.33%	1,267,302
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,596	0.0272	3.28%	0.09%	34,000
3.	Preferred Stock	600,000			600,000	31%	187,955	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,996	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.32%	0.35%	134,937
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	9.41%	0.03%	
9.	TOTAL	106,248,266			106,248,266		38,057,542	1.0000		8.09%	1,436,238

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>				
10. Long Term Debt	50,443,237	0.5080	8.02%	4.07%
11. Short Term Debt	3,309,077	0.0333	3.28%	0.11%
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		9.42%

Rate Base	\$38,057,542
Direct Components	\$6,952,231
	\$31,105,311

Jurisdictional Factor 31%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

\_\_\_\_ 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	Interest Expense
<b>Regulatory Capital Structure, 2007</b>											
1.	Long Term Debt	50,543,842			50,543,842	29%	14,860,505	0.3810	8.01%	3.05%	1,190,500
2.	Short Term Debt	5,729,846			5,729,846	29%	1,684,645	0.0432	6.02%	0.26%	101,416
3.	Preferred Stock	600,000			600,000	29%	176,407	0.0045	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	29%	14,078,196	0.3610	11.50%	4.15%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0676	6.38%	0.43%	168,227
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1398	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	0.0028	9.48%	0.03%	
9.	TOTAL	112,956,971			112,956,971		39,000,000	1.0000		7.94%	1,460,143

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11. Short Term Debt	5,729,846	0.0547	6.02%	0.33%
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		9.48%

Rate Base	\$39,000,000 TO BE UPDATED
Direct Components	\$8,200,247
	\$30,799,753
Jurisdictional Factor	29%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	27%	13,421,026	0.3355	7.97%	2.67%	1,069,376
2.	Short Term Debt	6,436,923			6,436,923	27%	1,735,530	0.0434	6.03%	0.26%	104,652
3.	Preferred Stock	600,000			600,000	27%	161,773	0.0040	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	27%	15,572,200	0.3893	11.50%	4.48%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0737	6.34%	0.47%	186,893
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1520	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	0.0020	9.62%	0.02%	
9.	TOTAL	123,679,644			123,679,644		40,000,000	1.0000		7.92%	1,360,922

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2008</b>				
10. Long Term Debt	49,777,370	0.4345	7.97%	3.46%
11. Short Term Debt	6,436,923	0.0562	6.03%	0.34%
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		9.62%

Rate Base \$40,000,000 TO BE UPDATED  
 Direct Components \$9,109,471  
 \$30,890,529

Jurisdictional Factor 27%

Common Equity excludes Flo-Gas

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
-------------	------------------	-------------	-----------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Supporting Schedules:

Recap Schedules:



## COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

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

\_\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Consultant

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Class of Capital	2002 Year		2003 Year		2004 Year		2005 Year		2006 Year	
		Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total	Amount (000)	Percent of Total
	Long Term Debt	50,367,000	49.852%	50,454,000	53.224%	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.543%
	Short Term Debt	19,183,000	18.987%	2,278,000	2.403%	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%
	Preferred Stock	600,000	0.594%	600,000	0.633%	600,000	0.599%	600,000	0.565%	600,000	0.586%
	Common Equity	30,883,000	30.567%	41,463,000	43.740%	43,213,000	43.137%	45,503,000	42.814%	47,572,000	46.484%
		<u>101,033,000</u>	<u>100.000%</u>	<u>94,795,000</u>	<u>100.000%</u>	<u>100,176,000</u>	<u>100.000%</u>	<u>106,281,000</u>	<u>100.000%</u>	<u>102,340,000</u>	<u>100.000%</u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

\_\_\_ Prior Year Ended 12/31/07

\_\_\_ Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

DOCKET NO.: 070304-EI

	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	3.28%	\$108,538	3,309,077	0.09%
For Prior Year 2007					
2007	July, 2008	6.02%	\$344,937	5,729,846	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

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.

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

	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	6.03%	\$388,146	6,436,923	0.26%

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$2,056,763
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$2,056,763								
22.	Net LT Debt Outstanding				\$50,443,237								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0271%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO.: 070304-EI

## 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.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	\$0	\$2,962,452		\$100,602	\$3,948,550	\$4,049,152	N/A	\$1,956,179
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,956,179								
22.	Net LT Debt Outstanding				\$50,543,821								
23.	Embedded Cost of Long-term Debt (12) / Net				8.0112%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

## 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		\$199,599
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$51,632,923	\$0	\$2,962,452		\$100,602	\$3,864,155	\$3,964,757	N/A	\$1,873,900
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$1,873,900								
22.	Net LT Debt Outstanding				\$49,759,023								
23.	Embedded Cost of Long-term Debt (12) / Net				7.9679%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

**EXPLANATION:** Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired 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

Historical Test Year Ended 12/31/06

Witness: Doreen Cox, Robert Camfield

**COMPANY:** Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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.

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_\_ Prior Year Ended 12/31/07  
\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1) Line	(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)
<b>For Historical Test Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
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:



FLORIDA PUBLIC SERVICE COMMISSION

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 12/31/08

COMPANY: Florida Public Utilities  
 Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(1) Line	(2) Description, No. 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 Test Year 2008												
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.												
5.												
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:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division\_\_\_\_ Historical Test Year Ended 12/31/06  
Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	1,421,005	654,364		2,075,368	7,105	3,817	10,922	
2.	January, '06	1,425,676	656,515		2,082,190	7,128	3,830	10,958	
3.	February	1,437,005	661,732		2,098,737	7,185	3,860	11,045	
4.	March	1,442,879	664,437		2,107,316	7,214	3,876	11,090	
5.	April	1,447,773	666,690		2,114,463	7,239	3,889	11,128	
6.	May	1,450,915	668,137		2,119,052	7,255	3,897	11,152	
7.	June	1,447,804	666,705	N/A	2,114,509	7,239	3,889	11,128	N/A
8.	July	1,456,178	670,561		2,126,739	7,281	3,912	11,192	
9.	August	1,460,124	672,378		2,132,502	7,301	3,922	11,223	
10.	September	1,460,090	672,362		2,132,453	7,300	3,922	11,223	
11.	October	1,476,808	680,061		2,156,869	7,384	3,967	11,351	
12.	November	1,502,347	691,821		2,194,168	7,512	4,036	11,547	
13.	December	1,590,029	732,198		2,322,227	7,950	4,271	12,221	
	13 Month Average				<u>\$2,136,661</u>				
	12 Month Total					<u>\$87,988</u>	<u>\$47,271</u>	<u>\$135,259</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.32%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

\_\_\_ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	7,950	4,271	12,221	
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	
	13 Month Average				<u>\$2,637,518</u>				
	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.38%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

\_\_\_ Projected Test Year Ended 12/31/08

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

(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	9,659	5,189	14,848	
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	
	13 Month Average				<u>\$2,948,763</u>				
	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				<u>6.34%</u>				

FLORIDA PUBLIC SERVICE COMMISSION

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:

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

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.	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
3.	Book Value/Share (\$)	\$ 5.32	\$ 7.08	\$ 7.31	\$ 7.64	\$ 7.94
4.	Dividends/Share (\$)	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.41	\$ 0.42
5.	Earnings/Share (\$)	\$ 0.57	\$ 0.43	\$ 0.60	\$ 0.71	\$ 0.69
6.	Market Value/Share (\$)	\$ 9.90	\$ 10.53	\$ 12.77	\$ 13.37	\$ 13.53
7.	Market/Book Ratio (%)	186.1%	148.7%	174.7%	175.0%	170.4%
8.	Price/Earning Ratio (6) / (5)	\$ 17.37	\$ 24.49	\$ 21.28	\$ 18.83	\$ 19.61

\* Excluding the Sale of Water Division

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

COMPANY: Florida Public Utilities  
Consolidated Electric Division

Type of Data Shown:

\_\_\_\_ Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_ Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_

Witness: Doreen Cox, Robert Camfield

DOCKET NO.: 070304-EI

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	1,409,000	1,409,000
	Tax on Sinking Fund Payments	-	-	530,066	530,066
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC				

Supporting Schedules:

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)
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	\$ 2,238	\$ 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 REACQD 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



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)	(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	(50,443,237)
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)	(50,493,540)	(50,493,540)
												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	

Year		2006	<<<<<<<<ACTUALS >>>>>>>>												13 mth		
			<u>Dec-2005</u>	<u>Jan-2006</u>	<u>Feb-2006</u>	<u>Mar-2006</u>	<u>Apr-2006</u>	<u>May-2006</u>	<u>Jun-2006</u>	<u>Jul-2006</u>	<u>Aug-2006</u>	<u>Sep-2006</u>	<u>Oct-2006</u>	<u>Nov-2006</u>	<u>Dec-2006</u>	<u>AVERAGE</u>	
		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															
	Ratio	68.47%	6%	7,105	7,128	7,185	7,214	7,239	7,255	7,239	7,281	7,301	7,300	7,384	7,512	95,093	
		31.53%	7%	3,817	3,830	3,860	3,876	3,889	3,897	3,889	3,912	3,922	3,922	4,036	4,271	51,088	
		Total Interest	10,922	10,958	11,045	11,090	11,128	11,152	11,128	11,192	11,223	11,223	11,351	11,547	12,221	146,181	
		Effective Interest Rate	6.842%														
		2007	<<<<<<<<	ACTUALS				<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>>									13 mth
			<u>Dec-2006</u>	<u>Jan-2007</u>	<u>Feb-2007</u>	<u>Mar-2007</u>	<u>Apr-2007</u>	<u>May-2007</u>	<u>Jun-2007</u>	<u>Jul-2007</u>	<u>Aug-2007</u>	<u>Sep-2007</u>	<u>Oct-2007</u>	<u>Nov-2007</u>	<u>Dec-2007</u>	<u>AVERAGE</u>	
		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	117,384	
		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	63,064	
		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	180,448	
		Effective Interest Rate	6.842%														
		2008					<<<<<<<< PROJECTED >>>>>>>>									13 mth	
			<u>Dec-2007</u>	<u>Jan-2008</u>	<u>Feb-2008</u>	<u>Mar-2008</u>	<u>Apr-2008</u>	<u>May-2008</u>	<u>Jun-2008</u>	<u>Jul-2008</u>	<u>Aug-2008</u>	<u>Sep-2008</u>	<u>Oct-2008</u>	<u>Nov-2008</u>	<u>Dec-2008</u>	<u>AVERAGE</u>	
		Interest	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	
	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	131,236	
		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	70,506	
		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	201,742	
		Effective Interest Rate	6.842%														
		2006	@6%	1,421,005	1,425,676	1,437,005	1,442,879	1,447,773	1,450,915	1,447,804	1,456,178	1,460,124	1,460,090	1,476,808	1,502,347	1,590,029	
			@7%	654,364	656,515	661,732	664,437	666,690	668,137	666,705	670,561	672,378	672,362	680,061	691,821	732,198	
		2															

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED ELECTRIC DIVISION  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>	WEIGHTED COST (%)	<u>MID POINT</u>	WEIGHTED COST (%)	<u>HIGH POINT</u>	WEIGHTED COST (%)
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,434,741</u>		<u>\$38,434,741</u>	<u>(\$15,852)</u>		<u>\$38,418,889</u>	<u>100.00</u>		<u>7.71</u>		<u>8.07</u>		<u>8.45</u>

<u>YEAR END</u>	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	<u>ADJUSTMENTS</u>		ADJUSTED RETAIL	RATIO (%)	<u>LOW POINT</u>	WEIGHTED COST (%)	<u>MID POINT</u>	WEIGHTED COST (%)	<u>HIGH POINT</u>	WEIGHTED COST (%)
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>		<u>COST RATE (%)</u>		<u>COST RATE (%)</u>	
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	<u>\$38,449,528</u>		<u>\$38,449,528</u>	<u>\$4,461</u>		<u>\$38,453,989</u>	<u>100.00</u>		<u>7.55</u>		<u>7.91</u>		<u>8.28</u>

FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED GAS DIVISIONS  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER 2006

SCHEDULE 4

<u>AVERAGE</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE (%)</u>		<u>MID POINT WEIGHTED COST RATE (%)</u>		<u>HIGH POINT WEIGHTED COST RATE (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>	<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>	<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>
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	2.62	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	22,678,696	(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

<u>YEAR END</u>	<u>SYSTEM PER BOOKS</u>	<u>ADJUSTMENT FOR FLO-GAS</u>	<u>RETAIL PER BOOKS</u>	<u>ADJUSTMENTS</u>		<u>ADJUSTED RETAIL</u>	<u>RATIO (%)</u>	<u>LOW POINT WEIGHTED COST RATE (%)</u>		<u>MID POINT WEIGHTED COST RATE (%)</u>		<u>HIGH POINT WEIGHTED COST RATE (%)</u>	
				<u>PRORATA</u>	<u>SPECIFIC</u>			<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>	<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>	<u>COST RATE (%)</u>	<u>WEIGHTED COST (%)</u>
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				Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	<<<<<<<<ACTUALS>>>>>>>>								13 mh
Ref	Florida Public Utilities:	Notes	Acct.#						May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	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
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
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
18	190 AC DE TAX ENVIRO	Electric only	1900		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
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
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	5,472,569
22	DISC ON CAP STK		2130		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
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
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
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	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
28	DEBENTURES		2240		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
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
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
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
33	DEF TAX-UNDERREC	Electric only	2830 Included above		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
35	3% INV TAX CRED				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
40	ACCUM DEF TAXES	Zeroed	1900		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
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
43	Comprehensive Income		2190		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
45	INV TAX CREDIT	Zeroed	2550		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
47	3% INV TAX CRED	Zeroed	0		0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	Consolidated:		Line Reference														
50	Long Term Debt		L2+L16		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
51	Short Term Debt		L26		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
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
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
54	Common Equity		L15+L19+L21+L23+L24+L25+L26+L30+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
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
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
57	TAX CREDITS-ZERO CST	Electric only	L36		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
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
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
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
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
	Debt/Equity Ratio																
	Debt				60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	57%	56%
	Equity				40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	43%	44%

**Florida Public Utilities**  
**CAPITAL COMPONENTS**  
**December 2006 - December 2007**

\*\*\*\*\*

Line				ACTUALS					PROJECTED										13 with	
Ref	Florida Public Utilities:	Notes	Acct #	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	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 Reac'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	1,062,642	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	5,542,966	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	Qty 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			
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	265,667	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		L27-L15	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		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	2,322,227	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		L15+L19+L21+L23+L24+L25+L35+L41+L42+L43	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		L18+L21+L23+L24+L25+L38	45,289,010	46,116,929	46,635,657	48,332,782	48,690,934	48,868,910	48,265,564	48,516,519	48,673,519	48,119,902	48,214,639	48,506,463	48,248,639	47,883,036			
56	DEFERRED INC TAXES	Electric only	L17+L32+L33	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	L36	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
58	TAX CREDITS-WEIGHTED	Electric only	L31+L35	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	114,060,635			
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	116,621,607	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%	56%	58%	58%	58%	58%	59%	59%	57%			
Equity					43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	41%	41%	43%			

1 Unamortized Debt Discount

			Monthly Amount
\$14M	\$	2,239	
\$15M	\$	3,357	
\$10M	\$	601	
\$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

PRIOR YEAR NET INCOME (Actual)

Revised Budget  
(671,194)  
(1,999,469)

	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
2006	4,169	923	900	398	472	177	90	238	128	(32)	161	449	285
FPU	4,813	772	709	318	418	207	110	291	195	57	290	433	303
FLO-GAS	156	151	191	80	54	(20)	(20)	(53)	(67)	(89)	(39)	16	(38)
2007	3,879	707	645	446	447	144	99	137	160	138	175	320	483
FPU	3,291	621	519	340	398	138	100	130	157	121	134	254	371
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		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	2,615,806

FLO-GAS RETAINED EARNINGS

B/F		2,386,526	2,472,443	2,598,925	705,057	754,057	780,057	759,057	758,057	761,057	778,057	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	778,057	817,057	883,057	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	36,566,400	35,213,145
NET INCOME		706,580	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	0	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	36,566,400	36,328,411	1,115,266

Projected Interim Rate Relief	Ann NOI	490,000	Nov 07 92,423	77,246	50,646	59,208	20,550	14,861	20,550	23,380	18,019	19,054	37,824	55,247	490,000
-------------------------------	---------	---------	---------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

Financials		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	
		35,919,703	36,564,911	36,356,371										
		2	4	7										

**Florida Public Utilities**  
CAPITAL COMPONENTS  
December 2007 - December 2008

\*\*\*\*\*

Line			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	
Ref	Florida Public Utilities:	Notes	Acc#															
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	Constant	
16	Unamortized Debt/Loss on Reac'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	18,402,611	18,402,611	18,402,611	18,402,611	12,420,611	Ctrly 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													0	
36																	0	
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																		
49	Consolidated:	Line Reference		0														
50	Long Term Debt	L274, L5		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	L28		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	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	2,821,422	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, L30, L31, L32, L33		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	51,036,894	64,396,157	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	L35	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	121,090,656	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			58%	59%	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	\$10M	\$ 909,000
	\$5.5M	\$ 500,000
	\$	\$ 1,409,000

2 Projected Equity Offering, June 2008 \$ 15 M



Assumptions  
RETAINED EARNINGS  
Annual Profit Margin Projected Increase

RETAINED EARNINGS		1.03												
Annual Profit Margin Projected Increase														
PRIOR YEAR NET INCOME (Revised Budget)		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		3,679	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	125	138	262	382
FLO-GAS		606	89	130	109	50	6	(1)	(1)	3	15	42	68	95
(1,000,000)														
FPU RETAINED EARNINGS 2008														
B/T			Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008
NET INCOME	FPU		35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,170,763	37,055,441	37,234,178	37,572,978
Preferred Dividend			639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130
Common Dividend					(7,125)			(7,125)			(7,125)			(7,125)
Flo-Gas Dividend			0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
Projected Interim Rate Relief	Ann NOI				1,000,000									1,000,000
Projected NOI - Elec Rate Case	Annual	490,000	Nov-07	92,461	77,274	50,623	59,259							279,617
BALANCE C/F		1,000,000	May-08	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,170,763	37,055,441	37,234,178	37,572,978
														37,190,708
														37,190,708
														1,744,283
FLO-GAS RETAINED EARNINGS														
B/T														
NET INCOME			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
DIVIDEND			88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760
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/T														
NET INCOME			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
Preferred Dividend			728,210	664,390	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,690	476,890
Common Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)
Flo-Gas Dividend			0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)
Projected NOI - Elec Rate Case			0	0	0	0	419,325,433	30,385,900,94	41,932,543,3	47,705,864,48	36,766,940,14	40,717,107,26	77,180,188,39	112,731,69,25
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	188,006	157,703	100,312	120,836	41,933	30,386	41,933	47,706	36,767	40,717	77,180
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	18,018	19,951	37,818
														55,238
														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

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Monday, July 09, 2007 9:15 AM  
**To:** Cox Doreen  
**Subject:** FW: rate case

**Categories:** Elec Rate Case

Doreen, was there anything else we had to discuss besides those cost rates? Cheryl

-----Original Message-----

From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
Sent: Monday, July 09, 2007 9:10 AM  
To: Martin Cheryl  
Cc: Robert Camfield; Dan Hansen  
Subject: RE: rate case

Thank you Cheryl.

I am just going over notes for the H schedules. I will sent these notes on issues needing resolution to Jim and to Merhdad shortly. Most of the items in the "H" schedules are closely related to issues identified in the notes I sent about 10 days ago on the B and C schedules. I will also send the next draft of the B and C schedules along with notes on the as yet outstanding issues.

There are a few revenue related items that will need resolution soon. In particular these relate to the projected non-base sales revenues for 2007 and 2008. I spoke with Dan about these issues on Friday and he indicated that he had spoken with Doreen on Friday and that there were a few issues that the three of you would discuss and resolve early this week. As a result the base sales revenues I am using are from a draft projection that is not yet finalized.

Finally, in using the draft projections, I am currently linking to the "with price effect" projections. Dan thought these were the numbers I should use, but suggested I check with you. We can link to the "without price effect" projections without much trouble.

-----Original Message-----

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]  
Sent: Monday, July 09, 2007 7:43 AM  
To: Mike Welsh  
Cc: Cox Doreen; Robert Camfield; Khojasteh Mehrdad  
Subject: RE: rate case

There is no AFUDC so that cell on C23 would be 0. Cheryl

-----Original Message-----

From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
Sent: Tuesday, July 03, 2007 9:45 AM  
To: Cox Doreen; Robert Camfield  
Cc: Martin Cheryl; Khojasteh Mehrdad  
Subject: RE: rate case

Doreen: Here is the latest version of the C Schedules. (I had sent version 3 last week for review). Anyway, you will find C-23 here. As you will see there is one cell highlighted in red. I still need to know if there is a value that needs to go here or if this item is zero.

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]  
Sent: Tuesday, July 03, 2007 8:19 AM  
To: Robert Camfield  
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Robert

Do we have Sch C-23 (old C-44) available yet? If so, please forward us a copy - it's a supporting schedule needed for the tax rate.

Thanks

Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]

Sent: Monday, July 02, 2007 6:10 PM

To: Cox Doreen

Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Mike,

OK, it is 7.72% overall, using the 6.32%, as I had originally calculated. Robert

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]

Sent: Monday, July 02, 2007 5:02 PM

To: Robert Camfield

Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Robert

I agree with your method of calculating the Interest on the Customer Deposits which result in a cost rate of 6.32% (12 Mth Int / 13 Mth Avg Cust Dep Bal). As we discussed the Surveillance Report is using a different methodology (13 Mth Int Exp / 13 Mth Avg) resulting in a Cost Rate of 6.61%. I will discuss with Cheryl on her return, but have forwarded the revised schedule using 6.32%.

Thanks

Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]

Sent: Monday, July 02, 2007 4:30 PM

To: Cox Doreen

Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad

Subject: RE: rate case

Doreen,

I accept your corrections and edits, which include:

1) Your addition of the Loss on reacquired debt. I did not have these data available, or at least I did know where the data were reported.

2) Remaining balances on unamortized issuance expenses, where you had pulled these data from financial records, I had estimated them.

There remains a couple of points:

First, your version of my spreadsheet does not utilize the calculated cost of LT Debt, or of ST Debt. The calculated LT Debt rate is 8.03%, vs. the surveillance value of 8.02% (my first calculated value was also 8.02%). In the case of ST Debt, the daily vs. month-end balances issue (which I brought up earlier) suggests that the observed and calculated values can diverge significantly.

Second, the customer deposits rate of 6.61% is significantly above the value that I had calculated, 6.32%. This is a significant difference that I cannot explain. While it is appropriate to utilize the value reported in the surveillance reports (6.61%), the difference suggests that our methodology, as used to obtain '07 and '08 may be in error. I can't figure out the reason for the discrepancy, though I have not looked into the surveillance report in depth.

MIKE: The rate of return value provided on tab D-1a, '06 - currently at 7.73% - of the attached file (D's 06,07\_a DC, RC) should be used for the determination of the revenue requirement amount for interim relief.  
This value includes a 10.50% return on equity, and should hold, notwithstanding Doreen's review of the customer deposits interest rate issue discussed above. If Doreen adopts 6.32% in lieu of 6.61% (as currently used) for deposits, the overall rate of return for interim relief remains virtually unchanged (7.72%).

Robert

-----Original Message-----

From: Cox Doreen [mailto:dorcox@fpuc.com]  
Sent: Monday, July 02, 2007 2:16 PM  
To: Robert Camfield  
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad  
Subject: RE: rate case

Robert:

Please find attached a revised Cost of Capital Worksheet and D schedules.

The changes to the Cost of Capital Worksheet are twofold:

- 1 The Deferred Taxes have been revised to reconcile to the Surveillance Report which excludes fuel under-recoveries which are not allowed by the PSC for determining working capital.
- 2 Regulatory Assets & Liabilities are also excluded and remain as reconciling items to the Surveillance Report.
- 3 Additional total lines have been added to show totals excluding Flo-Gas Equity.

Schedules Ds

Please note that I have made changes or updates to the cells highlighted in yellow. The projected rate base figures for 2007 and 2008 are not yet available, so the figures in blue are just hypothetical. We should have the projected rate base by mid-week.

The MFR requirements, not yet addressed have been highlighted in green.

Please review and let us know if you have any questions, or would like to discuss.

Thanks  
Doreen

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
Sent: Thursday, June 28, 2007 8:42 AM  
To: Cox Doreen  
Cc: Martin Cheryl; Mike Welsh  
Subject: RE: rate case

Doreen,

Attached please find the latest set of D Schedules. I think these schedules are correct. Nonetheless, the schedules need your review, particularly as regards to the calculation of long-term debt costs as related to issuance expenses and amortization of expenses.

I will return to the office tomorrow morning.

Thanks, 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

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Monday, February 19, 2007 1:34 PM  
**To:** Cox Doreen  
**Subject:** FW: River Oaks  
**Attachments:** Copy of REGULATED 15 YEAR-RIVER OAKS AEP 12-01-06 CUST CONTN.xls

Do you know why he would want to use reduced therms?

*Heidi Dysard*

**From:** Kitner Don  
**Sent:** Monday, February 19, 2007 1:32 PM  
**To:** Dysard Heidi  
**Subject:** RE: River Oaks

Heidi,  
 On the revised attachment I did not change the therms but I did change the commissions. We will receive 25 contributions of \$225.00 each. The HOA is paying for two of the 'contributions as they may end up with 2 service lines.

Don Kitner  
 General Manager, Central Florida  
 386-668-9201

**From:** Dysard Heidi  
**Sent:** Monday, February 19, 2007 12:07 PM  
**To:** Kitner Don; Seagrave Marc  
**Cc:** Cox Doreen  
**Subject:** RE: River Oaks

Don,

A couple of observations, did you intend to use 144 therms per customer on the NPV? The RNGS form shows 228 per customer. Two minor things, are there 24 or 25 units paying \$225 each? 24 units comes to \$5,400 for the contribution rather than \$5,625. On the "Other Expenses" on the NPV, the commission should be \$1,072 in the first year, rather than \$590 in the second year.

These changes mentioned above make the ECC \$2,958 (after the customer contribution is applied). The ROR did not change, however the NPV increased \$2,000 to \$9,000.

*Heidi Dysard*

**From:** Kitner Don  
**Sent:** Sunday, February 18, 2007 9:01 AM  
**To:** Seagrave Marc  
**Cc:** Cox Doreen; Dysard Heidi  
**Subject:** River Oaks

Marc,



Attached is the approval package for River Oaks. This is an existing community in DeBary near I-4 that wants natural gas in their community. 16 residential and 1-commercial accounts are ready to commit to install natural gas. Each will pay a \$225.00 non-refundable contribution to off-set the ECC associated with the installation. An additional 7 residents will also pay the \$225.00 further off-setting the ECC amount. They feel having natural gas available will increase the value of their house. The ECC is \$10,969 with \$5,625 being paid upfront leaving a balance of \$5,344 to be collected utilizing the AEP surcharge.

As before please do not change the RNGS's as the ones attached are the only versions that have been approved at the division.

Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## 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 <b>Project Name</b>                    | Short description of investment.  |
| 2 <b>Beginning In Year</b>               | Projected year that the project will commence.  |
| 3 <b>Piping Allowance</b>                | Estimated Piping Allowance per class of customer if not capitalized (see note 24).  |
| 4 <b>Occupancy Rate</b>                  | Anticipated occupancy level.  |
| 5 <b>Cost of Service per Customer</b>    | Estimated cost of providing service to each class of customer.  |
| 6 <b>Mains</b>                           | Cost of installing main per year.   |
| 7 <b>New Residential Customers</b>       | Estimated residential customer added each month for each year.  |
| 8 <b>Therms per Customer each Month</b>  | Average monthly therms per residential customer.  |
| 9 <b>New General Service Customers</b>   | Estimated General Service customers added each month for each year.   |
| 10 <b>Therms per Customer each Month</b> | Average monthly therms per General Service customer.  |
| 11 <b>New Large Volume Customers</b>     | Estimated Large Volume customer added each month for each year.   |
| 12 <b>Therms per Customer each Month</b> | Average monthly therms per Large Volume customer.   |
| 13 <b>Gas Lighting Service</b>           | Estimated other customer added each month for each year.  |
| 14 <b>Therms per Customer each Month</b> | Average monthly therms per other customer.  |
| 15 <b>Customer Charge</b>                | Estimated Customer Charge for Other Customers added.  |
| 16 <b>Other Income</b>                   | Other "non base revenue" estimated positive cash flows to be generated by the project for each year.<br>Note - pass-through revenues, such as fuel and gross receipts tax are not to be included. |
| 17 <b>Other Expenses</b>                 | Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions.<br>Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.     |
| 18 <b>AEP Worksheet</b>                  | 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

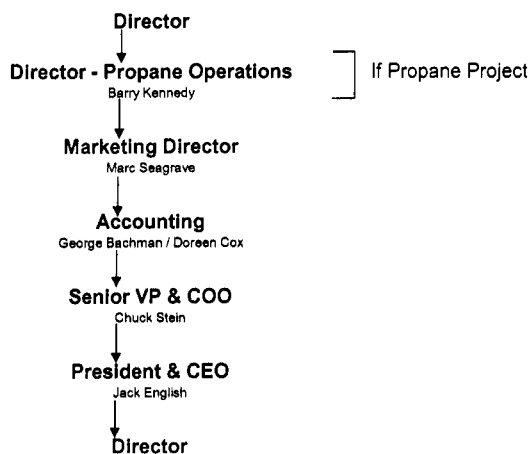
### NPV MODEL ASSUMPTIONS

- 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 **RIVER OAKS**  
Beginning in Year **2007**

Prepared By: \_\_\_\_\_  
Date: **3/31/2008**  
I.R. #: \_\_\_\_\_  
AEP #: \_\_\_\_\_

NON AEP CONTRIBUTION \$ **5,625**

**R**  
Residential Commercial Industrial Gas Lights  
Piping Allowance \$ **100**

Occupancy Rate **100%**

## Construction:

SERVICES-cost per customer:	Residential	General Serv	Large Volume	Gas Lights	Year:	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	Total Main \$
	\$ <b>577</b>	\$ <b>577</b>			MAINS:	<b>13,308</b>										<b>13,308</b>
Enter Customers ADDED each Month by Tariff Rate Schedule below:																Total Service \$
																Total Const.
																<b>9,815 \$ 23,123</b>

## 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			4	4	4	4							16	16	1824	1824	881.72	1,216
2													0	16	0	2304	1113.75	1,536
3													0	16	0	2304	1113.75	1,536
4													0	16	0	2304	1113.75	1,536
5													0	16	0	2304	1113.75	1,536
6													0	16	0	2304	1113.75	1,536
7													0	16	0	2304	1113.75	1,536
8													0	16	0	2304	1113.75	1,536
9													0	16	0	2304	1113.75	1,536
10													0	16	0	2304	1113.75	1,536

Therms per Customer each month: 12.00 << 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	595.83333	595.833333	191.30	165
2													0	1	0	650	208.70	180
3													0	1	0	650	208.70	180
4													0	1	0	650	208.70	180
5													0	1	0	650	208.70	180
6													0	1	0	650	208.70	180
7													0	1	0	650	208.70	180
8													0	1	0	650	208.70	180
9													0	1	0	650	208.70	180
10													0	1	0	650	208.70	180

Therms per Customer each month: 54.1666667 << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-
Therms per Light each month: _____ << 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	1,072														

## Area Expansion Program

Project Name: **RIVER OAKS**  
 I.R. #: **0**  
 AEP #: **0**  
 Prepared By: **0**

Procedure No. **MKT 1.1**  
 Effective Date: **4/21/2005**  
 Revision # **12.3**

### Calculation of AEP Surcharge:

$$AEPS = (ECC + (ROR * T1 * 5 * ECC)) / (T2 * TH)$$

ECC 5,344 As computed on Wkst  
 ROR 8.070% Company's Authorized Rate  
 T1 10 Years for collection  
 T2 1 (1 if total therms used for T1)  
 TH 26,841 Total 10 year therms  
 AEPS \$ 0.279 Original calculation

Prepared By: \_\_\_\_\_  
 Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

Initial \_\_\_\_\_ Date \_\_\_\_\_

### Construction and Revenue Summary:

Estimated Construction Cost (CC): \$ 23,123 (Total from input on next page)  
 Customer Contribution 5,625  
 Four Years Revenue (MACC)\*: 12,154 Four years revenue  
 Net Excess Construction Cost (ECC): \$ 5,344

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	1824	596	0	0	2420
2	2304	650	0	0	2954
3	2304	650	0	0	2954
4	2304	650	0	0	2954
5	2304	650	0	0	2954
6	2304	650	0	0	2954
7	2304	650	0	0	2954
8	2304	650	0	0	2954
9	2304	650	0	0	2954
10	2304	650	0	0	2954
Total	22,560	6,446	-	-	29,006

### \*\* Rate Breakdown: AEPS / therm

RS Residential 0.300  
 GS General Service 0.199  
 LVS Large Volume Service 0.148  
 Gas Lights 0.110

ratio - this % of  
 therms per class are  
 counted in 10 year  
 therm total

100.0000%  
 66.4191%  
 49.2532%  
 36.5929%

### Projected Cash Flow of: Revenue

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	AEP collection:		Balance before Interest	Interest (cost of money)	charge	Total Cost To be recovered
										Excess Construction Cost	AEPS Surcharge				
1	882	1,216	191	165	-	-	-	-	\$ 2,454	\$ 5,344	\$ 666	\$ 4,678	\$ 189	\$	\$ 4,867
2	1,114	1,536	209	180	-	-	-	-	3,038	-	821	4,046	360		4,406
3	1,114	1,536	209	180	-	-	-	-	3,038	-	821	3,585	322		3,908
4	1,114	1,536	209	180	-	-	-	-	3,038	-	821	3,087	282		3,369
5	1,114	1,536	209	180	-	-	-	-	3,038	-	821	2,548	239		2,787
6	1,114	1,536	209	180	-	-	-	-	3,038	-	821	1,966	192		2,158
7	1,114	1,536	209	180	-	-	-	-	3,038	-	821	1,337	141		1,479
8	1,114	1,536	209	180	-	-	-	-	3,038	-	821	658	86		744
9	1,114	1,536	209	180	-	-	-	-	3,038	-	821	(77)	27		(50)
10	1,114	1,536	209	180	-	-	-	-	3,038	-	821	(871)	(37)		(908)
Total	\$ 10,906	\$ 15,040	\$ 2,070	\$ 1,785	\$ -	\$ -	\$ -	\$ -	\$ 29,800	\$ 5,344	\$ 8,052		\$ 1,801		

## Input Area:

REGULATED / NON-REGULATED

R

Project Title: **RIVER OAKS**Beginning in Year: **2007**

Prepared By:

Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

	Residential	Commercial	Industrial	Gas Lights
Annual Therms per Customer / Light	144	650	-	-
Piping Allowance	\$ 100	\$ -	\$ -	\$ -
Cost of SERVICE per Customer	\$ 577	\$ 577	\$ -	\$ -
Customer Charge (mth)	\$8.00	\$15.00	\$45.00	\$0.00
Non-Fuel Charge (therm)	\$0.48340	\$0.32107	\$0.23809	\$0.17689
Year	2007	2008	2009	2010
New Residential Customers	16	-	-	-
New Commercial Customers	1	-	-	-
New Industrial Customers	-	-	-	-
New Gas Lights	-	-	-	-
Total Customers added for year	17	0	0	0
Cumulative Customers	17	17	17	17
Total Gas Lights added for year	0	0	0	0
Cumulative Gas Lights	0	0	0	0
Other Income	0	0	0	0
Other Expenses	1072	0	0	0
Capital expenditures on Services	9,815	-	-	-
Capital Expenditures (Exc. Services)	13,308	-	-	-
Upfront Capital Exp (Contributions)¹	(10,969)	-	-	-
Total Capital Expenditures by Year	\$ 12,154	\$ -	\$ -	\$ -

¹ List AEP ECC as contribution (credit)

Overall Result: **Project meets or exceeds minimum 15 year required return!**

Occupancy Rate :

100%

## Output Area: Cash Flow by Year

Total Base Revenue	\$2,454	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$2,454	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038
O&M Expense (Incl TOTI)	761	942	942	942	942	942	942	942	942	942	942	942	942	942	942
Other Expenses	1,072	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortized Piping Cost	229	229	229	229	229	229	229	0	0	0	0	0	0	0	0
Depreciation, Book	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810
	2,872	1,981	1,981	1,981	1,981	1,981	1,981	1,752	1,752	1,752	1,752	1,752	1,752	1,752	1,752
Operating Income before Income Tax	(418)	1,058	1,058	1,058	1,058	1,058	1,058	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Adjust to cash flow:															
Add: Depreciation, Book	810	810	810	810	810	810	810	810	810	810	810	810	810	810	810
Add: Amortized Piping	229	229	229	229	229	229	229	0	0	0	0	0	0	0	0
Less: Actual Income Tax	(773)	205	274	338	398	453	491	514	518	519	518	519	518	519	518
After Tax Cash Flow (before capital investments)	1,395	1,892	1,822	1,758	1,699	1,643	1,605	1,583	1,578	1,578	1,578	1,578	1,578	1,578	1,578
Less: Piping Costs	1,600	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	12,154	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Memo: Cumulative Capital Expenditure	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154	12,154
Asset remaining value															
Net Cash Flow (w/ 15 yr ending book value)	(12,359)	1,892	1,822	1,758	1,699	1,643	1,605	1,583	1,578	1,578	1,578	1,578	1,578	1,578	18,350
Net Present Value (fifteen years) \$	7,000	Zero = Meets Required Return													
Operating Income before Income Tax	(418)	1,058	1,058	1,058	1,058	1,058	1,058	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Less: Interest Costs*	470	398	329	262	197	135	74	14	0	0	0	0	0	0	0
Net Income before Taxes	(887)	660	729	796	861	923	984	1,273	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Less: Book Income Tax (37.63%)	(334)	248	274	299	324	347	370	479	484	484	484	484	484	484	484
Net Income after Book I/T	(553)	412	455	497	537	576	614	794	802	802	802	802	802	802	802
Earnings Per Share - Investment															
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Cumulative Net Cash Flow	(12,359)	(10,467)	(8,645)	(6,887)	(5,188)	(3,544)	(1,939)	(356)	1,222	2,799	4,377	5,955	7,533	9,110	27,461
Cumulative Depr. Reserve	810	1,621	2,431	3,241	4,051	4,862	5,672	6,482	7,292	8,103	8,913	9,723	10,533	11,344	12,154
Cumulative Piping Allowance	1,371	1,143	914	686	457	229	0	0	0	0	0	0	0	0	0
Book Rate of Return	-0.66%	6.93%	7.36%	7.90%	8.57%	9.45%	10.61%	14.24%	16.50%	19.81%	24.76%	33.01%	49.51%	99.03%	#####
Economic Value Added (EVA)	(999)	(41)	(1)	39	80	122	164	350	410	475	541	606	672	737	17,575
NPV (EVA) \$	7,000														

## Average Rate of Return on Investment:

Net Present Value of Cap. Exp.	12,154		
Net Present Value of Pip. Exp.	1,600	15 Years (IRR)	15%

## Revenue Comparison:

Four Year Revenue \$12,154

## Customer Totals:

Added Residential Customers 16  
Added Commercial Customers 1

## 15 Yr Total

Added Industrial Customers -  
Cumulative Customers 17

## Summary of Rates used

Depreciation Book %	6.67%
Income Tax %	37.62%
Base Earnings per Share	\$ 0.71

## Required Return

Ratio of Debt Financing	8.07%
O&M Expense %	50.00%
Capital Expenditure %	31.00%
NPV (EVA)	7,000

CONFIDENTIAL

Capital Expenditure per Customer \$ 715

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

REQUIRED RETURN

REGULATED NON-REGULATED

8.07%	15.00%
-------	--------



# TEMPLATE REVISION LOG

NPV Rev #	AEP Rev #	Date	Name	Changes Made	Approved By
		1/22/2004	DC	Made template a R only - NR will be done on the original 15 year template.	GB, DK
		1/27/2004	DC	Change Months on Input Sheet to "Month 1", "Month 2" etc	GB, DK
		1/27/2004	DC	Added detailed approval section on AEP Worksheet	DK
		1/28/2004	DC	Corrected AEP cell # C35 to reference Input S23	DK
		1/29/2004	DC	Changed AEP Deferred Costs formulas ( Col K35 - K 44) so that Deferred Charges do not exceed amounts projected to be spent. Revised comment.	DK, GB
		1/29/2004	DC	Confirmed with MN and BG that costs are allocated first to ECC in the books.	
		1/29/2004	DC	Changed NPV Cell B23 to an "IF" Statement, so that projects that do not have an ECC show aero contribution on the NPV.	DK
		1/29/2004	DC	Put if statement on AEP worksheet so that projects that do not have an ECC do not calculate a Deferred Debit, interest etc..	
11.4	1.2	7/8/2004	DC	Updated Non-Fuel Rates as per Interim Rates approved by PSC effective for Meter Reads August 2004. NSB template removed - rates for rest of Company to be used as rates will eventually be the same at final hearing.	GB, DK
11.5		10/6/2004	DC	Revised formula for the contribution on the NPV to be zero when there is no AEP surcharge even though there may be a small ECC.	GB
11.6		11/18/2004	DC	Updated Non-Fuel Rates as per Rates approved by PSC effective 11/18/04	MS, DK, GB
		11/18/2004	DC	Updated Interest Rate - See back-up WACD - Gas Rate Case	GB
		11/18/2004	DC	Updated ROR to reflect WACC approved in NG Rate Case effective 11/18/04	GB
	1.3	11/18/2004	DC	Updated ROR as per WACC approved in Gas Rate Case 10/18/04 effective 11/18/04	GB
		11/18/2004	DC	Added Gas Lighting Service - checked by DK 10/29/04	GB, DK
11.7	1.4	2/18/2005	DC	Update ROR to reflect Year-end Surveillance Rate	GB
12	2	3/9/2005	DC	Link AEP & NPV to Input Sheet so that revenues are recognized in the month of projects not year-end turn-ons.	GB, DK
12.1	2.1	3/31/2005	DC	Updated ROR to reflect final Year-end Surveillance Report Rate	CM
12.2	12.2	4/21/2005	DC	Updated O&M % to reflect Budget 2005 (adjusted for Propane savings \$604 less tax)	GB
12.2		2/24/2006	DC	Updated Avg Shares Outstanding and Available for Common as at 12/31/2005	GB
12.3	12.3	4/6/2006	DC	Update ROR to reflect Dec 2005 Average Mid-Point Surveillance Rate	GB

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, August 22, 2007 2:52 PM  
**To:** Cox Doreen  
**Subject:** FW: Schedule D  
**Attachments:** Binder Schedule D.pdf

**From:** Teresa Sholts [mailto:tjsholts@LRCA.com]  
**Sent:** Wednesday, August 22, 2007 2:48 PM  
**To:** Martin Cheryl  
**Cc:** Mike Welsh  
**Subject:** Schedule D

Attached for your review is the final Schedule D with: (1) cover page, (2) table of contents, (3) schedules.

Teresa J. Sholts  
Office Manager  
Christensen Associates  
4610 University Avenue, Suite 700  
Madison WI 53705-2164  
Voice: 608.231.2266  
Fax: 608.231.1365  
Email: tjsholts@LRCA.com  
We can be found on the web at <http://www.LRCA.com>

FLORIDA PUBLIC UTILITIES COMPANY  
ELECTRIC DIVISION

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070304-EI

MINIMUM FILING REQUIREMENTS  
SCHEDULE D – COST OF CAPITAL SCHEDULES

AUGUST 2007

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 070304-EI

**MINIMUM FILING REQUIREMENTS**

<b>COST OF CAPITAL SCHEDULES</b>
----------------------------------

TABLE OF CONTENTS

<b>SCHEDULE</b>	<b>TITLE</b>	<b>PAGE NUMBER</b>
<b>D-1a</b>	<b>COST OF CAPITAL-13 MONTH AVERAGE</b>	<b>1</b>
<b>D-1b</b>	<b>COST OF CAPITAL -ADJUSTMENTS</b>	<b>4</b>
<b>D-2</b>	<b>COST OF CAPITAL-5 YEAR HISTORY</b>	<b>5</b>
<b>D-3</b>	<b>SHORT-TERM DEBT</b>	<b>6</b>
<b>D-4a</b>	<b>LONG-TERM DEBT OUTSTANDING</b>	<b>7</b>
<b>D-4b</b>	<b>REACQUIRED BONDS</b>	<b>10</b>
<b>D-5</b>	<b>PREFERRED STOCK OUTSTANDING</b>	<b>11</b>
<b>D-6</b>	<b>CUSTOMER DEPOSITS</b>	<b>12</b>
<b>D-7</b>	<b>COMMON STOCK DATA</b>	<b>15</b>
<b>D-8</b>	<b>FINANCING PLANS-STOCK AND BOND ISSUES</b>	<b>16</b>
<b>D-9</b>	<b>FINANCIAL INDICATORS-SUMMARY</b>	<b>17</b>

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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
<b>Regulatory Capital Structure, 2006</b>											
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.	<b>TOTAL</b>	<b>106,248,266</b>			<b>106,248,266</b>		<b>38,057,241</b>	<b>1.0000</b>		<b>8.18%</b>	<b>1,473,580</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2006</b>				
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. <b>TOTAL</b>	<b>99,296,036</b>	<b>1.0000</b>		<b>9.55%</b>

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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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
<b>Regulatory Capital Structure, 2007</b>											
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.	<b>TOTAL</b>	<b>112,956,971</b>			<b>112,956,971</b>		<b>41,241,279</b>	<b>1.0000</b>		<b>8.06%</b>	<b>1,567,647</b>

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate		
<b>Conventional Capital Structure, 2007</b>						
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.	<b>TOTAL</b>	<b>104,756,724</b>	<b>1.0000</b>		<b>9.52%</b>	
				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

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

COMPANY: Florida Public Utilities  
Consolidated Electric Division

DOCKET NO.: 070304-EI

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
<b>Regulatory Capital Structure, 2008</b>											
1.	Long Term Debt	49,777,370			49,777,370	29.60%	14,733,561	0.3425	7.96%	2.73%	#####
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.	<b>TOTAL</b>	<b>123,679,644</b>			<b>123,679,644</b>		<b>43,020,997</b>	<b>1.0000</b>		<b>8.07%</b>	<b>1,489,405</b>

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%	Rate Base	\$43,020,997
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%	Direct Components	\$9,109,471
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%		\$33,911,526
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%		
14.	TOTAL	114,570,173	1.0000		9.67%	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		<u>Specific Adjustments</u>			
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		<u>Pro Rata Adjustments</u>			
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

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.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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		2005 Year-End		2006 Year-End		2007 Year-End		2008 Year-End	
		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

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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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.

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
<b>For Historical Test Year 2006</b>					
2006	July, 2008	7.29%	\$145,595	1,998,015 *	0.20%
<b>For Prior Year 2007</b>					
2007	July, 2008	6.86%	\$381,070	5,556,250 *	0.30%
<b>For Test Year 2008</b>					
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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## 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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## 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 reacquired 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  
Historic Year 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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Description,	Issue	Call	Principal	13-month	(Discount)	(Discount)	Issuing	Issuing	Net	Dollar	Effective
No.	Coupon Rate	Date	Provisions or Special Restrictions	Amount Sold	Average Principal Amt. Outstanding	Premium on Principal Amount Sold	Premium Associated with (6)	Expense on Principal Amount Sold	Expense Associated with (6)	Proceeds (6)+(8)-(10)	Dividend on Face Value (2) X (6)	Cost Rate (12)/(11)
<b>For Historic Year 2006</b>												
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.												
<b>For Prior Year 2007</b>												
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.												
<b>For Test Year 2008</b>												
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

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(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				<u>\$2,136,661</u>				
16									
17	12 Month Total							<u>\$129,626</u>	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			<u>6.07%</u>				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(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				<u>\$2,637,518</u>				
16									
17	12 Month Total					<u>\$109,434</u>	<u>\$58,793</u>	<u>\$168,227</u>	
18									
19									
20	Effective Interest Rate								
21	12 Month Interest								
22	Expense (9) divided								
23	by Total Deposits (6)				<u>6.32%</u>				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

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 CamfieldCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

(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				<u>\$2,948,763</u>				
16									
17	12 Month Total					<u>\$121,577</u>	<u>\$65,316</u>	<u>\$186,893</u>	
18									
19									
20	Effective Interest Rate								
21	12 Month Interest								
22	Expense (9) divided								
23	by Total Deposits (6)			<u>6.32%</u>					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield, George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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.

## 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	<u>Capital Structure Objectives:</u>				<u>Percent of Total</u>				
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	<u>Interest Rate Assumptions</u> Short term interest rates are expected to remain at or very near current levels through 2008 and beyond.								
17	However, interest rate volatility is likely to rise, with respect to the variability observed over the most recent 18-month timeframe.								
18									
19	<u>Company's Policy on the Timing of Entrance into Capital Markets:</u>								
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

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield, George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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.

## 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	<u>Capital Structure Objectives:</u>				<u>Percent of Total</u>				
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	<u>Interest Rate Assumptions</u> Short term interest rates are expected to remain at or very near current levels through 2008 and beyond.								
17	However, interest rate volatility is likely to rise, with respect to the variability observed over the most recent 18-month timeframe.								
18									
19	<u>Company's Policy on the Timing of Entrance into Capital Markets:</u>								
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:

Address D:\Exhibit 2\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Documents	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Computer	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
1/2 Floppy (A:	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
P3014 (C:)	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
OXIO122 (D:	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Exhibit 2.8	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
COX	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
MARTIN	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
MESITE	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
leider on 'fp2	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
p on 'Ground	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ings on 'FP3	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
g on 'Ground	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
on 'Ground	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
rs on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ansfer on 'Gr	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
26dos on 'Gr	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
it on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
etwork Places	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
le Bin	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Khojasteh Mehrdad  
**Sent:** Monday, June 04, 2007 8:24 AM  
**To:** Cox Doreen  
**Subject:** FW: SFAS 142 Draft Report  
**Attachments:** FPU SFAS 142 Report.pdf; Rep Letter.doc

Doreen,

Here is the draft report. Please review and let me know if you are oaky with it.

Thanks,

Mehrdad

**From:** Hawn, Dan [mailto:Dan.Hawn@rsmi.com]  
**Sent:** Wednesday, May 30, 2007 4:15 PM  
**To:** Khojasteh Mehrdad  
**Subject:** SFAS 142 Draft Report

Mehrdad,

Attached is a draft report for the valuation of the Natural Gas and Propane Reporting Units as of January 1, 2007. Please review the report and provide me with any comments. Upon your review, as well as our own internal review, we will issue the report in its final form. I have also attached a management representation letter template which we will need the appropriate personnel to sign on FPU letterhead to release the final copies of the report.

Should you have any questions, please do not hesitate to contact me.

Regards,  
Dan

Daniel P. Hawn, CPA\*/ABV, ASA  
Director, Business Valuations  
RSM McGladrey, Inc.  
100 N.E. Third Avenue  
Suite 300  
Fort Lauderdale, FL 33301

Main: 954.462.6351  
Direct: 954.356.5736  
Mobile: 954.881.6981  
Fax: 954.462.4607

Dan.Hawn@rsmi.com  
www.rsmmcgladrey.com

\*Regulated by The State of Florida



RSM McGladrey, Inc. is not a licensed CPA firm.

**DISCLAIMER:**

This e-mail is only intended for the person(s) to whom it is addressed and may contain confidential information. Unless stated to the contrary, any opinions or comments are personal to the writer and do not represent the official view of the company. If you have received this e-mail in error, please notify us immediately by reply e-mail and then delete this message from your system. Please do not copy it or use it for any purposes, or disclose its contents to any other person. Thank you for your cooperation.

Circular 230 Disclosure: Any advice contained in this email (including any attachments unless expressly stated otherwise) is not intended or written to be used, and cannot be used, for purposes of avoiding tax penalties that may be imposed on any taxpayer.

# **Florida Public Utilities Company**

Valuation Report

Natural Gas Reporting Unit

Propane Reporting Unit

As of January 1, 2007

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

# RSM McGladrey

RSM McGladrey, Inc.  
100 Northeast 3<sup>rd</sup> Ave., Ste. 300  
Ft. Lauderdale, FL 33301-1155  
O 954.462.6351 F 954.462.4607  
Miami O 305.372.5158  
Boca Raton O 561.368.1402  
www.rsmmcgladrey.com

May 24, 2007

Mr. George M. Bachman  
Chief Financial Officer & Treasurer  
Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, FL 33401-5886

RE: SFAS 142 Valuation Analysis

Dear Mr. Bachman:

Pursuant to your request and in accordance with our engagement arrangement, we have completed a valuation of the Natural Gas Reporting Unit and the Propane Reporting Unit (the Reporting Units) of Florida Public Utilities Company (FPU or the Company). The purpose of this engagement is to assist you in determining the fair value of the Reporting Units as of January 1, 2007. The function of the valuation report is to assist FPU with its application of Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standard 142, *Goodwill and Other Intangible Assets* ("SFAS142"). The valuation should not be distributed, circulated, quoted from, or cited in any manner that is not consistent with the stated purpose and function.

Although all of the relevant analyses and appraisal procedures required by Standard 9 of the *Uniform Standards of Professional Appraisal Practice (USPAP)* have been performed, we are communicating our opinion using this Summary Report format. This Summary Report has been prepared in accordance with requirements for a restricted use appraisal report provided in Standard 10-2(b) of *USPAP*. As a result, the information contained in our report will be for sole use of the Company in connection with the purpose outlined above and should not be distributed to outside parties, other than your external audit team at BDO Seidman, LLP, without our express written consent. Use of this Summary Report should be restricted to and consistent with its stated purpose only. The opinions and conclusions set forth in the Summary Report cannot be understood properly without additional information in our workfiles.

Based on the data, presented in the accompanying report, it is our opinion that the fair value of the Reporting Units, as of January 1, 2007, are as follows:

Assets	Fair Value	Carrying Value	Goodwill Impairment
Natural Gas Reporting Unit	\$ 78,500,000	\$ 55,066,800	No
Propane Reporting Unit	\$ 18,200,000	\$ 12,365,573	No

Mr. George M. Bachman  
May 24, 2007  
Page 2

The informed judgment of the valuator, operating in the context of reasonableness and common sense, must be inherent in the valuation process, guiding the consideration of relevant facts in the determination of value. Should the report be challenged, we can render whatever assistance to defend these amounts for an additional fee computed at our standard hourly billing rates in effect at that time.

We are pleased to provide you with the accompanying report and appreciate the opportunity to be of service to you. If you have any questions regarding this report, please contact Daniel P. Hawn at (954) 356-5736.

Respectfully submitted,

RSM McGladrey, Inc.

Daniel P. Hawn  
Director, Business Valuation

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

## Table of Contents

Statement of Assumptions and Limiting Conditions .....	1
Definition and Scope of the Appraisal .....	3
Overview .....	4
Business Valuation Methodology .....	8
Determination of Value – Income Approach .....	9
Determination of Value – Market Approach .....	12
Summary and Conclusion .....	16

### **Appendices**

- A Summary of Information and Data Sources
- B Appraisers' Certification and Signatures
- C Biography of Appraisers
- D Financial Schedules-Natural Gas Reporting Unit
- E Financial Schedules-Propane Reporting Unit

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

## Statement of Assumptions and Limiting Conditions

This report has been made with the following general assumptions and limiting conditions:

1. This engagement is limited to the opinion of the fair value of the Natural Gas Reporting Unit and the Propane Reporting Unit of Florida Public Utilities Company, as of January 1, 2007, for purposes of complying with SFAS No. 142, *Goodwill and Other Intangible Assets* and should not be used for any other purpose. Neither this report nor any portion thereof (including, without limitation, any conclusions as to value, the identity of RSM McGladrey, Inc., or individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of RSM McGladrey, Inc. with the exception of your external auditor, BDO Seidman LLP.
2. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances. Title to all property is assumed to be good and marketable unless otherwise stated. All property is further assumed to be free and clear of any or all liens, easements or encumbrances unless otherwise stated. In arriving at our opinion, we have assumed that the Company is in compliance with all relevant federal and state laws.
3. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable; however, no warranty is given as to the accuracy of such information. The Company and its management warranted to us that the information supplied to us was complete and correct to the best of their knowledge. It has been assumed that all facts and circumstances that would significantly affect the appraisal results have been disclosed to us. Any significant errors in or omissions from the information supplied to us will have a corresponding effect on our analyses and conclusions.
4. We have not made an independent investigation of the fair value of the Company's tangible assets and thus do not offer an opinion regarding their value.
5. We have compiled summary financial data and ratios that are contained in the report and various appendices. The data in these appendices represent financial data extracted from the Company's historical financial statements as well as other sources. The financial information does not constitute a complete presentation of the Company's financial statements in accordance with generally accepted accounting principles. The information is included solely to assist in the development of the value conclusion presented in this report and should not be used to obtain credit, or for any other purpose.
6. Regarding any projections of earnings or cash flows that may be used in the analysis herein, they have been based upon the assumptions provided or approved by Company management. Some assumptions inevitably will not materialize and unanticipated events may occur; therefore, the actual results achieved during the projection period will vary from the projection and the variations may be substantial.
7. We express no opinion on any matters that require legal expertise including, but not limited to, the tax aspects related to the Company.
8. Neither RSM McGladrey, Inc., nor any individuals signing or associated with this report shall be required by reason of this report to give testimony or appear in court or other legal proceedings unless specific arrangements have been made.

9. This report is valid only for the effective date of January 1, 2007. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date hereof.

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

## Definition and Scope of the Appraisal

### Fair Value

For purposes of this valuation, the basis of value is fair value, defined as follows:

*The amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. [SFAS No. 141]*

### Scope of the Appraisal

The scope of the work included the following:

- Discussions with management of FPU (Management) concerning the Company's services, markets, past performance and the future growth potential.
- Review of the economic environment and industry segment in which the Reporting Units operate.
- Review and analysis of the Company's financial information in audited statements prepared by Deloitte & Touché LLP, for the fiscal years ended December 31, 2001 to 2003; BDO Seidman LLP, for the fiscal years ended December 31, 2004 to 2006; and internal financial statements for the Reporting Units for the years ended December 31, 2001 to 2006; as well as other financial documentation relating to its operations, which were pertinent to this valuation.
- Review and analysis of the Reporting Units' projected future operating performance.
- Review and analysis of other information deemed relevant to this valuation report and its underlying purpose.

Our discussions with Management included written correspondence and phone conversations with Mehrdad Khojasteh, Corporate Accounting Supervisor, April Lundgren, Senior SEC Accountant, and Doreen Cox, Financial Analyst, primarily between April and May 2007. The reader is advised that this valuation is heavily dependent upon information supplied by the above persons. As a basis for our valuation, we have also relied on various financial and information sources, which are listed in Appendix A of this report.



## Overview

### Business Description

Florida Public Utilities Company engages in the purchase, transmission, distribution, and sale of electricity and natural gas to residential, commercial, and industrial customers in Florida. It also sells propane gas, as well as merchandise and other service related products. As of December 31, 2006, the company owned 1,558 miles of natural gas pipe located in central and south Florida; 22 miles of electric transmission lines located in northeast Florida; and 1,082 miles of electric distribution lines located in northeast and northwest Florida. It served 82,000 natural gas and electricity customers and 13,000 propane gas customers. Florida Public Utilities was founded in 1924 and is headquartered in West Palm Beach, Florida.

In October 2001, FPU acquired Z-Gas Company, Inc., a propane gas service distribution company in a stock for stock transaction valued at approximately \$600,000. The transaction involved the issuance of 31,960 shares of the Company's stock and \$20,000 of cash. The merger added approximately 1,000 customers to the propane operation in the Northeast Florida division.

In December 2001, the Company acquired certain net assets of Atlantic Utilities, the Florida operation of Southern Union Company, in a cash transaction valued at approximately \$9.8 million. Atlantic Utilities served approximately 4,400 natural gas customers in New Smyrna Beach and approximately 1,900 propane customers in central and south Florida.

In November 2002, the Company acquired Nature Coast Gas, Inc. for approximately \$740,000. Nature Coast serves approximately 1,200 propane customers in Inglis, Florida with annual sales of nearly 460,000 gallons. In 2003, subsequent acquisition adjustments increase the goodwill created with this transaction from \$223,000 to \$240,000.

### National Economy – Summary and Outlook

Despite the higher than expected growth during the fourth quarter, U.S. consensus projections<sup>1</sup> released for December showed that analysts did not significantly change their expectations for real GDP growth in 2007 from prior forecasts, with real GDP growth of 2.4 percent in 2007 (up slightly from a forecast of 2.3 percent in November) and 3.0 percent growth in 2008. Over the longer term, analysts projected real GDP growth of 3.0 percent annually through 2017.

After wild swings through much of the year, inflation expectations continued to decrease from prior months, with forecasts of 1.8 percent for 2007 (down from more than 2.5 percent expectations early in the fourth quarter) and 2.3 percent for 2008. The long-term outlook was for 2.3 percent annual inflation through 2017.

Nominal growth rates can be calculated by combining real GDP growth and inflationary growth forecasts. As such, short-term nominal growth rates were forecast to be 4.2 percent in 2007 and 5.3 percent in 2008, while nominal long-term growth was predicted to be 5.3 percent. As such, a company planning to grow at least as fast as the national economy as a whole over the next decade would most likely have to increase revenue in the 4.0 to 6.0 percent range to keep pace with not only overall economic growth, but also inflationary growth. On the other hand, a company operating at capacity, or in a mature and stable market, would most likely grow at the lower inflationary rates in the future.

<sup>1</sup> Consensus forecasts – USA, Consensus Economics, January 2007 release

	Short-Term			Long-Term
Real GDP	3.5	2.4	3.0	3.0
Inflation	2.6	1.8	2.3	2.3
<b>Nominal Growth Rates</b>	<b>6.1</b>	<b>4.2</b>	<b>5.3</b>	<b>5.3</b>

The national economic outlook is consistent with the outlook for the Company and the industry sector in which it operates. A discussion of the industry follows.

## Brief Industry Overview

### Natural Gas Industry

The natural gas operations of Florida Public Utilities Company are regulated by the Florida Public Service Commission (FPSC), which has jurisdiction over retail rates, quality of service and reliability, issuances of securities, planning, siting and construction of facilities, accounting and depreciation practices, and other matters.

In general, the FPSC's pricing objective is to set rates at a level that allows the utility to collect total revenues (revenue requirements) equal to its cost of providing service, plus a reasonable return on invested capital.

The costs of owning, operating and maintaining the utility system, other than fuel, purchased power, conservation and certain environmental costs, are recovered through base rates. These costs include operation and maintenance expenses, depreciation and taxes, as well as a return on FPU's investment in assets used. The rate of return on rate base, which is intended to approximate FPU's, primarily includes its costs for debt, deferred income taxes at a zero cost rate and an allowed return on common equity. Base rates are determined in FPSC rate setting hearings that occur at irregular intervals at the initiative of FPU.

Fuel, purchased power, conservation and certain environmental costs are recovered through levelized monthly charges established pursuant to the FPSC's cost recovery clauses. These charges, which are reset annually in an FPSC proceeding, are based on estimated costs of fuel, environmental compliance, conservation programs and purchased power and estimated customer usage for a specific recovery period, with a true-up adjustment to reflect the variance of actual costs from the projected charges. The FPSC may disallow recovery of any costs that it considers imprudently incurred.

Composed almost entirely of methane, natural gas is a combustible gaseous fuel used in residential and commercial applications. It is produced, transported, and consumed in measures associated with cubic feet. One cubic foot is equal to the volume of gas that could be contained in a cubic area measuring one foot in all three dimensions under a pressure of 14.73 pounds per square inch at 60 degrees Fahrenheit. Although the energy content of natural gas can vary depending on its precise chemical composition, 1,000 cubic feet of natural gas has the energy equivalent of approximately one million British thermal units (Btu). A Btu is a standard unit used to measure the amount of heat produced by an energy source.

By the turn of the twenty-first century, natural gas usage was becoming increasingly important in generating electricity. Much safer than nuclear energy and significantly cleaner for the environment than coal, natural gas took over as the energy source of choice in power generation plants and many industrial complexes. The effects of the Clean Air Act were expected to expand its role even farther. In addition, natural gas played a significant role in industrial cogeneration (retaining and distributing the heat energy produced by generating electricity).

During the early years of the 2000s, the natural gas industry was suffering from the effects of a sluggish economy, inconsistent deregulation, and upheaval in the energy industry as a whole, caused in part by the California energy crisis during 2000 and the demise of energy giant Enron after that company's fraudulent bookkeeping practices came to light. The situation led to large-scale sell-offs, downsizing, and a sharp decline in many companies' equity. Although natural gas makes up just one-third of the entire energy industry, because most energy companies have diversified interests that span the market, the beginning of the twenty-first century saw the industry weather a difficult storm of consumer and investor distrust. As a result, even though natural gas usage was expected to increase, production capabilities were declining.

### **Propane Industry**

Propane is used primarily for space and water heating, clothes drying and cooking. Residential customers are typically homeowners, while commercial customers include motels, restaurants, retail stores and laundromats. Industrial users, such as manufacturers, use propane as a heating and energy source in manufacturing and drying processes. In addition, propane is used to supply heat for drying crops and as a fuel source for certain vehicles.

Propane is extracted from natural gas at processing plants or separated from crude oil during the refining process. Propane is normally transported and stored in a liquid state under moderate pressure or refrigeration for ease of handling in shipping and distribution. When the pressure is released or the temperature is increased, propane is usable as a flammable gas. Propane is colorless and odorless; an odorant is added to allow its detection. Propane is clean-burning, producing negligible amounts of pollutants when consumed.

The retail propane industry is mature, with total demand expected to remain relatively flat or to decline slightly. The industry is relatively stable and predictable due to the largely non-discretionary nature of propane use. Accordingly, the demand for propane has historically been relatively unaffected by general economic conditions but has been a function of weather conditions. It is common practice in the propane distribution industry to price products to customers based on a per gallon margin over wholesale costs. As a result, distributors generally seek to maintain their margins by passing costs through to customers, thus insulating themselves from the volatility in propane prices. However, during periods of sharp price fluctuations in supply costs, distributors may be unable or unwilling to pass entire cost increases or decreases through to customers. In these cases, significant increases or decreases in per gallon margins may result. In addition, the timing of cost pass-throughs can significantly affect margins. The propane distribution industry is highly fragmented, characterized by a large number of relatively small, independently owned and operated local distributors. Each year a significant number of these local distributors have sought to sell their business for reasons that include retirement and estate planning. In addition, the propane distribution industry is becoming more complex due to increasing environmental regulations and escalating capital requirements needed to acquire advanced, customer oriented technologies. Primarily as a result of these factors, the industry is undergoing consolidation.

Propane competes with other sources of energy, some of which are less costly for equivalent energy value. The Propane Reporting Unit competes for customers against suppliers of electricity, natural gas and fuel oil. Competition from alternative energy sources has been increasing as a result of reduced regulation of many utilities including natural gas and electricity. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas where natural gas pipelines already exist because natural gas is a significantly less expensive source of energy than propane. The gradual expansion of the nation's natural gas distribution systems has resulted in the availability of natural gas in many areas that previously depended upon propane. Although the extension of natural gas pipelines tends to displace propane distribution in areas affected, new opportunities for propane sales arise as more geographically remote neighborhoods are developed. Although propane is similar to fuel oil in certain applications and market demand, propane and fuel oil compete to a lesser extent primarily because of the cost of converting from one to another. In addition to competing with alternative

energy sources, the Propane Reporting Unit competes with other companies engaged in the retail propane distribution business. Competition in the propane industry is highly fragmented and generally occurs on a local basis with other large full-service multi-state propane marketers, thousands of smaller local independent marketers and farm cooperatives. According to the National Propane Gas Association, the domestic retail market for propane is approximately 11 billion gallons annually. It is estimated that approximately 50 million Americans use propane on a daily basis. The 10 largest retailers account for approximately 45% of the total retail sales of propane in the United States, and that no single marketer has a greater than 10% share of the total retail market in the United States.

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

## Business Valuation Methodology

Business valuation methodology is generally categorized into three broad approaches: the market-based approach, the asset-based approach and the income-based approach. Within each of these approaches, there are different methods that can be used to analyze the fair value of intangible assets and intellectual property.

Methods within the market-based approach are used to estimate value through analysis of recent sales of comparable assets. With respect to the valuation of intangible assets, these types of assets often have little guideline transaction data available. This is due to the fact that these assets are created over time and are designed to meet the needs of a specific organization, and are not generally bought or sold separate from the business enterprise.

Methods within the asset-based approach establish value based on the cost of reproducing or replacing the asset, less depreciation from physical deterioration and functional, technical and economic obsolescence, if present and measurable. The asset-based approach stresses the utility characteristics of the asset. This approach is most useful as a value indicator when the components of the asset are relatively new; however, it fails to capture the economic benefits arising from the use of the asset over time.

"Income," as used in the income-based approach, is a general term that connotes any future benefits that can be quantified in monetary terms. In using this approach, the first step is to make a projection of the total monetary benefits expected to accrue to an investor as a result of the utilization of the asset. This stream of monetary benefits is then discounted over the entire projection period to arrive at the present worth, or value of the asset. This approach focuses on the income-producing capability of the acquired asset(s) and when appropriate, best represents the present value of the future economic benefits expected to be derived from them.

In determining the fair value of the Reporting Units, we have utilized an income-based approach and a market-based approach. The following pages discuss our analyses and conclusions.

## Determination of Value – Income Approach

### Discounted Cash Flow Method

The Discounted Cash Flow ("DCF") method calculates the present value of future cash flows to each Reporting Unit. Under SFAS 142, this methodology is the preferred choice in the absence of having a quoted stock market price for each Reporting Unit. In order to determine the present value of these future cash flows for each Reporting Unit, it was necessary to rely upon management's forecast of future revenues, expenses, and cash flows. We have discussed with management the factors affecting each Reporting Unit's financial performance and relied upon management's forecast in our analysis.

Management's forecast is generally within the range of the market participants for the Natural Gas Reporting Unit. For the Propane Reporting Unit, growth is forecast to outpace the market participants. This is due primarily to the growth potential for propane services in the market areas that the Propane Reporting Unit services. There is a trend for residents in the Propane Reporting Unit's service areas to install gas appliances or stand-by generators, which offer back-up power in case of hurricanes. These market trends will result in growth greater than the industry growth rate for the near future.

The DCF was prepared on an invested capital basis. Invested capital refers to the aggregate of all classes of debt and equity invested in the business. In preparing a DCF analysis on an invested capital basis, forecasted debt-free cash flow is discounted to present value at the Reporting Unit's respective weighted average cost of capital. Interest expense is excluded from the forecast as debt-free cash flow represents an economic benefit that is available to all capital holders of an enterprise. The result of this analysis is to develop a measure of invested capital value. Subtracting the fair value of outstanding debt from the indicated invested capital value results in each Reporting Unit's fair value of equity as of the valuation date.

The net cash flow available to the Company's Reporting Units' invested capital is calculated as follows:

$$\text{CF} = \text{EBIT} - \text{Taxes} + \text{DEPR/AMRT} - \text{CAPEX} - (+) \\ \text{Increases (Decreases) in NWC}$$

Where:

CF	=	Forecasted net cash flow to invested capital
EBIT	=	Earnings before interest and taxes (operating income)
Taxes	=	Based on each Reporting Unit's respective effective tax rate
DEPR/AMRT	=	Depreciation and amortization included in the calculation of EBIT
CAPEX	=	Capital expenditures required to support future revenue growth
NWC	=	Net working capital

#### Terminal Year Value

Since specific forecasts of future benefits beyond a reasonable number of years are not meaningful, business valuers calculate a terminal value. The projected cash flows past the specific discrete period are included in the terminal value.

The terminal value of each respective Reporting Unit was calculated by normalizing residual year-end net cash flow to invested capital. Capital expenditures were determined to equal depreciation and amortization in the residual

year.

The terminal, also termed residual, value at the end of the forecast period is computed based upon the capitalization of normalized cash flow into perpetuity and is calculated as follows:

$$TV = \frac{TYCF}{WACC - g}$$

Where:

TV	=	Terminal value
TYCF	=	Terminal year cash flow
WACC	=	Weighted average cost of capital
g	=	Anticipated long-term growth rate

#### Weighted Average Cost of Capital

The appropriate discount rate to be used in discounting net cash flows to invested capital is the weighted average cost of capital (WACC). The WACC is based on the cost of both debt and equity capital depending on the weighting of each component in the firm's capital structure. The general formula for estimating the WACC is:

$$WACC = (r_e \times W_e) + (r_d [1 - t] \times W_d)$$

where:

WACC	=	Weighted average cost of capital
$r_e$	=	Cost of equity capital
$r_d$	=	Cost of debt capital
$W_e$	=	Percentage of equity capital, at market value
$W_d$	=	Percentage of debt capital, at market value
$t$	=	the firm's effective income tax rate

#### Determination of the Cost of Equity Capital

We determined that the discounted future returns approach was best suited to value the Reporting Units. Our next step was to determine the appropriate rate for each Reporting Unit. We utilized the capital asset pricing model to estimate the rate of return currently available in the market for investments with comparable risk. Our estimate of the discount and capitalization rate is derived from published market data and other relevant factors and is comprised of the following:

- *Risk-Free Rate* - The risk-free rate of return is the return an investor could obtain from a low-risk guaranteed investment. This return is assumed to be equivalent to the yield to maturity of long-term Treasury bonds even though this investment is not entirely risk-free.
- *Beta* - The beta is a measure of relative risk. It measures an individual company's risk relative to the market as a whole.
- *Equity Risk Premium* - The equity risk premium is the extra return earned by an average equity investor in excess of the return from long-term Treasury bonds.
- *Risk Premium for Size* - Generally, the total returns on small company stocks exceeded the total returns from large company stocks.
- *Other Risk Factors* - Based on the Company's successful integration of its recent acquisitions and its

continued profitability, no additional risk factors are warranted for the Natural Gas Reporting Unit. An incremental risk factor of 1% was applied to the Propane Reporting Unit to reflect the risk of realizing its anticipated future growth.

- *Average Long-Term Growth Rate* - The average long-term growth rate, which includes inflation, has been estimated to be 3% for the Natural Gas Reporting Unit and 4% for the Propane Reporting Unit.

#### Determination of the Cost of Debt Capital

We have determined the cost of debt capital and the effective tax rate to be 6.35% and 37.6%, respectively, which correlates to an after-tax cost of debt of 3.96%. The cost of debt was based on the Baa bond rate, which is considered to be a medium-grade obligation (i.e., neither highly protected nor poorly secured).

#### Determination of the Capital Structure

A controlling interest is being valued which has the ability to determine the capital structure of a company. Based on our analysis of both the natural gas and propane industries (specifically, the guideline public companies), we have determined that the equity and debt should be weighted 55% and 45% for the Natural Gas Reporting Unit and 70% and 30% for the Propane Reporting Unit.

The calculation of the WACC discount rate is presented on Schedule 3 in Appendix D for the Natural Gas Reporting Unit and Appendix E for the Propane Reporting Unit.

#### Mid-Year Discounting Convention

If it is assumed that each year's cash flow is to be available to the owner at the end of each year, the number of periods by which to discount each cash flow would be one for the first year's cash flow, two for the second year, and so forth. However, if it is assumed that a company's cash flows will be available to the owner throughout the year the discount rate needs to be adjusted using the mid-year discounting convention. The first year's cash flows are discounted by  $\frac{1}{2}$  a year, the second year's cash flow by  $1\frac{1}{2}$  years, and so forth. The terminal year value is discounted by the same factor as the last discrete forecast year. It was assumed that the Reporting Unit's cash flow would be available throughout the year; accordingly, the mid-year discounting convention was applied.

#### **Calculation of Value**

The complete analysis for each Reporting Unit is set forth on the accompanying indicated schedule section grouping. Accordingly, the fair value of each Reporting Unit is set forth below under the DCF methodology as of the valuation date.

Reporting Unit	Section	Schedule	Fair Value of as of January 1, 2007 <sup>1</sup>
Natural Gas Reporting Unit	Appendix D	Schedule 4	\$ 71,600,000
Propane Reporting Unit	Appendix E	Schedule 4	\$ 17,100,000

<sup>1</sup>The Company does not allocate interest-bearing debt to the Reporting Units. Accordingly, the fair value and carrying value represent the value of total invested capital (equity plus debt).



## Determination of Value – Market Approach

The market approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject company to similar businesses, business ownership interests and securities (investments) that have been sold.

Guideline companies are companies that provide a reasonable basis for comparison to the relative investment characteristics of the entity being valued. Ideally, guideline companies operate in the same industry as the subject business, but if there is insufficient information available for companies in the same industry, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

For purposes of our application of the market approach – guideline public company method, FPU's Reporting Units were attributed to two different industry/operating segments: Natural Gas and Propane. Accordingly, our selected guideline public companies for each respective operating segment are listed below.

### Natural Gas Companies

**AGL Resources, Inc.** (AGL), an energy services holding company, principally distributes natural gas in Florida, Georgia, Maryland, New Jersey, Tennessee, and Virginia. It operates in four segments: Distribution Operations, Retail Energy Operations, Wholesale Services, and Energy Investments. The Distribution Operations segment operates utilities with approximately 43,000 miles of distribution and transmission mains in the six states. The Retail Energy Operations segment markets natural gas and related services to retail customers in Georgia. The Wholesale Services segment's activities include asset management, transportation, storage, production and peaking services, and wholesale marketing. The Energy Investments segment comprises investments in Jefferson Island Storage & Hub, LLC, which operates a storage and hub facility in Louisiana; AGL Networks, LLC, which provides telecommunications conduit and dark fiber; and Pivotal Propane of Virginia, Inc., which offers propane air. As of December 31, 2006, AGL had approximately 7.35 billion cubic feet of liquefied natural gas (LNG) storage capacity in 5 LNG plants located in Georgia, New Jersey, and Tennessee, as well as owned 3 propane storage facilities in Virginia and Georgia, which had a combined capacity of approximately 4.5 million gallons. It serves approximately 2.2 million customers in six states. AGL Resources was founded in 1856 and is based in Atlanta, Georgia.

**Atmos Energy Corporation** (AEC) and its subsidiaries engage in the natural gas utility business, as well as in other natural gas nonutility businesses in the United States. As of September 30, 2006, it distributed natural gas to approximately 3.2 million residential, commercial, public authority, and industrial customers in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee, Texas, Georgia, Illinois, Iowa, Missouri, and Virginia. AEC also transports natural gas for others through its distribution system. It provides various natural gas management services, which include furnishing natural gas supplies, contract negotiation and administration, load forecasting, gas storage acquisition and management services, transportation services, peaking sales and balancing services, capacity utilization strategies, and gas price management services to municipalities, natural gas utility systems, and industrial natural gas consumers. In addition, AEC offers regulated and nonregulated natural gas transmission and storage services, as well as manages company-owned natural gas storage and pipeline assets. As of the above date, it owned approximately 75,869 miles of underground distribution and transmission mains; and approximately 6,127 miles of gas transmission and gathering lines. AEC was founded in 1906. It was formerly known as Energas Company and changed its name to Atmos Energy Corporation in 1988. AEC is headquartered in Dallas, Texas.

**Chesapeake Utilities Corporation** (CUC), through its subsidiaries, engages in the distribution, transmission, and marketing of natural gas. It distributes natural gas to residential, commercial, and industrial customers in central and southern Delaware, the Salisbury and Cambridge, Maryland's Eastern Shore, and parts of Florida. CUC also offers

natural gas supply and supply management services. In addition, it engages in the distribution and wholesale marketing of propane to large independent and petrochemical companies, resellers, and southeastern retail propane companies in central and southern Delaware, the Eastern Shore of Maryland and Virginia, southeastern Pennsylvania, and parts of Florida. As of December 31, 2006, CUC distributed natural gas to approximately 59,100 customers; and propane to approximately 33,300 customers, as well as delivered approximately 24.2 million retail and wholesale gallons of propane. It also owned approximately 965 miles of natural gas distribution mains located in its Delaware and Maryland service areas, and 726 miles of natural gas distribution mains in its central Florida service areas; and approximately 366 miles of transmission pipelines. Further, CUC provides advanced information services, such as information technology-related business services and solutions for both enterprise and e-business applications in the United States and internationally. CUC was founded in 1859 and is based in Dover, Delaware.

**Piedmont Natural Gas Company, Inc. (PNG)**, an energy services company, distributes natural gas to residential, commercial, and industrial customers in portions of North Carolina, South Carolina, and Tennessee. It also operates various businesses, including unregulated retail natural gas marketing, interstate natural gas storage, and intrastate natural gas transportation. As of October 31, 2006, PNG served 1,016,000 customers, including 62,000 customers served by municipalities. PNG was founded in 1949 and is headquartered in Charlotte, North Carolina.

**Southern Union Company (SUC)**, together with its subsidiaries, engages in the gathering, processing, transportation, storage, and distribution of natural gas in the United States. SUC operates in three segments: Transportation and Storage, Gathering and Processing, and Distribution. The Transportation and Storage segment primarily engages in the interstate transportation and storage of natural gas from gas producing areas in Texas, Oklahoma, Colorado, the Gulf of Mexico, and the Gulf Coast to markets throughout the Midwest and from the Gulf Coast to Florida; and liquid natural gas terminalling and regasification services. The Gathering and Processing segment engages in the gathering, transmission, treating, processing, and redelivery of natural gas and natural gas liquids in Texas and New Mexico. The Distribution segment engages in the local distribution of natural gas in Missouri and Massachusetts. As of December 31, 2006, SUC distributed natural gas to approximately 560,000 residential, commercial, and industrial customers through local distribution systems consisting of 8,983 miles of mains, 6,028 miles of service lines, and 45 miles of transmission lines. SUC was incorporated in 1932 and is based in Houston, Texas.

**TECO Energy, Inc. (TECO)**, through its subsidiaries, engages in diversified energy-related operations in the United States. TECO's activities primarily include generation, purchase, transmission, distribution, and sale of electric energy. TECO provides retail electric services to approximately 661,000 customers in the west central Florida. It also purchases, distributes, and sells natural gas to approximately 332,000 customers, including residential, commercial, industrial, and electric power generation customers in Florida. In addition, TECO owns interests in coal processing and loading facilities, synthetic fuel production facilities, and mineral rights, as well as owns or operates surface and underground mines in eastern Kentucky, Tennessee, and Virginia; and provides waterborne transportation, storage, and transfer services of coal and other dry-bulk commodities. TECO was founded in 1899 and is headquartered in Tampa, Florida.

#### Propane Companies

**AmeriGas Partners, L.P. (AP)**, through its subsidiary, AmeriGas Propane, L.P., operates as a retail propane distributor in the United States. As of September 30, 2006, the partnership served approximately 1.3 million residential, commercial, industrial, agricultural, and motor fuel customers from approximately 600 district locations in 46 states. In addition to distributing propane, the partnership sells, installs, and services propane appliances, including heating systems. In certain markets, it also installs and services propane fuel systems for motor vehicles. AP operates as the general partner to the partnership. The partnership was formed in 1994 and is based in King of Prussia, Pennsylvania.

**Ferrellgas Partners, L.P. (FP)**, through its subsidiaries, distributes propane and related equipment and supplies primarily in the United States. Its propane is used in residential and commercial buildings space heating, water heating, and cooking; agricultural applications, such as crop drying, space heating, irrigation, and weed control; and in various industrial applications as an engine fuel, and as a heating or energy source in manufacturing and drying processes. FP's other activities include common carrier services; the wholesale marketing of propane appliances and propane; and the sale of refined fuels and carbon dioxide. FP serves residential, industrial/commercial, portable tank exchange, agricultural, and other customers in the United States, the District of Columbia, Puerto Rico, and Canada. FP provides propane through a network of independent and partnership-owned distribution outlets. As of July 31, 2006, it had 846 propane distribution locations. FP was founded in 1939 and is headquartered in Overland Park, Kansas.

**Energy Transfer Partners, L.P. (ETP)**, through its subsidiaries, operates natural gas midstream, and transportation and storage businesses. ETP owns and operates natural gas pipeline systems, and processing and treating plants through which it gathers, compresses, treats, blends, processes, and markets natural gas. It also transports natural gas from various natural gas producing areas through connections with other pipeline systems. In addition, ETP operates natural gas storage facilities; and engages in the wholesale and retail of propane. ETP was founded in 1996 and is based in Dallas, Texas. ETP operates as a subsidiary of Energy Transfer Equity, L.P.

**Star Gas Partners, L.P. (SGP)** operates as a home heating oil distributor and services provider in the United States. It sells home heating oil; installs, maintains, and repairs heating and air conditioning equipment; and markets other petroleum products, including diesel fuel and gasoline. SGP offers its products and services primarily to residential and commercial customers. As of September 30, 2006, SGP served approximately 430,000 home heating oil customers from locations in the northeast and Mid-Atlantic regions. Kestrel Heat, LLC operates as the general partner of the company. SGP was founded in 1995 and is headquartered in Stamford, Connecticut.

**Suburban Propane Partners, L.P. (SPP)**, through its partnerships and subsidiaries, engages in the distribution and marketing of propane, fuel oil, and refined fuels, as well as the marketing of natural gas and electricity in deregulated markets. As of September 30, 2006, SPP served approximately 1,000,000 residential, commercial, industrial, and agricultural customers through approximately 300 locations in 30 states located primarily in the east and west coast regions of the United States. SPP also markets and distributes fuel oil, kerosene, diesel fuel, and gasoline to approximately 136,000 residential and commercial customers in the northeast region of the United States; and natural gas and electricity to approximately 78,000 customers in the deregulated markets of New York and Pennsylvania. In addition, SPP sells, installs, and services various types of whole-house heating and cooling products, air cleaners, humidifiers, de-humidifiers, hearth products, and space heaters to its propane, fuel oil, natural gas, and electricity customers. It also offer services, such as duct cleaning, air balancing, and energy audits to those customers. Suburban Energy Services Group LLC serves as the general partner to SPP. SPP was founded in 1945 and is based in Whippany, New Jersey.

#### Valuation Adjustments

In order to make comparisons between each respective Reporting Unit and the chosen guideline public companies, the calculated multiples of the guideline entities required adjustments for various differences. Adjustments were necessitated to account for the guideline comparable companies' ranging levels of earnings growth and differences in expected earnings before interest, taxes, depreciation, and amortization ("EBITDA") profitability. Differences in risk are adequately captured in the growth and profitability adjustments.

### *Margin Adjustment*

An adjustment was applied to the guideline comparable companies to account for their varying levels of profitability. The chosen measure for determining profitability in this analysis was earnings before interest, taxes, depreciation, and amortization ("EBITDA") margin. Accordingly, adjustments were applied to the Reporting Unit's respective guideline comparable companies' total invested capital to fiscal year ended 2006 revenue multiple.

### *Growth Adjustment*

Similarly, an adjustment was made to the calculated multiples to account for the differences in expected growth rates in earnings between the guideline public companies and each Reporting Unit. The projected five-year earnings per share growth rates were obtained from Multex for the guideline public companies. The Reporting Unit's growth rates were obtained from management's discounted cash flow forecasts. Accordingly, adjustments were applied to the Reporting Unit's respective guideline public companies' total invested capital to fiscal year ended 2006 revenue and EBITDA multiples.

### *Summary*

After making the above adjustments, we applied the lower quartile multiples to each Reporting Unit's revenue and EBITDA. The lower quartile multiples were selected primarily due to the relative size of the Reporting Units compared to the guideline public companies.

### **Calculation of Value**

The complete analyses for each Reporting Unit is set forth on the accompanying indicated schedule section. Accordingly, the fair value of each Reporting Unit is set forth below under the Guideline Public Company Methodology as of the valuation date.

Reporting Unit	Section	Schedule	Fair Value of as of January 1, 2007 <sup>1</sup>
Natural Gas Reporting Unit	Appendix D	Schedule 5	\$ 85,400,000
Propane Reporting Unit	Appendix E	Schedule 5	\$ 19,300,000

<sup>1</sup>The Company does not allocate interest-bearing debt to the Reporting Units. Accordingly, the fair value represents the value of total invested capital (equity plus debt).

## Summary and Conclusion

The following table displays the selected fair values for each Reporting Unit using the income approach – discounted cash flow method and the market approach – guideline public company method.

*Summary of Selected Fair Values as of January 1, 2007*

Reporting Unit	Reporting Unit DCF Value	Reporting Unit GPC Value	Selected Fair Value <sup>1</sup>
Natural Gas Reporting Unit	\$ 71,600,000	\$ 85,400,000	\$ 78,500,000
Propane Reporting Unit	\$ 17,100,000	\$ 19,300,000	\$ 18,200,000

<sup>1</sup>The Company does not allocate interest-bearing debt to the Reporting Units. Accordingly, the fair value represents the value of total invested capital (equity plus debt).

Pursuant to the above analysis, we have placed equal reliance on the income approach - discounted cash flow method and the market approach – guideline public company method to arrive at each Reporting Unit's respective fair value as of the valuation date.

In order to assess on a preliminary basis whether or not goodwill is impaired at the Reporting Unit level, the fair value indicators above must be compared with the carrying value of each Reporting Unit, including goodwill. If the Reporting Unit's fair value is greater than its carrying value, then goodwill is not impaired and no further undertakings are required.

*Summary of Reporting Unit Fair Values and Step One Test*

Reporting Unit	Fair Value	Carrying Value	Goodwill Impairment
Natural Gas Reporting Unit	\$ 78,500,000	\$ 55,066,800	No
Propane Reporting Unit	\$ 18,200,000	\$ 12,365,573	No

<sup>1</sup>The Company does not allocate interest-bearing debt to the Reporting Units. Accordingly, the fair value and carrying value represent the value of total invested capital (equity plus debt).

Accordingly, since the fair value of each Reporting Unit exceeds its carrying value, there is not goodwill impairment pursuant to SFAS 142.

## SUMMARY OF INFORMATION AND DATA SOURCES

### Corporate Documents

FPU's form 10-k for the years ended December 31, 2001 through 2006.

FPU's annual reports for the years ended December 31, 2001 through 2006.

Internal financial statements for the Natural Gas Reporting Unit and Propane Reporting Unit for the years ended December 31, 2001 to 2006.

Financial projections provided by Management.

Interviews with Management of FPU.

Additional corporate and financial information relating to FPU.

### Appraisal Resources

American Society of Appraisers, *Business Valuation Standards*.

Federal Reserve Board, *Statistical Release H. 15*.

The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*.

Ibbotson Associates, *Risk Premia Over Time Report: 2006*.

Hemscott Financial Data, *FetchXL*.

## APPRAISERS' CERTIFICATION AND SIGNATURES

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the entity or assets that are the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the entity or assets that are the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent action or event directly related to the intended use of this appraisal.
7. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8. The American Society of Appraisers has a mandatory recertification program for all of its Senior Members. Daniel P. Hawn is in compliance with that program.

RSM McGladrey, Inc.

Daniel P. Hawn, CPA\*/ABV, ASA  
Director

\*Regulated by the State of Florida

## BIOGRAPHIES OF APPRAISERS

### DANIEL P HAWN, CPA\*/ABV, ASA DIRECTOR

#### Summary of Experience

Dan Hawn is a director with RSM McGladrey, Inc., specializing in business valuations and litigation services. He serves as a director of RSM McGladrey's South Florida Business Valuation Group.

Dan has over 12 years of experience performing and managing business valuation engagements for a variety of purposes including financial accounting, purchase price allocations, estate and gift taxes, buy/sell agreements, shareholder redemptions, merger and acquisitions, employee stock ownership plans, S Corporation elections, marital dissolutions, and corporate planning. He has valued closely held business interests in a variety of entities including operating companies, personal holding companies, professional practices, limited partnerships, and limited liability companies. In addition, he has been involved in the valuation of intellectual property and intangible assets, the quantification of applicable minority and/or marketability discounts, and the calculation of lost profits and monetary damages.

Dan is a Certified Public Accountant and has earned the Accredited in Business Valuation (ABV) designation from the American Institute of Certified Public Accountants and the Accredited Senior Appraiser in Business Valuation (ASA) designation from the American Society of Appraisers.

Prior to joining RSM McGladrey, Dan served as a manager for a national and regional consulting firm.

#### Professional Designations

Certified Public Accountant (CPA), Licensed in the State of Florida and the State of Michigan  
Accredited in Business Valuation (ABV), American Institute of Certified Public Accountants  
Accredited Senior Appraiser, American Society of Appraisers

#### Professional Affiliations

Member, American Institute of Certified Public Accountants  
Member, Florida Institute of Certified Public Accountants  
Member, American Society of Appraisers

#### Education

Michigan State University, Eli Broad College of Business, Bachelor of Arts in accounting, December 1994

\*Regulated by The State of Florida



## FINANCIAL SCHEDULES-NATURAL GAS REPORTING UNIT

Schedule Number	Description
Schedule 1	Historical Income Statement Data
Schedule 2	Historical Balance Sheet Data
Schedule 3	Discount Rate (Cost of Capital)
Schedule 4	Discounted Cash Flow Method
Schedule 5	Guideline Public Company Method

DRAFT - FOR DISCUSSION  
PURPOSALS ONLY

**Florida Public Utilities Company**

Natural Gas Reporting Unit  
Historical Income Statements

Appendix D

Schedule 1  
Page 1 of 3

	For the Years Ended December 31,					02-06 Average	02-06 Weighted Average
	2002	2003	2004	2005	2006		
Revenue	\$ 40,139,641	\$ 53,610,475	\$ 55,962,059	\$ 69,094,452	\$ 71,139,000	\$ 57,989,125	\$ 63,154,638
Cost of Revenue	21,528,895	32,463,011	34,231,618	42,815,337	43,909,000	34,989,572	38,663,741
Gross Profit	18,610,746	21,147,464	21,730,441	26,279,115	27,230,000	22,999,553	24,490,897
Operating Expenses							
Depreciation Expense	2,402,415	2,567,172	2,920,262	4,125,165	4,299,000	3,262,803	3,619,547
Other Operating Expenses	11,917,368	13,390,125	13,831,843	16,105,271	16,813,000	14,411,521	15,245,282
Total Operating Expenses	14,319,783	15,957,297	16,752,105	20,230,436	21,112,000	17,674,324	18,864,829
Operating Income	4,290,963	5,190,167	4,978,336	6,048,679	6,118,000	5,325,229	5,626,068
Other Income (Expense):							
Other Income	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
Total Other Income (Expense)	-	-	-	-	-	-	-
Income Before Taxes	\$ 4,290,963	\$ 5,190,167	\$ 4,978,336	\$ 6,048,679	\$ 6,118,000	\$ 5,325,229	\$ 5,626,068
EBITDA	\$ 6,693,378	\$ 7,757,339	\$ 7,898,598	\$ 10,173,844	\$ 10,417,000	\$ 8,588,032	\$ 9,245,615
EBIT	\$ 4,290,963	\$ 5,190,167	\$ 4,978,336	\$ 6,048,679	\$ 6,118,000	\$ 5,325,229	\$ 5,626,068

**Notes:**

- <sup>(1)</sup> In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information.

Source: Florida Public Utilities Company Internally Prepared Income Statements

**Florida Public Utilities Company**

Natural Gas Reporting Unit  
Historical Income Statements  
Common Size

**Appendix D**
**Schedule 1**
**Page 2 of 3**

	For the Years Ended December 31					02-06 Average	02-06 Weighted Average
	2002	2003	2004	2005	2006		
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Revenue	53.6%	60.6%	61.2%	62.0%	61.7%	60.3%	61.2%
Gross Profit	46.4%	39.4%	38.8%	38.0%	38.3%	39.7%	38.8%
Operating Expenses							
Depreciation Expense	6.0%	4.8%	5.2%	6.0%	6.0%	5.6%	5.7%
Other Operating Expenses	29.7%	25.0%	24.7%	23.3%	23.6%	24.9%	24.1%
Total Operating Expenses	35.7%	29.8%	29.9%	29.3%	29.7%	30.5%	29.9%
Operating Income	10.7%	9.7%	8.9%	8.8%	8.6%	9.2%	8.9%
Other Income (Expense):							
Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Other Income (Expense)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Income Before Taxes	10.7%	9.7%	8.9%	8.8%	8.6%	9.2%	8.9%
EBITDA	16.7%	14.5%	14.1%	14.7%	14.6%	14.8%	14.6%
EBIT	10.7%	9.7%	8.9%	8.8%	8.6%	9.2%	8.9%

**Note:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly

Florida Public Utilities Company  
Natural Gas Reporting Unit  
Historical Income Statements  
Trended

Appendix D  
Schedule 1  
Page 3 of 3

	For the Years Ended December 31,				02-06 Compound Growth
	2003	2004	2005	2006	
Revenue	33.6%	4.4%	23.5%	3.0%	15.4%
Cost of Revenue	50.8%	5.4%	25.1%	2.6%	19.5%
Gross Profit	13.6%	2.8%	20.9%	3.6%	10.0%
Operating Expenses					
Depreciation Expense	6.9%	13.8%	41.3%	4.2%	15.7%
Other Operating Expenses	12.4%	3.3%	16.4%	4.4%	9.0%
Total Operating Expenses	11.4%	5.0%	20.8%	4.4%	10.2%
Operating Income	21.0%	-4.1%	21.5%	1.1%	9.3%
Other Income (Expense):					
Other Income	NA	NA	NA	NA	NA
Interest Expense	NA	NA	NA	NA	NA
Total Other Income (Expense)	NA	NA	NA	NA	NA
Income Before Taxes	21.0%	-4.1%	21.5%	1.1%	9.3%
EBITDA	27.8%	9.7%	62.8%	5.4%	11.7%
EBIT	21.0%	-4.1%	21.5%	1.1%	9.3%

**Note:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly

As of December 31,					
	2002	2003	2004	2005	2006
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 8,500	\$ 9,400	\$ 257,689	\$ 363,755	\$ 49,722
Accounts Receivable	4,974,631	5,348,557	6,805,886	9,361,629	6,394,780
Allowance for Doubtful Accounts	(236,392)	(78,068)	(105,832)	(187,412)	(295,301)
Materials and Supplies	1,080,798	646,263	331,769	459,278	414,911
Other Current Assets	801,389	869,447	5,388,925	6,163,454	8,350,059
Total Current Assets	6,628,926	6,795,599	12,678,437	16,160,704	14,914,171
Long Term Assets:					
Misc. Deferred Debits	4,965,075	5,383,959	6,523,028	6,098,646	5,472,737
Goodwill and Other Intangible Assets	3,413,179	3,413,179	2,452,803	2,452,803	2,452,803
Deferred Income Taxes	3,113,144	2,819,820	2,274,806	2,877,014	3,112,865
Total Long-Term Assets	11,491,398	11,616,958	11,250,637	11,428,463	11,038,405
Net Property and Equipment	51,133,801	53,452,371	62,774,190	65,967,989	70,612,891
Total Assets	\$ 69,254,125	\$ 71,864,928	\$ 86,703,264	\$ 93,557,156	\$ 96,565,467
<b>Liabilities and Stockholders' Equity</b>					
Current Liabilities:					
Customer Deposits	\$ 3,443,939	\$ 3,902,037	\$ 4,375,200	\$ 5,374,978	\$ 5,702,247
Accounts Payable	\$ 3,513,004	\$ 4,636,462	\$ 5,015,143	6,996,210	5,440,855
Taxes Accrued	80,896	71,059	156,935	113,546	157,305
Interest Accrued	136,548	171,207	551,459	585,547	479,307
Other	3,714	2,883	2,259,540	2,516,335	2,269,002
Total Current Liabilities	7,178,101	8,783,648	12,358,277	15,586,616	14,048,716
Long-Term Liabilities:					
Customer Advances	876,656	950,093	837,655	1,142,336	1,413,893
Unamortized ITC	901,630	739,943	297,017	252,827	210,185
Deferred Income Taxes	5,291,967	6,570,784	10,385,894	11,707,362	9,870,072
Other Deferred Liabilities (2)	6,054,633	5,469,390	7,641,285	6,687,250	11,056,151
Other Liabilities	1,054,940	951,616	2,055,701	1,013,519	4,899,650
Total Long Term Liabilities	14,179,826	14,681,826	21,217,552	20,803,294	27,449,951
Total Liabilities	21,357,927	23,465,474	33,575,829	36,389,910	41,498,667
Total Stockholders' Equity	47,896,198	48,399,454	53,127,435	57,167,246	55,066,800
Total Liabilities and Shareholders' Equity	\$ 69,254,125	\$ 71,864,928	\$ 86,703,264	\$ 93,557,156	\$ 96,565,467

**Notes:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information
- (2) Regulatory assets and liabilities were netted

**Source:** Florida Public Utilities Company Internally Prepared Balance Sheets

As of December 31,					
	2002	2003	2004	2005	2006
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	0.0%	0.0%	0.3%	0.4%	0.1%
Accounts Receivable	7.2%	7.4%	7.8%	10.0%	6.6%
Allowance for Doubtful Accounts	-0.3%	-0.1%	-0.1%	-0.2%	-0.3%
Materials and Supplies	1.6%	0.9%	0.4%	0.5%	0.4%
Other Current Assets	1.2%	1.2%	6.2%	6.6%	8.6%
Total Current Assets	9.6%	9.5%	14.6%	17.3%	15.4%
Long Term Assets:					
Misc. Deferred Debits	7.2%	7.5%	7.5%	6.5%	5.7%
Goodwill and Other Intangible Assets	4.9%	4.7%	2.8%	2.6%	2.5%
Deferred Income Taxes	4.5%	3.9%	2.6%	3.1%	3.2%
Total Long-Term Assets	16.6%	16.2%	13.0%	12.2%	11.4%
Net Property and Equipment	73.8%	74.4%	72.4%	70.5%	73.1%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Liabilities and Stockholders' Equity</b>					
Current Liabilities:					
Customer Deposits	5.0%	5.4%	5.0%	5.7%	5.9%
Accounts Payable	0.1%	0.1%	0.2%	0.1%	0.2%
Taxes Accrued	0.2%	0.2%	0.6%	0.6%	0.5%
Interest Accrued	0.0%	0.0%	2.6%	2.7%	2.3%
Other	0.0%	0.0%	2.6%	2.7%	2.3%
Total Current Liabilities	10.4%	12.2%	14.3%	16.7%	14.5%
Long-Term Liabilities:					
Customer Advances	1.3%	1.3%	1.0%	1.2%	1.5%
Unamortized ITC	1.3%	1.0%	0.3%	0.3%	0.2%
Deferred Income Taxes	7.6%	9.1%	12.0%	12.5%	10.2%
Other Deferred Liabilities (2)	8.7%	7.6%	8.8%	7.1%	11.4%
Other Liabilities	1.5%			1.1%	5.1%
Total Long Term Liabilities	20.5%	20.4%	24.5%	22.2%	28.4%
Total Liabilities	30.8%	32.7%	38.7%	38.9%	43.0%
Total Stockholders' Equity	69.2%	67.3%	61.3%	61.1%	57.0%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%

**Notes:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information
- (3) Regulatory assets and liabilities were netted

**Florida Public Utilities Company****Appendix D***Natural Gas Reporting Unit***Schedule 3***Rate of Return***Page 1 of 1***Assumptions***Cost of Equity ( $K_e = R_f + b^*(R_m - R_f) + R_{ss} + R_{cs}$ )**

Long-Term Treasury Securities ( $R_f$ ) <sup>(1)</sup>		4.91%
Beta ( $b$ ) <sup>(2)</sup>	0.61	
Equity Risk Premium ( $R_m - R_f$ ) <sup>(3)</sup>	6.30%	
Beta Adjusted Equity Risk Premium ( $b * (R_m - R_f)$ )		3.84%
Small Stock Risk Premium ( $R_{ss}$ ) <sup>(4)</sup>		3.90%
Company Specific Risk Premium ( $R_{cs}$ )		0.00%
Cost of Equity ( $K_e$ )		<u>12.65%</u>

**After-Tax Cost of Debt ( $K_d = K_b^*(1-t)$ )**

Baa Bond Rate ( $K_b$ ) <sup>(5)</sup>	6.35%
Tax Rate ( $t$ )	<u>37.60%</u>
Cost of Debt ( $K_d$ )	<u>3.96%</u>

**Weighted Average Cost of Capital (WACC)**

	Capital Structure <sup>(6)</sup>		Cost		Weighted Cost
Equity	55.0%	X	12.65%	=	6.96%
Debt	45.0%	X	3.96%	=	<u>1.78%</u>

**Weighted Average Cost of Capital (WACC)**8.74%**Rounded**8.70%**Notes:**

<sup>(1)</sup> Yield on 20 Year Treasury Bonds obtained from Federal Reserve Statistical Release as of January 3, 2007.

<sup>(2)</sup> Based on the comparable companies betas obtained from Hemscott Data (FetchXL).

<sup>(3)</sup> Ibbotson Associates 2007 Yearbook, Long Horizon Supply Side Equity Risk Premium.

<sup>(4)</sup> Size Premium (in excess of CAPM) based on 9th and 10th deciles of the NYSE/AMEX/NASDAQ. (Ibbotson 2007 Yearbook Valuation Edition).

<sup>(5)</sup> Baa Bond Rate obtained from Federal Reserve Statistical Release as of January 3, 2007.

<sup>(6)</sup> Based on the comparable companies capital structure obtained from Hemscott Data (FetchXL). (rounded to the nearest five percent.)

## For the Year Ending December 31,

		2007	2008	2009	2010	2011	Residual
Revenue	A	\$72,004,000	\$75,419,000	\$81,188,000	\$85,039,000	\$89,073,000	\$91,746,000
Cost of Revenue	B	44,443,000	46,551,000	50,112,000	52,489,000	54,979,000	56,629,000
Gross Profit		27,561,000	28,868,000	31,076,000	32,550,000	34,094,000	35,117,000
Operating Expenses:							
Depreciation Expense	C	4,364,000	4,495,000	4,629,000	4,768,000	4,911,000	4,917,000
Other Operating Expenses	D	17,619,000	18,622,000	19,544,000	20,674,000	21,817,000	22,472,000
Total Operating Expenses		21,983,000	23,117,000	24,173,000	25,442,000	26,728,000	27,389,000
Operating Income	E	5,578,000	5,751,000	6,903,000	7,108,000	7,366,000	7,728,000
Income Tax Expense	37.6%	2,097,000	2,162,000	2,596,000	2,673,000	2,770,000	2,906,000
Net Income		3,481,000	3,589,000	4,307,000	4,435,000	4,596,000	4,822,000
Adjustments:							
Add: Depreciation Expense	C	4,364,000	4,495,000	4,629,000	4,768,000	4,911,000	4,917,000
Less: Capital Expenditures	F	(4,500,000)	(4,500,000)	(4,500,000)	(4,635,000)	(4,774,000)	(4,917,000)
(Increase)/Decrease in Debt Free Net Working Capital	G	(58,000)	(229,000)	(387,000)	(258,000)	(270,000)	(179,000)
Cash Flow		3,287,000	3,355,000	4,049,000	4,310,000	4,463,000	4,643,000
Present Value Factor	8.7%	0.9591	0.8824	0.8118	0.7468	0.6870	
Present Value of Cash Flow		3,153,000	2,960,000	3,287,000	3,219,000	3,066,000	
Total Present Value of Cash Flows (Years 1 to 5)		\$15,685,000					
Plus: Present Value of Residual Cash Flow		55,960,000					
Total Invested Capital		71,645,000					
Less: Interest Bearing Debt		-					
Fair Value of Reporting Unit		71,645,000					
Rounded		71,600,000					
Residual Cash Flow							\$4,643,000
Residual Capitalization Rate:							
Discount Rate							8.7%
Residual Growth Rate							3.0%
Capitalization Rate							5.7%
Gross Residual Value							81,456,000
Present Value Factor							0.6870
Present Value of Gross Residual Value							\$55,960,000

## Notes:

(1) Note: The above forecasts, based on estimates by the Company's management, have been prepared in connection with a business appraisal and are not intended to conform with accounting standards for the compilation, review, or audit of forecasts or projections.



**Florida Public Utilities Company**  
**Natural Gas Reporting Unit**  
**Discounted Cash Flow Assumptions**

We based the Income Approach on a Discounted Cash Flow Analysis of the Company. We relied primarily on the Reporting Unit's historical financial statements and management's projections as an indicator of cash flow.

- A. **Revenue** – Revenue was projected to increase by 1.2%, 4.7%, 7.6%, 3.0%, 3.0%, for 2007 through 2011 and 3.0% for the residual period.
- B. **Cost of Revenue** – Cost of revenue was projected to be 61.7% of revenue throughout the projection period.
- C. **Depreciation Expense** – Depreciation expense was projected based on management's projection of \$4,364,000, \$4,495,000, \$4,629,000, \$4,768,000, and \$4,911,000 for 2007 to 2011, respectively. For the residual period, capital expenditures and depreciation were set equal, based on the theory that in the long run, a company will replace its fixed assets as they are retired.
- D. **Other Operating Expenses** – Other operating expenses were projected to be 24.5%, 24.7%, 24.1%, 24.3%, and 24.5% of revenue for 2007 through 2011, respectively. Other operating expenses were projected at 24.5% of revenue for the residual period.
- E. **Income Tax Expense** – Income tax expense was calculated at an effective tax rate of 37.6%.
- F. **Capital Expenditures** – Capital expenditures were forecast at \$4.5 million for 2007 through 2009. For 2010, capital expenditures were grown with revenue through 2011. This level of capital expenditures, which is expected to approximate depreciation expense, reflects the necessary maintenance and replacement required to achieve the Reporting Unit's projected revenue. In the residual, capital expenditures and depreciation were set equal based on the theory that in the long run, a company will replace its fixed assets as they are retired.
- G. **Working Capital** – Working capital was forecast based on an analysis of the Company's current assets and current liabilities, consideration of future expected working capital needs, and a review of the guideline public companies working capital. Accordingly, incremental working capital was projected at 6.7% of the change in revenue based on the median for the guideline companies.

**Florida Public Utilities Company****Appendix D***Natural Gas Reporting Unit***Schedule 5***Guideline Public Company Method**Valuation Date: January 1, 2007*

	<u>Revenue</u>	<u>EBITDA</u>
<b>Natural Gas Reporting Unit</b>	71,139,000	10,417,000
Selected Multiples	<u>1.20</u>	<u>8.20</u>
<b>Indicated Value</b>	<b>85,366,800</b>	<b>85,419,400</b>
 Selected Value - Total Invested Capital	 \$ 85,400,000	
Less - Interest Bearing Debt at Reporting Unit Level	<u>-</u>	
Fair Value of Reporting Unit - Rounded	<u><b>\$ 85,400,000</b></u>	

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

Invested Capital / Revenue Multiple

		AGL RESOURCES INC	ATMOS ENERGY CORP	CHESAPEAKE UTILITIES CP	PIEDMONT NATRL GAS CO	SOUTHERN UNION CO	TECO ENERGY INC
Unadjusted Multiple		1.97	0.93	1.33	1.51	2.92	2.05
Margin Adjustment		-39%	29%	-1%	-10%	-33%	-27%
Growth Adjustment		-1%	-8%	-8%	-1%	-15%	1%
Mean Adjusted Multiple	1.34	1.20	1.10	1.21	1.34	1.67	1.51
Median Adjusted Multiple	1.27						
Lower Quartile Adjusted Multiple	1.20						
Selected Multiple	1.20						

Invested Capital / EBITDA Multiple

		AGL RESOURCES INC	ATMOS ENERGY CORP	CHESAPEAKE UTILITIES CP	PIEDMONT NATRL GAS CO	SOUTHERN UNION CO	TECO ENERGY INC
Unadjusted Multiple		8.25	8.19	8.98	10.76	13.39	10.23
Growth Adjustment		-1%	-8%	-8%	-1%	-15%	1%
Mean Adjusted Multiple	9.39	8.17	7.54	8.26	10.66	11.38	10.33
Median Adjusted Multiple	9.29						
Lower Quartile Adjusted Multiple	8.19						
Selected Multiple	8.20						

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

## Selected Financial Information for Comparable Natural Gas Companies - Trailing Twelve Months

	AGL RESOURCES INC	ATMOS ENERGY CORP	CHESAPEAKE UTILITIES CP	PIEDMONT NATRL GAS CO	SOUTHERN UNION CO	TECO ENERGY INC
Revenue (000s)	\$ 2,624,000	\$ 5,471,176	\$ 231,201	\$ 1,977,045	\$ 2,340,144	\$ 3,448,100
EBITDA (000s)	\$ 626,000	\$ 618,664	\$ 34,277	\$ 276,502	\$ 509,686	\$ 691,200
Net Income (000s)	\$ 212,000	\$ 157,971	\$ 10,507	\$ 106,100	\$ 199,717	\$ 244,400
Share Price as of 12/29/06	\$ 38.91	\$ 31.91	\$ 30.65	\$ 26.75	\$ 27.95	\$ 17.23
Shares Outstanding	77,752,515	88,577,022	6,717,348	74,599,552	119,771,014	209,588,944
Market Capitalization (000s)	\$ 3,025,350	\$ 2,826,493	\$ 205,887	\$ 1,995,538	\$ 3,347,600	\$ 3,611,218
Interest Bearing Debt (000s) <sup>1</sup>	\$ 2,141,000	\$ 2,242,007	\$ 101,772	\$ 980,403	\$ 3,474,916	\$ 3,458,400
Total Invested Capital (000s) ("TIC")	\$ 5,166,350	\$ 5,068,500	\$ 307,659	\$ 2,975,941	\$ 6,822,516	\$ 7,069,618
Beta	0.34	0.43	0.28	0.26	1.21	0.67
Five Year Projected Growth Rate	4.0%	6.1%	6.0%	4.0%	8.0%	3.5%
<b>Valuation Multiples:</b>						
TIC / Revenue	1.97	0.93	1.33	1.51	2.92	2.05
TIC / EBITDA	8.25	8.19	8.98	10.76	13.39	10.23
P / E	14.27	17.89	19.60	18.81	16.76	14.78

<sup>1</sup> Interest bearing debt includes current and long-term debt and preferred stock, net of cash.

Company Name: AGL RESOURCES INC

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
Cash and Equivalents	\$20,000	\$20,000	\$30,000	\$49,000	\$16,500	\$8,400
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	880,000	880,000	1,220,000	889,000	439,600	351,700
Inventories	597,000	597,000	543,000	320,000	209,400	118,200
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	325,000	325,000	239,000	199,000	81,800	108,100
<b>Total Current Assets</b>	<b>1,822,000</b>	<b>1,822,000</b>	<b>2,032,000</b>	<b>1,457,000</b>	<b>747,300</b>	<b>586,400</b>
Gross Fixed Assets	4,976,000	4,976,000	4,791,000	4,615,000	3,402,200	3,323,200
Accumulated Depreciation & Depletion	1,540,000	1,540,000	1,520,000	1,437,000	1,049,800	1,129,000
<b>Net Fixed Assets</b>	<b>3,436,000</b>	<b>3,436,000</b>	<b>3,271,000</b>	<b>3,178,000</b>	<b>2,352,400</b>	<b>2,194,200</b>
Intangibles	420,000	420,000	422,000	354,000	176,600	176,200
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	469,000	469,000	526,000	651,000	701,500	785,200
<b>Total Non-Current Assets</b>	<b>4,325,000</b>	<b>4,325,000</b>	<b>4,219,000</b>	<b>4,183,000</b>	<b>3,230,500</b>	<b>3,155,600</b>
<b>Total Assets</b>	<b>\$6,147,000</b>	<b>\$6,147,000</b>	<b>\$6,251,000</b>	<b>\$5,640,000</b>	<b>\$3,977,800</b>	<b>\$3,742,000</b>
Accounts Payable	\$723,000	\$723,000	\$1,039,000	\$207,000	\$73,700	\$91,100
Notes Payable	0	0	0	0	0	0
Short Term Debt	539,000	539,000	522,000	334,000	383,400	418,600
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	365,000	365,000	378,000	936,000	597,300	506,100
<b>Total Current Liabilities</b>	<b>1,627,000</b>	<b>1,627,000</b>	<b>1,939,000</b>	<b>1,477,000</b>	<b>1,054,400</b>	<b>1,015,800</b>
Long Term Debt	1,622,000	1,622,000	1,615,000	1,623,000	730,800	767,000
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	544,000	544,000	423,000	437,000	376,300	320,000
Other Non-Current Liabilities	703,000	703,000	737,000	682,000	645,700	701,900
Minority Interest	42,000	42,000	36,000	36,000	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>2,911,000</b>	<b>2,911,000</b>	<b>2,813,000</b>	<b>2,778,000</b>	<b>1,752,800</b>	<b>1,788,900</b>
<b>Total Liabilities</b>	<b>4,538,000</b>	<b>4,538,000</b>	<b>4,752,000</b>	<b>4,255,000</b>	<b>2,807,200</b>	<b>2,804,700</b>
Preferred Stock Equity	0	0	0	0	225,300	227,200
Common Par	390,000	390,000	0	384,000	322,500	289,000
Additional Paid In Capital	664,000	664,000	0	632,000	325,700	209,800
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	601,000	601,000	0	415,000	337,900	279,800
Treasury Stock	(14,000)	(14,000)	0	0	(400)	(19,300)
Other Equity Adjustments	(32,000)	(32,000)	1,499,000	(46,000)	(40,400)	(49,200)
<b>Total Equity</b>	<b>1,609,000</b>	<b>1,609,000</b>	<b>1,499,000</b>	<b>1,385,000</b>	<b>1,170,600</b>	<b>937,300</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$6,147,000</b>	<b>\$6,147,000</b>	<b>\$6,251,000</b>	<b>\$5,640,000</b>	<b>\$3,977,800</b>	<b>\$3,742,000</b>

Company Name:

AGL RESOURCES INC

## Annual Income Statement

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Operating Revenue</b>	<b>\$2,624,000</b>	<b>\$2,621,000</b>	<b>\$2,718,000</b>	<b>\$1,832,000</b>	<b>\$983,700</b>	<b>\$868,900</b>
Adjustments to Revenue	40,000	40,000	40,000	30,000	27,800	29,300
Cost of Revenue	1,958,000	1,955,000	2,103,000	1,371,000	622,100	542,300
Gross Profit	626,000	626,000	575,000	431,000	333,800	297,300
Operating Expenses:						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	138,000	138,000	133,000	99,000	91,400	89,100
Amortization	0	0	0	0	0	0
Total Operating Expenses	138,000	138,000	133,000	99,000	91,400	89,100
<b>Operating Income</b>	<b>488,000</b>	<b>488,000</b>	<b>442,000</b>	<b>332,000</b>	<b>242,400</b>	<b>208,200</b>
Plus: Depreciation & Amortization	138,000	138,000	133,000	99,000	91,400	89,100
<b>EBITDA</b>	<b>626,000</b>	<b>626,000</b>	<b>575,000</b>	<b>431,000</b>	<b>333,800</b>	<b>297,300</b>
Other Income (Expense):						
Special Income/Charges	0	0	0	0	(8,000)	0
Interest Expense	(123,000)	(123,000)	(109,000)	(71,000)	(75,600)	(86,000)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	(1,000)	(1,000)	(1,000)	0	63,700	38,800
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(124,000)	(124,000)	(110,000)	(71,000)	(19,900)	(47,200)
Income Before Taxes	364,000	364,000	332,000	261,000	222,500	161,000
Income Taxes	129,000	129,000	117,000	90,000	86,800	58,000
Minority Interest	23,000	23,000	23,000	18,000	0	0
Income From Continuing Operations	212,000	212,000	193,000	153,000	135,700	103,000
Income From Discontinued Operations	0	0	0	0	0	0
Income From Total Operations	212,000	212,000	193,000	153,000	135,700	103,000
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	(7,800)	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$212,000</b>	<b>\$212,000</b>	<b>\$193,000</b>	<b>\$153,000</b>	<b>\$127,900</b>	<b>\$103,000</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	253,000	253,000	267,000	264,000	158,400	187,000
<b>Per Share Data</b>						
Basic Weighted Shares	77,600	77,600	77,300	66,300	63,100	56,100
Basic EPS from Continuing Operations	\$2.73	\$2.73	\$2.50	\$2.30	\$2.15	\$1.84
Basic EPS from Total Operations	\$2.73	\$2.73	\$2.50	\$2.30	\$2.03	\$1.84
Diluted Weighted Shares	78,000	78,000	77,800	67,000	63,700	56,600
Diluted EPS from Continuing Operations	\$2.72	\$2.72	\$2.48	\$2.28	\$2.13	\$1.82
Diluted EPS from Total Operations	\$2.72	\$2.72	\$2.48	\$2.28	\$2.01	\$1.82
Dividends Paid Per Share	\$1.48	\$1.48	\$1.30	\$1.15	\$1.11	\$1.35
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	0.1%	-3.6%	48.4%	86.2%	13.2%	NA
Operating Income	0.0%	10.4%	33.1%	37.0%	16.4%	NA
EBITDA	0.0%	8.9%	33.4%	29.1%	12.3%	NA
Total Net Income	0.0%	9.8%	26.1%	19.6%	24.2%	NA
<b>Profit Margins</b>						
Gross Profit	23.9%	23.9%	21.2%	23.5%	33.9%	34.2%
Operating Income	18.6%	18.6%	16.3%	18.1%	24.6%	24.0%
EBITDA	23.9%	23.9%	21.2%	23.5%	33.9%	34.2%
Total Net Income	8.1%	8.1%	7.1%	8.4%	13.0%	11.9%

**Annual Ratio Analysis**

	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	25.4	25.4	22.6	25.2	36.8	37.6
Pre-Tax Profit Margin (%)	13.9	13.9	12.2	14.2	22.6	18.5
Net Profit Margin (%)	8.1	8.1	7.1	8.4	13.8	11.9
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	13.2	13.2	12.9	11.0	14.4	14.5
Return on Invested Capital (%)	6.6	6.6	6.2	5.1	7.1	6.0
Return on Assets (%)	3.4	3.4	3.1	2.7	3.4	2.8
<b>Efficiency Ratios:</b>						
Inventory Turnover	3.4	3.4	4.9	5.2	3.8	4.6
Receivables Turnover	2.5	2.5	2.6	2.8	2.5	4.2
Receivables Per Day Sales	120.9	120.9	161.6	174.7	160.9	145.7
Asset Turnover	0.4	0.4	0.5	0.4	0.3	0.2
Revenue Per Dollar of Cash	\$131.05	\$131.05	\$90.60	\$37.39	\$59.62	\$103.44
Revenue Per Dollar of Plant (Net)	\$0.76	\$0.76	\$0.83	\$0.58	\$0.42	\$0.40
Revenue Per Dollar of Common Equity	\$1.63	\$1.63	\$1.81	\$1.32	\$1.04	\$1.22
Revenue Per Dollar of Invested Capital	\$0.81	\$0.81	\$0.87	\$0.61	\$0.52	\$0.51
Revenue Per Dollar of Receivables	\$2.98	\$2.98	\$2.23	\$2.06	\$2.24	\$2.47
Revenue Per Dollar of Inventory	\$4.39	\$4.39	\$5.01	\$5.73	\$4.70	\$7.35
Revenue to Assets	\$0.40	\$0.40	\$0.40	\$0.30	\$0.20	\$0.20
<b>Liquidity Ratios:</b>						
Quick Ratio	0.6	0.6	0.6	0.6	0.4	0.4
Current Ratio	1.1	1.1	1.0	1.0	0.7	0.6
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	1.2	1.2	1.0	1.4	1.9	1.6
Price to Book Value	1.9	1.9	1.8	1.8	2.0	1.9
Price to Tangible Book Value	2.5	2.5	2.5	2.5	2.4	2.6
Price to Cash Flow Ratio	8.6	8.6	8.3	10.1	8.3	7.2
Price to Free Cash Flow Ratio	(299.3)	(299.3)	(9.4)	(9.9)	(17.6)	30.4
Close Price to Earnings Ratio	14.3	14.3	14.0	14.6	13.7	13.4
High Price to Earnings Ratio	14.7	14.7	15.9	15.1	13.8	13.7
Low Price to Earnings Ratio	12.6	12.6	12.9	11.6	10.3	9.5
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	1.0	1.0	1.1	1.2	0.8	1.1
LT Debt as a % of Invested Capital	50.2	50.2	51.9	54.0	38.4	45.0
LT Debt as a % of Total Liabilities	35.7	35.7	34.0	38.1	26.0	27.3
Total Liabilities as a % of Total Assets	73.8	73.8	76.0	75.4	70.6	75.0
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	3.8	3.8	3.8	4.4	3.9	2.9
Interest as a % of Invested Capital	3.8	3.8	3.5	2.4	4.0	5.0
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$23.45	\$23.45	\$26.12	\$19.00	\$11.59	\$10.34
Total Assets Per Share	\$79.11	\$79.11	\$80.35	\$73.53	\$61.67	\$66.00
Long Term Debt Per Share	\$20.88	\$20.88	\$20.76	\$21.16	\$11.33	\$13.53
Current Liabilities Per Share	\$20.94	\$20.94	\$24.92	\$19.26	\$16.35	\$17.92
Cash Per Share	\$0.26	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$33.73	\$33.73	\$34.94	\$23.89	\$15.25	\$15.32
Book Value Per Share	\$20.71	\$20.71	\$19.27	\$18.06	\$14.66	\$12.52
Tangible Book Value Per Share	\$15.30	\$15.30	\$13.84	\$13.44	\$11.92	\$9.42
Working Capital Per Share	\$2.51	\$2.51	\$1.20	(\$0.26)	(\$4.76)	(\$7.57)
Cash Flow Per Share	\$4.50	\$4.50	\$4.19	\$3.29	\$3.52	\$3.39
Free Cash Flow Per Share	(\$0.13)	(\$0.13)	(\$3.71)	(\$3.36)	(\$1.65)	\$0.80

Company Name:

ATMOS ENERGY CORP

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
Cash and Equivalents	\$94,406	\$111,462	\$121,072	\$201,932	\$15,683	\$46,827
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	766,632	374,629	454,313	211,810	216,783	136,227
Inventories	520,034	461,502	450,807	200,134	168,765	95,552
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	194,566	169,952	238,238	63,236	56,766	51,385
<b>Total Current Assets</b>	<b>1,575,638</b>	<b>1,117,545</b>	<b>1,264,430</b>	<b>677,112</b>	<b>457,997</b>	<b>329,991</b>
Gross Fixed Assets	5,162,006	5,101,308	4,765,610	2,633,651	2,480,139	2,127,827
Accumulated Depreciation & Depletion	1,494,091	1,472,152	1,391,243	911,130	964,150	827,507
<b>Net Fixed Assets</b>	<b>3,667,915</b>	<b>3,629,156</b>	<b>3,374,367</b>	<b>1,722,521</b>	<b>1,515,989</b>	<b>1,300,320</b>
Intangibles	738,369	738,521	737,787	238,272	273,499	190,380
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	234,473	234,325	276,943	231,978	271,023	159,530
<b>Total Non-Current Assets</b>	<b>4,640,757</b>	<b>4,602,002</b>	<b>4,389,097</b>	<b>2,192,771</b>	<b>2,060,511</b>	<b>1,650,230</b>
<b>Total Assets</b>	<b>\$6,216,395</b>	<b>\$5,719,547</b>	<b>\$5,653,527</b>	<b>\$2,869,883</b>	<b>\$2,518,508</b>	<b>\$1,980,221</b>
Accounts Payable	\$762,487	\$345,108	\$461,314	\$185,295	\$179,852	\$135,609
Notes Payable	0	0	0	0	0	0
Short Term Debt	457,680	385,602	148,073	5,908	127,940	167,771
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	407,351	388,451	503,368	223,265	127,923	159,727
<b>Total Current Liabilities</b>	<b>1,627,518</b>	<b>1,119,161</b>	<b>1,112,755</b>	<b>414,468</b>	<b>435,715</b>	<b>463,107</b>
Long Term Debt	1,878,733	2,180,362	2,183,104	861,311	863,918	670,463
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	324,296	306,172	292,207	213,930	223,350	134,540
Other Non-Current Liabilities	465,391	465,754	463,039	246,715	138,008	138,876
Minority Interest	0	0	0	0	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>2,668,420</b>	<b>2,952,288</b>	<b>2,938,350</b>	<b>1,321,956</b>	<b>1,225,276</b>	<b>943,879</b>
<b>Total Liabilities</b>	<b>4,295,938</b>	<b>4,071,449</b>	<b>4,051,105</b>	<b>1,736,424</b>	<b>1,660,991</b>	<b>1,406,986</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	0	0	403	314	257	208
Additional Paid In Capital	1,670,929	1,467,649	1,426,523	1,005,644	736,180	508,265
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	279,299	224,299	178,837	142,030	122,539	106,142
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	(29,771)	(43,850)	(3,341)	(14,529)	(1,459)	(41,380)
<b>Total Equity</b>	<b>1,920,457</b>	<b>1,648,098</b>	<b>1,602,422</b>	<b>1,133,459</b>	<b>857,517</b>	<b>573,235</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$6,216,395</b>	<b>\$5,719,547</b>	<b>\$5,653,527</b>	<b>\$2,869,883</b>	<b>\$2,518,508</b>	<b>\$1,980,221</b>



Company Name: **ATMOS ENERGY CORP****Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Operating Revenue</b>	<b>\$5,471,176</b>	<b>\$6,152,363</b>	<b>\$4,973,326</b>	<b>\$2,920,037</b>	<b>\$2,799,916</b>	<b>\$950,849</b>
Adjustments to Revenue	186,644	191,993	174,696	57,379	55,045	36,221
Cost of Revenue	4,666,175	5,369,211	4,271,970	2,572,316	2,470,030	716,366
Gross Profit	618,357	591,159	526,660	290,342	274,841	198,262
Operating Expenses:						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	191,331	185,596	178,005	96,647	87,001	81,469
Amortization	0	0	0	0	0	0
Total Operating Expenses	191,331	185,596	178,005	96,647	87,001	81,469
<b>Operating Income</b>	<b>427,026</b>	<b>405,563</b>	<b>348,655</b>	<b>193,695</b>	<b>187,840</b>	<b>116,793</b>
Plus: Depreciation & Amortization	191,638	185,967	178,005	98,112	89,194	83,921
<b>EBITDA</b>	<b>618,664</b>	<b>591,530</b>	<b>526,660</b>	<b>291,807</b>	<b>277,034</b>	<b>200,714</b>
Other Income (Expense):						
Special Income/Charges	(22,947)	(22,947)	0	0	0	38,538
Interest Expense	(149,950)	(146,607)	(132,658)	(65,437)	(63,660)	(59,174)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	2,012	881	2,021	9,507	2,191	(1,321)
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(170,885)	(168,673)	(130,637)	(55,930)	(61,469)	(21,957)
Income Before Taxes	256,141	236,890	218,018	137,765	126,371	94,836
Income Taxes	98,170	89,153	82,233	51,538	46,910	35,180
Minority Interest	0	0	0	0	0	0
Income From Continuing Operations	157,971	147,737	135,785	86,227	79,461	59,656
Income From Discontinued Operations	0	0	0	0	0	0
Income From Total Operations	157,971	147,737	135,785	86,227	79,461	59,656
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	(7,773)	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$157,971</b>	<b>\$147,737</b>	<b>\$135,785</b>	<b>\$86,227</b>	<b>\$71,688</b>	<b>\$59,656</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	425,324	425,324	333,183	190,855	159,439	133,977
<b>Per Share Data</b>						
Basic Weighted Shares	82,726	80,731	78,508	54,021	46,319	41,171
Basic EPS from Continuing Operations	\$1.93	\$1.83	\$1.73	\$1.60	\$1.72	\$1.45
Basic EPS from Total Operations	\$1.93	\$1.83	\$1.73	\$1.60	\$1.55	\$1.45
Diluted Weighted Shares	83,350	81,390	79,012	54,416	46,496	41,250
Diluted EPS from Continuing Operations	\$1.92	\$1.82	\$1.72	\$1.58	\$1.71	\$1.45
Diluted EPS from Total Operations	\$1.92	\$1.82	\$1.72	\$1.58	\$1.54	\$1.45
Dividends Paid Per Share	\$1.28	\$1.26	\$1.24	\$1.22	\$1.20	\$1.18
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-11.1%	23.7%	70.3%	4.3%	194.5%	NA
Operating Income	5.3%	16.3%	80.0%	3.1%	60.8%	NA
EBITDA	4.6%	12.3%	80.5%	5.3%	38.0%	NA
Total Net Income	6.9%	8.8%	57.5%	20.3%	20.2%	NA
<b>Profit Margins</b>						
Gross Profit	11.3%	9.6%	10.6%	9.9%	9.8%	20.9%
Operating Income	7.8%	6.6%	7.0%	6.6%	6.7%	12.3%
EBITDA	11.3%	9.6%	10.6%	10.0%	9.9%	21.1%
Total Net Income	2.9%	2.4%	2.7%	3.0%	2.6%	6.3%

Company Name:

ATMOS ENERGY CORP

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	14.7	12.7	14.1	12.0	11.9	24.9
Pre-Tax Profit Margin (%)	4.7	3.9	4.4	4.7	4.5	10.0
Net Profit Margin (%)	2.9	2.9	2.7	3.0	2.8	6.3
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	8.2	9.0	8.5	7.6	9.3	10.4
Return on Invested Capital (%)	4.2	3.9	3.6	4.3	4.6	4.8
Return on Assets (%)	2.5	2.6	2.4	3.0	3.2	3.0
<b>Efficiency Ratios:</b>						
Inventory Turnover	8.5	11.8	13.1	13.9	18.7	7.5
Receivables Turnover	5.5	14.8	14.9	13.6	15.9	7.3
Receivables Per Day Sales	50.4	21.9	32.9	26.1	27.9	51.6
Asset Turnover	0.9	1.1	1.2	1.1	1.2	0.5
Revenue Per Dollar of Cash	\$57.95	\$55.20	\$41.08	\$14.46	\$178.53	\$20.31
Revenue Per Dollar of Plant (Net)	\$1.49	\$1.70	\$1.47	\$1.70	\$1.85	\$0.73
Revenue Per Dollar of Common Equity	\$2.85	\$3.73	\$3.10	\$2.58	\$3.27	\$1.66
Revenue Per Dollar of Invested Capital	\$1.44	\$1.61	\$1.31	\$1.46	\$1.63	\$0.76
Revenue Per Dollar of Receivables	\$7.14	\$16.42	\$10.95	\$13.79	\$12.92	\$6.98
Revenue Per Dollar of Inventory	\$10.52	\$13.33	\$11.03	\$14.59	\$16.59	\$9.95
Revenue to Assets	\$0.90	\$1.10	\$0.90	\$1.00	\$1.10	\$0.50
<b>Liquidity Ratios:</b>						
Quick Ratio	0.5	0.4	0.5	1.0	0.5	0.4
Current Ratio	1.0	1.0	1.1	1.6	1.1	0.7
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.5	0.4	0.5	0.5	0.4	0.9
Price to Book Value	1.5	1.4	1.4	1.4	1.4	1.6
Price to Tangible Book Value	2.4	2.6	2.6	1.8	2.1	2.3
Price to Cash Flow Ratio	8.1	7.0	7.2	8.6	7.3	6.2
Price to Free Cash Flow Ratio	55.0	(10.8)	(1.2)	139.9	(5.1)	9.1
Close Price to Earnings Ratio	16.6	15.7	16.4	15.9	14.0	14.8
High Price to Earnings Ratio	17.2	16.1	17.4	17.1	14.9	16.9
Low Price to Earnings Ratio	13.3	13.7	14.3	14.8	12.1	12.1
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	1.0	1.3	1.4	0.8	1.0	1.2
LT Debt as a % of Invested Capital	49.5	57.0	57.7	43.2	50.2	53.9
LT Debt as a % of Total Liabilities	43.7	53.6	53.9	49.6	52.0	47.7
Total Liabilities as a % of Total Assets	69.1	71.2	71.7	60.5	66.0	71.1
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	2.7	2.6	2.6	3.1	3.0	2.6
Interest as a % of Invested Capital	3.9	3.8	3.5	3.3	3.7	4.8
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$17.80	\$13.67	\$15.70	\$10.78	\$8.90	\$7.92
Total Assets Per Share	\$70.24	\$69.97	\$70.20	\$45.70	\$48.93	\$47.51
Long Term Debt Per Share	\$21.23	\$26.67	\$27.11	\$13.72	\$16.78	\$16.09
Current Liabilities Per Share	\$18.39	\$13.69	\$13.82	\$6.60	\$8.46	\$11.11
Cash Per Share	\$1.07	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$61.82	\$75.27	\$61.75	\$46.50	\$54.39	\$22.82
Book Value Per Share	\$21.70	\$20.16	\$19.90	\$18.05	\$16.66	\$13.75
Tangible Book Value Per Share	\$13.36	\$11.13	\$10.74	\$14.25	\$11.35	\$9.19
Working Capital Per Share	(\$0.59)	(\$0.02)	\$1.88	\$4.18	\$0.43	(\$3.19)
Cash Flow Per Share	\$3.95	\$4.08	\$3.90	\$2.94	\$3.28	\$3.45
Free Cash Flow Per Share	\$0.58	(\$2.64)	(\$24.36)	\$0.18	(\$4.66)	\$2.35

Company Name: CHESAPEAKE UTILITIES CP

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
Cash and Equivalents	\$4,488	\$4,488	\$2,488	\$1,612	\$3,109	\$2,458
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	44,969	44,969	54,284	37,658	30,690	24,046
Inventories	8,752	8,752	7,872	5,711	4,484	6,218
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	19,273	19,273	24,123	14,970	8,612	10,498
<b>Total Current Assets</b>	<b>77,482</b>	<b>77,482</b>	<b>88,767</b>	<b>59,950</b>	<b>46,894</b>	<b>43,219</b>
Gross Fixed Assets	325,836	325,836	280,345	250,267	234,919	229,128
Accumulated Depreciation & Depletion	85,010	85,010	78,840	73,214	67,046	74,349
<b>Net Fixed Assets</b>	<b>240,825</b>	<b>240,825</b>	<b>201,504</b>	<b>177,053</b>	<b>167,872</b>	<b>154,779</b>
Intangibles	866	866	880	894	980	2,797
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	5,820	5,820	4,829	4,040	5,419	10,149
<b>Total Non-Current Assets</b>	<b>247,512</b>	<b>247,512</b>	<b>207,213</b>	<b>181,988</b>	<b>174,270</b>	<b>167,725</b>
<b>Total Assets</b>	<b>\$324,994</b>	<b>\$324,994</b>	<b>\$295,980</b>	<b>\$241,938</b>	<b>\$221,165</b>	<b>\$210,944</b>
Accounts Payable	\$33,871	\$33,871	\$45,645	\$33,503	\$21,997	\$21,142
Notes Payable	0	0	0	0	0	0
Short Term Debt	35,210	35,210	40,411	7,609	7,180	14,838
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	21,380	21,380	16,431	10,258	9,467	8,558
<b>Total Current Liabilities</b>	<b>90,461</b>	<b>90,461</b>	<b>102,487</b>	<b>51,370</b>	<b>38,645</b>	<b>44,538</b>
Long Term Debt	71,050	71,050	58,990	66,189	69,416	73,408
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	26,517	26,517	24,249	23,350	19,591	17,264
Other Non-Current Liabilities	25,814	25,814	25,496	23,067	20,574	9,045
Minority Interest	0	0	0	0	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>123,381</b>	<b>123,381</b>	<b>108,735</b>	<b>112,606</b>	<b>109,580</b>	<b>99,716</b>
<b>Total Liabilities</b>	<b>213,842</b>	<b>213,842</b>	<b>211,223</b>	<b>163,976</b>	<b>148,225</b>	<b>144,254</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	3,255	3,255	2,863	2,813	2,755	2,695
Additional Paid In Capital	61,960	61,960	39,620	36,855	34,176	31,757
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	46,271	46,271	42,855	39,015	36,008	32,239
Treasury Stock	(1,119)	(1,119)	(797)	(1,009)	0	0
Other Equity Adjustments	784	784	216	289	0	0
<b>Total Equity</b>	<b>111,152</b>	<b>111,152</b>	<b>84,757</b>	<b>77,962</b>	<b>72,939</b>	<b>66,690</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$324,994</b>	<b>\$324,994</b>	<b>\$295,980</b>	<b>\$241,938</b>	<b>\$221,165</b>	<b>\$210,944</b>

Company Name:

CHESAPEAKE UTILITIES CP

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Operating Revenue</b>	<b>\$231,201</b>	<b>\$231,201</b>	<b>\$229,630</b>	<b>\$177,955</b>	<b>\$162,298</b>	<b>\$142,230</b>
Adjustments to Revenue	5,058	5,058	5,016	4,436	4,387	4,608
Cost of Revenue	194,967	194,967	195,515	146,292	129,242	113,004
Gross Profit	31,175	31,175	29,099	27,227	28,669	24,618
Operating Expenses:						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	8,244	8,244	7,568	7,258	7,090	9,311
Amortization	0	0	0	0	0	0
Total Operating Expenses	8,244	8,244	7,568	7,258	7,090	9,311
<b>Operating Income</b>	<b>22,931</b>	<b>22,931</b>	<b>21,530</b>	<b>19,970</b>	<b>21,579</b>	<b>15,306</b>
Plus: Depreciation & Amortization	11,346	11,346	10,274	9,892	10,498	10,423
<b>EBITDA</b>	<b>34,277</b>	<b>34,277</b>	<b>31,804</b>	<b>29,862</b>	<b>32,077</b>	<b>25,730</b>
Other Income (Expense):						
Special Income/Charges	0	0	0	0	0	(1,474)
Interest Expense	(5,777)	(5,777)	(5,133)	(5,268)	(5,706)	(5,058)
Interest Income	0	0	0	0	0	238
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	189	189	383	549	238	283
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(5,588)	(5,588)	(4,751)	(4,719)	(5,467)	(6,011)
Income Before Taxes	17,343	17,343	16,780	15,251	16,112	9,295
Income Taxes	6,837	6,837	6,312	5,701	6,032	3,650
Minority Interest	0	0	0	0	0	0
Income From Continuing Operations	10,507	10,507	10,468	9,550	10,079	5,645
Income From Discontinued Operations	0	0	0	(121)	(788)	0
Income From Total Operations	10,507	10,507	10,468	9,429	9,292	5,645
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	(1,916)
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$10,507</b>	<b>\$10,507</b>	<b>\$10,468</b>	<b>\$9,429</b>	<b>\$9,292</b>	<b>\$3,729</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	48,846	48,846	33,008	17,807	11,790	14,705
<b>Per Share Data</b>						
Basic Weighted Shares	6,032	6,032	5,836	5,735	5,611	5,489
Basic EPS from Continuing Operations	\$1.74	\$1.74	\$1.79	\$1.66	\$1.80	\$1.03
Basic EPS from Total Operations	\$1.74	\$1.74	\$1.79	\$1.64	\$1.66	\$0.68
Diluted Weighted Shares	6,155	6,155	5,993	5,908	5,802	5,491
Diluted EPS from Continuing Operations	\$1.71	\$1.72	\$1.77	\$1.64	\$1.76	\$1.03
Diluted EPS from Total Operations	\$1.71	\$1.72	\$1.77	\$1.62	\$1.63	\$0.68
Dividends Paid Per Share	\$1.16	\$1.15	\$1.13	\$1.11	\$1.10	\$1.10
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	0.0%	0.7%	29.0%	9.6%	14.1%	NA
Operating Income	0.0%	6.5%	7.8%	-7.5%	41.0%	NA
EBITDA	0.0%	7.8%	6.5%	-6.9%	24.7%	NA
Total Net Income	0.0%	0.4%	11.0%	1.5%	149.2%	NA
<b>Profit Margins</b>						
Gross Profit	13.5%	13.5%	12.7%	15.3%	17.7%	17.3%
Operating Income	9.9%	9.9%	9.4%	11.2%	13.3%	10.8%
EBITDA	14.8%	14.8%	13.9%	16.8%	19.8%	18.1%
Total Net Income	4.5%	4.5%	4.6%	5.3%	5.7%	2.6%

Company Name: Processing...

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	17.0	17.0	16.0	19.3	22.5	21.3
Pre-Tax Profit Margin (%)	7.5	7.5	7.3	8.6	9.9	6.5
Net Profit Margin (%)	4.5	4.5	4.6	5.3	5.7	4.0
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	9.5	9.5	12.4	12.1	12.7	8.5
Return on Invested Capital (%)	5.8	5.8	7.3	6.5	6.5	4.0
Return on Assets (%)	3.2	3.2	3.5	3.9	4.2	2.7
<b>Efficiency Ratios:</b>						
Inventory Turnover	23.1	23.1	28.4	28.2	23.5	19.5
Receivables Turnover	4.7	4.7	5.0	5.2	5.9	6.2
Receivables Per Day Sales	70.0	70.0	85.1	76.2	68.1	60.9
Asset Turnover	0.7	0.7	0.9	0.8	0.8	0.7
Revenue Per Dollar of Cash	\$51.51	\$51.51	\$92.31	\$110.41	\$52.21	\$57.86
Revenue Per Dollar of Plant (Net)	\$0.96	\$0.96	\$1.14	\$1.01	\$0.97	\$0.92
Revenue Per Dollar of Common Equity	\$2.08	\$2.08	\$2.71	\$2.28	\$2.23	\$2.13
Revenue Per Dollar of Invested Capital	\$1.27	\$1.27	\$1.60	\$1.23	\$1.14	\$1.02
Revenue Per Dollar of Receivables	\$5.14	\$5.14	\$4.23	\$4.73	\$5.29	\$5.91
Revenue Per Dollar of Inventory	\$26.42	\$26.42	\$29.17	\$31.16	\$36.19	\$22.88
Revenue to Assets	\$0.70	\$0.70	\$0.80	\$0.70	\$0.70	\$0.70
<b>Liquidity Ratios:</b>						
Quick Ratio	0.5	0.5	0.6	0.8	0.9	0.6
Current Ratio	0.9	0.9	0.9	1.2	1.2	1.0
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.9	0.9	0.8	0.9	0.9	0.7
Price to Book Value	1.8	1.8	2.1	2.0	2.0	1.5
Price to Tangible Book Value	1.9	1.9	2.2	2.0	2.1	1.6
Price to Cash Flow Ratio	9.4	9.4	8.7	8.0	7.4	6.3
Price to Free Cash Flow Ratio	(8.3)	(8.3)	(7.1)	1,335.0	36.7	23.2
Close Price to Earnings Ratio	17.8	17.8	17.4	16.5	16.0	17.8
High Price to Earnings Ratio	20.7	20.7	20.2	17.0	16.4	21.3
Low Price to Earnings Ratio	16.2	16.2	13.3	12.6	11.3	16.0
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	0.6	0.6	0.7	0.9	1.0	1.1
LT Debt as a % of Invested Capital	39.0	39.0	41.0	45.9	48.8	52.4
LT Debt as a % of Total Liabilities	33.2	33.2	27.9	40.4	46.8	50.9
Total Liabilities as a % of Total Assets	65.8	65.8	71.4	67.8	67.0	68.4
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	4.0	4.0	4.3	3.9	3.8	2.8
Interest as a % of Invested Capital	3.2	3.2	3.6	3.7	4.0	3.6
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$11.59	\$11.59	\$15.09	\$10.37	\$8.28	\$7.80
Total Assets Per Share	\$48.59	\$48.59	\$50.31	\$41.87	\$39.07	\$38.09
Long Term Debt Per Share	\$10.62	\$10.62	\$10.03	\$11.45	\$12.26	\$13.26
Current Liabilities Per Share	\$13.53	\$13.53	\$17.42	\$8.89	\$6.83	\$8.04
Cash Per Share	\$0.67	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$34.57	\$34.57	\$39.03	\$30.79	\$28.67	\$25.68
Book Value Per Share	\$16.62	\$16.62	\$14.41	\$13.49	\$12.89	\$12.04
Tangible Book Value Per Share	\$16.49	\$16.49	\$14.26	\$13.34	\$12.71	\$11.54
Working Capital Per Share	(\$1.94)	(\$1.94)	(\$2.33)	\$1.48	\$1.46	(\$0.24)
Cash Flow Per Share	\$3.27	\$3.27	\$3.53	\$3.34	\$3.50	\$2.90
Free Cash Flow Per Share	(\$3.69)	(\$3.69)	(\$4.34)	\$0.02	\$0.71	\$0.79

Company Name: **PIEDMONT NATRL GAS CO****Historical Balance Sheet**

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/10	2006/10	2005/10	2004/10	2003/10	2002/10
Cash and Equivalents	\$8,886	\$7,065	\$7,065	\$5,676	\$17,921	\$5,100
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	226,066	189,621	189,621	96,698	93,292	37,504
Inventories	144,404	151,865	151,865	133,192	126,497	68,548
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	96,608	156,360	156,360	99,643	69,934	64,634
<b>Total Current Assets</b>	<b>475,964</b>	<b>504,911</b>	<b>504,911</b>	<b>335,209</b>	<b>307,644</b>	<b>175,786</b>
Gross Fixed Assets	2,808,992	2,612,308	2,612,308	2,477,551	2,390,237	1,732,046
Accumulated Depreciation & Depletion	733,682	672,502	672,502	626,755	576,823	572,445
Net Fixed Assets	2,075,310	1,939,806	1,939,806	1,850,796	1,813,414	1,159,601
Intangibles	47,383	47,383	47,383	48,151	0	0
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	135,282	110,390	110,390	101,721	175,348	109,701
<b>Total Non-Current Assets</b>	<b>2,257,975</b>	<b>2,097,579</b>	<b>2,097,579</b>	<b>2,000,668</b>	<b>1,988,762</b>	<b>1,269,302</b>
<b>Total Assets</b>	<b>\$2,733,939</b>	<b>\$2,602,490</b>	<b>\$2,602,490</b>	<b>\$2,335,877</b>	<b>\$2,296,406</b>	<b>\$1,445,088</b>
Accounts Payable	\$131,239	\$228,172	\$228,172	\$99,599	\$90,901	\$51,093
Notes Payable	0	0	0	0	0	0
Short Term Debt	170,000	193,500	193,500	109,500	557,059	93,500
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	99,150	106,892	106,892	97,068	77,202	60,538
<b>Total Current Liabilities</b>	<b>400,389</b>	<b>528,564</b>	<b>528,564</b>	<b>306,167</b>	<b>725,162</b>	<b>205,131</b>
Long Term Debt	825,000	825,000	825,000	660,000	460,000	462,000
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	235,411	213,050	213,050	202,155	188,503	158,275
Other Non-Current Liabilities	390,214	351,684	351,684	312,657	292,546	30,086
Minority Interest	0	0	0	0	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>1,450,625</b>	<b>1,189,734</b>	<b>1,189,734</b>	<b>1,174,812</b>	<b>941,049</b>	<b>650,361</b>
<b>Total Liabilities</b>	<b>1,851,014</b>	<b>1,718,298</b>	<b>1,718,298</b>	<b>1,480,979</b>	<b>1,666,211</b>	<b>855,492</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	0	562,880	562,880	563,667	372,651	352,553
Additional Paid In Capital	532,820	0	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	348,765	323,565	323,565	291,397	259,476	240,026
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	1,340	(2,253)	(2,253)	(166)	(1,932)	(2,983)
<b>Total Equity</b>	<b>882,925</b>	<b>884,192</b>	<b>884,192</b>	<b>854,898</b>	<b>630,195</b>	<b>589,596</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$2,733,939</b>	<b>\$2,602,490</b>	<b>\$2,602,490</b>	<b>\$2,335,877</b>	<b>\$2,296,406</b>	<b>\$1,445,088</b>

Company Name:

PIEDMONT NATRL GAS CO

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/10	2006/10	2005/10	2004/10	2003/10	2002/10
<b>Operating Revenue</b>	<b>\$1,680,522</b>	<b>\$1,924,628</b>	<b>\$1,761,091</b>	<b>\$1,529,739</b>	<b>\$1,220,822</b>	<b>\$832,028</b>
Adjustments to Revenue	33,687	33,138	29,807	27,011	24,410	23,863
Cost of Revenue	1,376,271	1,620,502	1,468,935	1,241,652	990,049	629,661
Gross Profit	270,564	270,988	262,349	261,076	206,363	178,504
Operating Expenses:						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	89,420	89,696	85,169	82,276	63,164	57,593
Amortization	0	0	0	0	0	0
Total Operating Expenses	89,420	89,696	85,169	82,276	63,164	57,593
<b>Operating Income</b>	<b>181,144</b>	<b>181,292</b>	<b>177,180</b>	<b>178,800</b>	<b>143,199</b>	<b>120,911</b>
Plus: Depreciation & Amortization	93,345	93,577	91,136	86,786	63,611	57,837
<b>EBITDA</b>	<b>274,489</b>	<b>274,869</b>	<b>268,316</b>	<b>265,586</b>	<b>206,810</b>	<b>178,748</b>
Other Income (Expense):						
Special Income/Charges	0	0	0	0	0	0
Interest Expense	(54,006)	(52,310)	(44,256)	(46,418)	(39,069)	(40,604)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	30,456	30,637	31,274	24,901	19,669	12,694
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(23,550)	(21,673)	(12,982)	(21,517)	(19,400)	(27,910)
Income Before Taxes	157,594	159,619	164,198	157,283	123,799	93,001
Income Taxes	61,686	62,430	62,326	62,047	48,617	30,784
Minority Interest	0	0	0	48	820	0
Income From Continuing Operations	95,908	97,189	101,270	95,188	74,362	62,217
Income From Discontinued Operations	0	0	0	0	0	0
Income From Total Operations	95,908	97,189	101,270	95,188	74,362	62,217
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$95,908</b>	<b>\$97,189</b>	<b>\$101,270</b>	<b>\$95,188</b>	<b>\$74,362</b>	<b>\$62,217</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	191,407	204,116	191,407	141,761	528,103	80,112
<b>Per Share Data</b>						
Basic Weighted Shares	75,863	75,863	76,680	74,359	66,782	65,526
Basic EPS from Continuing Operations	\$1.28	\$1.28	\$1.32	\$1.28	\$1.12	\$0.95
Basic EPS from Total Operations	\$1.28	\$1.28	\$1.32	\$1.28	\$1.12	\$0.95
Diluted Weighted Shares	76,156	76,156	76,992	74,797	67,006	65,874
Diluted EPS from Continuing Operations	\$1.27	\$1.28	\$1.32	\$1.27	\$1.11	\$0.95
Diluted EPS from Total Operations	\$1.27	\$1.28	\$1.32	\$1.27	\$1.11	\$0.95
Dividends Paid Per Share	\$0.96	\$0.95	\$0.91	\$0.85	\$0.82	\$0.79
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-12.7%	9.3%	15.1%	25.3%	46.7%	NA
Operating Income	-0.1%	2.3%	-0.9%	24.9%	18.4%	NA
EBITDA	-0.1%	2.4%	1.0%	28.4%	15.7%	NA
Total Net Income	-1.3%	-4.0%	6.4%	28.0%	19.5%	NA
<b>Profit Margins</b>						
Gross Profit	16.1%	14.1%	14.9%	17.1%	16.9%	21.5%
Operating Income	10.8%	9.4%	10.1%	11.7%	11.7%	14.5%
EBITDA	16.3%	14.3%	15.2%	17.4%	16.9%	21.5%
Total Net Income	5.7%	5.0%	5.8%	6.2%	6.1%	7.5%

Company Name: **PIEDMONT NATRL GAS CO****Annual Ratio Analysis**

	MRQ		For the year ended:			
	2006/10	2006/10	2005/10	2004/10	2003/10	2002/10
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	16.0	16.0	16.9	19.1	18.9	24.4
Pre-Tax Profit Margin (%)	8.3	8.3	9.3	10.3	10.1	11.2
Net Profit Margin (%)	5.0	5.7	5.8	6.2	6.1	7.5
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	11.0	11.0	11.5	11.1	11.8	10.6
Return on Invested Capital (%)	5.7	5.7	6.7	6.3	6.8	5.9
Return on Assets (%)	3.6	3.6	3.9	4.1	3.2	4.3
<b>Efficiency Ratios:</b>						
Inventory Turnover	10.9	10.9	10.3	9.5	10.1	8.9
Receivables Turnover	9.3	9.3	12.3	16.1	18.7	26.2
Receivables Per Day Sales	42.3	42.3	38.8	22.8	27.5	16.2
Asset Turnover	0.7	0.7	0.7	0.7	0.7	0.6
Revenue Per Dollar of Cash	\$216.59	\$216.59	\$249.27	\$269.51	\$88.12	\$163.14
Revenue Per Dollar of Plant (Net)	\$0.93	\$0.93	\$0.91	\$0.83	\$0.67	\$0.72
Revenue Per Dollar of Common Equity	\$2.18	\$2.18	\$1.99	\$1.79	\$1.94	\$1.41
Revenue Per Dollar of Invested Capital	\$1.13	\$1.13	\$1.17	\$1.01	\$1.12	\$0.79
Revenue Per Dollar of Receivables	\$8.51	\$8.51	\$9.29	\$15.82	\$13.09	\$22.19
Revenue Per Dollar of Inventory	\$13.33	\$13.33	\$11.60	\$11.49	\$9.65	\$12.14
Revenue to Assets	\$0.70	\$0.70	\$0.70	\$0.70	\$0.50	\$0.60
<b>Liquidity Ratios:</b>						
Quick Ratio	0.6	0.6	0.4	0.3	0.2	0.2
Current Ratio	1.2	1.2	1.0	1.1	0.4	0.9
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	1.1	1.1	1.0	1.1	1.1	1.4
Price to Book Value	2.3	2.3	2.1	2.0	2.1	2.0
Price to Tangible Book Value	2.4	2.4	2.2	2.2	2.1	2.0
Price to Cash Flow Ratio	10.7	10.7	9.4	9.6	9.7	9.9
Price to Free Cash Flow Ratio	(11.8)	(11.8)	(23.4)	(34.0)	(2.8)	(51.1)
Close Price to Earnings Ratio	21.1	21.1	17.9	17.9	17.9	18.8
High Price to Earnings Ratio	21.3	21.3	19.5	18.1	18.7	20.0
Low Price to Earnings Ratio	16.6	16.6	16.5	15.1	14.8	14.4
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	0.9	0.9	0.7	0.8	0.7	0.8
LT Debt as a % of Invested Capital	48.3	48.3	41.4	43.6	42.2	43.9
LT Debt as a % of Total Liabilities	44.6	44.6	36.4	44.6	27.6	54.0
Total Liabilities as a % of Total Assets	67.7	67.7	66.0	63.4	72.6	59.2
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	4.1	4.1	4.7	4.4	4.1	3.3
Interest as a % of Invested Capital	3.1	3.1	2.9	3.1	3.6	3.9
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$6.31	\$6.31	\$6.58	\$4.37	\$4.57	\$2.66
Total Assets Per Share	\$36.23	\$36.23	\$33.93	\$30.47	\$34.12	\$21.84
Long Term Debt Per Share	\$10.93	\$10.93	\$8.15	\$8.61	\$6.83	\$6.98
Current Liabilities Per Share	\$5.31	\$5.31	\$6.89	\$3.99	\$10.77	\$3.10
Cash Per Share	\$0.12	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$25.50	\$25.50	\$22.96	\$19.95	\$18.14	\$12.57
Book Value Per Share	\$11.70	\$11.70	\$11.53	\$11.15	\$9.36	\$8.91
Tangible Book Value Per Share	\$11.07	\$11.07	\$10.91	\$10.52	\$9.36	\$8.91
Working Capital Per Share	\$1.00	\$1.00	(\$0.31)	\$0.38	(\$6.20)	(\$0.44)
Cash Flow Per Share	\$2.53	\$2.53	\$2.51	\$2.37	\$2.05	\$1.81
Free Cash Flow Per Share	(\$2.28)	(\$2.28)	(\$1.01)	(\$0.67)	(\$7.18)	(\$0.35)



## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/09	2005/12	2004/12	2004/06	2003/06
Cash and Equivalents	\$5,751	\$6,991	\$16,938	\$30,053	\$19,971	\$86,997
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	301,777	215,826	437,562	333,492	181,924	192,402
Inventories	241,137	229,815	295,658	267,136	200,295	208,668
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	142,194	169,933	173,615	81,827	53,539	43,574
<b>Total Current Assets</b>	<b>690,859</b>	<b>622,565</b>	<b>923,773</b>	<b>712,508</b>	<b>455,729</b>	<b>531,641</b>
Gross Fixed Assets	5,204,566	5,097,815	4,367,703	4,106,504	3,941,880	3,786,025
Accumulated Depreciation & Depletion	620,139	583,823	881,763	778,876	734,367	641,225
<b>Net Fixed Assets</b>	<b>4,584,427</b>	<b>4,513,992</b>	<b>3,485,940</b>	<b>3,327,628</b>	<b>3,207,513</b>	<b>3,144,800</b>
Intangibles	89,227	89,227	465,547	640,547	640,547	642,921
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	1,418,277	895,325	961,559	887,606	268,669	271,576
<b>Total Non-Current Assets</b>	<b>6,091,931</b>	<b>5,498,544</b>	<b>4,913,046</b>	<b>4,855,781</b>	<b>4,116,729</b>	<b>4,059,297</b>
<b>Total Assets</b>	<b>\$6,782,790</b>	<b>\$6,121,109</b>	<b>\$5,836,819</b>	<b>\$5,568,289</b>	<b>\$4,572,458</b>	<b>\$4,590,938</b>
Accounts Payable	\$300,762	\$213,220	\$206,504	\$183,018	\$122,309	\$112,840
Notes Payable	0	0	0	0	0	0
Short Term Debt	561,011	1,172,755	546,648	788,650	120,997	986,252
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	339,051	339,197	469,978	342,168	270,640	254,914
<b>Total Current Liabilities</b>	<b>1,200,824</b>	<b>1,725,172</b>	<b>1,223,130</b>	<b>1,313,836</b>	<b>513,946</b>	<b>1,354,006</b>
Long Term Debt	2,689,656	1,631,997	2,049,141	2,070,353	2,154,615	1,611,653
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	617,177	589,921	396,490	365,494	348,960	282,707
Other Non-Current Liabilities	224,725	264,929	313,989	321,049	292,946	322,154
Minority Interest	0	0	0	0	0	100,000
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>3,531,558</b>	<b>2,466,847</b>	<b>2,759,620</b>	<b>2,756,896</b>	<b>2,796,521</b>	<b>2,316,514</b>
<b>Total Liabilities</b>	<b>4,732,382</b>	<b>4,192,019</b>	<b>3,982,750</b>	<b>4,070,732</b>	<b>3,310,467</b>	<b>3,670,520</b>
Preferred Stock Equity	230,000	230,000	230,000	230,000	230,000	0
Common Par	120,718	120,674	112,530	90,763	77,141	73,074
Additional Paid In Capital	1,775,763	1,789,324	1,681,167	1,204,590	975,104	901,701
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	(47,527)	(162,644)	(83,053)	48,044	46,692	24,346
Treasury Stock	(27,708)	(27,708)	(27,566)	(12,870)	(12,870)	(10,467)
Other Equity Adjustments	(838)	(20,556)	(59,009)	(62,970)	(54,076)	(68,236)
<b>Total Equity</b>	<b>2,050,408</b>	<b>1,929,090</b>	<b>1,854,069</b>	<b>1,497,557</b>	<b>1,261,991</b>	<b>920,418</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$6,782,790</b>	<b>\$6,121,109</b>	<b>\$5,836,819</b>	<b>\$5,568,289</b>	<b>\$4,572,458</b>	<b>\$4,590,938</b>

Company Name: SOUTHERN UNION CO

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2004/06	2003/06
<b>Operating Revenue</b>	<b>\$2,340,144</b>	<b>\$2,355,601</b>	<b>\$2,019,430</b>	<b>\$794,338</b>	<b>\$1,799,974</b>	<b>\$1,188,507</b>
Adjustments to Revenue	22,467	17,703	44,517	44,808	99,443	67,138
Cost of Revenue	1,810,488	1,789,818	1,458,619	579,223	1,276,249	918,356
Gross Profit	507,189	548,080	516,294	170,307	424,282	203,013
<b>Operating Expenses:</b>						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	152,104	142,526	126,393	63,376	118,755	60,642
Amortization	0	0	0	0	0	0
Total Operating Expenses	152,104	142,526	126,393	63,376	118,755	60,642
<b>Operating Income</b>	<b>355,085</b>	<b>405,554</b>	<b>389,901</b>	<b>106,931</b>	<b>305,527</b>	<b>142,371</b>
Plus: Depreciation & Amortization	154,601	153,149	128,579	62,930	108,655	63,561
<b>EBITDA</b>	<b>509,686</b>	<b>558,703</b>	<b>518,480</b>	<b>169,861</b>	<b>414,182</b>	<b>205,932</b>
<b>Other Income (Expense):</b>						
Special Income/Charges	0	0	0	0	0	0
Interest Expense	(210,043)	(197,100)	(135,157)	(64,898)	(127,867)	(83,343)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	181,288	(79,549)	(111,327)	(13,335)	5,468	18,394
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(28,755)	(276,649)	(246,484)	(78,233)	(122,399)	(64,949)
Income Before Taxes	326,330	128,905	143,417	28,698	183,128	77,422
Income Taxes	109,248	134,115	122,734	13,927	69,103	24,273
Minority Interest	0	0	0	0	0	9,480
Income From Continuing Operations	217,082	(5,210)	20,683	14,771	114,025	43,669
Income From Discontinued Operations	(152,952)	(152,531)	0	0	0	32,520
Income From Total Operations	64,130	(157,741)	20,683	14,771	114,025	76,189
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$64,130</b>	<b>(\$157,741)</b>	<b>\$20,683</b>	<b>\$14,771</b>	<b>\$114,025</b>	<b>\$76,189</b>
Preferred Dividends	17,365	17,365	17,365	8,683	12,686	0
Capital Expenditures	347,896	279,721	279,721	178,437	226,053	79,730
<b>Per Share Data</b>						
Basic Weighted Shares	114,787	115,801	109,395	86,130	79,246	63,088
Basic EPS from Continuing Operations	\$1.75	(\$0.23)	\$0.03	\$0.07	\$1.28	\$0.69
Basic EPS from Total Operations	\$0.45	(\$1.51)	\$0.03	\$0.07	\$1.28	\$1.21
Diluted Weighted Shares	117,344	117,786	112,794	89,600	81,612	65,119
Diluted EPS from Continuing Operations	\$1.70	(\$0.23)	\$0.03	\$0.07	\$1.24	\$0.67
Diluted EPS from Total Operations	\$0.43	(\$1.49)	\$0.03	\$0.07	\$1.24	\$1.17
Dividends Paid Per Share	\$0.30	\$0.20	\$0.00	\$0.00	\$0.00	\$0.00
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-0.7%	16.6%	154.2%	-55.9%	51.4%	NA
Operating Income	-12.4%	4.0%	264.6%	-65.0%	114.6%	NA
EBITDA	-8.8%	7.8%	205.2%	-59.0%	101.1%	NA
Total Net Income	-140.7%	-862.7%	40.0%	-87.0%	49.7%	NA
<b>Profit Margins</b>						
Gross Profit	21.7%	23.3%	25.6%	21.4%	23.6%	17.1%
Operating Income	15.2%	17.2%	19.3%	13.5%	17.0%	12.0%
EBITDA	21.8%	23.7%	25.7%	21.4%	23.0%	17.3%
Total Net Income	2.7%	-6.7%	1.0%	1.9%	6.3%	6.4%

Company Name:

SOUTHERN UNION CO

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/12	2006/09	2005/12	2004/12	2004/06	2003/06
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	23.4	23.4	27.9	27.0	28.5	23.0
Pre-Tax Profit Margin (%)	13.9	13.9	7.1	3.6	10.2	6.5
Net Profit Margin (%)	2.7	2.7	1.0	1.9	6.3	6.4
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	3.5	3.5	1.3	1.2	11.0	8.3
Return on Invested Capital (%)	1.4	1.4	0.5	0.4	3.3	3.0
Return on Assets (%)	0.9	0.9	0.4	0.3	2.5	1.7
<b>Efficiency Ratios:</b>						
Inventory Turnover	6.7	6.7	-	2.5	6.3	5.9
Receivables Turnover	6.3	6.3	-	3.1	9.6	7.6
Receivables Per Day Sales	46.4	46.4	78.0	151.1	36.4	58.3
Asset Turnover	0.4	0.4	-	0.2	0.4	0.3
Revenue Per Dollar of Cash	\$406.91	\$406.91	\$119.22	\$26.43	\$90.13	\$13.66
Revenue Per Dollar of Plant (Net)	\$0.51	\$0.51	\$0.58	\$0.24	\$0.56	\$0.38
Revenue Per Dollar of Common Equity	\$1.29	\$1.29	\$1.24	\$0.63	\$1.74	\$1.29
Revenue Per Dollar of Invested Capital	\$0.49	\$0.49	\$0.52	\$0.22	\$0.53	\$0.47
Revenue Per Dollar of Receivables	\$7.75	\$7.75	\$4.62	\$2.38	\$9.89	\$6.18
Revenue Per Dollar of Inventory	\$9.70	\$9.70	\$6.83	\$2.97	\$8.99	\$5.70
Revenue to Assets	\$0.30	\$0.30	\$0.30	\$0.10	\$0.40	\$0.30
<b>Liquidity Ratios:</b>						
Quick Ratio	0.3	0.3	0.4	0.3	0.4	0.2
Current Ratio	0.6	0.6	0.8	0.5	0.9	0.4
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	1.4	1.4	1.3	2.7	0.9	1.0
Price to Book Value	1.6	1.6	1.6	1.7	1.5	1.3
Price to Tangible Book Value	1.9	1.9	2.3	3.5	3.9	4.2
Price to Cash Flow Ratio	16.6	16.6	20.0	31.3	7.3	8.4
Price to Free Cash Flow Ratio	(8.3)	(8.3)	(33.8)	(2.7)	14.5	(2.1)
Close Price to Earnings Ratio	69.9	69.9	787.7	326.1	15.4	12.5
High Price to Earnings Ratio	74.4	74.4	876.3	339.6	15.6	13.2
Low Price to Earnings Ratio	56.9	56.9	692.1	229.8	10.8	7.5
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	1.5	1.5	1.3	1.6	2.1	1.8
LT Debt as a % of Invested Capital	56.7	56.7	52.5	58.0	63.1	63.6
LT Debt as a % of Total Liabilities	56.8	56.8	51.5	50.9	65.1	43.9
Total Liabilities as a % of Total Assets	69.8	69.8	68.2	73.1	72.4	80.0
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	2.6	2.6	2.1	1.4	2.4	1.8
Interest as a % of Invested Capital	4.4	4.4	3.5	1.8	3.7	3.3
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$5.77	\$5.77	\$8.29	\$7.51	\$5.65	\$6.62
Total Assets Per Share	\$56.68	\$56.68	\$52.36	\$58.67	\$56.73	\$57.16
Long Term Debt Per Share	\$22.48	\$22.48	\$18.38	\$21.81	\$26.73	\$20.07
Current Liabilities Per Share	\$10.04	\$10.04	\$10.97	\$13.84	\$6.38	\$16.86
Cash Per Share	\$0.05	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$19.56	\$19.56	\$18.12	\$8.37	\$22.33	\$14.80
Book Value Per Share	\$15.21	\$15.21	\$14.57	\$13.35	\$12.80	\$11.46
Tangible Book Value Per Share	\$14.47	\$14.47	\$10.39	\$6.61	\$4.86	\$3.46
Working Capital Per Share	(\$4.26)	(\$4.26)	(\$2.69)	(\$6.34)	(\$0.72)	(\$10.24)
Cash Flow Per Share	\$1.68	\$1.68	\$1.18	\$0.73	\$2.61	\$1.74
Free Cash Flow Per Share	(\$3.36)	(\$3.36)	(\$0.70)	(\$8.55)	\$1.32	(\$6.80)

Company Name: **TECO ENERGY INC****Historical Balance Sheet**

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
Cash and Equivalents	\$441,600	\$441,600	\$345,700	\$96,700	\$108,200	\$411,100
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	338,300	338,300	323,300	286,800	280,400	657,800
Inventories	159,600	159,600	153,800	120,800	170,700	209,800
Prepaid Expenses	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	346,200	346,200	449,400	233,300	310,500	44,500
<b>Total Current Assets</b>	<b>1,285,700</b>	<b>1,285,700</b>	<b>1,272,200</b>	<b>737,600</b>	<b>869,800</b>	<b>1,323,200</b>
Gross Fixed Assets	7,084,100	7,084,100	6,754,500	6,723,400	8,040,200	8,215,300
Accumulated Depreciation & Depletion	2,317,200	2,317,200	2,187,600	2,065,500	2,361,200	2,751,300
Net Fixed Assets	4,766,900	4,766,900	4,566,900	4,657,900	5,679,000	5,464,000
Intangibles	59,400	59,400	59,400	59,400	71,200	193,700
Cost in Excess	0	0	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	1,249,800	1,249,800	1,271,600	4,021,600	3,842,300	1,656,900
<b>Total Non-Current Assets</b>	<b>6,076,100</b>	<b>6,076,100</b>	<b>5,897,900</b>	<b>8,738,900</b>	<b>9,592,500</b>	<b>7,314,600</b>
<b>Total Assets</b>	<b>\$7,361,800</b>	<b>\$7,361,800</b>	<b>\$7,170,100</b>	<b>\$9,476,500</b>	<b>\$10,462,300</b>	<b>\$8,637,800</b>
Accounts Payable	\$326,500	\$326,500	\$354,700	\$257,800	\$313,800	\$377,400
Notes Payable	0	0	0	0	0	0
Short Term Debt	687,400	687,400	222,200	128,600	69,100	487,600
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	336,500	336,500	349,000	1,836,000	1,864,300	244,200
<b>Total Current Liabilities</b>	<b>1,350,400</b>	<b>1,350,400</b>	<b>925,900</b>	<b>2,222,400</b>	<b>2,247,200</b>	<b>1,109,200</b>
Long Term Debt	3,212,600	3,212,600	3,709,200	3,880,000	3,743,500	3,324,300
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	504,100	498,000	495,000
Other Non-Current Liabilities	1,069,800	1,069,800	943,300	1,583,200	1,644,900	448,500
Minority Interest	0	0	0	2,900	1,900	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>4,282,400</b>	<b>4,282,400</b>	<b>4,652,500</b>	<b>5,970,200</b>	<b>5,888,300</b>	<b>4,267,800</b>
<b>Total Liabilities</b>	<b>5,632,800</b>	<b>5,632,800</b>	<b>5,578,400</b>	<b>8,192,600</b>	<b>8,135,500</b>	<b>5,377,000</b>
Preferred Stock Equity	0	0	0	0	649,100	649,100
Common Par	209,500	209,500	208,200	199,700	187,800	175,800
Additional Paid In Capital	1,466,300	1,466,300	1,527,000	1,489,400	1,220,800	1,094,500
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	83,700	83,700	(83,100)	(357,600)	339,500	1,413,700
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	(30,500)	(30,500)	(60,400)	(47,600)	(70,400)	(72,300)
<b>Total Equity</b>	<b>1,729,000</b>	<b>1,729,000</b>	<b>1,591,700</b>	<b>1,283,900</b>	<b>2,326,800</b>	<b>3,260,800</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$7,361,800</b>	<b>\$7,361,800</b>	<b>\$7,170,100</b>	<b>\$9,476,500</b>	<b>\$10,462,300</b>	<b>\$8,637,800</b>

Company Name:

TECO ENERGY INC

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Operating Revenue</b>	<b>\$3,448,100</b>	<b>\$3,448,100</b>	<b>\$3,010,100</b>	<b>\$2,669,100</b>	<b>\$2,740,000</b>	<b>\$2,675,800</b>
Adjustments to Revenue	217,500	217,500	194,700	185,000	175,200	173,200
Cost of Revenue	2,550,900	2,550,900	2,173,300	1,939,400	1,926,300	1,810,200
Gross Profit	679,700	679,700	642,100	544,700	638,500	692,400
Operating Expenses:						
Selling, General & Administrative	0	0	0	0	0	0
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	282,200	282,200	282,200	282,300	326,000	303,400
Amortization	0	0	0	0	0	0
Total Operating Expenses	282,200	282,200	282,200	282,300	326,000	303,400
<b>Operating Income</b>	<b>397,500</b>	<b>397,500</b>	<b>359,900</b>	<b>262,400</b>	<b>312,500</b>	<b>389,000</b>
Plus: Depreciation & Amortization	293,700	293,700	287,700	303,200	400,300	317,300
<b>EBITDA</b>	<b>691,200</b>	<b>691,200</b>	<b>647,600</b>	<b>565,600</b>	<b>712,800</b>	<b>706,300</b>
Other Income (Expense):						
Special Income/Charges	(2,500)	(2,500)	(74,200)	(870,600)	(324,400)	(34,100)
Interest Expense	(275,600)	(275,600)	(288,700)	(320,900)	(261,000)	(151,500)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	174,100	174,100	228,800	180,100	74,200	56,400
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(104,000)	(104,000)	(134,100)	(1,011,400)	(511,200)	(129,200)
Income Before Taxes	293,500	293,500	225,800	749,000	(198,700)	259,800
Income Taxes	118,700	118,700	101,900	(265,100)	(135,200)	(38,400)
Minority Interest	(69,600)	(69,600)	(87,100)	(79,500)	(48,800)	0
Income From Continuing Operations	244,400	244,400	21,000	(404,400)	(14,700)	298,200
Income From Discontinued Operations	1,900	1,900	63,500	(147,600)	(890,400)	31,900
Income From Total Operations	246,300	246,300	274,500	(552,000)	(905,100)	330,100
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	(4,344)	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$246,300</b>	<b>\$246,300</b>	<b>\$274,500</b>	<b>(\$552,000)</b>	<b>(\$909,444)</b>	<b>\$330,100</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	455,700	455,700	295,300	273,200	590,600	1,065,200
<b>Per Share Data</b>						
Basic Weighted Shares	207,900	207,900	206,300	192,600	179,900	153,200
Basic EPS from Continuing Operations	\$1.18	\$1.18	\$1.02	(\$2.10)	(\$0.08)	\$1.95
Basic EPS from Total Operations	\$1.19	\$1.19	\$1.33	(\$2.87)	(\$5.05)	\$2.15
Diluted Weighted Shares	208,700	208,700	208,200	192,600	179,900	153,300
Diluted EPS from Continuing Operations	\$1.16	\$1.17	\$1.00	(\$2.10)	(\$0.08)	\$1.95
Diluted EPS from Total Operations	\$1.17	\$1.18	\$1.31	(\$2.87)	(\$5.05)	\$2.15
Dividends Paid Per Share	\$0.76	\$0.76	\$0.76	\$0.76	\$0.93	\$1.41
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	0.0%	14.6%	12.8%	-2.6%	2.4%	NA
Operating Income	0.0%	10.4%	37.2%	-16.0%	-19.7%	NA
EBITDA	0.0%	6.7%	14.5%	-20.7%	0.9%	NA
Total Net Income	0.0%	-10.3%	-149.7%	-39.3%	-375.5%	NA
<b>Profit Margins</b>						
Gross Profit	19.7%	19.7%	21.3%	20.4%	23.3%	25.9%
Operating Income	11.5%	11.5%	12.0%	9.8%	11.4%	14.5%
EBITDA	20.0%	20.0%	21.5%	21.2%	26.0%	26.4%
Total Net Income	7.1%	7.1%	9.1%	-20.7%	-33.2%	12.3%

Company Name: **TECO ENERGY INC****Annual Ratio Analysis**

	MRQ		For the year ended:			
	2006/12	2006/12	2005/12	2004/12	2003/12	2002/12
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	26.4	26.4	28.0	28.1	32.4	32.9
Pre-Tax Profit Margin (%)	8.5	8.5	7.5	(28.1)	(7.3)	9.7
Net Profit Margin (%)	7.1	7.1	9.1	(20.7)	(33.0)	12.3
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	14.2	14.2	17.2	NE	NE	12.6
Return on Invested Capital (%)	5.0	5.0	5.2	(10.7)	(14.9)	5.0
Return on Assets (%)	3.3	3.3	3.8	(5.8)	(8.7)	3.8
<b>Efficiency Ratios:</b>						
Inventory Turnover	16.2	16.2	15.8	13.2	9.7	9.4
Receivables Turnover	10.4	10.4	9.9	9.4	5.8	4.9
Receivables Per Day Sales	35.3	35.3	38.7	38.7	36.8	88.5
Asset Turnover	0.5	0.5	0.4	0.3	0.3	0.3
Revenue Per Dollar of Cash	\$7.81	\$7.81	\$8.71	\$27.60	\$25.32	\$6.51
Revenue Per Dollar of Plant (Net)	\$0.72	\$0.72	\$0.66	\$0.57	\$0.48	\$0.49
Revenue Per Dollar of Common Equity	\$1.99	\$1.99	\$1.89	\$2.08	\$1.63	\$1.02
Revenue Per Dollar of Invested Capital	\$0.70	\$0.70	\$0.57	\$0.52	\$0.45	\$0.41
Revenue Per Dollar of Receivables	\$10.19	\$10.19	\$9.31	\$9.31	\$9.77	\$4.07
Revenue Per Dollar of Inventory	\$21.60	\$21.60	\$19.57	\$22.10	\$16.05	\$12.75
Revenue to Assets	\$0.50	\$0.50	\$0.40	\$0.30	\$0.30	\$0.30
<b>Liquidity Ratios:</b>						
Quick Ratio	0.6	0.6	0.7	0.2	0.2	1.0
Current Ratio	1.0	1.0	1.4	0.3	0.4	1.2
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	1.1	1.1	1.2	1.2	1.0	1.0
Price to Book Value	2.1	2.1	2.5	2.4	1.6	1.0
Price to Tangible Book Value	2.2	2.2	2.3	2.5	1.7	1.1
Price to Cash Flow Ratio	6.7	6.7	6.4	(12.3)	(5.4)	4.2
Price to Free Cash Flow Ratio	68.9	68.9	(12.8)	(11.0)	(6.3)	(4.3)
Close Price to Earnings Ratio	14.6	14.6	13.1	NE	NE	7.2
High Price to Earnings Ratio	15.0	15.0	14.7	NE	NE	13.5
Low Price to Earnings Ratio	12.2	12.2	11.4	NE	NE	4.7
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	1.9	1.9	2.3	3.0	2.2	1.3
LT Debt as a % of Invested Capital	65.0	65.0	70.0	75.1	61.7	50.5
LT Debt as a % of Total Liabilities	57.0	57.0	66.5	47.4	46.0	61.8
Total Liabilities as a % of Total Assets	76.5	76.5	77.8	86.5	77.8	62.2
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	2.3	2.3	2.1	NC	0.4	2.7
Interest as a % of Invested Capital	5.6	5.6	5.4	6.2	4.3	2.3
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$6.14	\$6.14	\$6.11	\$3.69	\$4.63	\$7.53
Total Assets Per Share	\$35.14	\$35.14	\$34.44	\$47.45	\$55.71	\$49.18
Long Term Debt Per Share	\$15.33	\$15.33	\$17.82	\$19.43	\$19.93	\$18.93
Current Liabilities Per Share	\$6.45	\$6.45	\$4.45	\$11.13	\$11.97	\$6.31
Cash Per Share	\$2.11	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$16.46	\$16.46	\$14.46	\$13.37	\$14.59	\$15.23
Book Value Per Share	\$8.25	\$8.25	\$7.65	\$6.43	\$8.93	\$14.87
Tangible Book Value Per Share	\$7.97	\$7.97	\$7.36	\$6.13	\$8.55	\$13.77
Working Capital Per Share	(\$0.31)	(\$0.31)	\$1.66	(\$7.44)	(\$7.33)	\$1.22
Cash Flow Per Share	\$2.58	\$2.58	\$2.70	(\$1.25)	(\$2.69)	\$3.69
Free Cash Flow Per Share	\$0.25	\$0.25	(\$1.34)	(\$1.40)	(\$2.27)	(\$3.56)

## FINANCIAL SCHEDULES-PROPANE REPORTING UNIT

Schedule Number	Description
Schedule 1	Historical Income Statement Data
Schedule 2	Historical Balance Sheet Data
Schedule 3	Discount Rate (Cost of Capital)
Schedule 4	Discounted Cash Flow Method
Schedule 5	Guideline Public Company Method

DRAFT - FOR DISCUSSION  
PURPOSES ONLY

	For the Years Ended December 31					02-06 Average	02-06 Weighted Average
	2002	2003	2004	2005	2006		
Revenue	\$ 7,391,107	\$ 9,593,690	\$ 11,167,405	\$ 13,478,914	\$ 14,726,000	\$ 11,271,423	\$ 12,508,424
Cost of Revenue	2,799,290	4,410,071	5,386,246	6,637,033	7,802,000	5,406,928	6,222,420
Gross Profit	4,591,817	5,183,619	5,781,159	6,841,881	6,924,000	5,864,495	6,286,004
Operating Expenses							
Depreciation Expense	436,388	507,699	560,091	620,865	720,000	569,009	614,368
Other Operating Expenses	3,657,767	4,292,009	4,566,189	5,135,138	5,199,000	4,570,021	4,831,727
Total Operating Expenses	4,094,155	4,799,708	5,126,280	5,756,003	5,919,000	5,139,029	5,446,095
Operating Income	497,662	383,911	654,879	1,085,878	1,005,000	725,466	839,909
Other Income (Expense):							
Other Income	56,624	(5,784)	15,167	42,755	11,000	23,952	21,105
Gain on Sale of Property	112,000	-	-	-	-	22,400	7,467
Interest Expense	(160,759)	(172,638)	(256,517)	(502,265)	(749,000)	(368,236)	(468,643)
Total Other Income (Expense)	7,865	(178,422)	(241,350)	(459,510)	(738,000)	(321,883)	(440,071)
Income Before Taxes	505,527	205,489	413,529	626,368	267,000	403,583	399,838
Income Tax Expense	151,289	16,730	135,516	228,437	110,000	128,394	137,003
Net Income	\$ 354,238	\$ 188,759	\$ 278,013	\$ 397,931	\$ 157,000	\$ 275,188	\$ 262,835
EBITDA (2)	\$ 990,674	\$ 885,826	\$ 1,230,137	\$ 1,749,498	\$ 1,736,000	\$ 1,340,827	\$ 1,482,849
EBIT (2)	\$ 554,286	\$ 378,127	\$ 670,046	\$ 1,128,633	\$ 1,016,000	\$ 771,818	\$ 868,481

**Note:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information.
- (2) Excludes gain on sale of property.

Source: Florida Public Utilities Company Internally Prepared Income Statements.



**Florida Public Utilities Company**
*Propane Reporting Unit*
*Historical Income Statements*
*Common Size*
**Appendix E**
**Schedule 1**
**Page 2 of 3**

	For the Years Ended December 31					02-06 Average	02-06 Weighted Average
	2002	2003	2004	2005	2006		
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Revenue	37.9%	46.0%	48.2%	49.2%	53.0%	48.0%	49.7%
Gross Profit	62.1%	54.0%	51.8%	50.8%	47.0%	52.0%	50.3%
Operating Expenses							
Depreciation Expense	5.9%	5.3%	5.0%	4.6%	4.9%	5.0%	4.9%
Other Operating Expenses	49.5%	44.7%	40.9%	38.1%	35.3%	40.5%	38.6%
Total Operating Expenses	55.4%	50.0%	45.9%	42.7%	40.2%	45.6%	43.5%
Operating Income	6.7%	4.0%	5.9%	8.1%	6.8%	6.4%	6.7%
Other Income (Expense):							
Other Income	0.8%	-0.1%	0.1%	0.3%	0.1%	0.2%	0.2%
Gain on Sale of Property	1.5%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%
Interest Expense	-2.2%	-1.8%	-2.3%	-3.7%	-5.1%	-3.3%	-3.7%
Total Other Income (Expense)	0.1%	-1.9%	-2.2%	-3.4%	-5.0%	-2.9%	-3.5%
Income Before Taxes	6.8%	2.1%	3.7%	4.6%	1.8%	3.6%	3.2%
Income Tax Expense	2.0%	0.2%	1.2%	1.7%	0.7%	1.1%	1.1%
Net Income	4.8%	2.0%	2.5%	3.0%	1.1%	2.4%	2.1%
EBITDA	13.4%	9.2%	11.0%	13.0%	11.8%	11.9%	11.9%
EBIT	7.5%	3.9%	6.0%	8.4%	6.9%	6.8%	6.9%

**Note:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information.

**Florida Public Utilities Company**

Propane Reporting Unit  
Historical Income Statements  
Trended

**Appendix E**

Schedule 1

Page 3 of 3

	For the Years Ended December 31,				02-06 Compound Growth
	2000	2001	2002	2003	
Revenue	29.8%	16.4%	20.7%	9.3%	18.8%
Cost of Revenue	57.5%	22.1%	23.2%	17.6%	29.2%
Gross Profit	12.9%	11.5%	18.3%	1.2%	10.8%
Operating Expenses					
Depreciation Expense	16.3%	10.3%	10.9%	16.0%	13.3%
Other Operating Expenses	17.3%	6.4%	12.5%	1.2%	9.2%
Total Operating Expenses	17.2%	6.8%	12.3%	2.8%	9.7%
Operating Income	-22.9%	70.6%	65.8%	-7.4%	19.2%
Other Income (Expense):					
Other Income	#NUM!	NA	NA	NA	-33.6%
Gain on Sale of Property	#NUM!	NA	NA	NA	-100.0%
Interest Expense	7.4%	48.6%	95.8%	49.1%	46.9%
Total Other Income (Expense)	NA	NA	NA	NA	#NUM!
Income Before Taxes	-59.4%	101.2%	51.5%	-57.4%	-14.8%
Income Tax Expense	-88.9%	710.0%	68.6%	-51.8%	-7.7%
Net Income	-46.7%	47.3%	43.1%	-60.5%	-18.4%
EBITDA	-6.5%	80.9%	76.7%	8.5%	15.1%
EBIT	-22.9%	70.6%	65.8%	-7.4%	16.4%

**Note:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information.

	As of December 31				
	2002	2003	2004	2005	2006
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 100	\$ 750	\$ 82,229	\$ 114,342	\$ 10,847
Accounts Receivable	873,995	1,111,247	1,297,486	1,919,689	1,725,882
Allowance for Doubtful Accounts	(24,301)	(39,629)	(71,468)	(55,250)	(64,399)
Materials and Supplies	1,148,381	1,207,710	1,571,614	1,916,798	2,166,364
Other Current Assets (2)	209,604	318,116	574,753	991,594	531,062
Total Current Assets	<u>2,207,779</u>	<u>2,598,194</u>	<u>3,454,614</u>	<u>4,887,173</u>	<u>4,369,756</u>
Long Term Assets:					
Other Assets	137,958	96,592	297,093	88,876	174,797
Goodwill / Intangible Assets	1,835,163	1,852,435	2,766,273	2,759,277	2,752,435
Deferred Income Taxes	20,414	154,267	186,111	88,090	183,576
Total Long-Term Assets	<u>1,993,535</u>	<u>2,103,294</u>	<u>3,249,477</u>	<u>2,936,243</u>	<u>3,110,808</u>
Property, Plant and Equipment:	12,166,793	13,305,729	14,121,077	16,076,658	17,706,225
Less: Accumulated Depreciation	<u>(3,157,095)</u>	<u>(3,504,262)</u>	<u>(3,975,938)</u>	<u>(4,612,605)</u>	<u>(5,136,523)</u>
Net Property and Equipment	<u>9,009,698</u>	<u>9,801,467</u>	<u>10,145,139</u>	<u>11,464,053</u>	<u>12,569,702</u>
Total Assets	<u>\$ 13,211,012</u>	<u>\$ 14,502,955</u>	<u>\$ 16,849,230</u>	<u>\$ 19,287,469</u>	<u>\$ 20,050,266</u>
<b>Liabilities and Stockholders' Equity</b>					
Current Liabilities:					
Customer Deposits	\$486,730	\$515,569	\$560,958	\$614,064	\$718,150
Accounts Payable	1,426,193	2,338,228	1,000,752	1,364,835	1,126,274
Taxes Accrued	(139,008)	(811,317)	(61,987)	640	26,174
Interest Accrued	5,605	2,451	64,211	64,511	36,594
Other Current Liabilities	58,704	73,578	478,584	472,985	457,547
Total Current Liabilities	<u>1,838,224</u>	<u>2,118,509</u>	<u>2,042,518</u>	<u>2,517,035</u>	<u>2,364,739</u>
Long-Term Liabilities:					
Customer Advances	149,473	168,277	552,485	515,562	392,376
Unamortized ITC	7,705	4,424	1,901	418	-
Deferred Income Taxes	1,786,692	2,358,563	3,284,534	3,568,245	3,965,671
Other	-	-	298,659	481,531	961,907
Total Long Term Liabilities	<u>1,943,870</u>	<u>2,531,264</u>	<u>4,137,579</u>	<u>4,565,756</u>	<u>5,319,954</u>
Total Liabilities	3,782,094	4,649,773	6,180,097	7,082,791	7,684,693
Total Stockholders' Equity	<u>9,428,918</u>	<u>9,853,182</u>	<u>10,669,133</u>	<u>12,204,678</u>	<u>12,365,573</u>
Total Liabilities and Shareholders' Equity	<u>\$ 13,211,012</u>	<u>\$ 14,502,955</u>	<u>\$ 16,849,230</u>	<u>\$ 19,287,469</u>	<u>\$ 20,050,266</u>

**Notes:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information
- (2) For 2004, other current assets excludes a receivable related to the sale of the Company's water utility operations as well as ar income tax refund receivable. For 2005 and 2006, other investments were excluded. These amounts were considered to be nonoperating in nature and were excluded for consistency of presentation

**Source:** Florida Public Utilities Company Internally Prepared Balance Sheets.

	As of December 31				
	2002	2003	2004	2005	2006
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	0.0%	0.0%	0.5%	0.6%	0.1%
Accounts Receivable	6.6%	7.7%	7.7%	10.0%	8.6%
Allowance for Doubtful Accounts	-0.2%	-0.3%	-0.4%	-0.3%	-0.3%
Materials and Supplies	8.7%	8.3%	9.3%	9.9%	10.8%
Other Current Assets (2)	1.6%	2.2%	3.4%	5.1%	2.6%
Total Current Assets	16.7%	17.9%	20.5%	25.3%	21.8%
Long Term Assets:					
Other Assets	1.0%	0.7%	1.8%	0.5%	0.9%
Goodwill / Intangible Assets	13.9%	12.8%	16.4%	14.3%	13.7%
Deferred Income Taxes	0.2%	1.1%	1.1%	0.5%	0.9%
Total Long-Term Assets	15.1%	14.5%	19.3%	15.2%	15.5%
Property, Plant and Equipment:	92.1%	91.7%	83.8%	83.4%	88.3%
Less: Accumulated Depreciation	-23.9%	-24.2%	-23.6%	-23.9%	-25.6%
Net Property and Equipment	68.2%	67.6%	60.2%	59.4%	62.7%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Liabilities and Stockholders' Equity</b>					
Current Liabilities:					
Customer Deposits	3.7%	3.6%	3.3%	3.2%	3.6%
Accounts Payable	10.8%	16.1%	5.9%	7.1%	5.6%
Taxes Accrued	-1.1%	-5.6%	-0.4%	0.0%	0.1%
Interest Accrued	0.0%	0.0%	0.4%	0.3%	0.2%
Other Current Liabilities	0.4%	0.5%	2.8%	2.5%	2.3%
Total Current Liabilities	13.9%	14.6%	12.1%	13.1%	11.8%
Long-Term Liabilities:					
Customer Advances	1.1%	1.2%	3.3%	2.7%	2.0%
Unamortized ITC	0.1%	0.0%	0.0%	0.0%	0.0%
Deferred Income Taxes	13.5%	16.3%	19.5%	18.5%	19.8%
Other	0.0%	0.0%	1.8%	2.5%	4.8%
Total Long Term Liabilities	14.7%	17.5%	24.6%	23.7%	26.5%
Total Liabilities	28.6%	32.1%	36.7%	36.7%	38.3%
Total Stockholders' Equity	71.4%	67.9%	63.3%	63.3%	61.7%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%

**Notes:**

- (1) In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from internal financial statements prepared by Company management. This information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any other form of assurance on this financial information
- (2) For 2004, other current assets excludes a receivable related to the sale of the Company's water utility operations as well as an income tax refund receivable. For 2005 and 2006, other investments were excluded. These amounts were considered to be nonoperating in nature and were excluded for consistency of presentation.

**Cost of Equity ( $K_e = R_f + b^*(R_m - R_f) + R_{ss} + R_{cs}$ )**

Long-Term Treasury Securities ( $R_f$ ) <sup>(1)</sup>		4.91%
Beta ( $b$ ) <sup>(2)</sup>	0.22	
Equity Risk Premium ( $R_m - R_f$ ) <sup>(3)</sup>	6.30%	
Beta Adjusted Equity Risk Premium ( $b * (R_m - R_f)$ )		1.39%
Small Stock Risk Premium ( $R_{ss}$ ) <sup>(4)</sup>		3.90%
Company Specific Risk Premium ( $R_{cs}$ )		1.00%
Cost of Equity ( $K_e$ )		11.20%

**After-Tax Cost of Debt ( $K_d = K_b^*(1-t)$ )**

Baa Bond Rate ( $K_b$ ) <sup>(5)</sup>	6.35%
Tax Rate ( $t$ )	37.60%
Cost of Debt ( $K_d$ )	3.96%

**Weighted Average Cost of Capital (WACC)**

	Capital Structure <sup>(6)</sup>		Cost		Weighted Cost
Equity	70.0%	X	11.20%	=	7.84%
Debt	30.0%	X	3.96%	=	1.19%
Weighted Average Cost of Capital (WACC)					9.03%
Rounded					9.00%

**Notes:**

- <sup>(1)</sup> Yield on 20 Year Treasury Bonds obtained from Federal Reserve Statistical Release as of January 3, 2007.
- <sup>(2)</sup> Based on the comparable companies betas obtained from Hemscott Data (FetchXL).
- <sup>(3)</sup> Ibbotson Associates 2007 Yearbook, Long Horizon Supply Side Equity Risk Premium.
- <sup>(4)</sup> Size Premium (in excess of CAPM) based on 9th and 10th deciles of the NYSE/AMEX/NASDAQ. (Ibbotson 2007 Yearbook Valuation Edition).
- <sup>(5)</sup> Baa Bond Rate obtained from Federal Reserve Statistical Release as of January 3, 2007.
- <sup>(6)</sup> Based on the comparable companies capital structure obtained from Hemscott Data (FetchXL). (rounded to the nearest five percent.)

			For the Year Ending December 31,					
			2007	2008	2009	2010	2011	Residual
Revenue	A		\$16,766,000	\$17,859,000	\$19,165,000	\$20,503,000	\$21,879,000	\$22,754,000
Cost of Revenue	B		8,883,000	9,462,000	10,154,000	10,863,000	11,592,000	12,056,000
Gross Profit			7,883,000	8,397,000	9,011,000	9,640,000	10,287,000	10,698,000
Operating Expenses:								
Depreciation Expense	C		794,000	847,000	904,000	963,000	1,025,000	1,200,000
Other Operating Expenses	D		5,573,000	5,967,000	6,372,000	6,807,000	7,256,000	7,546,000
Total Operating Expenses			6,367,000	6,814,000	7,276,000	7,770,000	8,281,000	8,746,000
Operating Income			1,516,000	1,583,000	1,735,000	1,870,000	2,006,000	1,952,000
Other Income	E		17,000	18,000	19,000	21,000	22,000	23,000
Income Before Taxes			1,533,000	1,601,000	1,754,000	1,891,000	2,028,000	1,975,000
Income Tax Expense	F	37.6%	576,000	602,000	660,000	711,000	763,000	743,000
Net Income			957,000	999,000	1,094,000	1,180,000	1,265,000	1,232,000
Adjustments:								
Add: Depreciation Expense	C		794,000	847,000	904,000	963,000	1,025,000	1,200,000
Less: Capital Expenditures	G		(1,594,000)	(1,841,000)	(1,671,000)	(1,649,000)	(1,535,000)	(1,200,000)
(Increase)/Decrease in Debt Free Net Working Capital	H		(102,000)	(55,000)	(95,000)	(67,000)	(69,000)	(44,000)
Cash Flow			55,000	(50,000)	262,000	427,000	686,000	1,188,000
Present Value Factor		9.0%	0.9578	0.8761	0.8062	0.7396	0.6785	
Present Value of Cash Flow			53,000	(44,000)	211,000	316,000	465,000	
Total Present Value of Cash Flows (Years 1 to 5)			\$1,001,000					
Plus: Present Value of Residual Cash Flow			16,121,000					
Total Invested Capital			17,122,000					
Less: Interest Bearing Debt								
Fair Value of Reporting Unit			17,122,000					
Rounded			\$17,100,000					
								Residual Cash Flow
								\$1,188,000
								Residual Capitalization Rate:
								Discount Rate
								9.0%
								Residual Growth Rate
								4.0%
								Capitalization Rate
								5.0%
								Gross Residual Value
								23,760,000
								Present Value Factor
								0.6785
								Present Value of Gross Residual Value
								\$16,121,000

**Notes:**

(1) Note: The above forecasts, based on estimates by the Company's management, have been prepared in connection with a business appraisal and are not intended to conform with accounting standards for the compilation, review, or audit of forecasts or projections.

Florida Public Utilities Company  
Propane Reporting Unit  
Discounted Cash Flow Assumptions

We based the Income Approach on a Discounted Cash Flow Analysis of the Company. We relied primarily on the Reporting Unit's historical financial statements and management's projection as an indicator of cash flow.

- A. Revenue** – Revenue was projected to increase by 13.9%, 6.5%, 7.3%, 7.0%, 6.7%, for 2007 through 2011 and 4.0% for the residual period.
- B. Cost of Revenue** – Cost of revenue was projected to be 53.0% of revenue throughout the projection period.
- C. Depreciation Expense** – Depreciation expense was projected based on management's projection of \$794,000, \$847,000, \$904,000, \$963,000, and \$1,025,000 for 2007 through 2011, respectively. In the Residual, depreciation and capital expenditures were set equal to each other based on the theory that in the long run, a company will replace its fixed assets as they are retired.
- D. Other Operating Expenses** – Other operating expenses projected to be 33.2% of revenue for 2007, 33.4% of revenue for 2008, and 33.2% of revenue for the remainder of the projection period.
- E. Other Income** – Other income was projected at 0.1% of revenue throughout the projection period.
- F. Income Tax Expense** – Income tax expense was calculated at an effective tax rate of 37.6%.
- G. Capital Expenditures** – Capital expenditures were projected at \$1,594,000, \$1,841,000, \$1,671,000, \$1,649,000, and \$1,535,000 for 2007 through 2011, respectively. In the residual, capital expenditures and depreciation were set equal based on the theory that in the long run, a company will replace its fixed assets as they are retired.
- H. Working Capital** – Working capital was forecast based on an analysis of the Company's current assets and current liabilities, consideration of future expected working capital needs, and a review of the guideline public companies working capital. Accordingly, incremental working capital was projected at 5.0% of the change in revenue based on the median for the guideline companies.

	<u>Revenue</u>	<u>EBITDA</u>
<b>Propane Reporting Unit</b>	14,726,000	1,736,000
Selected Multiples	<u>1.30</u>	<u>11.20</u>
<b>Indicated Value</b>	<b>19,143,800</b>	<b>19,443,200</b>
Selected Value - Total Invested Capital	\$ 19,300,000	
Less - Interest Bearing Debt at Reporting Unit Level	<u>-</u>	
Fair Value of Reporting Unit - Rounded	<u>\$ 19,300,000</u>	

DRAFT - FOR DISCUSSION  
PURPOSES ONLY



Invested Capital / Revenue Multiple

		AMERIGAS PARTNERS L.P.	ENERGY TRANSFER PARTNERS	FERRELLGAS PARTNERS L.P.	STAR GAS PARTNERS LP SBI	SUBURBAN PROPANE PARTNR
Unadjusted Multiple		1.31	1.46	1.29	0.31	1.12
Margin Adjustment		3%	10%	18%	196%	-3%
Growth Adjustment		23%	2%	23%	16%	21%
Mean Adjusted Multiple	1.50	1.66	1.63	1.86	1.05	1.32
Median Adjusted Multiple	1.63					
Lower Quartile Adjusted Multiple	1.32					
Selected Multiple	1.30					

Invested Capital / EBITDA Multiple

		AMERIGAS PARTNERS L.P.	ENERGY TRANSFER PARTNERS	FERRELLGAS PARTNERS L.P.	STAR GAS PARTNERS LP SBI	SUBURBAN PROPANE PARTNR
Unadjusted Multiple		11.45	13.57	12.86	7.68	9.22
Growth Adjustment		23%	2%	23%	16%	21%
Mean Adjusted Multiple	12.76	14.08	13.84	15.82	8.91	11.16
Median Adjusted Multiple	13.84					
Lower Quartile Adjusted Multiple	11.16					
Selected Multiple	11.20					

**Selected Financial Information for Comparable Propane Companies - Trailing Twelve Months**

	AMERIGAS PARTNERS L.P.	ENERGY TRANSFER PARTNERS	FERRELLGAS PARTNERS L.P.	STAR GAS PARTNERS LP SBI	SUBURBAN PROPANE PARTNR
Revenue (000s)	\$ 2,105,633	\$ 6,830,921	\$ 1,886,285	\$ 1,212,376	\$ 1,578,099
EBITDA (000s)	\$ 240,647	\$ 733,973	\$ 188,796	\$ 48,324	\$ 191,298
Net Income (000s)	\$ 91,785	\$ 467,076	\$ 21,264	\$ (62,077)	\$ 106,177
Share Price as of 12/29/06	\$ 32.53	\$ 54.10	\$ 21.38	\$ 3.52	\$ 38.01
Shares Outstanding	56,822,497	136,977,553	62,847,113	75,774,336	32,672,000
Market Capitalization (000s)	\$ 1,848,436	\$ 7,410,486	\$ 1,343,671	\$ 266,726	\$ 1,241,863
Interest Bearing Debt (000s) <sup>1</sup>	\$ 906,113	\$ 2,551,830	\$ 1,084,135	\$ 104,365	\$ 521,984
Total Invested Capital (000s) ("TIC")	\$ 2,754,549	\$ 9,962,316	\$ 2,427,806	\$ 371,091	\$ 1,763,847
Beta	0.04	0.25	0.16	0.98	0.14
Five Year Projected Growth Rate	3.0%	8.0%	3.0%	4.5%	3.5%
<b>Valuation Multiples:</b>					
TIC / Revenue	1.31	1.46	1.29	0.31	1.12
TIC / EBITDA	11.45	13.57	12.86	7.68	9.22
P / E	20.14	15.87	63.19	(4.30)	11.70

<sup>1</sup> Interest bearing debt includes current and long-term debt and preferred stock, net of cash.

Company Name: AMERIGAS PARTNERS L.P.

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
Cash and Equivalents	\$27,166	\$84,775	\$99,162	\$40,583	\$45,872	\$47,400
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	241,593	174,195	163,809	146,846	103,085	90,136
Inventories	111,994	99,836	90,748	84,753	70,171	62,496
Prepaid Expenses	9,530	9,391	13,233	25,934	17,204	31,238
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	5	12	50,788	0	0	0
<b>Total Current Assets</b>	<b>390,288</b>	<b>368,209</b>	<b>417,740</b>	<b>298,116</b>	<b>236,332</b>	<b>231,270</b>
Gross Fixed Assets	1,205,354	1,203,276	1,154,341	1,112,800	1,067,694	1,020,140
Accumulated Depreciation & Depletion	622,684	622,684	569,822	520,447	473,090	408,590
Net Fixed Assets	582,670	580,592	584,519	592,353	594,604	611,550
Intangibles	24,728	25,608	648,474	637,670	629,507	612,509
Cost in Excess	619,938	619,938	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	16,872	17,420	12,342	22,088	21,733	17,289
<b>Total Non-Current Assets</b>	<b>1,244,208</b>	<b>1,243,558</b>	<b>1,245,335</b>	<b>1,252,111</b>	<b>1,245,844</b>	<b>1,241,348</b>
<b>Total Assets</b>	<b>\$1,634,496</b>	<b>\$1,611,767</b>	<b>\$1,663,075</b>	<b>\$1,550,227</b>	<b>\$1,482,176</b>	<b>\$1,472,618</b>
Accounts Payable	\$196,737	\$147,058	\$139,422	\$113,624	\$88,282	\$86,894
Notes Payable	0	0	0	0	0	10,000
Short Term Debt	1,635	1,825	118,087	60,068	58,705	60,398
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	29,890	51,652	60,395	60,698	58,294	34,492
Deferred Revenues	0	10,566	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	151,225	169,055	139,111	118,080	92,767	116,040
<b>Total Current Liabilities</b>	<b>379,487</b>	<b>380,156</b>	<b>457,015</b>	<b>352,470</b>	<b>298,048</b>	<b>307,824</b>
Long Term Debt	931,644	931,921	795,415	841,283	868,581	885,386
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Liabilities	69,908	87,738	64,658	59,687	54,859	44,810
Minority Interest	10,545	10,448	8,570	7,749	7,005	6,232
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>1,012,097</b>	<b>1,010,108</b>	<b>868,643</b>	<b>908,719</b>	<b>930,445</b>	<b>936,428</b>
<b>Total Liabilities</b>	<b>1,391,584</b>	<b>1,390,264</b>	<b>1,325,658</b>	<b>1,261,189</b>	<b>1,228,493</b>	<b>1,244,252</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	0	250,493	289,396	276,887	255,423	219,506
Additional Paid In Capital	0	0	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	0	2,525	2,920	9,368	(4,317)	2,214
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	0	(31,515)	45,101	2,783	2,577	6,646
<b>Total Equity</b>	<b>242,912</b>	<b>221,503</b>	<b>337,417</b>	<b>289,038</b>	<b>253,683</b>	<b>228,366</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$1,634,496</b>	<b>\$1,611,767</b>	<b>\$1,663,075</b>	<b>\$1,550,227</b>	<b>\$1,482,176</b>	<b>\$1,472,618</b>

Company Name: AMERIGAS PARTNERS L.P.

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Operating Revenue</b>	<b>\$2,105,633</b>	<b>\$2,119,266</b>	<b>\$1,963,256</b>	<b>\$1,775,900</b>	<b>\$1,628,424</b>	<b>\$1,307,880</b>
Adjustments to Revenue	0	0	0	0	0	0
Cost of Revenue	1,324,686	1,343,769	1,220,006	1,029,239	910,335	632,070
Gross Profit	780,947	775,497	743,250	746,661	718,089	675,810
Operating Expenses:						
Selling, General & Administrative	540,300	535,288	518,127	501,073	488,434	468,817
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	72,766	72,452	73,625	80,612	74,625	66,104
Amortization	0	0	0	0	0	0
Total Operating Expenses	613,066	607,740	591,752	581,685	563,059	534,921
<b>Operating Income</b>	<b>167,881</b>	<b>167,757</b>	<b>151,498</b>	<b>164,976</b>	<b>155,030</b>	<b>140,889</b>
Plus: Depreciation & Amortization	72,766	72,452	73,625	80,612	74,625	66,104
<b>EBITDA</b>	<b>240,647</b>	<b>240,209</b>	<b>225,123</b>	<b>245,588</b>	<b>229,655</b>	<b>206,993</b>
Other Income (Expense):						
Special Income/Charges	0	(17,079)	(33,602)	0	0	0
Interest Expense	(73,148)	(74,094)	(79,900)	(83,175)	(87,195)	(87,839)
Interest Income	0	0	0	0	0	0
Earnings from Equity Interest	0	0	0	0	0	288
Other Income, Net	(309)	16,299	25,781	11,744	5,937	3,363
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(73,457)	(74,874)	(87,721)	(71,431)	(81,258)	(84,188)
Income Before Taxes	94,424	92,883	63,777	93,545	73,772	56,701
Income Taxes	1,045	185	1,514	269	586	340
Minority Interest	1,594	1,540	1,418	1,422	1,228	995
Income From Continuing Operations	91,785	91,158	60,845	91,854	71,958	55,366
Income From Discontinued Operations	0	0	0	0	0	0
Income From Total Operations	91,785	91,158	60,845	91,854	71,958	55,366
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$91,785</b>	<b>\$91,158</b>	<b>\$60,845</b>	<b>\$91,854</b>	<b>\$71,958</b>	<b>\$55,366</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	70,710	70,710	62,616	61,656	52,933	53,472
<b>Per Share Data</b>						
Basic Weighted Shares	56,806	56,797	54,602	53,097	50,267	48,909
Basic EPS from Continuing Operations	\$1.25	\$1.59	\$1.10	\$1.71	\$1.42	\$1.12
Basic EPS from Total Operations	\$1.25	\$1.59	\$1.10	\$1.71	\$1.42	\$1.12
Diluted Weighted Shares	56,846	56,835	54,655	53,172	50,337	48,932
Diluted EPS from Continuing Operations	\$1.25	\$1.59	\$1.10	\$1.71	\$1.42	\$1.12
Diluted EPS from Total Operations	\$1.25	\$1.59	\$1.10	\$1.71	\$1.42	\$1.12
Dividends Paid Per Share	\$2.30	\$2.28	\$2.22	\$2.20	\$2.20	\$2.20
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-0.6%	7.9%	10.5%	9.1%	24.5%	NA
Operating Income	0.1%	10.7%	-8.2%	6.4%	10.0%	NA
EBITDA	0.2%	6.7%	-8.3%	6.9%	10.9%	NA
Total Net Income	0.7%	49.8%	-33.8%	27.6%	30.0%	NA
<b>Profit Margins</b>						
Gross Profit	37.1%	36.6%	37.9%	42.0%	44.1%	51.7%
Operating Income	8.0%	7.9%	7.7%	9.3%	9.5%	10.8%
EBITDA	11.4%	11.3%	11.5%	13.8%	14.1%	15.8%
Total Net Income	4.4%	4.3%	3.1%	5.2%	4.4%	4.2%

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	37.1	36.6	37.9	42.0	44.1	51.7
Pre-Tax Profit Margin (%)	4.5	4.4	3.2	5.3	4.5	4.3
Net Profit Margin (%)	4.4	4.4	3.1	5.2	4.4	4.2
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	37.8	41.2	18.0	31.8	28.4	24.2
Return on Invested Capital (%)	7.8	7.9	5.4	8.1	6.4	5.0
Return on Assets (%)	5.6	5.7	3.7	5.9	4.9	3.8
<b>Efficiency Ratios:</b>						
Inventory Turnover	11.8	14.1	13.9	13.3	13.7	9.3
Receivables Turnover	8.0	12.5	12.6	14.2	16.9	13.4
Receivables Per Day Sales	41.3	29.6	30.0	29.8	22.8	24.8
Asset Turnover	1.3	1.3	1.2	1.2	1.1	0.9
Revenue Per Dollar of Cash	\$77.51	\$25.00	\$19.80	\$43.76	\$35.50	\$27.59
Revenue Per Dollar of Plant (Net)	\$3.61	\$3.65	\$3.36	\$3.00	\$2.74	\$2.14
Revenue Per Dollar of Common Equity	\$8.67	\$9.57	\$5.82	\$6.14	\$6.42	\$5.73
Revenue Per Dollar of Invested Capital	\$1.79	\$1.84	\$1.73	\$1.57	\$1.45	\$1.17
Revenue Per Dollar of Receivables	\$8.72	\$12.17	\$11.99	\$12.09	\$15.80	\$14.51
Revenue Per Dollar of Inventory	\$18.80	\$21.23	\$21.63	\$20.95	\$23.21	\$20.93
Revenue to Assets	\$1.30	\$1.30	\$1.20	\$1.10	\$1.10	\$0.90
<b>Liquidity Ratios:</b>						
Quick Ratio	0.7	0.7	0.6	0.5	0.5	0.4
Current Ratio	1.0	1.0	0.9	0.8	0.8	0.8
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.9	0.9	0.9	0.9	0.8	0.9
Price to Book Value	7.1	7.9	5.4	5.6	5.2	5.0
Price to Tangible Book Value	(4.6)	(4.1)	(5.9)	(4.6)	(3.5)	(3.0)
Price to Cash Flow Ratio	11.2	10.7	13.6	9.3	9.0	9.4
Price to Free Cash Flow Ratio	(31.3)	(67.1)	(78.5)	(36.5)	(25.1)	(386.0)
Close Price to Earnings Ratio	26.0	19.4	29.3	17.3	17.7	20.7
High Price to Earnings Ratio	26.5	20.5	31.8	17.7	19.2	22.6
Low Price to Earnings Ratio	22.6	17.0	23.7	14.5	14.3	15.3
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	3.8	4.2	2.4	2.9	3.4	3.9
LT Debt as a % of Invested Capital	79.3	80.8	70.2	74.4	77.4	79.5
LT Debt as a % of Total Liabilities	66.9	67.0	60.0	66.7	70.7	71.2
Total Liabilities as a % of Total Assets	85.1	86.3	79.7	81.4	82.9	84.5
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	2.3	2.2	1.8	2.1	1.8	1.6
Interest as a % of Invested Capital	6.2	6.4	7.1	7.4	7.8	7.9
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$6.87	\$6.48	\$7.36	\$5.47	\$4.52	\$4.68
Total Assets Per Share	\$28.76	\$28.38	\$29.28	\$28.46	\$28.32	\$29.79
Long Term Debt Per Share	\$16.40	\$16.41	\$14.01	\$15.44	\$16.60	\$17.91
Current Liabilities Per Share	\$6.68	\$6.69	\$8.05	\$6.47	\$5.70	\$6.23
Cash Per Share	\$0.48	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$37.06	\$37.31	\$34.57	\$32.60	\$31.12	\$26.46
Book Value Per Share	\$4.27	\$3.90	\$5.94	\$5.31	\$4.85	\$4.62
Tangible Book Value Per Share	(\$7.07)	(\$7.47)	(\$5.48)	(\$6.40)	(\$7.18)	(\$7.77)
Working Capital Per Share	\$0.19	(\$0.21)	(\$0.69)	(\$1.00)	(\$1.18)	(\$1.55)
Cash Flow Per Share	\$2.90	\$2.88	\$2.37	\$3.17	\$2.80	\$2.46
Free Cash Flow Per Share	(\$1.04)	(\$0.46)	(\$0.41)	(\$0.81)	(\$1.00)	(\$0.06)

Company Name:

ENERGY TRANSFER PARTNERS

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/11	2006/08	2005/08	2004/08	2003/08	2002/08
Cash and Equivalents	\$34,746	\$26,041	\$24,914	\$81,745	\$7,117	\$4,591
Restricted Cash	0	0	0	0	0	0
Marketable Securities	2,596	2,817	3,452	2,464	3,044	2,564
Receivables	628,138	699,663	887,130	284,312	35,879	30,898
Inventories	499,648	387,140	302,893	54,067	45,274	48,187
Prepaid Expenses	40,414	42,198	35,636	6,658	2,741	6,846
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	109,326	143,945	203,995	7,638	83	2,301
<b>Total Current Assets</b>	<b>1,314,868</b>	<b>1,301,804</b>	<b>1,458,020</b>	<b>436,882</b>	<b>94,138</b>	<b>95,387</b>
Gross Fixed Assets	3,808,695	3,555,786	2,577,369	1,524,995	526,151	472,866
Accumulated Depreciation & Depletion	242,137	242,137	136,804	57,346	99,563	72,822
Net Fixed Assets	3,566,558	3,313,649	2,440,565	1,467,649	426,588	400,044
Intangibles	191,230	182,392	436,178	414,141	209,419	213,975
Cost in Excess	603,035	604,409	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	999,056	52,759	92,143	8,010	8,694	7,858
<b>Total Non-Current Assets</b>	<b>5,359,879</b>	<b>4,153,209</b>	<b>2,968,886</b>	<b>1,889,800</b>	<b>644,701</b>	<b>621,877</b>
<b>Total Assets</b>	<b>\$6,674,747</b>	<b>\$5,455,013</b>	<b>\$4,426,906</b>	<b>\$2,326,682</b>	<b>\$738,839</b>	<b>\$717,264</b>
Accounts Payable	\$581,918	\$603,790	\$819,848	\$278,398	\$49,945	\$45,931
Notes Payable	0	0	0	0	0	0
Short Term Debt	40,828	40,578	56,375	45,507	65,009	50,358
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	248,613	201,017	119,834	55,817	35,993	23,962
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	629	0	0	0	0
Other Current Liabilities	177,710	170,476	254,817	17,738	80	1,818
<b>Total Current Liabilities</b>	<b>1,049,069</b>	<b>1,016,490</b>	<b>1,250,874</b>	<b>397,460</b>	<b>151,027</b>	<b>122,069</b>
Long Term Debt	9,548,344	2,589,124	1,975,705	1,070,871	360,762	420,021
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	107,438	106,842	111,185	109,896	0	0
Other Non-Current Liabilities	7,587	8,838	45,806	0	0	0
Minority Interest	0	1,857	17,144	1,475	4,002	3,564
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>2,663,369</b>	<b>2,701,661</b>	<b>1,849,840</b>	<b>1,182,242</b>	<b>364,764</b>	<b>423,585</b>
<b>Total Liabilities</b>	<b>3,712,438</b>	<b>3,718,151</b>	<b>3,100,714</b>	<b>1,579,702</b>	<b>515,791</b>	<b>545,654</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	0	0	1,362,125	720,187	221,207	173,677
Additional Paid In Capital	0	0	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	0	0	0	0	2,190	(2,067)
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	2,962,309	1,736,862	(35,933)	26,793	(349)	0
<b>Total Equity</b>	<b>2,962,309</b>	<b>1,736,862</b>	<b>1,326,192</b>	<b>746,980</b>	<b>223,048</b>	<b>171,610</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$6,674,747</b>	<b>\$5,455,013</b>	<b>\$4,426,906</b>	<b>\$2,326,682</b>	<b>\$738,839</b>	<b>\$717,264</b>

Company Name: ENERGY TRANSFER PARTNERS

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/11	2006/08	2005/08	2004/08	2003/08	2002/08
<b>Operating Revenue</b>	<b>\$6,830,921</b>	<b>\$7,859,096</b>	<b>\$6,168,798</b>	<b>\$2,482,254</b>	<b>\$571,476</b>	<b>\$621,390</b>
Adjustments to Revenue	0	0	0	0	0	0
Cost of Revenue	5,565,032	6,568,316	5,701,069	2,278,250	449,287	371,388
Gross Profit	1,265,889	1,290,780	467,729	204,004	122,189	250,002
Operating Expenses:						
Selling, General & Administrative	562,475	530,494	62,735	33,135	14,037	172,043
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	124,311	117,415	92,943	50,848	37,959	36,998
Amortization	0	0	0	0	0	0
Total Operating Expenses	686,786	647,909	155,678	83,983	51,996	209,041
<b>Operating Income</b>	<b>579,103</b>	<b>642,871</b>	<b>312,051</b>	<b>120,021</b>	<b>70,193</b>	<b>40,961</b>
Plus: Depreciation & Amortization	154,870	120,222	98,539	53,490	37,959	36,998
<b>EBITDA</b>	<b>733,973</b>	<b>763,093</b>	<b>410,590</b>	<b>173,511</b>	<b>108,152</b>	<b>77,959</b>
Other Income (Expense):						
Special Income/Charges	0	0	(9,550)	25,499	0	0
Interest Expense	(126,926)	(113,857)	(93,017)	(41,458)	(35,740)	(37,341)
Interest Income	15,332	14,620	0	509	0	0
Earnings from Equity Interest	4,682	(479)	(376)	363	1,371	1,338
Other Income, Net	2,923	851	301	(1,006)	(2,783)	518
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(103,989)	(98,865)	(102,642)	(16,093)	(37,152)	(35,485)
Income Before Taxes	475,114	544,006	209,409	103,928	33,041	5,476
Income Taxes	7,105	25,920	7,295	4,481	1,023	0
Minority Interest	938	2,234	731	295	876	574
Income From Continuing Operations	467,075	515,852	201,883	99,152	31,142	4,902
Income From Discontinued Operations	0	0	147,967	0	0	0
Income From Total Operations	467,076	515,852	349,850	99,152	31,142	4,902
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$467,076</b>	<b>\$515,852</b>	<b>\$349,350</b>	<b>\$99,152</b>	<b>\$31,142</b>	<b>\$4,902</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	680,164	680,164	196,459	109,688	24,956	27,072
<b>Per Share Data</b>						
Basic Weighted Shares	119,488	109,036	97,646	52,229	33,272	31,477
Basic EPS from Continuing Operations	\$2.56	\$3.16	\$1.79	\$1.73	\$0.90	\$0.13
Basic EPS from Total Operations	\$2.56	\$3.16	\$2.60	\$1.73	\$0.90	\$0.13
Diluted Weighted Shares	119,780	109,335	97,900	52,283	33,389	31,555
Diluted EPS from Continuing Operations	\$2.55	\$3.15	\$1.79	\$1.73	\$0.90	\$0.13
Diluted EPS from Total Operations	\$2.55	\$3.15	\$2.60	\$1.73	\$0.90	\$0.13
Dividends Paid Per Share	\$2.56	\$2.31	\$1.80	\$1.38	\$1.28	\$1.27
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-13.1%	27.4%	148.5%	334.4%	-8.0%	NA
Operating Income	-9.9%	106.0%	160.0%	71.0%	71.4%	NA
EBITDA	-3.8%	85.9%	136.6%	60.4%	38.7%	NA
Total Net Income	-9.5%	47.7%	252.3%	218.4%	535.3%	NA
<b>Profit Margins</b>						
Gross Profit	18.5%	16.4%	7.6%	8.2%	21.4%	40.2%
Operating Income	8.5%	8.2%	5.1%	4.8%	12.3%	6.6%
EBITDA	10.7%	9.7%	6.7%	7.0%	18.9%	12.5%
Total Net Income	6.8%	6.6%	5.7%	4.0%	5.4%	0.8%

Company Name: ENERGY TRANSFER PARTNERS

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/11	2006/08	2005/08	2004/08	2003/08	2002/08
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	19.0	16.5	7.7	8.3	21.4	40.2
Pre-Tax Profit Margin (%)	7.0	6.9	3.4	4.2	5.8	0.9
Net Profit Margin (%)	6.8	6.8	5.7	4.0	5.4	0.8
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	15.8	29.7	26.3	13.3	14.0	2.9
Return on Invested Capital (%)	8.5	11.9	11.6	5.5	5.3	0.8
Return on Assets (%)	7.0	9.5	7.9	4.3	4.2	0.7
<b>Efficiency Ratios:</b>						
Inventory Turnover	10.2	19.0	31.9	-	9.6	6.5
Receivables Turnover	8.9	9.9	10.5	-	17.1	17.5
Receivables Per Day Sales	33.1	32.1	51.8	41.2	22.6	17.9
Asset Turnover	1.2	1.6	1.8	-	0.8	0.8
Revenue Per Dollar of Cash	\$196.60	\$301.80	\$247.60	\$30.37	\$80.30	\$135.35
Revenue Per Dollar of Plant (Net)	\$1.92	\$2.37	\$2.53	\$1.69	\$1.34	\$1.55
Revenue Per Dollar of Common Equity	\$2.31	\$4.52	\$4.65	\$3.32	\$2.56	\$3.62
Revenue Per Dollar of Invested Capital	\$1.24	\$1.82	\$2.05	\$1.37	\$0.98	\$1.05
Revenue Per Dollar of Receivables	\$10.87	\$11.23	\$6.95	\$8.73	\$15.93	\$20.11
Revenue Per Dollar of Inventory	\$13.67	\$20.30	\$20.37	\$45.91	\$12.62	\$12.90
Revenue to Assets	\$1.00	\$1.40	\$1.40	\$1.10	\$0.80	\$0.90
<b>Liquidity Ratios:</b>						
Quick Ratio	0.6	0.7	0.7	0.9	0.3	0.3
Current Ratio	1.3	1.3	1.2	1.1	0.6	0.8
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	1.0	0.7	0.6	0.8	1.0	0.7
Price to Book Value	2.5	1.3	1.0	2.6	2.5	2.5
Price to Tangible Book Value	3.5	6.0	4.4	5.8	41.2	(10.2)
Price to Cash Flow Ratio	12.0	9.0	8.8	12.7	8.2	10.4
Price to Free Cash Flow Ratio	(33.7)	(5.3)	(2.9)	(2.8)	(1,565.0)	(19.2)
Close Price to Earnings Ratio	21.4	15.1	14.2	12.5	17.4	105.1
High Price to Earnings Ratio	21.4	15.2	15.0	12.7	18.1	117.5
Low Price to Earnings Ratio	13.2	9.7	8.3	9.0	13.6	86.5
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	0.9	1.5	1.3	1.4	1.6	2.5
LT Debt as a % of Invested Capital	46.2	59.9	55.8	58.9	61.8	71.0
LT Debt as a % of Total Liabilities	68.6	69.6	54.0	67.8	69.9	77.0
Total Liabilities as a % of Total Assets	55.6	68.2	70.0	67.9	69.8	76.1
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	4.7	5.8	3.2	3.5	1.9	1.1
Interest as a % of Invested Capital	2.3	2.6	3.1	2.3	6.1	6.3
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$9.60	\$10.89	\$13.64	\$4.90	\$2.61	\$3.02
Total Assets Per Share	\$48.73	\$45.62	\$41.42	\$26.11	\$20.51	\$22.68
Long Term Debt Per Share	\$18.60	\$21.65	\$15.68	\$12.02	\$10.01	\$13.28
Current Liabilities Per Share	\$7.66	\$8.50	\$11.70	\$4.46	\$4.19	\$3.86
Cash Per Share	\$0.25	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$49.87	\$65.72	\$57.71	\$27.85	\$15.86	\$19.64
Book Value Per Share	\$21.63	\$14.52	\$12.41	\$8.38	\$6.19	\$5.43
Tangible Book Value Per Share	\$15.83	\$7.94	\$8.33	\$3.73	\$0.38	(\$1.34)
Working Capital Per Share	\$1.94	\$2.39	\$1.94	\$0.44	(\$1.58)	(\$0.84)
Cash Flow Per Share	\$4.54	\$5.32	\$4.19	\$1.71	\$1.92	\$1.32
Free Cash Flow Per Share	(\$1.62)	(\$8.92)	(\$12.78)	(\$7.77)	(\$0.01)	(\$0.71)



## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/10	2006/07	2005/07	2004/07	2003/07	2002/07
Cash and Equivalents	\$23,961	\$16,525	\$20,505	\$15,428	\$11,154	\$19,781
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	115,490	116,389	107,778	114,211	56,742	74,274
Inventories	172,735	154,813	97,743	103,578	69,077	48,034
Prepaid Expenses	21,674	15,334	12,861	10,022	8,306	10,724
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>333,860</b>	<b>302,841</b>	<b>238,887</b>	<b>243,239</b>	<b>145,279</b>	<b>152,813</b>
Gross Fixed Assets	1,154,787	1,156,441	1,149,485	1,136,993	1,002,199	810,416
Accumulated Depreciation & Depletion	416,340	416,340	382,720	344,557	317,282	303,885
Net Fixed Assets	738,447	740,101	766,765	792,436	684,917	506,531
Intangibles	261,761	248,546	489,419	526,893	222,347	222,360
Cost in Excess	248,566	246,050	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	16,907	11,962	13,902	15,607	8,853	3,424
<b>Total Non-Current Assets</b>	<b>1,265,681</b>	<b>1,246,659</b>	<b>1,270,086</b>	<b>1,334,936</b>	<b>916,117</b>	<b>732,315</b>
<b>Total Assets</b>	<b>\$1,599,541</b>	<b>\$1,549,500</b>	<b>\$1,508,973</b>	<b>\$1,578,175</b>	<b>\$1,061,396</b>	<b>\$885,128</b>
Accounts Payable	\$79,620	\$128,049	\$108,667	\$104,309	\$59,454	\$54,316
Notes Payable	0	0	0	0	0	0
Short Term Debt	123,834	67,405	19,800	0	0	0
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	42,581	53,586	0	0	0	0
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	98,859	26,557	71,535	92,793	89,687	89,061
<b>Total Current Liabilities</b>	<b>344,894</b>	<b>275,597</b>	<b>200,002</b>	<b>197,102</b>	<b>149,141</b>	<b>143,377</b>
Long Term Debt	984,282	985,545	948,977	1,153,852	888,226	703,858
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Liabilities	19,744	19,178	20,165	20,531	18,747	14,861
Minority Interest	5,382	5,435	6,151	4,791	2,363	1,871
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>1,009,388</b>	<b>1,008,158</b>	<b>975,293</b>	<b>1,178,974</b>	<b>909,336</b>	<b>720,590</b>
<b>Total Liabilities</b>	<b>1,354,282</b>	<b>1,283,755</b>	<b>1,175,295</b>	<b>1,376,076</b>	<b>1,058,477</b>	<b>863,967</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	308,737	321,194	390,422	178,994	(15,602)	(28,320)
Additional Paid In Capital	0	0	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	0	1,380	0	0	0	0
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	(63,478)	(56,829)	(56,744)	23,105	18,521	49,481
<b>Total Equity</b>	<b>245,259</b>	<b>265,745</b>	<b>333,678</b>	<b>202,099</b>	<b>2,919</b>	<b>21,161</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$1,599,541</b>	<b>\$1,549,500</b>	<b>\$1,508,973</b>	<b>\$1,578,175</b>	<b>\$1,061,396</b>	<b>\$885,128</b>

Company Name: FERRELLGAS PARTNERS L.P.

## Annual Income Statement

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/10	2006/07	2005/07	2004/07	2003/07	2002/07
<b>Operating Revenue</b>	<b>\$1,886,285</b>	<b>\$1,895,470</b>	<b>\$1,754,114</b>	<b>\$1,273,346</b>	<b>\$1,136,358</b>	<b>\$1,034,796</b>
Adjustments to Revenue	0	0	0	0	0	0
Cost of Revenue	1,222,931	1,231,627	1,140,298	825,845	690,969	533,437
Gross Profit	663,354	663,843	613,816	447,501	445,389	501,359
Operating Expenses:						
Selling, General & Administrative	474,558	460,129	446,295	387,720	353,412	336,550
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	85,506	84,953	83,060	57,115	40,779	41,937
Amortization	0	0	0	0	0	0
Total Operating Expenses	560,064	545,082	529,355	444,835	394,191	378,487
<b>Operating Income</b>	<b>103,290</b>	<b>118,761</b>	<b>84,461</b>	<b>2,666</b>	<b>51,198</b>	<b>122,872</b>
Plus: Depreciation & Amortization	85,506	84,953	84,249	57,115	40,779	41,937
<b>EBITDA</b>	<b>188,796</b>	<b>203,714</b>	<b>168,710</b>	<b>59,781</b>	<b>91,977</b>	<b>164,809</b>
Other Income (Expense):						
Special Income/Charges	0	0	0	0	(7,052)	0
Interest Expense	(85,740)	(84,235)	(91,518)	(74,467)	(63,665)	(59,608)
Interest Income	2,639	2,046	1,894	1,582	1,291	1,423
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	5,271	(7,539)	(8,673)	98,867	78,602	(3,957)
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(77,830)	(89,728)	(98,297)	25,982	9,176	(62,142)
Income Before Taxes	25,460	29,033	(13,836)	28,648	60,374	60,730
Income Taxes	3,734	3,524	1,447	(402)	0	0
Minority Interest	462	500	92	500	871	771
Income From Continuing Operations	21,264	25,009	(15,375)	28,550	59,503	59,959
Income From Discontinued Operations	0	0	104,189	0	0	0
Income From Total Operations	21,264	25,009	88,814	28,550	59,503	59,959
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	(2,754)	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$21,264</b>	<b>\$25,009</b>	<b>\$88,814</b>	<b>\$28,550</b>	<b>\$56,749</b>	<b>\$59,959</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	42,451	42,451	52,814	41,380	195,113	37,516
<b>Per Share Data</b>						
Basic Weighted Shares	62,239	60,460	53,945	41,419	36,301	36,022
Basic EPS from Continuing Operations	\$0.26	\$0.41	(\$0.41)	\$0.49	\$1.33	\$1.34
Basic EPS from Total Operations	\$0.26	\$0.41	\$1.50	\$0.49	\$1.25	\$1.34
Diluted Weighted Shares	62,239	60,460	53,945	41,419	36,301	36,022
Diluted EPS from Continuing Operations	\$0.26	\$0.41	(\$0.41)	\$0.49	\$1.33	\$1.34
Diluted EPS from Total Operations	\$0.26	\$0.41	\$1.50	\$0.49	\$1.25	\$1.34
Dividends Paid Per Share	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-0.5%	8.1%	37.8%	12.1%	9.8%	NA
Operating Income	-13.0%	40.6%	3068.1%	-94.8%	-58.3%	NA
EBITDA	-7.3%	20.7%	182.2%	-35.0%	-44.2%	NA
Total Net Income	-15.0%	-71.8%	211.1%	-49.7%	-5.4%	NA
<b>Profit Margins</b>						
Gross Profit	35.2%	35.0%	35.0%	35.1%	39.2%	48.5%
Operating Income	5.5%	6.3%	4.8%	0.2%	4.5%	11.9%
EBITDA	10.0%	10.7%	9.6%	4.7%	8.1%	15.9%
Total Net Income	1.1%	1.3%	5.1%	2.2%	5.0%	5.8%

Company Name:

FERRELLGAS PARTNERS L.P.

**Annual Ratio Analysis**

	MRQ	For the year ended:				
	2006/10	2006/07	2005/07	2004/07	2003/07	2002/07
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	35.2	35.0	35.1	35.1	39.2	48.5
Pre-Tax Profit Margin (%)	1.3	1.5	(0.8)	2.2	5.3	5.9
Net Profit Margin (%)	1.1	1.1	5.1	2.2	5.2	5.8
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	8.7	9.4	26.6	14.1	2,038.5	283.3
Return on Invested Capital (%)	1.7	2.0	6.9	2.1	6.7	8.3
Return on Assets (%)	1.3	1.6	5.9	1.8	5.6	6.8
<b>Efficiency Ratios:</b>						
Inventory Turnover	7.3	9.8	11.3	9.6	11.8	9.4
Receivables Turnover	15.9	16.9	15.8	14.9	17.3	15.8
Receivables Per Day Sales	22.0	22.1	22.1	32.3	18.0	25.8
Asset Turnover	1.2	1.2	1.1	1.0	1.2	1.2
Revenue Per Dollar of Cash	\$78.72	\$114.70	\$85.55	\$82.53	\$101.88	\$52.31
Revenue Per Dollar of Plant (Net)	\$2.55	\$2.56	\$2.29	\$1.61	\$1.66	\$2.04
Revenue Per Dollar of Common Equity	\$7.69	\$7.13	\$5.26	\$6.30	\$389.30	\$48.90
Revenue Per Dollar of Invested Capital	\$1.53	\$1.52	\$1.37	\$0.94	\$1.28	\$1.43
Revenue Per Dollar of Receivables	\$16.33	\$16.29	\$16.28	\$11.15	\$20.03	\$13.93
Revenue Per Dollar of Inventory	\$10.92	\$12.26	\$17.95	\$12.29	\$16.45	\$21.54
Revenue to Assets	\$1.20	\$1.20	\$1.20	\$0.80	\$1.10	\$1.20
<b>Liquidity Ratios:</b>						
Quick Ratio	0.4	0.5	0.6	0.7	0.5	0.7
Current Ratio	1.0	1.1	1.2	1.2	1.0	1.1
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.8	0.7	0.8	0.8	0.8	0.7
Price to Book Value	5.8	6.2	4.0	4.8	287.9	32.0
Price to Tangible Book Value	(5.3)	(6.0)	(8.5)	(3.0)	(4.0)	(3.4)
Price to Cash Flow Ratio	13.2	12.4	7.6	11.4	8.7	6.7
Price to Free Cash Flow Ratio	(14.8)	(14.7)	(13.4)	(2.2)	(4.6)	27.4
Close Price to Earnings Ratio	86.6	54.9	14.7	40.9	17.3	14.1
High Price to Earnings Ratio	91.0	54.9	14.8	52.7	18.2	15.4
Low Price to Earnings Ratio	77.6	49.2	12.9	39.4	14.2	10.6
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	4.0	3.7	2.8	5.7	304.3	33.3
LT Debt as a % of Invested Capital	80.1	78.7	74.0	85.1	99.7	97.1
LT Debt as a % of Total Liabilities	72.7	76.6	80.7	83.8	83.9	81.5
Total Liabilities as a % of Total Assets	84.7	82.8	77.9	87.2	99.7	97.6
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	1.3	1.3	0.8	1.4	1.9	2.0
Interest as a % of Invested Capital	7.0	6.7	7.1	5.5	7.1	8.2
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$5.31	\$4.97	\$3.97	\$4.99	\$3.86	\$4.24
Total Assets Per Share	\$25.45	\$25.45	\$25.09	\$32.36	\$28.17	\$24.53
Long Term Debt Per Share	\$15.66	\$16.15	\$15.78	\$23.65	\$23.58	\$19.51
Current Liabilities Per Share	\$5.49	\$4.53	\$3.33	\$4.04	\$3.96	\$3.97
Cash Per Share	\$0.38	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$30.01	\$31.13	\$29.17	\$26.11	\$30.16	\$28.68
Book Value Per Share	\$3.90	\$4.36	\$5.55	\$4.14	\$0.08	\$0.59
Tangible Book Value Per Share	(\$4.22)	(\$3.76)	(\$2.59)	(\$6.66)	(\$5.82)	(\$5.58)
Working Capital Per Share	(\$0.18)	\$0.45	\$0.65	\$0.95	(\$0.10)	\$0.26
Cash Flow Per Share	\$1.70	\$1.81	\$2.88	\$1.76	\$2.66	\$2.82
Free Cash Flow Per Share	(\$1.52)	(\$1.53)	(\$1.64)	(\$9.07)	(\$5.00)	\$0.69

Company Name: STAR GAS PARTNERS LP SBI

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
Cash and Equivalents	\$69,736	\$91,121	\$99,148	\$16,058	\$10,111	\$61,481
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	136,064	87,393	89,703	103,432	105,639	83,452
Inventories	76,139	75,859	52,461	47,624	42,391	39,453
Prepaid Expenses	35,472	37,741	70,120	67,057	52,968	37,815
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	8,839	3,766	0	0	0	0
<b>Total Current Assets</b>	<b>326,250</b>	<b>295,880</b>	<b>311,432</b>	<b>234,171</b>	<b>211,109</b>	<b>222,201</b>
Gross Fixed Assets	123,379	122,502	120,844	384,239	375,095	331,162
Accumulated Depreciation & Depletion	82,028	80,125	70,822	136,715	112,794	89,270
Net Fixed Assets	41,351	42,377	50,022	247,524	262,301	241,892
Intangibles	55,875	61,007	248,867	456,376	480,641	473,001
Cost in Excess	166,522	166,522	0	0	0	0
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	14,288	15,422	18,940	22,905	21,559	6,672
<b>Total Non-Current Assets</b>	<b>278,036</b>	<b>285,328</b>	<b>317,829</b>	<b>726,805</b>	<b>764,501</b>	<b>721,565</b>
<b>Total Assets</b>	<b>\$604,286</b>	<b>\$581,208</b>	<b>\$629,261</b>	<b>\$960,976</b>	<b>\$975,610</b>	<b>\$943,766</b>
Accounts Payable	\$23,655	\$21,544	\$19,780	\$35,940	\$31,026	\$20,360
Notes Payable	0	0	0	0	0	0
Short Term Debt	96	96	7,358	32,418	34,847	98,308
Accrued Expenses	69,657	62,651	56,580	73,168	83,197	69,444
Accrued Liabilities	0	0	0	0	0	0
Deferred Revenues	43,567	36,634	36,602	36,768	32,036	30,549
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	90,132	87,653	65,287	84,162	77,558	70,583
<b>Total Current Liabilities</b>	<b>227,107</b>	<b>208,578</b>	<b>185,607</b>	<b>262,456</b>	<b>258,664</b>	<b>289,244</b>
Long Term Debt	174,005	174,056	287,417	503,868	499,341	396,733
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Liabilities	25,138	25,249	31,129	25,081	27,829	25,523
Minority Interest	0	0	0	0	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>199,138</b>	<b>199,305</b>	<b>298,546</b>	<b>528,749</b>	<b>527,170</b>	<b>422,256</b>
<b>Total Liabilities</b>	<b>426,245</b>	<b>407,883</b>	<b>484,153</b>	<b>791,205</b>	<b>785,834</b>	<b>711,500</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	199,514	194,818	144,312	167,367	210,636	243,091
Additional Paid In Capital	0	0	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	0	0	0	12,874	(17,721)	(10,827)
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	(21,473)	(21,493)	796	(10,470)	(3,139)	0
<b>Total Equity</b>	<b>178,041</b>	<b>173,325</b>	<b>145,108</b>	<b>169,771</b>	<b>189,776</b>	<b>232,266</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$604,286</b>	<b>\$581,208</b>	<b>\$629,261</b>	<b>\$960,976</b>	<b>\$975,610</b>	<b>\$943,764</b>

Company Name: STAR GAS PARTNERS LP SBI

## Annual Income Statement

In Thousands (Except Per Share Data)	TTM					
	For the year ended:					
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Operating Revenue</b>	<b>\$1,212,376</b>	<b>\$1,296,512</b>	<b>\$1,259,478</b>	<b>\$1,453,937</b>	<b>\$1,463,748</b>	<b>\$1,025,058</b>
Adjustments to Revenue	0	0	0	0	0	0
Cost of Revenue	951,952	1,014,908	983,779	996,053	1,010,347	661,978
Gross Profit	260,424	281,604	275,699	457,884	453,401	363,080
Operating Expenses:						
Selling, General & Administrative	212,101	226,710	274,999	355,715	351,634	277,707
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	31,301	32,415	35,480	57,343	53,160	59,049
Amortization	2,377	2,438	2,540	3,646	2,232	1,447
Total Operating Expenses	245,779	261,563	313,019	416,704	407,026	338,203
<b>Operating Income</b>	<b>14,645</b>	<b>20,041</b>	<b>(37,320)</b>	<b>41,180</b>	<b>46,375</b>	<b>24,877</b>
Plus: Depreciation & Amortization	33,679	34,853	38,020	60,989	55,392	60,496
<b>EBITDA</b>	<b>48,324</b>	<b>54,894</b>	<b>700</b>	<b>102,169</b>	<b>101,767</b>	<b>85,373</b>
Other Income (Expense):						
Special Income/Charges	0	0	(109,082)	0	(181)	0
Interest Expense	(23,856)	(26,288)	(36,152)	(49,362)	(44,449)	(37,502)
Interest Income	6,021	5,085	4,314	3,459	3,868	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	(58,595)	(52,280)	0	0	0	0
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(76,430)	(73,483)	(140,920)	(45,903)	(40,762)	(37,502)
Income Before Taxes	(61,785)	(53,442)	(178,240)	(4,723)	5,613	(12,625)
Income Taxes	292	477	696	1,525	1,500	(1,456)
Minority Interest	0	0	0	0	0	0
Income From Continuing Operations	(62,077)	(53,919)	(178,936)	(6,248)	4,113	(11,169)
Income From Discontinued Operations	0	0	153,008	923	0	0
Income From Total Operations	(62,077)	(53,919)	(25,928)	(5,325)	4,113	(11,169)
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	(344)	0	0	(3,901)	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	(538)	0	0
<b>Total Net Income</b>	<b>(\$62,077)</b>	<b>(\$54,263)</b>	<b>(\$25,928)</b>	<b>(\$5,863)</b>	<b>\$212</b>	<b>(\$11,169)</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	5,433	5,433	3,153	9,424	18,473	15,070
<b>Per Share Data</b>						
Basic Weighted Shares	75,774	52,944	35,821	35,205	32,659	28,790
Basic EPS from Continuing Operations	\$0.25	(\$0.01)	(\$4.95)	(\$0.18)	\$0.01	(\$0.38)
Basic EPS from Total Operations	\$0.25	(\$0.02)	(\$0.72)	(\$0.18)	\$0.01	(\$0.38)
Diluted Weighted Shares	75,774	52,944	35,821	35,205	32,767	28,790
Diluted EPS from Continuing Operations	\$0.25	(\$0.01)	(\$4.95)	(\$0.16)	\$0.01	(\$0.38)
Diluted EPS from Total Operations	\$0.25	(\$0.02)	(\$0.72)	(\$0.16)	\$0.01	(\$0.38)
Dividends Paid Per Share	\$0.00	\$0.00	\$0.00	\$2.30	\$2.30	\$2.30
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-6.5%	2.9%	-13.4%	-0.7%	42.8%	NA
Operating Income	-26.9%	-153.7%	-190.6%	-11.2%	86.4%	NA
EBITDA	-12.0%	7742.0%	-99.3%	0.4%	19.2%	NA
Total Net Income	14.4%	109.3%	342.2%	-2865.6%	-101.9%	NA
<b>Profit Margins</b>						
Gross Profit	21.5%	21.7%	21.9%	31.5%	31.0%	35.4%
Operating Income	1.2%	1.5%	-3.0%	2.8%	3.2%	2.4%
EBITDA	4.0%	4.2%	0.1%	7.0%	7.0%	8.3%
Total Net Income	-5.1%	-4.2%	-2.1%	-0.4%	0.0%	-1.1%

Company Name: STAR GAS PARTNERS LP SBI

## Annual Ratio Analysis

	MRQ	For the year ended:				
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	21.5	21.7	21.9	31.5	31.0	35.4
Pre-Tax Profit Margin (%)	(5.1)	(4.1)	(14.2)	(0.3)	0.4	(1.2)
Net Profit Margin (%)	(5.1)	(5.1)	(2.1)	(0.4)	0.3	(1.1)
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	NE	NE	NE	NE	2.2	NE
Return on Invested Capital (%)	(17.6)	(15.5)	(6.3)	(0.8)	0.6	(1.8)
Return on Assets (%)	(10.3)	(9.3)	(4.1)	(0.6)	0.4	(1.2)
<b>Efficiency Ratios:</b>						
Inventory Turnover	13.4	15.8	19.7	22.1	24.7	16.4
Receivables Turnover	7.6	14.6	13.0	13.9	15.5	10.9
Receivables Per Day Sales	40.4	24.3	25.6	25.6	26.0	29.3
Asset Turnover	2.0	2.1	1.6	1.5	1.5	1.1
Revenue Per Dollar of Cash	\$17.39	\$14.23	\$12.70	\$90.54	\$144.77	\$16.67
Revenue Per Dollar of Plant (Net)	\$29.32	\$30.59	\$25.18	\$5.87	\$5.58	\$4.24
Revenue Per Dollar of Common Equity	\$6.81	\$7.48	\$8.68	\$8.56	\$7.71	\$4.41
Revenue Per Dollar of Invested Capital	\$3.44	\$3.73	\$3.05	\$2.16	\$2.12	\$1.63
Revenue Per Dollar of Receivables	\$8.91	\$14.84	\$14.04	\$14.06	\$13.86	\$12.28
Revenue Per Dollar of Inventory	\$15.92	\$17.09	\$24.01	\$30.53	\$34.53	\$25.98
Revenue to Assets	\$2.00	\$2.20	\$2.00	\$1.50	\$1.50	\$1.10
<b>Liquidity Ratios:</b>						
Quick Ratio	0.9	0.9	1.0	0.5	0.4	0.5
Current Ratio	1.4	1.4	1.7	0.9	0.8	0.8
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.2	0.2	0.1	0.5	0.5	0.5
Price to Book Value	1.5	1.5	0.6	4.2	3.6	2.1
Price to Tangible Book Value	(6.0)	(3.5)	(0.8)	(2.5)	(2.3)	(2.0)
Price to Cash Flow Ratio	(9.5)	(10.0)	6.5	12.7	11.3	9.7
Price to Free Cash Flow Ratio	(12.1)	14.6	(1.1)	(17.3)	(5.7)	442.8
Close Price to Earnings Ratio	14.1	NE	NE	NE	NM	NE
High Price to Earnings Ratio	15.4	NE	NE	NE	NM	NE
Low Price to Earnings Ratio	7.3	NE	NE	NE	NM	NE
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	1.0	1.0	1.8	3.0	2.6	1.7
LT Debt as a % of Invested Capital	49.4	50.1	64.8	74.8	72.5	63.1
LT Debt as a % of Total Liabilities	40.8	42.7	55.2	63.7	63.5	55.8
Total Liabilities as a % of Total Assets	70.5	70.2	76.9	82.3	80.5	75.4
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	NC	NC	NC	0.9	1.1	0.7
Interest as a % of Invested Capital	6.8	7.6	8.8	7.3	6.5	6.0
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$4.31	\$3.90	\$9.68	\$7.28	\$6.88	\$8.19
Total Assets Per Share	\$7.97	\$7.67	\$19.56	\$29.88	\$31.81	\$34.79
Long Term Debt Per Share	\$2.30	\$2.30	\$8.31	\$15.66	\$16.28	\$14.62
Current Liabilities Per Share	\$3.00	\$2.75	\$5.77	\$8.16	\$8.43	\$10.66
Cash Per Share	\$0.92	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$16.00	\$17.11	\$39.16	\$45.20	\$47.72	\$37.78
Book Value Per Share	\$2.35	\$2.29	\$4.51	\$5.28	\$6.19	\$8.56
Tangible Book Value Per Share	(\$0.59)	(\$0.72)	(\$3.23)	(\$8.91)	(\$9.48)	(\$8.87)
Working Capital Per Share	\$1.31	\$1.15	\$3.91	(\$0.88)	(\$1.55)	(\$2.47)
Cash Flow Per Share	(\$0.37)	(\$0.25)	\$0.38	\$1.73	\$1.94	\$1.82
Free Cash Flow Per Share	(\$0.29)	\$0.17	(\$2.16)	(\$1.27)	(\$3.86)	\$0.04

## Historical Balance Sheet

In Thousands (Except Per Share Data)	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
Cash and Equivalents	\$26,378	\$60,571	\$14,411	\$53,481	\$15,765	\$40,955
Restricted Cash	0	0	0	0	0	0
Marketable Securities	0	0	0	0	0	0
Receivables	127,788	78,547	109,918	91,000	36,437	33,002
Inventories	89,389	79,418	80,565	65,119	41,510	36,367
Prepaid Expenses	33,252	16,815	31,909	43,294	5,200	6,465
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Assets	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>276,807</b>	<b>235,351</b>	<b>236,803</b>	<b>252,894</b>	<b>98,912</b>	<b>116,789</b>
Gross Fixed Assets	715,308	716,214	703,989	689,610	568,055	568,291
Accumulated Depreciation & Depletion	325,831	325,831	304,004	282,908	255,265	237,282
Net Fixed Assets	389,477	390,383	399,985	406,702	312,790	331,009
Intangibles	19,949	18,098	302,044	307,597	244,271	1,474
Cost in Excess	281,359	281,359	0	0	0	243,260
Non-Current Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Assets	29,572	28,695	26,765	24,814	9,657	7,614
<b>Total Non-Current Assets</b>	<b>720,357</b>	<b>718,535</b>	<b>728,794</b>	<b>739,113</b>	<b>566,718</b>	<b>583,357</b>
<b>Total Assets</b>	<b>\$997,164</b>	<b>\$953,886</b>	<b>\$965,597</b>	<b>\$992,007</b>	<b>\$665,630</b>	<b>\$700,146</b>
Accounts Payable	\$80,649	\$57,372	\$63,569	\$60,664	\$26,204	\$27,412
Notes Payable	0	0	0	0	0	0
Short Term Debt	0	0	27,225	42,940	42,911	88,939
Accrued Expenses	0	0	0	0	0	0
Accrued Liabilities	41,474	51,241	42,771	47,943	36,065	38,766
Deferred Revenues	0	0	0	0	0	0
Current Deferred Income Taxes	0	0	0	0	0	0
Other Current Liabilities	76,315	84,003	88,647	93,417	32,533	32,428
<b>Total Current Liabilities</b>	<b>198,438</b>	<b>192,616</b>	<b>222,212</b>	<b>244,964</b>	<b>137,713</b>	<b>187,545</b>
Long Term Debt	548,382	548,304	548,070	472,975	340,915	383,830
Capital Lease Obligations	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	0	0	0
Other Non-Current Liabilities	115,359	112,265	119,199	105,950	102,924	109,485
Minority Interest	0	0	0	0	0	0
Preferred Securities of Subsidiary Trust	0	0	0	0	0	0
Preferred Equity Outside Stock Equity	0	0	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>663,741</b>	<b>660,569</b>	<b>667,269</b>	<b>578,925</b>	<b>443,839</b>	<b>493,315</b>
<b>Total Liabilities</b>	<b>862,152</b>	<b>853,185</b>	<b>889,481</b>	<b>823,889</b>	<b>581,552</b>	<b>680,860</b>
Preferred Stock Equity	0	0	0	0	0	0
Common Par	0	0	159,199	239,732	165,950	105,604
Additional Paid In Capital	202,496	170,151	0	0	0	0
Cumulative Translation Adjustment	0	0	0	0	0	0
Retained Earnings	0	0	0	0	0	0
Treasury Stock	0	0	0	0	0	0
Other Equity Adjustments	(67,484)	(69,450)	(83,083)	(71,614)	(81,872)	(86,318)
<b>Total Equity</b>	<b>135,012</b>	<b>100,701</b>	<b>76,116</b>	<b>168,118</b>	<b>84,078</b>	<b>19,286</b>
<b>Total Liabilities &amp; Stock Equity</b>	<b>\$997,164</b>	<b>\$953,886</b>	<b>\$965,597</b>	<b>\$992,007</b>	<b>\$665,630</b>	<b>\$700,146</b>

Company Name: SUBURBAN PROPANE PARTNR

**Annual Income Statement**

In Thousands (Except Per Share Data)	TTM		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Operating Revenue</b>	<b>\$1,578,099</b>	<b>\$1,666,575</b>	<b>\$1,620,234</b>	<b>\$1,307,254</b>	<b>\$771,679</b>	<b>\$570,280</b>
Adjustments to Revenue	0	0	0	0	0	0
Cost of Revenue	1,425,202	1,526,372	1,463,483	779,029	376,783	523,195
Gross Profit	152,897	140,203	156,751	528,225	394,896	47,085
Operating Expenses:						
Selling, General & Administrative	(37,457)	(36,143)	47,191	418,761	287,359	30,771
Research & Development	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Depreciation	32,076	33,151	37,762	36,743	27,520	29,693
Amortization	0	0	0	0	0	0
Total Operating Expenses	(5,381)	(2,992)	84,953	455,504	314,879	60,464
<b>Operating Income</b>	<b>158,278</b>	<b>143,195</b>	<b>71,798</b>	<b>72,721</b>	<b>80,017</b>	<b>(13,379)</b>
Plus: Depreciation & Amortization	33,020	34,709	41,199	39,335	29,674	30,678
<b>EBITDA</b>	<b>191,298</b>	<b>177,904</b>	<b>112,997</b>	<b>112,056</b>	<b>109,691</b>	<b>17,299</b>
Other Income (Expense):						
Special Income/Charges	(6,461)	(6,076)	(39,673)	(2,942)	0	6,768
Interest Expense	(39,959)	(41,310)	(40,684)	(41,261)	(33,963)	(33,987)
Interest Income	630	630	310	429	334	0
Earnings from Equity Interest	0	0	0	0	0	0
Other Income, Net	(4,935)	(4,935)	0	0	0	94,825
Preferred Securities of Sub. Trust	0	0	0	0	0	0
Total Other Income (Expense)	(50,725)	(51,691)	(80,047)	(43,774)	(33,629)	67,606
Income Before Taxes	107,553	91,504	(8,249)	28,947	46,388	54,227
Income Taxes	1,376	764	803	3	202	703
Minority Interest	0	0	0	0	0	0
Income From Continuing Operations	106,177	90,740	(9,052)	28,944	46,186	53,524
Income From Discontinued Operations	0	0	976	25,360	2,483	0
Income From Total Operations	106,177	90,740	(8,076)	54,304	48,669	53,524
Extraordinary Income (Losses)	0	0	0	0	0	0
Cumulative Effect of Accounting Change	0	0	0	0	0	0
Income from Tax Loss Carryforward	0	0	0	0	0	0
Other Gains (Losses)	0	0	0	0	0	0
<b>Total Net Income</b>	<b>\$106,177</b>	<b>\$90,740</b>	<b>(\$8,076)</b>	<b>\$54,304</b>	<b>\$48,669</b>	<b>\$53,524</b>
Preferred Dividends	0	0	0	0	0	0
Capital Expenditures	23,057	29,301	29,301	26,527	14,050	17,464
<b>Per Share Data</b>						
Basic Weighted Shares	32,193	30,310	30,276	29,599	25,359	24,631
Basic EPS from Continuing Operations	\$3.25	\$2.73	(\$0.29)	\$0.96	\$1.78	\$2.12
Basic EPS from Total Operations	\$3.28	\$2.73	(\$0.26)	\$1.79	\$1.87	\$2.12
Diluted Weighted Shares	32,376	30,453	30,276	29,705	25,495	24,665
Diluted EPS from Continuing Operations	\$3.24	\$2.72	(\$0.29)	\$0.96	\$1.77	\$2.12
Diluted EPS from Total Operations	\$3.27	\$2.72	(\$0.26)	\$1.78	\$1.86	\$2.12
Dividends Paid Per Share	\$2.52	\$2.47	\$2.45	\$2.39	\$2.31	\$2.26
<b>Year-Over-Year Growth Rates</b>						
Operating Revenue	-5.3%	2.9%	23.9%	69.4%	35.3%	NA
Operating Income	10.5%	99.4%	-1.3%	-9.1%	-698.1%	NA
EBITDA	7.5%	57.4%	0.8%	2.2%	534.1%	NA
Total Net Income	17.0%	-1223.6%	-114.9%	11.6%	-9.1%	NA
<b>Profit Margins</b>						
Gross Profit	9.7%	8.4%	9.7%	40.4%	51.2%	8.3%
Operating Income	10.0%	8.6%	4.4%	5.6%	10.4%	-2.3%
EBITDA	12.1%	10.7%	7.0%	8.6%	14.2%	3.0%
Total Net Income	6.7%	5.4%	-0.5%	4.2%	6.3%	9.4%



Company Name:

SUBURBAN PROPANE PARTNR

## Annual Ratio Analysis

	MRQ		For the year ended:			
	2006/12	2006/09	2005/09	2004/09	2003/09	2002/09
<b>Profitability Ratios:</b>						
Gross Profit Margin (%)	9.7	14.2	9.9	40.6	51.5	8.4
Pre-Tax Profit Margin (%)	6.8	5.5	(0.5)	2.2	6.0	9.5
Net Profit Margin (%)	6.7	6.7	(0.5)	4.2	6.3	9.4
<b>Management Effectiveness Ratios:</b>						
Return on Equity (%)	78.6	90.1	NE	32.3	57.9	277.5
Return on Invested Capital (%)	15.5	14.0	(1.3)	8.5	11.5	13.3
Return on Assets (%)	10.6	9.5	(0.8)	5.5	7.3	7.6
<b>Efficiency Ratios:</b>						
Inventory Turnover	15.4	17.8	20.0	14.6	9.6	13.3
Receivables Turnover	10.1	17.6	16.1	20.5	22.2	15.1
Receivables Per Day Sales	29.2	17.0	24.4	25.1	17.0	20.8
Asset Turnover	1.5	1.7	1.7	1.6	1.1	0.8
Revenue Per Dollar of Cash	\$59.83	\$27.43	\$112.43	\$24.44	\$48.95	\$13.92
Revenue Per Dollar of Plant (Net)	\$4.05	\$4.26	\$4.05	\$3.21	\$2.47	\$1.72
Revenue Per Dollar of Common Equity	\$11.69	\$16.50	\$21.29	\$7.78	\$9.18	\$29.57
Revenue Per Dollar of Invested Capital	\$2.31	\$2.56	\$2.60	\$2.04	\$1.82	\$1.41
Revenue Per Dollar of Receivables	\$12.35	\$21.15	\$14.74	\$14.37	\$21.18	\$17.28
Revenue Per Dollar of Inventory	\$17.65	\$20.92	\$20.11	\$20.07	\$18.59	\$15.68
Revenue to Assets	\$1.60	\$1.70	\$1.70	\$1.30	\$1.20	\$0.80
<b>Liquidity Ratios:</b>						
Quick Ratio	0.8	0.7	0.6	0.6	0.4	0.4
Current Ratio	1.4	1.2	1.1	1.0	0.7	0.6
<b>Valuation Ratios:</b>						
Price to Revenue Ratio	0.8	0.6	0.6	0.8	1.1	1.2
Price to Book Value	9.2	10.2	11.4	6.2	9.8	34.4
Price to Tangible Book Value	(7.5)	(5.2)	(3.9)	(7.5)	(5.1)	(2.9)
Price to Cash Flow Ratio	8.9	8.2	26.3	11.2	10.5	7.8
Price to Free Cash Flow Ratio	(34.9)	14.7	(13.0)	(4.8)	(48.6)	(116.5)
Close Price to Earnings Ratio	11.6	11.9	NE	19.4	16.2	12.6
High Price to Earnings Ratio	12.0	12.7	NE	19.9	16.6	13.4
Low Price to Earnings Ratio	8.0	8.3	NE	15.5	13.2	9.4
<b>Leverage Ratios:</b>						
Long Term Debt to Equity Ratio	4.1	5.4	7.2	2.8	4.1	19.9
LT Debt as a % of Invested Capital	80.2	84.5	87.8	73.8	80.2	95.2
LT Debt as a % of Total Liabilities	63.6	64.3	61.6	57.4	58.6	56.4
Total Liabilities as a % of Total Assets	86.5	89.4	92.1	83.1	87.4	97.2
<b>Coverage Ratios:</b>						
Interest Coverage From Continuing Ops.	3.7	3.2	0.8	1.7	2.4	2.6
Interest as a % of Invested Capital	5.8	6.4	6.5	6.4	8.0	8.4
<b>Per Share Ratios:</b>						
Current Assets Per Share	\$8.47	\$7.76	\$7.82	\$8.36	\$3.63	\$4.74
Total Assets Per Share	\$30.52	\$31.47	\$31.89	\$32.79	\$24.42	\$28.43
Long Term Debt Per Share	\$16.78	\$18.09	\$18.10	\$15.63	\$12.51	\$15.58
Current Liabilities Per Share	\$6.07	\$6.35	\$7.34	\$8.10	\$5.05	\$7.61
Cash Per Share	\$0.81	N/A	N/A	N/A	N/A	N/A
Revenue Per Share	\$48.30	\$54.81	\$53.51	\$43.21	\$28.31	\$23.15
Book Value Per Share	\$4.13	\$3.32	\$2.51	\$5.56	\$3.08	\$0.78
Tangible Book Value Per Share	(\$5.09)	(\$6.56)	(\$7.46)	(\$4.61)	(\$5.88)	(\$9.15)
Working Capital Per Share	\$2.40	\$1.41	\$0.48	\$0.26	(\$1.42)	(\$2.87)
Cash Flow Per Share	\$4.26	\$4.14	\$1.09	\$3.09	\$2.87	\$3.42
Free Cash Flow Per Share	(\$1.09)	\$2.29	(\$2.21)	(\$7.18)	(\$0.62)	(\$0.23)

**Clara Leider**

**From:** Khojasteh Mehrdad  
**Sent:** Monday, June 04, 2007 8:24 AM  
**To:** Cox Doreen  
**Subject:** FW: SFAS 142 Draft Report  
**Attachments:** FPU SFAS 142 Report.pdf; Rep Letter.doc

Doreen,

Here is the draft report. Please review and let me know if you are oaky with it.

Thanks,

Mehrdad

**From:** Hawn, Dan [mailto:Dan.Hawn@rsmi.com]  
**Sent:** Wednesday, May 30, 2007 4:15 PM  
**To:** Khojasteh Mehrdad  
**Subject:** SFAS 142 Draft Report

Mehrdad,

Attached is a draft report for the valuation of the Natural Gas and Propane Reporting Units as of January 1, 2007. Please review the report and provide me with any comments. Upon your review, as well as our own internal review, we will issue the report in its final form. I have also attached a management representation letter template which we will need the appropriate personnel to sign on FPU letterhead to release the final copies of the report.

Should you have any questions, please do not hesitate to contact me.

Regards,  
Dan

Daniel P. Hawn, CPA\*/ABV, ASA  
Director, Business Valuations  
RSM McGladrey, Inc.  
100 N.E. Third Avenue  
Suite 300  
Fort Lauderdale, FL 33301

Main: 954.462.6351  
Direct: 954.356.5736  
Mobile: 954.881.6981  
Fax: 954.462.4607

Dan.Hawn@rsmi.com  
www.rsmmcgladrey.com

\*Regulated by The State of Florida

RSM McGladrey, Inc. is not a licensed CPA firm.

**DISCLAIMER:**

This e-mail is only intended for the person(s) to whom it is addressed and may contain confidential information. Unless stated to the contrary, any opinions or comments are personal to the writer and do not represent the official view of the company. If you have received this e-mail in error, please notify us immediately by reply e-mail and then delete this message from your system. Please do not copy it or use it for any purposes, or disclose its contents to any other person. Thank you for your cooperation.

Circular 230 Disclosure: Any advice contained in this email (including any attachments unless expressly stated otherwise) is not intended or written to be used, and cannot be used, for purposes of avoiding tax penalties that may be imposed on any taxpayer.

In connection with your engagement to perform an appraisal of the Natural Gas and Propane Reporting Units of Florida Public Utilities Company as of January 1, 2007, for purposes of complying with SFAS No. 142, *Goodwill and Other Intangible Assets*, we confirm the following representations to you:

1. The information supplied to RSM McGladrey, Inc., is complete and correct to the best of our knowledge. All events, conditions, facts, and circumstances that would materially affect the appraisal results have been disclosed to RSM McGladrey, Inc. We have responded fully and accurately to all inquiries made by RSM McGladrey, Inc., during the course of this engagement.
2. Full compliance with all applicable federal, state, and local zoning, use, environmental and similar laws and regulations is acknowledged by the undersigned. It is acknowledged that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value calculations contained in the report are based.
3. We understand that this engagement is limited to the above stated purpose and is for client use only. Neither this Summary Letter Report nor any portion thereof (including without limitation any conclusions as to value, the identity of RSM McGladrey, Inc., or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of RSM McGladrey, Inc.
4. We understand that any projections of earnings or cash flows used in the analysis have been based upon the identified assumptions. We understand that some assumptions inevitably will not materialize, and unanticipated events may occur; therefore, the actual results achieved during the projection period will vary from the projection, and the variations may be substantial.
5. We have reviewed the Summary Letter Report and represent that the information about the Company presented therein is accurate and complete. We understand that this report is subject to the general assumptions and limiting conditions presented in the report.

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Documents	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Computer	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
1/2 Floppy (A:	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
P3014 (C:)	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
OXIO122 (D:	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Exhibit 2.8	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
COX	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
MARTIN	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
MESITE	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Folder on 'fp2	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Folder on 'Grounc	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ings on 'FP3	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
g on 'Ground	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
o on 'Ground	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Grounc	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
's on 'Grounc	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
'ansfer on 'Gr	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
26dos on 'Gr	fwj.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
at on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
etwork Places	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
le Bin	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Bachman George  
**Sent:** Thursday, July 05, 2007 10:29 AM  
**To:** Cox Doreen  
**Subject:** FW: Short-term debt  
**Categories:** Elec Rate Case

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

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Kitner Don  
**Sent:** Thursday, August 02, 2007 1:24 PM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl  
**Subject:** FW: SUMMER GLEN IR 21319

These are the capital dollars Bill came up with. All but 311 should be transferred.

Don Kitner  
General Manager, Central Florida  
386-668-9201

---

**From:** Grimeson Bill  
**Sent:** Wednesday, August 01, 2007 10:13 AM  
**To:** Kitner Don  
**Subject:** SUMMER GLEN IR 21319

Don,

The list below reflects the costs for Summer Glen as of 6/07:

Acct. 311 16,317.39

Acct. 376 622,045.19

Acct. 380 62,909.97

Acct. 381 1812.14

Acct. 382 12,255.38

Total 715,340.07

Bill



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

Clara Leider

---

**From:** Martin Cheryl  
**Sent:** Tuesday, August 21, 2007 4:54 PM  
**To:** Cox Doreen  
**Subject:** FW: Testimony, Exhibit Formatting

You quit being so fastidious.

-----Original Message-----

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]  
Sent: Tuesday, August 21, 2007 4:49 PM  
To: Mike Welsh; Teresa Sholts  
Subject: Testimony, Exhibit Formatting

Mike,  
Teresa,

A couple of things:

- 1) Please include the technical appendices following the testimony.
- 2) Some of the cost of capital exhibits have consistent font sizes from one exhibit page to another. However, some pages contain significantly greater space than others - simply more material on some. I would like to have the exhibit pages use, if possible, a consistent font size during printing. This may not be possible, however, without driving the font sizes to levels that are pretty small. If this is the case, please use two font sizes for printing - one large and one large. Apologies for being quite so fastidious about things.

Thank you. Robert

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, June 27, 2007 9:09 AM  
**To:** Cox Doreen  
**Cc:** Mesite Jim  
**Subject:** FW: Updated B Schedules  
**Categories:** Elec Rate Case  
**Attachments:** Notes on B Schedules.doc; B-MFRS-3.xls

Doreen, take a peak some of these notes are for you. Jim will look at the remaining ones, but note the ones that relate to COC. Cheryl

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Wednesday, June 27, 2007 8:59 AM  
**To:** Martin Cheryl; Mesite Jim  
**Cc:** Robert Camfield  
**Subject:** Updated B Schedules

Cheryl and Jim:

I am attaching a copy of the B Schedules as updated as far as I can go at the moment along with a document listing issues that still need resolution.

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>

## Notes on B Schedules

### Schedule B1

- Are there other rate base items that should be included in numbered column 9?
- Is there any adjustment to working capital allowance numbered column 8? (I think the answer is no.)

### Schedule B3

- Line item for CWIP. I have imported these values from the trial balance and they match with data sent from FPU in B Historic 2006. However, I noticed that the values also match with the monthly values provided by Jim M. in EL CWIP 2006. In that file I also notice that at the far right, there is a small adjustment in the 13 month total to reflect a small allocation to Propane. The total adjustment is only about \$7,300 out of a 13 month average of about \$770,000. Do the monthly totals need to be adjusted to reflect the allocation to Propane? This issue does not appear to occur for the Common CWIP accounts.
- Lines pertaining to Proprietary Capital and Long Term Debt.
  - These numbers are pulled directly from the data provided by Doreen. The account titles indicate the amount as "ALLOCATED". Data were pulled from the electric portion of the accounts so I believe this takes care of the "ALLOCATED" designation.
  - The account "Unappropriated Retained Earnings" I took to be the same as the retained earnings in Doreen's Capital worksheet.
  - The trial balance indicates that there was a stock buyback in 2006 (account 2170). However, this account does not seem to appear in Doreen's capital sheet. Since there is common stock for both electric and FloGas, I am at a loss as to how to do the allocation of the stock buy back.

### Schedule B4

- Calculation of 2005 Allocated Common CWIP. To calculate the 2005 Common CWIP values I needed to go back to the trial balance and see how the 2006 Common CWIP balances were created. The 2006 Common CWIP sheet shows no balances for 303 376 and 389. The first account for which there is a balance is 390 - Structures and Improvements. This shows a balance of 16,065 for April of 2005. For Company sector described as 1,0,0. I filtered data from the TB for 2005 and pointed cells of 2005 Common CWIP to the relevant accounts. However, I did not have an allocation factor for 2005 so I used 2006. Action requested: check my calculations and provide a set of 2005 allocation factors.

- I need the 2005 data that would correspond to Excel lines 58 -110.

#### Schedule B5

- It would be useful if FPU could produce this schedule.

#### Schedule B7

- I still need to insert the depreciation rates.

#### Schedule B10 and B10-for 2005

- In checking values I noticed a General Plant Account for 3892. Does that account need to get included?

#### Schedule B11

- I had hoped FPU could produce this schedule. If not, I can.

#### Schedule B13 CWIP

- Schedule calls for data on estimated additional costs, initial project budget etc, that I still need to get from FPU.

#### Schedule B17

- I need adjustment data for prior year (2005) in numbered column 1.
- In numbered column 2 I need any unbilled revenue adjustment for 2006. (I am guessing that it is zero).

#### Schedule B19

- The updated schedule provide by FPU includes two columns that had been included in the equivalent old MFR but not required in the new MFR. I will need guidance on how to resolve the issue.
- Areas in yellow were highlighted in the update provided by FPU so I don't know if these are areas that are flagged for future adjustment/review

#### Schedule B21

- Need to check that the updated values as provided are correct. Cell L21 looks suspicious.

## Clara Leider

**From:** Martin Cheryl  
**Sent:** Wednesday, June 27, 2007 9:09 AM  
**To:** Cox Doreen  
**Cc:** Mesite Jim  
**Subject:** FW: Updated B Schedules  
**Categories:** Elec Rate Case  
**Attachments:** Notes on B Schedules.doc; B-MFRS-3.xls

Doreen, take a peak some of these notes are for you. Jim will look at the remaining ones, but note the ones that relate to COC. Cheryl

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Wednesday, June 27, 2007 8:59 AM  
**To:** Martin Cheryl; Mesite Jim  
**Cc:** Robert Camfield  
**Subject:** Updated B Schedules

Cheryl and Jim:

I am attaching a copy of the B Schedules as updated as far as I can go at the moment along with a document listing issues that still need resolution.

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>

Schedule B-1

## ADJUSTED RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

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:  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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)	(8) Net Utility Plant	(9) Working Capital Allowance	(10) Other Rate Base Items	Total Rate Base
1 System Per Books (B-3)	72,371,736	(32,028,406)	40,343,329	1,461,603	-	-		41,804,933	(1,985,076)		39,819,857
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%			100%		
3 Jurisdictional Per Books	72,371,736	(32,028,406)	40,343,329	1,461,603	-	-		41,804,933	(1,985,076)	-	39,819,857
4 <u>Adjustments:</u>											
5	(67,783)	33,370	(34,413)	-7343	-	-		(41,756)	0	-	(41,756)
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28 Total Adjustments	\$ (67,783)	\$ 33,370	\$ (34,413)	\$ (7,343)	\$ -	\$ -	\$ (41,756)	\$ -	\$ -	\$ -	\$ (41,756)
29											
30 Adjusted Jurisdictional	\$ 72,303,953	\$ (31,995,036)	\$ 40,308,916	\$ 1,454,260	\$ -	\$ -	\$ 41,763,177	\$ (1,985,076)	\$ -	\$ -	\$ 39,778,101

Supporting Schedules:

Recap Schedules:



Schedule B-2

## RATE BASE ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Historical Test Year Ended 12/31/2006

Consolidated Electric Division

Witness: Jim Mesite, Cheryl Martin

DOCKET NO.: 070304-EI

Line No.	Adjustment Title	Adjustment Amount (000)	Jurisdictional Factor	(1) x (2) (000)
1	PLANT			
2	Commission Adjustment:		1	0
3	Allocate Various Items of General		1	0
4	Plant Accounts to Propane; based		1	0
5	on Customers and/or Square Footage		1	0
6	Measurements		1	0
7	(Accounts 3890, 3900, 3911, 3912,		1	0
8	3913, and 391305)		1	0
9	Plant-in-Service	(67,783)	1	-67783
10	Reserve	33,370	1	33370
11	CWIP	(7,343)	1	-7343
12	Total	(41,757)	1	-41757
13				
14				
15	Company Adjustment:			
16	None			
17				
18				
19				
20	WORKING CAPITAL			
21	Commission Adjustment:			
22	None			
23				
24				
25				
26	Company Adjustment:			
27	None			
28				
29				
30				
31				
32				
33				

Supporting Schedules: B-3

Recap Schedules: B-1, B-3, B-4

Schedule B-1

## 13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

## 13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

FLORIDA PUBLIC SERVICE COMPANY  
COMPANY'S PUBLIC UTILITIES  
Consolidated Balance Sheet  
DOCKET NO. 07004-01

EXPLANATION: Derive the 13-month average system balance sheet by system account for the first year, the prior year and the most recent historical year. For accounts including non-systemic data, amounts show three amounts as a separate subcolumn.

Time of Data Sheet:  
Historical Year Ended 12/31/06  
Address: Jan. 2006

EXPLANATION: Derive the 13-month average system balance sheet by system account for the first year, the prior year and the most recent historical year. For accounts including non-systemic data, amounts show three amounts as a separate subcolumn.

2006

Account No.	Account Name	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 MONTH AVERAGE	REFERENCE
1	ASSETS AND OTHER DEBITS															
2	UTILITY PLANT															
3	PLANT IN SERVICE	58,151,726	59,060,318	70,153,707	70,483,807	70,380,367	73,437,036	72,722,887	71,188,510	71,307,805	71,485,264	71,571,897	71,962,722	72,741,156	70,787,808	RB
4	PLANT RESERVE	2,000,802	2,002,341	1,000,386	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	1,011,854	RB
5	ALLOATED COMMON PLANT IN SERVICE	30,184,544	30,419,177	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	36,846,136	RB
6	ALLOATED COMMON PLANT RESERVE	1,627,258	1,630,961	1,643,814	1,655,208	1,667,202	1,678,196	1,689,190	1,699,184	1,709,178	1,719,172	1,729,166	1,739,160	1,749,154	1,759,148	RB
7	ALLOATED COMMON EQUIP	574,414	580,963	600,336	600,336	600,336	600,336	600,336	600,336	600,336	600,336	600,336	600,336	600,336	600,336	RB
8	ALLOATED COMMON EQUIP RESERVE	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	63,736	RB
9	OTHER PROPERTY AND INVESTMENTS	57,295														RB
10	INVESTMENT IN ASSOCIATE CO. (ALOCATED)															RB
11	CURRENT AND ACCRUED ASSETS															RB
12	CASH & DEPOSITS	258,478	489,064	567,142	681,756	761,000	761,000	761,000	761,000	761,000	761,000	761,000	761,000	761,000	761,000	RB
13	LOCAL CASH															RB
14	WORKING FUNDS	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	8,125	RB
15	ACCUMULATED RECEIVABLES	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	3,712,822	RB
16	PREPAID EXPENSES (UNRECOVERED)	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	26,320	RB
17	STOCKS & BONDS	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	RB
18	MATERIALS AND SUPPLIES	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	RB
19	PREPAID INSURANCE	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	82,165	RB
20	PREPAID TAXES	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	2,147,244	RB
21	UNRECOVERED REVENUES	415,744	325,115	322,486	326,217	326,217	326,217	326,217	326,217	326,217	326,217	326,217	326,217	326,217	326,217	RB
22	ACCUMULATED DEFERRED INCOME TAXES	21,285	22,156	22,754	24,785	24,785	24,785	24,785	24,785	24,785	24,785	24,785	24,785	24,785	24,785	RB
23	DEFERRED DEBITS - OTHER	300,445	286,477	282,367	318,745	318,745	318,745	318,745	318,745	318,745	318,745	318,745	318,745	318,745	318,745	RB
24	DEFERRED DEBITS - OTHER (UNRECOVERED)	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
25	DEFERRED DEBITS - COMMON	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
26	DEFERRED DEBITS - COMMON (UNRECOVERED)	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
27	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
28	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
29	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
30	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
31	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
32	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
33	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
34	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
35	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
36	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
37	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
38	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
39	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
40	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
41	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
42	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
43	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
44	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
45	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
46	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
47	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
48	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
49	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
50	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
51	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
52	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
53	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
54	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
55	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	1,811,849	RB
56	DEFERRED DEBITS - COMMON (UNRECOVERED) - ALLOCATED	1,811,849	1,811,849	1,811,849	1,811,849											

Schedule B-3

## 13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

## 13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount

2006

Type of Data Shown:

Historical Year Ended 12/31/06

Witness: Jim Mesite

EXPLANATION Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		(15)	(16)	(17)
Line No	Account No	Account Name	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 MONTH AVERAGE	REFERENCE		13-MONTH CONSOLIDATED AMOUNT	ALLOCATION METHOD	ALLOCATION %
1		ASSETS AND OTHER DEBITS																			
2																					
3		UTILITY PLANT																			
4	1010	PLANT IN SERVICE	68,757,206	69,065,318	70,153,707	70,483,807	70,380,007	70,457,036	70,702,893	71,166,510	71,307,955	71,455,264	71,571,897	71,992,722	72,747,156	70,787,806	RB		DIRECT	100%	
5	1070	CWIP	2,090,808	2,002,341	1,090,386	1,011,854	1,284,452	1,351,900	1,350,144	1,164,548	1,317,408	1,552,979	1,581,913	1,318,249	778,241	1,376,556	RB		DIRECT	100%	
6	1080	PLANT RESERVE	(30,184,544)	(30,415,377)	(30,640,138)	(30,824,226)	(30,818,682)	(30,982,112)	(31,163,649)	(31,345,527)	(31,568,403)	(31,801,956)	(32,008,927)	(32,271,442)	(32,350,816)	(31,259,877)	RB		DIRECT	100%	
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,622,258	1,630,391	1,643,814	1,635,208	1,567,200	1,563,065	1,570,920	1,573,898	1,573,898	1,573,921	1,577,263	1,527,399	1,531,851	1,583,930	RB		Plant / Customers	30% / 32%	
8	1190	ALLOCATED COMMON PLANT RESERVE	(578,414)	(590,993)	(600,326)	(604,808)	(541,263)	(544,550)	(1,872,406)	(1,900,689)	(565,069)	(573,807)	(582,545)	(523,006)	(515,604)	(768,729)	RB		Plant / Customers	30% / 32%	
9	1070	ALLOCATED COMMON CWIP	57,295	63,706	48,929	57,959	59,536	95,325	114,189	104,553	105,046	105,046	107,584	98,021	88,431	85,048	RB		Plant / Customers	30% / 32%	
10																					
11		OTHER PROPERTY AND INVESTMENTS																			
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-			Pro-Rata of	29%	
13																					
14		CURRENT AND ACCRUED ASSETS																			
15	1310, 1340	CASH & DEPOSITS	208,878	469,064	557,142	681,756	391,000	307,142	448,518	74,340	156,078	326,392	554,720	360,786	116,642	357,881	RB, WC	1,118,378	Base Revenue	32%	
16	1310.4	LOCAL CASH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RB, WC	-	DIRECT	100%	
17	1350	WORKING FUNDS	8,135	8,135	8,135	8,135	8,135	8,135	8,135	8,135	8,243	8,135	8,135	8,135	8,135	8,143	RB, WC	35,455	Special Allocation	96%	
18	1420, 1430	ACCOUNTS RECEIVABLE	3,715,832	3,712,762	3,645,937	3,012,614	3,184,501	3,126,083	3,602,147	4,140,548	3,721,848	3,979,041	3,198,274	2,761,978	3,213,764	3,462,718	RB, WC	-	DIRECT	100%	
19	1440	PROVISION FOR UNCOLLECTIBLE	(29,335)	(26,756)	(26,972)	(28,208)	(31,487)	(32,172)	(36,083)	(40,905)	(28,455)	(31,743)	(35,253)	(30,205)	(69,678)	(34,335)	RB, WC	-	DIRECT	100%	
20	1630	STORES EXPENSE	-	-	-	-	-	-	-	-	(1,300)	-	(34,074)	(13,697)	-	(3,775)	RB, WC	-	DIRECT	100%	
21	1540	MATERIALS AND SUPPLIES	821,965	815,013	832,509	854,233	839,171	819,018	841,516	843,451	872,718	930,753	959,791	946,471	1,042,109	878,363	RB, WC	-	DIRECT	100%	
22	1650.2, 4, 5	PREPAYMENTS - INSURANCE	304,240	274,104	244,504	215,312	250,702	196,432	155,176	170,884	375,714	344,436	377,330	305,062	307,660	270,889	RB, WC	846,528	Base Revenue	32%	
23	1650.3	PREPAYMENTS - PENSIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RB, WC	-	Payroll	27%	
24	1730	UNBILLED REVENUES	415,764	325,115	322,495	326,217	340,571	455,075	532,192	526,607	618,265	472,305	392,234	431,787	424,137	429,443	RB, WC	-	DIRECT	100%	
25	1840.7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	-	(72)	-	42	42	42	42	42	-	11	RB, WC	34	Base Revenue	32%	
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RB, WC	-	DIRECT	100%	
27	1850	TEMPORARY FACILITIES	21,285	22,156	22,754	24,755	24,735	24,796	25,742	27,280	28,660	29,864	31,183	31,456	12,836	25,192	RB, WC	-	DIRECT	100%	
28																					
29		DEFERRED DEBITS																			
30	1860.1	DEFERRED DEBITS - OTHER	306,949	299,477	292,007	318,745	310,674	302,603	294,530	286,459	278,664	270,317	262,246	254,175	239,102	285,842	RB, WC	-	DIRECT	100%	
31	1860.21	DEFERRED DEBITS - OVER/UNDER RECOVERY	1,611,846	1,493,295	1,691,503	1,557,183	1,557,272	1,826,006	2,005,274	1,870,954	1,900,595	1,766,275	1,631,955	1,697,897	1,707,678	1,716,749	RB, WC	-	DIRECT	100%	
32	1860.3	DEFERRED DEBITS - CONSOLIDATED	-	7,667	8,853	18,632	22,149	32,850	-	3,718	15,742	19,456	22,644	31,302	-	14,078	RB, WC	-	DIRECT	100%	
33	1860	DEFERRED DEBITS - COMMON	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RB, WC	-	Base Revenue	32%	
34	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	-	Pro-Rata of	29%	
35	1820.2	RETIRE PIR	-	-	-	-	-	-	-	-	-	-	-	-	74,273	5,713	CS	21,260	Payroll	27%	
36	1900	ACCUMULATED DEF TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	-	DIRECT	100%	
37																					
38		TOTAL ASSETS AND OTHER DEBITS	7,385,559	7,400,032	7,598,867	6,989,374	6,897,423	7,065,896	7,877,147	7,912,413	7,946,814	8,115,273	7,369,227	6,785,189	7,076,658	7,416,913					
39																					
40		LIABILITIES AND OTHER CREDITS																			
41																					
42		PROPRIETARY CAPITAL																			
43	2040	PREFERRED STOCK - ALLOCATED	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	CS	(600,000)	Pro-Rata of	29%	
44	2010	COMMON STOCK - ALLOCATED	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	CS	(5,748,260)	Pro-Rata of	29%	
45	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	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	CS	(20,450,505)	Pro-Rata of	29%	
46	2070	PREM ON COMMON STK - ALLOCATED	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	CS	(8,156,633)	Pro-Rata of	29%	
47	2110	MISC PAID IN CAPITAL - ALLOCATED	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	919,988	919,988	919,988	919,988	938,906	952,375	CS	(1,411,968)	Pro-Rata of	29%	
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	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	CS	428,441	Pro-Rata of	29%	
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	4,678,981	Pro-Rata of	29%	
50																					
51		LONG TERM DEBT																			
52	2210	BONDS - ALLOCATED	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	CS	(52,500,000)	Pro-Rata of	29%	
53																					
54		OTHER NONCURRENT LIABILITIES																			
55																					
56		CURRENT AND ACCRUED LIABILITIES																			
57	2320	ACCOUNTS PAYABLE - FUEL	(2,437,949)	(2,316,675)	(2,829,932)	(2,183,772)	(2,243,795)	(2,634,160)	(2,808,393)	(2,996,631)	(3,024,777)	(2,520,776)	(2,312,588)	(2,142,845)	(2,341,685)	(2,522,614)	RB, WC	-	DIRECT	100%	
58	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(1,232,780)	(990,632)	(790,017)	(948,218)	(815,893)	(572,806)	(818,506)	(709,893)	(990,466)	(915,748)	(1,055,386)	(780,181)	(914,573)	(880,361)	RB, WC	(2,751,129)	AP	32%	
59	2320.8	SALARIES & WAGES PAYABLE	(150,790)	(179,018)	(186,643)	(155,126)	(157,172)	(210,976)	(195,952)	(222,471)	(96,303)	(115,329)	(156,937)	(188,333)	(215,583)	(171,587)	RB, WC	(635,508)	Payroll	27%	

3589

60	2320	OTHER - ACCOUNTS PAYABLE	(241,440)	(152,454)	(143,110)	(204,756)	(145,518)	(131,644)	(207,302)	(122,714)	(181,622)	(192,724)	(206,486)	(169,026)	(218,108)	(178,230)	RB, WC	(556,970)	Base Revenue	32%
61	2380	DIVIDENDS DECLARED - PREFERRED	(2,280)	-	-	(2,280)	-	-	(2,280)	-	-	(2,280)	-	-	(2,280)	(877)	RB, WC	(2,740)	Base Revenue	32%
62	2410	TAX COLLECTIONS PAYABLE - PIR	-	293	23	(13,616)	(12,433)	21,268	-	-	-	-	-	-	-	(343)	RB, WC	(1,272)	Payroll	27%
63	2410	TAX COLLECTIONS PAYABLE - PIR	(258,513)	(282,420)	(280,113)	(268,594)	(245,305)	(269,136)	(313,420)	(335,873)	(312,065)	(336,585)	(286,244)	(239,205)	(268,716)	(284,322)	RB, WC	-	DIRECT	100%
64	2280.31	PENSION RESERVE	(194,759)	(233,459)	(269,009)	(306,134)	(343,259)	(380,384)	(417,509)	(454,634)	(309,959)	(451,139)	(480,389)	(509,639)	(814,231)	(404,193)	RB, WC	(1,497,011)	Payroll	27%
65	2280.32	MED. INS. RESERVE	(621,566)	(627,092)	(632,684)	(638,182)	(643,878)	(649,388)	(654,752)	(660,362)	(665,902)	(650,008)	(653,232)	(655,846)	(596,912)	(642,293)	RB, WC	(2,007,164)	Base Revenue	32%
66	2280.34	401K ACCRUAL	200	270	353	62	62	62	-	-	-	-	-	-	-	68	RB, WC	253	Payroll	27%
67	2280.2n	INSURANCE RESERVE	(94,762)	(94,384)	(93,992)	(92,808)	(89,376)	(86,914)	(84,016)	(81,998)	(73,724)	(70,194)	(65,928)	(59,208)	(58,062)	(80,413)	RB, WC	(251,289)	Base Revenue	32%
68	2280.11	STORM DAMAGE RESERVE	(1,506,886)	(1,516,004)	(1,526,138)	(1,536,274)	(1,546,408)	(1,556,544)	(1,562,802)	(1,572,936)	(1,583,072)	(1,588,954)	(1,599,090)	(1,609,224)	(1,636,118)	(1,564,650)	RB, WC	-	DIRECT	100%
69	2360	TAXES ACCRUED - AD VALOREM	-	(44,215)	(88,429)	(132,645)	(176,859)	(221,074)	(265,289)	(309,504)	(353,719)	(397,933)	(442,148)	35,868	-	(184,304)	RB, WC	-	DIRECT	100%
70	2360	TAXES ACCRUED - GROSS RECEIPTS	(271,724)	(320,167)	(351,715)	(288,640)	(262,791)	(240,933)	(239,826)	(240,923)	(239,826)	(249,190)	(256,028)	(242,528)	(252,693)	(295,861)	RB, WC	-	DIRECT	100%
71	2360	TAXES ACCRUED - FPSC ASSESSMENT	(71,602)	(20,811)	(41,057)	(59,920)	(73,462)	(85,304)	(95,872)	(9,773)	(19,331)	(29,129)	(38,751)	(48,196)	(61,780)	(50,384)	RB, WC	(129,188)	Base Revenue	39%
72	2360	TAXES ACCRUED - UNEMPLOY & FICA	(822)	(7,789)	(11,905)	(18,803)	(5,353)	7,023	(1,207)	(243)	(563)	(724)	(163)	(380)	(630)	(3,197)	RB, WC	(11,840)	Payroll	27%
73	2360	TAXES ACCRUED - INCOME TAXES	(40,894)	(360,318)	(711,454)	(815,038)	(867,576)	(945,656)	(306,936)	(384,818)	(489,650)	(610,580)	(687,762)	(779,410)	(481,758)	(575,527)	RB, WC	(1,798,521)	Base Revenue	32%
74	2370.1 & 2	INTEREST ACCRUED	(276,656)	(305,647)	(434,986)	(567,120)	(595,819)	(288,181)	(274,728)	(303,545)	(435,021)	(566,765)	(595,873)	(287,570)	(174,130)	(392,772)	RB, WC	(981,931)	Plant	40%
75	2370.3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(94,134)	(103,369)	(98,899)	(10,698)	(20,486)	(30,725)	(40,290)	(51,127)	(60,857)	(70,830)	(79,580)	(89,866)	(99,032)	(65,376)	RB, WC	-	DIRECT	100%
76	2420.1	VACATION PAY ACCRUED	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(323,504)	(292,994)	RB, WC	(1,085,164)	Payroll	27%
77	2420.3	AUDIT FEES & EXP. ACCRUED	(28,514)	(13,204)	(26,406)	(39,050)	(45,546)	(52,826)	(61,986)	(67,468)	(68,292)	(65,546)	(58,416)	(44,994)	(31,424)	(46,436)	RB, WC	(145,113)	Base Revenue	32%
78	2420.7	COMMISSION FUND	54	(214)	(998)	(1,054)	(946)	(1,110)	(1,043)	(934)	(889)	(768)	(863)	(1,138)	(848)	-	RB, WC	-	DIRECT	100%
79	2420.9	MISC. CUR & ACCR. LIAB	(6,240)	(6,240)	(6,240)	(6,240)	(6,240)	(2,268)	(2,252)	(2,252)	(960)	(1,920)	(2,880)	(3,840)	(8,000)	(4,275)	CS	-	DIRECT	100%
80	2310	NOTES PAYABLE - ALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	-	Pro-Rata of	29%
81	2350	CUSTOMERS DEPOSITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	-	DIRECT	100%
82																				
83		DEFERRED CREDITS																		
84	2530.21	OVERREC. POWER & GAS	(1,152,894)	(1,204,101)	(1,108,026)	(1,112,490)	(1,016,415)	(920,340)	(824,265)	(798,533)	(702,458)	(1,015,467)	(1,037,614)	(941,539)	(845,464)	(975,354)	RB, WC	-	DIRECT	100%
85	2530.6	OVERREC. CONSERVATION	(107,034)	(94,858)	(102,393)	(82,249)	(93,242)	(76,924)	(73,560)	(80,019)	(79,344)	(71,437)	(71,563)	(57,589)	(44,852)	(79,603)	RB, WC	-	DIRECT	100%
86	2530.1 & 4	MISC. CURRENT LIABILITIES	-	(6)	1	2	11	(20)	53	58	239	(27)	62	413	-	60	RB, WC	-	DIRECT	100%
87	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	RB	-	DIRECT	100%
88	2550	INV TAX CREDIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CS	-	DIRECT	100%
89																				
90		ACCUMULATED DEFERRED INCOME TAXES																		
91	2820, 2830	ACCUMULATED DEFERRED TAXES															CS		DIRECT	100%
92																				
93		<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>(9,082,437)</b>	<b>(9,072,966)</b>	<b>(10,024,342)</b>	<b>(9,774,101)</b>	<b>(9,698,058)</b>	<b>(9,619,310)</b>	<b>(9,543,839)</b>	<b>(9,695,857)</b>	<b>(10,078,422)</b>	<b>(10,221,464)</b>	<b>(10,364,716)</b>	<b>(9,114,598)</b>	<b>(9,433,641)</b>	<b>(9,671,059)</b>		<b>(11,854,587)</b>		

## REFERENCE:

RB = Rate Base, WC = Working Capital, CS = Capital Structure, ORP = Other Return Provided, NEU = Non-Electric Utility

Supporting Schedules:

Recap Schedules

ry account  
historical  
w these

Type of Data Shown  
Historical Year Ended 12/31/06  
Witness: Jim Mesite

2006

(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
13 MONTH AVERAGE	13-Month Avg COMMISSION ADJUSTMENT	13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	PROPOSED COMPANY ADJUSTMENT OF WATER	PROPOSED COMPANY ADJUSTMENT 13-MO AVG	PROPOSED COMPANY ADJUSTMENT RECOVERY	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU
70,787,804						70,787,804	RB
1,376,556						1,376,556	RB
(30,814,854)						(30,814,854)	RB
							RB
							RB
							CS
357,881		357,881				357,881	RB, WC
8,143		8,143				8,143	RB, WC
3,462,718		3,462,718				3,462,718	RB, WC
(34,335)		(34,335)				(34,335)	RB, WC
(3,775)		(3,775)				(3,775)	RB, WC
878,363		878,363				878,363	RB, WC
270,889		270,889				270,889	RB, WC
							RB, WC
429,443		429,443				429,443	RB, WC
11		11				11	RB, WC
							RB, WC
25,192		25,192				25,192	RB, WC
(184,304)		285,842				285,842	RB, WC
1,716,749		1,716,749				1,716,749	RB, WC
14,078		14,078				14,078	RB, WC
							RB, WC
5,713	1,693	7,406				7,406	CS
							CS
7,416,913		7,418,606				7,418,606	
(176,069)	1,667	(174,402)	168	(1,758)	(1,223)	(177,215)	CS
(1,685,761)	15,965	(1,669,796)	1,612	(16,828)	(11,708)	(1,696,720)	CS
(6,001,160)	56,834	(5,944,326)	5,738	(59,906)	(41,679)	(6,040,173)	CS
(2,392,031)	22,654	(2,369,377)	2,287	(23,878)	(16,613)	(2,407,581)	CS
(413,961)	3,920	(410,041)	396	(4,132)	(2,875)	(416,652)	CS
125,641	(1,190)	124,451	(120)	1,254	873	126,458	CS
1,372,004	(12,994)	1,359,090	(1,312)	13,697	9,529	1,381,004	CS
(15,396,633)	145,813	(15,250,820)	14,721	(153,694)	(106,932)	(15,496,725)	CS
(2,522,614)		(2,522,614)				(2,522,614)	RB, WC
(880,361)		(880,361)				(880,361)	RB, WC
(171,587)		(171,587)				(171,587)	RB, WC

3591

(178,230)	(178,230)	(178,230)	RB, WC
(877)	(877)	(877)	RB, WC
(343)	(343)	(343)	RB, WC
(284,322)	(284,322)	(284,322)	RB, WC
(404,193)	(404,193)	(404,193)	
(642,293)	(642,293)	(642,293)	RB, WC
68	68	68	
(80,413)	(80,413)	(80,413)	RB, WC
(1,564,650)	(1,564,650)	(1,564,650)	RB, WC
(184,304)	(184,304)	(184,304)	RB, WC
(270,232)	(270,232)	(270,232)	RB, WC
(50,384)	(50,384)	(50,384)	RB, WC
(3,197)	(3,197)	(3,197)	RB, WC
(575,527)	(575,527)	(575,527)	RB, WC
(392,772)	(392,772)	(392,772)	RB, WC
(65,376)	(65,376)	(65,376)	RB, WC
(292,994)	(292,994)	(292,994)	RB, WC
(46,436)	(46,436)	(46,436)	RB, WC
(848)	(848)	(848)	
(4,275)	(4,275)	(4,275)	
-	-	-	CS
-	-	-	CS
-	-	-	
(975,354)	(975,354)	(975,354)	RB, WC
(79,603)	(79,603)	(79,603)	RB, WC
60	60	60	RB, WC
-	-	-	RB
-	-	-	CS
-	-	-	
-	-	-	
-	-	-	CS
-	-	-	
(9,671,057)	(9,671,057)	(9,671,057)	

# Data On Adjustment

Line No.	Account No.	Account Name	(15) 13-MONTH CONSOLIDATED AMOUNT	(16) ALLOCATION METHOD	(17) ALLOCATION %	(18) 13 MONTH AVERAGE	(19) 13-Month Avg. COMMISSION ADJUSTMENT	(20) 13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	(21) PROPOSED COMPANY ADJUSTMENTS ELIMINATION OF WATER	(22) PROPOSED COMPANY ADJUSTMENTS ACTUAL CASH 13-MO AVG.	(23) PROPOSED COMPANY ADJUSTMENTS ACTUAL O/U RECOVERY	(24) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(25) REFERENCE RB / WC / CS / ORP / NEU
1		ASSETS AND OTHER DEBITS											
2													
3		UTILITY PLANT:											
4	1010	PLANT IN SERVICE		DIRECT	100%	70,787,804						70,787,804	RB
5	1070	CWIP		DIRECT	100%	1,376,556						1,376,556	RB
6	1080	PLANT RESERVE		DIRECT	100%	(30,814,854)						(30,814,854)	RB
7	1180	ALLOCATED COMMON PLANT		Plant / Customers	30% / 32%								RB
8	1190	ALLOCATED COMMON PLANT		Plant / Customers	30% / 32%								RB
9	1070	ALLOCATED COMMON CWIP		Plant / Customers	30% / 32%								RB
10													
11		OTHER PROPERTY AND INVESTMENTS:											
12	1230	INVESTMENT IN ASSOC CO -		Pro-Rata of	29%								CS
13													
14		CURRENT AND ACCRUED ASSETS:											
15	1310	CASH & DEPOSITS	1,118,378	Base Revenue	32%	357,881		357,881				357,881	RB, WC
16	1310.4	LOCAL CASH		DIRECT	100%			-				-	RB, WC
17	1350	WORKING FUNDS	35,455	Special Allocation	96%	8,143		8,143				8,143	RB, WC
18	1420	ACCOUNTS RECEIVABLE		DIRECT	100%	3,462,718		3,462,718				3,462,718	RB, WC
19	1440	PROVISION FOR		DIRECT	100%	(34,335)		(34,335)				(34,335)	RB, WC
20	1630	STORES EXPENSE		DIRECT	100%	(3,775)		(3,775)				(3,775)	RB, WC
21	1540	MATERIALS AND SUPPLIES		DIRECT	100%	878,363		878,363				878,363	RB, WC
22	1650.2.4.	PREPAYMENTS - INSURANCE	846,528	Base Revenue	32%	270,889		270,889				270,889	RB, WC
23	1650.3	PREPAYMENTS - PENSIONS	-	Payroll	27%	-		-				-	RB, WC
24	1730	UNBILLED REVENUES		DIRECT	100%	429,443		429,443				429,443	RB, WC
25	1840.7	CLEARING ACCOUNTS -	34	Base Revenue	32%	11		11				11	RB, WC
26	1840.1	CLEARING ACCOUNTS -		DIRECT	100%	-		-				-	RB, WC
27	1850	TEMPORARY FACILITIES		DIRECT	100%	25,192		25,192				25,192	RB, WC
28						-		-				-	
29		DEFERRED DEBITS:											
30	1860.1	DEFERRED DEBITS - OTHER		DIRECT	100%	285,842		285,842				285,842	RB, WC
31	1860.21	DEFERRED DEBITS -		DIRECT	100%	1,716,749		1,716,749				1,716,749	RB, WC
32	1860.3	DEFERRED DEBITS -		DIRECT	100%	14,078		14,078				14,078	RB, WC
33	1860	DEFERRED DEBITS - COMMON		Base Revenue	32%	-		-				-	RB, WC
34	1810	NET UNAMORT DEBT		Pro-Rata of	29%	-		-				-	CS
35	1820.2	RETIRE P/R	21,260	Payroll	27%	5,713	1,693	7,406				7,406	
36	1900	ACCUMULATED DEF TAXES		DIRECT	100%	-		-				-	CS
37													
38		TOTAL ASSETS AND OTHER DEBITS				7,416,913		7,418,606				7,418,606	
39													
40		LIABILITIES AND OTHER CREDITS											
41													
42		PROPRIETARY CAPITAL:											
43	2040	PREFERRED STOCK -	(600,000)	Pro-Rata of	29%	(176,069)	1,667	(174,402)	168	(1,758)	(1,223)	(177,215)	CS
44	2010	COMMON STOCK - ALLOCATED	(5,748,260)	Pro-Rata of	29%	(1,685,761)	15,965	(1,669,796)	1,612	(16,828)	(11,708)	(1,696,720)	CS
45	2160	UNAPPROP. RETAINED	(20,450,505)	Pro-Rata of	29%	(6,001,160)	56,834	(5,944,326)	5,738	(59,906)	(41,679)	(6,040,173)	CS
46	2070	PREM ON COMMON STK -	(8,156,633)	Pro-Rata of	29%	(2,392,031)	22,654	(2,369,377)	2,287	(23,878)	(16,613)	(2,407,581)	CS
47	2110	MISC PAID IN CAPITAL -	(1,411,968)	Pro-Rata of	29%	(413,961)	3,920	(410,041)	396	(4,132)	(2,875)	(416,652)	CS
48	2140	CAPITAL STOCK EXPENSE -	428,441	Pro-Rata of	29%	125,641	(1,190)	124,451	(120)	1,254	873	126,458	CS
49	2170	COMMON STOCK	4,678,981	Pro-Rata of	29%	1,372,084	(12,994)	1,359,090	(1,312)	13,697	9,529	1,381,004	CS
50													

51		LONG TERM DEBT:											
52	2210	BONDS - ALLOCATED	(52,500,000)	Pro-Rata of	29%	(15,396,633)	145,813	(15,250,820)	14,721	(153,694)	(106,932)	(15,496,725)	CS
53													
54		OTHER NONCURRENT LIABILITIES:											
55													
56		CURRENT AND ACCRUED											
57	2320	ACCOUNTS PAYABLE - FUEL		DIRECT	100%	(2,522,614)		(2,522,614)				(2,522,614)	RB, WC
58	2320	ACCOUNTS PAYABLE - NET OF	(2,751,129)	A/P Computation/	32%	(880,361)		(880,361)				(880,361)	RB, WC
59	2320.8	SALARIES & WAGES PAYABLE	(635,508)	Payroll	27%	(171,587)		(171,587)				(171,587)	RB, WC
60	2320	OTHER - ACCOUNTS PAYABLE	(556,970)	Base Revenue	32%	(178,230)		(178,230)				(178,230)	RB, WC
61	2380	DIVIDENDS DECLARED -	(2,740)	Base Revenue	32%	(877)		(877)				(877)	RB, WC
62	2410	TAX COLLECTIONS PAYABLE -	(1,272)	Payroll	27%	(343)		(343)				(343)	RB, WC
63	2410	TAX COLLECTIONS PAYABLE		DIRECT	100%	(284,322)		(284,322)				(284,322)	RB, WC
64	2280.31	PENSION RESERVE	(1,497,011)	Payroll	27%	(404,193)		(404,193)				(404,193)	
65	2280.32	MED. INS. RESERVE	(2,007,164)	Base Revenue	32%	(642,293)		(642,293)				(642,293)	RB, WC
66	2280.34	401K ACCRUAL	253	Payroll	27%	68		68				68	
67	2280.2n	INSURANCE RESERVE	(251,289)	Base Revenue	32%	(80,413)		(80,413)				(80,413)	RB, WC
68	2280.11	STORM DAMAGE RESERVE		DIRECT	100%	(1,564,650)		(1,564,650)				(1,564,650)	RB, WC
69	2360	TAXES ACCRUED - AD		DIRECT	100%	(184,304)		(184,304)				(184,304)	RB, WC
70	2360	TAXES ACCRUED - GROSS		DIRECT	100%	(270,232)		(270,232)				(270,232)	RB, WC
71	2360	TAXES ACCRUED - FPSC	(129,188)	Base Revenue	39%	(50,384)		(50,384)				(50,384)	RB, WC
72	2360	TAXES ACCRUED - UNEMPLOY	(11,840)	Payroll	27%	(3,197)		(3,197)				(3,197)	RB, WC
73	2360	TAXES ACCRUED - INCOME	(1,798,521)	Base Revenue	32%	(575,527)		(575,527)				(575,527)	RB, WC
74	2370.1 &	INTEREST ACCRUED	(981,931)	Plant	40%	(392,772)		(392,772)				(392,772)	RB, WC
75	2370.3	ACCRD. INTEREST ON		DIRECT	100%	(65,376)		(65,376)				(65,376)	RB, WC
76	2420.1	VACATION PAY ACCRUED	(1,085,164)	Payroll	27%	(292,994)		(292,994)				(292,994)	RB, WC
77	2420.3	AUDIT FEES & EXP. ACCRUED	(145,113)	Base Revenue	32%	(46,436)		(46,436)				(46,436)	RB, WC
78	2420.7	COMMISSION FUND		DIRECT	100%	(848)		(848)				(848)	
79	2420.9	MISC. CUR & ACCR LIAB		DIRECT	100%	(4,275)		(4,275)				(4,275)	
80	2310	NOTES PAYABLE - ALLOCATED		Pro-Rata of	29%	-		-				-	CS
81	2350	CUSTOMERS DEPOSITS		DIRECT	100%	-		-				-	CS
82													
83		DEFERRED CREDITS:											
84	2530.21	OVERREC. POWER & GAS		DIRECT	100%	(975,354)		(975,354)				(975,354)	RB, WC
85	2530.6	OVERREC. CONSERVATION		DIRECT	100%	(79,603)		(79,603)				(79,603)	RB, WC
86	2530.1 &	MISC. CURRENT LIABILITIES		DIRECT	100%	60		60				60	RB, WC
87	2520	CUSTOMER ADVANCES FOR		DIRECT	100%	-		-				-	RB
88	2550	INV TAX CREDIT		DIRECT	100%	-		-				-	CS
89													
90		ACCUMULATED DEFERRED INCOME TAXES:											
91	2820.	ACCUMULATED DEFERRED		DIRECT	100%	-		-				-	CS
92													
93		TOTAL LIABILITIES AND OTHER	(11,854,587)			(9,671,057)	-	(9,671,057)	-	-	-	(9,671,057)	



Schedule B-4

## TWO YEAR HISTORICAL BALANCE SHEET

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide 13-month average system balance sheets by  
primary account for the most recent two historical  
calendar years not including the historical test  
year if provided elsewhere.

Type of Data Shown:

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

Line No.	Account No.	Account Name	2005	2006
1		ASSETS AND OTHER DEBITS		
2				
3		UTILITY PLANT:		
4	1010	PLANT IN SERVICE	66,126,195	70,787,806
5	1070	CWIP	3,812,779	1,376,556
6	1080	PLANT RESERVE	(29,076,380)	(31,259,677)
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,621,357	1,583,930
8	1190	ALLOCATED COMMON PLANT RESERVE	(558,768)	(768,729)
9	1070	ALLOCATED COMMON CWIP	28,589	85,048
10				
11		OTHER PROPERTY AND INVESTMENTS:	-	-
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	-	-
13				
14		CURRENT AND ACCRUED ASSETS:		
15	1310, 1340	CASH & DEPOSITS		357,881
16	1310.4	LOCAL CASH		-
17	1350	WORKING FUNDS		8,143
18	1420, 1430	ACCOUNTS RECEIVABLE		3,462,718
19	1440	PROVISION FOR UNCOLLECTIBLE		(34,335)
20	1630	STORES EXPENSE		(3,775)
21	1540	MATERIALS AND SUPPLIES		878,363
22	1650.2, 4, 5	PREPAYMENTS - INSURANCE		270,889
23	1650.3	PREPAYMENTS - PENSIONS		-
24	1730	UNBILLED REVENUES		429,443
25	1840.7	CLEARING ACCOUNTS - REFUNDS		11
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL		-
27	1850	TEMPORARY FACILITIES		25,192
28				
29		DEFERRED DEBITS:		
30	1860.1	DEFERRED DEBITS - OTHER		285,842
31	1860.21	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL-includes Commission Adjustment		1,716,749
32	1860.3	DEFERRED DEBITS - CONSOLIDATED		14,078
33	1860	DEFERRED DEBITS - COMMON		-
34	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED		-
35	1820.2	RETIRE P/R		5,713
36	1900	ACCUMULATED DEF TAXES		-
37				
38		TOTAL ASSETS AND OTHER DEBITS		7,416,913
39				

40	LIABILITIES AND OTHER CREDITS	
41		
42	PROPRIETARY CAPITAL:	
43	2040 PREFERRED STOCK - ALLOCATED	600,000
44	2010 COMMON STOCK - ALLOCATED	9,241,725
45	2160 UNAPPROP. RETAINED EARNINGS - ALLOCATED	32,709,674
46	2070 PREM ON COMMON STK - ALLOCATED	5,472,569
47	2110 MISC PAID IN CAPITAL - ALLOCATED	952,375
48	2140 CAPITAL STOCK EXPENSE - ALLOCATED	428,441
49	2170 COMMON STOCK REACQUIRED - ALLOCATED	-
50		
51	LONG TERM DEBT:	
52	2210 BONDS - ALLOCATED	52,500,000
53		
54	OTHER NONCURRENT LIABILITIES:	
55		
56	CURRENT AND ACCRUED LIABILITIES:	
57	2320 ACCOUNTS PAYABLE - FUEL	(2,522,614)
58	2320 ACCOUNTS PAYABLE - NET OF GAS & FUEL	(880,361)
59	2320.8 SALARIES & WAGES PAYABLE	(171,587)
60	2320 OTHER - ACCOUNTS PAYABLE	(178,230)
61	2380 DIVIDENDS DECLARED - PREFERRED	(877)
62	2410 TAX COLLECTIONS PAYABLE - P/R	(343)
63	2410 TAX COLLECTIONS PAYABLE	(284,322)
64	2280.31 PENSION RESERVE	(404,193)
65	2280.32 MED. INS. RESERVE	(642,293)
66	2280.34 401K ACCRUAL	68
67	2280.2n INSURANCE RESERVE	(80,413)
68	2280.11 STORM DAMAGE RESERVE	(1,564,650)
69	2360 TAXES ACCRUED - AD VALOREM	(184,304)
70	2360 TAXES ACCRUED - GROSS RECEIPTS	(270,232)
71	2360 TAXES ACCRUED - FPSC ASSESSMENT	(50,384)
72	2360 TAXES ACCRUED - UNEMPLOY & FICA	(3,197)
73	2360 TAXES ACCRUED - INCOME TAXES	(575,527)
74	2370.1 & 2 INTEREST ACCRUED	(392,772)
75	2370.3 ACCRD. INTEREST ON CUSTOMER DEPOSITS	(65,376)
76	2420.1 VACATION PAY ACCRUED	(292,994)
77	2420.3 AUDIT FEES & EXP. ACCRUED	(46,436)
78	2420.7 COMMISSION FUND	(848)
79	2420.9 MISC. CUR & ACCR LIAB	(4,275)
80	2310 NOTES PAYABLE - ALLOCATED	-
81	2350 CUSTOMERS DEPOSITS	-
82		
83	DEFERRED CREDITS:	
84	OVERREC. POWER & GAS	(975,354)
85	OVERREC. CONSERVATION	(79,603)
86	MISC. CURRENT LIABILITIES	60
87	CUSTOMER ADVANCES FOR CONSTRUCTION	
88	INV TAX CREDIT	
89		
90	ACCUMULATED DEFERRED INCOME TAXES:	-
91	ACCUMULATED DEFERRED TAXES	-
92		-
93	TOTAL LIABILITIES AND OTHER CREDITS	(9,671,058)

Supporting Schedules:

Recap Schedules:

Schedule B-5

DETAIL OF CHANGES IN RATE BASE

updated: 5/4/07

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the data listed below regarding all changes in rate base primary accounts that exceed 1/20th of one percent (.0005) of total rate base and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Meste, Cheryl Martin

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line	Account	Account	Test Year	Prior Year	Increase / (Decrease)	Percent	
No	Number	Name	Ended	Ended	Amount	(5)/(4)	Reason(s) for Change
			12/31/2006	12/31/2005	(3)-(4)	(5)/(4)	
					(000)	(%)	

Supporting Schedules

Recap Schedules

Schedule B-6

## JURISDICTIONAL SEPARATION FACTORS - RATE BASE

Page 1 of 3

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of Data Shown:

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FPSC Jurisdictional	Jurisdictional Factor
1.	Electric Plant in Service:			
2.	Intangible			
3.	Production:			
4.	Steam			
5.	Nuclear			
6.	Other			
7.	Total Production			
8.	Transmission:			
9.	Land and Land Rights			
10.	Structure and Improvements			
11.	Station Equipment			
12.	Towers & Fixtures			
13.	Poles & Fixtures			
14.	O.H. Conductor and Devices			
15.	U.G. Conductor and Devices			
16.	Roads and Trails			
17.	Total Transmission			
18.	Distribution:			
19.	Land and Land Rights			
20.	Structure and Improvements			
21.	Station Equipment			
22.	Poles and Fixtures			
23.	O.H. Conductors			
24.	U.G. Conduits			
25.	U.G. Conductors			
26.	Line Transformers			
27.	Services			
28.	Meters			
29.	Street Lighting			
30.	Total Distribution			
31.	General Plant			
32.	Total Electric Gross Plant			

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

Type of Data Shown:  
Prior Year Ended 12/31/2005  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Page 2 of 3

Line No.	Description	Total Company	FPSC Jurisdictional	Jurisdictional Factor
1.	Accumulated Depreciation:			
2.	Intangible			
3.	Production:			
4.	Steam			
5.	Nuclear			
6.	Other			
7.	Total Production			
8.	Transmission:			
9.	Land and Land Rights			
10.	Structure and Improvements			
11.	Station Equipment			
12.	Towers & Fixtures			
13.	Poles & Fixtures			
14.	O.H. Conductor and Devices			
15.	U.G. Conductor and Devices			
16.	Roads and Trails			
17.	Total Transmission			
18.	Distribution:			
19.	Land and Land Rights			
20.	Structure and Improvements			
21.	Station Equipment			
22.	Poles and Fixtures			
23.	O.H. Conductors			
24.	U.G. Conduits			
25.	U.G. Conductors			
26.	Line Transformers			
27.	Services			
28.	Meters			
29.	Street Lighting			
30.	Total Distribution			
31.	General Plant			
32.	Total Electric Accumulated Depreciation			

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

Schedule B-6

## JURISDICTIONAL SEPARATION FACTORS - RATE BASE

Page 3 of 3

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year and the most recent historical year.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FPSC Jurisdictional	Jurisdictional Factor
1.	NET PLANT IN SERVICE			
	CWIP			
2.	Production			
3.	Transmission			
4.	Distribution			
5.	Customer Accounts			
6.	Customer Services			
7.	Total CWIP			
	CWIP - NOT BEARING INTEREST			
8.	Production			
9.	Transmission			
10.	Distribution			
11.	Total CWIP Not Bearing Interest			
12.	PLANT HELD FOR FUTURE USE			
13.	UNAMORTIZED NUCLEAR SITE			
	WORKING CAPITAL			
14.	Net of Current Assets and Current Liabilities			
15.	Preliminary Survey and Investigation Charges			
16.	Prepayments			
17.	Clearing Accounts			
18.	Unamortized Deferred O & M			
19.	Injuries and Damages Reserve			
20.	Property Insurance Reserves			
21.	Other Deferred Credits & Debits			
22.	Total Working Capital			
23.	Total Adjusted Rate Base			

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

Schedule B-7

## PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts) \*

Type of Data Shown:

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

Line No.	(1) Account/ Sub-account Number	(2) Account/ Sub-account Title	(3) Depreciation Rate*	(4) Plant Balance Beg. of Year	(5) Total Plant Added	(6) Total Plant Retired	(7) Adjustments or Transfers	(8) Plant Balance End of Year	(9) 13-Month Average
	3501	LAND RIGHTS		56,519	-	-	-	56,519	56,519
	352	STRUCTURES AND IMPROVEMENTS		22,007	-	-	-	22,007	22,007
	353	STATION EQUIPMENT		2,414,632	-	-	-	2,414,632	2,414,632
	354	TOWERS AND FIXTURES		224,665	-	-	-	224,665	224,665
	355	POLES AND FIXTURES		2,334,273	12,582	-	15,369	2,362,224	2,346,420
	356	OVERHEAD CONDUCTORS AND DEVICES		1,825,626	51,100	-	-	1,876,726	1,858,642
	359	ROADS AND TRAILS		6,788	-	-	-	6,788	6,788
		Total Transmission Plant		6,884,510	63,682	-	15,369	6,963,561	6,929,672
		Distribution Plant							
	361	STRUCTURES & IMPROVEMENTS		96,042	-	-	-	96,042	96,042
	362	STATION EQUIPMENT		5,140,456	669,480	-	-	5,809,936	5,673,433
	364	POLES, TOWERS, & FIXTURES		8,513,071	479,429	(44,233)	(18,800)	8,929,467	8,717,909
	365	OVERHEAD CONDUCTORS & DEVICES		9,221,903	439,465	(17,263)	-	9,644,105	9,425,756
	370	METERS		3,282,841	202,560	(150,813)	-	3,334,588	3,335,843
	3601	LAND RIGHTS		21,388	-	-	-	21,388	21,388
	3661	#N/A		-	-	-	-	-	-
	3662	UNDERGROUND CONDUIT - BURIED		2,372,921	206,847	(4,474)	-	2,575,294	2,447,327
	3671	#N/A		-	-	-	-	-	-
	3672	UNDERGROUND COND & DEVICES - BURIED		4,410,932	468,540	(24,009)	-	4,855,463	4,639,024
	3681	LINE TRANSFORMERS - OVERHEAD		6,860,176	427,169	(77,836)	-	7,209,509	6,942,955
	3682	LINE TRANSFORMERS-DU		-	-	-	-	-	-
	3683	LINE TRANSFORMERS - BURIED		5,816,073	-	-	-	5,816,073	5,887,118
	3691	OVERHEAD SERVICES		3,996,876	395,313	(8,329)	-	4,383,860	4,057,492
	3692	#N/A		-	-	-	-	-	-
	3693	UNDERGROUND SERVICES - BURIED		3,825,073	-	-	-	3,825,073	3,948,002
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG		1,231,854	286,889	(44,858)	3,431	1,477,316	1,271,529
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG		600,479	-	-	-	600,479	664,967
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG		619,431	-	-	-	619,431	632,805
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG		533,222	-	-	-	533,222	544,665
		Total Distribution Plant		56,542,738	3,575,692	(371,815)	(15,369)	59,731,246	58,306,256
		General Plant							
	390	STRUCTURES AND IMPROVEMENTS		1,416,136	25,070	-	-	1,441,206	1,434,312
	396	POWER OPERATED EQUIPMENT		111,618	82,717	-	-	194,335	124,344
	397	COMMUNICATION EQUIPMENT		96,470	-	(11,320)	-	85,150	95,794
	398	MISCELLANEOUS EQUIPMENT		16,987	3,235	-	(3,234)	16,988	18,231
	3911	OFFICE FURNITURE		7,369	-	-	-	7,369	7,369
	3912	OFFICE MACHINES		28,053	-	(2,218)	-	25,835	27,447
	3913	COMPUTER EQUIPMENT		197,390	28,758	(42,068)	36,544	220,624	214,686
	391305	SOFTWARE		321,670	360,744	-	-	682,414	615,634
	3931	STORES EQUIPMENT-FIXED		106,918	-	-	-	106,918	106,918
	3932	STORES EQUIPMENT-PORTABLE		761	-	-	-	761	761
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED		35,928	-	-	-	35,928	35,928
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE		97,180	4,897	(3,330)	3,234	101,981	98,350
	3951	LABORATORY EQUIPMENT-FIXED		63,666	-	-	-	63,666	63,666
	3952	LABORATORY EQUIPMENT-PORTABLE		32,089	-	-	-	32,089	32,089
	3971	#N/A		-	-	-	-	-	-
	3973	COMMUNICATION EQUIPMENT		58,881	-	(11,320)	-	47,561	53,553
		Total General Plant		2,601,116	505,421	(70,256)	36,544	3,062,825	2,929,080

Schedule B-7

## PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts) \*

Type of Data Shown:  
Prior Year Ended 12/31/2005  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

Line No	(1) Account/ Sub-account Number	(2) Account/ Sub-account Title	(3) Depreciation Rate*	(4) Plant Balance Beg of Year	(5) Total Plant Added	(6) Total Plant Retired	(7) Adjustments or Transfers	(8) Plant Balance End of Year	(9) 13-Month Average
		Transportation Equipment							
	3921	PASSENGER CARS		96,020	-	-	-	96,020	96,020
	3922	LIGHT TRUCKS & VANS		515,968	83,238	(39,342)	-	559,864	512,040
	3923	HEAVY TRUCKS		1,912,788	354,425	(220,070)	-	2,047,143	1,799,630
	3924	TRAILERS		102,903	8,108	-	-	111,011	103,527
		Total Transportation Equipment		2,627,679	445,771	(259,412)	-	2,814,038	2,511,217
		TOTAL DEPRECIABLE PLANT IN SERVICE		68,656,043					
		NON-DEPRECIABLE PLANT							
	350	LAND		17,629	-	-	-	17,629	17,629
	360	DISTRIBUTION PLANT-LAND		11,072	5,431	-	-	16,503	11,490
	389	GENERAL PLANT-LAND		72,462	-	-	-	72,462	72,462
		TOTAL NON-DEPRECIABLE PLANT		101,163	5,431	-	-	106,594	101,581
		TOTAL ELECTRIC PLANT IN SERVICE		68,757,206	4,595,997	(701,483)	36,544	72,678,264	70,777,806
		COMMON UTILITY PLANT							
	303	MISC INTANGIBLE PLANT		1,833	-	-	-	1,833	1,833
	389	LAND		341,926	-	-	-	341,926	341,926
	390	STRUCTURES & IMPROVEMENTS		2,092,535	73,955	(52,388)	-	2,114,102	2,100,342
	3911	OFFICE FURNITURE		29,474	4,599	(513)	4,360	37,920	35,693
	3912	OFFICE EQUIPMENT		150,689	-	(8,348)	-	142,341	144,909
	3913	COMPUTER SOFTWARE & EQUIPMENT		753,806	158,826	(374,612)	(45,919)	492,101	582,072
	391305	SOFTWARE		1,865,961	33,083	(129,519)	(52,467)	1,717,058	1,844,442
	3921	TRANSPORTATION - AUTOMOBILES		93,106	32,553	-	(41,532)	84,127	81,023
	3922	TRANSPORTATION - PICKUPS & VANS		49,436	75,233	-	-	124,669	111,612
	397	COMMUNICATION EQUIPMENT		113,896	-	-	3,059	116,955	114,254
	398	MISCELLANEOUS EQUIPM		2,190	4,586	-	-	6,776	2,543
	399	MISC-TANGIBLE ASSETS		12,789	10,180	-	-	22,969	17,491
		Total Common Utility Plant		5,507,641	393,015	(565,380)	(132,499)	5,202,777	5,378,140
		AS ALLOCATED (Electric Division)							
	303	MISC INTANGIBLE PLANT		550	-	-	-	550	550
	389	LAND		102,578	-	-	-	102,578	102,578
	390	STRUCTURES & IMPROVEMENTS		627,761	22,187	(15,716)	-	634,231	630,103
	3911	OFFICE FURNITURE		8,842	1,380	(154)	1,308	11,376	10,708
	3912	OFFICE EQUIPMENT		45,207	-	(2,504)	-	42,702	43,473
	3913	COMPUTER SOFTWARE & EQUIPMENT		218,604	46,060	(108,637)	(13,317)	142,709	168,801
	391305	SOFTWARE		541,129	9,594	(37,561)	(15,215)	497,947	534,888
	3921	TRANSPORTATION - AUTOMOBILES		27,932	9,766	-	(12,460)	25,238	24,307
	3922	TRANSPORTATION - PICKUPS & VANS		14,831	22,570	-	-	37,401	33,484
	397	COMMUNICATION EQUIPMENT		34,169	-	-	918	35,087	34,276
	398	MISCELLANEOUS EQUIPM		657	1,376	-	-	2,033	763
	399	MISC-TANGIBLE ASSETS		3,837	3,054	-	-	6,891	5,247
		Total Common Utility Plant		1,626,095	115,985	(164,573)	(38,766)	1,538,742	1,589,177
		NON-DEPRECIABLE PROPERTY							
		MISCELLANEOUS INTANGIBLES							



Schedule B-7

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts) \*

Type of Data Shown:  
Prior Year Ended 12/31/2005  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No	Account/ Sub-account Number	Account/ Sub-account Title	Depreciation Rate**	Plant Balance Beg. of Year	Total Plant Added	Total Plant Retired	Adjustments or Transfers	Plant Balance End of Year	13-Month Average
	TOTAL PLANT BALANCE								

Note:  
composite depreciation rates are being used, supportive documentation is required to be submitted showing the derivation of the compositing. If a change in depreciation rates or dismantlement accrual is being proposed, supportive documentation is required to be submitted pursuant to Rule 25-6.0436 (5) and (7)(c), Florida Administrative Code.  
\*\* If data shown represents a historical calendar year, the related annual status report may be substituted for this schedule.

Supporting Schedules

Recap Schedules

Schedule B-8

## MONTHLY PLANT BALANCES TEST YEAR - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-E1

## EXPLANATION

Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

(\$000)

Type of Data Shown

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

Line No	Account Sub-account Number	Account Sub-account Title	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-Month Average
1		Transmission Plant														
2																
3	3501	LAND RIGHTS	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519
4	352	STRUCTURES AND IMPROVEMENTS	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007
5	353	STATION EQUIPMENT	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632	\$ 2,414,632
6	354	TOWERS AND FIXTURES	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665
7	355	POLES AND FIXTURES	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273
8	356	OVERHEAD CONDUCTORS AND DEVICES	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999	\$ 1,859,999
9	359	ROADS AND TRAILS	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788
10																
11		Total Transmission Plant	\$ 6,884,510	\$ 6,918,883	\$ 6,918,883	\$ 6,918,883	\$ 6,918,883	\$ 6,918,883	\$ 6,934,252	\$ 6,934,252	\$ 6,934,252	\$ 6,946,833	\$ 6,946,833	\$ 6,946,833	\$ 6,963,560	\$ 6,929,872
12																
13		Distribution Plant														
14																
15																
16	361	STRUCTURES & IMPROVEMENTS	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042
17	362	STATION EQUIPMENT	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456	\$ 5,140,456
18	364	POLES, TOWERS, & FIXTURES	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071	\$ 8,513,071
19	365	OVERHEAD CONDUCTORS & DEVICES	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903	\$ 9,221,903
20	370	METERS	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841	\$ 3,282,841
21	3601	LAND RIGHTS	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388
22	3661	##N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	3662	UNDERGROUND CONDUIT - BURIED	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921	\$ 2,372,921
24	3671	##N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	3672	UNDERGROUND COND & DEVICES - BURIED	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932	\$ 4,410,932
26	3681	LINE TRANSFORMERS - OVERHEAD	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176	\$ 6,860,176
27	3682	LINE TRANSFORMERS-DU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	3683	LINE TRANSFORMERS - BURIED	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073	\$ 5,816,073
29	3691	OVERHEAD SERVICES	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876	\$ 3,996,876
30	3692	##N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	3693	UNDERGROUND SERVICES - BURIED	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073	\$ 3,825,073
32	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854	\$ 1,231,854
33	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479	\$ 600,479
34	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431	\$ 619,431
35	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222	\$ 533,222
36																
37		Total Distribution Plant	\$ 50,542,738	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585	\$ 50,801,585
38																
39																
40																

Schedule B-8

## MONTHLY PLANT BALANCES TEST YEAR - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules

Type of Data Shown:  
Historical Test Year Ended 12/31/2006  
Witness Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	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-Month Average
41																
42																
43		General Plant														
44																
45	390	STRUCTURES AND IMPROVEMENTS	\$ 1,416,136	\$ 1,429,856	\$ 1,429,856	\$ 1,432,256	\$ 1,432,256	\$ 1,432,256	\$ 1,438,706	\$ 1,438,706	\$ 1,438,706	\$ 1,438,706	\$ 1,438,706	\$ 1,438,706	\$ 1,441,206	\$ 1,434,312
46	396	POWER OPERATED EQUIPMENT	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 194,335	\$ 124,344
47	397	COMMUNICATION EQUIPMENT	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 96,470	\$ 92,075	\$ 95,704
48	398	MISCELLANEOUS EQUIPMENT	\$ 16,987	\$ 16,987	\$ 16,987	\$ 16,987	\$ 16,987	\$ 20,221	\$ 20,221	\$ 20,221	\$ 20,221	\$ 20,221	\$ 20,221	\$ 16,987	\$ 16,987	\$ 18,231
49	399	MISCELLANEOUS TANGIBLE	\$ 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
50	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
51	3912	OFFICE MACHINES	\$ 28,053	\$ 28,053	\$ 28,053	\$ 28,053	\$ 28,053	\$ 28,053	\$ 27,109	\$ 27,109	\$ 27,109	\$ 27,109	\$ 27,109	\$ 27,109	\$ 25,835	\$ 27,447
52	3913	COMPUTER EQUIPMENT	\$ 197,390	\$ 197,390	\$ 197,390	\$ 209,929	\$ 219,820	\$ 219,820	\$ 197,910	\$ 224,563	\$ 224,737	\$ 223,307	\$ 237,410	\$ 220,624	\$ 220,624	\$ 214,686
53	391305	SOFTWARE	\$ 321,670	\$ 321,670	\$ 535,756	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 615,634
54	3931	STORES EQUIPMENT-FIXED	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918
55	3932	STORES EQUIPMENT-PORTABLE	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761
56	3941	TOOLS, SHOP & GARAGE EQUIP-FIXED	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928
57	3942	TOOLS, SHOP & GARAGE EQUIP-PORTABLE	\$ 97,180	\$ 98,352	\$ 98,352	\$ 96,656	\$ 96,656	\$ 96,656	\$ 96,656	\$ 96,656	\$ 96,656	\$ 96,656	\$ 100,381	\$ 100,381	\$ 101,982	\$ 98,350
58	3951	LABORATORY EQUIPMENT-FIXED	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666
59	3952	LABORATORY EQUIPMENT-PORTABLE	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089	\$ 32,089
60	3971	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	3973	COMMUNICATION EQUIPMENT	\$ 58,881	\$ 58,881	\$ 58,881	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 51,955	\$ 53,553
62																
63		Total General Plant	\$ 2,801,116	\$ 2,816,008	\$ 2,830,094	\$ 2,983,069	\$ 2,992,900	\$ 2,992,900	\$ 2,979,790	\$ 3,008,443	\$ 3,006,617	\$ 3,008,912	\$ 3,023,015	\$ 3,082,918	\$ 3,084,144	\$ 2,839,080
64																
65		Transportation Equipment														
66																
67																
68	3921	PASSENGER CARS	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020	\$ 96,020
69	3922	LIGHT TRUCKS & VANS	\$ 515,968	\$ 515,968	\$ 515,968	\$ 515,968	\$ 504,080	\$ 494,080	\$ 516,812	\$ 499,359	\$ 499,359	\$ 499,359	\$ 499,359	\$ 520,378	\$ 559,864	\$ 512,040
70	3923	HEAVY TRUCKS	\$ 1,912,788	\$ 1,912,788	\$ 1,912,788	\$ 1,912,788	\$ 1,692,718	\$ 1,692,718	\$ 1,692,718	\$ 1,692,718	\$ 1,692,718	\$ 1,692,718	\$ 1,692,718	\$ 1,847,866	\$ 2,047,143	\$ 1,786,830
71	3924	TRAILERS	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 102,903	\$ 111,011	\$ 103,527
72																
73		Total Transportation Equipment	\$ 2,627,679	\$ 2,627,679	\$ 2,627,679	\$ 2,627,679	\$ 2,395,721	\$ 2,385,721	\$ 2,408,453	\$ 2,391,000	\$ 2,391,000	\$ 2,391,000	\$ 2,391,000	\$ 2,567,167	\$ 2,814,038	\$ 2,511,217
74																
75		TOTAL DEPRECIABLE PLANT IN SERVICE	\$ 68,856,043	\$ 68,964,155	\$ 70,052,544	\$ 70,382,644	\$ 70,278,844	\$ 70,355,873	\$ 70,601,730	\$ 71,065,347	\$ 71,208,792	\$ 71,354,101	\$ 71,470,734	\$ 71,891,559	\$ 72,840,582	\$ 70,686,225
76																
77																
78		NON-DEPRECIABLE PLANT														
79																
80																
81	350	LAND	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629	\$ 17,629
82	360	DISTRIBUTION PLANT-LAND	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 11,072	\$ 16,503	\$ 11,490
83	389	GENERAL PLANT-LAND	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462	\$ 72,462
84																
85		TOTAL NON-DEPRECIABLE PLANT	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 101,163	\$ 106,594	\$ 101,581
86																
87																
88		TOTAL ELECTRIC PLANT IN SERVICE	\$ 68,757,206	\$ 68,065,318	\$ 70,153,707	\$ 70,483,807	\$ 70,380,007	\$ 70,457,036	\$ 70,702,893	\$ 71,166,510	\$ 71,307,955	\$ 71,455,264	\$ 71,571,897	\$ 71,992,722	\$ 72,747,156	\$ 70,787,806
89																
90																

Schedule B-8

## MONTHLY PLANT BALANCES TEST YEAR - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules

Type of Data Shown:  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	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-Month Average
91		COMMON UTILITY PLANT														
92																
93																
94	303	MISC INTANGIBLE PLANT	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833
95	389	LAND	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926	\$ 341,926
96	390	STRUCTURES & IMPROVEMENTS	\$ 2,092,535	\$ 2,092,535	\$ 2,092,535	\$ 2,092,535	\$ 2,092,535	\$ 2,092,535	\$ 2,105,855	\$ 2,105,855	\$ 2,105,855	\$ 2,105,855	\$ 2,105,855	\$ 2,105,855	\$ 2,114,103	\$ 2,100,342
97	3911	OFFICE FURNITURE	\$ 29,474	\$ 29,474	\$ 34,073	\$ 34,073	\$ 33,560	\$ 37,920	\$ 37,920	\$ 37,920	\$ 37,920	\$ 37,920	\$ 37,920	\$ 37,920	\$ 37,920	\$ 35,083
98	3912	OFFICE EQUIPMENT	\$ 150,689	\$ 150,689	\$ 150,689	\$ 150,689	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 142,340	\$ 144,900
99	3913	COMPUTER SOFTWARE & EQUIPMENT	\$ 753,806	\$ 754,807	\$ 765,200	\$ 759,886	\$ 529,361	\$ 510,593	\$ 492,787	\$ 500,864	\$ 500,943	\$ 512,468	\$ 493,261	\$ 492,102	\$ 492,102	\$ 582,072
100	391305	SOFTWARE	\$ 1,865,961	\$ 1,865,961	\$ 1,865,961	\$ 1,865,961	\$ 1,867,535	\$ 1,867,535	\$ 1,867,535	\$ 1,869,725	\$ 1,869,725	\$ 1,869,725	\$ 1,869,725	\$ 1,715,343	\$ 1,717,058	\$ 1,844,442
101	3921	TRANSPORTATION - AUTOMOBILES	\$ 93,106	\$ 95,583	\$ 95,583	\$ 72,032	\$ 54,051	\$ 54,051	\$ 84,127	\$ 84,127	\$ 84,127	\$ 84,127	\$ 84,127	\$ 84,127	\$ 84,127	\$ 81,023
102	3922	TRANSPORTATION - PICKUPS & VANS	\$ 49,436	\$ 73,101	\$ 103,201	\$ 103,201	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 124,669	\$ 111,812
103	397	COMMUNICATION EQUIPMENT	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 113,896	\$ 115,486	\$ 116,955	\$ 114,254
104	398	MISCELLANEOUS EQUIPM	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 2,190	\$ 6,776	\$ 2,543
105	399	MISC-TANGIBLE ASSETS	\$ 12,789	\$ 12,789	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,883	\$ 17,491
106		Total Common Utility Plant	\$ 5,507,641	\$ 5,534,784	\$ 5,584,970	\$ 5,556,105	\$ 5,321,779	\$ 5,307,371	\$ 5,332,061	\$ 5,343,228	\$ 5,343,228	\$ 5,343,307	\$ 5,354,832	\$ 5,182,833	\$ 5,202,778	\$ 5,378,140
107		AS ALLOCATED (Electric Division)														
108		Rate														
109																
110	303	MISC INTANGIBLE PLANT	30%	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
111	389	LAND	30%	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578	\$ 102,578
112	390	STRUCTURES & IMPROVEMENTS	30%	\$ 627,761	\$ 627,761	\$ 627,761	\$ 627,761	\$ 627,761	\$ 631,757	\$ 631,757	\$ 631,757	\$ 631,757	\$ 631,757	\$ 631,757	\$ 634,231	\$ 630,103
113	3911	OFFICE FURNITURE	30%	\$ 8,842	\$ 8,842	\$ 10,222	\$ 10,222	\$ 10,068	\$ 11,376	\$ 11,376	\$ 11,376	\$ 11,376	\$ 11,376	\$ 11,376	\$ 11,376	\$ 10,708
114	3912	OFFICE EQUIPMENT	30%	\$ 45,207	\$ 45,207	\$ 45,207	\$ 45,207	\$ 42,702	\$ 42,702	\$ 42,702	\$ 42,702	\$ 42,702	\$ 42,702	\$ 42,702	\$ 42,702	\$ 43,473
115	3913	COMPUTER SOFTWARE & EQUIPMENT	29%	\$ 218,604	\$ 218,884	\$ 221,908	\$ 220,367	\$ 153,515	\$ 148,072	\$ 142,008	\$ 145,251	\$ 145,251	\$ 146,616	\$ 143,046	\$ 142,710	\$ 168,801
116	391305	SOFTWARE	29%	\$ 541,129	\$ 541,129	\$ 541,129	\$ 541,129	\$ 541,585	\$ 541,585	\$ 541,585	\$ 542,220	\$ 542,220	\$ 542,220	\$ 497,440	\$ 497,947	\$ 534,888
117	3921	TRANSPORTATION - AUTOMOBILES	30%	\$ 27,932	\$ 28,675	\$ 28,675	\$ 21,810	\$ 16,215	\$ 16,215	\$ 25,238	\$ 25,238	\$ 25,238	\$ 25,238	\$ 25,238	\$ 25,238	\$ 24,307
118	3922	TRANSPORTATION - PICKUPS & VANS	30%	\$ 14,631	\$ 21,930	\$ 30,980	\$ 30,980	\$ 37,401	\$ 37,401	\$ 37,401	\$ 37,401	\$ 37,401	\$ 37,401	\$ 37,401	\$ 37,401	\$ 33,484
119	397	COMMUNICATION EQUIPMENT	30%	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,189	\$ 34,546	\$ 35,087	\$ 34,276
120	398	MISCELLANEOUS EQUIPM	30%	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 657	\$ 2,033	\$ 763
121	399	MISC-TANGIBLE ASSETS	30%	\$ 3,837	\$ 3,837	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 5,365	\$ 6,891	\$ 5,247
122		Total Common Utility Plant		\$ 1,628,095	\$ 1,634,228	\$ 1,649,179	\$ 1,640,573	\$ 1,572,565	\$ 1,568,430	\$ 1,576,285	\$ 1,578,263	\$ 1,579,263	\$ 1,579,285	\$ 1,582,828	\$ 1,532,764	\$ 1,589,177
123																

Recap Schedules

Pg. 1 of 2

## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-E1

## EXPLANATION

Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

Historical Test Year Ended: 12/31/2006

Witness: Jim Mesite

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	13-Month Average
1		Transmission Plant														
2																
3	3501	LAND RIGHTS	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519	\$ 56,519
4	352	STRUCTURES AND IMPROVEMENTS	\$ 26,401	\$ 26,401	\$ 26,401	\$ 26,401	\$ 26,401	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 22,007	\$ 23,697
5	353	STATION EQUIPMENT	\$ 1,962,229	\$ 1,962,229	\$ 1,962,229	\$ 1,962,229	\$ 1,903,838	\$ 1,903,838	\$ 1,785,206	\$ 1,785,206	\$ 1,785,206	\$ 1,785,206	\$ 2,448,287	\$ 2,448,287	\$ 2,414,632	\$ 2,008,356
6	354	TOWERS AND FIXTURES	\$ 244,665	\$ 244,665	\$ 244,665	\$ 244,665	\$ 244,665	\$ 244,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 224,665	\$ 233,806
7	355	POLES AND FIXTURES	\$ 2,350,515	\$ 2,350,515	\$ 2,350,515	\$ 2,350,515	\$ 2,253,010	\$ 2,258,644	\$ 2,293,514	\$ 2,293,514	\$ 2,293,514	\$ 2,293,514	\$ 2,334,273	\$ 2,334,273	\$ 2,334,273	\$ 2,314,661
8	356	OVERHEAD CONDUCTORS AND DEVICES	\$ 1,806,407	\$ 1,806,407	\$ 1,806,407	\$ 1,806,407	\$ 1,806,407	\$ 1,801,471	\$ 1,801,471	\$ 1,801,471	\$ 1,801,471	\$ 1,801,471	\$ 1,825,626	\$ 1,825,626	\$ 1,825,626	\$ 1,809,430
9	359	ROADS AND TRAILS	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788	\$ 6,788
10																
11		Total Transmission Plant	\$ 6,453,524	\$ 6,453,524	\$ 6,453,524	\$ 6,453,524	\$ 6,297,828	\$ 6,293,932	\$ 6,190,170	\$ 6,190,170	\$ 6,190,170	\$ 6,196,401	\$ 6,918,105	\$ 6,918,105	\$ 6,884,510	\$ 6,453,346
12																
13		Distribution Plant														
14																
15																
16	361	STRUCTURES & IMPROVEMENTS	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042	\$ 96,042
17	362	STATION EQUIPMENT	\$ 3,332,986	\$ 3,332,986	\$ 3,332,986	\$ 3,332,986	\$ 2,828,640	\$ 2,766,609	\$ 2,766,609	\$ 2,786,317	\$ 2,786,317	\$ 2,786,317	\$ 5,155,470	\$ 5,155,470	\$ 5,140,456	\$ 3,500,319
18	364	POLES, TOWERS, & FIXTURES	\$ 8,192,764	\$ 8,232,122	\$ 8,258,297	\$ 8,289,512	\$ 8,299,866	\$ 8,320,764	\$ 8,330,841	\$ 8,393,194	\$ 8,419,894	\$ 8,446,795	\$ 8,488,010	\$ 8,512,672	\$ 8,513,071	\$ 8,361,369
19	365	OVERHEAD CONDUCTORS & DEVICES	\$ 8,960,310	\$ 8,986,949	\$ 9,007,028	\$ 9,040,917	\$ 9,045,451	\$ 9,057,762	\$ 9,086,076	\$ 9,122,645	\$ 9,143,100	\$ 9,161,441	\$ 9,195,574	\$ 9,214,615	\$ 9,221,903	\$ 9,065,675
20	370	METERS	\$ 3,171,898	\$ 3,173,600	\$ 3,176,432	\$ 3,204,689	\$ 3,231,310	\$ 3,243,378	\$ 3,246,237	\$ 3,247,689	\$ 3,250,843	\$ 3,258,994	\$ 3,263,337	\$ 3,281,376	\$ 3,282,841	\$ 3,233,279
21	3601	LAND RIGHTS	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388	\$ 21,388
22	3661	IN/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	3662	UNDERGROUND CONDUIT - BURIED	\$ 2,067,680	\$ 2,077,031	\$ 2,078,560	\$ 2,261,104	\$ 2,264,629	\$ 2,256,320	\$ 2,264,533	\$ 2,319,679	\$ 2,326,131	\$ 2,341,797	\$ 2,380,467	\$ 2,371,508	\$ 2,372,921	\$ 2,260,182
24	3671	IN/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	3672	UNDERGROUND COND & DEVICES - BURIED	\$ 3,966,642	\$ 4,012,183	\$ 4,021,704	\$ 4,184,133	\$ 4,192,934	\$ 4,193,695	\$ 4,230,557	\$ 4,318,876	\$ 4,343,295	\$ 4,364,794	\$ 4,396,379	\$ 4,396,210	\$ 4,410,932	\$ 4,233,410
26	3681	LINE TRANSFORMERS - OVERHEAD	\$ 6,701,082	\$ 6,706,851	\$ 6,731,312	\$ 6,731,681	\$ 6,736,705	\$ 6,739,086	\$ 6,762,894	\$ 6,797,636	\$ 6,841,965	\$ 6,860,845	\$ 6,870,844	\$ 6,860,187	\$ 6,860,176	\$ 6,784,713
27	3682	LINE TRANSFORMERS DU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	3683	LINE TRANSFORMERS - BURIED	\$ 5,513,316	\$ 5,514,369	\$ 5,547,037	\$ 5,548,456	\$ 5,551,048	\$ 5,552,243	\$ 5,567,194	\$ 5,586,189	\$ 5,621,878	\$ 5,745,104	\$ 5,745,761	\$ 5,781,151	\$ 5,816,073	\$ 5,622,204
29	3691	OVERHEAD SERVICES - BURIED	\$ 3,870,382	\$ 3,884,354	\$ 3,896,248	\$ 3,897,606	\$ 3,910,081	\$ 3,922,092	\$ 3,931,097	\$ 3,942,924	\$ 3,955,642	\$ 3,968,872	\$ 3,976,226	\$ 3,982,831	\$ 3,996,876	\$ 3,933,479
30	3692	IN/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	3693	UNDERGROUND SERVICES - BURIED	\$ 3,517,359	\$ 3,535,486	\$ 3,555,280	\$ 3,582,750	\$ 3,611,207	\$ 3,639,336	\$ 3,668,922	\$ 3,709,098	\$ 3,730,730	\$ 3,754,712	\$ 3,777,112	\$ 3,794,245	\$ 3,825,073	\$ 3,669,331
32	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	\$ 1,157,394	\$ 1,165,132	\$ 1,174,033	\$ 1,175,496	\$ 1,179,439	\$ 1,185,648	\$ 1,189,197	\$ 1,196,229	\$ 1,200,741	\$ 1,211,501	\$ 1,217,799	\$ 1,222,404	\$ 1,231,854	\$ 1,192,836
33	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	\$ 579,766	\$ 579,974	\$ 582,159	\$ 588,781	\$ 589,323	\$ 590,063	\$ 592,376	\$ 595,791	\$ 595,703	\$ 597,725	\$ 599,630	\$ 599,632	\$ 600,479	\$ 591,462
34	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	\$ 599,057	\$ 600,898	\$ 603,434	\$ 602,744	\$ 603,065	\$ 603,409	\$ 606,414	\$ 607,977	\$ 608,725	\$ 612,400	\$ 617,203	\$ 615,825	\$ 619,431	\$ 607,737
35	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	\$ 514,331	\$ 514,617	\$ 523,778	\$ 523,778	\$ 523,778	\$ 523,778	\$ 526,374	\$ 526,580	\$ 526,963	\$ 527,053	\$ 528,163	\$ 529,734	\$ 533,222	\$ 524,781
36																
37		Total Distribution Plant	\$ 52,262,397	\$ 52,433,982	\$ 52,605,718	\$ 53,082,063	\$ 52,884,906	\$ 52,711,613	\$ 52,880,751	\$ 53,286,244	\$ 53,469,357	\$ 53,755,780	\$ 56,329,405	\$ 56,437,290	\$ 56,542,738	\$ 53,728,326
38																
39																
40																
41																
42																
43		General Plant														
44																
45	390	STRUCTURES AND IMPROVEMENTS	\$ 1,376,149	\$ 1,376,149	\$ 1,376,149	\$ 1,376,149	\$ 1,379,199	\$ 1,379,199	\$ 1,379,199	\$ 1,379,199	\$ 1,387,471	\$ 1,387,471	\$ 1,416,963	\$ 1,416,963	\$ 1,416,136	\$ 1,388,184
46	396	POWER OPERATED EQUIPMENT	\$ 116,642	\$ 116,642	\$ 116,642	\$ 116,642	\$ 118,140	\$ 116,369	\$ 115,309	\$ 114,138	\$ 114,138	\$ 111,618	\$ 111,618	\$ 111,618	\$ 111,618	\$ 114,703
47	397	COMMUNICATION EQUIPMENT	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 107,469	\$ 106,823
48	398	MISCELLANEOUS EQUIPMENT	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 20,692	\$ 16,987	\$ 16,987	\$ 16,987	\$ 16,552
49	399	MISCELLANEOUS TANGIBLE	\$ 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
50	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
51	3912	OFFICE MACHINES	\$ 36,056	\$ 36,056	\$ 36,056	\$ 36,056	\$ 35,165	\$ 35,165	\$ 35,165	\$ 33,972	\$ 33,972	\$ 28,053	\$ 28,053	\$ 28,053	\$ 28,053	\$ 33,067
52	3913	COMPUTER EQUIPMENT	\$ 526,117	\$ 526,115	\$ 526,115	\$ 522,794	\$ 528,314	\$ 518,257	\$ 518,257	\$ 520,469	\$ 520,469	\$ 520,469	\$ 519,060	\$ 519,060	\$ 197,390	\$ 467,145
53	391305	SOFTWARE	\$ 321,670	\$ 321,670	\$ 535,756	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 682,414	\$ 615,034
54	3931	STORES EQUIPMENT-FIXED	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918	\$ 106,918
55	3932	STORES EQUIPMENT-PORTABLE	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761	\$ 761
56	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	\$ 37,773	\$ 37,773	\$ 37,773	\$ 37,185	\$ 37,185	\$ 37,185	\$ 37,185	\$ 37,185	\$ 37,185	\$ 35,928	\$ 35,928	\$ 35,928	\$ 35,928	\$ 36,924
57	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	\$ 96,643	\$ 96,643	\$ 99,834	\$ 97,716	\$ 97,716	\$ 97,716	\$ 97,716	\$ 98,613	\$ 98,613	\$ 98,613	\$ 102,210	\$ 102,210	\$ 97,180	\$ 98,294
58	3951	LABORATORY EQUIPMENT-FIXED	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666	\$ 63,666
59	3952	LABORATORY EQUIPMENT-PORTABLE	\$ 33,037	\$ 33,037	\$ 33,037	\$ 32,431	\$ 32,431	\$ 32,431	\$ 32,431	\$ 32,431	\$ 32,431	\$ 30,830	\$ 30,830	\$ 30,830	\$ 32,089	\$ 32,175
60	3971	IN/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	3973	COMMUNICATION EQUIPMENT	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,881	\$ 58,8

Pg. 2 of 2

### Recap Schedules:

Schedule B-9

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT

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:  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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
1	3501	LAND RIGHTS	\$ (32,540)	\$ 1,248	\$ -	\$ -	\$ -	\$ (33,788)	(33,164)
2	352	STRUCTURES AND IMPROVEMENTS	\$ (9,814)	\$ 444	\$ -	\$ -	\$ -	\$ (10,258)	(10,036)
3	353	STATION EQUIPMENT	\$ (553,827)	\$ 55,536	\$ -	\$ -	\$ -	\$ (609,363)	(581,595)
4	354	TOWERS AND FIXTURES	\$ (162,501)	\$ 4,944	\$ -	\$ -	\$ -	\$ (167,445)	(164,973)
5	355	POLES AND FIXTURES	\$ (739,611)	\$ 95,467	\$ -	\$ -	\$ -	\$ (835,078)	(787,408)
6	356	OVERHEAD CONDUCTORS AND DEVICES	\$ (515,509)	\$ 59,428	\$ -	\$ (470)	\$ 6,822	\$ (574,937)	(545,184)
7	359	ROADS AND TRAILS	\$ (3,653)	\$ 264	\$ -	\$ -	\$ -	\$ (3,917)	(3,785)
8									
9									
10		Total Transmission Plant		217,331	-	(470)	6,822	(2,234,786)	(2,126,145)
11		-----							
12		Distribution Plant							
13									
14	361	STRUCTURES & IMPROVEMENTS	\$ (28,507)	\$ 2,112	\$ -	\$ -	\$ -	\$ (30,619)	(29,563)
15	362	STATION EQUIPMENT	\$ (1,103,729)	\$ 159,614	\$ -	\$ (10,247)	\$ -	\$ (1,263,343)	(1,184,368)
16	364	POLES, TOWERS, & FIXTURES	\$ (3,765,535)	\$ 264,280	\$ (44,233)	\$ (48,551)	\$ (8,345)	\$ (4,029,815)	(3,895,313)
17	365	OVERHEAD CONDUCTORS & DEVICES	\$ (4,649,108)	\$ 331,747	\$ (17,263)	\$ (8,477)	\$ -	\$ (4,986,855)	(4,816,713)
18	370	METERS	\$ (1,783,297)	\$ (38,048)	\$ (150,813)	\$ (7,330)	\$ -	\$ (1,745,249)	(1,773,897)
19	3601	LAND RIGHTS	\$ (4,540)	\$ 408	\$ -	\$ -	\$ -	\$ (4,948)	(4,744)
20	3661	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
21	3662	UNDERGROUND CONDUIT - BURIED	\$ (501,130)	\$ 43,826	\$ (4,474)	\$ (430)	\$ -	\$ (544,956)	(524,944)
22	3671	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
23	3672	UNDERGROUND COND & DEVICES - BURIED	\$ (1,456,096)	\$ 108,765	\$ (24,009)	\$ (1,234)	\$ -	\$ (1,564,861)	(1,517,784)
24	3681	LINE TRANSFORMERS - OVERHEAD	\$ (4,233,594)	\$ 244,303	\$ (77,836)	\$ (6,645)	\$ -	\$ (4,477,897)	(4,358,332)
25	3682	LINE TRANSFORMERS-DU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
26	3683	LINE TRANSFORMERS - BURIED	\$ (2,703,536)	\$ 209,397	\$ -	\$ -	\$ -	\$ (2,912,933)	(2,814,554)
27	3691	OVERHEAD SERVICES	\$ (1,978,770)	\$ 136,152	\$ (8,329)	\$ (12,095)	\$ -	\$ (2,114,922)	(2,045,388)
28	3692	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
29	3693	UNDERGROUND SERVICES - BURIED	\$ (1,502,917)	\$ 146,989	\$ -	\$ -	\$ -	\$ (1,649,906)	(1,575,502)
30	3711	INSTALLATIONS ON CUSTOMER PREMISES-F	\$ (411,088)	\$ 37,770	\$ (44,858)	\$ 4,266	\$ 1,523	\$ (448,858)	(432,532)
31	3713	INSTALLATIONS ON CUSTOMER PREMISES-L	\$ (180,597)	\$ 40,572	\$ -	\$ -	\$ -	\$ (221,169)	(200,232)
32	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	\$ (267,265)	\$ 12,743	\$ (20,542)	\$ (3,186)	\$ -	\$ (280,008)	(278,317)
33	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	\$ (145,922)	\$ 29,368	\$ -	\$ -	\$ -	\$ (175,290)	(160,531)
34									
35		Total Distribution Plant	\$ (24,715,631)	\$ 1,729,998	\$ (392,357)	\$ (94,869)	\$ 6,822	\$ (26,445,629)	(25,612,714)
36									
37									
38									
39									
40									

Schedule B-9

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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:  
Historical Test Year Ended 12/31/2006  
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
41									
42		General Plant							
43									
44	389	GENERAL PLANT-LAND	(429,358.0)	88.0	-	-	-	(429,446.0)	(451,527)
45	390	STRUCTURES AND IMPROVEMENTS	(435,208.0)	28,676.0	-	-	-	(463,884.0)	(449,517)
46	396	POWER OPERATED EQUIPMENT	(87,053.0)	90,184.0	-	-	-	(177,237.0)	(103,328)
47	397	COMMUNICATION EQUIPMENT	(96,470.0)	(4,394.0)	(11,320.0)	150.0	-	(92,076.0)	(95,804)
48	3973	COMMUNICATION EQUIPMENT	(29,606.0)	328.0	-	-	-	(29,934.0)	(27,955)
49	398	MISCELLANEOUS EQUIPMENT	(12,166.0)	(226.0)	-	-	(2,105.0)	(11,940.0)	(12,781)
50	3911	OFFICE FURNITURE	(6,707.0)	329.0	-	-	-	(7,036.0)	(6,872)
51	3912	OFFICE MACHINES	(24,844.0)	(1,107.0)	(2,218.0)	-	-	(23,737.0)	(24,790)
52	3913	COMPUTER EQUIPMENT	(159,269.0)	(12,910.0)	(42,068.0)	-	-	(146,359.0)	(162,156)
53	391305	SOFTWARE	(285,268.0)	64,960.0	-	-	-	(350,228.0)	(329,560)
54	3931	STORES EQUIPMENT-FIXED	(93,183.0)	10,305.0	-	-	-	(103,488.0)	(98,336)
55	3932	STORES EQUIPMENT-PORTABLE	(762.0)	(1.0)	-	-	-	(761.0)	(762)
56	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(30,624.0)	5,170.0	-	-	-	(35,794.0)	(33,209)
57	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(67,101.0)	6,280.0	(3,330.0)	-	-	(73,381.0)	(69,623)
58	3951	LABORATORY EQUIPMENT-FIXED	(45,101.0)	8,268.0	-	-	2,105.0	(53,369.0)	(49,235)
59	3952	LABORATORY EQUIPMENT-PORTABLE	(25,451.0)	2,330.0	-	-	-	(27,781.0)	(26,615)
60	399	MISCELLANEOUS TANGIBLE	(4,000.0)	2,000.0	-	-	-	(6,000.0)	(5,037)
61									
62		Total General Plant	(1,832,171.0)	200,280.0	(58,936.0)	150.0	-	(2,032,451.0)	(1,947,106)
63									
64		Transportation Equipment							
65									
66									
67	3921	PASSENGER CARS	(71,541.0)	8,833.0	-	-	-	(80,374.0)	(75,958)
68	3922	LIGHT TRUCKS & VANS	(314,076.0)	51,784.0	(39,342.0)	3,629.0	-	(365,860.0)	(324,795)
69	3923	HEAVY TRUCKS	(1,212,288.0)	(46,070.0)	(220,070.0)	5,000.0	-	(1,166,218.0)	(1,149,518)
70	3924	TRAILERS	(21,382.0)	4,116.0	-	-	-	(25,498.0)	(23,440)
71									
72		Total Transportation Equipment	(1,619,287.0)	18,663.0	(259,412.0)	8,629.0	-	(1,637,950.0)	(1,573,711)
73									
74		TOTAL ACCUM. PROVISION FOR DEPR.	(30,184,544.0)	2,166,272.0				(32,350,816.0)	(31,259,677)
75									
76									
77									
78									
79									
80									
81									
82									



Schedule B-9

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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:  
Historical Test Year Ended 12/31/2006  
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
83									
84		COMMON UTILITY PLANT							
85									
86	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-
87	389	GENERAL PLANT-LAND	-	-	-	-	-	-	-
88	390	STRUCTURES AND IMPROVEMENTS	(429,358.0)	88.0	(52,388.0)	-	-	(429,446.0)	(451,527.4)
89	3911	OFFICE FURNITURE	(7,710.0)	3,029.0	(513.0)	-	1,836.0	(10,739.0)	(9,302.2)
90	3912	OFFICE MACHINES	(32,039.0)	2,539.0	(8,348.0)	-	-	(34,578.0)	(31,766.9)
91	3913	COMPUTER EQUIPMENT	(429,486.0)	(282,703.0)	(374,612.0)	-	26,465.0	(146,783.0)	(265,366.8)
92	391305	SOFTWARE	(1,074,344.0)	37,812.0	(129,519.0)	-	(38,581.0)	(1,112,156.0)	(1,151,997.2)
93	3921	PASSENGER CARS	(30,421.0)	1,141.0	-	-	(19,003.0)	(31,562.0)	(31,216.5)
94	3922	LIGHT TRUCKS & VANS	(15,310.0)	9,064.0	-	-	-	(24,374.0)	(19,434.8)
95	397	COMMUNICATION EQUIPMENT	43,091.0	10,122.0	-	-	1,230.0	32,969.0	38,506.2
96	398	MISCELLANEOUS EQUIPMENT	(99.0)	132.0	-	-	-	(231.0)	(165.0)
97	399	MISCELLANEOUS TANGIBLE	(2,497.0)	1,248.0	-	-	-	(3,745.0)	(3,121.0)
98									
99									
100		Total Common Utility Plant	(1,978,173.0)	(217,528.0)	(565,380.0)	-	(28,053.0)	(1,760,645.0)	(1,925,391.6)
101									
102		AS ALLOCATED (Electric Division)							
103									
104	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-
105	389	GENERAL PLANT-LAND	-	-	-	-	-	-	-
106	390	STRUCTURES AND IMPROVEMENTS	(128,807.4)	26.4	(15,716.4)	-	-	(128,833.8)	(135,458.2)
107	3911	OFFICE FURNITURE	(2,313.0)	908.7	(153.9)	-	550.8	(3,221.7)	(2,790.6)
108	3912	OFFICE MACHINES	(9,611.7)	761.7	(2,504.4)	-	-	(10,373.4)	(9,530.1)
109	3913	COMPUTER EQUIPMENT	(128,845.8)	(84,810.9)	(108,637.5)	-	7,674.9	(44,034.9)	(79,610.1)
110	391305	SOFTWARE	(322,303.2)	11,343.6	(37,560.5)	-	(11,188.5)	(333,646.8)	(345,599.2)
111	3921	PASSENGER CARS	(9,126.3)	342.3	-	-	(5,700.9)	(9,468.6)	(9,364.9)
112	3922	LIGHT TRUCKS & VANS	(4,593.0)	2,719.2	-	-	-	(7,312.2)	(5,830.5)
113	397	COMMUNICATION EQUIPMENT	12,927.3	3,036.6	-	-	369.0	9,890.7	11,551.9
114	398	MISCELLANEOUS EQUIPMENT	(29.7)	39.6	-	-	-	(69.3)	(49.5)
115	399	MISCELLANEOUS TANGIBLE	(749.1)	374.4	-	-	-	(1,123.5)	(936.3)
116									
117									
118									
119		Total Common Utility Plant	(593,451.9)	(65,258.4)	(164,572.7)	-	(8,294.7)	(528,193.5)	(577,617.5)
120									
121									
122									
123									
124									
125									
126									
127									

TOTAL DEPRECIABLE RESERVE BALANCE

NUCLEAR DECOMMISSIONING

FOSSIL DISMANTLEMENT

MISCELLANEOUS INTANGIBLES

Schedule B-10

## MONTHLY RESERVE BALANCES TEST YEAR - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the monthly reserve balances for each account or sub-account to which an individual depreciation rate is applied

Type of Data Shown:  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	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-Month Average
1		Transmission Plant														
2																
3	3501	LAND RIGHTS	(32,540)	(32,644)	(32,748)	(32,852)	(32,956)	(33,060)	(33,164)	(33,268)	(33,372)	(33,476)	(33,580)	(33,684)	(33,788)	(33,164)
4	352	STRUCTURES AND IMPROVEMENTS	(9,814)	(9,851)	(9,888)	(9,925)	(9,962)	(9,999)	(10,036)	(10,073)	(10,110)	(10,147)	(10,184)	(10,221)	(10,258)	(10,036)
5	353	STATION EQUIPMENT	(553,827)	(558,455)	(563,083)	(567,711)	(572,339)	(576,967)	(581,595)	(586,223)	(590,851)	(595,479)	(600,107)	(604,735)	(609,363)	(581,595)
6	354	TOWERS AND FIXTURES	(162,501)	(162,913)	(163,325)	(163,737)	(164,149)	(164,561)	(164,973)	(165,385)	(165,797)	(166,209)	(166,621)	(167,033)	(167,445)	(164,973)
7	355	POLES AND FIXTURES	(739,611)	(747,003)	(754,395)	(761,787)	(768,709)	(776,101)	(783,315)	(790,756)	(805,197)	(812,638)	(820,118)	(827,598)	(835,078)	(787,408)
8	356	OVERHEAD CONDUCTORS AND DEVICES	(515,509)	(520,377)	(525,337)	(530,297)	(535,257)	(540,217)	(545,177)	(550,137)	(555,097)	(560,057)	(565,017)	(569,977)	(574,937)	(545,184)
9	359	ROADS AND TRAILS	(3,653)	(3,675)	(3,697)	(3,719)	(3,741)	(3,763)	(3,785)	(3,807)	(3,829)	(3,851)	(3,873)	(3,895)	(3,917)	(3,785)
10																
11		Total Transmission Plant	(2,017,455)	(2,034,918)	(2,052,473)	(2,070,028)	(2,087,113)	(2,104,668)	(2,129,045)	(2,146,649)	(2,164,253)	(2,181,857)	(2,199,500)	(2,217,143)	(2,234,786)	(2,126,145)
12																
13		Distribution Plant														
14																
15	361	STRUCTURES & IMPROVEMENTS	(28,507)	(28,683)	(28,859)	(29,035)	(29,211)	(29,387)	(29,563)	(29,739)	(29,915)	(30,091)	(30,267)	(30,443)	(30,619)	(29,563)
16	362	STATION EQUIPMENT	(1,103,729)	(1,116,580)	(1,129,431)	(1,142,282)	(1,155,133)	(1,167,984)	(1,180,835)	(1,193,686)	(1,206,537)	(1,219,388)	(1,232,239)	(1,245,090)	(1,257,941)	(1,184,368)
17	364	POLES, TOWERS, & FIXTURES	(3,765,535)	(3,790,463)	(3,815,391)	(3,840,319)	(3,865,247)	(3,890,175)	(3,915,103)	(3,940,031)	(3,964,959)	(3,989,887)	(4,014,815)	(4,039,743)	(4,064,671)	(3,895,313)
18	365	OVERHEAD CONDUCTORS & DEVICES	(4,649,108)	(4,674,604)	(4,699,303)	(4,724,002)	(4,748,701)	(4,773,400)	(4,798,099)	(4,822,798)	(4,847,497)	(4,872,196)	(4,896,895)	(4,921,594)	(4,946,293)	(4,816,713)
19	370	METERS	(1,783,297)	(1,792,985)	(1,802,148)	(1,811,288)	(1,820,428)	(1,829,568)	(1,838,708)	(1,847,848)	(1,856,988)	(1,866,128)	(1,875,268)	(1,884,408)	(1,893,548)	(1,773,897)
20	3601	LAND RIGHTS	(4,540)	(4,574)	(4,608)	(4,642)	(4,676)	(4,710)	(4,744)	(4,778)	(4,812)	(4,846)	(4,880)	(4,914)	(4,948)	(4,744)
21	3661	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	3662	UNDERGROUND CONDUIT - BURIED	(501,130)	(505,085)	(509,040)	(513,042)	(517,215)	(521,248)	(525,288)	(529,355)	(533,460)	(537,571)	(541,629)	(545,241)	(549,956)	(524,944)
23	3671	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	3672	UNDERGROUND COND & DEVICES - BURIED	(1,456,096)	(1,466,782)	(1,477,432)	(1,487,251)	(1,496,643)	(1,506,748)	(1,517,867)	(1,529,048)	(1,540,368)	(1,551,745)	(1,563,147)	(1,574,202)	(1,584,861)	(1,517,784)
25	3681	LINE TRANSFORMERS - OVERHEAD	(4,233,594)	(4,257,253)	(4,280,373)	(4,298,540)	(4,321,684)	(4,345,748)	(4,369,092)	(4,393,378)	(4,417,970)	(4,442,899)	(4,468,141)	(4,493,704)	(4,519,591)	(4,358,332)
26	3682	LINE TRANSFORMERS-DU	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	3683	LINE TRANSFORMERS - BURIED	(2,703,536)	(2,723,892)	(2,744,278)	(2,764,440)	(2,784,924)	(2,805,652)	(2,827,607)	(2,849,823)	(2,872,333)	(2,895,197)	(2,918,361)	(2,941,875)	(2,965,789)	(2,814,554)
28	3691	OVERHEAD SERVICES	(1,978,770)	(1,990,366)	(2,001,594)	(2,012,088)	(2,022,819)	(2,032,595)	(2,043,307)	(2,053,973)	(2,064,623)	(2,075,268)	(2,085,913)	(2,096,558)	(2,107,203)	(2,045,388)
29	3692	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	3693	UNDERGROUND SERVICES - BURIED	(1,502,917)	(1,514,871)	(1,526,514)	(1,538,531)	(1,550,698)	(1,562,665)	(1,575,063)	(1,587,060)	(1,599,392)	(1,611,956)	(1,624,642)	(1,637,316)	(1,649,906)	(1,575,502)
31	3711	INSTALLATIONS ON CUSTOMER PREMISES	(411,088)	(418,181)	(424,547)	(430,706)	(436,838)	(442,815)	(448,935)	(455,053)	(461,168)	(467,281)	(473,394)	(479,507)	(485,619)	(432,532)
32	3713	INSTALLATIONS ON CUSTOMER PREMISES	(180,597)	(183,650)	(186,752)	(189,902)	(193,056)	(196,214)	(200,898)	(204,081)	(207,615)	(211,168)	(214,733)	(218,304)	(221,879)	(200,232)
33	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(267,265)	(269,983)	(272,413)	(274,688)	(277,387)	(279,721)	(282,065)	(284,409)	(286,753)	(289,097)	(291,441)	(293,785)	(296,129)	(278,317)
34	3733	STREET LIGHTING & SIGNAL SYSTEMS-AG	(145,922)	(148,380)	(150,874)	(153,212)	(155,719)	(158,158)	(160,638)	(163,022)	(165,422)	(167,822)	(170,202)	(172,788)	(175,290)	(160,531)
35																
36		Total Distribution Plant	(24,715,631)	(24,886,332)	(25,054,373)	(25,190,546)	(25,346,792)	(25,457,249)	(25,594,692)	(25,733,595)	(25,895,160)	(26,069,878)	(26,216,549)	(26,358,858)	(26,445,629)	(25,612,714)
37																
38																
39																
40																
41																
42																
43		General Plant														
44																
45	389	GENERAL PLANT-LAND	(429,358)	(433,717)	(438,076)	(442,435)	(446,794)	(451,153)	(455,512)	(459,899)	(464,286)	(468,673)	(473,060)	(477,447)	(429,446)	(451,527)
46	390	STRUCTURES AND IMPROVEMENTS	(435,208)	(437,569)	(439,952)	(442,335)	(444,722)	(447,109)	(449,496)	(451,894)	(454,292)	(456,690)	(459,088)	(461,486)	(463,884)	(449,517)
47	396	POWER OPERATED EQUIPMENT	(87,053)	(87,639)	(88,225)	(88,811)	(89,397)	(89,983)	(90,569)	(91,155)	(91,741)	(92,327)	(92,913)	(93,500)	(94,086)	(103,328)
48	397	COMMUNICATION EQUIPMENT	(96,470)	(96,596)	(96,720)	(96,847)	(96,970)	(97,093)	(97,216)	(97,339)	(97,462)	(97,585)	(97,708)	(97,831)	(97,954)	(95,804)
49	3973	COMMUNICATION EQUIPMENT	(29,606)	(30,314)	(30,790)	(31,266)	(31,742)	(32,218)	(32,694)	(33,170)	(33,646)	(34,122)	(34,598)	(35,074)	(35,550)	(27,955)
50	398	MISCELLANEOUS EQUIPMENT	(12,166)	(12,323)	(12,479)	(12,636)	(12,792)	(12,949)	(13,105)	(13,262)	(13,418)	(13,575)	(13,731)	(13,888)	(14,045)	(12,781)
51	3911	OFFICE FURNITURE	(6,707)	(6,735)	(6,762)	(6,790)	(6,817)	(6,844)	(6,872)	(6,899)	(6,926)	(6,954)	(6,981)	(7,009)	(7,036)	(6,872)
52	3912	OFFICE MACHINES	(24,844)	(25,065)	(25,286)	(25,507)	(25,728)	(25,949)	(26,170)	(26,391)	(26,612)	(26,833)	(27,054)	(27,275)	(27,496)	(24,790)
53	3913	COMPUTER EQUIPMENT	(159,269)	(163,963)	(168,657)	(173,351)	(178,045)	(182,739)	(187,433)	(192,127)	(196,821)	(201,515)	(206,209)	(210,903)	(215,597)	(162,156)
54	391305	SOFTWARE	(285,268)	(290,630)	(295,991)	(301,352)	(306,713)	(312,074)	(317,435)	(322,796)	(328,157)	(333,518)	(338,879)	(344,240)	(349,601)	(329,560)
55	3931	STORES EQUIPMENT-FIXED	(93,183)	(94,043)	(94,901)	(95,760)	(96,618)	(97,477)	(98,336)	(99,195)	(100,053)	(100,912)	(101,771)	(102,630)	(103,489)	(98,336)
56	3932	STORES EQUIPMENT-PORTABLE	(762)	(769)	(776)	(783)	(790)	(797)	(804)	(811)	(818)	(825)	(832)	(839)	(846)	(762)
57	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(30,624)	(31,055)	(31,486)	(31,917)	(32,347)	(32,778)	(33,209)	(33,639)	(34,070)	(34,501)	(34,932)	(35,363)	(35,794)	(33,209)
58	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(67,101)	(67,747)	(68,392)	(69,037)	(69,682)	(70,327)	(70,972)	(71,617)	(72,262)	(72,907)	(73,552)	(74,197)	(74,842)	(69,623)
59	3951	LABORATORY EQUIPMENT-FIXED	(45,101)	(45,790)	(46,479)	(47,168)	(47,857)	(48,546)	(49,235)	(49,924)	(50,613)	(51,302)	(51,991)	(52,680)	(53,369)	(49,235)
60	3952	LABORATORY EQUIPMENT-PORTABLE	(25,451)	(25,630)	(25,809)	(26,033)	(26,227)	(26,421)	(26,616)	(26,810)	(27,004)	(27,198)	(27,392)	(27,587)	(27,781)	(26,615)
61	399	MISCELLANEOUS TANGIBLE	(4,000)	(4,174)	(4,348)	(4,522)	(4,696)	(4,870)	(5,044)	(5,218)	(5,392)	(5,566)	(5,740)	(5,914)	(6,000)	(5,037)
62																
63		Total General Plant	(1,832,171)	(1,853,759)	(1,871,843)	(1,881,121)	(1,908,123)	(1,931,563)	(1,932,148)	(1,955,627)	(1,979,275)	(2,001,324)	(2,024,799)	(2,108,180)	(2,032,451)	(1,947,106)
64																
65																

Schedule B-10

## MONTHLY RESERVE BALANCES TEST YEAR - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide the monthly reserve balances for each account or sub-account to which an individual depreciation rate is applied.

Type of Data Shown:  
Historical Test Year Ended 12/31/2006  
Witness: Jim MesiteCOMPANY-FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	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-Month Average
66		Transportation Equipment														
67																
68	3921	PASSENGER CARS	(71,541)	(72,277)	(73,013)	(73,750)	(74,486)	(75,222)	(75,958)	(76,694)	(77,430)	(78,166)	(78,902)	(79,638)	(80,374)	(75,958)
69	3922	LIGHT TRUCKS & VANS	(314,076)	(318,935)	(323,794)	(328,653)	(332,625)	(339,124)	(343,777)	(348,190)	(352,770)	(357,473)	(362,176)	(366,879)	(371,582)	(324,795)
70	3923	HEAVY TRUCKS	(1,212,288)	(1,227,431)	(1,242,574)	(1,257,717)	(1,057,789)	(1,071,189)	(1,084,589)	(1,097,989)	(1,111,389)	(1,124,789)	(1,138,189)	(1,151,589)	(1,164,989)	(1,149,518)
71	3924	TRAILERS	(21,382)	(21,725)	(22,068)	(22,411)	(22,754)	(23,097)	(23,440)	(23,783)	(24,126)	(24,469)	(24,812)	(25,155)	(25,498)	(23,440)
72																
73		Total Transportation Equipment	(1,619,287)	(1,640,368)	(1,661,449)	(1,682,531)	(1,476,654)	(1,488,632)	(1,507,764)	(1,509,656)	(1,529,715)	(1,548,897)	(1,568,079)	(1,587,261)	(1,606,443)	(1,573,711)
74																
75		TOTAL ACCUM PROVISION FOR DEPR.	(30,184,544)	(30,415,377)	(30,646,138)	(30,824,226)	(30,818,682)	(30,982,112)	(31,163,649)	(31,345,527)	(31,568,403)	(31,801,956)	(32,008,927)	(32,271,442)	(32,350,816)	(31,259,677)
76																
77																
78																
79																
80		COMMON UTILITY PLANT														
81																
82	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	389	GENERAL PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	390	STRUCTURES AND IMPROVEMENTS	(429,358)	(433,717)	(438,076)	(442,435)	(446,794)	(451,153)	(455,512)	(459,871)	(464,230)	(468,589)	(472,948)	(477,307)	(481,666)	(451,527)
85	3911	OFFICE FURNITURE	(7,710)	(7,828)	(7,946)	(8,064)	(8,182)	(8,300)	(8,418)	(8,536)	(8,654)	(8,772)	(8,890)	(9,008)	(9,126)	(9,302)
86	3912	OFFICE MACHINES	(32,039)	(32,981)	(33,923)	(34,865)	(35,807)	(36,749)	(37,691)	(38,633)	(39,575)	(40,517)	(41,459)	(42,401)	(43,343)	(31,767)
87	3913	COMPUTER EQUIPMENT	(429,486)	(436,459)	(443,431)	(450,404)	(457,377)	(464,350)	(471,323)	(478,296)	(485,269)	(492,242)	(499,215)	(506,188)	(513,161)	(285,367)
88	391305	SOFTWARE	(1,074,344)	(1,091,604)	(1,108,864)	(1,126,124)	(1,143,384)	(1,160,644)	(1,177,904)	(1,195,164)	(1,212,424)	(1,229,684)	(1,246,944)	(1,264,204)	(1,281,464)	(1,151,997)
89	3921	PASSENGER CARS	(30,421)	(31,166)	(31,911)	(32,656)	(33,401)	(34,146)	(34,891)	(35,636)	(36,381)	(37,126)	(37,871)	(38,616)	(39,361)	(31,216)
90	3922	LIGHT TRUCKS & VANS	(15,310)	(15,648)	(15,986)	(16,324)	(16,662)	(17,000)	(17,338)	(17,676)	(18,014)	(18,352)	(18,690)	(19,028)	(19,366)	(19,436)
91	397	COMMUNICATION EQUIPMENT	43,091	42,351	41,611	40,871	40,131	39,391	38,651	37,911	37,171	36,431	35,691	34,951	34,211	38,506
92	398	MISCELLANEOUS EQUIPMENT	(99)	(110)	(121)	(132)	(143)	(154)	(165)	(176)	(187)	(198)	(209)	(220)	(231)	(165)
93	399	MISCELLANEOUS TANGIBLE	(2,497)	(2,601)	(2,705)	(2,809)	(2,913)	(3,017)	(3,121)	(3,225)	(3,329)	(3,433)	(3,537)	(3,641)	(3,745)	(3,121)
94																
95																
96		Total Common Utility Plant	(1,978,173)	(2,020,913)	(2,062,829)	(2,068,382)	(1,849,589)	(1,860,597)	(1,872,406)	(1,900,689)	(1,930,545)	(1,960,401)	(1,990,258)	(1,784,664)	(1,760,645)	(1,925,392)
97																
98		AS ALLOCATED (Electric Division)														
99																
100	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	389	GENERAL PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102	390	STRUCTURES AND IMPROVEMENTS	(128,807)	(130,115)	(131,423)	(132,731)	(134,038)	(135,346)	(136,654)	(137,962)	(139,269)	(140,577)	(141,885)	(143,193)	(144,501)	(135,458)
103	3911	OFFICE FURNITURE	(2,313)	(2,348)	(2,384)	(2,420)	(2,456)	(2,492)	(2,528)	(2,564)	(2,600)	(2,636)	(2,672)	(2,708)	(2,744)	(2,791)
104	3912	OFFICE MACHINES	(9,612)	(9,894)	(10,177)	(10,460)	(10,743)	(11,026)	(11,309)	(11,592)	(11,875)	(12,158)	(12,441)	(12,724)	(13,007)	(9,530)
105	3913	COMPUTER EQUIPMENT	(128,846)	(130,938)	(133,032)	(135,126)	(137,220)	(139,314)	(141,408)	(143,502)	(145,596)	(147,690)	(149,784)	(151,878)	(153,972)	(345,599)
106	391305	SOFTWARE	(322,303)	(327,481)	(332,659)	(337,837)	(343,015)	(348,193)	(353,371)	(358,549)	(363,727)	(368,905)	(374,083)	(379,261)	(384,439)	(9,365)
107	3921	PASSENGER CARS	(9,126)	(9,366)	(9,606)	(9,846)	(10,086)	(10,326)	(10,566)	(10,806)	(11,046)	(11,286)	(11,526)	(11,766)	(12,006)	(5,830)
108	3922	LIGHT TRUCKS & VANS	(4,593)	(4,694)	(4,795)	(4,896)	(4,997)	(5,098)	(5,199)	(5,300)	(5,401)	(5,502)	(5,603)	(5,704)	(5,805)	11,552
109	397	COMMUNICATION EQUIPMENT	12,927	12,705	12,483	12,261	12,039	11,817	11,595	11,373	11,151	10,929	10,707	10,485	10,263	9,891
110	398	MISCELLANEOUS EQUIPMENT	(30)	(33)	(36)	(40)	(43)	(46)	(50)	(53)	(56)	(59)	(63)	(66)	(69)	(50)
111	399	MISCELLANEOUS TANGIBLE	(749)	(780)	(812)	(843)	(874)	(905)	(936)	(968)	(999)	(1,030)	(1,061)	(1,092)	(1,124)	(996)
112																
113																
114																
115		Total Common Utility Plant	(593,452)	(606,274)	(615,849)	(620,515)	(554,877)	(558,179)	(561,722)	(570,207)	(579,164)	(588,120)	(597,077)	(535,399)	(528,194)	(577,617)

Recap Schedules:

B10-2005

Schedule B-10

MONTHLY RESERVE BALANCES TEST YEAR - 13 MONTHS

Pg. 1 of 2

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

EXPLANATION

Provide the monthly reserve balances for each account or sub-account to which an individual depreciation rate is applied

Type of Data Shown:  
Historical Test Year Ended: 12/31/2006  
Witness: Jim Mesite

(\$000)

Line No	Account Sub-account Number	Account Sub-account Title	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	13-Month Average
<b>Transmission Plant</b>																
3	3501	LAND RIGHTS	(31,292)	(31,396)	(31,500)	(31,604)	(31,708)	(31,812)	(31,916)	(32,020)	(32,124)	(32,228)	(32,332)	(32,436)	(32,540)	(31,916)
4	352	STRUCTURES AND IMPROVEMENTS	(13,429)	(13,473)	(13,517)	(13,562)	(13,606)	(13,650)	(13,694)	(13,738)	(13,782)	(13,826)	(13,870)	(13,914)	(13,958)	(13,694)
5	353	STATION EQUIPMENT	(730,785)	(734,526)	(738,267)	(742,008)	(745,749)	(749,490)	(753,231)	(756,972)	(760,713)	(764,454)	(768,195)	(771,936)	(775,677)	(753,231)
6	354	TOWERS AND FIXTURES	(171,555)	(172,004)	(172,453)	(172,902)	(173,351)	(173,800)	(174,249)	(174,698)	(175,147)	(175,596)	(176,045)	(176,494)	(176,943)	(173,800)
7	355	POLES AND FIXTURES	(721,409)	(728,852)	(736,295)	(743,738)	(751,181)	(758,624)	(766,067)	(773,510)	(780,953)	(788,396)	(795,839)	(803,282)	(810,725)	(773,510)
8	356	OVERHEAD CONDUCTORS AND DEVICES	(468,383)	(473,200)	(478,017)	(482,834)	(487,651)	(492,468)	(497,285)	(502,102)	(506,919)	(511,736)	(516,553)	(521,370)	(526,187)	(502,102)
9	359	ROADS AND TRAILS	(3,389)	(3,411)	(3,433)	(3,455)	(3,477)	(3,499)	(3,521)	(3,543)	(3,565)	(3,587)	(3,609)	(3,631)	(3,653)	(3,521)
10		<b>Total Transmission Plant</b>	<b>(2,140,222)</b>	<b>(2,156,862)</b>	<b>(2,173,502)</b>	<b>(2,190,143)</b>	<b>(2,206,783)</b>	<b>(2,223,424)</b>	<b>(2,240,064)</b>	<b>(2,256,704)</b>	<b>(2,273,344)</b>	<b>(2,289,984)</b>	<b>(2,306,624)</b>	<b>(2,323,264)</b>	<b>(2,339,904)</b>	<b>(2,261,380)</b>
<b>Distribution Plant</b>																
15	361	STRUCTURES & IMPROVEMENTS	(26,395)	(26,571)	(26,747)	(26,923)	(27,099)	(27,275)	(27,451)	(27,627)	(27,803)	(27,979)	(28,155)	(28,331)	(28,507)	(27,451)
16	362	STATION EQUIPMENT	(1,607,598)	(1,601,399)	(1,605,199)	(1,611,900)	(1,618,601)	(1,625,302)	(1,632,003)	(1,638,704)	(1,645,405)	(1,652,106)	(1,658,807)	(1,665,508)	(1,672,209)	(1,645,405)
17	364	POLES, TOWERS, & FIXTURES	(3,542,520)	(3,585,635)	(3,628,750)	(3,671,865)	(3,714,980)	(3,758,095)	(3,801,210)	(3,844,325)	(3,887,440)	(3,930,555)	(3,973,670)	(4,016,785)	(4,059,900)	(3,758,095)
18	365	OVERHEAD CONDUCTORS & DEVICES	(4,359,190)	(4,385,618)	(4,412,046)	(4,438,474)	(4,464,902)	(4,491,330)	(4,517,758)	(4,544,186)	(4,570,614)	(4,597,042)	(4,623,470)	(4,649,898)	(4,676,326)	(4,491,330)
19	370	METERS	(1,742,554)	(1,751,400)	(1,760,246)	(1,769,092)	(1,777,938)	(1,786,784)	(1,795,630)	(1,804,476)	(1,813,322)	(1,822,168)	(1,831,014)	(1,839,860)	(1,848,706)	(1,777,938)
20	3601	LAND RIGHTS	(4,132)	(4,186)	(4,240)	(4,294)	(4,348)	(4,402)	(4,456)	(4,510)	(4,564)	(4,618)	(4,672)	(4,726)	(4,780)	(4,456)
21	3661	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	3662	UNDERGROUND CONDUIT - BURIED	(454,684)	(458,284)	(461,884)	(465,484)	(469,084)	(472,684)	(476,284)	(479,884)	(483,484)	(487,084)	(490,684)	(494,284)	(497,884)	(472,684)
23	3671	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	3672	UNDERGROUND CONDUIT & DEVICES - BURIED	(1,342,722)	(1,352,076)	(1,361,430)	(1,370,784)	(1,380,138)	(1,389,492)	(1,398,846)	(1,408,200)	(1,417,554)	(1,426,908)	(1,436,262)	(1,445,616)	(1,454,970)	(1,380,138)
25	3681	LINE TRANSFORMERS - OVERHEAD	(4,036,264)	(4,059,143)	(4,082,022)	(4,104,901)	(4,127,780)	(4,150,659)	(4,173,538)	(4,196,417)	(4,219,296)	(4,242,175)	(4,265,054)	(4,287,933)	(4,310,812)	(4,127,780)
26	3682	LINE TRANSFORMERS-DU	899	899	899	899	899	899	899	899	899	899	899	899	899	899
27	3683	LINE TRANSFORMERS - BURIED	(2,487,139)	(2,506,155)	(2,525,171)	(2,544,187)	(2,563,203)	(2,582,219)	(2,601,235)	(2,620,251)	(2,639,267)	(2,658,283)	(2,677,299)	(2,696,315)	(2,715,331)	(2,544,187)
28	3691	OVERHEAD SERVICES	(1,854,762)	(1,866,160)	(1,877,558)	(1,888,956)	(1,899,354)	(1,910,752)	(1,921,150)	(1,932,548)	(1,943,946)	(1,955,344)	(1,966,742)	(1,978,140)	(1,989,538)	(1,877,558)
29	3692	#N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	3693	UNDERGROUND SERVICES - BURIED	(1,362,652)	(1,373,063)	(1,383,474)	(1,393,885)	(1,404,296)	(1,414,707)	(1,425,118)	(1,435,529)	(1,445,940)	(1,456,351)	(1,466,762)	(1,477,173)	(1,487,584)	(1,393,474)
31	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(369,061)	(374,873)	(380,685)	(386,497)	(392,309)	(398,121)	(403,933)	(409,745)	(415,557)	(421,369)	(427,181)	(432,993)	(438,805)	(386,497)
32	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(146,386)	(149,189)	(152,137)	(155,184)	(158,231)	(161,278)	(164,325)	(167,372)	(170,419)	(173,466)	(176,513)	(179,560)	(182,607)	(152,137)
33	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(243,317)	(245,916)	(248,515)	(251,114)	(253,713)	(256,312)	(258,911)	(261,510)	(264,109)	(266,708)	(269,307)	(271,906)	(274,505)	(248,515)
34	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(116,311)	(118,712)	(121,113)	(123,514)	(125,915)	(128,316)	(130,717)	(133,118)	(135,519)	(137,920)	(140,321)	(142,722)	(145,123)	(121,113)
35		<b>Total Distribution Plant</b>	<b>(23,694,786)</b>	<b>(23,840,741)</b>	<b>(23,987,038)</b>	<b>(24,088,580)</b>	<b>(24,189,622)</b>	<b>(24,290,664)</b>	<b>(24,391,706)</b>	<b>(24,492,748)</b>	<b>(24,593,790)</b>	<b>(24,694,832)</b>	<b>(24,795,874)</b>	<b>(24,896,916)</b>	<b>(24,997,958)</b>	<b>(24,097,650)</b>
<b>General Plant</b>																
45	380	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)
46	390	STRUCTURES AND IMPROVEMENTS	(408,843)	(411,137)	(413,431)	(415,725)	(418,019)	(420,313)	(422,607)	(424,901)	(427,195)	(429,489)	(431,783)	(434,077)	(436,371)	(422,607)
47	396	POWER OPERATED EQUIPMENT	(86,328)	(86,941)	(87,554)	(88,167)	(88,780)	(89,393)	(89,996)	(90,609)	(91,222)	(91,835)	(92,448)	(93,061)	(93,674)	(88,780)
48	397	COMMUNICATION EQUIPMENT	(105,948)	(106,075)	(106,202)	(106,329)	(106,456)	(106,583)	(106,710)	(106,837)	(106,964)	(107,091)	(107,218)	(107,345)	(107,472)	(106,329)
49	3973	COMMUNICATION EQUIPMENT	(21,110)	(21,818)	(22,526)	(23,234)	(23,942)	(24,650)	(25,358)	(26,066)	(26,774)	(27,482)	(28,190)	(28,898)	(29,606)	(23,234)
50	398	MISCELLANEOUS EQUIPMENT	(13,992)	(14,149)	(14,305)	(14,462)	(14,618)	(14,775)	(14,931)	(15,088)	(15,244)	(15,401)	(15,558)	(15,715)	(15,872)	(14,462)
51	3911	OFFICE FURNITURE	(6,379)	(6,406)	(6,434)	(6,461)	(6,488)	(6,515)	(6,543)	(6,571)	(6,598)	(6,625)	(6,653)	(6,680)	(6,707)	(6,434)
52	3912	OFFICE MACHINES	(29,749)	(30,008)	(30,266)	(30,524)	(30,782)	(31,040)	(31,298)	(31,556)	(31,814)	(32,072)	(32,330)	(32,588)	(32,846)	(30,266)
53	3913	COMPUTER EQUIPMENT	(418,755)	(423,450)	(428,144)	(432,838)	(437,532)	(442,226)	(446,920)	(451,614)	(456,308)	(461,002)	(465,696)	(470,390)	(475,084)	(428,144)
54	391305	SOFTWARE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	3931	STORES EQUIPMENT-FIXED	(82,879)	(83,738)	(84,597)	(85,456)	(86,315)	(87,174)	(88,033)	(88,892)	(89,751)	(90,610)	(91,469)	(92,328)	(93,187)	(84,597)
56	3932	STORES EQUIPMENT-PORTABLE	(678)	(685)	(692)	(699)	(706)	(713)	(720)	(727)	(734)	(741)	(748)	(755)	(762)	(692)
57	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(27,301)	(27,732)	(28,162)	(28,593)	(29,023)	(29,454)	(29,884)	(30,315)	(30,745)	(31,176)	(31,606)	(32,037)	(32,467)	(28,162)
58	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(68,368)	(69,014)	(69,660)	(70,306)	(70,952)	(71,598)	(72,244)	(72,890)	(73,536)	(74,182)	(74,828)	(75,474)	(76,120)	(69,660)
59	3951	LABORATORY EQUIPMENT-FIXED	(36,832)	(37,521)	(38,210)	(38,900)	(39,590)	(40,280)	(40,970)	(41,660)	(42,350)	(43,040)	(43,730)	(44,420)	(45,110)	(38,210)
60	3952	LABORATORY EQUIPMENT-PORTABLE	(25,507)	(25,686)	(25,865)	(26,044)	(26,223)	(26,402)	(26,581)	(26,760)	(26,939)	(27,118)	(27,297)	(27,476)	(27,655)	(25,865)
61	396	MISCELLANEOUS TANGIBLE	(2,000)	(2,166)	(2,332)	(2,498)	(2,664)	(2,830)	(2,996)	(3,162)	(3,328)	(3,494)	(3,660)	(3,826)	(3,992)	(2,332)
62		<b>Total General Plant</b>	<b>(1,341,373)</b>	<b>(1,353,290)</b>	<b>(1,365,208)</b>	<b>(1,377,126)</b>	<b>(1,389,044)</b>	<b>(1,399,962)</b>	<b>(1,410,880)</b>	<b>(1,421,798)</b>	<b>(1,432,716)</b>	<b>(1,443,634)</b>	<b>(1,454,552)</b>	<b>(1,465,470)</b>	<b>(1,476,388)</b>	<b>(1,389,044)</b>
<b>Transportation Equipment</b>																
68	3921	PASSENGER CARS	(62,709)	(63,445)	(64,181)	(64,917)	(65,653)	(66,389)	(67,125)	(67,861)	(68,597)	(69,333)	(70,069)	(70,805)	(71,541)	(65,653)
69	3922	LIGHT TRUCKS & VANS	(272,920)	(277,600)	(282,280)	(286,960)	(291,640)	(296,320)	(301,000)	(305,680)	(310,360)	(315,040)	(319,720)	(324,400)	(329,080)	(286,960)
70	3923	HEAVY TRUCKS	(1,107,568)	(1,123,341)	(1,139,114)	(1,154,887)	(1,170,660)	(1,186,433)	(1,202,206)	(1,217,979)	(1,233,752)	(1,249,525)	(1,265,298)	(1,281,071)	(1,296,844)	(1,154,887)
71	3924	TRAILERS	(17,266)	(17,609)	(17,952)	(18,295)	(18,638)	(18,981)	(19,324)	(19,667)	(20,010)	(20,353)	(20,696)	(21,039)	(21,382)	(17,952)
72		<b>Total Transportation Equipment</b>	<b>(1,460,403)</b>	<b>(1,481,055)</b>	<b>(1,501,707)</b>	<b>(1,522,359)</b>	<b>(1,543,011)</b>	<b>(1,563,663)</b>	<b>(1,584,315)</b>	<b>(1,604,967)</b>	<b>(1,625,619)</b>	<b>(1,646,271)</b>	<b>(1,666,923)</b>	<b>(1,687,575)</b>	<b>(1,708,227)</b>	<b>(1,543,011)</b>
73		<b>TOTAL ACCUM. PROVISION FOR DEPR</b>	<b>(28,636,846)</b>	<b>(28,832,828)</b>	<b>(29,028,810)</b>	<b>(29,154,389)</b>	<b>(29,280,468)</b>	<b>(29,406,547)</b>	<b>(29,532,626)</b>	<b>(29,658,705)</b>	<b>(29,784,784)</b>	<b>(29,910,863)</b>	<b>(30,036,942)</b>	<b>(30,163,021)</b>	<b>(30,289,100)</b>	<b>(29,078,380)</b>

Pg. 2 of 2

80	COMMON UTILITY PLANT														
81	-----														
82	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
83	389	GENERAL PLANT LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
84	390	STRUCTURES AND IMPROVEMENTS	(569,908)	(381,449)	(385,804)	(390,159)	(394,514)	(398,869)	(403,224)	(407,579)	(411,934)	(416,289)	(420,644)	(424,999)	(429,358)
85	3911	OFFICE FURNITURE	(5,170)	(9,486)	(9,594)	(9,702)	(9,810)	(9,933)	(7,039)	(7,150)	(7,261)	(7,372)	(7,483)	(7,594)	(7,710)
86	3912	OFFICE MACHINES	(30,560)	(31,559)	(32,558)	(32,953)	(33,948)	(34,943)	(28,193)	(27,127)	(28,271)	(29,213)	(30,155)	(31,097)	(32,039)
87	3913	COMPUTER EQUIPMENT	(924,012)	(1,283,226)	(1,306,744)	(1,328,916)	(1,346,949)	(1,370,532)	(1,394,130)	(1,417,728)	(1,441,317)	(1,452,867)	(1,464,779)	(1,488,880)	(1,429,486)
88	391305	SOFTWARE	-	-	-	-	-	-	-	-	-	-	-	-	-
89	3921	PASSENGER CARS	(23,302)	(43,497)	(43,497)	(43,497)	(43,497)	(43,497)	(30,421)	(30,421)	(30,421)	(30,421)	(30,421)	(30,421)	(1,074,344)
90	3922	LIGHT TRUCKS & VANS	(2,783)	(11,562)	(11,930)	(12,258)	(12,606)	(12,944)	(13,262)	(13,620)	(13,956)	(14,296)	(14,634)	(14,972)	(15,310)
91	397	COMMUNICATION EQUIPMENT	(77,578)	(79,186)	(80,794)	(82,402)	48,955	48,223	47,491	46,759	46,027	45,295	44,563	43,831	43,091
92	398	MISCELLANEOUS EQUIPMENT	(15)	(21)	(27)	(33)	(39)	(45)	(51)	(59)	(67)	(75)	(83)	(91)	(99)
93	399	MISCELLANEOUS TANGIBLE	(1,249)	(1,353)	(1,457)	(1,561)	(1,665)	(1,769)	(1,873)	(1,977)	(2,081)	(2,185)	(2,289)	(2,393)	(2,497)
94															
95															
96		Total Common Utility Plant	(1,634,577)	(1,841,369)	(1,872,405)	(1,901,491)	(1,794,073)	(1,824,309)	(1,828,722)	(1,858,902)	(1,889,283)	(1,907,423)	(1,925,925)	(1,956,616)	(1,978,173)
97															
98		AS ALLOCATED (Electric Division)													
99	-----														
100	303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-
101	389	GENERAL PLANT LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
102	390	STRUCTURES AND IMPROVEMENTS	(170,972)	(114,435)	(115,741)	(117,048)	(118,354)	(119,661)	(120,967)	(122,274)	(123,580)	(124,887)	(126,193)	(127,500)	(128,807)
103	3911	OFFICE FURNITURE	(1,551)	(2,846)	(2,878)	(2,911)	(2,943)	(2,980)	(2,112)	(2,145)	(2,178)	(2,212)	(2,245)	(2,278)	(2,313)
104	3912	OFFICE MACHINES	(9,168)	(9,468)	(9,767)	(9,886)	(10,184)	(10,483)	(7,858)	(8,138)	(8,481)	(8,764)	(9,047)	(9,329)	(9,612)
105	3913	COMPUTER EQUIPMENT	(277,204)	(384,968)	(392,023)	(398,675)	(404,085)	(411,160)	(418,239)	(425,318)	(432,395)	(435,880)	(439,434)	(446,664)	(128,846)
106	391305	SOFTWARE	-	-	-	-	-	-	-	-	-	-	-	-	(384,221)
107	3921	PASSENGER CARS	(6,991)	(13,049)	(13,049)	(13,049)	(13,049)	(13,049)	(9,126)	(9,126)	(9,126)	(9,126)	(9,126)	(9,126)	(322,303)
108	3922	LIGHT TRUCKS & VANS	(835)	(3,478)	(3,579)	(3,680)	(3,782)	(3,883)	(3,985)	(4,086)	(4,187)	(4,289)	(4,390)	(4,492)	(4,593)
109	397	COMMUNICATION EQUIPMENT	(23,273)	(23,758)	(24,238)	(24,721)	14,687	14,467	14,247	14,028	13,808	13,589	13,369	13,149	12,927
110	398	MISCELLANEOUS EQUIPMENT	(5)	(6)	(8)	(10)	(12)	(14)	(15)	(18)	(20)	(23)	(25)	(27)	(30)
111	399	MISCELLANEOUS TANGIBLE	(375)	(406)	(437)	(468)	(500)	(531)	(562)	(593)	(624)	(656)	(687)	(718)	(749)
112															
113															
114															
115		Total Common Utility Plant	(490,373)	(552,411)	(561,722)	(570,447)	(538,222)	(547,299)	(548,617)	(557,671)	(566,785)	(572,227)	(577,778)	(586,985)	(593,452)

Recap Schedules



Schedule B-12

PRODUCTION PLANT ADDITIONS

Page \_\_\_ of \_\_\_

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

Provide production plant additions for the test year and the prior year that exceed 0.5% of Gross Plant. Presenting In-Service Additions classified as Environmental, Availability/Reliability, Heat Rate, Replace Existing Plant, Safety, Energy Conservation, Capacity, Aid to Construction, and Maintenance and Regulatory.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2005  
Historical Test Year Ended 12/31/2006  
Witness: Jim Mesite

(A) Preliminary Engineering Growth Classification	(B) Amount
Environmental Availability/Reliability Heat Rate Replace Existing Plant Safety Energy Conservation Capacity Aid to Construction and Maintenance Regulatory	Not Applicable
Total In-Service Additions	\$

Supporting Schedules:

Recap Schedules:

Schedule B-13

## CONSTRUCTION WORK IN PROGRESS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each major construction project whose cost of completion exceeds 0.2 percent (.002) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Project No.	Project Description	(1) Year End CWIP Balance	(2) Estimated Additional Project Costs	(3) Total Cost of Completion	(4) Initial Project Budget Per Construction Bid	(5) Date Construction Started	(6) Expected Completion Date	(7) Percent Complete (1) / (3)	(8) Amount of AFUDC Charged	(9) 13 Month Average Balance	(10) Jurisdictional Factor	(11) Jurisdictional Amount
	STEAM PRODUCTION			-				NA			100%	-
	Subtotal	-		-				NA			100%	-
	NUCLEAR PRODUCTION			-				NA			100%	-
	Subtotal	-		-				NA			100%	-
	HYDRAULIC PRODUCTION			-				NA			100%	-
	Subtotal	-		-				NA			100%	-
	OTHER PRODUCTION			-				NA			100%	-
	Subtotal	-		-				NA			100%	-
	TRANSMISSION PLANT	11,400		11,400				NA			100%	
	Subtotal	11,400		11,400				NA			100%	
	DISTRIBUTION PLANT	687,623		687,623				1			100%	
	Subtotal	687,623		687,623				1			100%	
	GENERAL PLANT	75,257		75,257				1			100%	
	Subtotal	75,257		75,257				1			100%	
	TOTAL AFUDC TREATMENT	-										
	TOTAL RATE BASE TREATMENT											
	TOTAL CWIP	774,280		774,280								

Supporting Schedules:

Recap Schedules:



Schedule B-14

## EARNINGS TEST

Page \_\_\_ of \_\_\_

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

If the company proposes to include any AFUDC-eligible CWIP in rate base, provide a summary of the earnings test to determine to what extent CWIP should be included in the rate base along with a detail of assumptions. As a minimum, the data provided should show the impact on the utility's financial integrity indicators with and without the level of CWIP requested.

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

#N/A

We do not have any AFUDC eligible CWIP in rate base.  
Not applicable.

Supporting Schedules:

Recap Schedules:

Schedule B-15

PROPERTY HELD FOR FUTURE USE - 13 MONTH AVERAGE

Page \_\_\_ of \_\_\_

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION:

Provide the 13 month average balance for each item of property held for future use and calculate the jurisdictional amounts for the test year. Provide the prior year if the test year is projected. Individual properties that are less than 5 percent of the account total may be aggregated.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2005  
 Historical Test Year Ended 12/31/2006  
 #N/A

Item No.	Description of Item	(1) Prior Year 13 Month Average	(2) Test Year 13 Month Average	(3) Test Year Jurisdictional Factor	(4) Test Year Jurisdictional Amount (2) x (3)

NONE

Supporting Schedules:

Recap Schedules:

Schedule B-16

## NUCLEAR FUEL BALANCES

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide thirteen monthly balances of nuclear fuel accounts  
120.1, 120.2, 120.3, 120.4, 120.5, and 120.6 for the test  
year, and the prior year if the test year is projected.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

#N/A

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

(\$000)

Line No.	Period	(A) Nuclear Fuel In Process 120.1	(B) Nuclear Fuel Stock Account 120.2	(C) Nuclear Fuel Assemblies in Reactor 120.3	(D) Nuclear Fuel Spent Fuel 120.4	(E) Accumulated Provision for Amortization 120.5	(F) Nuclear Fuel Under Capital Leases 120.6	(G) Net Nuclear Fuel (A)+(B)+(C)+(D)-(E)-(F)
-------------	--------	--	---	--	--	---	--	---

NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule B-17

## WORKING CAPITAL - 13 MONTH AVERAGE

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

Provide a schedule showing the adjusted 13 month average working capital allowance for the test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other methodology the company proposes to use.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2005  
 Historical Test Year Ended 12/31/2006  
 Witness: Cheryl Martin

Line No.	Account No.	Component	(1) Prior Year Company Total (Schedule B-3)	(2) Test Year Company Total (Schedule B-3)	(3) Test Year Jurisdictional Factor	(4) Test Year Jurisdictional Amount (2) x (3)
		Current and Accrued Assets		7,599,791	100%	7,599,791
		Adjustments to Current and Accrued Assets (Specify)				
		1820.2 Commission Adjustment		1,693	100%	1,693
		Adjusted Current and Accrued Assets		7,599,791	100%	7,599,791
		Current and Accrued Liabilities		(9,671,058)	100%	(9,671,058)
		Adjustments to Current and Accrued Liabilities (Specify)				
2040		Commission Adjustment		1,667	100%	1,667
2010		Commission Adjustment		15,965	100%	15,965
2160		Commission Adjustment		56,834	100%	56,834
2070		Commission Adjustment		22,654	100%	22,654
2110		Commission Adjustment		3,920	100%	3,920
2140		Commission Adjustment		(1,190)	100%	(1,190)
2170		Commission Adjustment		(12,994)	100%	(12,994)
2210		Commission Adjustment		145,813	100%	145,813
2040		Proposed Company Adjustments		(2,813)	100%	(2,813)
2010		Proposed Company Adjustments		(26,924)	100%	(26,924)
2160		Proposed Company Adjustments		(95,847)	100%	(95,847)
2070		Proposed Company Adjustments		(38,204)	100%	(38,204)
2110		Proposed Company Adjustments		(6,611)	100%	(6,611)
2140		Proposed Company Adjustments		2,007	100%	2,007
2170		Proposed Company Adjustments		21,914	100%	21,914
2210		Proposed Company Adjustments		(245,905)	100%	(245,905)
		Adjusted Current and Accrued Liabilities		(9,584,867)	100%	(9,584,867)
		Working Capital Allowance		(1,985,076)	100%	(1,985,076)
		Unbilled Revenue Adjustments (Specify)			100%	-
		Adjusted Working Capital Allowance		(1,985,076)	100%	(1,985,076)

Supporting Schedules:

Recap Schedules:

Details for B-17

## WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION: Calculate 13 monthly working capital allowances for the test year and the prior year if the test year is projected. In addition, provide the 13 month total and the 13 month average. All adjustments are to be provided by account number. Use a

Type of Data Shown:

Historical Test Year Ended 12/31/06  
Projected Test Year Ended / /  
Prior Year Ended 12/31/05  
Witness:

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
			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 MONTH AVERAGE	13-MONTH CONSOLIDATED AMOUNT	
Line	Account Number	Primary Account	Allocation Method															
		CURRENT AND ACCRUED ASSETS:																
1	1310	CASH	Base Revenue	208,878	469,064	455,434	580,048	289,292	205,434	346,810	(27,368)	54,370	224,684	453,012	259,078	14,934	271,821	849,440
2	1340	DEPOSITS	DIRECT	-	-	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	268,938	-
3	1310.4	LOCAL CASH	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	1350	WORKING FUNDS	Special Allocation	8,135	8,135	8,135	8,135	8,135	8,135	8,135	8,135	8,243	8,135	8,135	8,135	8,135	8,143	35,455
5	1420, 1430	ACCOUNTS RECEIVABLE	DIRECT	3,715,832	3,712,762	3,645,937	3,012,614	3,184,501	3,126,083	3,602,147	4,140,548	3,721,848	3,979,041	3,198,274	2,761,978	3,213,764	3,482,718	-
6	1440	PROVISION FOR UNCOLLECTIBLE	DIRECT	(29,335)	(26,756)	(26,972)	(28,208)	(31,487)	(32,172)	(36,083)	(40,005)	(28,455)	(31,743)	(35,253)	(30,205)	(69,678)	(34,335)	-
7	1630	STORES EXPENSE	DIRECT	-	-	-	-	-	-	-	-	(1,300)	-	(34,074)	(13,697)	-	(3,775)	-
8	1540	MATERIALS AND SUPPLIES	DIRECT	821,965	815,013	832,509	854,233	839,171	819,018	841,516	843,451	872,718	930,753	959,791	946,471	1,042,109	878,363	-
9	1650.2, 4, 5	PREPAYMENTS - INSURANCE	Base Revenue	304,240	274,104	244,504	215,312	250,702	196,432	155,176	170,884	375,714	344,436	377,330	305,062	307,660	270,889	846,528
10	1650.3	PREPAYMENTS - PENSIONS	Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	1730	UNBILLED REVENUES	DIRECT	415,764	325,115	322,495	326,217	340,571	455,075	532,192	526,607	618,265	472,305	392,234	431,787	424,137	429,443	-
12	1840.7	CLEARING ACCOUNTS - REFUNDS	Base Revenue	-	-	-	-	-	(72)	-	42	42	42	42	42	-	11	34
13	1840.1	CLEARING ACCOUNTS - DIVISIONAL	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	1850	TEMPORARY FACILITIES	DIRECT	21,285	22,156	22,754	24,755	24,735	24,796	25,742	27,280	28,660	29,864	31,183	31,456	12,836	25,192	-
15																		
16		DEFERRED DEBITS:																
17	1860.1	DEFERRED DEBITS - OTHER	DIRECT	306,949	299,477	292,007	318,745	310,674	302,603	294,530	286,459	278,664	270,317	262,246	254,175	239,102	285,842	-
18	1860.21	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	DIRECT	1,611,846	1,493,295	1,691,503	1,557,183	1,557,272	1,826,006	2,005,274	1,870,954	1,900,595	1,766,275	1,631,955	1,697,897	1,707,678	1,716,749	-
19	1860.3	DEFERRED DEBITS - CONSOLIDATED	DIRECT	-	7,667	8,853	18,632	22,149	32,850	-	3,718	15,742	19,456	22,644	31,302	-	14,078	-
20	1860	DEFERRED DEBITS - COMMON	Base Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	1820.2	RETIRE PIR	Payroll	-	-	-	-	-	-	-	-	-	-	-	-	74,273	5,713	21,260
23	1900	ACCUMULATED DEF TAXES	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24																		
25		TOTAL ASSETS AND OTHER DEBITS		7,385,559	7,400,032	7,814,905	7,205,502	7,113,551	7,282,024	8,093,275	8,128,541	8,162,942	8,331,401	7,585,355	7,001,317	7,292,786	7,599,791	-
26																		
27		LIABILITIES AND OTHER CREDITS																
28		PROPRIETARY CAPITAL:																
29	2040	PREFERRED STOCK - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(600,000)
30	2010	COMMON STOCK - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,748,260)
31	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,450,505)
32	2070	PREM ON COMMON STK - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,156,633)
33	2110	MISC PAID IN CAPITAL - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,411,968)
34	2140	CAPITAL STOCK EXPENSE - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	428,441
35	2170	COMMON STOCK REACQUIRED - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,678,981
36																		
37		LONG TERM DEBT:																
38	2210	BONDS - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,500,000)
39																		
40		OTHER NONCURRENT LIABILITIES																
41																		
42		CURRENT AND ACCRUED LIABILITIES																
43	2320	ACCOUNTS PAYABLE - FUEL	DIRECT	(2,437,949)	(2,316,675)	(2,829,932)	(2,183,772)	(2,243,795)	(2,634,160)	(2,808,393)	(2,996,631)	(3,024,777)	(2,520,776)	(2,312,588)	(2,142,845)	(2,341,685)	(2,522,614)	-
44	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	A/P Computation/ Base Revenue	(1,232,780)	(900,632)	(790,012)	(948,218)	(815,693)	(572,806)	(818,506)	(709,693)	(990,466)	(915,748)	(1,055,386)	(780,181)	(914,573)	(880,361)	(2,751,129)
45	2320.8	SALARIES & WAGES PAYABLE	Payroll	(150,790)	(179,018)	(186,643)	(155,126)	(157,172)	(210,976)	(195,952)	(222,471)	(96,303)	(115,329)	(156,937)	(188,333)	(215,583)	(171,587)	(635,508)
46	2320	OTHER - ACCOUNTS PAYABLE	Base Revenue	(241,440)	(152,454)	(143,110)	(204,756)	(145,518)	(131,644)	(207,392)	(122,714)	(181,622)	(192,724)	(206,486)	(169,026)	(218,108)	(178,230)	(556,970)
47	2380	DIVIDENDS DECLARED - PREFERRED	Base Revenue	(2,280)	-	(2,280)	-	-	-	(2,280)	-	-	(2,280)	-	-	(2,280)	(877)	(2,740)
48	2410	TAX COLLECTIONS PAYABLE - PIR	Payroll	-	293	23	(13,616)	(12,433)	21,268	-	-	-	-	-	-	-	(343)	(1,272)
49	2410	TAX COLLECTIONS PAYABLE	DIRECT	(258,513)	(282,420)	(280,113)	(268,594)	(245,305)	(269,136)	(313,420)	(335,873)	(312,065)	(336,585)	(286,244)	(239,205)	(268,716)	(284,322)	-
50	2280.31	PENSION RESERVE	Payroll	(194,759)	(233,459)	(269,009)	(306,134)	(343,259)	(380,384)	(417,509)	(454,634)	(399,959)	(451,139)	(480,389)	(509,639)	(814,231)	(404,193)	(1,497,011)
51	2280.32	MED INS RESERVE	Base Revenue	(621,566)	(627,052)	(632,684)	(638,182)	(643,878)	(649,388)	(654,752)	(660,362)	(665,902)	(650,008)	(653,232)	(655,846)	(596,912)	(642,293)	(2,007,164)
52	2280.34	401K ACCRUAL	Payroll	200	270	353	-	62	-	-	-	-	-	-	-	-	68	253
53	2280.2n	INSURANCE RESERVE	Base Revenue	(94,762)	(94,384)	(93,992)	(92,808)	(89,376)	(86,914)	(84,016)	(81,998)	(73,724)	(65,928)	(59,208)	(52,008)	(58,062)	(80,413)	(251,289)
54	2280.11	STORM DAMAGE RESERVE	DIRECT	(1,506,886)	(1,516,004)	(1,526,138)	(1,536,274)	(1,546,408)	(1,556,544)	(1,562,802)	(1,572,936)	(1,583,072)	(1,588,954)	(1,599,090)	(1,609,224)	(1,636,118)	(1,564,650)	-
55	2360	TAXES ACCRUED - AD VALOREM	DIRECT	-	(44,215)	(88,429)	(132,645)	(176,859)	(221,074)	(265,289)	(309,504)	(353,719)	(397,933)	(442,148)	35,868	-	(184,304)	-

56	2360	TAXES ACCRUED - GROSS RECEIPTS	DIRECT	(271,724)	(320,167)	(351,715)	(288,640)	(262,791)	(240,933)	(240,923)	(239,826)	(249,190)	(256,028)	(242,528)	(252,693)	(295,861)	(270,232)	
57	2360	TAXES ACCRUED - FPSC ASSESSMENT	Base Revenue	(71,602)	(20,811)	(41,057)	(59,920)	(73,462)	(85,304)	(95,872)	(9,773)	(19,331)	(29,129)	(38,751)	(48,196)	(61,780)	(50,384)	(129,188)
58	2360	TAXES ACCRUED - UNEMPLOY & FICA	Payroll	(822)	(7,789)	(11,905)	(18,803)	(5,353)	7,023	(1,207)	(243)	(563)	(724)	(163)	(380)	(630)	(3,197)	(11,840)
59	2360	TAXES ACCRUED - INCOME TAXES	Base Revenue	(40,894)	(360,318)	(711,454)	(815,038)	(867,576)	(945,656)	(306,936)	(384,818)	(489,650)	(610,580)	(687,762)	(779,410)	(481,758)	(575,527)	(1,798,521)
60	2370.1 & 2	INTEREST ACCRUED	Plant	(276,656)	(305,647)	(434,986)	(567,120)	(595,818)	(288,181)	(274,728)	(303,545)	(435,021)	(566,765)	(595,873)	(287,570)	(174,130)	(382,772)	(981,931)
61	2370.3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	DIRECT	(94,134)	(103,369)	(98,899)	(10,698)	(20,486)	(30,725)	(40,290)	(51,127)	(60,857)	(70,830)	(79,580)	(89,866)	(99,032)	(65,376)	
62	2420.1	VACATION PAY ACCRUED	Payroll	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(290,452)	(323,504)	(292,964)	(1,085,164)
63	2420.3	AUDIT FEES & EXP. ACCRUED	Base Revenue	(28,514)	(13,204)	(26,406)	(39,050)	(45,546)	(52,826)	(61,986)	(67,468)	(68,292)	(65,546)	(58,416)	(44,994)	(31,424)	(46,436)	(145,113)
64	2420.7	COMMISSION FUND	DIRECT	54	(214)	(1,124)	(998)	(1,054)	(946)	(1,110)	(1,043)	(934)	(889)	(768)	(863)	(1,138)	(848)	
65	2420.9	MISC. CUR. & ACCR. LIAB.	DIRECT	(6,240)	(6,240)	(6,240)	(6,240)	(6,240)	(2,268)	(2,252)	(2,252)	(960)	(1,920)	(2,880)	(3,840)	(8,000)	(4,275)	
66	2310	NOTES PAYABLE - ALLOCATED	Pro-Rata of Consolidated Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	2350	CUSTOMERS DEPOSITS	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
68																		
69		DEFERRED CREDITS																
70	2530.21	OVERREC. POWER & GAS	DIRECT	(1,152,894)	(1,204,101)	(1,108,026)	(1,112,490)	(1,016,415)	(920,340)	(824,265)	(798,533)	(702,458)	(1,015,467)	(1,037,614)	(941,539)	(845,464)	(975,354)	
71	2530.6	OVERREC. CONSERVATION	DIRECT	(107,034)	(94,858)	(102,393)	(82,249)	(93,242)	(76,924)	(73,560)	(80,019)	(79,344)	(71,437)	(71,563)	(57,569)	(44,652)	(79,803)	
72	2530.1 & 4	MISC. CURRENT LIABILITIES	DIRECT	-	(6)	1	2	11	(20)	53	58	239	(27)	62	413	-	60	
73	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
74	2550	INV. TAX CREDIT	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
75																		
76		ACCUMULATED DEFERRED INCOME TAXES																
77	2820, 2830	ACCUMULATED DEFERRED TAXES	DIRECT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
78																		
79																		
80																		
81																		
82		<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>(9,082,437)</b>	<b>(9,072,966)</b>	<b>(10,024,342)</b>	<b>(9,774,101)</b>	<b>(9,698,058)</b>	<b>(9,819,310)</b>	<b>(9,543,839)</b>	<b>(9,866,857)</b>	<b>(10,078,422)</b>	<b>(10,221,464)</b>	<b>(10,364,716)</b>	<b>(9,114,598)</b>	<b>(9,433,641)</b>	<b>(9,671,058)</b>	<b>(95,614,531)</b>
83																		
84		<b>TOTAL WORKING CAPITAL</b>		<b>(1,696,878)</b>	<b>(1,872,934)</b>	<b>(2,209,347)</b>	<b>(2,508,599)</b>	<b>(2,584,507)</b>	<b>(2,337,286)</b>	<b>(1,450,564)</b>	<b>(1,567,316)</b>	<b>(1,915,480)</b>	<b>(1,890,063)</b>	<b>(2,779,381)</b>	<b>(2,113,281)</b>	<b>(2,140,855)</b>	<b>(2,071,267)</b>	<b>(95,614,531)</b>

monthly template to Jim will provide monthly numbers

(18)	(17)	(16)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
ALLOCATION METHOD	ALLOCATION %	13 MONTH AVERAGE	13-Month Avg COMMISSION ADJUSTMENT	13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	PROPOSED COMPANY ADJUSTMENTS ELIMINATION OF WATER	PROPOSED COMPANY ADJUSTMENTS ACTUAL CASH 13-MO AVG	PROPOSED COMPANY ADJUSTMENTS ACTUAL O/U RECOVERY	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU
Base Revenue	32%	357,881		357,881				357,881	RB, WC
DIRECT	100%								
DIRECT	100%								RB, WC
Special Allocation	96%	8,143		8,143				8,143	RB, WC
DIRECT	100%	3,462,718		3,462,718				3,462,718	RB, WC
DIRECT	100%	(34,335)		(34,335)				(34,335)	RB, WC
DIRECT	100%	(3,775)		(3,775)				(3,775)	RB, WC
DIRECT	100%	878,363		878,363				878,363	RB, WC
Base Revenue	32%	270,889		270,889				270,889	RB, WC
Payroll	27%	-		-				-	RB, WC
DIRECT	100%	429,443		429,443				429,443	RB, WC
Base Revenue	32%	11		11				11	RB, WC
DIRECT	100%	-		-				-	RB, WC
DIRECT	100%	25,192		25,192				25,192	RB, WC
-	-	-		-				-	
DIRECT	100%	285,842		285,842				285,842	RB, WC
DIRECT	100%	1,716,749		1,716,749				1,716,749	RB, WC
DIRECT	100%	14,078		14,078				14,078	RB, WC
Base Revenue	32%	-		-				-	RB, WC
Pro-Rata of Consolidated	29%	-		-				-	CS
Payroll	27%	5,713	1,693	7,406				7,406	CS
DIRECT	100%	-		-				-	CS
		7,418,913	1,693	7,418,606	-	-	-	7,418,606	
									CS
Pro-Rata of Consolidated	29%	(176,069)	1,667	(174,402)	168	(1,758)	(1,223)	(177,215)	CS
Pro-Rata of Consolidated	29%	(1,685,761)	15,965	(1,669,796)	1,612	(16,828)	(11,708)	(1,696,720)	CS
Pro-Rata of Consolidated	29%	(6,001,160)	56,834	(5,944,326)	5,738	(59,906)	(41,679)	(6,040,173)	CS
Pro-Rata of Consolidated	29%	(2,392,031)	22,654	(2,369,377)	2,287	(23,878)	(16,613)	(2,407,581)	CS
Pro-Rata of Consolidated	29%	(413,961)	3,920	(410,041)	396	(4,132)	(2,875)	(416,652)	CS
Pro-Rata of Consolidated	29%	125,641	(1,190)	124,451	(120)	1,254	873	126,458	CS
Pro-Rata of Consolidated	29%	1,372,084	(12,994)	1,359,090	(1,312)	13,697	9,529	1,381,004	
Pro-Rata of Consolidated	29%	(15,396,633)	145,813	(15,250,820)	14,721	(153,694)	(106,932)	(15,496,725)	CS
DIRECT	100%	(2,522,614)		(2,522,614)				(2,522,614)	RB, WC
A/P Computation/ Base	32%	(880,361)		(880,361)				(880,361)	RB, WC
Payroll	27%	(171,587)		(171,587)				(171,587)	RB, WC
Base Revenue	32%	(178,230)		(178,230)				(178,230)	RB, WC
Base Revenue	32%	(877)		(877)				(877)	RB, WC
Payroll	27%	(343)		(343)				(343)	RB, WC
DIRECT	100%	(284,322)		(284,322)				(284,322)	RB, WC
Payroll	27%	(404,193)		(404,193)				(404,193)	
Base Revenue	32%	(642,293)		(642,293)				(642,293)	RB, WC
Payroll	27%	68		68				68	
Base Revenue	32%	(80,413)		(80,413)				(80,413)	RB, WC
DIRECT	100%	(1,564,650)		(1,564,650)				(1,564,650)	RB, WC
DIRECT	100%	(184,304)		(184,304)				(184,304)	RB, WC

DIRECT	100%	(770,232)	(270,232)	(270,232) RB, WC
Base Revenue	39%	(50,384)	(50,384)	(50,384) RB, WC
Payroll	21%	(3,197)	(3,197)	(3,197) RB, WC
Base Revenue	32%	(575,527)	(575,527)	(575,527) RB, WC
Plant	40%	(392,772)	(392,772)	(392,772) RB, WC
DIRECT	100%	(65,376)	(65,376)	(65,376) RB, WC
Payroll	21%	(292,994)	(292,994)	(292,994) RB, WC
Base Revenue	32%	(46,436)	(46,436)	(46,436) RB, WC
DIRECT	100%	(848)	(848)	(848)
DIRECT	100%	(4,275)	(4,275)	(4,275)
Pro-Rata of Consolidated	29%	-	-	- CS
DIRECT	100%	-	-	- CS
		-	-	
DIRECT	100%	(975,354)	(975,354)	(975,354) RB, WC
DIRECT	100%	(79,603)	(79,603)	(79,603) RB, WC
DIRECT	100%	60	60	60 RB, WC
DIRECT	100%	-	-	- RB
DIRECT	100%	-	-	- CS
DIRECT	100%	-	-	- CS

(34,238,947)	232,669	(34,006,278)	23,490	(245,245)	(170,628)	(34,398,661)
--------------	---------	--------------	--------	-----------	-----------	--------------



Schedule B-18

FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY:FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION

Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown  
Projected Test Year Ended: 12/31/2008  
Prior Year Ended: 12/31/2005  
Historical Test Year Ended: 12/31/2006  
#N/A

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

NOT APPLICABLE

System  
Inventory

Coal  
Petcoke  
Residual Oil  
Distillate Oil  
Natural Gas  
Biomass  
Other

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

B-19

Schedule B-15

MISCELLANEOUS DEFERRED DEBITS

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION		Provide a schedule showing the following information for miscellaneous deferred debits for the test year. Minor items less than 5% of the account total or amounts less than \$10,000, whichever is greater, may be disclosed by classes.		Type of Data Shown: Proposed Test Year Ended: 12/31/2008 Prior Year Ended: 12/31/2005 Historical Test Year Ended: 12/31/2006 Witness: Cheryl Martin	
COMPANY FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO. 070304-E1							
Line No.	Description	Balance at Beginning of Year	Debits	Account	Credits	Amount	Balance at End of Year
1860	21 O.U. RECC. RY-FUEL	1,611,846	1,707,678	4010 5501		11,611,846	1,707,678
1860	51 O.U. RECC. JURY-CONSERVATION	-	-	4010 5061		-	-
1860	1 MISC DEFERRAL P.R.	-	218,706	2320 8		(209,322)	-
1860	1 MISC DIRECT DEFERRAL	255,672	-	NET ACTIVITY		(67,847)	255,672
1860	1 MISC ALLOCATED DEFERRAL	-	-			-	-
							25,788
							36,586
							16,823

Supporting Schedules

ACCOUNT	DESCRIPTION	SUB ACCOUNT	COMPANY	Sum of DEC 05	Sum of JAN 06	Sum of FEB 06	Sum of MAR 06	Sum of APR 06	Sum of MAY 06	Sum of JUN 06	Sum of JUL 06	Sum of AUG 06	Sum of SEP 06	Sum of OCT 06	Sum of NOV 06	Sum of DEC 06
1860	OTHER W/TP DEF'D DEBT	100	100	888,676	654,612	515,235	613,071	591,848	578,143	561,417	544,702	521,514	536,745	479,184	501,874	475,117
1860	MISC DEF DR-PENNY ELIMINATION	23	100	-	-	81	115	132	151	177	151	129	131	171	113	-
1860	MISC DEF DR-UNDIST CAPT P.R.	2	114	-	3,604	4,073	8,459	10,315	13,300	-	1,560	6,959	8,374	10,159	13,830	-
1860	DEF'D DEBT-CONSERVATION EXP	2	114	-	-	-	-	-	-	-	-	-	-	-	-	-
1860	MISC DEF-DR-UNDIST. ELECTRIC	2	114	1,008,215	524,158	1,002,021	918,013	923,487	1,023,356	1,092,733	1,008,715	949,366	865,372	781,354	817,152	758,477
1860	DEF'D DEBT-UNDERREC CONSERV	21	114	0	0	0	0	0	0	0	0	0	0	0	0	0
1860	TEMPORARY FACILITIES	1	114	51	425	560	275	235	793	1,221	383	318	430	394	116	99

Supporting Schedules

Recap Schedules

Schedule B-20

## OTHER DEFERRED CREDITS

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a Schedule showing the following information for other deferred credits for the test year. Minor items less than 5% of the account total, or amounts less than \$10,000, whichever is greater, may be grouped by classes.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Balance at Beginning of Year	Contra Accounts	Debits	Amount	Credits	Balance at End of Year
2530.21	Overrec. Fuel	(1,152,894)		4000.4561	845,464	(1,152,894)	(845,464)
2530.61	Overrec. Conservation	(107,034)		4000.4566	109,222	(46,840)	(44,652)
2530	Misc. Current Liabilities - Deferred Gain	-		4030.1			-
Total					954,686	(1,199,734)	(890,116)

Supporting Schedules:

Recap Schedules:

Schedule B-21

ACCUMULATED PROVISION ACCOUNTS -  
228.1, 228.2, and 228.4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide a schedule of the amounts charged to operating expenses and the amounts accrued and charged to the provision account balances, for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2005

Historical Test Year Ended 12/31/2006

Witness: Cheryl Martin

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Line No.	Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description Of Charge	Charged to Operating Expenses
	2006							
1860.21 O/U RECOVERY-FUEL		1,611,846	1,707,678	(1,611,846)	-	1,707,678	4010.5551	
1860.61 O/U RECOVERY-CONSERVATION		-	-	-	-	-	4010.9061	
1860.3 MISC DEFERRED P/R		-	218,706	(209,322)	-	-	2320.8	
1860.1 MISC DIRECT DEFERRED		306,949		(67,847)	-	239,102	NET ACTIVITY	
1860.1 MISC ALLOCATED DEFERRED		-	-	-	-	-	NET ACTIVITY	

Account 228.1Account 228.2Account 228.4

Supporting Schedules

Recap Schedules:

Schedule B-22

## TOTAL ACCUMULATED DEFERRED INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

For each of the accumulated deferred income tax accounts (Nos. 190, 281, 282, 283), provide annual balances beginning with the historical base year in the last rate case and ending with the end of the test year.

Type of Data Shown:

Historical Years Ended 12/31/02-05

Historical Year Ended 12/31/06

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Annual Period	Account 190 Accumulated Deferred Income Taxes Dr(Cr)	Account 281 Accumulated Deferred Income Taxes Cr(Dr)	Account 282 Accumulated Deferred Income Taxes Cr(Dr)	Account 283 Accumulated Deferred Income Taxes Cr(Dr)	Net Accumulated Deferred Income Taxes Cr(Dr)
1.	2002	276,744	-	(3,237,733)	(463,922)	(3,424,911)
2.	2003	381,597	-	(3,900,770)	(621,861)	(4,141,034)
3.	2004	177,124	-	(4,743,236)	(837,951)	(5,404,063)
4.	2005	997,076	-	(5,521,877)	(606,968)	(5,131,769)
5.	2006	1,157,594	-	(6,321,264)	(514,205)	(5,677,875)
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						

Supporting Schedules:

Recap Schedules: B-3

Schedule B-23

## INVESTMENT TAX CREDITS - ANNUAL ANALYSIS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide an analysis of accumulated investment tax credits generated and amortization of investment tax credits on an annual basis beginning with the historical base year in the last rate case and ending with the end of the test year.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Annual Period	Beginning Balance	Amortization	Ending Balance
1.	2002	340,648	56,525	284,122
2.	2003	284,122	52,124	231,999
3.	2004	231,999	39,727	192,271
4.	2005	192,271	34,988	157,283
5.	2006	157,283	32,322	124,961

Supporting Schedules:

Recap Schedules:

Schedule B-24

LEASING ARRANGEMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the data specified for leasing arrangements in effect during the test year and prior year.

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2005  
Historical Test Year Ended 12/31/2006  
Witness: Cheryl Martin

Leasing Payments for prior year:	\$
Leasing Payments for test year:	\$
Leasing Payments, Remaining Life Contracts	\$

Describe Leasing Agreements Whose Lifetime Costs Exceed \$10 Million

Asset	Original Cost	Annual Payment	Life of Contract	Disposition of Asset, Provision for Purchase
NOT APPLICABLE				

Supporting Schedules:

Recap Schedules:

Schedule B-25

ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

Page \_\_\_ of \_\_\_

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a statement of changes in accounting policy for the test year and the prior year. If appropriate, explain any changes in accounting procedures for the projected test year and the effect, if any, of the use of a non-calendar test year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Prior Year Ended 12/31/2005  
 Historical Test Year Ended 12/31/2006  
 Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:



Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
Documents	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Computer	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
1/2 Floppy (A:	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
P3014 (C:)	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
OXIO122 (D:	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Exhibit 2.8	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
BACHMA	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
COX	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
KHOJAS	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
MARTIN	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
MESITE	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
neider on 'fp2	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
p on 'Ground	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ings on 'FP3	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
g on 'Ground	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
o on 'Ground	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
s on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
ansfer on 'Gr	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
26dos on 'Gr	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
at on 'Ground	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ublic on 'Grou	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
etwork Places	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
le Bin	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Thursday, August 02, 2007 2:32 PM  
**To:** Troy Darryl; Khojasteh Mehrdad; Cox Doreen; Mesite Jim  
**Subject:** FW: Updated G schedules  
**Attachments:** G-MFRS-8-02-07-Nolinks.xls

Here are the Gs. Thanks Cheryl Martin

**From:** Mike Welsh [mailto:mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 02, 2007 2:09 PM  
**To:** Martin Cheryl  
**Subject:** Updated G schedules

Cheryl: Here are the updated G schedules - should be ready for printing. The rates tabs are still highlighted in yellow because I am not sure how we want to handle the correction factors and adjustment for lighting.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,936
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6488
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	811,123

Supporting Schedules: G2, G-19a, G-7, G-18

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 2003 Rate Case Proceeding								(24,312)		(24,312)
Eliminate 1/2 Deferred Rate Case										
7 Expense Per 2003 Rate Case								(116,540)		(116,540)
Eliminate Fuel Under-Recover Per										
8 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241

Supporting Schedules: G3

\* Includes Account 2520 - Customer Advances for Construction

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26				
27	<u>Company Adjustment:</u>			
28	None			

Suppirtng schedules:

Recap Schedules: G-2

## PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

FLORIDA PUBLIC UTILITIES

Electric Division

070304-EI

Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
Electric Plant in Service:				
Intangible				
Production:				
Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	
Total Production	-	-	-	
Transmission:				
Land and Land Rights	74,148	74,148	74,148	100%
Structure and Improvements	22,007	22,007	22,007	100%
Station Equipment	2,414,632	2,414,632	2,414,632	100%
Towers & Fixtures	224,665	224,665	224,665	100%
Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
U.G. Conductor and Devices	-	-	-	
Roads and Trails	6,788	6,788	6,788	100%
Total Transmission	6,947,302	6,947,302	6,947,302	100%
Distribution:				
Land and Land Rights	32,878	32,878	32,878	100%
Structure and Improvements	96,042	96,042	96,042	100%
Station Equipment	5,673,433	5,673,433	5,673,433	100%
Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
Line Transformers	12,830,071	12,830,071	12,830,071	100%
Services	8,005,494	8,005,494	8,005,494	100%
Meters	3,335,843	3,335,843	3,335,843	100%
Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
Street Lighting	1,177,470	1,177,470	1,177,470	100%
Total Distribution	58,317,743	58,317,743	58,317,743	100%
General Plant	5,522,761	5,522,761	5,522,761	100%
Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
Adjustments	(67,783)	(67,783)	(67,783)	100%
Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

**3640**

## Accumulated Depreciation:

## Intangible

## Production:

Steam	-	-	-	
Nuclear	-	-	-	
Other	-	-	-	
Total Production	<u>-</u>	<u>-</u>	<u>-</u>	

## Transmission:

Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
Station Equipment	(581,595)	(581,595)	(581,595)	100%
Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
U.G. Conductor and Devices	-	-	-	
Roads and Trails	(3,785)	(3,785)	(3,785)	100%
Total Transmission	<u>(2,126,145)</u>	<u>(2,126,145)</u>	<u>(2,126,145)</u>	100%

## Distribution:

Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
Street Lighting	(438,848)	(438,848)	(438,848)	100%
Total Distribution	<u>(25,612,714)</u>	<u>(25,612,714)</u>	<u>(25,612,714)</u>	100%
General Plant	<u>(3,075,994)</u>	<u>(3,075,994)</u>	<u>(3,075,994)</u>	100%
Total Electric Accumulated Depreciation	<u>(30,814,853)</u>	<u>(30,814,853)</u>	<u>(30,814,853)</u>	100%
Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
Adjustments	33,670	33,670	33,670	100%
Total Accumulated Reserve	<u>(32,165,812)</u>	<u>(32,165,812)</u>	<u>(32,165,812)</u>	100%

NET PLANT IN SERVICE	40,143,388	40,143,388	40,143,388	100%
----------------------	------------	------------	------------	------

## CWIP:

Production	-	-	-	
Transmission	12,803	12,803	12,803	100%
Distribution	1,067,683	1,067,683	1,067,683	100%
Customer Accounts	-	-	-	
General	296,070	296,070	296,070	100%
Customer Services	-	-	-	
Allocated Common	85,048	85,048	85,048	100%
Adjustments	(7,343)	(7,343)	(7,343)	100%
Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%

## CWIP - NOT BEARING INTEREST

Production	
Transmission	
Distribution	
Total CWIP Not Bearing Interest	

**3641**

PLANT HELD FOR FUTURE USE  
UNAMORTIZED NUCLEAR SITE  
WORKING CAPITAL

Net of Current Assets and Current Liabilities	1,687,010	1,687,010	1,687,010	100%
Preliminary Survey and Investigation Charges	-	-	-	
Prepayments	270,889	270,889	270,889	100%
Clearing Accounts	-	-	-	
Unamortized Deferred O & M	-	-	-	
Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
Property Insurance Reserves				
Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
Total Adjusted Rate Base	<u>38,057,542</u>	<u>38,057,542</u>	<u>38,057,542</u>	100%

---

Schedules: G2, G19-a, G-7, G-18

Recap Schedules: G2



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5	1820.2	Commision Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
6							
7		Adjusted Current and	5,728,901	-	5,728,901	100%	5,728,901
8		Accrued Assets					
9							
10		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
11		Liabilities					
12							
13		Adjustments to Current and					
14		Accrued Liabilities					
15		(Specify)					
16							
17		NONE					
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33		Adjusted Current and					
34		Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
35							
36		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
37							
38		Unbilled Revenue					
39		Adjustments (Specify)	-	-	-	100%	-
40							
41		Adjusted Working Capital					
42		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

Supporting Schedules:

Recap Schedules: G-2

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Prior Year Ended 12/31/2007  
Projected Test Year Ended 12/31/2008  
Witness: Jim Mesite

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

Not Applicable

System Coal  
Inventory Petcoke  
Residual Oil  
Distillate Oil  
Natural Gas  
Biomass  
Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

## Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules: G-8

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules: G-7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	----------------------------------

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Account No.	Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	Adjustments (6) Franchise Fees	(7) Other (Specify)	(8) Other (Specify)	(9) Total (4)thru(8)	(10) Adjusted Total (3)+(9)
<b>SALES OF ELECTRICITY</b>											
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
<b>OTHER OPERATING REVENUES</b>											
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4,561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4,562	MISC.ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5

Recap Schedules: G-7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4				(Income tax adjustment for interest calculated of 1,473,593 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6		-	-				
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS: TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35		-	-				
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741			\$ (952,363)		
37	STATE INCOME TAX (\$ 5% OR APPLICABLE RATE OF L36)	\$ 138,641			\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)			30,252		
41		1,241			0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)			\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764			(22,128)		

SUPPORTING SCHEDULES C-22, G-13

RECAP SCHEDULES G-7

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ 2,383,420			\$ (899,983)	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$ 810,363			\$ (305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51			(149,901)			132,334	
52			7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (142,734)			\$ 132,334	
58							
59	FEDERAL INCOME TAX		\$ 667,629			\$ (173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	113,764	667,629	781,393			
74	DEFERRED INCOME TAXES	(22,128)	(173,660)	(195,788)			
75	INVESTMENT TAX CREDITS, NET			(32,322)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	1,567,647	N/A

Supporting Schedules:

Recap Schedules: G-12

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		Not Applicable		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$	100.00%		%
		=====	=====		=====

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended __/__/__
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	---

No gains or losses

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Specify Account No.)	-

Supporting Schedules: C-17

Recap Schedules:

---

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

---

We do not have any changes in accounting policy.

---

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen CoxCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	97.240%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.348%
8.	Net Before Federal Income Tax (5) - (7)	91.892%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	31.243%
11.	Revenue Expansion Factor (8) - (10)	60.649%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6488

Supporting Schedules:

Recap Schedules: G-1



## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		7.80%	1,473,580

Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
<b>Conventional Capital Structure, 2007</b>				
10. Long Term Debt	50,443,237	0.5080	8.03%	4%
11. Short Term Debt	3,309,077	0.0333	7.29%	0%
12. Preferred Stock	600,000	0.0060	4.75%	0%
13. Common Equity	44,943,721	0.4526	10.50%	5%
14. TOTAL	99,296,036	1.0000	0%	9%

Rate Base	38,057,241
Direct Components	6,952,231
	<u>\$31,105,010</u>
Jurisdictional Factor	31.33%

Supporting Schedules: G-2

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
----------	------------------	-------------	----------------------	------------	-----------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	<u>Increase</u>	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,049,599	456,053	6.01%
GS	1,448,830	1,535,844	87,014	6.01%
GSD	2,208,265	2,340,889	132,624	6.01%
GSLD	643,312	681,948	38,636	6.01%
GSLD1	545,955	578,744	32,789	6.01%
Outdoor Lighting	853,003	904,233	51,230	6.01%
Street Lighting	212,743	225,520	12,777	6.01%

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase		
						Dollars	Percent	
1	805	44.00	52.00	35,420	41,860	#	18.18%	
2	5,395	19.00	23.00	102,505	124,085	#	21.05%	
3	196	27.00	33.00	5,292	6,468	#	22.22%	
4	972	37.00	44.00	35,964	42,768	#	18.92%	
5	68	60.00	93.00	4,080	6,324	#	55.00%	
6	152	44.00	51.00	6,688	7,752	#	15.91%	
7	3,487	11.50	14.00	40,101	48,818	#	21.74%	
8	541	Per Statute	Per Statute	16,518	16,518	#	0.00%	
TOTAL		11,616			246,568	#	48,026	19.48%
*1	Initial Establishment of 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	Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service							
7	Collection Charge							
8	Returned Check Charge							

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Charges	<u>Present Revenue Calculation</u>			<u>Rate Schedule RS</u>			<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	23,454	10.00	2,814,440	23,454	10.60	2,983,470				6.01%
T-O-D	0	-	-	-	-	-				
Total	23,454		2,814,440	23,454		2,983,470				6.01%
KWH Charge:										
Standard	349,930,593	0.01373	4,804,547	349,930,593	0.0145546	5,093,099				6.01%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	349,930,593		4,804,547	349,930,593		5,093,099				6.01%
Etc.										
Total Base Revenue (Calculated)			7,618,987			8,076,568				6.01%
Correction Factor										
Total Base Revenue (Booked)										

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	3,411	14.00	572,978	3,411	14.84	607,390	6.01%
T-O-D	0	-	-	-	-	-	
Total	3,411		572,978	3,411		607,390	6.01%
KWH Charge:							
Standard	59,621,785	0.01373	818,607	59,621,785	0.0145546	867,771	6.01%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	59,621,785		818,607	59,621,785		867,771	6.01%
Etc.							
Total Base Revenue (Calculated)			1,391,585			1,475,161	6.01%
Correction Factor							
Total Base Revenue (Booked)							

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	699	44.00	369,292	699	46.64	391,471	6.01%
T-O-D	0	-	-	-	-	-	
Total	699		369,292	699		391,471	6.01%
KWH Charge:							
Standard	178,753,210	0.00232	414,707	178,753,210	0.0024593	439,614	6.01%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Primary 1% discount	1,771,200	-2.32E-05	(41)	1,771,200	-2.459E-05	(44)	
Total	180,524,410		414,666	180,524,410		439,570	6.01%
KW Charge							
Standard	574,289	2.48	1,424,238	574,289	2.6289438	1,509,774	
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	6.02%
Primary 1% discount	6,042	-0.0248	(150)	6,042	-0.0262894	(159)	
Primary \$0.55 discount	6,042	-0.55	(3,323)	6,042	-0.55	(3,323)	
Total	586,373		1,420,765	586,373		1,506,292	
Total Base Revenue (Calculated)			2,204,723			2,337,334	6.01%
Correction Factor							
Total Base Revenue (Booked)							

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	20	75.00	18,000	20	79.50	19,081				6.01%
T-O-D	0	-	-	-	-	-				
Total	20		18,000	20		19,081				6.01%
KWH Charge:										
Standard	92,691,048	0.00086	79,714	92,691,048	0.0009116	84,502				6.01%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	25,402,800	-8.6E-06	(218)	25,402,800	-9.116E-06	(232)				
Total	118,093,848		79,496	118,093,848		84,270				6.01%
KW Charge										
Standard	198,159	2.89	572,680	198,159	3.0635676	607,074				
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	49,209	-0.0289	(1,422)	49,209	-0.0306357	(1,508)				
Primary \$0.55 discount	49,209	-0.55	(27,065)	49,209	-0.55	(27,065)				
Total	296,577		544,193	296,577		578,502				6.30%
Total Base Revenue (Calculated)			641,689			681,853				6.26%
Correction Factor										
Total Base Revenue (Booked)										

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD1			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	2	600.00	14,400	2	636.03	15,265	6.01%
T-O-D	0	-	-	-	-	-	
Total	2		14,400	2		15,265	6.01%
KWH Charge:							
Standard	159,780,000	-	-	159,780,000	0	-	0.00%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	159,780,000		-	159,780,000		-	0.00%
KW Charge							
Standard	472,200	1.12	528,864	472,200	1.187265	560,627	6.01%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Total	472,200		528,864	472,200		560,627	6.01%
KVAR Charge							
Standard	11,216	0.24	2,692	11,216	0.2544139	2,854	6.01%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	11,216		2,692	11,216		2,854	6.01%
Total							
Total Base Revenue (Calculated)			545,956			578,745	6.01%
Correction Factor							
Total Base Revenue (Booked)							

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Facility	Present Rates						Proposed Rates							
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.63	\$1.30	\$0.84	\$7.77	\$173,781	6.01%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.24	\$2.29	\$0.43	\$4.96	\$28,993	6.01%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.12	\$4.90	\$0.75	\$11.77	\$3,589	6.01%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.05	\$12.88	\$1.92	\$29.85	\$4,388	6.01%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.97	\$12.88	\$1.78	\$28.63	\$77,507	6.01%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.58	\$12.88	\$2.35	\$34.81	\$4,595	6.01%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.44	\$1.30	\$1.01	\$9.75	\$12,405	6.01%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.63	\$1.30	\$0.84	\$7.77	\$91,145	6.01%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.71	\$1.30	\$2.77	\$20.78	\$2,306	6.01%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.58	\$1.30	\$1.93	\$19.81	\$5,211	6.01%
150w HPS Acorn-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.25	\$1.94	\$1.60	\$16.79	\$12,761	6.01%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.72	\$1.94	\$2.29	\$23.95	\$19,109	6.01%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.63	\$1.94	\$1.00	\$10.57	\$13,253	6.01%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.84	\$2.26	\$2.33	\$24.43	\$880	6.01%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.28	\$2.26	\$1.89	\$19.42	\$85,410	6.01%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.57	\$2.58	\$0.37	\$11.51	\$38,267	6.01%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.30	\$3.21	\$1.28	\$14.80	\$10,655	6.01%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.80	\$3.21	\$1.18	\$12.19	\$39,778	6.01%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.25	\$3.21	\$2.10	\$21.56	\$4,485	6.01%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.75	\$5.15	\$1.18	\$14.08	\$19,765	6.01%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.02	\$5.15	\$1.45	\$18.63	\$1,155	6.01%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.10	\$5.15	\$1.22	\$14.47	\$69,542	6.01%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.34			\$12.34	\$14,597	6.01%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.48			\$9.48	\$1,658	6.01%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.29			\$6.29	\$13,980	6.01%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.74			\$10.74	\$58,803	6.01%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$61,034	6.01%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.48			\$10.48	\$14,782	6.01%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.17			\$7.17	\$43	6.01%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,442	6.01%

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Type of Facility	Present Rates							Proposed Rates						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.98	\$3.91	\$18,967	6.01%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.90	\$1.11	\$7.09	\$496	6.01%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.98	\$3.91	\$21,029	6.01%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.90	\$1.11	\$7.09	\$6,170	6.01%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.93	\$12.88	\$5.48	\$27.29	\$3,602	6.01%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.19	\$441	6.01%
100w HPS Cobra Head- SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.52	\$1.30	\$2.25	\$7.07	\$98,133	6.01%
150w HPS Acorn -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.43	\$1.94	\$4.96	\$15.33	\$3,863	6.01%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.71	\$1.94	\$3.46	\$10.10	\$9,759	6.01%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.99	\$2.26	\$1.38	\$21.63	\$2,855	6.01%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.52	\$2.58	\$2.32	\$9.41	\$33,333	6.01%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.33	\$3.21	\$3.18	\$10.72	\$27,929	6.01%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.42	\$3.21	\$4.35	\$14.98	\$3,775	6.01%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.06	\$5.15	\$3.56	\$13.77	\$2,850	6.01%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.75	\$5.15	\$9.35	\$22.25	\$1,825	6.01%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.99			\$11.99	\$1,295	6.01%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.32			\$8.32	\$100	6.01%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.13			\$6.13	\$6,213	6.01%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.20			\$9.20	\$2,208	6.01%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.95			\$2.95	\$5,826	6.01%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.29			\$10.29	\$2,717	6.01%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD

Documents

Computer

1/2 Floppy (A:

P3014 (C:)

DXIO122 (D:

Exhibit 2.8

BACHMA

COX

KHOJAS

MARTIN

MESITE

leider on 'fp2

p on 'Grounc

ings on FP3

g on 'Ground

o on 'Ground

23 on 'Grounc

s on 'Grounc

ansfer on 'Gr

26dos on 'Gr

at on 'Ground

blic on 'Grou

etwork Places

le Bin

## FW: Updated pricing - Message (HTML) (Read-Only)

File Edit View Insert Format Tools Actions Help

Reply Reply to All Forward

From: Bachman George

Sent: Thu 4/12/2007 9:03 AM

To: Cox Doreen

Cc:

Subject: FW: Updated pricing

Attachments: Bond Pricing 4.11.07.pdf

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.

A few things to note - while Treasury prices have fallen and so raised yield due to the diminished expectation of a rate cut by the Fed because of continued strong job growth and the specter of inflation, credit spreads have not shrunk concomitantly as they often 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.

mfrindex\_AL XLS (52).msg

76 KB Outlook Item 10/16/2007 2:26 PM

Files Currently on the CD

mfrindex\_AL XLS (83).msg

76 KB Outlook Item 10/16/2007 1:36 PM

Files Currently on the CD

76 KB Outlook Item 10/16/2007 1:36 PM

Files Currently on the CD

**Clara Leider**

**From:** Bachman George  
**Sent:** Thursday, April 12, 2007 9:03 AM  
**To:** Cox Doreen  
**Subject:** FW: Updated pricing  
**Attachments:** Bond Pricing 4.11.07.pdf

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.

A few things to note - while Treasury prices have fallen and so raised yield due to the diminished expectation of a rate cut by the Fed because of continued strong job growth and the specter of inflation, credit spreads have not shrunk concomitantly as they often 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

Jeffrey W. Strobel

Director, Investment Banking  
A.G. Edwards & Sons, Inc.  
One North Jefferson  
St. Louis, MO 63103  
314-955-6707  
314-955-7387 (fax)  
strobeltjw@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



	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%
<b>All-in-Cost of Financing to Maturity</b>	<b>5.83%</b>	<b>6.05%</b>	<b>6.16%</b>	<b>6.99%</b>	<b>6.28%</b>

(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).

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; DEVELOPER AGREEMENT - EARLEY.DOC

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know....always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.

We need to process this ASAP.

Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## BUILDER AGREEMENT

**THIS BUILDER AGREEMENT** (this "Agreement") is made and entered into effective this \_\_\_\_ day of \_\_\_\_\_, 2007 (the "Effective Date"), by and between Florida Public Utilities Company, a Florida corporation ("Company"), and Morrison Homes, a Florida corporation ("Builder") (Company and Builder may sometimes be collectively referred to as the "Party" or "Parties").

### W I T N E S S E T H

**WHEREAS**, Builder intends to build a community named Wellington Woods, consisting of, among other improvements, approximately one hundred forty-seven (147) residences, located in Volusia County, Florida (the "Project"). A legal description of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference; and

**WHEREAS**, Company desires to install a natural gas distribution system within the Project in order to make service available from time to time to owners, occupants and residents of the Project and Builder has agreed to permit Company to install such a system to service the Project, pursuant to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Company and Builder hereby agree as follows.

#### 1. Installation of Gas Distribution System.

1.1. Installation. Company agrees to install a natural gas distribution system within the residential portions of the Project, including all necessary distribution lines, meters and ancillary facilities (collectively, the "Gas Distribution System") as Company deems reasonably necessary to provide natural gas service to owners, occupants and residents within the Project. From time to time, Company shall install additional lines, meters and ancillary facilities ("System Extensions") which Company deems reasonably necessary to extend the Gas Distribution System to other areas of the Project in order to supply gas service to non-residential portions of the Project that apply for and qualify for gas service from Company. For purposes of this Agreement, the term "Gas Distribution System" shall include any System Extensions that are added by Company.

1.2. Location. The location of the gas lines and all infrastructure and improvements relating to the Gas Distribution System shall be subject to Builder's prior written approval, which approval shall not be unreasonably withheld or delayed. Prior to commencing installation of the Gas Distribution System, Company shall provide, for Builder's review and comment, plans and specifications in accordance with which the Gas Distribution System is to be installed ("Gas Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each being a,

"Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

1.3. Preparation for Installation and Easements.

1.3.1. Builder agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed and such additional portions of the project as are reasonably necessary for Company to access, maintain and operate the Gas Distribution System. Within fifteen (15) days after Builder approves the location of all or any portion of the Gas Distribution System (in accordance with Section 1.2 hereof), Builder shall grant to Company (or cause the owner of the appropriate property to grant to Company) such easements as are reasonably necessary for Company to construct, operate, maintain and repair the Gas Distribution System within the Project.

1.3.2. Builder has provided Company a plat of all or a portion of the Project (recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Volusia County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Builder shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Builder hereby grants Company an easement over those portions of the Project designated on Project Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.

1.3.3. Builder reserves the right to relocate any easement granted to Company if Builder deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Builder of its desire to amend an easement, Builder shall be required (prior to amendment of the easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Builder desires to relocate any easement

relating to a portion of the Gas Distribution System after the system has been installed, Builder must first, (i) obtain Company prior written consent (which consent shall not be unreasonably withheld or delayed) and (ii) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

- 1.4. Coordination of Installation. Company agrees to cooperate with Builder with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Builder's construction and development of the Project. Builder has provided Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Builder's Construction Schedule"). Builder acknowledges that Company will rely upon the Builder's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System.
- 1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.
- 1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Builder, Company agrees that the Gas Distribution System shall be complete and operational to provide natural gas service to the first completed residential structure utilizing natural gas service, in the Project, at least ten (10) calendar days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure within the Project.

## **2. Minimum Gas Compliant Units; Installation of Internal Piping**

### **2.1. Minimum GCU.**

- 2.1.1. Builder acknowledges that Company will make a substantial economic investment in order to construct the Gas Distribution System and that Company is willing to undertake such investment given Company's anticipated usage of the Gas Distribution System by current and future owners, occupants or residents in the Project. In consideration for the substantial investment made by Company in constructing the Gas Distribution System and the mutual covenants contained herein, Builder

agrees that one hundred forty-seven (147) residential units in the Project shall have installed therein (a) 50-gallon gas water heater, (b) gas central heating or hydro heat system ("Minimum Required GCU"). In addition, Builder agrees that all model and speculative residential units in the Project shall have installed therein the GCU minimum, plus at least two additional gas appliances, i.e., gas range, gas fireplace, gas dryer, gas summer kitchen or gas spa /pool heater. Each residential unit constructed in compliance with the foregoing two (2) sentences shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances". Additionally, Builder agrees to install a cumulative total of 4,900 additional therms (Required Therms/Minimum Required Therms) in the project, in addition to the minimum GCU requirements. The therm rate schedule is attached hereto as Exhibit "D."

2.1.2. Builder shall, within fifteen (15) days after completion of the last GCU in the Project, pay Company an omission fee for Minimum Required Therms ("Therm Omission Fee") equal to the Therm Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of Required Therms in the Project from the Minimum Required Therms. The Therm Omission Rate shall equal  $\$7.90 \times (1 + (\text{Time} \times .04))$ . And Builder shall, within fifteen (15) days after completion of each non-GCU in the Project, pay Company an omission fee ("GCU Omission Fee") equal to the GCU Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the Minimum Required GCU. The GCU Omission Rate shall equal  $\$570.00 \times (1 + (\text{Time} \times .04))$ . Time shall mean the number of years (and partial years) between the Effective Date and the date upon which the Therm Omission Fee and GCU Omission Fee is paid. Nothing contained in this Section 2.1.2 shall be construed as limiting other remedies available to Company as result of the Builder's failure to comply with the Minimum Required GCU requirement set forth herein.

2.2. Installation. Builder shall provide all labor, materials, equipment and supervision to install (at no cost to Company) each Appliance. Company shall provide all gas internal piping, venting and other equipment (the "Internal Piping") necessary to service the gas appliances installed in each GCU and to connect same to the external gas meter installed by Company at an external location (reasonably selected by Company) at each GCU.

2.2.1. Optional Additional piping. At the request of owner or Authorized Builder, whichever is applicable, the Company shall install any or all of the optional piping and/or apparatus (the "Optional Piping and Facilities") in any qualified Unit, provided owner or Authorized Builder provides company sufficient notice such that it may install the Optional piping and Facilities simultaneously with installation of the qualified Unit Connection and Piping.



- 2.2.2. Owner or Builder shall reimburse Company for the cost of installation of the Optional Piping and Facilities in accordance with Exhibit "C." For purposes of this Agreement, references to the "Qualified Unit Connection and Piping" shall include any Optional Piping and Facilities requested to be installed by owner or authorized Builder.
- 2.2.3. If Company is requested to install gas internal piping for a gas appliance (Gas Drop) that will *not* be utilized, or is designated for future use, Owner or Builder shall reimburse Company for the cost at a rate of \$160 per Gas Drop. At the beginning of the third year of this Agreement and continuing annually thereafter, this cost shall increase at the rate of four percent (4%) per year.

2.3. Ownership of Internal Piping, Appliances and External Piping.

- 2.3.1. All piping, meters, vents and other equipment installed by company between the main line of the Gas Distribution System and the external meter installed by Company at each GCU (including such meter) (the "External Piping") shall be the exclusive property of the Company. Company shall at all times maintain the External Piping, including the meter, in accordance with the requirements of all appropriate governmental agencies.
- 2.3.2. The Internal Piping and the Appliances shall be the exclusive property of the Builder and its successors and assigns. Builder or the successor or assign of Builder with respect to each GCU shall at all time during and following the expiration or earlier termination of this Agreement, service, maintain, repair and replace the Internal Piping and the Appliances.

3. **Successors, Assigns And Assignment.** The Builder and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Builder desires to convey to other builders or Builders any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such builder or Builder expressly assumes all of the obligations and responsibilities of Builder hereunder (to the reasonable satisfaction of Company). Similarly, if Builder desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly assuming all of the obligations and responsibilities of Builder hereunder (such resolution being to the reasonable satisfaction of Company).
4. **Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the

public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

5. **Duration.**

5.1. **Expiration; Automatic Extension.** Subject to Subsection 5.2 hereof, this Agreement shall automatically expire on June 1, 2017. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.

5.2. **Early Termination.** Notwithstanding any provision contained herein to the Contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU has been constructed and Company has made the GCU Payment thereof.

5.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement

6. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

If to Builder: Morrison Homes Orlando  
151 Southhall Lane, Suite 200  
Maitland, FL 32751-7172  
Attn: Steven R. Earl, Vice President, Purchasing  
Fax No. 407.629.5282  
Phone No. 407.629.0077

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Director of Marketing  
Fax No. 561.833.8562  
Phone No. 561.838.1714

With a copy to: Florida Public Utilities Company  
450 South Highway 17-92  
Debary, FL 32713  
Attn: Donald Kitner, Director  
Fax No. 386.668.2692  
Phone No. 386-668-2600

7. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Builder and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Builder cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Builder is a party and that a dispute shall not be submitted to such binding arbitration if there are any third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 8 shall survive expiration or any termination of this Agreement.

8. **Indemnity.**

- 8.1. Company agrees to protect, defend, reimburse, indemnify and hold the Builder, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Builder, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Builder by reason of the negligent or intentional installation of the Gas Distribution System by Company; provided however, that Company shall not be responsible to Builder for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Builder, its respective agents, servants, employees, officers, tenants, residents or homeowners.
- 8.2. Builder agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Builder and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Builder shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.
- 8.3. This Section 8 shall survive the expiration or early termination of this Agreement.

9. **Damages to Property; Limitation on Liability.**

- 9.1. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Builder at Company's expense. Any damage caused to Company's equipment by Builder, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Builder's expense. Builder will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.
- 9.2. Company shall have no liability to Builder or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, damages for personal injury, loss of profits or savings, loss of use, or any other damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by Company's negligence or misconduct.

10. **Miscellaneous.** This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Builder. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.
11. **Recording.** This Agreement may be recorded by Company among the Public Records of the County in which the Project is located.
12. **Exclusivity.** During the term of this Agreement and for any subsequent terms thereafter, Builder agrees that Company has an exclusive right to provide natural gas services to the Project and that Builder will not grant, or allow others to grant any easement or right-of-way for purposes of delivering natural gas service. Builder certifies that there is no existing contractual agreement with any third party for the provision of natural gas service to the Project, with the exception of this Agreement.

[remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared, Marc S. Seagrave, as Director of Marketing and Sales of FLORIDA PUBLIC UTILITIES COMPANY, a Florida corporation, who is personally known to me, and who acknowledged to and before me that he/she executed the foregoing instrument freely and voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**BUILDER:**

MORRISON HOMES ORLANDO  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of Morrison Homes Orlando, a Florida corporation, who is  
either personally known to me or who provided \_\_\_\_\_ as identification, and who  
acknowledged to and before me that he/she executed the foregoing instrument freely and  
voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**



**EXHIBIT "B"**  
**BUILDER'S CONSTRUCTION SCHEDULE**

**EXHIBIT "C"**  
**SCHEDULE OF CHARGES FOR OPTIONAL GAS PIPING AND FACILITIES**

The following per single-family residence optional piping charges shall apply for the first two (2) years of the term of this Agreement:

	CHARGE
Fuel Line to Gas Grill	\$95.00
Fuel Line to Fireplace	\$95.00
Fuel Line to Gas Pool/Spa Heater	\$95.00
Fuel Line to Gas Generator	\$95.00

At the beginning of the third year of the term of this Agreement and continuing annually thereafter, the above-listed costs shall increase at the rate of three percent (3%).

## EXHIBIT "D"

### Appliance Therm Rate Schedule

#### Estimated Annual Therms

#### Required Appliances

- Water Heater
  - 50 gallon 150
  - 75 gallon 190
  - Rinnai – commercial & large residential 170
- Furnace
  - 60,000 – 90,000 BTU 110
  - 90,001 – 120,000 BTU 130
  - 120,001 & Greater BTU 150
  - Hydro-heat 110

#### Optional Appliances

- Range or gas cooktop & gas wall oven 35
- Dryer 50
- Fireplace 40
- Pool / Spa Heater 250
- Grill 20
- Generator 00

#### NOTE:

Additional like kind gas appliances per residential unit will receive 50% of the estimated therm load for calculation purposes. Example: 1-75 gallon and 1-50 gallon water heaters are installed at one residential unit the second water heater would be considered 75 therms. The second like kind appliance is the smaller of the units for calculating Minimum Required Therms.

## Clara Leider

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; DEVELOPER AGREEMENT - EARLEY.DOC

Fyi...They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know....always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing. We need to process this ASAP.

Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## 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 <b>Project Name</b>                    | Short description of investment.  |
| 2 <b>Beginning In Year</b>               | Projected year that the project will commence.  |
| 3 <b>Piping Allowance</b>                | Estimated Piping Allowance per class of customer if not capitalized (see note 24).  |
| 4 <b>Occupancy Rate</b>                  | Anticipated occupancy level.  |
| 5 <b>Cost of Service per Customer</b>    | Estimated cost of providing service to each class of customer.  |
| 6 <b>Mains</b>                           | Cost of installing main per year.   |
| 7 <b>New Residential Customers</b>       | Estimated residential customer added each month for each year.  |
| 8 <b>Therms per Customer each Month</b>  | Average monthly therms per residential customer.  |
| 9 <b>New General Service Customers</b>   | Estimated General Service customers added each month for each year.   |
| 10 <b>Therms per Customer each Month</b> | Average monthly therms per General Service customer.  |
| 11 <b>New Large Volume Customers</b>     | Estimated Large Volume customer added each month for each year.   |
| 12 <b>Therms per Customer each Month</b> | Average monthly therms per Large Volume customer.   |
| 13 <b>Gas Lighting Service</b>           | Estimated other customer added each month for each year.  |
| 14 <b>Therms per Customer each Month</b> | Average monthly therms per other customer.  |
| 15 <b>Customer Charge</b>                | Estimated Customer Charge for Other Customers added.  |
| 16 <b>Other Income</b>                   | Other "non base revenue" estimated positive cash flows to be generated by the project for each year.<br>Note - pass-through revenues, such as fuel and gross receipts tax are not to be included. |
| 17 <b>Other Expenses</b>                 | Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions.<br>Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.     |
| 18 <b>AEP Worksheet</b>                  | 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

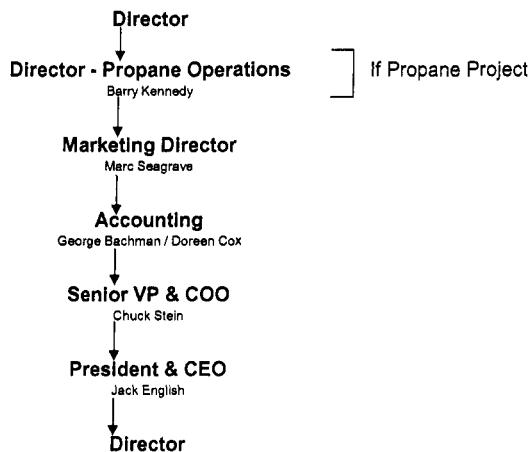
### NPV MODEL ASSUMPTIONS

- 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 **WELLINGTON WOODS, DELAND**  
Beginning in Year **2007**

Prepared By: **B.Z.**  
Date: **3/31/2008**  
I.R. #:   
AEP #:

R  
Residential Commercial Industrial Gas Lights  
Piping Allowance \$ **100**

Occupancy Rate: **100%**

## Construction:

SERVICES-cost per customer:	Residential	General Serv	Large Volume	Gas Lights	Year	1st	2nd	3rd	4th	Total Main \$	
	\$	437			MAINS:	79,305				79,305	
Enter Customers ADDED each Month by Tariff Rate Schedule below:										Total Service \$	Total Const
										64,206	\$ 143,511

### 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							1	1	1	1	1	1	6	6	516.25	516.25	249.56	168
2	2	2	2	2	2	2	2	2	2	2	2	2	24	30	3835	5605	2709.46	1,824
3	2	3	2	2	3	2	3	2	1	2	2	1	25	55	4326.6667	13176.66667	6369.60	4,288
4	2	2	3	2	2	3	2	2	2	2	2	3	27	82	4277.5	20502.5	9910.91	6,672
5	2	3	3	3	2	3	2	2	2	2	2	2	28	110	4744.5833	28934.58333	13986.98	9,416
6	2	1	3	1	2	3	1	2	3	1	2	1	22	132	3613.75	36063.75	17433.22	11,736
7	1	2	1	2	1	1	1	1	1	1	1	1	14	146	2409.1667	41349.16667	19988.19	13,456
8	1												1	147	295	43365	20962.64	14,112
9													0	147	0	43365	20962.64	14,112
10													0	147	0	43365	20962.64	14,112

Therms per Customer each month: 24.58 << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-
Therms per Light each month:													0	0	0	0	0.00	-
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	1,624	496	516	558	578	454	165											
-----																		

## Area Expansion Program

Project Name: WELLINTON WOODS, DELAND

I.R. #: 0

AEP #: 0

Prepared By: B.Z.

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 48,789 As computed on Wkst  
 ROR 8.070% Company's Authorized Rate  
 T1 10 Years for collection  
 T2 1 (1 if total therms used for T1)  
 TH 276,243 Total 10 year therms  
 AEPS \$ 0.248 Original calculation

Initial \_\_\_\_\_ Date \_\_\_\_\_

Prepared By: \_\_\_\_\_

Approved By: Dir of Mktg

Fin Analyst

CFO

COO

CEO

### Construction and Revenue Summary:

Estimated Construction Cost (CC): \$ 115,121 Four year Construction Costs  
 Four Years Revenue (MACC)\*: 66,332 Four years revenue

Net Excess Construction Cost (ECC): \$ 48,789

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	516	0	0	0	516
2	5605	0	0	0	5605
3	13177	0	0	0	13177
4	20503	0	0	0	20503
5	28935	0	0	0	28935
6	36064	0	0	0	36064
7	41349	0	0	0	41349
8	43365	0	0	0	43365
9	43365	0	0	0	43365
10	43365	0	0	0	43365
Total	276,243	-	-	-	276,243

### \*\* Rate Breakdown: AEPS / therm

RS Residential 0.300  
 GS General Service 0.199  
 LVS Large Volume Service 0.148  
 Gas Lights 0.110

RATIO: THIS % of therms per class are counted in 10 year therm total

100.0000%  
 66.4191%  
 49.2532%  
 36.5929%

### Projected Cash Flow of: Revenue

Revenue										AEP collection:						
	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 (cost of money)	charge	Total Cost To be recovered	
Year																
1	250	168	-	-	-	-	-	-	\$ 418	\$ 48,789	\$ 155	\$ 48,634	\$ 1,962	\$	\$ 50,597	
2	2,709	1,824	-	-	-	-	-	-	4,533	-	1,682	48,915	4,015		52,931	
3	6,370	4,288	-	-	-	-	-	-	10,658	-	3,953	48,978	4,112		53,090	
4	9,911	6,672	-	-	-	-	-	-	16,583	-	6,151	46,939	4,036		50,975	
5	13,987	9,416	-	-	-	-	-	-	23,403	-	8,680	42,295	3,763		46,058	
6	17,433	11,736	-	-	-	-	-	-	29,169	-	10,819	35,239	3,280		38,519	
7	19,988	13,456	-	-	-	-	-	-	33,444	-	12,405	26,115	2,608		28,723	
8	20,963	14,112	-	-	-	-	-	-	35,075	-	13,010	15,713	1,793		17,506	
9	20,963	14,112	-	-	-	-	-	-	35,075	-	13,010	4,496	888		5,384	
10	20,963	14,112	-	-	-	-	-	-	35,075	-	13,010	(7,625)	(90)		(7,716)	
Total	\$ 133,536	\$ 89,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,432	\$ 48,789	\$ 82,873		\$ 26,368			

# Cash Flow Investment Analysis

Date: 3/31/2008 Revision # 12.4

Procedure No. ACT-5.11

Effective Date: 8/28/2006

Initial Date

Project Title: **WELLINGTON WOODS, DELAND**  
Beginning in Year: **2007**

Prepared By:  
Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

## Input Area:

REGULATED / NON-REGULATED  
R

	Residential	Commercial	Industrial	Gas Lights
Annual Therms per Customer / Light	295	-	-	-
Piping Allowance	\$ 100	\$ -	\$ -	\$ -
Cost of SERVICE per Customer	\$ 437	\$ -	\$ -	\$ -
Customer Charge (mth)	\$8.00	\$15.00	\$45.00	\$0.00
Non-Fuel Charge (therm)	\$0.48340	\$0.32107	\$0.23809	\$0.17689
Year	2007	2008	2009	2010
New Residential Customers	6	24	25	27
New Commercial Customers	-	-	-	-
New Industrial Customers	-	-	-	-
New Gas Lights	-	-	-	-
Total Customers added for year	6	24	25	27
Cumulative Customers	6	30	55	82
Total Gas Lights added for year	0	0	0	0
Cumulative Gas Lights	0	0	0	0
Other Income	0	0	0	0
Other Expenses	1623.9	495.6	516.25	557.55
Capital expenditures on Services	2,621	10,483	10,919	11,793
Capital Expenditures (Exc. Services)	79,305	-	-	-
Upfront Capital Exp (Contributions) <sup>1</sup>	(48,789)	-	-	-
Total Capital Expenditures by Year	\$ 33,137	\$ 10,483	\$ 10,919	\$ 11,793

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	6	24	25	27	28	22	14	1	-	-	-	-	-	-	-	-	-	-	-
New Commercial Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Industrial Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Gas Lights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Customers added for year	6	24	25	27	28	22	14	1	0	0	0	0	0	0	0	0	0	0	0
Cumulative Customers	6	30	55	82	110	132	146	147	147	147	147	147	147	147	147	147	147	147	147
Total Gas Lights added for year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Gas Lights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	1623.9	495.6	516.25	557.55	578.2	454.3	165.2	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures on Services	2,621	10,483	10,919	11,793	12,230	9,609	6,115	437	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures (Exc. Services)	79,305	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Upfront Capital Exp (Contributions) <sup>1</sup>	(48,789)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures by Year	\$ 33,137	\$ 10,483	\$ 10,919	\$ 11,793	\$ 12,230	\$ 9,609	\$ 6,115	\$ 437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Output Area: Cash Flow by Year

Total Base Revenue	\$418	\$4,533	\$10,658	\$16,583	\$23,403	\$29,169	\$33,444	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$418	\$4,533	\$10,658	\$16,583	\$23,403	\$29,169	\$33,444	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075	\$35,075
O&M Expense (Incl TOTI)	129	1,405	3,304	5,141	7,255	9,042	10,368	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873
Other Expenses	1,624	496	516	558	578	454	165	0	0	0	0	0	0	0	0	0	0	0	0
Amortized Piping Cost	86	429	786	1,171	1,571	1,886	2,086	2,014	1,671	1,314	929	529	214	14	14	14	14	14	14
Depreciation, Book	2,209	2,908	3,636	4,422	5,237	5,878	6,286	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
	4,048	5,237	8,242	11,292	14,642	17,260	18,904	19,202	18,859	18,502	18,117	17,717	17,402	17,202	17,202	17,202	17,202	17,202	17,202
Operating Income before Income Tax	(3,631)	(704)	2,416	5,291	8,761	11,909	14,540	15,872	16,215	16,572	16,958	17,358	17,672	17,872	17,872	17,872	17,872	17,872	17,872
Adjust to cash flow:																			
Add: Depreciation, Book	2,209	2,908	3,636	4,422	5,237	5,878	6,286	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Add: Amortized Piping	86	429	786	1,171	1,571	1,886	2,086	2,014	1,671	1,314	929	529	214	14	14	14	14	14	14
Less: Actual Income Tax	(1,827)	(1,889)	(693)	433	1,878	3,516	5,087	6,347	6,758	6,904	6,962	6,992	7,000	7,001	7,000	7,000	7,000	7,000	7,000
After Tax Cash Flow (before capital investments)	491	4,521	7,531	10,452	13,692	16,156	17,824	17,855	17,444	17,298	17,240	17,209	17,202	17,201	17,202	17,202	17,202	17,202	17,202
Less: Piping Costs	600	2,400	2,500	2,700	2,800	2,200	1,400	100	0	0	0	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	33,137	10,483	10,919	11,793	12,230	9,609	6,115	437	-	-	-	-	-	-	-	-	-	-	-
Memo: Cumulative Capital Expenditure	33,137	43,619	54,539	66,332	78,561	88,170	94,285	94,722	94,722	94,722	94,722	94,722	94,722	94,722	94,722	94,722	94,722	94,722	94,722
Asset remaining value																			
Net Cash Flow (w/ 15 yr ending book value)	(33,246)	(8,361)	(5,889)	(4,041)	(1,338)	4,347	10,310	17,318	17,444	17,298	17,240	17,209	17,202	17,201	17,202	17,202	17,202	17,202	17,202

Net Present Value (fifteen years) \$ **86,000** Zero = Meets Required Return

Operating Income before Income Tax	(3,631)	(704)	2,416	5,291	8,761	11,909	14,540	15,872	16,215	16,572	16,958	17,358	17,672	17,872	17,872	17,872	17,872	17,872	17,872
Less: Interest Costs*	1,263	1,581	1,805	1,959	2,009	1,844	1,452	794	131	0	0	0	0	0	0	0	0	0	0
Net Income before Taxes	(4,894)	(2,285)	611	3,333	6,752	10,065	13,088	15,078	16,084	16,572	16,958	17,358	17,672	17,872	17,872	17,872	17,872	17,872	17,872
Less: Book Income Tax (37.63%)	(1,841)	(860)	230	1,254	2,540	3,786	4,924	5,672	6,051	6,235	6,380	6,530	6,648	6,724	6,724	6,724	6,724	6,724	6,724
Net Income after Book I/T	(3,053)	(1,425)	381	2,079	4,212	6,278	8,164	9,406	10,033	10,338	10,578	10,828	11,024	11,149	11,149	11,149	11,149	11,149	11,149
Earnings Per Share - Investment																			
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Cumulative Net Cash Flow	(33,246)	(41,607)	(47,496)	(51,537)	(52,875)	(48,527)	(38,218)	(20,900)	(3,456)	13,842	31,082	48,291	65,493	82,694	292,860	292,860	292,860	292,860	292,860
Cumulative Depr. Reserve	2,209	5,117	8,753	13,175	18,413	24,291	30,576	36,891	43,206	49,521	55,835	62,150	68,465	74,780	81,095	81,095	81,095	81,095	81,095
Cumulative Piping Allowance	514	2,486	4,200	5,729	6,957	7,271	6,586	4,671	3,000	1,686	757	229	14	(0)	(14)	(14)	(14)	(14)	(14)
Book Rate of Return	-5.69%	0.38%	4.37%	6.86%	9.27%	11.42%	13.68%	16.32%	18.64%	22.05%	26.68%	33.01%	41.96%	55.91%	81.90%	81.90%	81.90%	81.90%	81.90%
Economic Value Added (EVA)	(4,285)	(2,951)	(1,509)	(252)	1,367	2,967	4,475	5,533	6,007	6,690	7,440	8,199	8,905	9,539	203,013	203,013	203,013	203,013	203,013
NPV (EVA) \$	89,000																		

Average Rate of Return on Investment:

Revenue Comparison:

Customer Totals:

15 Yr Total

Net Present Value of Cap. Exp	81,106																			
Net Present Value of Pip. Exp.	11,583																			

## Summary of Rates used

Depreciation Book %	6.67%	Required Return	8.07%																	
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%																	

Copy of REGULATED 15 YEAR NPV Template3/31/20083 39 PM

CONFIDENTIAL

Added Residential Customers 147  
Added Commercial Customers -  
Added Industrial Customers -  
Cumulative Customers 147  
Capital Expenditure per Customer \$ 644

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

REQUIRED RETURN

REGULATED NON-REGULATED

8.07%	15.00%
-------	--------

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON REV.DOC; Copy of REGULATED 15 YEAR.xls;  
 NGS 10 2003 W NEW LOWER THERMS.xls; Summary.doc; Wellington Woods  
 Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls;  
 DEVELOPER AGREEMENT - EARLEY.DOC

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know... always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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

# FLORIDA PUBLIC UTILITIES COMPANY

## REQUEST FOR NEW GAS SERVICE

Residential ☒ Commercial ☐ Industrial ☐  
 Delray Beach ☐ West Palm Beach ☐ Central ☒

Customer Name MORRISON HOMES Social Security # \_\_\_\_\_  
 DBA/ or C/O WELLINGTON WOODS Telephone # \_\_\_\_\_  
 Service Address Orange Camp Road  
 City & State Deland Zip 32724 Premise # \_\_\_\_\_  
 Mailing Address \_\_\_\_\_ Zip \_\_\_\_\_

Request For: Main Extension ☒ Relocation ☐ Set & Lock Date \_\_\_\_\_  
 New Service ☒ Abandonment ☐ Turn-On Date \_\_\_\_\_  
 Reactivate Service ☐ Turn-On Charge \_\_\_\_\_  
 Meter Deposit \_\_\_\_\_  
 Gas Account Number \_\_\_\_\_ Converted From \_\_\_\_\_  
 Tax District DG70 Rate (AEP)  
 State Tax \_\_\_\_\_  
 Gas Pressure: 5.5" ☐ 7" ☐ 11" ☐ 12" ☐ 2psi ☒ 5 psi ☐ 20psi ☐  
 S.I.C. \_\_\_\_\_ Meter Reading Route # ??? Pressure Factor \_\_\_\_\_

Natural ☒  
 Propane ☐  
 Metered ☒  
 Bulk ☐

units	Equipment	BTUH	Therms/Year	Total Therms	ON	MOD.	SCFH	LP CFH
1.0	Water Heater	40,000	150	150			40	
1.0	Additional therms	60,000	33	33			60	
0.0	Dryer	80,000	50	0			80	
1.0	Central Heat	80,000	110	110			80	
0.0	Fireplace	40,000	40	0			40	
0.0	Spa/Pool Heater	400,000	250	0			400	
0.0	Grill/Summer Kitchen	40,000	20	0			40	
0.0	Light	2,000	120	0			2	
				0			0	
Total Therms per Year				293			742	0.0

System Map Page \_\_\_\_\_ Hourly Max 594 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Map Book Page \_\_\_\_\_ Demand: Ave 371 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Plans Attached \_\_\_\_\_ Min. 74 SCFH-Daily Hrs @ this rate \_\_\_\_\_  
 Number of Customers 147 Total Hours \_\_\_\_\_  
 Total Annual Therms 293  
 Annual Customer Charge \$96.00 Revenues - Customer Charge \$14,112.00  
 Non-Fuel Energy Charges 0.48340 Revenues - Non-Fuel Charge \$20,841.84  
 Four Year Estimated Non-Fuel Revenues \$139,815.36  
 Estimated Construction Cost \$140,453.87  
 Negative Number Indicates Contribution Required (\$638.51)

Permits Required ☐ Easement Required ☐ Estimated Start Date 03/01/07  
 Estimated Completion \_\_\_\_\_

SPECIAL PROVISIONS: \_\_\_\_\_

Cycle/Route \_\_\_\_\_ Initial \_\_\_\_\_ Date Turned On \_\_\_\_\_ Completed By \_\_\_\_\_  
 Submitted By: B. ZIEGLER  
 Approved By: \_\_\_\_\_ 03/31/08

# FLORIDA PUBLIC UTILITIES COMPANY

## REQUEST FOR NEW GAS SERVICE

Residential ☒ Commercial ☐ Industrial ☐  
 Delray Beach ☐ West Palm Beach ☐ Central ☒

Customer Name MORRISON HOMES Social Security # \_\_\_\_\_  
 DBA/ or C/O WELLINGTON WOODS Telephone # \_\_\_\_\_  
 Service Address Orange Camp Road Alternate # \_\_\_\_\_  
 City & State Deland Zip 32724  
 Mailing Address 0 Zip \_\_\_\_\_

Request For: Main Extension ☒ Relocation ☐ Set & Lock Date \_\_\_\_\_  
 New Service ☒ Abandonment ☐ Turn-On Date \_\_\_\_\_  
 Reactivate Service ☐ Turn-On Charge \_\_\_\_\_  
 Meter Deposit \_\_\_\_\_ Converted From \_\_\_\_\_

Gas Account Number \_\_\_\_\_  
 Tax District DG70 Rate (AEP)  
 State Tax \_\_\_\_\_  
 Gas Pressure: 5.5" 7" 11" 12" 2psi ☒ 5 psi ☐ 20psi ☐  
 S.I.C. 0 Pressure Factor \_\_\_\_\_

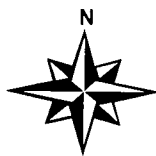
units	Equipment	BTUH	Therms/Year	Total Therms	ON	MOD.	SCFH	LP CFH
1	Water Heater	40,000	150	150		0	40	
1	Additional therms	60,000	33	33	0	0	60	
0	Dryer	80,000	50	0	0	0	80	
1	Central Heat	80,000	110	110	0	0	80	
0	Fireplace	40,000	40	0	0	0	40	
0	Spa/Pool Heater	400,000	250	0	0	0	400	
0	Grill/Summer Kitchen	40,000	20	0	0	0	40	
0	Light	2,000	120	0	0	0	2	
				0		0	0	
Total Therms per Year				293			742	0

System Map Page \_\_\_\_\_ Hourly Max 594 0 SCFH-Daily Hrs @ this rate 0  
 Map Book Page \_\_\_\_\_ Demand: Ave 371 0 SCFH-Daily Hrs @ this rate 0  
 Plans Attached \_\_\_\_\_ Min. 74 0 SCFH-Daily Hrs @ this rate 0  
 Information to be suppl - Total Hours 0

Meter Required: Make \_\_\_\_\_ Size & Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 Meter By-Pass Required \_\_\_\_\_ Full \_\_\_\_\_ Meter Only \_\_\_\_\_ Perm \_\_\_\_\_ Temp. \_\_\_\_\_  
 Meter in Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Regulator Required: Make \_\_\_\_\_ Size & Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 Regulator in Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Overpressure Protection: IRV \_\_\_\_\_ Monitor Regulator \_\_\_\_\_ Relief Valve \_\_\_\_\_  
 Make \_\_\_\_\_ Size and Type \_\_\_\_\_ Capacity \_\_\_\_\_  
 In Stock ? \_\_\_\_\_ To Be Ordered \_\_\_\_\_ Date Ordered \_\_\_\_\_ P.R. No. \_\_\_\_\_  
 Metering Pressure \_\_\_\_\_ W.C. \_\_\_\_\_ PSI Compensating Index \_\_\_\_\_ Factor \_\_\_\_\_  
 Estimated Cost of Meter Set Installed \$ \_\_\_\_\_  
 Remarks \_\_\_\_\_

Completed By \_\_\_\_\_ Date \_\_\_\_\_  
 Approved By \_\_\_\_\_ Date \_\_\_\_\_  
 Meter # \_\_\_\_\_ Issued By \_\_\_\_\_ Date \_\_\_\_\_  
 Meter Set Date 03/31/08 Recorded By \_\_\_\_\_ Date \_\_\_\_\_

TO OPERATIONS - RETURN TO SALES





**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; DEVELOPER AGREEMENT - EARLEY.DOC

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know....always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.

We need to process this ASAP.

Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201



Approved By:	Dir of Mktg	_____
	Dir of Propane	_____
	Fin Analyst	_____
	CFO	_____
	COO	_____
	CEO	_____
	Division Dir	_____

### **Wellington Woods, Deland**

- Project is a medium-size natural gas community on Orange Camp Road, located near three of our other natural gas communities – Crystal Cove, Carriage Homes and Victoria Park.
- The builder, Morrison Homes, opted to go with natural gas to remain competitive in our natural gas corridor.
- This is an AEP project that is expected to be paid off in its ninth year.
- Proposed development will service 147 homes of which 147 will be required to be gas-compliant homes (water heater & furnace plus 4,900 additional therms).
- The first homes are expected to be built by mid-2007.
- The developer of the project is Earley Development, Inc. of Orlando. There will be a separate agreement for builder and for developer.
- Homes will be approximately 2500 square feet, with beginning prices of \$300,000.
- Homes will utilize water heater, furnace, and range. Builder anticipates piping for gas dryers, but revenue has not been included. Fireplaces and summer kitchens will be offered, but not included in the revenue analysis. Builder is seriously considering adding gas lighting for the entry way.
- NPV yields a 19% Average ROR on investment.
- The distribution system will consist of approximately 11500' of 2" PE main, 6200' of 1 1/4" PE main, and approximately 7000' of 3/4" service line.
- Morrison Homes ranks as one of the nation's top 25 homebuilders for home sales, with presence in California, Nevada, Arizona, Colorado, Texas and Florida.
- This is the first time FPU has partnered with this national builder.

450 S. Hwy. 17-92, DeBary, Florida, 32713-9703

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; ~~DEVELOPER AGREEMENT - EARLEY.DOC~~

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know... always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

***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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.  
We need to process this ASAP.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

140 Minimum Services

3/4" CTS. PE Serv. to Serve:

Wellington Woods

Orange Camp Road, Deland

DESCRIPTION

Prep. by:

Scribren

Date:

03/31/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Setting:

#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
3/4" PE Service Line:								
3/4" PE Pipe	7,000	LF.	\$0.15	1050.00				\$1,050.00
3/4" PE Tap Tee	140	EA.	\$7.00	980.00				\$980.00
3/4" Tap Tee (Stl.)	0	EA.	\$20.00	0.00				\$0.00
3/4" Trans. Fitting	0	EA.	\$10.00	0.00				\$0.00
3/4" Riser Assy.	140	EA.	\$13.50	1890.00				\$1,890.00
3/4" Meter Stop & Plug	140	EA.	\$13.00	1820.00				\$1,820.00
3/4" PE 90 Degrees or 3-Way Tee	0	EA.	\$2.50	0.00				\$0.00
Tracer Wire & Warning Tape	7,000	FT.	\$0.07	490.00				\$490.00
Misc. Fitting	1	Lot	\$420.00	420.00				\$420.00
Frt. & Handling	\$6,650.00		37.00%	2460.50				\$2,460.50
Sub - Total				0.00	9110.50	0.00	0.00	\$9,110.50
Install Service:								
3/4" PE Pipe	0	LF.	\$2.05			0.00		\$0.00
Directional Bore	0	LF.	\$10.50			0.00		\$0.00
3/4" PE Bore	0	FT.	\$6.80			0.00		\$0.00
3/4" PE Tap Tee	0	EA.	\$9.00			0.00		\$0.00
3/4" Tap Tee (Stl.)	0	EA.	\$11.00			0.00		\$0.00
3/4" Trans Fitting	0	EA.	\$8.25			0.00		\$0.00
3/4" Riser Assy.	0	EA.	\$5.75			0.00		\$0.00
3/4" PE Fittings	0	EA.	\$5.40			0.00		\$0.00
Under 75' Minimum	140	LF.	\$225.00			31500.00		\$31,500.00
Asph.(Remove & Replace)	0	CF.	\$19.40			0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$21.25			0.00		\$0.00
Restore Sod	0	SF.	\$0.90			0.00		\$0.00
Hand Ditch	0	FT.	\$1.70			0.00		\$0.00
FPUC Crew	0	Day	\$350.00	0.00		0.00		\$0.00
Eng. & Inspection	1	Lot		0.00		0.00		\$0.00
Permit	1	Lot					0.00	\$0.00
SUB - TOTAL				0.00	0.00	0.00	31500.00	\$31,500.00
Meter Set & Reg.	1	Lot	\$20,538.00	6161.40	12322.80	2053.80		\$20,538.00
140 AC-250 Meter Sets				6161.40	21433.30	2053.80	31500.00	\$61,148.50
EST. SERVICE COST								
TOTAL EST. MAIN COST								\$0.00
TOTAL EST. MAIN COST								
CIAC BASED EST. MAIN COST								
CIAC BASED TOTAL EST. PROJECT COST				6161.40	21433.30	2053.80	31500.00	\$61,148.50
TOTAL EST. PROJECT COST				6161.40	21433.30	2053.80	31500.00	\$61,148.50
(PROPOSED IR AMOUNT EARNINGS BASIS)								

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; DEVELOPER AGREEMENT - EARLEY.DOC

Fyi...They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know....always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.  
We need to process this ASAP.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201



## COST ESTIMATE DETAIL

Prep. by: Scribber

Date:

03/31/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings\

1\_1/4" IPS. PE Main Ext. to Serve:

Wellington Woods

Orange Camp Road, Deland

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
---	----------------	------------	-------------	-------------	--------	---------------	------------	----------------

1\_1/4" PE Main Extension:

1_1/4" PE Pipe	6,200	LF.	\$0.33					\$2,046.00
1_1/4" PE Tap Tee	0	EA.	\$12.00					\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$68.50					\$0.00
1_1/4" Trans. Fitting	0	EA.	\$14.00					\$0.00
1_1/4" PE 90 Degrees or 3-Way Tee	6	EA.	\$3.50					\$21.00
1_1/4" PE Cap	0	EA.	\$2.50					\$0.00
1_1/4" PE Valve	0	EA.	\$160.00					\$0.00
Tracer Wire & Warning Tape	6,200	FT.	\$0.07					\$434.00
Misc. Fitting	1	Lot	\$25.00					\$25.00
Frnt. & Handling	\$2,526.00		\$0.37					\$934.62
Sub - Total				\$0.00	\$3,460.62	\$0.00	\$0.00	\$0.00
								\$3,460.62

Install Main: 1\_1/4" PE

1_1/4" PE Pipe	6,200	LF.	\$2.25			\$13,950.00		\$13,950.00
1_1/4" PE Tap Tee	0	EA.	\$9.00			\$0.00		\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$11.00			\$0.00		\$0.00
1_1/4" Trans Fitting	0	EA.	\$10.85			\$0.00		\$0.00
1_1/4" PE Fittings	6	EA.	\$6.75			\$40.50		\$40.50
1_1/4" PE Valve	0	EA.	\$11.00			\$0.00		\$0.00
Directional Bore	0	LF.	\$10.50			\$0.00		\$0.00
Push & Pull 1_1/4" PE	0	LF.	\$6.80			\$0.00		\$0.00
Under 500' Premium	0	FT.	\$0.32			\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.40			\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$21.25			\$0.00		\$0.00
Restore Sod	0	SF.	\$0.90			\$0.00		\$0.00
Hand Ditch	650	FT.	\$1.90			\$1,235.00		\$1,235.00
Extra Depth (Over 42")	0	FT.	\$0.75			\$0.00		\$0.00
FPUC Crew	2.00	Day	\$350.00	\$595.00		\$105.00		\$700.00
Eng. & Inspection	1	Lot	\$4,500.00	\$3,825.00		\$675.00		\$4,500.00
Survey	1	Lot						\$0.00
Permit	1	Lot						\$0.00
Misc. Labor	1	Lot	\$500.00			\$500.00		\$500.00

SUB - TOTAL				\$4,420.00	\$0.00	\$780.00	\$15,725.50	\$0.00	\$20,925.50
-------------	--	--	--	------------	--------	----------	-------------	--------	-------------

TOTAL EST. MAIN COST				\$4,420.00	\$3,460.62	\$780.00	\$15,725.50	\$0.00	\$24,386.12
----------------------	--	--	--	------------	------------	----------	-------------	--------	-------------

(MAIN Cost Per FT.)

\$3.93

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls; NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls; DEVELOPER AGREEMENT - EARLEY.DOC

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know... always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*Marc E. 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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.  
We need to process this ASAP.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

Prep. by: Scribner

Date:

03/31/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

2" PE Main Ext. To Serve:

Wellington Woods

Orange Camp Road, Deland

DESCRIPTION

#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
2" PE Main Ext.								
2" PE Pipe	11500 LF.	\$0.53		6095.00				\$6,095.00
2" PE H.V.S.P.	0 EA.	\$74.00		0.00				\$0.00
2" T.D.W. (Stl.) Punch Tee	0 EA.	\$90.00		0.00				\$0.00
2" Trans Fitting	0 EA.	\$21.00		0.00				\$0.00
2" PE 90 Degree or 3-Way Tee	6 EA.	\$7.50		45.00				\$45.00
2" PE Cap	1 EA.	\$3.50		3.50				\$3.50
2" PE Valve	0 EA.	\$210.00		0.00				\$0.00
Tracer Wire & Warning Tape	11500 FT.	\$0.07		805.00				\$805.00
Misc. Fitting	1 Lot	\$25.00		25.00				\$25.00
Frt. & Handling	\$6,973.50	37.00%		2580.20				\$2,580.20
Sub - Total			0.00	9553.70	0.00	0.00	0.00	\$9,553.70

Install 2" PE Main:

2" PE Pipe	11500 LF.	\$2.85				32775.00		\$32,775.00
2" H.V.S.P.	0 EA.	\$14.00				0.00		\$0.00
2" T.D.W. Tap Tee	0 EA.	\$16.25				0.00		\$0.00
2" Trans Fitting	0 EA.	\$11.00				0.00		\$0.00
2" PE Fittings	7 EA.	\$8.65				60.55		\$60.55
Directional Bore	0 LF.	\$10.50				0.00		\$0.00
Push & Pull 2" PE	0 LF.	\$8.10				0.00		\$0.00
2" PE Valve	0 EA.	\$11.00				0.00		\$0.00
Under 500'Premium	0 LF.	\$0.32				0.00		\$0.00
Asph.(Remove & Replace)	0 CF.	\$19.40				0.00		\$0.00
Conc.(Remove & Replace)	0 CF.	\$21.25				0.00		\$0.00
Restore Sod	0 SF.	\$0.90				0.00		\$0.00
Hand Ditch	1200 FT.	\$1.90				2280.00		\$2,280.00
Extra Depth (Over 42")	0 FT.	\$0.75				0.00		\$0.00
FPUC Crew	3 Day	\$350.00	892.50		157.50			\$1,050.00
Eng. & Inspection	1 Lot	\$8,000.00	6800.00		1200.00			\$8,000.00
Survey	1 Lot						0.00	\$0.00
Permit	1 Lot						0.00	\$0.00
Misc. Labor or Minimum Charges	1 Lot	\$1,200.00				1200.00		\$1,200.00

SUB - TOTAL \$7,692.50 \$0.00 \$1,357.50 ##### \$0.00 \$45,365.55

TOTAL EST. MAIN COST 7692.50 9553.70 1357.50 36315.55 0.00 \$54,919.25

=====

(MAIN Cost Per FT.) \$4.78

**Clara Leider**

**From:** Dysard Heidi  
**Sent:** Wednesday, February 21, 2007 12:25 PM  
**To:** Cox Doreen; Bachman George  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High  
**Attachments:** BUILDER AGRMT - MORRISON\_REV.DOC; Copy of REGULATED 15 YEAR.xls;  
 NGS\_10\_2003\_W\_NEW\_LOWER THERMS.xls; Summary.doc; Wellington Woods  
 Services.xls; Wellington Woods Main 1.25in PE.xls; Wellington Woods Main 2in PE.xls;  
DEVELOPER AGREEMENT - EARLEY.DOC

Fyi... They are shooting to get that revised project approved today. Doreen has the hard copy at her desk.

*Heidi Dysard*

**From:** Seagrave Marc  
**Sent:** Wednesday, February 21, 2007 11:46 AM  
**To:** Stein Chuck  
**Cc:** Kitner Don; Dysard Heidi  
**Subject:** FW: Wellington Woods - resubmitted  
**Importance:** High

Chuck,

I am in full agreement with what Don and his team is trying to accomplish in terms of the builder and developer agreement requirements. Due to the fact that we are going to a minimum therm requirement as opposed to a by appliance requirement, Don is going to track at the division the actual therms connected progress during build-out.

This project was previously approved, but with the changes from fixed appliance requirements to appliances and minimum therms, you required re-approval. Can you contact Don while you are out and discuss with him so we may receive a verbal from you? Heidi is going to hand circulate the approval packet and hopefully you or JTE if necessary can give the go-ahead today. Don states the developer is requesting to sign immediately so we can get started.

I know....always a rush, but I actually should have had this to you on Monday but let it slip because Don had sent this over the weekend and I forgot about it.

Sorry!!

*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:** Kitner Don  
**Sent:** Saturday, February 17, 2007 1:56 PM  
**To:** Seagrave Marc  
**Subject:** Wellington Woods - resubmitted

Attached is the entire package. Chuck wants it resubmitted for approvals. Also, please do not change the RNGS as the only one approved by the division is attached. The revisions/changes in the revised agreement are shaded in yellow for ease of review. The shading will need to be removed for final printing.  
We need to process this ASAP.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## DEVELOPER AGREEMENT

**THIS DEVELOPER AGREEMENT** (this "Agreement") is made and entered into effective this \_\_\_\_ day of \_\_\_\_\_, 2007 (the "Effective Date"), by and between Florida Public Utilities Company, a Florida corporation ("Company"), and Earley Development, Inc., a Florida corporation ("Developer") (Company and Developer may sometimes be collectively referred to as the "Party" or "Parties").

### WITNESSETH

**WHEREAS**, Developer intends to build a community named Wellington Woods, consisting of, among other improvements, approximately one hundred forty-seven (147) residences, located in Volusia County, Florida (the "Project"). A legal description of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference; and

**WHEREAS**, Company desires to install a natural gas distribution system within the Project in order to make service available from time to time to owners, occupants and residents of the Project and Developer has agreed to permit Company to install such a system to service the Project, pursuant to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Company and Developer hereby agree as follows.

1. **Installation of Gas Distribution System.**

1.1. **Installation.** Company agrees to install a natural gas distribution system within the residential portions of the Project, including all necessary distribution lines, meters and ancillary facilities (collectively, the "Gas Distribution System") as Company deems reasonably necessary to provide natural gas service to owners, occupants and residents within the Project. From time to time, Company shall install additional lines, meters and ancillary facilities ("System Extensions") which Company deems reasonably necessary to extend the Gas Distribution System to other areas of the Project in order to supply gas service to non-residential portions of the Project that apply for and qualify for gas service from Company. For purposes of this Agreement, the term "Gas Distribution System" shall include any System Extensions that are added by Company.

1.2. **Location.** The location of the gas lines and all infrastructure and improvements relating to the Gas Distribution System shall be subject to Developer's prior written approval, which approval shall not be unreasonably withheld or delayed. Prior to commencing installation of the Gas Distribution System, Company shall provide, for Developer's review and comment, plans and specifications in accordance with which the Gas Distribution System is to be installed ("Gas Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each

being a, "Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

1.3. Preparation for Installation and Easements.

- 1.3.1. Developer agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed and such additional portions of the project as are reasonably necessary for Company to access, maintain and operate the Gas Distribution System. Within fifteen (15) days after Developer approves the location of all or any portion of the Gas Distribution System (in accordance with Section 1.2 hereof), Developer shall grant to Company (or cause the owner of the appropriate property to grant to Company) such easements as are reasonably necessary for Company to construct, operate, maintain and repair the Gas Distribution System within the Project.
- 1.3.2. Developer has provided Company a plat of all or a portion of the Project (recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Volusia County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Developer shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Developer hereby grants Company an easement over those portions of the Project designated on Project Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.
- 1.3.3. Developer reserves the right to relocate any easement granted to Company if Developer deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Developer of its desire to amend an easement, Developer shall be required (prior to amendment of the easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Developer desires to relocate



any easement relating to a portion of the Gas Distribution System after the system has been installed, Developer must first, (i) obtain Company prior written consent (which consent shall not be unreasonably withheld or delayed) and (ii) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

1.4. Coordination of Installation. Company agrees to cooperate with Developer with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Developer's construction and development of the Project. Developer has provided Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Developer's Construction Schedule"). Developer acknowledges that Company will rely upon the Developer's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System.

1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.

1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Developer, Company agrees that the Gas Distribution System shall be complete and operational to provide natural gas service to the first completed residential structure utilizing natural gas service, in the Project, at least ten (10) calendar days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure within the Project.

2. Successors, Assigns And Assignment. The Developer and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Developer desires to convey to other Developers or Developers any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such Developer or Developer expressly assumes all of the obligations and responsibilities of Developer hereunder (to the reasonable satisfaction of Company). Similarly, if Developer desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly

assuming all of the obligations and responsibilities of Developer hereunder (such resolution being to the reasonable satisfaction of Company).

3. **Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

4. **Duration.**

- 4.1. **Expiration; Automatic Extension.** Subject to Subsection 4.2 hereof, this Agreement shall automatically expire on June 1, 2017. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.
- 4.2. **Early Termination.** Notwithstanding any provision contained herein to the Contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU has been constructed and Company has made the GCU Payment thereof.
- 4.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement

5. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted

overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

If to Developer: Earley Development, Inc.  
337 Ferncreek Avenue  
Orlando, FL 32803  
Attn: Thorpe Earley, Principal  
Fax No. 407.898.8229  
Phone No. 407.898.0023

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Director of Marketing  
Fax No. 561.833.8562  
Phone No. 561.838.1714

With a copy to: Florida Public Utilities Company  
450 South Highway 17-92  
Debary, FL 32713  
Attn: Donald Kitner, Director  
Fax No. 386.668.2692  
Phone No. 386-668-2600

6. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Developer and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Developer cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover

attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Developer is a party and that a dispute shall not be submitted to such binding arbitration if there are any third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 8 shall survive expiration or any termination of this Agreement.

7. **Indemnity.**

- 7.1. Company agrees to protect, defend, reimburse, indemnify and hold the Developer, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Developer, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Developer by reason of the negligent or intentional installation of the Gas Distribution System by Company; provided however, that Company shall not be responsible to Developer for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Developer, its respective agents, servants, employees, officers, tenants, residents or homeowners.
- 7.2. Developer agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Developer and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Developer shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.
- 7.3. This Section 7 shall survive the expiration or early termination of this Agreement.

8. **Damages to Property; Limitation on Liability.**

- 8.1. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Developer at Company's expense. Any damage caused to Company's equipment by Developer, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Developer's expense. Developer will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.

- 8.2. Company shall have no liability to Developer or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, damages for personal injury, loss of profits or savings, loss of use, or any other damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by Company's negligence or misconduct.
9. **Miscellaneous.** This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Developer. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.
10. **Recording.** This Agreement may be recorded by Company among the Public Records of the County in which the Project is located.
11. **Exclusivity.** During the term of this Agreement and for any subsequent terms thereafter, Developer agrees that Company has an exclusive right to provide natural gas services to the Project and that Developer will not grant, or allow others to grant any easement or right-of-way for purposes of delivering natural gas service. Developer certifies that there is no existing contractual agreement with any third party for the provision of natural gas service to the Project, with the exception of this Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared, Marc S. Seagrave, as Director of Marketing and Sales of FLORIDA PUBLIC UTILITIES COMPANY, a Florida corporation, who is personally known to me, and who acknowledged to and before me that he/she executed the foregoing instrument freely and voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**DEVELOPER:**

**EARLEY DEVELOPMENT, INC.**

a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of Earley Development, Inc., a Florida corporation, who is  
either personally known to me or who provided \_\_\_\_\_ as identification, and who  
acknowledged to and before me that he/she executed the foregoing instrument freely and  
voluntarily on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**



**EXHIBIT "B"**  
**DEVELOPER'S CONSTRUCTION SCHEDULE**

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

---

**From:** Martin Cheryl  
**Sent:** Wednesday, June 27, 2007 2:30 PM  
**To:** Khojasteh Mehrdad  
**Cc:** Cox Doreen  
**Subject:** fyi  
**Categories:** Elec Rate Case

Make sure that NOI pretax less computed allocated interest expense times 37.63% equals current and def income taxes. We book the difference as an adjustment to the income statement for all years, historic and projected years. The calculated interest expense is from the cost of capital schedules.

Also elimination of fuel, and conservation should be an adjustment as well.

Cheryl Martin  
Controller  
Florida Public Utilities Company  
(561) 838-1725

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD

**Clara Leider**

---

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Thursday, July 26, 2007 10:37 AM  
**To:** Cox Doreen  
**Subject:** G-MFRS-4-nolinks.xls  
**Attachments:** G-MFRS-4-nolinks.xls

Here you go. This should be updated. I severed the links because Jim had some trouble with links in the B schedules.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8100%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,972,271
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	495,742
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6599
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	822,881

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh, 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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)			(41,756)
6 2003 Rate Case Proceeding								(24,312)		
7 Eliminate 1/2 Deferred Rate Case								(116,540)		
8 Expense Per 2003 Rate Case										
9 Eliminate Fuel Under-Recover Per										
10 2003 Rate Case Proceeding								(1,716,749)		
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(41,756)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(5,397,708)	-	38,057,241

Supporting Schedules:

\* Includes Account 2520 - Customer Advances for Construction

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supporting schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Electric Plant in Service:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Gross Plant				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Accumulated Depreciation:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Accumulated Depreciation				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	NET PLANT IN SERVICE				
	CWIP				
2.	Production				
3.	Transmission				
4.	Distribution				
5.	Customer Accounts				
6.	Customer Services				
7.	Total CWIP				
	CWIP - NOT BEARING INTEREST				
8.	Production				
9.	Transmission				
10.	Distribution				
11.	Total CWIP Not Bearing Interest				
12.	PLANT HELD FOR FUTURE USE				
13.	UNAMORTIZED NUCLEAR SITE				
	WORKING CAPITAL				
14.	Net of Current Assets and Current Liabilities				
15.	Preliminary Survey and Investigation Charges				
16.	Prepayments				
17.	Clearing Accounts				
18.	Unamortized Deferred O & M				
19.	Injuries and Damages Reserve				
20.	Property Insurance Reserves				
21.	Other Deferred Credits & Debits				
22.	Total Working Capital				
23.	Total Adjusted Rate Base				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
		Adjustments to Current and Accrued Assets (Specify)					
	1820.2	Commission Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
		Adjusted Current and Accrued Assets	5,728,901	-	5,728,901	100%	5,728,901
		Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Adjustments to Current and Accrued Liabilities (Specify)					
	2310.1	Commission Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	2310.1	Proposed Company Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
		Adjusted Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
		Unbilled Revenue Adjustments (Specify)	-	-	-	100%	-
		Adjusted Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

## INTERIM FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance Units / (\$000) / \$ / Unit	Receipts Units / (\$000) / \$ / Unit	Fuel Issued to Generation Units / (\$000) / \$ / Unit	Fuel Issued (Other) Units / (\$000) / \$ / Unit	Inventory Adjustments Units / (\$000) / \$ / Unit	Ending Balance Units / (\$000) / \$ / Unit	13 Month Average Units / (\$000) / \$ / Unit (See Note 1)
-------	-----------	--	---	--	--	--	---	---

Not Applicable

System Coal  
Inventory Petcoke  
Residual Oil  
Distillate Oil  
Natural Gas  
Biomass  
Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

## Schedule G-8

## INTERIM NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to Net Operating Income for the Interim Test Year. List adjustments included in the last case that are not proposed in the interim test year and the reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
-------------	------------	--	----------------------------	---------------------------------	-------------------------------------

TOTAL ADJUSTMENTS

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%					
Supporting Schedules:				Recap Schedules:	

## INTERIM OPERATING REVENUES DETAIL

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Account No.	Account Title	(1)	(2)	(3)	Adjustments				(8)	(9)	(10)
		Per Books	Non-Jurisdictional	Jurisdictional (1)-(2)	(4)	(5)	(6)	(7)	Other (Specify)	Total (4)thru(8)	Adjusted Total (3)+(9)
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES			-	-	-	-	-	-	-	-
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4,561	OVER-RECOVERY:FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4,562	MISC.ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2476529	\$				
2	ADD INCOME TAX ACCOUNTS		0				
3	LESS INTEREST CHARGES (FROM C-44)	1473580.029					
4							
5	TAXABLE INCOME PER BOOKS	\$	\$				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION						
9	LESS: TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$			\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$			\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES FOR THE INTERIM YEAR.

COMPANY:

Type of Data Shown:  
\_\_\_\_ Projected Test Year Ended \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
\_\_\_\_ Prior Year Ended \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
\_\_\_\_ Historical Test Year Ended \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Witness:

DOCKET NO.:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							
52	WRITE OFF OF EXCESS DEFERRED TAXES					\$	
53							
54	OTHER ADJUSTMENTS (LIST)						
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$			\$	
58							
59	FEDERAL INCOME TAX		\$			\$	
60							
61	ITC AMORTIZATION					\$	
62						\$	
63							
64							
65							
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		FEDERAL	STATE	TOTAL			
73	CURRENT TAX EXPENSE						
74	DEFERRED INCOME TAXES						
75	INVESTMENT TAX CREDITS, NET						
76	TOTAL INCOME TAX PROVISION						

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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.

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Line No.	Description		(1) Historical Base Year Ended 2006	(2) Test Year Ended
		Account		
1.	Interest on Long Term Debt	4270.1	1,268,418	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	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	

Supporting Schedules:

Recap Schedules:

## INTERIM PARENT(S) DEBT INFORMATION

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Doreen Cox

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ <u>          </u> =====	<u>100.00%</u> =====		<u>          </u> % =====

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/___
-------------------------	---------------	---------------	---------------------------------	-----------------------------	--------------------------	--------------------------	----------------------------	-------------------------------	---------------------------------	----------------	-----------------------------	--

No gains or losses in excess of \$1 million.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Interim Test Year
1	Service Cost	
2	Interest Cost	
3	Actual Return on Assets	
4	Net Amortization and Deferral	
5	Total Net Periodic Pension Cost	
6	For the Year:	
7	Amortization of Transition Asset (Obligation)	
8	Expected Return on Assets	
9	Assumed Rate of Return on Plan Assets	
10	Amortization of Transition Asset or Obligation	
11	Percent of Pension Cost Capitalized	
12	Pension Cost Recorded in Account 926	
13	Minimum Required Contribution Per IRS	
14	Maximum Allowable Contribution Per IRS	
15	Actual Contribution Made to the Trust Fund	
16	Actuarial Attribution Approach Used for Funding	
17	Assumed Discount Rate for Computing Funding	
18	Allocation Method Used to Assign Costs if the Utility Is Not the	
19	Sole Participant in the Plan. Attach the Relevant Procedures.	
20	At Year End:	
21	Accumulated Benefit Obligation	
22	Projected Benefit Obligation	
23	Vested Benefit Obligation	
24	Assumed Discount Rate (Settlement Rate)	
25	Assumed Rate for Salary Increases	
26	Fair Value of Plan Assets	
27	Market Related Value of Assets	
28	Balance in Working Capital (Specify Account No.)	

Supporting Schedules:

Recap Schedules:



---

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

---

We do not have any changes in accounting policy.

---

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	2.500%
3.	Regulatory Assessment Rate	0.720%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.592%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.313%
8.	Net Before Federal Income Tax (5) - (7)	91.280%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	31.035%
11.	Revenue Expansion Factor (8) - (10)	60.245%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
1.	Long Term Debt	50,443,237			50,443,237	31.37%	15,822,824	0.4153	8.03%	3.33%	1,270,121
2.	Short Term Debt	3,309,077			3,309,077	31.37%	1,037,977	0.0272	7.29%	0.20%	75,637
3.	Preferred Stock	600,000			600,000	31.37%	188,205	0.0049	4.75%	0.02%	0
4.	Common Equity	44,943,721			44,943,721	31.37%	14,097,759	0.3700	10.50%	3.89%	0
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	0.1227	0.00%	0.00%	0
7.	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9.	TOTAL	106,248,266			106,248,266		38,098,997	1.0000		7.81%	1,475,384
<b>Conventional Capital Structure, 2007</b>											
10.	Long Term Debt	50,443,237	0.5080	8.03%	4%						
11.	Short Term Debt	3,309,077	0.0333	7.29%	0%						
12.	Preferred Stock	600,000	0.0060	4.75%	0%						
13.	Common Equity	44,943,721	0.4526	10.50%	5%						
14.	TOTAL	99,296,036	1.0000	0%	9%						
						Rate Base	38,098,997				
						Direct Components	6,952,231				
							\$31,146,766				
						Jurisdictional Factor	31.37%				

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
-------------	------------------	-------------	-------------------------	---------------	--------------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification. (\$000)

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Increase

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	(3) Dollars (2) - (1)	(4) Percent (3) / (1)
------	---	--	-----------------------------	-----------------------------

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
						Dollars	Percent

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Doreen Cox

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule _____	<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue		
<hr/>								
Customer Charge:								
Standard								
T-O-D								
Total								
KWH Charge:								
Standard								
T-O-D On-Peak								
T-O-D Off-Peak								
Total								
Etc.								
Total Base Revenue (Calculated)								
Correction Factor								
Total Base Revenue (Booked)								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

Type of Facility	<u>Present Rates</u>						<u>Proposed Rates</u>						Percent Increase
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue

Annual KWH:

Supporting Schedules:

Recap Schedules:



Sheet 12

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW FPU Presentation.msg	766 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Documents	FW FPU Refunding Model 040207.xls.msg	156 KB	Outlook Item	10/16/2007 2:25 PM	Files Currently on the CD
Jobe	FW G-MFRS-1.xls.msg	270 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
OWin9	FW G-MFRS-3.xls.msg	272 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
orel User Files	FW G-MFRS-8-3-07_Nolinks.xls.msg	497 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
berLink	FW G-MFRS-8-6-07-NoLinks.xls.msg	485 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
y eBooks	FW G-MFRS-8-8-07-NoLinks.xls.msg	506 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
y Music	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
y Pictures	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
egBak	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
omputer	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
/z Floppy (A:	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
P3014 (C:)	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
DXIO122 (D:	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
Exhibit 2.8	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
BACHM	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
COX	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
KHOJAS	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
MARTIN	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
MESITE	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
neider on 'fp2	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
ings on 'FP3	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
g on 'Ground	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
23 on 'Ground	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
s on 'Ground	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
ransfer on 'Gr	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
26dos on 'Gr	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
at on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ublic on 'Grou	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ontrol Panel	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
etwork Places	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
le Bin	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD

**Clara Leider**

---

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Friday, July 27, 2007 11:52 AM  
**To:** Cox Doreen  
**Cc:** Robert Camfield  
**Subject:** G-MFRS-5-Nolinks.xls  
**Attachments:** G-MFRS-5-Nolinks.xls

Doreen: Here are the revised G schedules. I have set rate base in G19-a to reference the adjusted rate base and tied the interest expense on G-13 to the calculated interest expense on G19-a.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO : 070304-EI

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,529
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,936
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6599
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	816,564

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh, 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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(3,540,107)	-	38,098,997
4 <u>Adjustments:</u>										
5 Eliminate Interest Bearing Cash Per	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 2003 Rate Case Proceeding								(24,312)		
7 Eliminate 1/2 Deferred Rate Case								(116,540)		
8 Expense Per 2003 Rate Case										
9 Eliminate Fuel Under-Recover Per								(1,716,749)		
10 2003 Rate Case Proceeding										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(41,756)
29										
30 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(5,397,708)	-	38,057,241

## Supporting Schedules:

\* Includes Account 2520 - Customer Advances for Construction

## INTERIM RATE BASE ADJUSTMENTS

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supprting schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Electric Plant in Service:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Gross Plant				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	Accumulated Depreciation:				
2.	Intangible				
3.	Production:	All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%			
4.	Steam				
5.	Nuclear				
6.	Other				
7.	Total Production				
8.	Transmission:				
9.	Land and Land Rights				
10.	Structure and Improvements				
11.	Station Equipment				
12.	Towers & Fixtures				
13.	Poles & Fixtures				
14.	O.H. Conductor and Devices				
15.	U.G. Conductor and Devices				
16.	Roads and Trails				
17.	Total Transmission				
18.	Distribution:				
19.	Land and Land Rights				
20.	Structure and Improvements				
21.	Station Equipment				
22.	Poles and Fixtures				
23.	O.H. Conductors				
24.	U.G. Conduits				
25.	U.G. Conductors				
26.	Line Transformers				
27.	Services				
28.	Meters				
29.	Street Lighting				
30.	Total Distribution				
31.	General Plant				
32.	Total Electric Accumulated Depreciation				

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.	NET PLANT IN SERVICE				
	CWIP				
2.	Production				
3.	Transmission				
4.	Distribution				
5.	Customer Accounts				
6.	Customer Services				
7.	Total CWIP				
	CWIP - NOT BEARING INTEREST				
8.	Production				
9.	Transmission				
10.	Distribution				
11.	Total CWIP Not Bearing Interest				
12.	PLANT HELD FOR FUTURE USE				
13.	UNAMORTIZED NUCLEAR SITE				
	WORKING CAPITAL				
14.	Net of Current Assets and Current Liabilities				
15.	Preliminary Survey and Investigation Charges				
16.	Prepayments				
17.	Clearing Accounts				
18.	Unamortized Deferred O & M				
19.	Injuries and Damages Reserve				
20.	Property Insurance Reserves				
21.	Other Deferred Credits & Debits				
22.	Total Working Capital				
23.	Total Adjusted Rate Base				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
		Adjustments to Current and Accrued Assets (Specify)					
	1820.2	Commission Adjustment	(1,857,601)	-	(1,857,601)	100%	(1,857,601)
		Adjusted Current and Accrued Assets	5,728,901	-	5,728,901	100%	5,728,901
		Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Adjustments to Current and Accrued Liabilities (Specify)					
	2310.1	Commission Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	2310.1	Proposed Company Adjustment	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
	0	0	-	-	-	100%	-
		Adjusted Current and Accrued Liabilities	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
		Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)
		Unbilled Revenue Adjustments (Specify)	-	-	-	100%	-
		Adjusted Working Capital Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

## INTERIM FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years. Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Plant	Fuel Type	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance	13 Month Average
		Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit	Units / (\$000) / \$ / Unit (See Note 1)

Not Applicable

System Coal  
Inventory Petcoke  
Residual Oil  
Distillate Oil  
Natural Gas  
Biomass  
Other \_\_\_\_\_

Supporting Schedules:

Recap Schedules:

Note 1 - Applicable only to system fuel inventory balances.

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	48,527,231	-	48,527,231	100%	48,527,231	(31,118,926)	17,408,305
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	46,019,602	-	46,019,602	100%	46,019,602	(31,087,826)	14,931,776
18. Net Operating Income	2,507,629		2,507,629		2,507,629	(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

## Schedule G-8

## INTERIM NET OPERATING INCOME ADJUSTMENTS

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of net operating income adjustments  
for the interim test year. Provide the details of all  
adjustments on Schedule G-9.

## Type of Data Shown:

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,023)												(30,359,023)	17,093,503
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	48,527,231	(31,118,926)												(31,118,926)	17,408,305
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
18. Net Operating Income	2,507,629	(31,100)												(31,100)	2,476,529

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to Net Operating Income for the Interim Test Year. List adjustments included in the last case that are not proposed in the interim test year and the reasons for excluding them.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
-------------	------------	--	----------------------------	---------------------------------	-------------------------------------

TOTAL ADJUSTMENTS

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
-------------	----------------	------------------	------------------	------------------------	--

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%

Supporting Schedules:

Recap Schedules:

## INTERIM OPERATING REVENUES DETAIL

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Account No.	Account Title	(1)	(2)	(3)	Adjustments					(8)	(9)	(10)
		Per Books	Non-Jurisdictional	Jurisdictional (1)-(2)	(4)	(5)	(6)	(7)	Other (Specify)	Other (Specify)	Total (4)thru(8)	Adjusted Total (3)+(9)
					Fuel	Conservation	Franchise Fees					
	SALES OF ELECTRICITY											
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546	
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407	
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955	
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003	
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743	
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-	
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-	
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-	
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654	
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-	
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654	
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-	
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654	
	OTHER OPERATING REVENUES			-	-	-	-	-	-	-	-	
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696	
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900	
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-	
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078	
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-	
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-	
4,561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-	
4,562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846	
4,563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373	
4,566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-	
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893	
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547	

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2476529	\$				
2	ADD INCOME TAX ACCOUNTS		0				
3	LESS INTEREST CHARGES (FROM C-44)	1473580.029					
4							
5	TAXABLE INCOME PER BOOKS	\$	\$				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION						
9	LESS: TAX DEPRECIATION						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL TEMPORARY DIFFERENCES	\$	\$		\$	\$	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31							
32							
33							
34	TOTAL PERMANENT ADJUSTMENTS	\$	\$				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$			\$		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$			\$		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40							
41							
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$			\$		
44							
45	STATE INCOME TAX	\$			\$		

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES FOR THE INTERIM YEAR.

COMPANY:

DOCKET NO.:

Type of Data Shown:  
Projected Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Prior Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Historical Test Year Ended \_\_\_\_/\_\_\_\_/\_\_\_\_  
Witness:

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$			\$	
47	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		\$			\$	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50	ORIGINATING ITC		\$				
51							
52	WRITE OFF OF EXCESS DEFERRED TAXES					\$	
53							
54	OTHER ADJUSTMENTS (LIST)						
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$			\$	
58							
59	FEDERAL INCOME TAX		\$			\$	
60							
61	ITC AMORTIZATION					\$	
62						\$	
63							
64							
65							
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		FEDERAL	STATE	TOTAL			
73	CURRENT TAX EXPENSE						
74	DEFERRED INCOME TAXES						
75	INVESTMENT TAX CREDITS, NET						
76	TOTAL INCOME TAX PROVISION						

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description		(1) Historical Base Year Ended 2006	(2) Test Year Ended
		Account		
1.	Interest on Long Term Debt	4270.1	1,268,418	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Recquired Debt	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	

Supporting Schedules:

Recap Schedules:

## Schedule G-14

## INTERIM PARENT(S) DEBT INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1EXPLANATION: Provide information required in order to adjust income tax  
expenses by reason of interest expense of parent(s) that  
that may be invested in the equity of the utility in question.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt	\$	%	%	%
2.	Short Term Debt				
3.	Preferred Stock		<u>Not Applicable</u>		
4.	Common Equity				
5.	Deferred Income Tax				
6.	Other (specify)				
	Total	\$ <u>          </u> =====	<u>100.00%</u> =====		<u>          </u> % =====

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:  
 Historical Year Ended 12/31/2006  
 Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended _/_/___
-------------------------	---------------	---------------	---------------------------------	-----------------------------	--------------------------	--------------------------	----------------------------	-------------------------------	---------------------------------	----------------	-----------------------------	--

No gains or losses in excess of \$1 million.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Interim Test Year
1	Service Cost	
2	Interest Cost	
3	Actual Return on Assets	
4	Net Amortization and Deferral	
5	Total Net Periodic Pension Cost	
6	For the Year:	
7	Amortization of Transition Asset (Obligation)	
8	Expected Return on Assets	
9	Assumed Rate of Return on Plan Assets	
10	Amortization of Transition Asset or Obligation	
11	Percent of Pension Cost Capitalized	
12	Pension Cost Recorded in Account 926	
13	Minimum Required Contribution Per IRS	
14	Maximum Allowable Contribution Per IRS	
15	Actual Contribution Made to the Trust Fund	
16	Actuarial Attribution Approach Used for Funding	
17	Assumed Discount Rate for Computing Funding	
18	Allocation Method Used to Assign Costs if the Utility Is Not the	
19	Sole Participant in the Plan. Attach the Relevant Procedures.	
20	At Year End:	
21	Accumulated Benefit Obligation	
22	Projected Benefit Obligation	
23	Vested Benefit Obligation	
24	Assumed Discount Rate (Settlement Rate)	
25	Assumed Rate for Salary Increases	
26	Fair Value of Plan Assets	
27	Market Related Value of Assets	
28	Balance in Working Capital (Specify Account No.)	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue  
expansion factor for the test year.Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen CoxCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	2.500%
3.	Regulatory Assessment Rate	0.720%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	96.592%
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	5.313%
8.	Net Before Federal Income Tax (5) - (7)	91.280%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	31.035%
11.	Revenue Expansion Factor (8) - (10)	60.245%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6599

Supporting Schedules:

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4.	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7.	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		7.80%	1,473,580
<b>Conventional Capital Structure, 2007</b>											
10.	Long Term Debt	50,443,237	0.5080	8.03%	4%						
11.	Short Term Debt	3,309,077	0.0333	7.29%	0%						
12.	Preferred Stock	600,000	0.0060	4.75%	0%						
13.	Common Equity	44,943,721	0.4526	10.50%	5%						
14.	TOTAL	99,296,036	1.0000	0%	9%						
						Rate Base	38,057,241				
						Direct Components	6,952,231				
							\$31,105,010				
						Jurisdictional Factor	31.33%				

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

- 1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.
- 2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
<u>Specific Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates					
<u>Pro Rata Adjustments</u>					
The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments 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	EXPLANATION:	Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.	Type of Data Shown: Historical Year Ended 12/3 Witness: Doreen Cox
COMPANY: FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 070304-EI		(\$000)	

Increase				
Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	(3) Dollars (2) - (1)	(4) Percent (3) / (1)

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO: 070304-E1

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	<u>Increase</u>	
						<u>Dollars</u>	<u>Percent</u>

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Type of Charges	<u>Present Revenue Calculation</u>			Rate Schedule _____	<u>Proposed Revenue Calculation</u>			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue		
<hr/>								
Customer Charge:								
Standard								
T-O-D								
Total								
KWH Charge:								
Standard								
T-O-D On-Peak								
T-O-D Off-Peak								
Total								
Etc.								
Total Base Revenue (Calculated)								
Correction Factor								
Total Base Revenue (Booked)								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historical Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Type of Facility	<u>Present Rates</u>							<u>Proposed Rates</u>						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase

Annual KWH:

Supporting Schedules:

Recap Schedules:

Sheet 12

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD



**Clara Leider**

---

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Tuesday, August 07, 2007 4:13 PM  
**To:** Cox Doreen  
**Subject:** HC-MFRS-7.xls  
**Attachments:** HC-MFRS-7.xls

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.		(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues:							
2	Sales of Electricity	53,075,623		53,075,623	100%	53,075,623	(36,296,779)	16,778,844
3	Other Operating Revenues	708,456		708,456	100%	708,456	-	708,456
4	Total Operating Revenues	<u>53,784,078</u>		<u>53,784,078</u>	100%	<u>53,784,078</u>	<u>(36,296,779)</u>	<u>17,487,299</u>
5								
6	Operating Expenses:							
7	Operation & Maintenance:							
8	Fuel			-	100%	-	-	-
9	Purchased Power	35,867,580		35,867,580	100%	35,867,580	(35,867,580)	-
10	Other	9,020,368		9,020,368	100%	9,020,368	(403,063)	8,617,304
11	Depreciation & Amortization	2,828,638		2,828,638	100%	2,828,638	(1,836)	2,826,802
12	Decommissioning Expense	-		-	100%	-	-	-
13	Taxes Other Than Income Taxes	4,010,760		4,010,760	100%	4,010,760	(26,133)	3,984,627
14	Income Taxes	(314,573)		(314,573)	100%	(314,573)	691	(313,882)
15	Deferred Income Taxes-Net	507,751		507,751	100%	507,751	-	507,751
16	Investment Tax Credit-Net	(29,538)		(29,538)	100%	(29,538)	-	(29,538)
17	(Gain)/Loss on Disposal of Plant			-	100%	-	-	-
18	Total Operating Expenses	<u>51,890,987</u>		<u>51,890,987</u>	100%	<u>51,890,987</u>	<u>(36,297,922)</u>	<u>15,593,065</u>
19								
20	Net Operating Income	<u>1,893,091</u>		<u>1,893,091</u>	100%	<u>1,893,091</u>	<u>1,143</u>	<u>1,894,234</u>

Supporting Schedules: C-2, C-5, C-7

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

## Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues:						
2	Sales of Electricity	61,786,961	61,786,961	100%	61,786,961	(45,301,999)	16,484,952
3	Other Operating Revenues	702,003	702,003	100%	702,003	-	702,003
4	Total Operating Revenues	<u>62,488,964</u>	<u>62,488,964</u>	100%	<u>62,488,964</u>	<u>(45,301,999)</u>	<u>17,186,965</u>
5							
6	Operating Expenses:						
7	Operation & Maintenance:						
8	Fuel		-	100%	-	-	-
9	Purchased Power	44,852,209	44,852,209	100%	44,852,209	(44,852,209)	-
10	Other	10,498,563	10,498,563	100%	10,498,563	(417,172)	10,081,391
11	Depreciation & Amortization	3,421,139	3,421,139	100%	3,421,139	(2,292)	3,418,847
12	Decommissioning Expense		-	100%	-	-	-
13	Taxes Other Than Income Taxes	4,320,401	4,320,401	100%	4,320,401	(32,618)	4,287,783
14	Income Taxes	(1,361,822)	(1,361,822)	100%	(1,361,822)	862	(1,360,960)
15	Deferred Income Taxes-Net	581,498	581,498	100%	581,498	-	581,498
16	Investment Tax Credit-Net	(27,935)	(27,935)	100%	(27,935)	-	(27,935)
17	(Gain)/Loss on Disposal of Plant		-	100%	-	-	-
18	Total Operating Expenses	<u>62,284,053</u>	<u>62,284,053</u>	100%	<u>62,284,053</u>	<u>(45,303,429)</u>	<u>16,980,624</u>
19							
20	Net Operating Income	<u>204,910</u>	<u>204,910</u>	100%	<u>204,910</u>	<u>1,431</u>	<u>206,341</u>

Supporting Schedules: C-2, C-5, C-7

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1	Operating Revenues:														
2	Sales of Electricity	53,075,623	(36,296,779)											(36,296,779)	16,778,844
3	Other Operating Revenues	708,456	0											-	708,456
4	Total Operating Revenues	53,784,078	(36,296,779)											(36,296,779)	17,487,299
5															
6	Operating Expenses:													-	-
7	Operation & Maintenance:													-	-
8	Fuel (nonrecoverable)	-	-											-	-
9	Purchased Power	35,867,580	(35,867,580)											(35,867,580)	-
10	Other	9,020,368	(403,063)											(403,063)	8,617,304
11	Depreciation & Amortization	2,828,638	(1,836)											(1,836)	2,826,802
12	Decommissioning Expense	-	-											-	-
13	Taxes Other Than Income Taxes	4,010,760	(26,133)											(26,133)	3,984,627
14	Income Taxes	(314,573)	691											691	(313,882)
15	Deferred Income Taxes-Net	507,751	-											-	507,751
16	Investment Tax Credit-Net	(29,538)	-											-	(29,538)
17	(Gain)/Loss on Disposal of Plant	-	-											-	-
18															
19	Total Operating Expenses	51,890,987	(36,297,922)											(36,297,922)	15,593,065
20															
21	Net Operating Income	1,893,091	1,143											1,143	1,894,234

Supporting Schedules: C3

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule C-1 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1	Operating Revenues:														
2	Sales of Electricity	61,786,961	(45,301,999)											(45,301,999)	16,484,962
3	Other Operating Revenues	702,003	0											-	702,003
4	Total Operating Revenues	<u>62,488,964</u>	<u>(45,301,999)</u>											<u>(45,301,999)</u>	<u>17,186,965</u>
5															
6	Operating Expenses:	-	-											-	-
7	Operation & Maintenance:	-	-											-	-
8	Fuel (nonrecoverable)	-	-											-	-
9	Purchased Power	44,852,209	(44,852,209)											(44,852,209)	-
10	Other	10,498,563	(417,172)											(417,172)	10,081,391
11	Depreciation & Amortization	3,421,139	(2,292)											(2,292)	3,418,847
12	Decommissioning Expense	-	-											-	-
13	Taxes Other Than Income Taxes	4,320,401	(32,618)											(32,618)	4,287,783
14	Income Taxes	(1,361,822)	862											862	(1,360,960)
15	Deferred Income Taxes-Net	581,498	-											-	581,498
16	Investment Tax Credit-Net	(27,935)	-											-	(27,935)
17	(Gain)/Loss on Disposal of Plant	-	-											-	-
18															
19	Total Operating Expenses	<u>62,284,053</u>	<u>(45,303,429)</u>											<u>(45,303,429)</u>	<u>16,980,624</u>
20															
21	Net Operating Income	<u>204,910</u>	<u>1,431</u>											<u>1,431</u>	<u>206,341</u>

Supporting Schedules: C3

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Commission				
2	Operating Revenue - Company	Eliminate Fuel and Conservation Revenues	(36,296,779)	100%	(36,296,779)
3					
4	Other Revenue - Commission				
5	Other Revenue - Company				
6					
7	Provision for Rate Refund - Commission				
8	Provision for Rate Refund - Company				
9					
10	Operating Expense - Commission				
11	Operating Expense - Company	Eliminate Fuel Expenses	(35,867,580)	100%	(35,867,580)
12					
13	Fuel Expense - Commission				
14	Fuel Expense - Company	Eliminate Conservation Expenses	(403,063)	100%	(403,063)
15					
16	Maintenance Expense - Commission				
17	Maintenance Expense - Company				
18					
19	Depreciation Expense - Commission				
20	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(1,836)	100%	(1,836)
21					
22	Taxes Other than Income Exclu GR - Commission				
23	Taxes Other than Income Exclu GR - Company				
24					
25	Taxes Other than Income - Commission				
26	Taxes Other than Income - Company	Eliminate Taxes other than Income	(26,133)	100%	(26,133)
27					
28	Income Taxes - Commission				
29	Income Taxes - Company	Eliminate Income Taxes	691	100%	691
30					
31	Deferred Income Tax - Commission				
32	Deferred Income Tax - Company		0	100%	-

Supporting Schedules:

Recap Schedules: C1, C2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total (4) thru (8)	(10) Adjusted Total (3)+(9)
							(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)		
	SALES OF ELECTRICITY												
440	Residential Sales		Billing Determinants	25,001,701	-	25,001,701	15,801,525	166,449	852,671	625,018		17,445,664	7,556,037
442	Commercial Sales		Billing Determinants	20,619,498	-	20,619,498	14,850,206	157,472	807,515	515,467		16,330,660	4,288,838
442	Industrial Sales		Billing Determinants	5,996,020	-	5,996,020	4,964,201	75,998	282,876	149,895		5,472,969	523,050
443	Outdoor Lighting		Billing Determinants	1,123,203	-	1,123,203	205,905	2,511	37,881	28,079		274,375	848,828
444	Public Street & Highway Lighting		Billing Determinants	335,201	-	335,201	71,586	925	13,070	8,380		93,961	241,241
445	Other Sales to Public Authorities			-	-	-						-	-
446	Sales to Railroads & Railways			-	-	-						-	-
448	Interdepartmental Sales			-	-	-						-	-
	Total Sales to Ultimate Consumers			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
447	Sales for Resale			-	-	-						-	-
	TOTAL SALES OF ELECTRICITY			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION			53,075,623	-	53,075,623	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	13,457,993
	OTHER OPERATING REVENUES												
450	Forfeited Discounts	99.65	Base Revenues	353,444	-	353,444						-	353,444
451	Miscellaneous Service Revenues	101.20	2	222,539	-	222,539						-	222,539
453	Sales of Water and Water Power			-	-	-						-	-
454	Rent from Electric Property	102.20	1	116,588	-	116,588						-	116,588
455	Interdepartmental Rents			-	-	-						-	-
456	Other Electric Revenues (In Detail)			-	-	-						-	-
4561	OVER-RECOVERY FUEL AD		Direct	-	-	-	-					-	-
4562	MISC. ELECTRIC REVENUE	100.00	9	7,846	-	7,846						-	7,846
4563	Unbilled Revenue		Direct	8,039	-	8,039						-	8,039
4566	OVERRECOVERY: CONSER		Direct	-	-	-						-	-
	TOTAL OTHER OPERATING REVENUES			708,456	-	708,456	-	-	-	-	-	-	708,456
	TOTAL ELECTRIC OPERATING REVENUES			53,784,078	-	53,784,078	35,893,424	403,355	1,994,012	1,326,839	-	39,617,630	14,166,448

Supporting Schedules: C6

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

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, Mark Cutshaw

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Account No.	Account Title	Projection Factor	Projection Basis	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total (4) thru (8)	(10) Adjusted Total (3)+(9)
							(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(8) Other (Specify)		
	SALES OF ELECTRICITY												
440	Residential Sales	Billing Determinants		29,052,504	-	29,052,504	19,969,427	172,275	829,938	726,284		21,697,924	7,354,580
442	Commercial Sales	Billing Determinants		24,065,255	-	24,065,255	18,441,467	162,984	769,937	601,608		19,975,996	4,089,259
442	Industrial Sales	Billing Determinants		7,103,505	-	7,103,505	6,101,359	78,658	261,809	177,581		6,619,407	484,098
443	Outdoor Lighting	Billing Determinants		1,203,077		1,203,077	276,318	2,598	38,196	30,076		347,188	855,889
444	Public Street & Highway Lighting	Billing Determinants		362,619	-	362,619	95,955	958	13,190	9,065		119,167	243,452
445	Other Sales to Public Authorities			-	-	-						-	-
446	Sales to Railroads & Railways			-	-	-						-	-
448	Interdepartmental Sales			-	-	-						-	-
	Total Sales to Ultimate Consumers			61,786,961	-	61,786,961	44,884,526	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
447	Sales for Resale			-	-	-						-	-
	TOTAL SALES OF ELECTRICITY			61,786,961	-	61,786,961	44,884,526	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
449.1	(Less) Provision for Rate Refunds			-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION			61,786,961	-	61,786,961	44,884,526	417,473	1,913,070	1,544,614	-	48,759,683	13,027,278
	OTHER OPERATING REVENUES												
450	Forfeited Discounts	96.80	Base Revenues	342,133	-	342,133						-	342,133
451	Miscellaneous Service Revenues	101.20	2	225,209	-	225,209						-	225,209
453	Sales of Water and Water Power			-	-	-						-	-
454	Rent from Electric Property	102.30	1	119,269	-	119,269						-	119,269
455	Interdepartmental Rents			-	-	-						-	-
456	Other Electric Revenues (In Detail)			-	-	-						-	-
4561	OVER-RECOVERY:FUEL AD		Direct	-	-	-	-					-	-
4562	MISC.ELECTRIC REVENUE	100.00	9	7,846	-	7,846						-	7,846
4563	Unbilled Revenue		Direct	7,546	-	7,546						-	7,546
4566	OVERRECOVERY: CONSER		Direct	-	-	-						-	-
	TOTAL OTHER OPERATING REVENUES			702,003	-	702,003	-	-	-	-	-	-	702,003
	TOTAL ELECTRIC OPERATING REVENUES			62,488,964	-	62,488,964	44,884,526	417,473	1,913,070	1,544,614	-	48,759,683	13,729,281

Supporting Schedules: C6

Recap Schedules: C1



## FLORIDA PUBLIC SERVICE COMMISSION

## COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO 070304-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/08

Projected Prior Year Ended 12/31/07

Historical Year Ended 12/31/06

Witness: Doreen Cox, Mehrdad Khojasteh

If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data S

Projected Test

Projected Prior

Historical Year

Witness: Doree

Line No	Account No	Account Title	2002 Year 1 Budget (000)	Actual (000)	2003 Year 2 Budget (000)	Actual (000)	2004 Year 3 Budget (000)	Actual (000)	2005 Year 4 Budget (000)	Actual (000)	2006 Year 5 Budget (000)	Actual (000)	2007 Projected Prior Year (000)	2008 Projected Test Year (000)
1	<b>BASE REVENUES</b>													
2														
3	4000 4400	RESIDENTIAL SALES	6,327	6,323	6,317	6,291	7,379	6,997	7,366	7,559	7,447	7,594	7,556	7,355
4	4000 4420	COMMERCIAL SALES	3,970	4,013	3,908	4,053	4,681	3,997	4,810	4,307	4,421	4,300	4,289	4,089
5	4000 4423	INDUSTRIAL	545	453	565	450	572	507	550	556	543	546	523	484
6	4000 4430	OUTDOOR LIGHTING	0	0	0	0	546	749	687	824	773	853	849	856
7	4000 4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214	206	213	241	244
8	4000 4450	PUBLIC AUTH.	0	0	0	0	0	0	0	0	0	0	0	0
9	4000 4480	INTERDEPT SALES	39	38	36	12	13	7	0	0	7	0	0	0
10	4000 4490	RATE REFUNDS	0	(30)	0	0	0	0	0	0	0	0	0	0
11														
12	4000 4500	FORFEITED DISC	104	125	253	351	220	352	364	357	347	355	353	342
13	4000 4510	MISC SERVICE REVENUE	134	165	132	125	147	200	255	246	269	220	223	225
14	4000 4540	RENT	105	104	106	105	108	106	108	116	123	114	117	119
15	4000 4560	MISC OTHER REVENUE	7	15	13	19	11	2	20	9	5	16	16	15
16														
17	<b>TOTAL BASE REVENUES</b>		<b>11,392</b>	<b>11,385</b>	<b>11,598</b>	<b>11,593</b>	<b>13,926</b>	<b>13,122</b>	<b>14,325</b>	<b>14,188</b>	<b>14,141</b>	<b>14,211</b>	<b>14,167</b>	<b>13,729</b>
18														
19	<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>													
20														
21	4010 5620	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	42	43
22	4010 5660	MISC TRANS. EXPS	18	8	1	2	1	0	1	4	1	0	12	31
23														
24	4010 5800	OP SUPERVISION	239	235	215	247	347	283	318	334	346	307	380	435
25	4010 5820	STATION EXPENSES	13	34	41	41	50	39	50	50	51	47	95	100
26	4010 5830	OVHD LINES/TRANS	76	89	50	63	54	64	76	81	91	113	120	129
27	4010 5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28	31	30	31	33
28	4010 5850	STREET LIGHT EXPENSE	18	28	31	18	28	21	29	14	47	12	13	14
29	4010 5860	METER EXPENSES	188	210	176	229	241	228	247	250	250	256	273	292
30	4010 5870	AREA LIGHT EXP.	66	99	72	101	107	108	78	87	103	93	100	106
31	4010 5880	MISC. DISTR OFFICE EXP	175	162	157	168	267	177	237	229	230	208	273	312
32	4010 5890	RENTS	18	13	18	6	13	17	39	1	1	1	1	1
33														
34	4010 9010	SUPERVISION	122	97	108	122	190	154	154	173	190	115	123	134
35	4010 9020	METER READING EXP	173	221	204	242	234	233	253	234	236	277	296	316
36	4010 9030	CUSTOMER RECORDS	784	685	702	730	877	739	878	746	772	758	801	868
37	4010 9040	UNCOLL. ACCOUNTS	79	27	77	66	72	73	78	8	80	87	88	217
38	4010 9050	MISC CUST ACCTS EXP	56	77	137	86	85	82	97	81	85	94	97	101
39														
40	4010 9130	ADVERTISING	1	3	0	3	4	19	7	22	89	131	164	170
41	4010 9160	MISC SALES EXPENSE	0	0	0	2	1	2	3	2	28	13	14	14
42														
43	4010 9200	ADM & GENERAL SALARIES	732	848	981	833	886	825	1,011	831	936	960	1,071	1,192
44	4010 9210	OFFICE SUPPLIES & EXP.	196	229	172	187	172	195	206	203	137	152	161	170
45	4010 9230	OUTSIDE SERVICES	73	95	137	156	171	91	216	152	270	197	285	300
46	4010 9240	PROPERTY INSURANCE	164	158	165	162	229	182	160	175	157	175	181	264
47	4010 9250	INJURIES AND DAMAGES	206	362	353	591	436	475	471	427	546	438	591	499
48	4010 9260	EMPLOYEE PENSION/BENEFITS	301	255	573	440	558	768	785	871	881	901	914	1,006
49	4010 9280	REGULATORY EXPS	4	6	24	9	89	66	117	119	110	131	134	254
50	4010 9302	MISC GENERAL EXPENSES	88	130	94	78	61	87	104	103	95	86	99	102
51	4010 9310	RENTS	4	4	3	5	4	6	9	7	7	8	8	9
52														
53	<b>TOTAL OPERATION EXPENSES</b>		<b>3,813</b>	<b>4,123</b>	<b>4,533</b>	<b>4,639</b>	<b>5,235</b>	<b>4,975</b>	<b>5,673</b>	<b>5,243</b>	<b>5,789</b>	<b>5,607</b>	<b>6,367</b>	<b>7,112</b>
54														

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION	how:
COMPANY FLORIDA PUBLIC UTILITIES		Year Ended 12/31/08
Consolidated Electric Division		Year Ended 12/31/07
DOCKET NO: 070304-EI		Ended 12/31/06
		in Cox, Mehrdad Khojasteh

Line No.	Account No.	Account Title
1	<b>BASE REVENUES</b>	
2		
3	4000 4400	RESIDENTIAL SALES
4	4000 4420	COMMERCIAL SALES
5	4000 4423	INDUSTRIAL
6	4000 4430	OUTDOOR LIGHTING
7	4000 4440	PUBLIC ST&HWY
8	4000 4450	PUBLIC AUTH.
9	4000 4480	INTERDEPT SALES
10	4000 4490	RATE REFUNDS
11		
12	4000 4500	FORFEITED DISC
13	4000 4510	MISC SERVICE REVENUE
14	4000 4540	RENT
15	4000 4560	MISC OTHER REVENUE
16		
17	<b>TOTAL BASE REVENUES</b>	
18		
19	<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>	
20		
21	4010 5620	STATION EXPENSES
22	4010 5660	MISC TRANS. EXPS
23		
24	4010 5800	OP SUPERVISION
25	4010 5820	STATION EXPENSES
26	4010 5830	OVHD LINES/TRANS
27	4010 5840	UNDERGROUND LINE EXP
28	4010 5850	STREET LIGHT EXPENSE
29	4010 5860	METER EXPENSES
30	4010 5870	AREA LIGHT EXP.
31	4010 5880	MISC. DISTR OFFICE EXP
32	4010 5890	RENTS
33		
34	4010 9010	SUPERVISION
35	4010 9020	METER READING EXP.
36	4010 9030	CUSTOMER RECORDS
37	4010 9040	UNCOLL. ACCOUNTS
38	4010 9050	MISC CUST ACCTS EXP.
39		
40	4010 9130	ADVERTISING
41	4010 9160	MISC. SALES EXPENSE
42		
43	4010 9200	ADM & GENERAL SALARIES
44	4010 9210	OFFICE SUPPLIES & EXP.
45	4010 9230	OUTSIDE SERVICES
46	4010 9240	PROPERTY INSURANCE
47	4010 9250	INJURIES AND DAMAGES
48	4010 9260	EMPLOYEE PENSION/BENEFITS
49	4010 9280	REGULATORY EXPS
50	4010 9302	MISC GENERAL EXPENSES
51	4010 9310	RENTS
52		
53	<b>TOTAL OPERATION EXPENSES</b>	
54		

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year

Type of Data Shown:

Projected Test Year Ended 12/31/08  
 Projected Prior Year Ended 12/31/07  
 Historical Year Ended 12/31/06  
 Witness: Doreen Cox, Mehrdad Khojasteh

If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data S

Projected Test  
 Projected Prior  
 Historical Year  
 Witness: Doree

COMPANY FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO. : 070304-EI

Line No	Account No	Account Title	2002 Year 1		2003 Year 2		2004 Year 3		2005 Year 4		2006 Year 5		2007 Projected Prior Year (000)	2008 Projected Test Year (000)
			Budget (000)	Actual (000)	Budget (000)	Actual (000)	Budget (000)	Actual (000)	Budget (000)	Actual (000)	Budget (000)	Actual (000)		
55	MAINTENANCE EXPENSE													
56														
57	4020.5700	MAINT STATION EQUIP	39	20	23	32	42	11	72	60	34	99	102	106
58	4020.5710	MAIN OVERHEAD LINES	12	24	12	9	18	9	12	53	12	78	81	84
59	4020.5730	MAINT MISC TRANS. PLT	0	0	0	0	0	0	0	0	0	0	0	0
60														
61	4020.5900	MAINT SUPER/ENG	86	61	89	84	89	150	204	133	138	136	147	163
62	4020.5910	MAINT OF STRUCTURES	2	8	4	3	4	2	20	13	10	10	10	11
63	4020.5920	MAINT OF STATION EQUIP	74	75	112	57	182	60	84	170	106	73	75	78
64	4020.5930	MAINT OF POLES/COND/SER	861	808	676	855	1,021	989	1,076	1,184	1,159	1,125	1,216	1,868
65	4020.5940	MAINT OF U/G LINES	115	137	119	103	124	145	135	133	130	136	151	161
66	4020.5950	MAINT OF TRANSFORMERS	114	87	106	117	130	102	218	96	82	126	135	144
67	4020.5960	MAINT OF STREET LIGHTS	16	19	16	23	20	28	58	30	30	49	52	56
68	4020.5970	MAINT OF METERS	21	38	19	33	30	30	42	28	32	35	38	40
69	4020.5980	MAINT OF MISC DISTR PLT	35	53	37	60	54	70	64	66	65	71	74	77
70														
71	4020.9350	MAINT OF GENERAL PLANT	70	38	122	65	155	50	91	78	188	160	168	181
72														
73	TOTAL MAINTENANCE EXPENSE		1,445	1,368	1,335	1,441	1,869	1,646	2,076	2,044	1,986	2,098	2,249	2,969
74														
75	4030.1000	DEPRECIATION EXPENSE	2,225	2,116	2193	2333	2,608	2,323	2,473	2,404	2,476	2,610	2,719	2,933
76														
77	4030.2000	DEPRECIATION EXP - COMMON	48	71	81	83	101	96	88	116	120	112	108	132
78														
79	4070.3000	AMORTIZATION - STORM HARDENING	0	0	0	0	0	0	0	0	0	0	0	355
80														
81	4080.0000	TAXES OTHER THAN INC TAXES	3,144	3,289	3,110	2,777	2,964	3,401	3,203	3,958	3,913	3,982	4,011	4,320
82														
83	4090.4100	INCOME TAXES CURRENT/DEF	490	349	269	664	619	604	516	701	303	577	193	(780)
84														
85	4110.0000	INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(29)	(28)
86														
87	TOTAL OPERATING EXPENSES		11,119	11,260	11,469	11,885	13,349	13,005	13,994	14,431	14,555	14,954	15,618	17,013

Supporting Schedules C-5, C-7

Recap Schedules C1, C5

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION	shown:
COMPANY FLORIDA PUBLIC UTILITIES		Year Ended 12/31/08
Consolidated Electric Division		Year Ended 12/31/07
DOCKET NO 070304-EI		Ended 12/31/06
		in Cox, Mehrdad Khojasteh

Line No	Account No	Account Title
55	<b>MAINTENANCE EXPENSE</b>	
56		
57	4020 5700	MAINT STATION EQUIP
58	4020 5710	MAIN OVERHEAD LINES
59	4020 5730	MAINT MISC TRANS PLT
60		
61	4020 5900	MAINT SUPER/ENG
62	4020 5910	MAINT OF STRUCTURES
63	4020 5920	MAINT OF STATION EQUIP
64	4020 5930	MAINT OF POLES/COND/SER
65	4020 5940	MAINT OF U/G LINES
66	4020 5950	MAINT OF TRANSFORMERS
67	4020 5960	MAINT OF STREET LIGHTS
68	4020 5970	MAINT OF METERS
69	4020 5980	MAINT OF MISC DISTR PLT
70		
71	4020 9350	MAINT OF GENERAL PLANT
72		
73	<b>TOTAL MAINTENANCE EXPENSE</b>	
74		
75	4030 1000	DEPRECIATION EXPENSE
76		
77	4030 2000	DEPRECIATION EXP - COMMON
78		
79	4070 3000	AMORTIZATION - STORM HARDENING
80		
81	4080.0000	TAXES OTHER THAN INC. TAXES
82		
83	4090 4100	INCOME TAXES CURRENT/DEF
84		
85	4110 0000	INVESTMENT TAX CREDIT
86		
87	<b>TOTAL OPERATING EXPENSES</b>	

FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION		If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year		Type of Data Shown: Prior Year Ended 12/31/2007 Witness: Mehrdad Khojasteh		If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year									
COMPANY FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO. 070304-E1																		
Line No	Account No	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
1	OPERATING EXPENSES																	
2																		
3	555-557	Other Power Supply Expenses																
4	555	PURCHASED POWER	Billing Determinants			2,732,628	3,331,037	2,578,653	2,645,833	3,108,065	3,315,527	3,535,784	3,586,175	2,971,190	2,726,914	2,521,665	2,756,882	35,790,353
5	55501	PURCHASED POWER-QUAL	19	0%														
6	5551	UNDER REC FUEL ADJ	Calculated			234,546	(325,203)	247,468	(91,875)	(396,332)	(262,693)	180,420	(295,616)	395,298	373,758	(189,714)	(139,068)	(269,012)
7	556	SYSTEM CONTROL & LOAD DISP	0	100%														
8	557	OTHER EXPENSES	0	100%		(565)	5,421	(16,501)	245	44,573	105,507	1,041	26,650	50,797	1,081	39,811	79,179	346,239
9																		
10	560-567.1	Transmission Expenses - Operation																
11	562	STATION EXPENSES	1	102.2%	25,000	2,434	2,604	2,939	3,860	4,066	6,168	2,456	3,283	3,525	4,266	2,698	4,202	42,501
12	566	MISC TRANSMISSION EXPENSES	13	103.4%	12,000	1,010	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,105	1,000	1,000	1,000	12,116
13																		
14	580-589	Distribution Expenses - Operation																
15	580	OPERATION SUPERVISION & ENG	5	105.5%	56,408	32,573	25,183	34,414	28,073	32,589	33,368	27,753	34,631	35,651	27,357	26,869	41,960	380,422
16	581	LOAD DISPATCHING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	45,000	7,825	6,058	8,000	8,094	6,744	10,572	6,228	6,970	6,775	8,112	8,067	10,626	94,672
18	5831	OPERATION OF OVERHEA	16	106.8%	-	2,586	2,471	4,357	3,454	3,307	5,907	3,134	6,300	3,190	9,324	8,721	2,152	54,913
19	5832	REMOVING & RESETTNG	16	106.8%	-	4,198	3,315	4,196	3,010	5,527	5,116	8,282	7,200	8,364	7,339	3,352	4,663	65,562
20	5841	UNDERGROUND LINE EXP	5	105.5%	-	-	68	716	-	559	263	295	294	504	315	406	302	3,723
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,540	1,888	3,967	2,028	4,535	4,524	1,589	1,136	2,085	860	1,345	2,007	27,504	-
22	585	STREET LIGHT/SIGNAL	16	106.8%	-	494	889	1,250	1,723	1,416	911	397	1,340	918	751	1,792	889	12,770
23	586	METER EXPENSES	16	106.8%	-	23,648	18,818	24,107	20,060	20,305	23,132	19,957	21,802	25,877	28,470	25,661	21,212	273,058
24	5871	AREA LIGHT EXPENSE	16	106.8%	-	3,587	5,387	4,747	4,080	3,346	3,572	4,121	4,817	5,365	5,094	4,090	7,378	55,585
25	5872	OTHER CUSTOMER INSTA	16	106.8%	-	3,041	2,833	4,611	1,544	5,922	4,406	4,266	4,041	3,258	2,026	3,367	2,795	44,010
26	5881	DISTRIBUTION MAPS &	16	106.8%	-	7,381	7,238	8,678	8,908	10,219	10,378	8,168	9,414	6,035	8,744	8,877	13,887	105,926
27	5882	OTHER DIST OFFICE SU	16	106.8%	50,800	11,670	9,638	14,868	12,750	11,444	16,637	12,668	9,086	16,555	7,882	13,261	19,054	155,533
28	5883	MISC DISTRIBUTION OF	16	106.8%	-	1,805	1,928	461	1,880	488	461	555	559	461	742	1,125	11	1,565
29	589	RENTS	1	102.2%	-	220	-	-	110	-	-	110	353	-	68	18	173	1,053
30																		
31	901-905	Customer Accounts - Operation																
32	901	SUPERVISION	5	105.5%	1,428	11,897	387	5,457	5,062	5,201	4,927	4,532	4,961	4,934	7,760	6,896	11,750	73,765
33	9011	SUPERVISION & G	5	105.5%	-	8,204	4,238	3,173	4,035	4,996	3,265	5,353	4,502	3,253	4,893	3,144	49,056	-
34	902	METER READING EXPENSE	16	106.8%	-	22,845	22,476	29,123	21,318	25,415	27,086	23,611	26,563	24,338	24,131	24,849	23,970	295,709
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	59,992	20,449	46,530	35,493	39,238	47,572	44,634	47,108	44,297	45,136	44,560	49,906	524,917
36	9031	CUSTOMER RECORDS/COL	5	105.5%	1,349	112	41,612	25,588	22,792	22,147	25,524	22,547	20,894	22,692	22,227	20,879	28,794	275,807
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	175	5,200	4,551	4,078	4,391	4,570	5,337	6,101	5,930	6,163	5,052	4,246	31,976	87,590
38	905	MISC CUSTOMER ACCOUNTS	13	103.4%	-	9,456	4,263	5,703	8,355	6,156	7,879	5,025	6,478	5,999	4,062	6,603	12,785	80,765
39	9051	MISC CUSTOMER ACCT	13	103.4%	-	-	1,886	1,464	1,934	1,723	1,491	1,211	1,582	1,409	1,382	1,456	1,555	16,804
40																		
41	906-910	Customer Service and Info - Operation																
42	9061	UNDERRECOVERY CONSERVATION	Calculated			(12,464)	7,736	(20,268)	11,065	(17,737)	(3,204)	6,810	(3,122)	(10,101)	1,433	(14,696)	(13,859)	(88,807)
43	907	SUPERVISION	13	103.4%	-	6,184	6,989	8,129	6,326	7,973	5,716	3,034	9,057	3,175	6,211	5,439	8,221	76,455
44	908	CUSTOMER ASSISTANCE	13	103.4%	-	16,977	16,298	18,258	12,016	14,787	15,868	15,714	18,921	17,098	19,569	18,652	22,945	207,105
45	909	INFO & INSTRUCTIONAL	13	103.4%	-	20,794	851	23,319	(1,819)	24,505	15,440	14,726	10,675	24,254	6,180	15,543	10,983	164,550
46	910	MISC CUSTOMER SERVICE	13	103.4%	-	1,846	1,966	2,135	1,115	1,444	1,673	1,660	1,522	4,077	1,462	1,714	2,917	23,561
47																		
48	911-917	Sales Expenses - Operation																
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.4%	-	-	-	-	-	-	8,184	-	(6,595)	6,595	(6,595)	-	-	1,589
52	9133	SAFETY ADVERTISING	13	103.4%	-	143	-	-	150	1,794	1,781	2,488	-	151	-	1,998	8,504	-
53	9134	OTHER INFO/INSTR/CON	13	103.4%	28,800	7,736	7,766	8,355	12,823	10,303	10,291	7,570	27,530	7,684	22,291	15,466	16,332	154,148
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	916	MISC SALES EXPENSES	13	103.4%	-	116	140	119	123	58	2,356	31	12,769	(2,208)	27	55	114	13,699
57																		
58	920-933	Administrative & General - Operation																
59	920	ADM & GENERAL SALARIES	5	105.5%	58,302	85,059	85,110	93,667	83,130	92,799	92,854	88,613	94,568	88,423	87,917	90,338	88,891	1,071,369
60	9211	OFFICE SUPPLIES	1	102.2%	-	595	918	1,488	753	730	1,158	1,214	1,286	888	625	633	582	10,867
61	9212	OFFICE POSTAGE & MAI	1	102.2%	-	783	833	1,087	794	184	896	35	786	91	782	21	639	7,111
62	9213	OFF COMPUTER SUPP &	1	102.2%	-	6,371	686	(7,814)	4,962	(3,123)	401	1,005	1,486	2,806	204	965	344	8,113
63	9214	OFFICE UTILITY EXPENSE	1	102.2%	-	3,099	2,872	3,422	2,040	3,675	3,106	2,255	2,900	2,241	3,586	2,659	2,811	34,425
64	9215	MISC OFFICE EXPENSE	1	102.2%	-	5,431	7,182	8,546	7,604	6,235	6,980	11,302	2,969	7,588	9,484	8,237	11,749	93,308
65	9216	CO TRAINING EXPENSE	1	102.2%	5,200	433	569	790	433	482	536	433	482	444	1,383	494	433	6,913
66	9231	OUTSIDE SERVICES - O	1	102.2%	-	-	-	3,575	41	-	-	1,803	-	2,099	645	6,755	3,388	18,306
67	9232	LEGAL FEES AND EXPENSES	1	102.2%	-	2,197	1,357	491	1,308	12,133	6,363	1,866	3,407	1,349	3,221	3,246	40,283	-
68	9233	OUTSIDE AUDIT & ACCO	13	103.4%	82,150	18,615	18,615	25,532	19,165	18,751	18,751	16,547	16,547	16,547	15,918	34,873	226,680	-
69	924	PROPERTY INSURANCE	FFUC		-	13,510	13,510	13,510	13,510	13,510	13,510	13,510	13,510	13,949	13,955	13,952	31,304	181,238
70	9251	INJURIES AND DAMAGES	16	106.8%	632	7,404	3,45											

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khogasteh

If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-E1

Line No.	Account No.	Account Title	Adjustment Basis	Adjustment Factor	Over and Above	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
85		<b>Maintenance Expenses</b>																
86																		
87	541-545.1	Hydraulic Power Gen - Maintenance																
88	554	MAINT OF MISC POWER	13	103.4%														
89																		
90	568-574	Transmission Expenses - Maintenance																
91	570	MAINT OF STATION EQUIP	13	103.4%		384	874	3,075	4,880	6,505	2,891	2,587	2,806	2,382	2,426	2,705	71,115	102,430
92	571	MAINT OF OVERHEAD LINES	13	103.4%		110	150		2,933	9,667	25,806	8,305	12,768	8,719	5,886	7,539	(1,298)	80,603
93	573	MAINT OF MISC TRANSMISSION	13	103.4%													461	461
94																		
95	590-598	Distribution Expenses - Maintenance																
96	590	MAINT SUPERVISION & ENG	5	105.5%	2,856	15,473	17,208	20,088	11,972	9,337	10,353	7,624	9,906	9,384	9,285	7,007	19,037	146,674
97	591	MAINT OF STRUCTURES	13	103.4%		1,082	(156)	21	2,474	(746)	10,300	5,687	3,405	10,148	7,520	231	2,092	13,577
98	592	MAINT OF STATION EQUIP	13	103.4%		5,463	2,209	13,391	983	1,288	610	1,378	4,222	(268)	526			10,411
99	593.1	MAINT OF POLES/TOWER	13	103.4%		13,392	2,354	10,727	2,452	995	2,755	3,826	2,649	1,330	2,092			75,455
100	593.2	MAINT OF OVERHEAD CO	13	103.4%		53,248	61,398	52,002	112,733	48,321	105,902	124,050	93,244	78,372	104,711	79,711	97,583	1,032,586
101	593.3	MAINT OF SERVICES	13	103.4%			11,333	6,996	9,447	7,671	11,525	14,052	11,936	15,190	12,201	10,344	10,056	137,755
102	594.1	MAINT OF UNDERGROUND LINES	16	106.8%			999	332										
103	594.2	MAINT OF UNDERGROUND LINES	16	106.8%	5,748	12,493	4,798	9,232	5,945	8,754	17,933	37,035	4,963	8,566	17,211	8,738	7,594	143,039
104	595.1	MAINT OF LINE TRANSFORMERS	16	106.8%			3,193	3,168	4,322	5,079	8,978	8,983	5,380	4,963	8,566	17,211	8,738	7,594
105	595.2	MAINT OF LINE TRANSFORMERS	16	106.8%					309			415	8,805	340	31	(883)	(1,988)	423
106	595.3	MAINT OF LINE TRANSFORMERS	16	106.8%			3,361	1,262	4,999	2,423	3,325	10,633	3,876	10,294	4,433	3,917	7,241	58,267
107	596	MAINT STREET LIGHT/SIGNALS	16	106.8%		2,746	1,823	5,125	2,077	3,062	2,498	3,878	3,153	1,945	3,100	9,708	13,322	52,438
108	597	MAINT OF METERS	16	106.8%		2,152	2,563	3,368	5,974	2,262	2,954	3,245	2,768	4,243	2,053	2,669	3,395	37,647
109	598	MAINT OF MISC DIST PLANT	13	103.4%		5,678	4,681	5,912	3,033	3,649	5,797	3,869	5,248	5,844	4,933	11,939	13,345	73,927
110	935	Administrative & General - Maintenance																
111	935	MAINT OF GENERAL PLANT	13	103.4%	2,800	14,071	8,034	28,226	10,671	22,284	11,214	15,619	12,860	8,036	13,394	11,048	13,075	167,932
112																		
113		<b>TOTAL MAINTENANCE EXPENSES</b>				152,997	108,368	231,499	116,253	205,582	247,439	213,564	183,457	195,362	160,347	186,679	248,395	2,249,982
114																		
115																		
116																		
117																		
118																		
119																		
120																		
121																		
122		<b>Other Operating Expenses</b>																
123																		
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct			222,040	222,710	223,530	223,886	224,295	228,662	227,421	228,303	228,941	230,421	230,949	231,538	2,720,692
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct															
126	4030.2	DEPR EXP-COMMON	Direct			8,241	8,241	8,243	8,575	8,604	8,969	9,090	9,119	9,320	9,443	9,689	10,242	107,946
127	403 - Depreciation Expenses					230,281	230,951	231,773	232,461	232,899	235,631	236,481	237,422	238,261	239,864	240,638	241,780	2,828,638
128																		
129	4070.3	Amortization - Storm Hardening	Direct															
130	407 - Storm Hardening																	
131																		
132	4080.1	AD VALOREM TAXES	13	103.4%		45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	45,718	37,088	37,088	531,358
133	4080.2	STATE GROSS RECEIPTS	Pass-Through			109,600	97,869	90,971	85,461	90,831	102,708	119,280	112,935	116,828	97,125	81,319	91,611	1,196,518
134	4080.3	FPSG ASSESSMENT	Direct			2,824	2,975	2,770	2,604	2,848	3,181	3,804	3,504	3,440	2,894	2,230	2,750	35,823
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%							(8,261)							(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT TAX	5	105.5%		2,841	917	(237)	(794)	(779)	(1,052)	464	135	73	43	74	120	1,405
137	4080.6	STATE UNEMPLOYMENT TAX	5	105.5%		4,246	660	(401)	(1,292)	(1,296)	(1,693)	103	217	117	69	118	194	1,073
138	4080.7	F.I.C.A.	16	106.8%		20,269	18,798	34,560	18,521	19,768	17,882	19,839	35,204	19,643	18,605	19,121	15,968	258,198
139	4080.8	MISCELLANEOUS TAXES	13	103.4%									324	310				634
140	4080.11	FRANCHISE TAX	Pass-Through			165,307	168,573	154,315	144,349	153,678	172,227	195,482	189,452	195,131	163,082	137,034	155,384	1,994,012
141						350,805	335,510	327,697	294,567	310,798	330,709	384,272	387,490	381,260	327,536	276,984	303,134	4,010,760
142		<b>Taxes Other Than Income Taxes</b>																
143	4090.1	UT-FEDERAL-UTIL O	Direct			(47,642)	(17,729)	(16,875)	(31,397)	4,881	32,589	(53,645)	(47,759)	(35,302)	(40,984)	(2,304)	(1,913)	(257,878)
144	4090.2	UT-STATE-UTIL O	Direct			(10,480)	(3,960)	(3,678)	(6,903)	1,108	7,903	(12,046)	(10,530)	(7,810)	(9,019)	(504)	(453)	(66,695)
145	409 - Income Taxes					(58,122)	(21,709)	(20,353)	(38,299)	5,960	40,171	(65,693)	(58,289)	(43,111)	(49,983)	(2,808)	(2,367)	(314,573)
146																		
147	4100.1	DEFERRED UT-FEDERAL	Direct			161,756	(52,016)	170,335	130,690	(185,508)	(431,022)	129,199	43,449	132,614	266,330	(33,329)	90,378	422,867
148	4100.2	DEFERRED UT-STATE	Direct			32,457	(10,446)	34,197	26,213	(37,239)	(86,488)	25,932	8,729	26,609	53,454	(6,708)	18,154	84,864
149	4100.3	DEFERRED UT AMORTIZ	Direct															
150	4100.4	DEFERRED UT AMORTIZ	Direct															
151	410 - Deferred Income Taxes					194,213	(62,462)	204,532	156,903	(222,746)	(517,510)	155,132	52,178	159,224	319,784	(40,028)	108,531	507,751
152																		
153	4110.4	INVEST TAX CREDIT- U	Direct			(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(29,538)
154	411 - Investment Tax Credit					(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(2,461)	(29,538)
155																		
156		<b>TOTAL OTHER OPERATING EXPENSES</b>				714,716	479,828	741,187	643,169	324,478	86,539	707,729	616,339	733,171	834,740	472,525	648,617	7,003,039
157																		
158		<b>TOTAL EXPENSES INCLUDING FUEL</b>				4,348,529	4,095,097	4,361,022	3,817,448	3,834,677	4,091,424	5,172,141	4,681,982	4,914,349	4,648,085	3,582,496	4,343,758	51,890,987

Supporting Schedules: C1, C6

Recap Schedules: C1

Supporting Schedules: C1, C6

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION:	If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.		Type of Data Shown: Projected Test Year Ended 12/31/2008 Witness: Mehrdad Khojasteh		If the requested historical test year maintenance expense is:	
COMPANY: FLORIDA PUBLIC UTILITIES								
Consolidated Electric Division								
DOCKET NO.: 070304-E1								

Line No.	Account No.	Account Title			Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
1	<b>OPERATING EXPENSES</b>		Adjustment Basis	Adjustment Factor										
2														
3	555-557	Other Power Supply Expenses												
4	555	PURCHASED POWER	Billing Determinants		3,414,137	4,161,787	3,221,760	3,305,695	3,883,206	4,142,408	4,417,596	4,455,567	3,712,196	3,406,998
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-	-	-	-	-	-	-	-
6	5551	UNDER REC.FUEL ADJ.	Calculated		296,157	(401,650)	308,154	(111,924)	(481,034)	(298,428)	229,756	(359,075)	512,559	470,646
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	-	-	-	-	-	-	-	-	-	-
8	557	OTHER EXPENSES	0	100%	(565)	5,421	(16,501)	245	44,573	105,507	1,041	26,650	59,797	1,081
9														
10	560-567.1	Transmission Expenses - Operation												
11	562	STATION EXPENSES	1	102.3%	25,575	2,490	2,663	3,006	3,948	4,160	6,310	2,513	3,359	4,364
12	566	MISC TRANSMISSION EXPENSES	13	103.5%	30,960	2,591	2,580	2,580	2,580	2,580	2,580	2,580	2,689	2,580
13														
14	580-589	Distribution Expenses - Operation												
15	580	OPERATION SUPERVISION & ENG	5	105.5%	93,828	37,224	29,428	39,166	32,477	37,241	38,063	32,140	39,396	40,472
16	581	LOAD DISPATCHING	13	103.5%	-	-	-	-	-	-	-	-	-	-
17	582	STATION EXPENSES	5	105.5%	47,475	8,256	6,392	8,440	9,172	7,115	11,153	6,571	7,353	7,147
18	5831	OPERATION OF OVERHEA	16	106.8%	2,773	2,639	4,654	3,689	3,531	6,309	3,347	6,729	3,407	8,559
19	5832	REMOVING & RESETTING	16	106.8%	4,484	3,540	4,482	3,214	6,970	5,464	8,846	7,690	8,932	7,838
20	5841	UNDERGROUND LINE EXP	5	105.5%	-	71	756	-	590	277	312	311	532	333
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,625	1,992	4,185	2,139	4,785	4,773	1,676	1,199	2,199	907
22	585	STREET LIGHT/SIGNAL	16	106.8%	528	949	1,335	1,840	1,512	973	424	1,431	981	802
23	586	METER EXPENSES	16	106.8%	25,256	20,098	25,746	21,433	21,686	24,705	21,314	23,285	27,636	30,406
24	5871	AREA LIGHT EXPENSE	16	106.8%	3,831	5,753	5,070	4,357	3,574	3,815	4,402	5,144	5,729	5,441
25	5872	OTHER CUSTOMER INSTA	16	106.8%	3,247	3,026	4,924	1,649	7,392	4,705	4,556	4,316	3,480	3,125
26	5881	DISTRIBUTION MAPS &	16	106.8%	20,909	9,625	9,472	11,010	9,120	12,656	12,826	11,797	8,188	11,081
27	5882	OTHER DIST OFFICE SU	16	106.8%	54,254	12,463	10,294	15,880	13,617	12,223	17,768	13,550	9,704	17,681
28	5883	MISC DISTRIBUTION OF	16	106.8%	1,714	2,059	493	2,007	521	493	593	597	493	452
29	589	RENTS	1	102.3%	225	-	-	113	-	-	113	361	-	70
30														
31	901-905	Customer Accounts - Operation												
32	901	SUPERVISION	5	105.5%	5,791	12,908	765	6,114	5,697	5,844	5,555	5,138	5,591	8,544
33	9011	SUPERVISION A&G	5	105.5%	-	-	8,655	4,471	3,348	4,257	5,271	3,445	5,647	3,431
34	902	METER READING EXPENSE	16	106.8%	-	24,398	24,004	31,104	22,768	27,143	28,909	25,217	28,370	25,993
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	-	63,291	21,574	49,089	37,446	41,396	50,189	47,089	49,699	46,734
36	9031	CUSTOMER RECORDS/COLLECTION	5	105.5%	25,415	2,118	45,900	28,994	26,045	25,365	28,927	25,786	24,042	25,939
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	129,249	15,956	15,307	14,834	15,147	15,326	16,093	16,857	16,686	16,919
38	905	MISC CUSTOMER ACCOUNTS	13	103.5%	9,787	4,412	5,902	6,577	6,374	8,155	5,201	6,703	6,209	4,204
39	9051	MISC CUSTOMER ACCOUNTS	13	103.5%	-	1,952	1,515	1,691	1,783	1,543	1,253	1,648	1,459	1,431
40														
41	906-910	Customer Service and Info - Operation												
42	9061	UNDERRECOVERY: CONSERVATION	Calculated		(12,900)	8,007	(20,978)	11,452	(18,356)	(3,316)	6,841	(3,232)	(10,455)	1,483
43	907	SUPERVISION	13	103.5%	6,401	7,233	8,414	6,547	8,252	5,916	3,140	9,374	3,287	6,429
44	908	CUSTOMER ASSISTANCE	13	103.5%	17,571	16,868	18,897	12,437	15,305	16,423	16,264	19,583	17,697	20,254
45	909	INFO & INSTRUCTIONAL	13	103.5%	21,522	881	24,135	(1,882)	25,362	15,980	15,242	11,049	25,102	6,397
46	910	MISC CUSTOMER SERVICE	13	103.5%	1,910	2,034	2,210	1,154	1,495	1,732	1,749	1,575	4,220	1,513
47														
48	911-917	Sales Expenses - Operation												
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-	-	-	-	-	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	(6,826)	6,826
52	9133	SAFETY ADVERTISING	13	103.5%	148	-	-	155	1,857	1,843	2,575	-	156	-
53	9134	OTHER INFO/INSTR/CON	13	103.5%	29,808	8,007	8,038	8,647	13,272	10,663	10,652	7,835	28,494	7,953
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
55	9136	OTHER ADVERTISING	13	103.5%	-	-	-	-	-	-	-	-	-	-
56	916	MISC. SALES EXPENSES	13	103.5%	120	144	123	127	60	2,439	32	13,216	(2,285)	28
57														

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: 1 revenue requirements are based on a  
ear, provide actual monthly operation and  
xpense by primary account for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Account No.	Account Title			Nov-08	Dec-08	12 Month Total
1	<b>OPERATING EXPENSES</b>		Adjustment Basis	Adjustment Factor			
2							
3	555-557	<b>Other Power Supply Expenses</b>					
4	555	PURCHASED POWER	Billing Determinants		3,150,559	3,444,439	44,716,349
5	55501	PURCHASED POWER-QUAL	19	0%	-	-	-
6	5551	UNDER REC.FUEL ADJ.	Calculated		(224,496)	(151,044)	(210,378)
7	556	SYSTEM CONTROL & LOAD DISP.	0	100%	-	-	-
8	557	OTHER EXPENSES	0	100%	39,811	79,179	346,239
9							
10	560-567.1	<b>Transmission Expenses - Operation</b>					
11	562	STATION EXPENSES	1	102.3%	2,760	4,299	43,478
12	566	MISC TRANSMISSION EXPENSES	13	103.5%	2,580	2,580	31,080
13							
14	580-589	<b>Distribution Expenses - Operation</b>					
15	580	OPERATION SUPERVISION & ENG	5	105.5%	31,207	47,128	435,662
16	581	LOAD DISPATCHING	13	103.5%	-	-	-
17	582	STATION EXPENSES	5	105.5%	8,511	11,211	99,878
18	5831	OPERATION OF OVERHEA	16	106.8%	9,314	2,298	58,647
19	5832	REMOVING & RESETTING	16	106.8%	3,580	4,980	70,021
20	5841	UNDERGROUND LINE EXP	5	105.5%	429	318	3,928
21	5842	UNDERGRND LINE EXPEN	5	105.5%	1,419	2,117	29,017
22	585	STREET LIGHT/SIGNAL	16	106.8%	1,914	949	13,638
23	586	METER EXPENSES	16	106.8%	27,406	22,654	291,623
24	5871	AREA LIGHT EXPENSE	16	106.8%	4,369	7,879	59,365
25	5872	OTHER CUSTOMER INSTA	16	106.8%	3,596	2,985	47,003
26	5881	DISTRIBUTION MAPS &	16	106.8%	11,223	16,574	134,038
27	5882	OTHER DIST OFFICE SU	16	106.8%	14,163	20,350	166,109
28	5883	MISC DISTRIBUTION OF	16	106.8%	793	1,671	11,885
29	589	RENTS	1	102.3%	19	177	1,077
30							
31	901-905	<b>Customer Accounts - Operation</b>					
32	901	SUPERVISION	5	105.5%	7,633	12,754	82,107
33	9011	SUPERVISION A&G	5	105.5%	5,162	3,317	51,755
34	902	METER READING EXPENSE	16	106.8%	26,539	25,600	315,817
35	903	CUSTOMER RECORDS/COLLECTION	5	105.5%	47,011	52,654	553,788
36	9031	CUSTOMER RECORDS/COLLECTION	5	105.5%	24,027	32,377	314,968
37	904	UNCOLLECTIBLE ACCOUNTS	9	100.0%	15,002	42,732	216,664
38	905	MISC CUSTOMER ACCOUNTS	13	103.5%	6,834	13,233	83,591
39	9051	MISC CUSTOMER ACCOUNTS	13	103.5%	1,507	1,610	17,392
40							
41	906-910	<b>Customer Service and Info - Operation</b>					
42	9061	UNDERRECOVERY: CONSERVATION	Calculated		(15,210)	(14,344)	(71,007)
43	907	SUPERVISION	13	103.5%	5,629	8,509	79,131
44	908	CUSTOMER ASSISTANCE	13	103.5%	19,305	23,749	214,354
45	909	INFO & INSTRUCTIONAL	13	103.5%	16,087	10,435	170,309
46	910	MISC CUSTOMER SERVICE	13	103.5%	1,774	3,019	24,385
47							
48	911-917	<b>Sales Expenses - Operation</b>					
49	912	DEMONSTRATING & SELLING	5	105.5%	-	-	-
50	9131	PROMOTIONAL ADVERTISING	13	103.5%	-	-	-
51	9132	CONSERVATION ADVERTISING	13	103.5%	(6,826)	-	1,645
52	9133	SAFETY ADVERTISING	13	103.5%	-	2,068	8,801
53	9134	OTHER INFO/INSTR/CON	13	103.5%	16,007	16,904	159,543
54	9135	COMMUNITY AFFAIRS ADVERTISING	13	103.5%	-	-	-
55	9136	OTHER ADVERTISING	13	103.5%	-	-	-
56	916	MISC. SALES EXPENSES	13	103.5%	57	118	14,179
57							



FLORIDA PUBLIC SERVICE COMMISSION				EXPLANATION:		If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.					Type of Data Shown: Projected Test Year Ended 12/31/2008 Witness: Mehrdad Khojasteh					If the requested historical test year maintenance expense:	
COMPANY FLORIDA PUBLIC UTILITIES																	
Consolidated Electric Division																	
DOCKET NO. 070304-EI																	

Line No.	Account No	Account Title				Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
58	920-933	Administrative & General - Operation													
59	920	ADM & GENERAL SALARIES	5	105.5%	123,161	94,874	94,929	103,957	92,840	103,041	103,099	98,624	104,907	98,424	97,890
60	9211	OFFICE SUPPLIES	1	102.3%		608	939	1,522	771	746	1,185	1,242	1,315	906	640
61	9212	OFFICE POSTAGE & MAI	1	102.3%		801	852	1,112	812	167	917	36	804	93	800
62	9213	OFF COMPUTER SUPP &	1	102.3%		6,518	702	(7,994)	5,097	(3,195)	410	1,028	1,520	2,666	209
63	9214	OFFICE UTILITY EXPENSE	1	102.3%		3,170	2,733	3,500	2,087	3,760	3,239	2,306	2,865	2,293	3,669
64	9215	MISC OFFICE EXPENSE	1	102.3%	5,200	5,989	7,780	9,176	8,212	6,812	7,574	11,996	3,471	8,196	10,136
65	9216	CO TRAINING EXPENSE	1	102.3%	5,486	457	596	822	457	507	562	457	507	468	1,428
66	9231	OUTSIDE SERVICES - O	1	102.3%		-	-	3,657	42	-	-	1,844	-	2,147	660
67	9232	LEGAL FEES AND EXPENSES	1	102.3%		2,248	1,388	502	1,338	12,412	6,509	1,909	3,486	1,380	3,295
68	9233	OUTSIDE AUDIT & ACCO	13	103.5%	90,675	19,737	19,737	26,897	20,306	19,878	19,878	17,597	17,597	17,597	7,445
69	924	PROPERTY INSURANCE	FPUC			19,642	19,642	19,642	19,642	19,642	19,642	19,642	19,642	20,280	20,289
70	9251	INJURIES AND DAMAGES	16	106.8%	21,890	9,675	5,462	17,883	5,775	12,157	17,501	10,624	12,190	14,526	11,243
71	9252	GENERAL LIABILITY	13	103.5%	-	31,982	31,754	31,448	31,393	32,095	30,274	28,373	31,403	31,390	29,304
72	9261	EMPLOYEE PENSIONS	FPUC			29,946	29,946	29,946	29,946	29,946	29,946	29,946	29,946	30,919	30,932
73	9262	EMPLOYEE BENEFITS- O	FPUC			40,548	40,548	40,548	40,548	40,548	40,548	40,548	40,548	41,866	41,885
74	9263	RETIREE BENEFITS-POS	FPUC			4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,156	4,158
75	9264	401(K) EXPENSE COMPA	16	106.8%		-	-	559	380	686	547	639	(3,467)	4,756	731
76	928	REGULATORY COMMISSION	1	102.3%	117,235	10,518	21,039	22,534	19,566	20,649	23,965	19,137	20,900	26,332	18,214
77	9301	INSTITUTIONAL/GOODWILL	13	103.5%		-	-	-	-	-	-	-	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.5%		3,343	5,158	14,727	4,825	5,728	6,825	2,193	5,789	6,447	5,174
79	93022	INDUSTRY ASSOCIATION	13	103.5%		1,070	(1,070)			88	-	3,540	-	-	-
80	93023	ECONOMIC DEVELOPMENT	13	103.5%	10,350	863	863	863	863	863	863	863	6,213	863	863
81	931	RENTS	1	102.3%		585	606	575	616	671	641	641	612	857	42
82															
83		TOTAL OPERATING EXPENSES				4,283,898	4,319,921	4,155,581	3,756,893	4,056,632	4,612,630	5,242,667	4,771,108	4,906,700	4,492,044
84		Total Operating Expenses Less Fuel				574,169	554,363	642,168	562,877	609,887	663,143	594,273	647,967	622,148	613,319
85		Maintenance Expenses													
86															
87	541-545.1	Hydraulic Power Gen - Maintenance													
88	554	MAINT OF MISC POWER	13	103.5%		-	-	-	-	-	-	-	-	-	-
89															
90	568-574	Transmission Expenses - Maintenance													
91	570	MAINT OF STATION EQUIP	13	103.5%		397	904	3,183	5,051	6,733	2,992	2,678	2,697	2,466	2,511
92	571	MAINT OF OVERHEAD LINES	13	103.5%		113	155	-	3,036	10,026	26,709	8,596	13,215	9,024	6,092
93	573	MAINT OF MISC TRANSMISSION	13	103.5%		-	-	-	-	-	-	-	-	-	-
94															
95	590-598	Distribution Expenses - Maintenance													
96	590	MAINT SUPERVISION & ENG	5	105.5%	11,581	17,038	18,868	21,907	13,344	10,565	11,637	8,757	11,165	10,614	10,509
97	591	MAINT OF STRUCTURES	13	103.5%		1,119	(162)	21	2,561	(772)	1,312	631	1,427	4,370	(277)
98	592	MAINT OF STATION EQUIP	13	103.5%		5,654	2,379	13,860	707	10,660	5,886	3,586	10,503	7,783	239
99	5931	MAINT OF POLES/TOWER	13	103.5%	219,833	32,181	20,756	29,422	20,857	19,349	21,170	22,279	21,061	19,696	19,580
100	5932	MAINT OF OVERHEAD CO	13	103.5%	439,372	95,569	85,844	148,701	82,034	141,630	160,414	128,530	113,137	140,397	114,523
101	5933	MAINT OF SERVICES	13	103.5%	5,000	12,146	7,658	10,194	8,356	12,345	14,961	12,771	16,139	13,045	11,123
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%		714	355	559	281	1,885	480	300	650	626	696
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	6,139	13,342	5,124	9,860	6,349	9,349	19,153	39,553	10,899	11,554	7,623
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%		3,410	3,383	4,616	5,425	7,451	9,273	5,745	5,300	9,565	18,381
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%		-	-	330	-	-	444	9,403	363	33	(943)
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%		3,590	1,348	5,339	2,588	3,551	11,356	4,139	10,994	4,735	4,184
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%		2,933	1,947	5,474	2,219	3,270	2,668	4,142	3,367	2,077	3,311
108	597	MAINT OF METERS	16	106.8%		2,298	2,737	3,598	6,381	2,416	3,155	3,465	2,956	4,532	2,192
109	598	MAINT OF MISC DIST PLANT	13	103.5%		5,876	4,845	6,119	3,139	3,777	5,999	4,005	5,431	6,049	5,106
110	935	Administrative & General - Maintenance													
111	935	MAINT OF GENERAL PLANT	13	103.5%	10,223	15,174	8,925	29,824	11,034	23,675	12,217	16,776	13,920	8,928	14,473
112															
113		TOTAL MAINTENANCE EXPENSES				211,556	165,068	293,006	173,362	265,909	309,826	275,357	243,225	255,493	219,322
114															
115															
116															
117															
118															
119															
120															

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION:

I revenue requirements are based on a  
ear, provide actual monthly operation and  
xpense by primary account for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness: Mehرداد Khojasteh

Line No.	Account No.	Account Title			Nov-08	Dec-08	12 Month Total
58	920-933	Administrative & General - Operation					
59	920	ADM & GENERAL SALARIES	5	105.5%	100,444	98,918	1,191,947
60	9211	OFFICE SUPPLIES	1	102.3%	647	595	11,117
61	9212	OFFICE POSTAGE & MAI	1	102.3%	22	858	7,275
62	9213	OFF COMPUTER SUPP &	1	102.3%	987	352	8,299
63	9214	OFFICE UTILITY EXPENSE	1	102.3%	2,720	2,875	35,217
64	9215	MISC OFFICE EXPENSE	1	102.3%	8,860	12,452	100,654
65	9216	CO TRAINING EXPENSE	1	102.3%	519	457	7,238
66	9231	OUTSIDE SERVICES - O	1	102.3%	6,911	3,466	18,727
67	9232	LEGAL FEES AND EXPENSES	1	102.3%	3,321	3,421	41,210
68	9233	OUTSIDE AUDIT & ACCO	13	103.5%	17,008	36,565	240,243
69	924	PROPERTY INSURANCE	FPUC		20,284	45,512	263,498
70	9251	INJURIES AND DAMAGES	16	106.8%	13,769	13,184	143,989
71	9252	GENERAL LIABILITY	13	103.5%	29,590	15,583	354,586
72	9261	EMPLOYEE PENSIONS	FPUC		30,926	69,388	401,730
73	9262	EMPLOYEE BENEFITS- O	FPUC		41,875	93,956	543,969
74	9263	RETIREE BENEFITS-POS	FPUC		4,157	9,327	54,000
75	9264	401(K) EXPENSE COMPA	16	106.8%	835	910	6,576
76	928	REGULATORY COMMISSION	1	102.3%	23,721	27,706	254,283
77	9301	INSTITUTIONAL/GOODWILL	13	103.5%	-	-	-
78	9302	MISC. GENERAL EXPENSE	13	103.5%	10,630	11,161	82,000
79	93022	INDUSTRY ASSOCIATION	13	103.5%	-	-	4,698
80	93023	ECONOMIC DEVELOPMENT	13	103.5%	863	863	15,701
81	931	RENTS	1	102.3%	1,747	1,092	8,685
82							
83		<b>TOTAL OPERATING EXPENSES</b>			3,579,529	4,204,118	52,381,723
84		<b>Total Operating Expenses Less Fuel</b>			613,655	831,544	7,529,514
85		<b>Maintenance Expenses</b>					
86							
87	541-545.1	Hydraulic Power Gen - Maintenance					
88	554	MAINT OF MISC POWER	13	103.5%	-	-	-
89							
90	568-574	Transmission Expenses - Maintenance					
91	570	MAINT OF STATION EQUIP	13	103.5%	2,800	73,604	106,015
92	571	MAINT OF OVERHEAD LINES	13	103.5%	7,803	(1,343)	83,425
93	573	MAINT OF MISC TRANSMISSON	13	103.5%	-	477	477
94							
95	590-598	Distribution Expenses - Maintenance					
96	590	MAINT SUPERVISION & ENG	5	105.5%	8,106	20,798	163,309
97	591	MAINT OF STRUCTURES	13	103.5%	545	-	10,776
98	592	MAINT OF STATION EQUIP	13	103.5%	2,786	14,053	78,096
99	5931	MAINT OF POLES/TOWER	13	103.5%	19,187	21,951	267,489
100	5932	MAINT OF OVERHEAD CO	13	103.5%	133,020	109,187	1,452,986
101	5933	MAINT OF SERVICES	13	103.5%	10,824	18,015	147,576
102	5941	MAINT OF UNDERGROUND LINES	16	106.8%	837	1,127	8,510
103	5942	MAINT OF UNDERGROUND LINES	16	106.8%	8,110	11,848	152,766
104	5951	MAINT OF LINE TRANSFORMERS	16	106.8%	9,333	(8,305)	73,578
105	5952	MAINT OF LINE TRANSFORMERS	16	106.8%	(2,123)	452	7,958
106	5953	MAINT OF LINE TRANSFORMERS	16	106.8%	7,733	2,671	62,229
107	596	MAINT -STREET LIGHT/SIGNALS	16	106.8%	10,368	14,228	56,003
108	597	MAINT OF METERS	16	106.8%	2,850	3,626	40,207
109	598	MAINT OF MISC DIST PLANT	13	103.5%	12,356	13,812	76,514
110	935	Administrative & General - Maintenance					-
111	935	MAINT OF GENERAL PLANT	13	103.5%	12,045	14,143	181,134
112							
113		<b>TOTAL MAINTENANCE EXPENSES</b>			246,582	310,344	2,969,049
114							
115							
116							
117							
118							
119							
120							

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION	If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.		Type of Data Shown: Projected Test Year Ended 12/31/2008 Witness: Mehrdad Khojasteh		If the requested historical test year maintenance expense is:	
COMPANY: FLORIDA PUBLIC UTILITIES								
Consolidated Electric Division								
DOCKET NO.: 070304-EI								

Line No.	Account No.	Account Title		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
121													
122		Other Operating Expenses											
123													
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct	239,855	240,449	241,107	241,776	243,113	244,326	245,717	246,362	247,151	247,602
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct										
126	4030.2	DEPR EXP-COMMON	Direct	10,324	10,370	10,535	10,666	10,885	10,960	11,046	11,114	11,273	11,298
127	403 - Depreciation Expenses			250,179	250,819	251,642	252,442	253,998	255,286	256,763	257,476	258,424	258,900
128													
129	4070.3	Amortization - Storm Hardening	Direct	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550
130	407 - Storm Hardening			29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550
131													
132	4080.1	AD VALOREM TAXES	13	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318	47,318
133	4080.2	STATE GROSS RECEIPTS	Pass-Through	127,589	127,593	118,600	111,416	118,417	133,901	155,480	147,234	152,310	126,623
134	4080.3	FPSC ASSESSMENT	Direct	3,310	3,487	3,248	3,053	3,338	3,729	4,460	4,108	4,033	3,393
135	4080.4	EMERGENCY EXCISE TAX	9	-	-	-	-	-	(8,261)	-	-	-	-
136	4080.5	FEDERAL UNEMPLOYMENT	5	2,997	967	(250)	(838)	(821)	(1,110)	68	142	77	46
137	4080.6	STATE UNEMPLOYMENT T	5	4,480	697	(423)	(1,363)	(1,336)	(1,786)	109	229	124	72
138	4080.7	F.I.C.A.	16	21,647	20,076	36,911	19,781	21,112	19,097	21,188	37,598	20,978	19,870
139	4080.8	MISCELLANEOUS TAXES	13	-	-	-	-	-	-	-	335	321	-
140	4080.11	FRANCHISE TAX	Pass-Through	158,597	161,730	148,051	138,489	147,440	165,235	187,547	181,761	187,210	156,462
141	408 - Taxes Other Than Income Taxes			365,938	361,868	353,454	317,856	335,468	358,124	416,171	418,728	412,370	353,784
142													
143	4090.1	I/T - FEDERAL - UTIL O	Direct	(212,305)	(79,005)	(74,307)	(139,913)	21,753	145,137	(239,059)	(212,827)	(157,315)	(182,548)
144	4090.2	I/T - STATE - UTIL O	Direct	(39,307)	(14,929)	(13,795)	(25,889)	4,157	28,514	(45,187)	(39,496)	(29,291)	(33,826)
145	409 - Income Taxes			(251,612)	(93,934)	(88,102)	(165,802)	25,910	173,651	(284,246)	(252,323)	(186,606)	(216,374)
146													
147	4100.1	DEFERRED I/T-FEDERAL	Direct	185,842	(59,761)	195,698	150,150	(213,130)	(495,202)	148,437	49,919	152,361	305,986
148	4100.2	DEFERRED I/T-STATE	Direct	36,580	(11,773)	38,541	29,542	(41,969)	(97,473)	29,226	9,838	29,989	60,244
149	4100.3	DEFERRED I/T AMORTIZ	Direct	-	-	-	-	-	-	-	-	-	-
150	4100.4	DEFERRED I/T AMORTIZ	Direct	-	-	-	-	-	-	-	-	-	-
151	410 - Deferred Income Taxes			222,422	(71,534)	234,239	179,692	(255,098)	(592,675)	177,663	59,757	182,350	366,230
152													
153	4110.4	INVEST TAX CREDIT- U	Direct	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
154	411 - Investment Tax Credit			(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
155													
156	TOTAL OTHER OPERATING EXPENSES			614,149	474,441	778,455	611,410	387,500	221,609	593,573	510,860	693,761	789,762
157													
158	TOTAL EXPENSES INCLUDING FUEL			5,109,603	4,959,431	5,227,042	4,541,665	4,710,041	5,144,066	6,111,596	5,525,193	5,855,953	5,501,129

Supporting Schedules: C1, C6

Supporting Schedules: C1, C6

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: I revenue requirements are based on a year, provide actual monthly operation and expense by primary account for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness: Mehrdad Khojasteh

Line No	Account No	Account Title		Nov-08	Dec-08	12 Month Total	
121	OPERATING EXPENSES						
122	Other Operating Expenses						
123							
124	4030.1	DEPRECIATION EXPENSE - ELECTRIC	Direct	248,344	249,231	2,935,033	
125	4030.1	DEPR ADJ - NONREGULATED ELECTRIC	Direct				
126	4030.2	DEPR EXP-COMMON	Direct	11,516	11,519	131,506	
127	403	Depreciation Expenses		259,860	260,750	3,066,539	
128							
129	4070.3	Amortization - Storm Hardening	Direct	29,550	29,550	354,600	
130	407	Storm Hardening		29,550	29,550	354,600	
131							
132	4080.1	AD VALOREM TAXES	13	103.5%	38,386	38,386	549,956
133	4080.2	STATE GROSS RECEIPTS	Pass-Through	106,016	119,434	1,544,614	
134	4080.3	FPSC ASSESSMENT	Direct	2,614	3,224	41,997	
135	4080.4	EMERGENCY EXCISE TAX	9	100.0%	-	-	(8,261)
136	4080.5	FEDERAL UNEMPLOYMENT	5	105.5%	78	127	1,483
137	4080.6	STATE UNEMPLOYMENT T	5	105.5%	125	205	1,132
138	4080.7	F.I.C.A.	16	106.8%	20,422	17,075	275,755
139	4080.8	MISCELLANEOUS TAXES	13	103.5%	-	-	656
140	4080.11	FRANCHISE TAX	Pass-Through	131,472	149,076	1,913,070	
141	408	Taxes Other Than Income Taxes		299,112	327,526	4,320,401	
142							
143	4090.1	I/T -FEDERAL- UTIL O	Direct	(10,267)	(8,527)	(1,149,183)	
144	4090.2	I/T -STATE - UTIL O	Direct	(1,890)	(1,701)	(212,639)	
145	409	Income Taxes		(12,157)	(10,228)	(1,361,822)	
146							
147	4100.1	DEFERRED I/T-FEDERAL	Direct	(38,281)	103,835	485,855	
148	4100.2	DEFERRED I/T-STATE	Direct	(7,561)	20,459	95,643	
149	4100.3	DEFERRED I/T AMORTIZ	Direct	-	-	-	
150	4100.4	DEFERRED I/T AMORTIZ	Direct	-	-	-	
151	410	Deferred Income Taxes		(45,841)	124,294	581,498	
152							
153	4110.4	INVEST TAX CREDIT- U	Direct	(2,328)	(2,328)	(27,935)	
154	411	Investment Tax Credit		(2,328)	(2,328)	(27,935)	
155							
156	TOTAL OTHER OPERATING EXPENSES			528,196	729,565	6,933,281	
157							
158	TOTAL EXPENSES INCLUDING FUEL			4,354,307	5,244,027	62,284,053	

Supporting Schedules: C1, C6

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

Line No.	(1) Account Number	(2) Account	(3) Test Year Ended 12/31/2008	(4) Prior Year Ended 12/31/2007	(5) Increase / (Decrease) Dollars (3)-(4)	(6) Percent (5)/(4) (%)	(7) Reason(s) for Change
1	<b>OPERATING EXPENSES (LESS FUEL &amp; CONSERVATION)</b>						
2							
3	4010.562	STATION EXPENSES	43,478	42,501	978	2.30%	
4	4010.566	MISC. TRANS. EXPS.	31,080	12,116	18,964	156.52%	\$424 - Projection factor 13. \$18,540 - Contractor inspections of the transmission system(storm hardening).
5							
6	4010.580	OP SUPERVISION	435,662	380,422	55,240	14.52%	\$20,923 - Projection factor 5. \$25,750 - Travel and PURC costs in the utility collaborative research projects(storm hardening). \$8,567 - Salary survey adjustment to bring salaries up to market.
7	4010.581	LOAD DISPATCHING	-	-	-		
8	4010.582	STATION EXPENSES	99,878	94,672	5,207	5.50%	
9	4010.5831	OPERATION OF OVERHEAD LINES	58,647	54,913	3,734	6.80%	
10	4010.5832	REMOV.& RESET. TRANSFORMERS	70,021	65,562	4,458	6.80%	
11							
12	4010.5841	UNDERGROUND LINE EXP-DUCT	3,928	3,723	205	5.50%	
13	4010.5842	UNDERGRND LINE EXP-BURIED	29,017	27,504	1,513	5.50%	
14	4010.585	STREET LIGHT EXPENSE	13,638	12,770	868	6.80%	
15	4010.586	METER EXPENSES	291,623	273,056	18,568	6.80%	
16	4010.5871	AREA LIGHT EXPENSE	59,365	55,585	3,780	6.80%	
17	4010.5872	OTHER CUSTOMER INSTALL EXP	47,003	44,010	2,993	6.80%	
18	4010.5881	DISTRIBUTION MAPS & RECORDS	134,038	105,926	28,112	26.54%	\$7,203 - Projection factor 16. \$20,909 - Additional employee to handle joint use audits(storm hardening).
19	4010.5882	OTHER DIST OFFICE EXPENSE	166,109	155,533	10,576	6.80%	
20	4010.5883	MISC DIST. OFFICE LABOR	11,885	11,129	757	6.80%	
21	4010.589	RENTS	1,077	1,053	24	2.30%	
22							
23	4010.901	SUPERVISION	82,107	73,765	8,342	11.31%	\$4,057 - Projection factor 5. \$4,285 - Salary survey adjustment to bring salaries up to market.
24	4010.9011	SUPERVISION A&G	51,755	49,056	2,698	5.50%	
25	4010.902	METER READING EXPENSES	315,817	295,709	20,108	6.80%	
26	4010.903	CUSTOMER REC/COLL. EXPENSE	553,788	524,917	28,871	5.50%	
27	4010.9031	CUSTOMER REC/COLL.EXP-A&G	314,968	275,807	39,161	14.20%	\$17,098 - New position to meet SOX 404 internal control requirements. \$15,169 - Projection factor 5. \$5,967 - Postage increase in 2008. \$612 - Salary survey adjustment to bring salaries up to market. \$315 - Lockbox service agreement.
28	4010.904	UNCOLLECTIBLE ACCOUNTS	216,664	87,590	129,074	147.36%	\$129,074 - Increased write-offs due to significant increases in base and fuel(purchased power) rates in 2008.
29	4010.905	MISC CUSTOMER ACCOUNTS EXP	83,591	80,765	2,827	3.50%	
30	4010.9051	MISC CUSTOMER ACCOUNTS EXP A&G	17,392	16,804	588	3.50%	
32							
33	4010.912	DEMONSTRATING & SELL EXP	-	-	-		
34	4010.9131	PROMOTIONAL ADVERTISING	-	-	-		
35	4010.9132	CONSERVATION ADVERTISING	1,645	1,589	56	3.50%	
36	4010.9133	SAFETY ADVERTISING	8,801	8,504	298	3.50%	
37	4010.9134	OTHER INFO/INSTR/CONSUMER ADV	159,543	154,148	5,395	3.50%	
38	4010.9135	COMMUNITY AFFAIRS ADVERTISING	-	-	-		
39	4010.9136	OTHER ADVERTISING	-	-	-		
40	4010.916	MISC. SALES EXPENSE	14,179	13,699	479	3.50%	
41							
42	4010.920	ADM & GENERAL SALARIES	1,191,947	1,071,369	120,578	11.25%	\$58,925 - Projection factor 5. \$32,880 New position-Compliance Acct. for special audits including inventory, cash, etc. \$28,773 - Salary survey adjustment to bring salaries up to market.
43	4010.9211	OFFICE SUPPLIES	11,117	10,867	250	2.30%	
44	4010.9212	OFFICE POSTAGE & MAILING SUPP	7,275	7,111	164	2.30%	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Account Number	Account	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase / (Decrease) Dollars (3)-(4)	Percent (5)/(4) (%)
45	4010.9213	OFF COMPUTER SUPP & EXP	8,299	8,113	187	2.30%
46	4010.9214	OFFICE UTILITY EXPENSE	35,217	34,425	792	2.30%
47	4010.9215	MISC OFFICE EXPENSE	100,654	93,308	7,346	7.87%
48	4010.9216	CO TRAINING EXPENSE-TRACKED	7,238	6,913	325	4.71%
49	4010.9231	OUTSIDE SERVICES - OTHER	18,727	18,306	421	2.30%
50	4010.9232	OUTSIDE SERVICES LEGAL	41,210	40,283	927	2.30%
51	4010.9233	OUTSIDE AUDIT & ACCOUNT FEES	240,243	226,660	13,583	5.99%
52	4010.924	PROPERTY INSURANCE	263,498	181,238	82,260	45.39%
						\$82,260 - Annual increase in Storm Damage Reserve requested this docket.
53	4010.9251	INJURIES AND DAMAGES-SAFETY	143,989	114,957	29,032	25.25%
						\$10,000 - Incremental expense - New position to improve employee and public safety. \$7,817 - Projection factor 16. \$1,897 - Salary survey adjustment to bring salaries up to market. \$9,318 - New position - Corp. Services Administrator.
54	4010.9252	GENERAL LIABILITY	354,586	475,595	(121,009)	-25.44%
						\$(133,000) - Law suit recorded in 2007-removed for 2008. \$11,991 - Projection factor 13.
55	4010.9261	EMPLOYEE PENSIONS /BENEFITS	401,730	365,497	36,233	9.91%
56	4010.9262	EMPLOYEE BENEFITS- MEDICAL	543,969	488,303	55,667	11.40%
57	4010.9263	RETIREE BENEFITS-POST RETMT.	54,000	54,000	-	0.00%
58	4010.9264	401(K) EXPENSE COMPANY MATCH	6,576	6,157	419	6.80%
59	4010.928	REGULATORY COMM. EXPS.	254,283	133,967	120,316	89.81%
						\$97,244 - Current electric rate case. \$19,991 - Personnel at EOC during emergencies. \$3,081 - Projection factor 1.
60	4010.9301	INSTITUTIONAL/GOODWILL ADV	-	-	-	
61	4010.9302	MISC GENERAL EXPENSES	82,000	79,227	2,773	3.50%
62	4010.93022	INDUSTRY ASSOCIATION DUES	4,698	4,539	159	3.50%
63	4010.93023	ECONOMIC DEVELOPMENT EXP	15,701	15,170	531	3.50%
64	4010.931	RENTS	8,685	8,490	195	2.30%
65						
66		<b>TOTAL OPERATION EXPENSES</b>	<b>7,112,341</b>	<b>6,367,321</b>	<b>745,020</b>	
67						
68		<b>MAINTENANCE EXPENSES (LESS FUEL &amp; CONSERVATION)</b>				
69						
70	4020.570	MAINT STATION EQUIP	106,015	102,430	3,585	3.50%
71	4020.571	MAINT OVERHEAD LINES	83,425	80,603	2,821	3.50%
72	4020.573	MAINT MISC TRANS. PLT.	477	461	16	3.50%
73						
74	4020.590	MAINT SUPER/ENG.	163,309	146,674	16,635	11.34%
						\$8,067 - Projection factor 5. \$8,568 - Salary survey adjustment to bring salaries up to market.
75	4020.591	MAINT OF STRUCTURES	10,776	10,411	364	3.50%
76	4020.592	MAINT OF STATION EQUIP	78,096	75,455	2,641	3.50%
77	4020.5931	MAINT OF POLES/TOWERS/FIX.	267,489	46,044	221,445	480.94%
						\$219,833 - New employee and contractor expense to handle pole inspections(storm hardening). \$1,612 - Projection factor 13.
78	4020.5932	MAINT OF OVERHEAD COND.	1,452,986	1,032,586	420,401	40.71%
						\$352,260 - Three additional tree trimming crews(storm hardening). \$27,000 - Develop and implement Post Storm Data Collection & Forensic Review(storm hardening). \$36,140 - Projection factor 1. \$5,000 - Position upgrade to lineman.
79	4020.5933	MAINT OF SERVICES	147,576	137,755	9,821	7.13%
80	4020.5941	MAINT OF UNDERGRND LINE-DUCT	8,510	7,968	542	6.80%
81	4020.5942	MAINT OF UNDERGRND LINE-BURIED	152,766	143,039	9,727	6.80%
82	4020.5951	MAINT OF LINE TRANSF-O/H	73,578	68,893	4,685	6.80%
83	4020.5952	MAINT OF LINE TRANSF-DUCT	7,958	7,451	507	6.80%
84	4020.5953	MAINT OF LINE TRANSF-BURIED	62,229	58,267	3,962	6.80%
85	4020.596	MAINT OF STREET LIGHTS	56,003	52,438	3,566	6.80%
86	4020.597	MAINT OF METERS	40,207	37,647	2,560	6.80%
87	4020.598	MAINT OF MISC DISTR PLT	76,514	73,927	2,587	3.50%
88						

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Account Number	Account	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase / (Decrease) Dollars (3)-(4) Percent (5)/(4) (%)	Reason(s) for Change
89	4020.935	MAINT OF GENERAL PLANT	181,134	167,932	13,202	7.86%
90						
91		<b>TOTAL MAINTENANCE EXPENSES</b>	<b>2,969,049</b>	<b>2,249,982</b>	<b>719,067</b>	
92						
93	4030	DEPRECIATION EXPENSE ELECTRIC	2,935,033	2,720,692	214,341	7.88%
94						
95	4030.2	DEPRECIATION EXPENSE - COMMON	131,506	107,946	23,560	21.83%
96						\$23,560 - Increases in Common Plant(General Office) balances due to plant additions in 2007 and 2008 shown in B schedules.
97	4070.3	AMORTIZATION - STORM HARDENING	354,600	0	354,600	0.00%
98						\$354,600 - Allowance for storm damage reserve.
99	4080	TAXES OTHER THAN INCOME TAXES	4,320,401	4,010,760	309,641	7.72%
100						
101	4090	INCOME TAXES - CURRENT	(1,361,822)	(314,573)	(1,047,249)	332.91%
102						Income taxes are a fallout of all revenue and expense adjustments.
103	4100	INCOME TAXES - DEFERRED	581,498	507,751	73,747	14.52%
104						Income taxes are a fallout of all revenue and expense adjustments.
105	4110	INVESTMENT TAX CREDIT	(27,935)	(29,538)	1,603	-5.43%
106						
107		<b>TOTAL OPERATING EXPENSES</b>	<b>18,272,922</b>	<b>15,856,506</b>	<b>2,416,416</b>	

Supporting Schedules: C-7

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of jurisdictional administrative, general, customer service, R & D, and other miscellaneous expenses by category and on a per customer basis for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Historical Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account	Sub-Account	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation	(2) Historical Year Ended 12/31/2006	(3) Projected Test Year Ended 12/31/2008	(4) Difference (3)-(2)	(5) Percent Increase/(Decrease) (4)/(2)
1							
2	Customer Accounts Expense	901-905		1,331,423	1,636,082	304,659	22.88%
3							
4	Sales Expenses	911-916		144,236	184,168	39,932	27.69%
5							
6	Administrative and General Expenses	920-935		3,208,858	3,976,775	767,917	23.93%
7							
8	Total Administrative Expenses	901-935		4,684,517	5,797,025	1,112,508	23.75%
9							
10	Average Number of Customers			30,636	31,425	789	2.58%
11							
12	Administrative Expenses Per Customer			153	184	31	20.27%

Supporting Schedules: C6, C7

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
1				
2	Total Miscellaneous General			
3	Expenses of \$100,000 or Less			
4				
5	<b>ACCOUNT 930.2</b>			
6	9302 MISC. GENERAL EXPENS	79,227	100%	79,227
7	93022 INDUSTRY ASSOCIATION	4,539	100%	4,539
8	93023 ECONOMIC DEVELOPMENT	15,170	100%	15,170
9				
10	Miscellaneous General Expenses			
11	Exceeding \$100,000 (Specify)	-	100%	-
12				
13				
14	Total Miscellaneous General Expenses	<u>98,936</u>		<u>98,936</u>
15				
16	Average Number of Customers	31,425		31,425
17				
18	Miscellaneous General Expenses Per Customer	3.15		3.15

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
1				
2	Total Miscellaneous General			
3	Expenses of \$100,000 or Less			
4				
5	<b>ACCOUNT 930.2</b>			
6	9302 MISC. GENERAL EXPENS	79,227	100%	79,227
7	93022 INDUSTRY ASSOCIATION	4,539	100%	4,539
8	93023 ECONOMIC DEVELOPMENT	15,170	100%	15,170
9				
10	Miscellaneous General Expenses			
11	Exceeding \$100,000 (Specify)	-	100%	-
12				
13				
14	Total Miscellaneous General Expenses	<u>98,936</u>		<u>98,936</u>
15				
16	Average Number of Customers	31,425		31,425
17				
18	Miscellaneous General Expenses Per Customer	3.15		3.15

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
1	Total Miscellaneous General			
2	Expenses of \$100,000 or Less			
3				
4	<b>ACCOUNT 930.2</b>			
5	9302 MISC. GENERAL EXPENS	82,000	100%	82,000
6	93022 INDUSTRY ASSOCIATION	4,698	100%	4,698
7	93023 ECONOMIC DEVELOPMENT	15,701	100%	15,701
8				
9	Miscellaneous General Expenses			
10	Exceeding \$100,000 (Specify)	-	100%	-
11				
12				
13	Total Miscellaneous General Expenses	<u>102,399</u>		<u>102,399</u>
14				
15	Average Number of Customers	30,636		30,636
16				
17	Miscellaneous General Expenses Per Customer	3.34		3.34

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility 2007	Jurisdictional Factor	Jurisdictional Amount
1	ACCOUNT 909				
2	909	INFO & INSTRUCTIONAL	164,550	100%	164,550
3					
4	Total Account 909		<u>164,550</u>		<u>164,550</u>
5					
6					
7					
8	ACCOUNT 913				
9	9131	PROMOTIONAL ADVERTISING	-	100%	-
10	9132	CONSERVATION ADVERTISING	1,589	100%	1,589
11	9133	SAFETY ADVERTISING	8,504	100%	8,504
12	9134	OTHER INFO/INSTR/CON	154,148	100%	154,148
13	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
14	9136	OTHER ADVERTISING	-	100%	-
15					
16	Total Account 913		<u>164,241</u>		<u>164,241</u>
17					
18	ACCOUNT 930.1				
19	9301	INSTITUTIONAL/GOODWILL	-	100%	-
20					
21	Total Account 930.1		<u>-</u>		<u>-</u>
22					
23					
24	Total Advertising Expenses		<u>328,790</u>		<u>328,790</u>
25					
26	Average Number of Customers		31,004		31,004
27					
28	Advertising Expenses per Customer		10.60		10.60

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

COMPANY:FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility 2008	Jurisdictional Factor	Jurisdictional Amount
1	ACCOUNT 909				
2	909	INFO & INSTRUCTIONAL	170,309	100%	170,309
3					
4	Total Account 909		<u>170,309</u>		<u>170,309</u>
5					
6					
7					
8	ACCOUNT 913				
9	9131	PROMOTIONAL ADVERTISING	-	100%	-
10	9132	CONSERVATION ADVERTISING	1,645	100%	1,645
11	9133	SAFETY ADVERTISING	8,801	100%	8,801
12	9134	OTHER INFO/INSTR/CON	159,543	100%	159,543
13	9135	COMMUNITY AFFAIRS ADVERTISING	-	100%	-
14	9136	OTHER ADVERTISING	-	100%	-
15					
16	Total Account 913		<u>169,989</u>		<u>169,989</u>
17					
18	ACCOUNT 930.1				
19	9301	INSTITUTIONAL/GOODWILL	-	100%	-
20					
21	Total Account 930.1		<u>-</u>		<u>-</u>
22					
23					
24	Total Advertising Expenses		<u>340,298</u>		<u>340,298</u>
25					
26	Average Number of Customers		31,371		31,371
27					
28	Advertising Expenses per Customer		10.85		10.85

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Prior Year Ended 12/31/2007

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	93022 Industry Association	<u>4,539</u>	100%	<u>4,539</u>
1	Details Southeastern Electric Exchange Inv 2057	3,420	100%	3,420
2	Details Florida Electric Power Coordinating Group	1,034	100%	1,034
3	Details 32% of Florida Institute of Certified Public Accountants	<u>85</u>	100%	<u>85</u>
4				
5	Total Industry Association Dues	<u>4,539</u>	100%	<u>4,539</u>
6				
7				
8				
9				
10				
11	Average Number of Customers	31,004	100%	31,004
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		Electric Utility	Jurisdictional Factor	Jurisdictional Amount
	93022 Industry Association	<u>4,697</u>	100%	<u>4,697</u>
1	Details Southeastern Electric Exchange Inv 2057	3,540	100%	3,540
2	Details Florida Electric Power Coordinating Group	1,070	100%	1,070
3	Details 32% of Florida Institute of Certified Public Accountants	<u>88</u>	100%	<u>88</u>
4				
5	Total Industry Association Dues	<u>4,697</u>	100%	<u>4,697</u>
6				
7				
8				
9				
10				
11	Average Number of Customers	31,371	100%	31,371
12				
13	Dues Per Customer	0.15	100%	0.15
14				
15	Lobby Expenses Included in Industry Association Dues			

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Service or Vendor	Description of Service(s)	Account(s) Charged	Test Year Costs	Electric Projected Year Costs	Electric Accounts Charged
1	<u>Accounting</u>					
2	Aon Consulting Inc.	Actuarial work - pension and 401K	2420.3	76,000	23,560	9233
3	Crowe, Chizek, and Company	Sarbanes Oxley 404/Internal audit	2420.3	154,100	47,771	9233
4	BDO Seidman LLP	External audits - quarterly & annual	2420.3	519,400	161,014	9233
5						
6	<u>Financial</u>					
7	Laurits R. Christiansen Assoc.	Purchased Power and Regulatory matters	557/928/1860.1	125,000	125,000	557/928/1860.1
8						
9						
10	<u>Engineering</u>					
11	Blasland, Bouck & Lee	Environmental Assessment - former MGP gas sites	2530.31	50,000	0	
12						
13						
14						
15	<u>Legal</u>					
16	Bryan Cave LLP	SEC corporate and securities matters	2420.31	44,000	13,640	9232
17	Jackson Lewis LLP	Various human resource legal matters and fees	2420.31	51,300	15,903	9232
18	Messer, Caparello & Self	General regulatory, territorial and power contract issues	various	107,500	88,800	928/557/9232/
19						1860.1
20	Reed Smith LLP	Fuel Docket	557	58,600	58,600	557
21	Akerman, Senterfitt & Eidson	General business issues	various	10,000	500	9232
22	Akerman, Senterfitt, Attorneys	General business, employment and manufactured gas plant issues	various	164,700	7,600	9232
23						
24						
25						
26	<u>Safety</u>					
27	Charles Shelton	Electric Safety Consultant	9251	57,800	57,800	9251
28						
29						
30						
31	Total Outside Professional Services				<u>600,188</u>	

Supporting Schedules:

Recap Schedules:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Amount 2007
1	4260.11	CHARITABLE CONTRIBUTIONS	11,362
2	4260.13	CIVIC AND SOCIAL	2,604
3			
4	<b>Total Civic and Charitable Contributions</b>		<u>13,966</u>
5			
6	4260.4	Lobbying & Other Political Expenses	<u>171</u>
7			
8			
9			
10	<b>Total Lobbying and Other Political Expenses and Charitable / Civic contributions</b>		<u><u>14,136</u></u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Amount 2008
1	4260.11	CHARITABLE CONTRIBUTIONS	11,628
2	4260.13	CIVIC AND SOCIAL	2,665
3			
4	Total Civic and Charitable Contributions		<u>14,294</u>
5			
6	4260.4	Lobbying & Other Political Expenses	<u>175</u>
7			
8			
9			
10	Total Lobbying and Other Political Expenses and Charitable / Civic contributions		<u><u>14,468</u></u>

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule for each Amortization/Recovery amount  
by account or sub-account currently in effect or proposed  
and not shown on Schedule B-9.

Type of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	(4) Annual Amort/Recovery Expense	(5) Expense Account
1				
2				
3		NONE		
4				
5				
6				
7				
8				
9				
10				

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS ARE INCLUDED ON SCHEDULE B-9.

Recap Schedules:

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule for each Amortization/Recovery amount  
by account or sub-account currently in effect or proposed  
and not shown on Schedule B-9.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

---

Total Amount of Amortization/Recovery: \$7,092,000 [\$ 354,600 per year, \$ 29,550 per month]

Effective Date: 1/1/08

Amortization/Recovery Period: 20 Years

Reason: Amortization of Storm Hardening Project. Costs recovered through Base Rates. Contribution to be charged to construction  
accounts with offsetting charge to amortization expense. See complete explanation in Testimony.

---

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	(4) Annual Amort/Recovery Expense	(5) Expense Account
1	1010.355	Transmission Poles	354,600	4070.3
2				
3				
4				
5				
6				
7				
8				
9				
10	ALL ADDITIONAL AMORTIZATION/RECOVERY AMOUNTS FOR OTHER ACCOUNTS AND SUB-ACCOUNTS ARE INCLUDED ON SCHEDULE B-9.			

Recap Schedules:

Supporting Schedules:

FLOPIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:  
 Prior Year Ended 12/31/2007  
 Witness: Mehrdad Khojasteh

Line No.	Type of Tax	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Rate	Tax Basis	Total Amount	Amount Charged to Operating Expenses	Jurisdictional Factor	Jurisdictional Amount	Jurisdictional Amount Charged to Operating Expenses
(\$)								
1	Federal Unemployment	0.008	3,019,705	24,158	1,405	100%	24,158	1,405
2								
3	State Unemployment	0.0129	3,019,705	38,954	1,073	100%	38,954	1,073
4								
5	FICA	0.0765	Payroll	2,593,572	258,198	100%	2,593,572	258,198
6								
7	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
8								
9	State Intangible	N/A	N/A	N/A	N/A	100%		
10								
11	Utility Assessment Fee	0.00072	49,754,772	35,823	35,823	100%	35,823	35,823
12								
13	Property	Various	32,942,277	531,358	513,886	100%	531,358	513,886
14								
15	Gross Receipts	0.025	49,754,772	1,243,869	1,243,869	100%	1,243,869	1,243,869
16								
17	Franchise Fee	Various	Base, Fuel & Conservation Revenues	1,994,012	1,994,012	100%	1,994,012	1,994,012
18								
19	Occupational License	N/A	N/A	N/A	N/A	100%		
20								
21	Other (Specify)							
22	Emergency Excise Tax	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
23	Miscellaneous taxes	Various	Various	634	634	100%	634	634
24								
25								
26								
27	Total			6,454,120	4,040,640		6,454,120	4,040,640

Supporting Schedules: C7, C21

Recap Schedules: C1

FLOPIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historical base year and test year only.

Type of Data Shown:

Projected Test Year Ended 12/31/2008

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Type of Tax	(1) Rate	(2) Tax Basis (\$)	(3) Total Amount	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Amount	(7) Jurisdictional Amount Charged to Operating Expenses
1	Federal Unemployment	0.008	3,185,789	25,486	1,483	100%	25,486	1,483
2								
3	State Unemployment	0.0129	3,185,789	41,097	1,132	100%	41,097	1,132
4								
5	FICA	0.0765	Payroll	2,736,218	275,755	100%	2,736,218	275,755
6								
7	Federal Vehicle	N/A	N/A	N/A	N/A	100%		
8								
9	State Intangible	N/A	N/A	N/A	N/A	100%		
10								
11	Utility Assessment Fee	0.00072	58,329,277	41,997	41,997	100%	41,997	41,997
12								
13	Property	Various	34,457,622	549,956	549,956	100%	549,956	549,956
14								
15	Gross Receipts	0.025	58,329,277	1,458,232	1,458,232	100%	1,458,232	1,458,232
16								
17	Franchise Fee	Various	Base, Fuel & Conservation Revenues	1,913,070	1,913,070	100%	1,913,070	1,913,070
18								
19	Occupational License	N/A	N/A	N/A	N/A	100%		
20								
21	Other (Specify)							
22	Emergency Excise Tax	N/A	ACRS Depreciation	(8,261)	(8,261)	100%	(8,261)	(8,261)
23	Miscellaneous taxes	Various	Various	656	613	100%	656	613
24								
25								
26								
27	Total			6,758,451	4,233,976		6,758,451	4,233,976

Supporting Schedules: C7, C21

Recap Schedules: C1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Provide a calculation of the Gross Receipt Tax  
and Regulatory Assessment Fee for the historical base year,  
historical base year + 1, and the test year.

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.		GROSS RECEIPTS TAX		PROJECTED
		HISTORICAL BASE YEAR 2006	HISTORICAL BASE YEAR + 1 2007	TEST YEAR 2008
1	TOTAL OPERATING REVENUES	48,527,214	53,784,078	62,488,964
2				
3	ADJUSTMENTS:			
4	Overrecoveries	(369,812)	-	-
5	Other Operating Revenues	(688,664)	(692,571)	(686,611)
6	Unbilled Revenues	(8,373)	(8,039)	(7,546)
7	Misc Electric Revenues	(7,847)	(7,846)	(7,846)
8	Gross Receipts Revenues & Franchise Fee	(3,197,750)	(3,320,851)	(3,457,684)
9				
10				
11	TOTAL ADJUSTMENTS	(4,272,446)	(4,029,307)	(4,159,687)
12				
13	ADJUSTED OPERATING REVENUES	44,254,768	49,754,772	58,329,277
14				
15	Gross Receipts Tax			
16	TAX RATE	2.50%	2.50%	2.50%
17	TAX AMOUNT	1,106,369	1,243,869	1,458,232
18	Adjustments	78,418	0	-
19	4080.2 State Gross Receipts	1,184,787	1,243,869	1,458,232
20				
21	Regulatory Assessment Fee			
22	TAX RATE	0.0720%	0.0720%	0.0720%
23	TAX AMOUNT	31,863	35,823	41,997
24	Adjustments	2,545	0	0
25	4080.3 FPSC Assessment	34,408	35,823	41,997

Supporting Schedules:

Recap Schedules: C7, C20

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Prior Year Ended 12/31/2007  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 1,893,091	\$ 1,893,091				
2	ADD INCOME TAX ACCOUNTS	163,641	163,641				
3	LESS INTEREST CHARGES (FROM C-23)	1,567,647	1,567,647				
4							
5	TAXABLE INCOME PER BOOKS	\$ 489,085	\$ 489,085				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(2,991,269)	(2,991,269)		2,991,269	2,991,269	
9	LESS: TAX DEPRECIATION	2,450,742	2,450,742		(2,450,742)	(2,450,742)	
10	UNRECOVERED PURCHASE POWER/GAS	12,280	12,280		(12,280)	(12,280)	
11	OUTSIDE AUDIT FEES	1,224	1,224		(1,224)	(1,224)	
12	ORDINARY LOSS ON ACSRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	43,610	43,610		(43,610)	(43,610)	
15	SELF INSURANCE RESERVE	(43,896)	(43,896)		43,896	43,896	
16	TAXABLE CONTRIBUTIONS	(118,761)	(118,761)		118,761	118,761	
17	PENSION COSTS	(395,708)	(395,708)		395,708	395,708	
18	VACATION PAY	(9,677)	(9,677)		9,677	9,677	
19	UNCOLLECTIBLES	11,347	11,347		(11,347)	(11,347)	
20	LOSS ON REACQUIRED DEBT	(5,593)	(5,593)		5,593	5,593	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(147,034)	(147,034)		147,034	147,034	
23	RATE CASE EXPENSE	(84,760)	(84,760)		84,760	84,760	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,280,134)	\$ (1,280,134)		\$ 1,262,162	\$ 1,262,162	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 1,772,498			\$ (1,262,162)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 97,487			\$ (69,419)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(154,283)			154,283		
41	Interest Sync and adjustment tax	101					
42							
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (154,182)			\$ 154,283		
44							
45	STATE INCOME TAX	\$ (56,695)				84,864	

SUPPORTING SCHEDULES:

RECAP SCHEDULES: C7



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
 FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:  
 Prior Year Ended 12/31/2007  
 Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ 1,676,331			\$ (1,192,743)	
47	FEDERAL INCOME TAX (34% OR APPLICABLE RATE)		\$ 569,952			\$ (405,533)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(828,420)			828,420	
52	Interest Sync. and adjustment tax		590				
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (827,830)			\$ 828,420	
58							
59	FEDERAL INCOME TAX		\$ (257,878)			\$ 422,887	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ (314,573)			\$ 507,751
64							
65	ITC AMORTIZATION			\$ (29,538)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(56,695)	(257,878)	(314,573)			
74	DEFERRED INCOME TAXES	84,864	422,887	507,751			
75	INVESTMENT TAX CREDITS, NET			(29,538)			
76	TOTAL INCOME TAX PROVISION	<u>28,169</u>	<u>165,009</u>	<u>163,640</u>			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEARType of Data Shown:  
Projected Test Year Ended 12/31/2008  
Witness Mehrdad KhojastehCOMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO 070304-E1

LINE NO	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 204,910	\$ 204,910				
2	ADD INCOME TAX ACCOUNTS	(808,259)	(808,259)				
3	LESS INTEREST CHARGES (FROM C-23)	1,489,405	1,489,405				
4							
5	TAXABLE INCOME PER BOOKS	\$ (2,092,754)	\$ (2,092,754)				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(4,420,232)	(4,420,232)		4,420,232	4,420,232	
9	LESS: TAX DEPRECIATION	3,736,516	3,736,516		(3,736,516)	(3,736,516)	
10	UNRECOVERED PURCHASE POWER/GAS	54,057	54,057		(54,057)	(54,057)	
11	OUTSIDE AUDIT FEES	(943)	(943)		943	943	
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)	(211,200)	
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)	(24,840)	
14	CONSERVATION PROGRAM COSTS	52,996	52,996		(52,996)	(52,996)	
15	SELF INSURANCE RESERVE	(22,728)	(22,728)		22,728	22,728	
16	TAXABLE CONTRIBUTIONS	(122,220)	(122,220)		122,220	122,220	
17	PENSION COSTS	(352,683)	(352,683)		352,683	352,683	
18	VACATION PAY	(12,694)	(12,694)		12,694	12,694	
19	UNCOLLECTIBLES	(14,498)	(14,498)		14,498	14,498	
20	LOSS ON REACQUIRED DEBT	(7,953)	(7,953)		7,953	7,953	
21	MISC DEFERRAL	-	-		-	-	
22	GENERAL LIABILITY	(46,803)	(46,803)		46,803	46,803	
23	RATE CASE EXPENSE	(84,758)	(84,758)		84,758	84,758	
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-	-	
25	STORM RESERVE	(129,237)	(129,237)		129,237	129,237	
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470	91,470	
27	ELECTRIC CONSULTANT FEES	-	-		-	-	
28	TOTAL TEMPORARY DIFFERENCES	\$ (1,244,582)	\$ (1,244,582)		\$ 1,226,610	\$ 1,226,610	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320					
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ (844,893)			\$ (1,226,610)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ (46,469)			\$ (67,464)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
39							
40	Prior Period Tax adjustment	(166,296)			166,296		
41	Interest Sync and adjustment tax	126					
42	FASB 109 Amortization ARAM				(3,189)		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (166,170)			\$ 163,107		
44							
45	STATE INCOME TAX	\$ (212,639)			95,643		

SUPPORTING SCHEDULES:

RECAP SCHEDULES: C7

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-E1

## EXPLANATION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
 FOR THE HISTORICAL BASE YEAR AND THE PROJECTED TEST YEAR

Type of Data Shown:  
 Projected Test Year Ended 12/31/2008  
 Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37state)		\$ (797,104)			\$ (1,159,146)	
47	FEDERAL INCOME TAX (34% OR APPLICABLE RATE)		\$ (271,015)			\$ (394,110)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51	Prior Period Tax adjustment		(878,904)			878,904	
52	Interest Sync. and adjustment tax		736			-	
53	FASB 109 amortization ARAM					1,061	
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		\$ (878,168)			\$ 879,965	
58							
59	FEDERAL INCOME TAX		\$ (1,149,183)			\$ 485,855	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ (1,361,822)			\$ 581,498
64							
65	ITC AMORTIZATION			\$ (27,935)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	(212,639)	(1,149,183)	(1,361,822)			
74	DEFERRED INCOME TAXES	95,643	485,855	581,498			
75	INVESTMENT TAX CREDITS, NET			(27,935)			
76	TOTAL INCOME TAX PROVISION	(116,996)	(663,328)	(808,259)			

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 2002 - 2006  
 Witness: Doreen Cox

	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
<b>SUMMARY OF OTHER O&amp;M EXPENSES (DOLLARS PER CUSTOMER)</b>					
Power Production Expense					
Transmission Expenses	1.09	4.25	6.36	7.68	8.53
Distribution Expenses	85.11	96.85	92.36	102.73	128.14
Customer Account Expenses	42.86	40.55	43.48	45.31	52.15
Customer Service Expenses	12.80	15.67	14.90	13.00	13.30
Sales Expenses	0.72	0.79	4.71	5.74	5.87
Administration & General Expenses	91.89	98.23	104.79	116.53	115.15
Total Other O & M Expenses	234.47	256.34	266.59	290.99	323.15
<b>GROWTH INDICES</b>					
Consumer Price Index	188.90	195.30	201.60	205.97	210.64
Average Customer	29,885	30,232	30,623	30,999	31,370
CPI Percent Increase	0.03	0.03	0.03	0.02	0.02
Average Customer Percent Increase	0.02	0.01	0.01	0.01	0.01
Index Percent CPI x Customer Growth	0.04	0.05	0.05		
Average Customer Increase	520	347	391	376	371
<b>DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:</b>					
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
<b>AVERAGE NUMBER OF CUSTOMERS</b>					
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	0	0	0	0	0
Total	29,885	30,232	30,623	30,999	31,370
1 Lights incorporated with different rate classes prior to 2004 rate case.					
KWh Sales	766,348,960	814,352,781	849,123,616	830,949,543	780,004,211

Supporting Schedules:

Recap Schedules:

C-34

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule detailing transactions with affiliated companies and related parties for the test year including intercompany charges, licenses, contracts and fees.

Type of Data Shown:  
 Projected Test Year Ended 12/31/08  
 Historical Year Ended 12/31/06  
 Witness: Mehrdad Khojasteh

Line No.	Name of Company or Related Party	Relation to Utility	Type of Service Provided or Received	Effective Contract Date	Charges During year		Acct. No.	Allocation Method Used to Allocate Charges Between Companies
					Amount 2006	Amount 2008 Projected*		
1	Flo-gas Corporation	Wholly-Owned Subsidiary	Materials & Supplies		139,282	149,032	146	Actual use of materials
2								
3	Flo-gas Corporation	Wholly-Owned Subsidiary	Transportation		172,127	184,176	146	Actual use of vehicles and various allocation basis
4								
5	Flo-gas Corporation	Wholly-Owned Subsidiary	Shared expenses charged to clearing accounts		738,899	790,622	146	Various allocation basis
6								
7	Flo-gas Corporation	Wholly-Owned Subsidiary	Labor		3,181,787	3,630,419	146	Actual use of personnel and various allocation basis
8			TOTAL NET AMOUNT		<u>4,232,095</u>	<u>4,754,249</u>		
9								
10	All transactions are allocated if they affect the affiliated operations of Flo-Gas Corporation. The basis depends on the nature of the transaction with the bulk of the allocations in the corporate office building and Administrative & General expenses. The primary allocation factors are as follows:							
11	* Projections based on inflation, payroll and customer factors.							
12								
13								
14	<u>NATURE</u>		<u>ALLOCATION BASIS</u>					
15								
16	Corporate Office Structure		Use study and utility plant in service					
17								
18	Property Insurance		Utility plant in service					
19								
20	A & G Salaries		Utility Plant in Service					
21								
22	Customer Accounts Expense		Customers					
23								
24	Pensions and Employee Benefits		Payroll base					
25								
26	Outside Professional Services & General Liability Insurance		Adjusted gross profit					
27								
28								
29	Through the allocation process all charges affecting the affiliated company have been eliminated from the historic and projected test years.							
30	All the various allocation factors are available in Special Job 61-227 at our Corporate Office.							

Supporting Schedules: C-31

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: Florida Public Utilities Company  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:  
 Prior Year Ended 12/31/07  
 Witness: Mehrdad Khojasteh

		12/31/2006			12/31/2007		
Line No.		Amount	%Increase	CPI	Amount	%Increase	CPI
1	<u>Total Company Basis</u>						
2							
3							
4	Gross Payroll	17,122,023	2.01%	3.20%	18,366,785	7.27%	2.17%
5	Gross Average Salary	47,683	0.49%	3.20%	49,569	3.96%	2.17%
6							
7	<u>Fringe Benefits</u>						
8							
9	Life Insurance	102,596	1.90%	3.20%	104,510	1.87%	2.17%
10	Medical Insurance	1,878,220	-4.00%	3.20%	2,067,500	10.08%	2.17%
11	Retirement Plan - Pension	1,599,407	9.03%	3.20%	1,690,000	5.66%	2.17%
12	Employee Savings Plan	N/A	N/A	3.20%	N/A	N/A	2.17%
13	Federal Insurance Contributions Act	2,458,362	1.74%	3.20%	2,500,326	1.71%	2.17%
14	Federal & State Unemployment Taxes	59,821	-9.14%	3.20%	53,802	-10.06%	2.17%
15	Worker's Compensation	14,981	-40.28%	3.20%	20,033	33.72%	2.17%
16	Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
17	Employee Stock Purchase Plan	66,564	9.21%	3.20%	72,180	8.44%	
18	Sub Total-Fringes	6,179,951	1.44%	3.20%	6,508,351	5.31%	2.17%
19							
20							
21	Total Payroll and Fringes	23,301,974	1.85%	3.20%	24,875,136	6.75%	2.17%
22							
23	Average Employees	359	1.51%	3.20%	364	1.37%	2.17%
24							
25	Payroll and Fringes Per Employee	64,893	0.34%	3.20%	68,338	5.31%	2.17%
26							

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the following Payroll and Fringe Benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and for prior years to include two historical years.

Type of Data Shown:

Prior Year Ended 12/31/07

Projected Test Year Ended 12/31/08

Witness: Mehrdad Khojasteh

COMPANY: Florida Public Utilities Company  
Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.		12/31/2007			12/31/2008		
		Amount	%Increase	CPI	Amount	%Increase	CPI
1	<u>Total Company Basis</u>						
2							
3							
4	Gross Payroll	18,366,785	7.27%	2.17%	19,602,448	6.30%	2.27%
5	Gross Average Salary	49,569	3.96%	2.17%	51,541	3.83%	2.27%
6							
7	<u>Fringe Benefits</u>						
8							
9	Life Insurance	104,510	1.87%	2.17%	106,424	1.80%	2.27%
10	Medical Insurance	2,067,500	10.08%	2.17%	2,282,263	9.41%	2.27%
11	Retirement Plan - Pension	1,690,000	5.66%	2.17%	1,860,000	9.14%	2.27%
12	Employee Savings Plan	N/A	N/A	2.17%	N/A	N/A	2.27%
13	Federal Insurance Contributions Act	2,500,326	1.71%	2.17%	2,542,290	N/A	2.27%
14	Federal & State Unemployment Taxes	53,802	-10.06%	2.17%	47,783	-12.60%	2.27%
15	Worker's Compensation	20,033	33.72%	2.17%	17,507	-14.43%	2.27%
16	Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
17							
18	Employee Stock Purchase Plan	72,180	8.44%	0.00%	77,796		
19	Sub Total-Fringes	6,508,351	5.31%	2.17%	6,934,063	6.14%	2.27%
20							
21	Total Payroll and Fringes	24,875,136	6.75%	2.17%	19,602,448	-26.90%	2.27%
22							
23	Average Employees	364	1.37%	2.17%	359	-1.37%	2.27%
24							
25	Payroll and Fringes Per Employee	68,338	5.31%	2.17%	54,590	-25.18%	2.27%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

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)	

Supporting Schedules:

Recap Schedules:



## Projection Factors

	2006-2007	2007-2008	2006-2008
0 No Change	100	100	100
1 Inflation	102.2	102.3	104.6
5 Payroll	105.5	105.5	111.3
2 Customer Growth	101.2	101.2	102.4
6 Sales (KWH) - No Price	100.2	100.9	101.1
13 Inflation & Customer Growth	103.4	103.5	107.0
21 Inflation & Payroll	107.8	107.9	116.3
16 Payroll & Customer Growth	106.8	106.8	114.1
20 Direct	Direct	Direct	Direct
9 Revenues	100	100	100
19 Zero Balance	0	0	0

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Documents	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Jobe	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Win9	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Personal User Files	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Personal Links	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My eBooks	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Music	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Pictures	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Recent Places	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
1/2 Floppy (A:)	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
OXIO122 (D:)	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Exhibit 2.8	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
BACHMA	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
COX	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
KHOJAS	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
MARTIN	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MESITE	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
p on 'Ground	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ings on 'FP3	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
g on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
o on 'Ground	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
23 on 'Ground	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
's on 'Ground	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ansfer on 'Gr	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
26dos on 'Gr	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
at on 'Ground	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
ublic on 'Grou	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
ontrol Panel	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
etwork Places	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
le Bin	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_FL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 09, 2007 11:28 AM  
**To:** Cox Doreen  
**Subject:** HC-MFRS-C-33.pdf - Adobe Reader  
**Attachments:** HC-MFRS-C-33

Here is how it would appear as printed.

FLORIDA PUBLIC SERVICE COMMISSION

## 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

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division

DOCKET NO.: 070304-EI

	2004 Year	2005 Year	2006 Year	2007 Year	2008 Year
<b>SUMMARY OF OTHER O&amp;M EXPENSES (DOLLARS PER CUSTOMER)</b>					
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
<b>GROWTH INDICES</b>					
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
<b>DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:</b>					
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
<b>AVERAGE NUMBER OF CUSTOMERS</b>					
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

1 Lights incorporated with different rate classes prior to 2004 rate case.

KWh Sales	766,348,960	814,352,781	849,123,616	830,949,543	780,004,211
-----------	-------------	-------------	-------------	-------------	-------------

Supporting Schedules:

Recap Schedules:

C-34

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Thursday, August 09, 2007 12:07 PM  
**To:** Cox Doreen  
**Subject:** HC-MFRS-C-33.pdf - Adobe Reader  
**Attachments:** HC-MFRS-C-33

revised C-33 as it would print here.

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	766,348,960	814,352,781	849,123,616	830,949,543	780,004,211

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Documents	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Jobe	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
Win9	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Personal User Files	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Personal Link	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My eBooks	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Music	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Pictures	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Bag	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Computer	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
1/2 Floppy (A:)	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
P3014 (C:)	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
DX10122 (D:)	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Exhibit 2.8	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
BACHMA	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
COX	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
KHOJAS	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
MARTIN	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
MESITE	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
Leider on 'fp2	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
p on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
ings on 'FP3	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
g on 'Ground	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
o on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
23 on 'Ground	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
s on 'Ground	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
ransfer on 'Gr	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
26dos on 'Gr	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
at on 'Ground	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
ublic on 'Grou	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
ontrol Panel	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
etwork Places:	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
le Bin	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD



**Clara Leider**

**From:** Lundgren April  
**Sent:** Thursday, June 21, 2007 3:15 PM  
**To:** ACCOUNTING - All  
**Subject:** Internal Controls Master Checklist  
**Attachments:** Internal Controls Master Checklist.xls

Good afternoon, team!

Please find attached the internal controls master checklist. This document incorporates all revisions that I have received to date. Please let me know if you have any questions or updates to the file...

Thank you,  
**April Lundgren**  
*Sr. SEC Accountant*  
*Florida Public Utilities Company*  
561.838.1788

PS - I had originally sent the file out to only those individuals who had items assigned to them. Dina, you did not have any assigned items, but I definitely do not want you to miss out on the fun!

**Internal Controls Checklist**

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Cash Accountant	Daily	4	Cash is disbursed from a limited number of bank accounts, inter-company account transfers are minimized; and inactive accounts are closed timely.	Treasury	Cash Management	None	Preventative	No
Cash Accountant	Monthly	1	The Cash Accountant who is independent of the cash disbursements function prepares bank account reconciliations monthly.	Treasury	Cash Management	None	Detective	Yes
Accounting Manager	Monthly	2	The General Accounting Manager reviews, approves and signs off on all bank reconciliations monthly except for payroll account and returns.	Treasury	Cash Management	None	Detective	Yes
Division Manager	Monthly	3	Expense account balances are compared to current and prior year amounts; large variances are investigated by Division Managers who are held accountable to the budget by management.	Treasury	Cash Management	None	Detective	No
Cash Accountant	Daily	4	Borrowings and repayments to the line of credit (LOC) are done automatically by Bank of America on a daily basis, based on daily cash requirements.	Treasury	Financing	None	Preventative	No
Cash Accountant	Monthly	2	Cash is reconciled monthly by the Cash Accountant and all reconciling items are investigated and cleared timely.	Treasury	Financing	None	Preventative	Yes
Cash Accountant	Monthly	5	The Cash Accountant records the borrowings on the LOC per the bank statement. The General Ledger Accountant reconciles LOC per bank statement to the general ledger.	Treasury	Financing	None	Preventative	Yes
Cash Accountant	Monthly	6	LOC Interest is automatically withdrawn from the bank account monthly and the Cash Accountant reconciles the bank accounts monthly.	Treasury	Financing	None	Preventative	No
GL Accountant	Monthly	8	General Ledger Accountant performs a reconciliation of accrued interest each month that is reviewed and approved by the General Accounting Manager.	Treasury	Financing	None	Preventative	Yes
Cash Accountant	Monthly	9	Bank notifies Company when the interest is due on the long-term debt. The interest is paid via a wire transfer.	Treasury	Financing	None	Preventative	No
GL Accountant	Quarterly	7	General Leger Accountant analyzes the monthly interest expense based on current borrowings and verifies the interest charged and recorded is reasonable.	Treasury	Financing	None	Preventative	Yes
Financial Analyst	Quarterly	10	The financial analyst calculates the Company's compliance with the debt covenants and the CFO reviews and approves the calculation.	Treasury	Financing	None	Detective	Yes
CFO	Annual	1	The Board of Directors are required to approve all financing to be obtained by the Company.	Treasury	Financing	None	Preventative	No
CFO	Annual	3	The CFO is the only person able to initiate and create a letter of credit with the bank.	Treasury	Financing	None	Preventative	No
IT Director	Daily	10	Only Customer Relations Director, Customer Information Systems Manager, IT Director, CFO and Business Systems Analyst have access to the customer rate master file in ORCOM	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Sr Regulatory Acct	Monthly	1	There is a set formula to the price structure: Selling Price is fuel rate plus base rate plus conservation. This formula is consistently used each year.	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
Sr Regulatory Acct	Monthly	5	Projected over/under recovery is monitored and updated from actual monthly billings and cost by Senior Regulatory Accountant on a monthly basis and filed with the commission	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Sr Regulatory Acct	Annual	3	Senior Regulatory Accountant calculates the fuel price to be charged for the year based on the annual electricity contract. The annual electric contract fixes the price of electricity for the entire year and therefore the rates are only updated once a year.	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Sr Regulatory Acct	Annual	4	Fuel rate for the following year are prepared by Senior Regulatory Accountant in August or September in a given year using budgeted information on usage and cost, and it is filed with the Commission. In early November or December, the Commission approves the monthly projected rates for the following year. These rates are used for billing customers in the following year.	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
Sr Regulatory Acct	Annual	6	After the projected rates for the following year is approved by the Commission, Senior Regulatory Accountant prepares an e-mail to notify Customer Relations Department of new approved rate per the commission.	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Cust Relations Director	Annual	7	Customer Relations Director inputs the rate change in the ORCOM (billing system).	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
Cust Information Mgr	Annual	8	Customer Information Manager verifies the rate in ORCOM agrees to the new rate communicated by the Senior Regulatory Accountant and approves the entry.	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Sr Regulatory Acct	Annual	9	The Fuel Rate Memo is sent out to each division by Senior Regulatory Accountant once the PPA is determined, so each division is aware of the current rate.	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
CIS Analyst	Annual	11	FPU establishes an annual fixed billing meter reading schedule and distributes the schedule to the local offices. The schedule identifies the exact dates when the rate will change which is effective on the "read date" of cycle 1 of each January.	Revenue	Service Pricing and Rate Making	Electric	Preventative	Yes
Cust Relations Director	Annual	12	Customer Relations Director ensures that the Senior Regulatory Accountant has submitted the rate change form each year prior to the scheduled effective date.	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
CIS Manager	Annual	13	CIS Manager verifies the rate change entry in ORCOM was completed by the required effective date. CIS Manager's review is documented by signing and dating the Fuel Adjustment Form Electric.	Revenue	Service Pricing and Rate Making	Electric	Detective	Yes
Accounting Manager	As Req	2	Base Rate is determined by the Commission, and it is only changed when a new rate study is done.	Revenue	Service Pricing and Rate Making	Electric	Preventative	No
Gas Logistics Mgr	Daily	3	FPU currently limits propane purchases to two main vendors: INERGY and DYNEGY.	Revenue	Service Pricing and Rate Making	Propane	Preventative	No

Pg. 1

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
IT Director	Daily	6	Only Customer Relations Director, Customer Information Manager, IT Director, CFO, and Business Systems Analyst have access to the customer rate master file in ORCOM	Revenue	Service Pricing and Rate Making	Propane	Preventative	No
Propane Director	Monthly	1	Director of Propane sends out the ORCOM Propane Rates and Propane Rates Quick Reference to each division, marketing staff and customer relations department once the price is determined, so each propane related personnel is aware of the current rate.	Revenue	Service Pricing and Rate Making	Propane	Preventative	No
Propane Manager	Monthly	2	Propane Gas Adjustment Form to change the price charged per unit of propane is prepared and signed off by Director of Propane.	Revenue	Service Pricing and Rate Making	Propane	Preventative	Yes
Cust Relations Director	Monthly	4	Customer Relations Director signs off on the Propane Gas Adjustment Form and inputs the rate change in ORCOM (billing system).	Revenue	Service Pricing and Rate Making	Propane	Preventative	No
Cust Information Mgr	Monthly	5	Customer Information Manager verifies the rate in ORCOM agrees to the amount indicated on the Propane Gas Adjustment Form and approves the entry.	Revenue	Service Pricing and Rate Making	Propane	Preventative	Yes
CIS Analyst	Monthly	7	FPU establishes an annual fixed billing meter readings schedule and distributes the schedule to the local offices. The schedule identifies the exact dates when the rate will change which is effective on the "read date" of cycle 1 of each month for metered propane and the "billed date" of cycle 1 of each month for bulk propane.	Revenue	Service Pricing and Rate Making	Propane	Preventative	Yes
Cust Relations Director	Monthly	8	Customer Relations Director ensures that the Director of Propane has submitted the rate change form each month prior to the scheduled effective date.	Revenue	Service Pricing and Rate Making	Propane	Preventative	No
CIS Manager	Monthly	9	CIS Manager verifies the rate change entry in ORCOM was completed by the required effective date. CIS Manager's review is documented by signing and dating the Propane Gas Adjustment Form.	Revenue	Service Pricing and Rate Making	Propane	Detective	Yes
IT Director	Daily	11	Only Customer Relations Director, Customer Information Systems Manager, IT Director, CFO, and Business Systems Analyst have access to the customer rate master file in ORCOM	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	Yes
Sr Regulatory Acct	Monthly	1	There is a set formula to the price structure: Selling Price is PGA plus Base Rate plus conservation plus AEP and surcharges where applicable. This formula is consistently used each year.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
Sr Regulatory Acct	Monthly	3	Projected over/under recovery is monitored and updated from actual monthly billings and cost by Senior Regulatory Accountant on a monthly basis and filed with the commission	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	Yes
Gas Logistics Mgr	Monthly	4	PGA is compared with market rate each month for reasonableness check by Gas Logistics Manager and documented on the Projected Rate Sheet.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
Gas Logistics Mgr	Monthly	5	Gas Logistics Manager determines the PGA for forward months based on the Projected Rate Sheet prepared by Senior Regulatory Accountant which details budget and accounting projections and updates for current market conditions.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
Gas Logistics Mgr	Monthly	7	Gas Logistics Manager prepares and signs off on the Natural Gas Rate Adjustment form and submits to Customer Relations Department.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	Yes
Cust Relations Director	Monthly	8	Customer Relations Director signs off on the Natural Gas Rate Adjustment form and inputs the rate change in ORCOM (billing system).	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
Cust Information Mgr	Monthly	9	Customer Information Manager verifies the rate in ORCOM agrees to the approved Natural Gas Rate Adjustment form and approves the entry.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	Yes
Gas Logistics Mgr	Monthly	10	The PGA Sheet is sent out to each natural gas division by Gas Logistics Manager once the PGA is determined for each month, so each division is aware of the current rate. The PGA Sheet includes current rate and historical data.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
CIS Analyst	Monthly	12	FPU establishes an annual fixed billing meter reading schedule and distributes the schedule to the local offices. The schedule identifies the exact dates when the rate will change which is effective on the "read date" of cycle 1 of each month.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	Yes
Cust Relations Director	Monthly	13	Customer Relations Director ensures that the Gas Logistics Manager has submitted the rate change form each month prior to the scheduled effective date.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
CIS Manager	Monthly	14	CIS Manager verifies the rate change entry in ORCOM was completed by the required effective date. CIS Manager's review is documented by signing and dating the Natural Gas Adjustment Form.	Revenue	Service Pricing and Rate Making	Natural Gas	Detective	Yes
Sr Regulatory Acct	Annual	6	Rate projections for the following year are prepared by Senior Regulatory Accountant in August or September in a given year, and it is filed with the Commission. In early November or December, the Commission approves the monthly projected rates for the following year. These rates are used as parameters for billing customers in the following year. The Company is not allowed to exceed the rates approved by the Commission unless special approval is received.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
Accounting Manager	As Req	2	Base Rate is determined by the Commission, and it is only changed when a new rate study is done.	Revenue	Service Pricing and Rate Making	Natural Gas	Preventative	No
CIS Analyst	Daily	1	After every posting to the computer system, Orcom will produce a CISBAL Report (Customer Information Balance/Accounts Receivable Balancing Report). The CIS Analyst agrees and balances the amounts that are identified in the CISBAL Report to the PR2 Report (lists all accounts billed for the day by utility) and the Sales Journal (lists all posting by GL account). all variances are identified and corrected timely.	Revenue	Cust Information & Accounting	None	Preventative	Yes
IT Director	Daily	4	Access to the "Customer Control Files" is limited to the Director of Customer Relations, CIS Manager, CFO, Business System Analyst and IT Director.	Revenue	Cust Information & Accounting	None	Preventative	No
IT Director	Daily	6	Orcom system produces daily routes and meters to be read which is loaded on the hand held devices.	Revenue	Cust Information & Accounting	None	Preventative	Yes

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Cust Relations Operator	Daily	7	After the bills are produced by the outside biller (Kubra) the CR Operator agrees the dollar amount and number of bills processed/mailed per the "Kubra Production Filter Log" provided by the vendor to the number and amount of the bills to be processed per the Orcorn data file. Any differences researched and documented on an excel reconciliation sheet kept by the CR Operator.	Revenue	Cust Information & Accounting	None	Preventative	No
Cust Relations Director	Daily	8	Orcorn requires all meters to be read regardless of whether the meter is active or unused.	Revenue	Cust Information & Accounting	None	Preventative	Yes
IT Director	Daily	9	ITRON produces a report to the divisional office if the meter reader inadvertently or intentionally skips any reads. The hand held device will alert the meter reader if the read does not appear to be correct.	Revenue	Cust Information & Accounting	None	Preventative	No
Cust Relations Operator	Daily	11	The CIS Operator sends all managers a listing of their "Premises Not Billed" for that days billing cycle.	Revenue	Cust Information & Accounting	None	UNKNOWN	UNKNOWN
Cust Service Manager	Daily	12	The customer service representative (CSR) performs a pre-audit on meter reads to verify that all meter exceptions were addressed. The meter exceptions identified and worked at this stage are premise or usage exceptions.	Revenue	Cust Information & Accounting	None	Preventative	No
IT Director	Daily	13	Orcorn identifies all pre-bills that have abnormally high or low dollars or if the customer is being charged for services they don't have on the "Bill Batch" report which is reviewed and discrepancies are resolved or overridden at the local office by the office CSR. The high or low usage is determined by comparing the current bill to the prior two months and the same month the prior year and identifies abnormally high or low usage if the current bill differs by the predetermined system parameters located in the Orcorn table.	Revenue	Cust Information & Accounting	None	Preventative	No
IT Director	Daily	14	Orcorn identifies unusual items in the billing system as a terminal or soft exception after the meter reading batch is posted to the Orcorn system.	Revenue	Cust Information & Accounting	None	Preventative	No
Cust Service Manager	Daily	15	The local CSR is required to review all terminal exceptions and provide a "Cycle Information Form" to the CIS Operator to override the exception for the valid prebills that should be billed. If the exception is not an accurate bill, the local CSR will move the exception to their division's exception batch to research, correct and resubmit to bill.	Revenue	Cust Information & Accounting	None	Preventative	Yes
Cust Relations Operator	Daily	16	If the CIS Operator does not obtain a "Cycle Information Form" to override a terminal exception, the bill will not be created and will be sent to the "Division Batch Exception" which must be resolved in 5 days.	Revenue	Cust Information & Accounting	None	Preventative	Yes
Cust Relations Operator	Daily	17	CIS Operator examines all "Cycle Information Forms" for appropriate documentation to clear all terminal exceptions in Orcorn.	Revenue	Cust Information & Accounting	None	Preventative	No
IT Director	Daily	18	Calculation of the amount billed is computer automated based on the current rates loaded into the system.	Revenue	Cust Information & Accounting	None	Preventative	No
Cash Accountant	Monthly	2	Cash Accountant reconciles the monthly sales journal to the general ledger posting.	Revenue	Cust Information & Accounting	None	Detective	Yes
Accounting Manager	Monthly	3	General Accounting Manager reviews and approves the monthly revenue journal entry prepared by the cash accountant.	Revenue	Cust Information & Accounting	None	Detective	No
Sr Regulatory Acct	Monthly	5	Senior Regulatory Accountant (independent of billing) reconciles the rates charged during the month and prepares a FPSC filing each month for the gas and electric fuel rates billed to the customers for the month. The amount billed to the customers is reconciled to the cost of fuel for the month.	Revenue	Cust Information & Accounting	None	Detective	Yes
Cust Service Manager	Monthly	10	All customer service managers are required to review and approve the monthly "No Bill" report that identifies all premises that have not been billed in 34 days.	Revenue	Cust Information & Accounting	None	Detective	Yes
Cust Service Manager	Daily	1	Company requires a deposit on electric, gas, and most propane accounts of approximately two months usage. In the case of commercial accounts, can supply a surety bond and an irrevocable letter of credit instead of a deposit.	Revenue	Credit & Collections	None	Preventative	Yes
Cust Service Manager	Daily	2	If customer purchases merchandise on credit, a credit report is run on customer prior to sale or delivery except for good-standing customers or customers who purchased a water-heater.	Revenue	Credit & Collections	None	Preventative	Yes
Cust Service Manager	Daily	3	A delinquent notice is sent to every account over 2 days past due which is 22 days from date of bill.	Revenue	Credit & Collections	None	Preventative	No
Cust Service Manager	Daily	4	If account is greater than \$30 and over 30 days from date of bill, a collector notice is issued and a collector will visit premises to receive payment or shut-off service.	Revenue	Credit & Collections	None	Preventative	Yes
Cust Relations Director	Daily	7	Bankrupt accounts are flagged and identified in Orcorn by the Director of Customer Relations upon receipts of bankruptcy notices from the court.	Revenue	Credit & Collections	None	Preventative	No
IT Director	Daily	9	Only the Customer Relations department has access to post write-off bad debts to the system.	Revenue	Credit & Collections	None	Preventative	No
Accounting Manager	Monthly	5	All accounts over 90 days after account has closed are automatically written-off to bad debt batch and sent to an outside collection agency.	Revenue	Credit & Collections	None	Detective	No
Cash Accountant	Monthly	6	An accounts receivable aging summary and write-off history analysis is sent to the division manager monthly. Division directors are evaluated based on achieving pre-determined aging goals.	Revenue	Credit & Collections	None	Preventative	No
Division Manager	Monthly	8	Managers have to review all accounts to be written-off to bad debts on a monthly basis and the division manager has to approve via email the bad debt accounts included in the bad debt batch before posting to the Orcorn system by the Customer Service department.	Revenue	Credit & Collections	None	Preventative	Yes
CIS Analyst	Daily	1	CIS Analyst runs two queries prior to cash posting to verify all miscellaneous cash assigned a valid general ledger account and merchandise down payments are tied to a valid contract in the system is (not posted to the customers ledger).	Revenue	Cash Receipts & Application	None	Preventative	No
Cust Relations Director	Daily	2	Majority of all payments are sent to a central "Lockbox" at the Marianna facility in which the Company owns equipment that processes the mail payments and checks received.	Revenue	Cash Receipts & Application	None	Preventative	No

3

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
IT Director	Daily	3	Cash cannot be posted until the prior days cash received per Cash Edit D report is reconciled to the System Balance in Orcom.	Revenue	Cash Receipts & Application	None	Preventative	No
CIS Analyst	Daily	5	CIS Analyst receives a daily email from each location indicating the location has initiated a pending post of the cash receipts in Orcom. CIS Analyst logs the time that each location sent the email and verifies all locations have initiated a pending post in the system prior to a final cash post.	Revenue	Cash Receipts & Application	None	Preventative	No
CIS Analyst	Daily	6	CIS Analyst balances the cash receipts posted in Orcom for the day to the cash receipts identified in the "Daily Cash Reports" provided by each location to verify all cash received for the day was properly posted in the Orcom system.	Revenue	Cash Receipts & Application	None	Preventative	Yes
CIS Analyst	Daily	7	CIS Analyst balances the "Cash Edit D" report that identifies all the types of cash received, to the CISBAL report to the cash receipts journal to verify the amount of cash applied to accounts receivable agrees to the cash received.	Revenue	Cash Receipts & Application	None	Preventative	Yes
CIS Analyst	Daily	14	If money or cash is received from an unknown source or unidentifiable customer, the funds are recorded as a liability in an unidentified cash account. Customer Service can search this account by dollar and date posted when person calls to claim payment.	Revenue	Cash Receipts & Application	None	Preventative	No
CIS Analyst	Daily	15	Funds received on closed accounts can still be applied to the closed account and will trigger repayment back to the customer.	Revenue	Cash Receipts & Application	None	Preventative	No
Accounting Manager	Daily	17	The person who receives and applies the cash is different than the person who posts the cash to the computer system who is different than the person who reconciles the bank accounts to the general ledger.	Revenue	Cash Receipts & Application	None	Preventative	Yes
Division Manager	Daily	18	Cashier balances his/her drawer every 24 hours by matching the batch totals to the actual cash received for the past 24 hours and prepares a deposit ticket.	Revenue	Cash Receipts & Application	None	Preventative	No
Cust Service Manager	Daily	19	Location supervisor reviews all deposit tickets, agrees the amount deposited to the "Daily Cash Report" total deposits, and intermediate posts each batch to remove access to batch from cashiers.	Revenue	Cash Receipts & Application	None	Preventative	Yes
Division Manager	Daily	20	An armored car service picks up all cash received prior to the scheduled time daily, except for New Smyrna and West Florida.	Revenue	Cash Receipts & Application	None	Preventative	No
Cust Service Manager	Weekly	16	Office CSM is responsible to review postings to the Unidentified Cash account and contact check writer to find proper placement for the funds and to make and file a photocopy of the check.	Revenue	Cash Receipts & Application	None	Preventative	Yes
CIS Analyst	Monthly	4	CIS Analyst runs a month-end "Cash Receipts Journal", identifies the bad G/L's, and corrects the entries prior to forwarding to Accounting.	Revenue	Cash Receipts & Application	None	Preventative	Yes
CIS Analyst	Monthly	8	CIS Analyst runs a month-end "Cash Receipts Journal" and agrees balances to the daily balancing worksheet.	Revenue	Cash Receipts & Application	None	Preventative	Yes
CIS Analyst	Monthly	9	Customer statements are sent to customers indicating cumulative balance owed and the customer service department who is independent of cash receipts investigates discrepancies identified by the customer.	Revenue	Cash Receipts & Application	None	Detective	No
Cash Accountant	Monthly	10	Cash Accountant takes the month-end "Cash Receipts Journal" and verifies the totals agree to the monthly total of the daily cash reports and prepares a manual journal entry.	Revenue	Cash Receipts & Application	None	Preventative	Yes
Accounting Manager	Monthly	11	General Accounting Manager reviews and approves the cash receipts journal entry prior to posting the journal entry.	Revenue	Cash Receipts & Application	None	Preventative	No
Cash Accountant	Monthly	13	Cash Accountant reconciles the bank account which is reviewed and approved by the General Accounting Manager.	Revenue	Cash Receipts & Application	None	Detective	Yes
Cash Accountant	Quarterly	12	Cash accountant reconciles the accounts receivable aging to the general ledger quarterly.	Revenue	Cash Receipts & Application	None	Detective	No
HR Assistant	Daily	5	Prior to benefit payments, HR Assistant (independent from State Street, the custodian of benefit plan assets) forwards participant's retirement notice to AON. AON prepares and sends the participant a Retirement Application that details the entitled benefits and options of distributions. HR Assistant reviews the Retirement Application signed by the participant and prepares and sends the payment request to State Street for distribution process.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	No
HR Assistant	Weekly	10	Total amount paid per the Payroll Report is agreed to the checks generated.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	No
Sr Tax Accountant	Monthly	7	The Senior Tax Accountant reconciles the payroll tax accounts monthly.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	Yes
Inventory Analyst	Monthly	7	The Inventory Analyst reconciles the payroll and deductions monthly, which are reviewed and approved by management monthly.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	Yes
Accounting Manager	Monthly	8	Payroll related accruals are reviewed for completeness and reasonableness and approved by General Accounting Manager.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	Yes
HR Assistant	Monthly	9	Payroll system uses edit checks to query the HR department to check whether all employee time reports have been submitted into the payroll system. If a person's time is missing, the computer report generated questions the HR department. The HR Assistant receives a report titled "Unmatched Employees" that identify employees not receiving a check.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	No
Sr Tax Accountant	Quarterly	11	Senior Tax Accountant reconciles the "701" computer report from the payroll system to the "HR 310" report computed with every payroll. Senior Tax Accountant makes sure amounts equal and computes the required tax deposits from these reports and agrees it to the actual payroll tax deposits and reconciles any discrepancies.	Financial Reporting	Reporting & Disclosure	Pension Liability	Detective	No

4

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
CFO	Annual	1	Analytics are performed by AON annually. A meeting including the CEO, COO, CFO, and HR Director is held to discuss the projections and assumptions related to pension costs. Actual benefit costs are compared with expected benefit costs and any differences are investigated and resolved.	Financial Reporting	Reporting & Disclosure	Pension Liability	Detective	No
Sr Financial Acct	Annual	2	Senior Financial Reporting Accountant compares the total contributions to the benefit plan and reconciled to GL for benefit costs recorded and accrued. The reconciliation is reviewed and approved by management monthly and approved by the CFO on a quarterly basis.	Financial Reporting	Reporting & Disclosure	Pension Liability	Detective	Yes
Sr Financial Acct	Annual	3	Senior Financial Reporting Accountant prepares journal entry to true-up pension liability balance based on AON's projections and accrues for future funding. CFO review and signs off on the JE's.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	No
HR Assistant	Annual	4	HR Assistant prepares the "Pension Valuation Spreadsheet" to update AON(Actuary) with new hires, new terminations, and compensation information for all participants. To ensure that all participants are included correctly, HR Assistant generates payroll report and compare the amounts per this report to total W-2's reported.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	No
GL Accountant	Annual	6	Detailed records are maintained of the liability for compensated absences, and the General Ledger Accountant reconciles it to the general ledger.	Financial Reporting	Reporting & Disclosure	Pension Liability	Preventative	Yes
CFO	Daily	1	Company has a policy not to conduct transactions with officers or directors or affiliated companies of officers and directors.	Financial Reporting	Related Party Transactions	None	Preventative	No
CFO	Annual	2	Directors and officers are required to complete a D&O Questionnaire that identifies entities that the director or officer or a member of their immediate family that acts as a director or officer or owns.	Financial Reporting	Related Party Transactions	None	Detective	Yes
CFO	Annual	3	The CEO and CFO review all D&O questionnaires for accuracy to the best of their knowledge.	Financial Reporting	Related Party Transactions	None	Detective	No
CFO	Quarterly	4	The CEO and CFO review all SEC filings prior to ensure the related party transactions are appropriately presented based on their knowledge of the known related parties.	Financial Reporting	Related Party Transactions	None	Detective	No
Sr Financial Acct	Quarterly	1	Senior Financial Accountant reconciles and maintains the liability reserve account to update losses and true-up the liability level.	Financial Reporting	Judgments & Estimates	Liability Reserve	Preventative	No
CFO	Quarterly	2	CFO receives a letter from the Company's legal counsel that identifies all known or threatened litigation and the potential exposure of each incident.	Financial Reporting	Judgments & Estimates	Liability Reserve	Preventative	Yes
CFO	Quarterly	3	CFO reviews and approves the general ledger entry prepared by Senior Financial Reporting Accountant comparing the journal entry to the approved reconciliation.	Financial Reporting	Judgments & Estimates	Liability Reserve	Preventative	Yes
Cust Service Supervisor	Daily	1	Customer Service Supervisor (separate from warehouse personnel issues the merchandise) matches the quantity and items on the following documents: the tag removed from merchandise and the tag from warehouse file, the Pink Sales Contract, and completed Service Order, then she relieves the merchandise from inventory system.	Inventory	Merchandise	Issuance	Preventative	Yes
Stores Supervisor	Weekly	4	Customer Service Supervisor runs a report of merchandised sold from the inventory system for the week and sends to the Stores Supervisor. Store Supervisor verifies that items listed on the report match all the merchandise issued from warehouse for the week. Any difference are immediately investigated.	Inventory	Merchandise	Issuance	Detective	No
Inventory Analyst	Monthly	2	Inventory Analyst (separate from warehouse personnel issues the merchandise) matches the White Sales Contracts to the Sold Lst generated by the Merchandise Inventory System and to the merchandise tags for the quantity and final costs and investigates any variances.	Inventory	Merchandise	Issuance	Detective	Yes
Accounting Manager	Monthly	3	Inventory Analyst prepares a journal entry to capture the quantity and final cost of merchandise issued that is reviewed and signed off by General Accounting Manager.	Inventory	Merchandise	Issuance	Preventative	Yes
Accounting Manager	Monthly	5	Merchandise Inventory System generates the Inventory Available Report. Inventory Analyst uses this report and reconciles the perpetual inventory system report to GL balance and investigates any differences. Variances are recorded by the Inventory Analyst as a journal entry to update the GL. General Accounting Manager reviews and signs off on the JE.	Inventory	Merchandise	Issuance	Detective	No
Division Manager	Annual	6	Full physical inventories of merchandise is performed every year by the warehouse personnel	Inventory	Merchandise	Issuance	Detective	No
Division Manager	Daily	1	Warehouse personnel fills out and signs a Material Receipt for every item received indicating receipt of goods.	Inventory	Supplies & Materials	Receiving	Preventative	No
Office Services	Daily	4	If Office Services department placed the order, then the Office Services department will match the quantity of goods received to the invoice to the purchase order and also agree the price per the purchase order to the price per the invoice.	Inventory	Supplies & Materials	Receiving	Preventative	Yes
Division Manager	Daily	5	If an item received is on a Local Purchase Order, then the Stores Supervisor will agree the quantity of goods received to the invoice and also agree quoted to the price per the invoice.	Inventory	Supplies & Materials	Receiving	Preventative	Yes
Inventory Analyst	Daily	6	Inventory Analyst verifies the quantity received per the Material Receipt agrees to the quantity charged per the invoice and also agrees the amount charged per the invoice agrees to the voucher.	Inventory	Supplies & Materials	Receiving	Preventative	No
Division Manager	Daily	8	The stores supervisor maintains a Local Purchase Order Log and documents the date the voucher is prepared and date the invoice was received.	Inventory	Supplies & Materials	Receiving	Preventative	No
Division Manager	Daily	9	The duties of receiving the inventory are performed by the warehouse personnel, which are segregated from the duties of updating the perpetual inventory system which is performed by the IT department.	Inventory	Supplies & Materials	Receiving	Preventative	Yes

5

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Office Services	Monthly	3	At the end of each month, Office Services department reviews all Material Receipt received but without a corresponding invoice. These items are listed as the month end supplies and material accrual for items received not invoiced and provided to the inventory analyst to accrue.	Inventory	Supplies & Materials	Receiving	Detective	Yes
Accounting Manager	Monthly	7	The Inventory Analyst reconciles the perpetual inventory system to the general ledger each month. General Accounting Manager reviews and signs off the reconciliation.	Inventory	Supplies & Materials	Receiving	Detective	Yes
Division Manager	Annual	2	Full physical inventories of materials and supplies are taken every other year with a partial inventory of items that constitute 70% of the value done in the other years.	Inventory	Supplies & Materials	Receiving	Detective	Yes
Division Manager	Annual	1	Full physical inventories of materials and supplies are taken every other year with a partial inventory of items that constitute 70% of the value done in the other years.	Inventory	Supplies & Materials	Physical Inventory	Detective	Yes
Accounting Manager	Annual	2	Corporate Accounting randomly selects inventory items to be test counted. For full inventories, 5% of the inventory items are test counted. For partial inventories, 10% of the inventory items are test counted.	Inventory	Supplies & Materials	Physical Inventory	Detective	Yes
Accounting Manager	Annual	3	A Corporate Accounting staff verifies and accounts for all tags issued for the physical inventory. All tags are accounted for including voids and unused tags.	Inventory	Supplies & Materials	Physical Inventory	Detective	No
Accounting Manager	Annual	4	A Corporate Accounting staff and warehouse manager investigate large book to physical variances.	Inventory	Supplies & Materials	Physical Inventory	Detective	No
Division Manager	Annual	5	Items received during the physical inventory are added to the physical inventory documentation for inclusion with the inventory reconciliation.	Inventory	Supplies & Materials	Physical Inventory	Preventative	No
Division Manager	Annual	6	Inventory is counted by individuals under the supervision and direction of the warehouse manager.	Inventory	Supplies & Materials	Physical Inventory	Preventative	No
Division Manager	Annual	7	Tags are placed on all inventory items or bins to indicate they have been counted, and it is verified by the test counters.	Inventory	Supplies & Materials	Physical Inventory	Detective	Yes
Accounting Manager	Annual	8	A Corporate Accounting Staff prepares the book to physical journal entry to be posted in the general ledger and perpetual inventory system. The entry is reviewed and approved by the Controller.	Inventory	Supplies & Materials	Physical Inventory	Preventative	Yes
Division Manager	Daily	1	The person filling (warehouse personnel) the order initiates the stock slip indicating the request was fulfilled and the person receiving the supplies and materials initiates the stock slip indicating they received the items identified on the stock slip.	Inventory	Supplies & Materials	Issuance	Preventative	Yes
Division Manager	Daily	2	The warehouse personnel cannot issue any supplies or materials unless a stock slip is created and signed by the issuer and the receiver.	Inventory	Supplies & Materials	Issuance	Preventative	Yes
Division Manager	Daily	3	Each stock slip issued is assigned a sequential number by Store Supervisor. Each morning, Store Supervisor enters prior day inventory issuance into the Inventory System accounting for the sequential numbering of stock slips and verifying the first stock slip number follows the prior days last stock slip number.	Inventory	Supplies & Materials	Issuance	Preventative	Yes
IT Director	Monthly	4	Inventory System is interfaced with Infinium (G/L system) and automatically generates journal entry to capture quantity and value of the inventory issued.	Inventory	Supplies & Materials	Issuance	Preventative	No
Accounting Manager	Monthly	5	Inventory Analyst (separate from warehouse personnel who issues the inventory) reconciles the perpetual inventory system report to the G/L balance and investigates any differences. Inventory Analyst prepares the adjustment journal entry if needed to update G/L. This adjustment JE is reviewed and signed by General Accounting Manager.	Inventory	Supplies & Materials	Issuance	Detective	No
IT Director	Monthly	7	Inventory System calculates cost on inventory relieved by multiplying the quantity by the average inventory cost per unit calculated by the system.	Inventory	Supplies & Materials	Issuance	Preventative	Yes
Division Manager	Annual	6	Full physical inventories of material and supplies are performed every other year with partial physical of items that constitutes 70% of the value done in other years by warehouse.	Inventory	Supplies & Materials	Issuance	Detective	No
Office Services	Daily	1	All of the following documents are required by Office Services department to prepare voucher: Non-Inventory Material Receipt, Bill of Lading, Purchase Order and vendor invoices. The Office Services Department agrees the quantity and prices charged per these documents and verify they agree. If all items agree, a voucher is prepared.	Inventory	Propane	Receiving	Preventative	Yes
Office Services	Daily	7	Officer Services Manager matches the approved Purchase order to the Bill of Lading and Non-inventory Material Receipt and verifies the purchase was appropriately authorized per the Purchase Authorization Procedures.	Inventory	Propane	Receiving	Detective	Yes
Office Services	Daily	8	Office Services department receives vendor invoices, matches the quantity and price against the Non-Inventory Material Receipt and Bill of Lading, and investigates and reconciles any variances.	Inventory	Propane	Receiving	Detective	No
AP Analyst	Daily	9	Inventory is recorded into the computer system by the AP Analyst which is different than the person receiving the inventory.	Inventory	Propane	Receiving	Preventative	Yes
Office Services	Weekly	2	Office Services department receives an EFT notification from the vendor that indicates the amount of cash that will be withdrawn from FPU's bank account by the vendor and reconciles the amount to be paid to all vouchers during that week to verify amount is accurate.	Inventory	Propane	Receiving	Detective	Yes
Propane Manager	Monthly	3	Each division performs an inventory balancing and prepares an End of Month Propane Inventory report which rolls inventory balance from prior month balance to current balance. This report is also reviewed and sent by the division supervisor to the Director of Propane to Inventory Analyst.	Inventory	Propane	Receiving	Detective	Yes
Inventory Analyst	Monthly	4	Inventory Analyst converts the Gas Received portion in the End of Month Propane Inventory Report into dollars and reconciles to the G/L balance for all inventory received during the month.	Inventory	Propane	Receiving	Preventative	Yes

6

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Division Manager	Monthly	5	Physical inventories of propane at the tank farms are done monthly by tank farm personnel to record the ending inventory balance to use in the monthly inventory rollover report. The inventory is also taken daily for division use.	Inventory	Propane	Receiving	Detective	Yes
Inventory Analyst	Annual	6	A reasonableness calculation of propane located in the tanks of metered customers is performed once a year. The Propane Delivery System runs a program that calculates the estimated balance at a given day of propane in a metered customers tank based on the prior date the tank was filled. This test validates the propane inventory in metered tanks on a given day. The variances are reconciled and errors identified by the report are investigated either individually or using a random sample and adjusted to correct value by the Inventory Analyst and a book to physical adjustment is posted in the G/L.	Inventory	Propane	Receiving	Detective	Yes
Division Manager	Monthly	1	Physical of inventories of propane at the tank farms are done monthly by tank farm personnel to record the ending inventory balance to use in the monthly inventory rollover report. The inventory is also taken daily for division use.	Inventory	Propane	Physical Inventory	Preventative	Yes
Inventory Analyst	Monthly	2	Inventory Analyst reconciles the physical count of Tank Farm inventory month and investigates and reconciles significant variances (done per monthly propane rollover report).	Inventory	Propane	Physical Inventory	Detective	No
Accounting Manager	Monthly	4	Inventory Analyst prepares the book to physical journal entry to adjust the G/L balance, and the journal entry is approved/signed off on by the General Accounting Manager. The CFO's approval and sign off are also required for the annually customer premises book to physical adjustment entry in addition to the General Accounting Manager's approval. Monthly control for tanks.	Inventory	Propane	Physical Inventory	Preventative	No
Division Manager	Monthly	5	Inventory read of tanks is performed by individuals who are familiar with the equipments and independent of inventory record keeping. Monthly control for tanks.	Inventory	Propane	Physical Inventory	Detective	Yes
Inventory Analyst	Annual	3	A reasonableness calculation of propane located in the tanks of metered customers is performed once a year. The Propane Delivery System runs a program that calculates the estimated balance at a given day of propane in a metered customers tank based on the prior date the tank was filled. This test validates the propane inventory in metered tanks on a given day. The variances are reconciled and errors identified by the report are investigated either individually or using a random sample and adjusted to correct value by the Inventory Analyst and a book to physical adjustment is posted in the G/L.	Inventory	Propane	Physical Inventory	Detective	Yes
CFO	Annual	4	Inventory Analyst prepares the book to physical journal entry to adjust the G/L balance, and the journal entry is approved/signed off on by the General Accounting Manager. The CFO's approval and sign off are also required for the annually customer premises book to physical adjustment entry in addition to the General Accounting Manager's approval. Annual control for customer premises.	Inventory	Propane	Physical Inventory	Preventative	No
Propane Clerk	Daily	1	Delivery Tickets are automatically stamped with the gallons disbursed by the meter on the delivery trucks when Drivers deliver propane.	Inventory	Propane	Issuance	Preventative	Yes
Propane Clerk	Daily	2	For each truck, Propane Clerk accounts for all Delivery Tickets and reconciles the beginning read to the ending read on the trucks.	Inventory	Propane	Issuance	Detective	Yes
Propane Clerk	Daily	3	Propane Clerk receives a report for all trucks and reconciles them to the Delivery Edit Report generated by the Propane Delivery System (scheduling system).	Inventory	Propane	Issuance	Detective	Yes
Propane Clerk	Daily	4	Propane Clerk generates the Fills Do Not Agree (FDA) report which details all the variances between gallons delivered and meter reads as percentage, reviews and investigates unacceptable variances, i.e. >25% for tanks 120 gallon and smaller and >15% for tanks 250 gallons and larger. Findings are documented on the FDA report or on a service order.	Inventory	Propane	Issuance	Detective	No
Office Services	Daily	11	Office Services Manager compares the vendor pricing to the OPIS Index provided by the Gas Logistics Manager and the destination pricing report provided by the vendor to verify if the accurate price is charged (usually the lower of the OPIS Index and destination pricing).	Inventory	Propane	Issuance	Preventative	No
Propane Clerk	Daily	12	Propane is delivered by Drivers at each division. Propane Clerk accounts for all Delivery Tickets, and Inventory Analyst records inventory issuance in the G/L. Daily control for delivery.	Inventory	Propane	Issuance	Preventative	Yes
Division Manager	Monthly	5	Each division performs inventory balancing and prepares the End of Month Propane Inventory report which details the rollover of prior month inventory balance to current month balance. This report is reviewed and forwarded by the Division Supervisor to the Inventory Analyst.	Inventory	Propane	Issuance	Preventative	Yes
Inventory Analyst	Monthly	6	Inventory Analyst summarizes all divisions End of Month Propane Inventory reports and prepares the inventory rollover worksheet to calculate the month end G/L balance.	Inventory	Propane	Issuance	Preventative	Yes
Accounting Manager	Monthly	7	Inventory Analyst converts the Gas Issued portion in the End of Month Propane Inventory Report into dollars and prepares a journal entry to record propane inventory issued during the month to update the G/L. The journal entry is reviewed and approved by the General Accounting Manager.	Inventory	Propane	Issuance	Preventative	Yes
Division Manager	Monthly	8	Physical of inventories of propane at the tank farms are done monthly by tank farm personnel to record the ending inventory balance to use in the monthly inventory rollover report. The inventory is also taken daily for division use.	Inventory	Propane	Issuance	Detective	No



Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Accounting Manager	Monthly	10	Inventory Analyst calculates total cost of inventory issued within the rolforward worksheet using the average cost per gallon and total quantity delivered. Inventory Analyst then prepares a month-end journal entry for propane issuance during the month to update G/L. The journal entry is reviewed and approved by the General Accounting Manager.	Inventory	Propane	Issuance	Detective	Yes
Inventory Analyst	Monthly	12	Propane is delivered by Drivers at each division. Propane Clerk accounts for all Delivery Tickets, and Inventory Analyst records inventory issuance in the G/L. Monthly control for GL recording	Inventory	Propane	Issuance	Preventative	Yes
Inventory Analyst	Annual	9	A reasonableness calculation of propane located in the tanks of metered customers is performed once a year. The Propane Delivery System runs a program that calculates the estimated balance at a given day of propane in a metered customers tank based on the prior date the tank was filled. This test validates the propane inventory in metered tanks on a given day. The variances are reconciled and errors identified by the report are investigated either individually or using a random sample and adjusted to correct value by the Inventory Analyst and a book to physical adjustment is posted in the G/L.	Inventory	Propane	Issuance	Detective	No
Division Manager	Annual	1	Full physical inventories of merchandise are taken every year by warehouse personnel.	Inventory	Merchandise	Physical Inventory	Detective	Yes
Accounting Manager	Annual	2	A test count of 5% of all inventories is done by individuals independent of the inventory count.	Inventory	Merchandise	Physical Inventory	Detective	Yes
Accounting Manager	Annual	3	Corporate Accounting staff reconciles physical inventory and general ledger account and prepares necessary adjustments.	Inventory	Merchandise	Physical Inventory	Detective	Yes
Accounting Manager	Annual	4	Corporate Accounting staff and warehouse manager investigate any book to physical variances.	Inventory	Merchandise	Physical Inventory	Detective	No
Division Manager	Annual	5	Items received during the physical inventory are added to the physical inventory documentation for inclusion with the inventory reconciliation.	Inventory	Merchandise	Physical Inventory	Preventative	No
Division Manager	Annual	6	Inventory is counted by individuals under the supervision and direction of the warehouse manager.	Inventory	Merchandise	Physical Inventory	Detective	No
Division Manager	Annual	7	After the inventory counting is completed, items without a 'post-it' note are investigated.	Inventory	Merchandise	Physical Inventory	Detective	Yes
Accounting Manager	Annual	8	Corporate Accounting staff prepares the book to physical journal entry to be posted in the general ledger and perpetual inventory system. The entry is reviewed and approved by the Controller.	Inventory	Merchandise	Physical Inventory	Preventative	Yes
Division Manager	Daily	1	Warehouse personnel fills out and signs a Material Receipt for every item received indicating receipt of goods.	Inventory	Merchandise	Receiving	Preventative	No
Division Manager	Daily	2	The warehouse personnel generates a pre-numbered system tag in duplicate from the inventory system upon the receipt of each piece of merchandise inventory. One tag is placed on each piece of merchandise received, one tag is placed in the warehouse file.	Inventory	Merchandise	Receiving	Preventative	No
Office Services	Daily	7	If Office Services department placed the order, then the Office Services department will match the quantity of goods received to the invoice to the purchase order and also agree the price per the purchase order to the price per the invoice. If everything agrees, the Office Services department prepares the voucher.	Inventory	Merchandise	Receiving	Preventative	Yes
Division Manager	Daily	8	If an item received is on a Local Purchase Order, then the Sales Coordinator or local divisional purchaser will agree the quantity of goods received to the invoice to the purchase order and also agree the price per the purchase order to the price per the invoice. If all items agree the Sales Coordinator or local divisional purchaser prepares the voucher for payment.	Inventory	Merchandise	Receiving	Preventative	Yes
Inventory Analyst	Daily	9	Inventory Analyst verifies the price on the voucher agrees to the price on the invoice.	Inventory	Merchandise	Receiving	Preventative	No
Division Manager	Daily	11	The Sales Coordinator maintains a Local Purchase Order Log and documents the date the voucher is prepared and date the invoice was received.	Inventory	Merchandise	Receiving	Preventative	No
Division Manager	Daily	12	The duties of receiving and recording the inventory are performed by the warehouse personnel which are segregated from the duties of creating a voucher and processing the payment for the inventory.	Inventory	Merchandise	Receiving	Preventative	Yes
Division Manager	Daily	13	Warehouses are equipped with alarm systems and guards.	Inventory	Merchandise	Receiving	Preventative	Yes
Division Manager	Daily	14	Service Order is required prior to issuing merchandise.	Inventory	Merchandise	Receiving	Preventative	Yes
Division Manager	Monthly	4	The Sales Coordinator receives a Merchandise Audit Report from the Stores Supervisor that identifies all system tags received in the period. This report is used to verify all system tags are received from the warehouse.	Inventory	Merchandise	Receiving	Preventative	No
Accounting Manager	Monthly	5	Inventory Analyst accrues all items sold during the month that have not been paid using the Sold Report, all available inventory items that have not been paid using the Available Report, and all items sold and accrued in prior month that have not been paid. Inventory Analyst prepares the accrual journal entry, and it is reviewed and signed off by the General Accounting Manager.	Inventory	Merchandise	Receiving	Detective	Yes
Accounting Manager	Monthly	10	The Inventory Analyst reconciles the perpetual merchandise inventory system to the general ledger each month. General Accounting Manager reviews and signs off on the reconciliation.	Inventory	Merchandise	Receiving	Detective	Yes
Division Manager	Annual	6	Full physical inventories of merchandise are taken at least once every year.	Inventory	Merchandise	Receiving	Detective	Yes
GL Accountant	Monthly	1	The General Ledger Accountant prints a pre-tax financial statement, detailed expense report, and balance sheet on a divisional level and sends the reports to the accounting department for review.	Financial Reporting	Fin Statement Close & Consol	None	Detective	No
Sr Financial Acct	Monthly	2	The accountants responsible for each account will verify the financial statement accuracy and investigate large variances or fluctuations (over \$5,000) between the current and prior period amounts. Each person is responsible to document the reason for the fluctuation on the Analysis Worksheet for his or her assigned accounts.	Financial Reporting	Fin Statement Close & Consol	None	Detective	Yes

8

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Sr Financial Acct	Monthly	3	The Senior Financial Accountant verifies each person responsible documents on the Analysis Worksheet all the fluctuations over \$5,000. She then prepares a letter that explains the variances between the current period and prior period for all fluctuations over \$20,000 and distributes the letter to each person who receives the monthly financial statements (mainly directors and managers).	Financial Reporting	Fin Statement Close & Consol	None	Defective	No
Accounting Manager	Monthly	4	General Accounting Manager prepares a Master Closing Schedule that identifies all items to be completed prior to the close and identifies person responsible.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	No
GL Accountant	Monthly	5	General Ledger Accountant maintains a JE control log of all required journal entries and person responsible will electronically input date and their initials on the JE control log once the journal entry is completed and entered into the system.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	Yes
Accounting Manager	Monthly	6	The General Accounting Manager maintains a log of all account reconciliations that need to be performed and the person responsible. The person responsible in General Accounting to complete the reconciliation is required to input completion date on the log once the reconciliation is complete.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	Yes
IT Director	Monthly	7	Only the General Ledger Accountant, Cash Accountant, General Accounting Manager, CFO, Controller and Corporate Accounting Supervisor have access to post journal entries to Infinium.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	No
Accounting Manager	Monthly	8	An Accounting Manager reviews, approves and signs-off on all journal entries prior to being entered into the system.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	Yes
General Office Asst	Monthly	9	The General Office Assistant or designee obtains all journal entry forms from the General Ledger Accountant and verifies each journal entry was correctly key punched into Infinium. The General Office Assistant signs-off on the journal entry form indicating she proofed the entry in the system.	Financial Reporting	Fin Statement Close & Consol	None	Preventative	No
Accounting Manager	Daily	1	Only the CFO or an Accounting Manager are authorized to initiate and release recurring wire transfers.	Expenditures	Accounts Payable	Wire Transfer	Preventative	Yes
Accounting Manager	Daily	2	To set-up the wire transfer template for a transaction to be recurring wire transfer with Bank of America, it requires one authorized person to initiate and a second authorized person to release it.	Expenditures	Accounts Payable	Wire Transfer	Preventative	No
Accounting Manager	Daily	3	Non-recurring wire transfers require one authorized person to initiate the transaction and a second authorized person to release it.	Expenditures	Accounts Payable	Wire Transfer	Preventative	No
Accounting Manager	Daily	4	Bank of America's wire transfer web site requires log-in ID and password for each authorized individual.	Expenditures	Accounts Payable	Wire Transfer	Preventative	No
Accounting Manager	Daily	6	Only CFO or an Accounting Manager are able to process wire transfers.	Expenditures	Accounts Payable	Wire Transfer	Preventative	No
Cash Accountant	Monthly	5	Bank account is reconciled on a monthly basis with reconciling items investigated timely.	Expenditures	Accounts Payable	Wire Transfer	Defective	Yes
Division Manager	Monthly	1	The Division Manager reviews all monthly invoices for reasonableness. The review consists of comparisons to prior years, and considers the weather conditions throughout the current month.	Expenditures	Purchasing / Procurement	Electric	Defective	Yes
Division Manager	Monthly	2	Supplier invoices are reconciled to the terms outlined in the contract in order to ensure compliance by division.	Expenditures	Purchasing / Procurement	Electric	Defective	No
Division Manager	Monthly	3	Employee signs the material receipt form for the electricity purchased during the month.	Expenditures	Purchasing / Procurement	Electric	Preventative	Yes
Gas Logistics Mgr	Annual	4	Annual electricity meter testing is performed by the supplier together with a Florida Public Utilities representative present.	Expenditures	Purchasing / Procurement	Electric	Preventative	No
Office Services	Daily	1	Purchase Orders are only created from properly approved and documented Purchase Requisitions.	Expenditures	Purchasing / Procurement	Propane	Preventative	Yes
Office Services	Daily	2	Before Purchase Orders are sent to vendors, the Office Services Manager or designee reviews and approves each individual document.	Expenditures	Purchasing / Procurement	Propane	Preventative	Yes
Office Services	Daily	3	Office Services verifies the receipt is consistent with the original order by matching a copy of the original Purchase Order to the receipt.	Expenditures	Purchasing / Procurement	Propane	Defective	Yes
Office Services	Daily	4	Office Services verifies billing is appropriate by matching the Purchase Order, receipt, and vendor invoice.	Expenditures	Purchasing / Procurement	Propane	Defective	Yes
Office Services	Daily	5	Office Services Manager or designee reviews the vouchers and authorizes the processing of vendor payment. The Office Services Manager or designee agrees the price per the invoice to the OPIS Index and the destination pricing report to recalculate the amount charged to verify invoice is correct.	Expenditures	Purchasing / Procurement	Propane	Defective	No
Propane Director	Daily	6	Propane Director reviews the Purchase Order for accuracy.	Expenditures	Purchasing / Procurement	Propane	Preventative	No
Office Services	Daily	7	Field signs off on the material receipt form confirming the receipt of goods.	Expenditures	Purchasing / Procurement	Propane	Preventative	Yes
Office Services	Daily	8	Sequential Purchase Order numbers are utilized and are logged within the Purchase Order Number Log.	Expenditures	Purchasing / Procurement	Propane	Defective	Yes
Office Services	Daily	9	Upon receipt, a delivery receipt is logged and provided to the district.	Expenditures	Purchasing / Procurement	Propane	Defective	No
HR Director	Daily	2	The Company has segregation of duties in place for the following duties: hiring employees (HR Assistant), payroll check preparation (IT Programmer), and distribution of payroll checks (Employment Specialist and office assistants).	Expenditures	Payroll	None	Preventative	No
IT Director	Daily	6	The payroll master file in the computer system is only accessible by three IT programmers, the HR Director and the HR assistant.	Expenditures	Payroll	None	Preventative	No
HR Assistant	Bi-weekly	1	Set-up new employees, termination, and changes to payroll perm files such as pay rates, employee records, and deductions are done via a Personal Action Notice (PAN) form which is approved by the employees direct supervisor or manager, and either the CEO or COO.	Expenditures	Payroll	None	Preventative	Yes
HR Assistant	Bi-weekly	3	Individual time sheets are created biweekly and are approved by the employees supervisor and sent to the HR assistant.	Expenditures	Payroll	None	Preventative	Yes

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Sr Tax Accountant	Bi-weekly	4	Senior Tax Accountant receives a bi-weekly 'Payroll Change' report that identifies every change to the payroll system that occurred that week and the pay rate changes are agreed to signed copies of the PAN Forms received from HR.	Expenditures	Payroll	None	Preventative	Yes
HR Assistant	Bi-weekly	7	The payroll system generates a 'Biweekly Unmatched Employee' report that identifies all employees that have less than 80 hours if full time or no time in system. This report is reviewed by HR Assistant to verify all employees on list have had their time for the period recorded correctly.	Expenditures	Payroll	None	Defective	No
HR Assistant	Bi-weekly	8	Set-up and changes to payroll perm files such as pay rates, new hires, and additional vacation are done via a Personal Action Notice (PAN) form. Based on the 'PAN Form Authorization Table', PAN is approved by the employees direct supervisor or manager, and either the CEO or COO. Deductions are done via a PAN and employee signs or submits appropriate documents.	Expenditures	Payroll	None	Preventative	Yes
HR Assistant	Bi-weekly	9	HR Assistant reviews and approves (via email or telephone call) the payroll report prepared by the IT Programmer prior to checks being cut. HR Assistant during her review examines the report to verify nothing looks unusual and ties the total hours per the report to the hour log used to enter the payroll.	Expenditures	Payroll	None	Preventative	No
HR Assistant	Bi-weekly	10	Company utilizes 'Positive Pay' with Bank of America which only allows checks to clear the bank account if FPU notifies the bank ahead of time and the amount being paid agrees. HR Assistant provides an electronic file to the bank with the check numbers used and the amount of each check.	Expenditures	Payroll	None	Preventative	No
IT Director	Bi-weekly	11	HR Assistant provides the IT programmer a total of the hours worked by division for the pay period as a control total for the programmer to agree to after the information is processed in the system and ready for checks to be prepared.	Expenditures	Payroll	None	Preventative	No
HR Director	Bi-weekly	19	Total amount paid per the Payroll Report is agreed to the checks generated	Expenditures	Payroll	None	Preventative	No
HR Assistant	Weekly	5	Person who enters timesheets into the payroll system creates a payroll log that identifies the total number of hours worked for that department. This control total is agreed to the Payroll Edit Report run from the payroll system by the HR Assistant to verify total hours per timesheets agree to total hours in the computer system.	Expenditures	Payroll	None	Preventative	No
HR Director	Weekly	13	Manual checks are prepared infrequent mainly for employee terminations and bonus payments once a year.	Expenditures	Payroll	None	Preventative	No
HR Director	Weekly	14	Manual payroll checks require an actual signature by an authorized check signer who examines the supporting documentation indicating why a manual check is required and the amount to be paid.	Expenditures	Payroll	None	Preventative	Yes
Sr Tax Accountant	Monthly	12	Senior Tax Accountant reconciles monthly payroll bank account.	Expenditures	Payroll	None	Defective	Yes
Cash Accountant	Monthly	12	Cash Accountant computes the outstanding checks per GL and agrees the amount to payroll bank reconciliation.	Expenditures	Payroll	None	Defective	Yes
Sr Tax Accountant	Monthly	16	The Senior Tax Accountant reconciles the payroll tax accounts monthly	Expenditures	Payroll	None	Preventative	Yes
Inventory Analyst	Monthly	16	The Inventory Analyst reconciles the payroll and deductions monthly.	Expenditures	Payroll	None	Preventative	Yes
Accounting Manager	Monthly	17	Payroll related accruals are reviewed for completeness and reasonableness and approved by General Accounting Manager.	Expenditures	Payroll	None	Preventative	Yes
HR Assistant	Monthly	18	Payroll system uses edit checks to query the HR department to check whether all employee time reports have been submitted into the payroll system. If a persons time is missing, the computer report generated questions the HR department. The HR Assistant receives a report titled 'Unmatched Employees' that identify employees not receiving a check.	Expenditures	Payroll	None	Preventative	No
Sr Tax Accountant	Quarterly	20	Senior Tax Accountant reconciles the '701' computer report from the payroll system to the 'HR 310' report computed with every quarter. Senior Tax Accountant makes sure amounts equal and computes the required tax deposits from these reports and agrees it to the actual payroll tax deposits and reconciles any discrepancies.	Expenditures	Payroll	None	Defective	No
GL Accountant	Annual	15	Detailed records are maintained of the liability for compensated absences, and the General Ledger Accountant reconciles it to the general ledger.	Expenditures	Payroll	None	Preventative	Yes
Gas Logistics Mgr	Daily	1	When additional gas is needed, the Gas Logistics Manager contacts suppliers with requests. The request is made either over the phone or via e-mail. Only the Gas Logistics Manager is authorized to purchase gas.	Expenditures	Purchasing / Procurement	Natural Gas	Preventative	No
Gas Logistics Mgr	Daily	2	When additional gas is purchased, the gas must be scheduled with Florida Gas Transmission (FGT) on the pipeline. To do this, the Gas Logistics Manager contacts FGT via an online scheduling system. The system is password protected and only the Gas Logistics Manager is authorized to access the system.	Expenditures	Purchasing / Procurement	Natural Gas	Preventative	Yes
Gas Logistics Mgr	Daily	4	Each day, the Gas Logistics Manager downloads a report from Florida Gas Transmission Company (FGT) detailing the gas that is scheduled to be delivered for that day. This report is then reconciled to the amount of gas purchased for the day.	Expenditures	Purchasing / Procurement	Natural Gas	Defective	Yes
Gas Logistics Mgr	Daily	5	A reconciliation of FPU's records to the invoice is performed by the Gas Logistics Manager. Exceptions are followed up with the supplier.	Expenditures	Purchasing / Procurement	Natural Gas	Defective	Yes
AP Analyst	Monthly	3	Payments are made via a wire transfer which requires the approval from a person on the listing of authorized wire transfer personnel.	Expenditures	Purchasing / Procurement	Natural Gas	Defective	Yes

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Gas Logistics Mgr	Monthly	6	Each monthly invoice is reviewed and approved by the Gas Logistics Manager to ensure the amounts of natural gas and capacity usages are appropriate.	Expenditures	Purchasing / Procurement	Natural Gas	Detective	No
Office Services	Monthly	7	A copy of each voucher packet is retained by the Procurement Department for their records.	Expenditures	Purchasing / Procurement	Natural Gas	Detective	No
Gas Logistics Mgr	Monthly	8	The Gas Logistics Manager runs reports detailing FPU's capacity and natural gas usage for the month. These reports are reviewed to gauge forecast accuracy and cost effectiveness of capacity and natural gas procurement.	Expenditures	Purchasing / Procurement	Natural Gas	Detective	No
AP Analyst	Daily	1	Vendor invoices are processed by AP Analyst independent of purchasing, receiving, shipping, that are done at division level or in Office Services.	Expenditures	Fixed Assets	None	Preventative	No
Office Services	Daily	2	Office Services Assistant or designee compares invoices to approved purchase orders and receiving reports, and check mathematical accuracy of invoices.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Daily	5	Improvement Requisition (IR) form is required for all capital expenditures over \$5,000 that will be constructed and has to be approved based on the predetermined authorization table.	Expenditures	Fixed Assets	None	Preventative	Yes
Division Manager	Daily	6	Purchase Requisitions (PR) are approved by Local or Division Managers based on a predetermined authorization table for all capital expenditures purchased and not constructed.	Expenditures	Fixed Assets	None	Preventative	Yes
AP Analyst	Daily	7	AP Analyst receives all vouchers and invoices prior to payment and verifies the voucher has been properly approved based on the predetermined authorization limits.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Daily	8	Senior Construction Accountant assigns every IR a sequential five-digit number which represents the sub-ledger account in the G/L and is used through out all accounting and reporting functions, such as A/P, fixed asset recording, and expenditures.	Expenditures	Fixed Assets	None	Preventative	Yes
Accounting Manager	Daily	13	An Accounting Manager, Office Services Manager or CFO reviews all expenditures over \$500 for proper coding in the general ledger.	Expenditures	Fixed Assets	None	Preventative	No
Accounting Manager	Daily	14	The CFO, an Accounting Manager or the Office Services Manager reviews G/L coding on all vouchers or Purchase Requisitions over \$500 to ensure proper G/L classification.	Expenditures	Fixed Assets	None	Preventative	No
Sr Construction Acct	Daily	16	All assets designated as taggable are assigned a pre-numbered tag to be attached to the asset and the number is included in the fixed asset system.	Expenditures	Fixed Assets	None	Preventative	No
IT Director	Daily	18	Access to fixed asset system (Infinium) is limited to the following authorized individuals: Senior Construction Accountant, General Accounting Manager, Part-time Accountant, CFO, Senior Project Accountant, Controller and Corporate Accounting Supervisor.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Monthly	4	Senior Construction Accountant maintains log for on going capital projects and monitors expenditure against budget per Improvement Requisition form. All project variances are required to have an IR Revision form completed and approved by the division manager if the variance exceeds 15% and \$2,500 on a project basis or 15% on a material variance. Management Infringe Division Manager accountable for capital expenditure variances.	Expenditures	Fixed Assets	None	Preventative	No
Sr Construction Acct	Monthly	9	Senior Construction Accountant analyzes all open IR's based on actual expenditures compared to budgeted expenditures on a monthly basis.	Expenditures	Fixed Assets	None	Preventative	No
Sr Construction Acct	Monthly	10	Division managers receive a report indicating all open IR's for the division and the progress on the construction comparing budgeted expenditures to actual expenditures. They are required to investigate, respond, and approve any significant variances via Revision form on closed IR's.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Monthly	11	All project variances are required to have an IR Revision form completed and approved by the division manager if the variance exceeds 15% and \$2,500 on a project basis or 15% on a material variance.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Monthly	12	Senior Construction Accountant reconciles the detailed fixed asset costs in Infinium (fixed asset computer system) to the general ledger on a monthly basis.	Expenditures	Fixed Assets	None	Detective	Yes
Accounting Manager	Monthly	15	General Accounting staff performs monthly expense account analysis and investigates any variances over \$5,000.	Expenditures	Fixed Assets	None	Detective	Yes
Division Manager	Monthly	17	Division Manager's notify Senior Construction Accountant once projects are completed.	Expenditures	Fixed Assets	None	Preventative	No
Accounting Manager	Monthly	19	Depreciation is automatically computed by the Report Writer. Depreciation journal entry is recorded by Senior Construction Accountant and approved by General Accounting Manager. Reconciliation is done within Infinium when the journal is recorded to make sure that the depreciation amount is accurate. General Accounting Manager reviews this reconciliation before she signs off on the journal entry.	Expenditures	Fixed Assets	None	Preventative	Yes
Sr Construction Acct	Monthly	21	Senior Construction Accountant reconciles the change in the accumulated depreciation account in the general ledger on a monthly basis.	Expenditures	Fixed Assets	None	Detective	No
Sr SEC Accountant	Quarterly	22	Journal entry prepared by Senior SEC Accountant or Senior Project Accountant to reclassify retirement obligation from accumulated depreciation is approved by the Controller via her review of the top level journal entries in the financial statement preparation process.	Expenditures	Fixed Assets	None	Preventative	Yes
Division Manager	Annual	3	Division Manager approves budgets for yearly capital expenditures.	Expenditures	Fixed Assets	None	Preventative	No
Sr Project Accountant	Five-Year	20	Composite depreciation rates are assigned by the FPSC via a depreciation study.	Expenditures	Fixed Assets	None	Preventative	No
GL Accountant	Quarterly	1	Company's environmental attorney's provide an email to the COO, CFO, GL Accountant, and General Accounting Manager that identifies a projected range of environmental liabilities by case.	Expenditures	Environmental Accounting	None	Preventative	No
GL Accountant	Quarterly	2	C.F.O. or Controller approves the environmental worksheet prepared by the GL Accountant. The environmental liability is recorded as management's best estimate.	Expenditures	Environmental Accounting	None	Preventative	Yes
GL Accountant	Quarterly	3	General Accounting Manager reviews and approves the general ledger journal entry prepared by the GL Accountant after comparing the journal entry to the approved environmental worksheet.	Expenditures	Environmental Accounting	None	Preventative	No
GL Accountant	Monthly	4	GL Accountant reconciles the environmental liability and asset account on a monthly basis.	Expenditures	Environmental Accounting	None	Detective	No

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
AP Analyst	Daily	1	Segregation of Duties - AP Analyst independent of purchasing, receiving, and shipping process vendor invoices. Purchasing, receiving and shipping process are done at division level or in Office Services.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	2	AP Analyst reviews all vouchers for required authorization and approvals according to the authorization levels contained in the "Authorization Procedure" and Routine Recurring or Recurring Utility payment list.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
Accounting Manager	Daily	3	General Accounting Manager audits random vouchers for proper approval and invoice is stamped with "Entered" prior to approving "Cash Requirements Report".	Expenditures	A/P and Cash Disbursements	None	Preventative	No
Division Manager	Daily	4	Managers or their designee at a divisional level compare quantities and prices on the invoices to approved purchase orders and receiving reports and check the mathematical accuracy of the invoice prior to approving the voucher for payment.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
AP Analyst	Daily	5	AP analyst stamps "entered" and records the date on each invoice recorded into the system to prevent duplicate payments.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	6	AP analyst runs a tape on invoices entered into the computer system and agrees the total to the AP system generated "session batch" report.	Expenditures	A/P and Cash Disbursements	None	Detective	No
IT Director	Daily	7	System alerts user when an invoice number, invoice date, and amount have already been entered into the computer system to prevent duplicate payments.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
General Office Asst	Daily	8	General Office Assistant or designee compares the items entered into the computer system to the supporting documentation for entry accuracy such as the name of the vendor, the invoice number, the due date, and the invoice amount.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
Accounting Manager	Daily	9	The CFO, an Accounting Manager or the Office Services Manager reviews G/L coding on all vouchers or PO's over \$500 to ensure proper G/L classification.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	10	All checks are printed by computer through the accounts payable system. No handwritten checks are allowed.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
AP Analyst	Daily	13	Vouchers are required to be approved in writing. Level of approval is dictated by FPU's authorization schedule included in the "Authorization Procedure."	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	16	AP Analyst who processes the disbursements does not create nor approve vouchers paid via check except for 1099 and check orders, and some items automatically deducted from account - interest payments, loan reductions, void payments.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
AP Analyst	Weekly	14	Checks above \$2,500 require the Controller's, CFO's, COO's, or Corporate Accounting Supervisor's signature in addition to the computer-printed CEO's signature included on the checks.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
General Office Asst	Weekly	15	Signed checks are mailed by the General Office Assistant or designee, who is independent of AP Analyst who processes accounts payable.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
Cash Accountant	Monthly	11	The Bank of America Operating Account is reconciled monthly by the Cash Accountant and all reconciling items are investigated and cleared timely by Cash Accountant, or the Cash Accountant will make sure that the responsible person resolves the discrepancies.	Expenditures	A/P and Cash Disbursements	None	Detective	No
Accounting Manager	Monthly	12	General Accounting Manager reviews and signs off on the bank reconciliation.	Expenditures	A/P and Cash Disbursements	None	Detective	Yes
Inventory Analyst	Monthly	17	Inventory Analyst receives all purchase order logs and departmental local purchase order (LPO) logs at the end of each month and investigates all items over \$1,000 issued in the current month or items accrued at the end of the prior month to determine if they need to be accrued at the end of the current month.	Expenditures	A/P and Cash Disbursements	None	Detective	Yes
AP Analyst	Monthly	18	AP Analyst reconciles accounts payable subsidiary ledger to the general ledger and differences are resolved timely. This reconciliation is reviewed and signed off by General Accounting Manager.	Expenditures	A/P and Cash Disbursements	None	Detective	No
Office Services	Daily	1	If purchase is initiated through a formal purchase order, then Office Services reconciles the Purchase Order, receipt, and invoice in order to verify that the billed amount is appropriate.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Division Manager	Daily	2	If purchase is initiated through a local purchase order (LPO), then Voucher Auditor will reconcile LPO, receipt, and invoice in order to verify that the billed amount is appropriate. The Division Manager or authorized personnel approve the voucher for payment.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Office Services	Daily	3	For high dollar value purchases, Division Manager and / or Executive approval is necessary on the purchase requisition. The level of approval is dictated by FPU's authorization schedule.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Division Manager	Daily	4	The Local Manager authorizes each voucher packet for payment processing.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Office Services	Daily	5	Office Services Manager reviews each Purchase Order for appropriateness before sending to the vendor.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Office Services	Daily	6	Office Services verifies the receipt is consistent with the original Purchase Order (open Purchase Orders in the active Purchase Order file) by matching the receipt to a copy of the Purchase Order.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Detective	No
Office Services	Daily	7	Office Services verifies billing is appropriate by matching the Purchase Order, receipt form, and vendor invoice.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Detective	Yes
Office Services	Daily	8	Office Services Manager or designate reviews the vouchers and authorizes the processing of payment.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Division Manager	Daily	9	Goods received are inspected for quality and completeness before being accepted.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Division Manager	Daily	10	Division or Office Service Manager reconciles the Purchase Order, receipt, and invoice in order to verify that the billed amount is appropriate.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	No
Division Manager	Daily	11	Upon receipt, deliveries are verified to be complete by comparing the receipt to the Purchase Order.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes

17

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Division Manager	Daily	12	The field signs off on the material receipt form authorizing their receipt.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	No
Division Manager	Daily	13	Local Purchase Order Logs are kept by each division to record the local Purchase Orders issued. Local Purchase Orders are also sequentially numbered.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Detective	Yes
Office Services	Daily	14	Purchase Order numbers are sequential and are logged within the Purchase Order Log.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Detective	Yes
Office Services	Daily	15	Most vendor invoices are directed through Office Services and some subsequently forwarded to the appropriate Division or Department.	Expenditures	Purchasing / Procurement	Merchandise & Svs	Preventative	Yes
Division Manager	Monthly	3	Senior Management are highly involved in the monthly reporting process as a mean to ensure that all transactions are properly reported.	Financial Reporting	Disclosure Controls	None	Preventative	No
Accounting Manager	Quarterly	2	Division directors and other senior management team members are required to sign a statement stating that all business transactions to their knowledge are accurately disclosed in the financial statements.	Financial Reporting	Disclosure Controls	None	Preventative	Yes
Accounting Manager	Quarterly	4	Controller, Assistant Controller and Senior SEC Reporting Accountant review new pronouncements and attend training courses to ensure financial statements are properly prepared with current regulations.	Financial Reporting	Disclosure Controls	None	Preventative	Yes
CFO	Quarterly	5	Controller, CEO and CFO reviews all 10Q an 10K filings to verify that all business transactions to their knowledge are accurately disclosed in the financial statements.	Financial Reporting	Disclosure Controls	None	Detective	Yes
Accounting Manager	Quarterly	6	Company Attorney sends a report to the CFO listing any known and/or anticipated liabilities the Company is involved.	Financial Reporting	Disclosure Controls	None	Preventative	No
Division Manager	Annual	1	Division director's review of the annual financial statements for the appropriate reporting of all transactions is aided by their detailed and thorough understanding of all significant business transactions. Events known to exist, but not reported are identified during management's financial statement review, and subsequently reported to Accounting for recording, adjustment, or re-classification.	Financial Reporting	Disclosure Controls	None	Detective	Yes
Sr SEC Accountant	Monthly	1	Senior SEC Accountant Reconciles fuel purchases per unbilled to the invoices provided by the fuel vendor or the summary reports provided by gas logistics.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	No
Sr SEC Accountant	Monthly	3	Senior SEC Accountant reconciles the roll-forward of monthly fuel purchases and fuel sales included in the unbilled receivable calculation to the YTD general ledger balance.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	No
Sr SEC Accountant	Monthly	5	Senior SEC Accountant reconciles the unbilled revenues and receivable to the general ledger monthly.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	No
Sr SEC Accountant	Monthly	6	The monthly unbilled calculation is reviewed and approved monthly by an accounting manager. The General Manager of each division reviews the monthly calculation and signs off, physically or electronically. The division approval is attached to the regulated unbilled reconciliation monthly. The unregulated unbilled is approved physically or electronically, on a quarterly basis.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	Yes
Sr SEC Accountant	Annual	2	Senior SEC Accountant tests the accuracy of the unbilled receivable computation annually by utilizing another unbilled receivable computation as a check. On an annual basis, the Senior SEC Accountant will receive a computer generated usage and billing report from the IT department for a given month by division by cycle. The usage and billing report is translated into revenue and usage by day. The daily rate is then multiplied by the number of days unbilled in the month to estimate the unbilled receivable and test the accuracy of the monthly unbilled calculation.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	Yes
Sr SEC Accountant	Annual	4	The annual test calculation validates the accuracy of the billing rate used within the monthly computation.	Financial Reporting	Fin Statement Close	Unbilled Receivable	Detective	Yes
Sr SEC Accountant	Quarterly	1	Senior SEC Reporting Accountant prepares the quarter-end closing journal entry by utilizing a standard quarter-end closing template that identifies all the typical entries that need to be recorded.	Financial Reporting	Reporting & Disclosure	None	Preventative	No
Accounting Manager	Quarterly	2	Controller, Assistant Controller and Senior SEC Reporting Accountant review new pronouncements and attend training courses to verify the financial statements are properly prepared with the current regulations.	Financial Reporting	Reporting & Disclosure	None	Preventative	No
Sr SEC Accountant	Quarterly	3	Senior SEC Reporting Accountant compares the quarter financial statements to the monthly financial statements to verify the amounts for the quarter were downloaded properly.	Financial Reporting	Reporting & Disclosure	None	Preventative	No
Accounting Manager	Quarterly	4	Senior SEC Reporting Accountant prepares a reference copy of the filing and references all numbers in the filing to the supporting documentation that is attached with the reference copy. All statement figures are referenced via linked files.	Financial Reporting	Reporting & Disclosure	None	Preventative	Yes
Accounting Manager	Quarterly	5	Senior SEC Reporting Accountant publishes the draft of the filing on the P-drive and notifies the Controller and CFO it is ready for review. CEO, CFO and Controller review and approve the filing.	Financial Reporting	Reporting & Disclosure	None	Detective	Yes
Accounting Manager	Quarterly	6	Every filing is sent to the Company's SEC attorney for review and comments prior to it being finalized.	Financial Reporting	Reporting & Disclosure	None	Detective	Yes
Sr SEC Accountant	Quarterly	7	Senior SEC Reporting Accountant collects all comments on the filing, makes changes utilizing the track changes feature in Microsoft Word and re-sends the reviewers a redlined version identifying what has changed in the filing.	Financial Reporting	Reporting & Disclosure	None	Detective	No
CFO	Quarterly	8	Board of Directors and the audit committee review a draft of the filing prior to it being finalized.	Financial Reporting	Reporting & Disclosure	None	Detective	No
HR Director	Annual	N/A	The company possesses a Code of Ethics, which was adapted to incorporate various industry and company-specific issues FPU is subject to. FPU Board of Directors approved the Code of Ethics on 06/03/03. All employees are required to review and sign the Code of Ethics. The document is also posted on the website and accessible to all FPU employees.	Corporate Governance				

13

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
HR Director	Annual	N/A	Policies governing fair contractual relations with suppliers are addressed as a subsection within the company's Code of Ethics policy.	Corporate Governance				
Accounting Manager	Annual	N/A	As a part of the Code of Ethics, a Whistle Blower Program is in place for employees to report to the Audit Committee any known or suspected activities that may improperly affect financial statements or compromise the Company's Ethics Policy.	Corporate Governance				
HR Director	Annual	N/A	The Director of HR (Wayne Bonn) has been effectively designated as Chief Ethics Officer. However, over-arching responsibility for ethics compliance has been delegated to all senior management personnel.	Corporate Governance				
Accounting Manager	Annual	N/A	There is an internal audit function that performs compliance-based audits.	Corporate Governance				
HR Director	Annual	N/A	Violations are thoroughly investigated with any necessary disciplinary actions carried out by HR.	Corporate Governance				
HR Director	Annual	N/A	FPU Employees are required to re-confirm their adherence to the Code of Ethics policy by signing the Code every year.	Corporate Governance				
HR Director	Annual	N/A	Code of Ethics is formally addressed by the Board of Directors annually.	Corporate Governance				
HR Director	Annual	N/A	Comprehension of the company's corporate ethics policy is an integral part of the company's new employee orientation program. FPU has created an acknowledgement form, which asks new employees to sign and attest that they have read and understand FPU's corporate ethics policy.	Corporate Governance				
CFO	Annual	N/A	Regular reviews are performed by the CFO and associated office personnel. Disclosure controls surrounding the integrity, reliability and transparency of financial reporting appear adequate. Disclosure control documents surrounding FPU's assumption of liabilities is adequately maintained.	Corporate Governance				
HR Director	Annual	N/A	The company has designated a PR person who is the only authorized person to speak with outsiders on various company sensitive issues. Other company employees are not <del>executive</del> allowed to speak publicly on FPU matters unless they get approval from executives.	Corporate Governance				
Accounting Manager	Annual	N/A	Legal review is performed prior to the filing of such documents, as the company's 10-K and 10-Q, prior to filing with the SEC.	Corporate Governance				
Accounting Manager	Annual	N/A	The Audit Committee does adequately and timely review FPU's quarterly financial reporting and 8-K reports prior to public release.	Corporate Governance				
CFO	Annual	N/A	Board of Directors assesses annual FPU management performance targets for reasonableness prior to formal approval.	Corporate Governance				
CFO	Annual	N/A	Compensation Committee conducts reviews regarding the potential impact incentive compensation structures could have on the fiduciary responsibilities of senior management.	Corporate Governance				
IT Director	Annual	N/A	IT disaster recovery plan is defined. Hurricane recovery plan is in place.	Corporate Governance				
CFO	Annual	N/A	Corporate Articles of Incorporation & Company By-laws exist	Corporate Governance				
CFO	Annual	N/A	Audit Committee and Nomination Committee charter exist and are utilized. Information on the Compensation Committee (as well as the Audit and Nomination Committees) is contained in the company's proxy statement.	Corporate Governance				
CFO	Annual	N/A	Nomination Committee does adhere to formal guidelines in order to ascertain director independence prior to nomination.	Corporate Governance				
CFO	Annual	N/A	Ethics policy covers Board of Directors independence. Board of Directors are required to complete the "Directors and Officers Questionnaire" which discusses the independence of board members. CFO and CEO review questionnaires for accuracy to the best of their knowledge. The primary monitoring control utilized with respect to changes in the status of board member independence is self-reporting.	Corporate Governance				
CFO	Annual	N/A	Board of Directors meets quarterly on the first Tuesday. Meeting calendar for Board of Directors is formally set and agreed upon in advance of each quarterly meeting. Dates are scheduled and managed within Outlook.	Corporate Governance				
CFO	Annual	N/A	Independent directors have the ability to provide input at all meeting attended.	Corporate Governance				
HR Director	Annual	N/A	Director compensation is reviewed and benchmarked against a peer group analysis (i.e. similar industry, size, number of employees, sales, debt/equity ratio, etc.).	Corporate Governance				
CFO	Annual	N/A	Audit committee meets quarterly. Meeting calendar for Audit committee is formally set and agreed upon one year in advance. Dates are scheduled and managed within Outlook.	Corporate Governance				
CFO	Annual	N/A	Independent audit directors do have input into the formation of agendas for all meetings.	Corporate Governance				
HR Director	Annual	N/A	Audit director compensation is reviewed and benchmarked against a peer group analysis (i.e. similar industry, size, number of employees, sales, debt/equity ratio, etc.).	Corporate Governance				
CFO	Annual	N/A	Agenda is generally deemed to be comprehensive in scope and all recurring activities, which need to be addressed by the Board are done so within the quarterly agenda.	Corporate Governance				
CFO	Annual	N/A	All relevant issues/information needed is followed up on informally and in a timely manner.	Corporate Governance				
CFO	Annual	N/A	Crowe Chizek serves as the company's internal audit function. Crowe Chizek attends quarterly audit committee meetings at the request of the audit committee, and private sessions, without management present, occur at each meeting.	Corporate Governance				
CFO	Annual	N/A	Any Audit Committee concerns (when expressed) are directly handled by the External or Internal Auditors of the firm. Review of work completed by auditors is conducted by Audit Committee.	Corporate Governance				

14

Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
HR Director	Annual	N/A	Compensation Committee handles the review and approval of compensation plans for all FPU executive officers and the Board of Directors members themselves. All compensation plans are reviewed and approved by the Compensation Committee.	Corporate Governance				
HR Director	Annual	N/A	Executive officer and Board of Directors members' compensation are benchmarked appropriately against peer companies with comparable performance annually.	Corporate Governance				
HR Director	Annual	N/A	Compensation plans are reviewed to ensure alignment between compensation incentives and desired fiduciary responsibilities is achieved.	Corporate Governance				
HR Director	Annual	N/A	Position descriptions which detail skills, minimum education and competency requirements are developed by Department Heads for all position vacancies (for both internal and external positions).	Corporate Governance				
HR Director	Annual	N/A	FPU requires all personnel with financial accounting and reporting responsibilities to have commensurate credentials and experience. HR verifies that aforementioned individuals have required background.	Corporate Governance				
HR Director	Annual	N/A	Position descriptions (Job Summary, Duties & Responsibilities) are clearly delineated within job description documents to ensure appropriate targeting of applicant pool.	Corporate Governance				
HR Director	Annual	N/A	Criteria for employee advancement are clearly defined and pendent upon the following criteria: 1) Vacancy 2) Appropriate Skill/Experience Set For Position& 3) Performance Merit.	Corporate Governance				
HR Director	Annual	N/A	The company does have an Employee Tuition Assistance Program to potentially increase employees business competence.	Corporate Governance				
CFO	Annual	N/A	Outlook is utilized to physically record and capture all necessary, recurring financial reporting requirements. FPU financial reporting schedule is built around SEC filing requirement deadlines and regular month-end closings. Audit committee intermittently reviews total process (from monthly calendarized close to filings) to ensure all reporting needs are being met.	Corporate Governance				
CFO	Annual	N/A	Accountability for preparation of all financial reporting output has been delegated to CFO (George Bachman) and Controller (Cheryl Martin). Output is regularly reviewed by Audit Committee, prior to formal publication.	Corporate Governance				
CFO	Annual	N/A	Review protocols for all financial reports issued are regularly examined by both management and FPU's external auditor.	Corporate Governance				
Accounting Manager	Annual	N/A	Variance analysis on financial reports is regularly performed by management and linked to a subsequent assessment of corrective actions / process deficiencies.	Corporate Governance				
CFO	Annual	N/A	Audit committee regularly reviews quality of reported earnings. Audit committee meets quarterly and reviews all financial / company filings for accuracy and quality, prior to publication.	Corporate Governance				
CFO	Annual	N/A	Relevant risks are reviewed on an on-going basis by management.	Corporate Governance				
CFO	Annual	N/A	Disclosure controls process is regularly assessed as part of traditional SEC filing process. Accounting impacts from significant business changes regularly reviewed by executive management and are addressed within financials.	Corporate Governance				
Accounting Manager	Annual	N/A	Needs assessment for all departments is at least annually performed and budget is appropriately allocated to address those needs.	Corporate Governance				
Accounting Manager	Annual	N/A	FPU has an internal audit function, which focuses its efforts on evaluating and improving internal controls.	Corporate Governance				
Accounting Manager	Annual	N/A	Occasionally controls assessment is performed by accounting when process deficiency is suspected.	Corporate Governance				
CFO	Annual	N/A	Process is completed on an ad-hoc basis. If "fix" is easy, then usually done ASAP. However, if it is more complicated, cost - benefit analysis is first performed, prior to audit comment solution implementation. In general, Audit Committee directs timetable and appropriate responses to audit comments.	Corporate Governance				
Accounting Manager	Annual	N/A	Internal audit performs control assessments and provide recommendation.	Corporate Governance				
Accounting Manager	Annual	N/A	Pertinent accounting estimates and judgments are reviewed by the Audit Committee, prior to formal publication of financial reports.	Corporate Governance				
Accounting Manager	Annual	N/A	Consultation of accounting estimates and assumptions are discussed in advance with the auditor, when deemed necessary.	Corporate Governance				
Accounting Manager	Annual	N/A	Comparison / benchmarking against peer companies is regularly performed (primarily through utilization of 10-K filings on accounting issues upon which management is unsure).	Corporate Governance				
CFO	Annual	N/A	Quality of earnings is regularly reviewed by the Audit committee as part of its quarterly meeting and also reviewed by External Auditor.	Corporate Governance				
CEO	Annual	N/A	Management appropriately balances long-term and short-term strategic objectives. Corporate strategic plan growth, customer segmentation and retention program are regularly reviewed within semi annual goals meeting. All goals are also reviewed informally on a quarterly basis by management. Board of Directors provides feedback on the development of reasonable goals/targets and sign offs on all management strategic goals.	Corporate Governance				
HR Director	Annual	N/A	Review of organization structure alignment with long/strategic objectives is regularly conducted within Board of Directors meetings and by executive management on an as need basis.	Corporate Governance				
Accounting Manager	Annual	N/A	Monthly and quarterly internal reporting documentation is aligned with over-arching organizational structure and is intermittently reviewed by management and Audit Committee to ensure alignment.	Corporate Governance				

15



Responsibility	Freq	Control #	Control Description	Bus Cycle	Key Process	Sub Process	Type	Key
Accounting Manager	Annual	N/A	Finance/Accounting roles at FPU subsidiary units are clearly delineated and well defined as to scope.	Corporate Governance				
CFO	Annual	N/A	Operating managers at divisional locations are held accountable for meeting required financial reporting and performance requirements.	Corporate Governance				
CFO	Annual	N/A	Corporate management regularly discusses financial reporting and performance requirements with applicable process owners of divisional units. Occasional direct meetings are made, as needed.	Corporate Governance				
HR Director	Annual	N/A	Organization structure is regularly (though informally) considered by management on an on-going basis prior to significant policy changes, corporate events and/or major acquisitions. Board of Directors also intermittently directs management on organization structure on an as needed basis.	Corporate Governance				
Accounting Manager	Annual	N/A	Appropriate authority and authorization limits for transactions have been clearly communicated and are formally documented.	Corporate Governance				
Accounting Manager	Annual	N/A	Signatory approvals (especially for JE and vouchers) require appropriate management approval prior to execution of the related transactions.	Corporate Governance				
HR Director	Annual	N/A	Appropriate competency in order to effectively carry out associated decisions/transactions is established through formal HR and Management review processes (see previous associated comments of this subject).	Corporate Governance				
HR Director	Annual	N/A	Segregation of duties is reviewed in terms of creation of job duties / descriptions during hiring process. The segregation of duties is also reviewed in the documentation of internal controls included in the Section 404 compliance documentation.	Corporate Governance				
CFO	Annual	N/A	All process owners with appropriate authority and responsibility are involved within the process. Managers are delegated and accountable for their part of the process.	Corporate Governance				
HR Director	Annual	N/A	Historically, FPU has had very little turnover and full-time employees generally do not work excessive overtime (if at all). Given the seasonal component of the business contract labor is generally used to meet peak labor demands. Also, given the size of the company excessive turnover issues would be readily visible.	Corporate Governance				
HR Director	Annual	N/A	HR creates written position description based upon needs/core competencies to successfully carry out responsibilities of the position.	Corporate Governance				
HR Director	Annual	N/A	HR creates a detailed HR policy manual, which details various guidelines, traits and behaviors to look for in potential candidates.	Corporate Governance				
HR Director	Annual	N/A	The HR policy / procedures manual also includes formalized and well-defined consequences for violation of FPU policies on significant items.	Corporate Governance				
HR Director	Annual	N/A	The HR policy/procedures manual is approved by senior management team.	Corporate Governance				
HR Director	Annual	N/A	All employees are required to acknowledge receipt of the manual. HR Director collects the written receipts.	Corporate Governance				
HR Director	Annual	N/A	When hiring a new employee, HR performs the following background checks: Criminal, Driving, Education (for degreed candidates), Credit, and Drugs.	Corporate Governance				
HR Director	Annual	N/A	Formal performance evaluations are conducted at least every 12 months. Approval of performance categorization requires two levels of approval and is then communicated/reviewed with employee.	Corporate Governance				
HR Director	Annual	N/A	In addition, a 360-degree evaluation is encouraged.	Corporate Governance				
HR Director	Annual	N/A	Criteria for advancement are clearly defined and communicated to employees through: Position descriptions and Performance/Merit evaluation process.	Corporate Governance				
HR Director	Annual	N/A	HR performs formal, independent review of all complaints and effectively acts as arbiter to both sides and assesses any allegations. Appropriate disciplinary action is reviewed by supervisor and manager of employee and HR.	Corporate Governance				
Division Manager	Daily	19	All request forms to add new vendors in the system must be approved by a Senior or General Manager.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	20	The name on the update master vendor form must be the same as the payee listed on the invoice or check request. For refundable contributions, the payee must be the same as stated on the contract.	Expenditures	A/P and Cash Disbursements	None	Preventative	No
AP Analyst	Daily	21	Supporting documentation must be attached to check requests for conservation rebates, damage claims to customer property and customer refunds not through ECIS (copy of receipts, pictures, and print out of customer account ledger from ECIS).	Expenditures	A/P and Cash Disbursements	None	Preventative	No
Accounting Manager	Quarterly	22	Accounting Manager reviews the reports on vouchers and check requests not issued with a PO to ensure all goods and services exceeding \$5 000 per year have been handled according to policy ( bids obtained and purchase orders used as appropriate ).	Expenditures	A/P and Cash Disbursements	None	Detective	No
Division Manager	Monthly	23	A local purchase order (LPO) log is maintained by each division. LPO numbers are assigned prior to purchase. Receipt of goods and services is properly documented (packing slips, delivery tickets, etc.) with current date noted on LPO log. Account numbers are assigned to each item on the LPO log for proper accrual in the accounting system. Payment information is noted on the LPO log. The LPO log is reviewed and approved by the Division General Manager or Department Manager, dated and submitted to an Accounting Manager by the 4 <sup>th</sup> work day of each month.	Expenditures	A/P and Cash Disbursements	None	Preventative	Yes
Division Manager	Monthly	24	All purchases under \$1,000 have been assigned a non-specific LPO number on the voucher, or the division has listed them on the local purchase order log using a specific number.	Expenditures	A/P and Cash Disbursements	None	Preventative	No

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**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

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](mailto:messages@edwardjones.com). You must include the e-mail address that you wish not to receive e-mail communications.

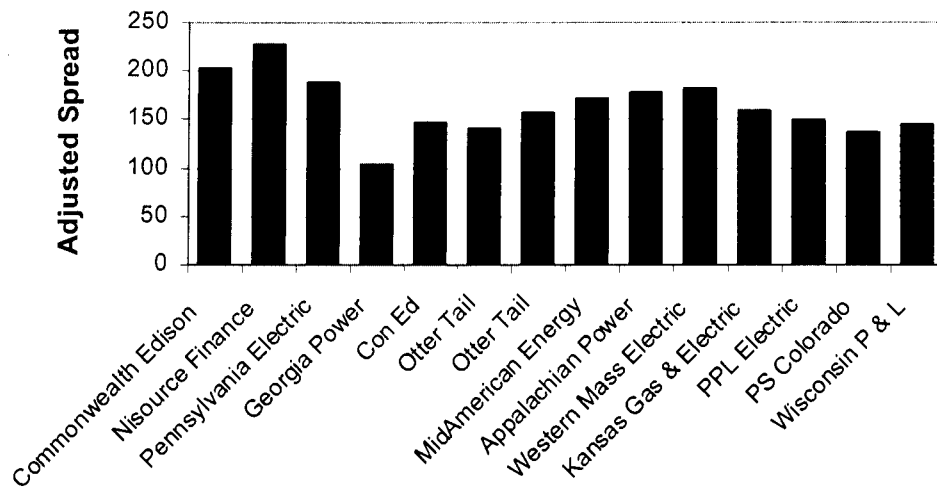
# Edward Jones

## 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



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

## Clara Leider

---

**From:** Bhatia Nadira  
**Sent:** Monday, August 13, 2007 5:09 PM  
**To:** Bhatia Nadira; Anderson Carl; Bachman George; Canino Chris; CORPORATE ACCOUNTING; Cox Doreen; Dysard Heidi; English Jack; GENERAL ACCOUNTING; Johnson Louie; Kennedy Barry; Kitner Don; Knowles Terry; Myers Don; Petty Julie; Puentes Jorge; Rance Donna; Saylor Chaundra; Schneidermann Marc; Scotten Laura; Seagrave Marc; Snyder Chris; Stein Chuck  
**Subject:** June Financial Analysis  
**Attachments:** 6-07 FS Letter.doc

Please find attached June's Financial Analysis letter.

Thank you,  
Nadira

# Florida Public Utilities Company

## Memo

**To:** All Financial Statement Recipients

**From:** Nadira Bhatia

**Date:** August 13, 2007

Below are items that affected June 2007's earnings as compared with the same month last year:

---

### Administrative and General:

- Based on a recent conservation audit, an adjustment was done to reallocate expense to and from conservation for 2006 and Jan-Jun of 2007 that affects individual expenses below.
- Administrative & General salary increase by only \$3,400. This is as a result of the net effect of an increase for the inflationary impact to payroll and a decrease for a vacant tax position in accounting.
- Miscellaneous Office expense (9215) decreased \$9,000 due to a net effect of a \$16,000 reduction for the reallocation on conservation expenses, \$6,000 less this year for an SEC training done in 2006 and an increase of \$13,000 for in additional temporary support needed to cover for a vacant tax position in the accounting department.
- Legal Fees (9232) decreased \$13,000 due to less billed SEC related consulting in 2007.
- Outside audit and accounting fees (9233) increased \$11,000 due higher auditing fees in 2007 as a result of increasing controls and compliance rules.
- Safety (9251) increased \$11,000 due to the reallocation of conservation expenses.
- General Liability expenses (9252) increased \$328,000. This was due to an increase of approximately \$318,000 in the general liability reserve for the Simpson and Hetherington cases; a reduction of \$11,000 for a reallocation to conservation expenses, and an increase of \$29,000 for a policy date adjustment (from 10/1/07 to 9/1/07 expiration) to workers comp. insurance.
- Pension expense (9261) decreased \$30,000 as a result of a reallocation to conservation.
- Medical and Other benefits expense (9262) decreased \$3,000 as a result of increased medical expenses netted by \$34,000 decreased caused by the adjustment for conservation expense, \$22,000 increase in medical expenses, and \$12,000 ESPP expense.
- Miscellaneous general expenses (9302) decreased \$25,000 mainly due to an \$18,000 true-up for cost relating to producing the annual report.

#### **South Florida Natural Gas Expense:**

- Customer account meter reading expenses (902) increased \$4,000 as a result of the net effect of \$35,000 decrease in payroll and \$39,000 increase in vendor meter reading cost due to the outsourcing of our meter reading service.
- Customer uncollectable accounts (904) increased \$70,000 as a result of an increase in reserve for uncollectable accounts over 90 days.
- Sales expense (9121) decreased \$21,000 due to lower payroll and sales commission expenses as a result of two vacant positions and a payroll adjustment for conservation. The vacancy is due to an economic slow-down especially in new construction sales in our area. \$12,000 of this decrease is due to the reallocation of conservation expense.
- Sales expense for conservation advertising (9132) increased \$21,000 due to an adjustment for expenses disallowed by the FPSC for conservation per the recent audit.
- Maintenance of mains expenses (887) decreased \$14,000. There was less expense in servicing mains in June as the focus on capital projects grows.
- Maintenance expenses (892 & 8931) were \$26,000 higher as a result of a reclass of customer payments received as reimbursements for the relocation of their services. These reimbursements are now posted as revenue as oppose to a credit to expense.

#### **Central Florida Natural Gas Expense:**

- Customer uncollectable accounts (904) increased \$21,000 as a result of a decrease in reserve for uncollectable accounts over 90 days.

#### **Northwest Florida Electric Expense:**

- Maintenance of overhead conduct expenses (5932) were \$11,000 lower this year due to less weather related maintenance such as tree trimming.
- Customer uncollectable account was \$20,000 lower as a result of a decrease in reserve for uncollectable accounts over 90 days.

#### **Northeast Florida Electric Expense:**

- Customer records/collection account increased \$13,000 due to the reallocation of payroll for conservation.
- Other operating office supply expenses (5882) increased \$18,000 for expenses due to the postponement of the construction of a new office building.
- Maintenance of overhead conduct expenses (5932) were \$28,000 lower this year due to less weather related maintenance such as tree trimming.

#### **South Florida M&J:**

- Merchandise Revenues decreased \$30,000 mainly due to lower demand for merchandise as a result of the slowdown of new construction projects from the downturn in the housing market.
- Cost of Merchandise decreased \$34,000 due to reduction in sales for larger items like ranges, pool heaters and larger water heaters.



- Cost of Installation decreased by \$18,000 as a result of lower merchandise installations. More customers are using competitive outside vendors for installations or doing it themselves.
- Jobbing Service Revenues decreased \$36,000 due to the change in market focus. Fuel line work is being done and billed directly to the customers by contractors.

#### **Central Florida M&J:**

- Merchandise Revenues decreased \$50,000 mainly due to lower demand for merchandise as a result of the slow down of new construction projects from the downturn in the housing market and to 2 major generator sales last year.
- Cost of merchandising decreased \$24,000 due to reduction in sales as a result of lower demand for merchandise
- Cost of Installation decreased by \$8,000 as a result of lower merchandise installations. More customers are using competitive outside vendors for installations or doing it themselves.
- Cost of jobbing service decreased \$14,000 due to a larger concentration of gas light repairs last year as compared to more of a spread of the expenses this year.

#### **West Florida M&J:**

- Jobbing revenue decreased \$10,000 mainly due to lower demand as a result of less service work performed.

#### **Northeast Florida M&J:**

- Merchandise Revenues decreased \$30,000 mainly due to lower sales for merchandise as a result of more man power to concentrate on completing compliance requirements on propane rather than on merchandise sales.
- Cost of merchandising decreased \$17,000 –sales of items including tanks and heaters are down from 20 to 3 items sold.

If you are aware of any items affecting earnings, please notify me. Thank you.

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Mike Welsh [mpwelsh@CAEnergy.com]  
**Sent:** Friday, August 17, 2007 10:31 AM  
**To:** Cox Doreen  
**Cc:** Martin Cheryl  
**Subject:** Latest version of G's  
**Attachments:** G-MFRS-8-17-08-NoLinks.xls

Doreen: I think you had these already, but if not here is the latest version.

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide the calculation of the requested  
interim revenue requirements increase.

## Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh, Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No	Description	Source	Amount
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	38,057,241
2.	Rate of Return on Rate Base Requested	Schedule G-19a	7.8000%
3.	Jurisdictional Income Requested	Line 1 x Line 2	2,968,465
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-7	2,476,531
5.	Income Deficiency (Excess)	Line 3 - Line 4	491,934
6.	Earned Rate of Return	Line 4/Line 1	6.5074%
7.	Net Operating Income Multiplier	Schedule G-18	1.6075
8.	Revenue Increase (Decrease) Requested	Line 5 x Line 7	790,784

Supporting Schedules: G-2, G-19a, G-7, G-18

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Provide a schedule of the 13-month average adjusted rate base for the test year and the prior year if the interim test year is projected. Provide the details of all adjustments on Schedule G-3.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

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	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
2 Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	
3 Jurisdictional Per Books	72,376,983	(32,199,482)	40,177,500	1,461,603	-	-	41,639,104	(1,682,506)	-	39,956,598
4 <u>Adjustments:</u>										
5 Non-regulated Propane Operations	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)		-	(41,756)
6 Eliminate Interest Bearing Cash Per 2003 Rate Case Proceeding								(24,312)		(24,312)
7 Eliminate 1/2 Deferred Rate Case Expense Per 2003 Rate Case								(116,540)		(116,540)
8 Eliminate Fuel Under-Recover Per 2003 Rate Case Proceeding								(1,716,749)		(1,716,749)
9										
10										
11										
12										
13 Total Adjustments	(67,783)	33,370	(34,413)	(7,343)	-	-	(41,756)	(1,857,601)	-	(1,899,357)
14										
15 Adjusted Jurisdictional	72,309,200	(32,166,112)	40,143,087	1,454,260	-	-	41,597,348	(3,540,107)	-	38,057,241
16										
17										
18 * Includes Account 2520 - Customer Advances for Construction										

Supporting Schedules: B-1 (2006), G3

Recap Schedules: G-1

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

List and explain all proposed adjustments to the 13-month average rate base for the interim test year. List the adjustments made by the Commission in the last case not proposed in the current case and reasons for excluding them.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

Line No.	Adjustment Title	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	<u>PLANT</u>			
2	<u>Commission Adjustment:</u>			
3	Allocate Various Items of General			
4	Plant Accounts to Propane; based			
5	on Customers and/or Square Footage			
6	Measurements			
7	(Accounts 3890, 3900, 3911, 3912,			
8	3913, and 391305)			
9	Plant-in-Service	(67,783)	100%	(67,783)
10	Reserve	33,370	100%	33,370
11	CWIP	(7,343)	100%	(7,343)
12	<u>Total</u>	<u>(41,756)</u>		<u>(41,756)</u>
13				
14				
15	<u>Company Adjustment:</u>			
16	None			
17				
18				
19				
20	<u>WORKING CAPITAL</u>			
21	<u>Commission Adjustment:</u>			
22	Eliminate Interest Baring Cash	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	(1,716,749)	100%	(1,716,749)
25		<u>(1,857,601)</u>		<u>(1,857,601)</u>
26	<u>Company Adjustment:</u>			
27	None			

Supporting Schedules: B-3 (2006)

Recap Schedules: G-2

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Electric Plant in Service:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	74,148	74,148	74,148	100%
10	Structure and Improvements	22,007	22,007	22,007	100%
11	Station Equipment	2,414,632	2,414,632	2,414,632	100%
12	Towers & Fixtures	224,665	224,665	224,665	100%
13	Poles & Fixtures	2,346,420	2,346,420	2,346,420	100%
14	O.H. Conductor and Devices	1,858,642	1,858,642	1,858,642	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	6,788	6,788	6,788	100%
17	Total Transmission	6,947,302	6,947,302	6,947,302	100%
18	Distribution:				
19	Land and Land Rights	32,878	32,878	32,878	100%
20	Structure and Improvements	96,042	96,042	96,042	100%
21	Station Equipment	5,673,433	5,673,433	5,673,433	100%
22	Poles and Fixtures	8,717,909	8,717,909	8,717,909	100%
23	O.H. Conductors	9,425,756	9,425,756	9,425,756	100%
24	U.G. Conduits	2,447,327	2,447,327	2,447,327	100%
25	U.G. Conductors	4,639,024	4,639,024	4,639,024	100%
26	Line Transformers	12,830,071	12,830,071	12,830,071	100%
27	Services	8,005,494	8,005,494	8,005,494	100%
28	Meters	3,335,843	3,335,843	3,335,843	100%
29	Installed on Customer Premises	1,936,496	1,936,496	1,936,496	100%
30	Street Lighting	1,177,470	1,177,470	1,177,470	100%
31	Total Distribution	58,317,743	58,317,743	58,317,743	100%
32	General Plant	5,522,761	5,522,761	5,522,761	100%
33	Total Electric Gross Plant	70,787,806	70,787,806	70,787,806	100%
34	Allocated Common Plant	1,589,177	1,589,177	1,589,177	100%
35	Adjustments	(67,783)	(67,783)	(67,783)	100%
36	Total Gross Plant	72,309,200	72,309,200	72,309,200	100%

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1	Accumulated Depreciation:				
2	Intangible				
3	Production:				
4	Steam	-	-	-	
5	Nuclear	-	-	-	
6	Other	-	-	-	
7	Total Production	-	-	-	
8	Transmission:				
9	Land and Land Rights	(33,164)	(33,164)	(33,164)	100%
10	Structure and Improvements	(10,036)	(10,036)	(10,036)	100%
11	Station Equipment	(581,595)	(581,595)	(581,595)	100%
12	Towers & Fixtures	(164,973)	(164,973)	(164,973)	100%
13	Poles & Fixtures	(787,408)	(787,408)	(787,408)	100%
14	O.H. Conductor and Devices	(545,184)	(545,184)	(545,184)	100%
15	U.G. Conductor and Devices	-	-	-	
16	Roads and Trails	(3,785)	(3,785)	(3,785)	100%
17	Total Transmission	(2,126,145)	(2,126,145)	(2,126,145)	100%
18	Distribution:				
19	Land and Land Rights	(4,744)	(4,744)	(4,744)	100%
20	Structure and Improvements	(29,563)	(29,563)	(29,563)	100%
21	Station Equipment	(1,184,368)	(1,184,368)	(1,184,368)	100%
22	Poles and Fixtures	(3,895,313)	(3,895,313)	(3,895,313)	100%
23	O.H. Conductors	(4,816,713)	(4,816,713)	(4,816,713)	100%
24	U.G. Conduits	(524,944)	(524,944)	(524,944)	100%
25	U.G. Conductors	(1,517,784)	(1,517,784)	(1,517,784)	100%
26	Line Transformers	(7,172,886)	(7,172,886)	(7,172,886)	100%
27	Services	(3,620,890)	(3,620,890)	(3,620,890)	100%
28	Meters	(1,773,897)	(1,773,897)	(1,773,897)	100%
29	Installed on Customer Premises	(632,764)	(632,764)	(632,764)	100%
30	Street Lighting	(438,848)	(438,848)	(438,848)	100%
31	Total Distribution	(25,612,714)	(25,612,714)	(25,612,714)	100%
32	General Plant	(3,075,994)	(3,075,994)	(3,075,994)	100%
33	Total Electric Accumulated Depreciation	(30,814,853)	(30,814,853)	(30,814,853)	100%
34	Allocated Common Reserve	(563,444)	(563,444)	(563,444)	100%
35	Customer Advances for Construction	(821,185)	(821,185)	(821,185)	100%
36	Adjustments	33,370	33,370	33,370	100%
37	Total Accumulated Reserve	(32,165,112)	(32,165,112)	(32,165,112)	100%
1	NET PLANT IN SERVICE	40,143,088	40,143,088	40,143,088	100%
2	CWIP:				
3	Production	-	-	-	
4	Transmission	12,803	12,803	12,803	100%
5	Distribution	1,067,683	1,067,683	1,067,683	100%



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
6	Customer Accounts	-	-	-	
7	General	296,070	296,070	296,070	100%
8	Customer Services	-	-	-	
9	Allocated Common	85,048	85,048	85,048	100%
10	Adjustments	(7,343)	(7,343)	(7,343)	100%
11	Total CWIP	<u>1,454,261</u>	<u>1,454,261</u>	<u>1,454,261</u>	100%
12	CWIP - NOT BEARING INTEREST				
13	Production				
14	Transmission				
15	Distribution				
16	Total CWIP Not Bearing Interest				
17	PLANT HELD FOR FUTURE USE				
18	UNAMORTIZED NUCLEAR SITE				
19	WORKING CAPITAL				
20	Net of Current Assets and Current Liabil	1,687,010	1,687,010	1,687,010	100%
21	Preliminary Survey and Investigation Ch	-	-	-	
22	Prepayments	270,889	270,889	270,889	100%
23	Clearing Accounts	-	-	-	
24	Unamortized Deferred O & M	-	-	-	
25	Injuries and Damages Reserve	(1,645,062)	(1,645,062)	(1,645,062)	100%
26	Property Insurance Reserves				
27	Other Deferred Credits & Debits	(1,995,343)	(1,995,343)	(1,995,343)	100%
28	Adjustments	(1,857,601)	(1,857,601)	(1,857,601)	100%
29	Total Working Capital	<u>(3,540,107)</u>	<u>(3,540,107)</u>	<u>(3,540,107)</u>	100%
30					
31	Total Adjusted Rate Base	<u>38,057,242</u>	<u>38,057,242</u>	<u>38,057,242</u>	100%

Supporting Schedules: B-6 (2006), G-2, G-19-a, G-7, G-18

Recap Schedules: G2

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the 13 month average working capital allowance for the interim test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other method the company proposes.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Account No.	Component	(1) Company Total	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
1		Current and Accrued Assets	7,586,502	-	7,586,502	100%	7,586,502
2							
3		Adjustments to Current and					
4		Accrued Assets (Specify)					
5		Commission Adjustments:					
6	1860.1	Eliminate 1/2 Rate Case Deferral	(116,540)		(116,540)	100%	(116,540)
7	1860.21	Eliminate Fuel Under-recover	(1,716,749)		(1,716,749)	100%	(1,716,749)
8	1310.8	Eliminate Interest Bearing Cash	(24,312)		(24,312)	100%	(24,312)
9							
10		Adjusted Current and	5,728,901	-	5,728,901		5,728,901
11		Accrued Assets					
12							
13		Current and Accrued	(9,269,008)	-	(9,269,008)	100%	(9,269,008)
14		Liabilities					
15							
16		Adjustments to Current and					
17		Accrued Liabilities					
18		NONE					
19							
20		Adjusted Current and					
21		Accrued Liabilities	(9,269,008)	-	(9,269,008)		(9,269,008)
22							
23		Working Capital Allowance	(3,540,107)	-	(3,540,107)		(3,540,107)
24							
25		Unbilled Revenue					
26		Adjustments (Specify)	-	-	-	100%	-
27							
28		Adjusted Working Capital					
29		Allowance	(3,540,107)	-	(3,540,107)	100%	(3,540,107)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type for the test year, and the two preceding years Include Natural Gas even though no inventory is carried. (Give Units in Barrels, Tons, or MCF)

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Prior Year Ended 12/31/2007  
 Projected Test Year Ended 12/31/2008  
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Plant	Fuel Type	Beginning Balance Units / (\$000) / \$ / Unit	Receipts Units / (\$000) / \$ / Unit	Fuel Issued to Generation Units / (\$000) / \$ / Unit	Fuel Issued (Other) Units / (\$000) / \$ / Unit	Inventory Adjustments Units / (\$000) / \$ / Unit	Ending Balance Units / (\$000) / \$ / Unit	13 Month Average Units / (\$000) / \$ / Unit (See Note 1)
-------	-----------	--	---	--	--	--	---	---

Not Applicable

System Coal  
 Inventory Petcoke  
 Residual Oil  
 Distillate Oil  
 Natural Gas  
 Biomass  
 Other \_\_\_\_\_

Note 1 - Applicable only to system fuel inventory balances.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-E1

Line No.	(1) Total Company Per Books	(2) Non- Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule G-8)	(7) Adjusted Jurisdictional Amount (5)+(6)
1. Operating Revenues:							
2. Sales of Electricity	47,452,526	-	47,452,526	100%	47,452,526	(30,359,021)	17,093,505
3. Other Operating Revenues	1,074,705	-	1,074,705	100%	1,074,705	(759,903)	314,802
4. Total Operating Revenues	<u>48,527,231</u>	-	<u>48,527,231</u>	100%	<u>48,527,231</u>	<u>(31,118,924)</u>	<u>17,408,307</u>
5. Operating Expenses:							
6. Operation & Maintenance:							
7. Fuel	-	-	-	100%	-	-	-
8. Purchased Power	30,606,436	-	30,606,436	100%	30,606,436	(30,606,436)	-
9. Other	8,163,711	-	8,163,711	100%	8,163,711	(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	-	2,722,498	100%	2,722,498	(11,398)	2,711,100
11. Decommissioning Expense	-	-	-	100%	-	-	-
12. Taxes Other Than Income Taxes	3,982,172	-	3,982,172	100%	3,982,172	(22,079)	3,960,093
13. Income Taxes	772,895	-	772,895	100%	772,895	8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-	(195,788)	100%	(195,788)	-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-	(32,322)	100%	(32,322)	-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-	-	100%	-	-	-
17. Total Operating Expenses	<u>46,019,602</u>	-	<u>46,019,602</u>	100%	<u>46,019,602</u>	<u>(31,087,826)</u>	<u>14,931,776</u>
18. Net Operating Income	<u>2,507,629</u>		<u>2,507,629</u>		<u>2,507,629</u>	<u>(31,098)</u>	<u>2,476,531</u>

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Provide a schedule of net operating income adjustments for the interim test year. Provide the details of all adjustments on Schedule G-9.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Jurisdictional Amount Schedule G-7 Col. 5	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total Adjustments	Adjusted Jurisdictional NOI
1. Operating Revenues:															
2. Sales of Electricity	47,452,526	(30,359,021)												(30,359,021)	17,093,505
3. Other Operating Revenues	1,074,705	(759,903)												(759,903)	314,802
4. Total Operating Revenues	<u>48,527,231</u>	<u>(31,118,924)</u>												<u>(31,118,924)</u>	<u>17,408,307</u>
5. Operating Expenses:															
6. Operation & Maintenance:	-	-												-	-
7. Fuel (nonrecoverable)	-	-												-	-
8. Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
9. Other	8,163,711	(456,411)												(456,411)	7,707,300
10. Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
11. Decommissioning Expense	-	-												-	-
12. Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
13. Income Taxes	772,895	8,498												8,498	781,393
14. Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
15. Investment Tax Credit-Net	(32,322)	-												-	(32,322)
16. (Gain)/Loss on Disposal of Plant	-	-												-	-
17. Total Operating Expenses	<u>46,019,602</u>	<u>(31,087,826)</u>												<u>(31,087,826)</u>	<u>14,931,776</u>
18. Net Operating Income	<u>2,507,629</u>	<u>(31,098)</u>												<u>(31,098)</u>	<u>2,476,531</u>

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO. 070304-EI

EXPLANATION: List and explain all proposed adjustments to Net Operating Income for the Interim Test Year. List adjustments included in the last case that are not proposed in the interim test year and the reasons for excluding them.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Mehrdad Khojasteh

Line No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	(1) Total Adjustment	(2) Jurisdictional Factor	(3) Jurisdictional Adjustment
1	Operating Revenue - Company	Eliminate Fuel Revenues	(30,359,021)	100%	(30,359,021)
2					
3	Other Revenue/Fuel & Conservation O/U - Company	Eliminate Conservation and Fuel O/U and Conservation Revenues	(759,903)	100%	(759,903)
4					
5	Operating Expense - Company	Eliminate Fuel Expenses	30,606,436	100%	30,606,436
6					
7	Fuel Expense - Company	Eliminate Conservation Expenses	456,411	100%	456,411
8					
9	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	11,398	100%	11,398
10					
11	Taxes Other than Income - Company	Eliminate Taxes other than Income	22,079	100%	22,079
12					
13	Income Taxes - Company	Eliminate Income Taxes	(8,498)	100%	(8,498)
TOTAL ADJUSTMENTS			<u>(31,098)</u>		<u>(31,098)</u>

Supporting Schedules:

Recap Schedules: G-8

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

Line No.	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
----------	-------------	---------------	---------------	---------------------	----------------------------------

All sales of electricity for Florida Public Utilities Company are subject to regulation by the Florida Public Service Commission, therefore the jurisdictional factor is 100%  
See G-7

Supporting Schedules:

Recap Schedules: G-7

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide a schedule of operating revenue by primary account for the interim test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested interim test year operating revenues.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO: 070304-EI

Account No.	Account Title	Adjustments									(10) Adjusted Total
		(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	(4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other Gross Receipts	(8) Other (Specify)	(9) Total (4) thru (8)	
											(3)-(9)
	SALES OF ELECTRICITY										
440	Residential Sales	22,556,093	-	22,556,093	13,378,603	160,976	856,904	566,064	-	14,962,547	7,593,546
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718	-	13,845,536	4,300,407
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746	-	4,804,124	545,955
443	Outdoor Lighting	1,085,456	-	1,085,456	169,327	2,428	38,067	22,631	-	232,453	853,003
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224	-	73,583	212,743
445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-
448	Interdepartmental Sales	28,629	-	28,629	26,706	-	1,183	740	-	28,629	-
	Total Sales to Ultimate Consumers	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
447	Sales for Resale	-	-	-	-	-	-	-	-	-	-
	TOTAL SALES OF ELECTRICITY	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-
	TOTAL REVENUE NET OF REFUND PROVISION	47,452,526	-	47,452,526	30,359,021	390,092	2,012,636	1,185,123	-	33,946,872	13,505,654
	OTHER OPERATING REVENUES										
450	Forfeited Discounts	354,696	-	354,696	-	-	-	-	-	-	354,696
451	Miscellaneous Service Revenues	219,900	-	219,900	-	-	-	-	-	-	219,900
453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-
454	Rent from Electric Property	114,078	-	114,078	-	-	-	-	-	-	114,078
455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-
456	Other Electric Revenues (In Detail)	-	-	-	-	-	-	-	-	-	-
4561	OVER-RECOVERY: FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC. ELECTRIC REVENUE	7,846	-	7,846	-	-	-	-	-	-	7,846
4563	Unbilled Revenue	8,373	-	8,373	-	-	-	-	-	-	8,373
4566	OVERRECOVERY: CONSER	62,382	-	62,382	-	62,382	-	-	-	62,382	-
	TOTAL OTHER OPERATING REVENUES	1,074,705	-	1,074,705	307,430	62,382	-	-	-	369,812	704,893
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	14,210,547

Supporting Schedules: C-5 (2006)

Recap Schedules: G-7



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mehrdad Khojasteh

COMPANY FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
1	NET UTILITY OPERATING INCOME	\$ 2,507,629	\$ 2,507,629				
2	ADD INCOME TAX ACCOUNTS	544,785	544,785				
3	LESS INTEREST CHARGES (FROM C-23)	1,505,287	1,505,287				
4				(Income tax adjustment for interest calculated of 1,473,580 has been included in tax adjustments)			
5	TAXABLE INCOME PER BOOKS	\$ 1,547,127	\$ 1,547,127				
6							
7	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
8	ADD: BOOK DEPRECIATION	(2,722,498)	(2,722,498)		2,722,498	0	2,722,498
9	LESS: TAX DEPRECIATION	2,379,361	2,379,361		(2,379,361)		(2,379,361)
10	UNRECOVERED PURCHASE POWER/GAS	95,832	95,832		(95,832)		(95,832)
11	OUTSIDE AUDIT FEES	(4,002)	(4,002)		4,002		4,002
12	ORDINARY LOSS ON ACRS PROPERTY	211,200	211,200		(211,200)		(211,200)
13	COST OF REMOVAL-ADR PROPERTY	24,840	24,840		(24,840)		(24,840)
14	CONSERVATION PROGRAM COSTS	62,382	62,382		(62,382)		(62,382)
15	SELF INSURANCE RESERVE	(40,404)	(40,404)		40,404		40,404
16	TAXABLE CONTRIBUTIONS	(115,302)	(115,302)		115,302		115,302
17	PENSION COSTS	(539,996)	(539,996)		539,996		539,996
18	VACATION PAY	(24,229)	(24,229)		24,229		24,229
19	UNCOLLECTIBLES	(40,343)	(40,343)		40,343		40,343
20	LOSS ON REACQUIRED DEBT	(8,045)	(8,045)		8,045		8,045
21	MISC DEFERRAL	(74)	(74)		74		74
22	GENERAL LIABILITY	50,463	50,463		(50,463)		(50,463)
23	RATE CASE EXPENSE	(84,756)	(84,756)		84,756		84,756
24	NONDEDUCTIBLE ESPP COMPENSATION EXPENSE	(17,972)	(17,972)		-		-
25	STORM RESERVE	(129,232)	(129,232)		129,232		129,232
26	CAPITALIZED INTEREST	(91,470)	(91,470)		91,470		91,470
27	ELECTRIC CONSULTANT FEES	23,910	23,910		(23,910)		(23,910)
28	TOTAL TEMPORARY DIFFERENCES	\$ (970,335)	\$ (970,335)		\$ 952,363	\$ 952,363	
29							
30	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
31	NONDEDUCTIBLE MEALS-CORPORATE	(1,730)	(1,730)				
32	NONDEDUCTIBLE MEALS-OTHER	(2,869)	(2,869)				
33	State Exemption	1,320	-				
34	TOTAL PERMANENT ADJUSTMENTS	\$ (3,279)	\$ (4,599)				
35							
36	STATE TAXABLE INCOME (L5+L28+L34)	\$ 2,520,741	-		\$ (952,363)		
37	STATE INCOME TAX (5.5% OR APPLICABLE RATE OF L36)	\$ 138,641	-		\$ (52,380)		
38	ADJUSTMENTS TO STATE INCOME TAX (LIST)				0		
39					0		
40		(26,118)	-		30,252		
41		1,241	-		0		
42					0		
43	TOTAL ADJUSTMENTS TO STATE INCOME TAX	\$ (24,877)	-		\$ 30,252		
44					0		
45	STATE INCOME TAX	\$ 113,764	-		(22,128)		

SUPPORTING SCHEDULES: C-22, G-13

RECAP SCHEDULES: G-7

FLORIDA PUBLIC SERVICE COMMISSION

PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE INTERIM YEAR.Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Mehrdad KhojastehCOMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

LINE NO.	DESCRIPTION	CURRENT TAX			DEFERRED TAX		
		STATE	FEDERAL	TOTAL	STATE	FEDERAL	TOTAL
46	FEDERAL TAXABLE INCOME (L5+L28+L34-L37/state)	\$	2,383,420		\$	(899,983)	
47	FEDERAL INCOME TAX (34% OR APPLICABLE RATE)	\$	810,363		\$	(305,994)	
48							
49	ADJUSTMENTS TO FEDERAL INCOME TAX						
50							
51			(149,991)			132,334	
52			7,257			0	
53							
54							
55							
56							
57	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX	\$	(142,734)		\$	132,334	
58							
59	FEDERAL INCOME TAX	\$	667,629		\$	(173,660)	
60							
61							
62							
63	TOTAL FEDERAL AND STATE INCOME TAXES			\$ 781,393			\$ (195,788)
64							
65	ITC AMORTIZATION			\$ (32,322)			
66							
67							
68							
69							
70							
71	SUMMARY OF INCOME TAX EXPENSE:						
72		STATE	FEDERAL	TOTAL			
73	CURRENT TAX EXPENSE	113,764	667,629	781,393			
74	DEFERRED INCOME TAXES	(22,128)	(173,660)	(195,788)			
75	INVESTMENT TAX CREDITS, NET			(32,322)			
76	TOTAL INCOME TAX PROVISION	91,636	493,969	585,605			

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the amount of interest expense used to calculate net operating income taxes on Schedule G-12.  
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:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

Line No.	Description	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	1,268,418	N/A
2.	Amortization of Debt Discount, Premium, Issuing		
3.	Expense & Loss on Reacquired Debt	-	N/A
4.	Interest on Short Term Debt	75,536	N/A
5.	Interest on Customer Deposits	129,626	N/A
6.	Other Interest Expense	-	N/A
7.	Less Allowance for Funds Used During Construction		
8.	Total Interest Expense	<u>1,473,580</u>	N/A

Supporting Schedules: G-19a

Recap Schedules: G-12

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-E1

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that that may be invested in the equity of the utility in question.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox

Line No.	Amount	Percent of Capital	Cost Rate	Weighted Cost
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock		<u>Not Applicable</u>	
4.	Common Equity			
5.	Deferred Income Tax			
6.	Other (specify)			
	Total			

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

## Type of Data Shown:

Prior Year Ended 12/31/2007

Projected Test Year Ended 12/31/2008

Historical Years Ended 12/31/2004, 2005, 2006

Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended 12/31/2004
----------------------------	------------------	------------------	---------------------------------------	--------------------------------	-----------------------------	--------------------------------	-------------------------------	-------------------------------------	--	-------------------	--------------------------------------	---

No gains or losses

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning  
pension cost for the interim test year.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: George Bachman

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Historic Year 2006
1	Service Cost	1,225,495
2	Interest Cost	2,160,719
3	Actual Return on Assets	(3,977,806)
4	Net Amortization and Deferral	1,551,742
a	Amortization of Prior Service Cost	737,115
b	Curtailment	(97,858)
5	Total Net Periodic Pension Cost	1,599,407
6	For the Year:	
7	Amortization of Transition Asset or Obligation	-
8	Expected Return on Assets	2,426,064
9	Assumed Rate of Return on Plan Assets	8.50%
10	Amortization of Transition Asset or Obligation	-
11	Percent of Pension Cost Capitalized	15.00%
12	Pension Cost Recorded in Account 926	-
13	Minimum Required Contribution Per IRS	-
14	Maximum Allowable Contribution Per IRS	18,262,779
15	Actual Contribution Made to the Trust Fund	250,000
16	Actuarial Attribution Approach Used for Funding	Projected Unit Credit
17	Assumed Discount Rate for Computing Funding	8.00%
18	Allocation Method Used to Assign Costs if the Utility Is Not the	Allocated
19	Sole Participant in the Plan. Attach the Relevant Procedures.	Based on payroll
20	At Year End:	
21	Accumulated Benefit Obligation	33,693,860
22	Projected Benefit Obligation	38,650,888
23	Vested Benefit Obligation	31,220,120
24	Assumed Discount Rate (Settlement Rate)	0
25	Assumed Rate for Salary Increases	0
26	Fair Value of Plan Assets	35,635,214
27	Market Related Value of Assets	29,485,534
28	Balance in Working Capital (Account No. 228.31)	(814,231)

Supporting Schedules: C-17

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a statement of changes in accounting policy in the interim test year. Explain any changes in accounting procedures that affect the interim rate base or the interim net operating income.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Cheryl Martin

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Line No.	Description	Percent
1.	Revenue Requirement	100.000%
2.	Gross Receipts Tax Rate	0.000%
3.	Regulatory Assessment Rate	0.072%
4.	Bad Debt Rate	0.188%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>99.740%</u>
6.	State Income Tax Rate	5.500%
7.	State Income Tax (5) x (6)	<u>5.486%</u>
8.	Net Before Federal Income Tax (5) - (7)	94.255%
9.	Federal Income Tax Rate	34.000%
10.	Federal Income Tax (8) x (9)	<u>32.047%</u>
11.	Revenue Expansion Factor (8) - (10)	<u>62.208%</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u>1.6075</u>

Supporting Schedules: C-44

Recap Schedules: G-1



## FLORIDA PUBLIC SERVICE COMMISSION

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

Type of Data Shown:

Historic Year Ended 12/31/2006

Prior Year Ended 12/13/05

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. : 070304-EI

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	Interest Expense
<b>Regulatory Capital Structure, 2006</b>											
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%	0
4	Common Equity	44,943,721			44,943,721	31.33%	14,078,859	0.3699	10.50%	3.88%	0
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%	0
7	Tax Credits-Zero Cost	0			0		-	-	0.00%	0.00%	0
8	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.10%	0.03%	0
10	TOTAL	106,248,265			106,248,265		38,057,241	1.0000		7.80%	1,473,580
<b>Conventional Capital Structure, 2007</b>											
18	Long Term Debt	50,443,237	0.5080	8.03%	4.08%						
19	Short Term Debt	3,309,077	0.0333	7.29%	0.24%						
20	Preferred Stock	600,000	0.0060	4.75%	0.03%						
21	Common Equity	44,943,721	0.4526	10.50%	4.75%						
23	TOTAL	99,296,035	1.0000		9.10%						
						Rate Base	38,057,241				
						Direct Components	6,952,231				
							\$31,105,010				
						Jurisdictional Factor	31.33%				



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule G-19a.

Type of Data Shown:

Historic Year Ended 12/31/2006

Prior Year Ended 12/31/2005

Witness: Doreen Cox, Robert Camfield

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule G-19a.

Line No.	Class of Capital	Description	Historical Base Year	Prior Year	Test Year
----------	------------------	-------------	----------------------	------------	-----------

Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '06, Prior Year '05 capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '06, Prior Year '05 capital structure or cost rates

Supporting Schedules:

Recap Schedules: G-19a

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

Compare jurisdictional base rate revenue excluding service charges by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or the old classification.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	Increase	
			(3) Dollars (2) - (1)	(4) Percent (3) / (1)
Residential	7,593,546	8,038,164	444,618	5.86%
GS	1,448,830	1,533,662	84,832	5.86%
GSD	2,208,265	2,337,563	129,298	5.86%
GSLD	643,312	680,979	37,667	5.86%
GSLD1	545,955	577,922	31,967	5.86%
Outdoor Lighting	853,003	902,948	49,945	5.86%
Street Lighting	212,743	225,200	12,457	5.86%
Total	<u>13,505,654</u>	<u>14,296,439</u>	<u>790,785</u>	

Supporting Schedules: G-1, G-11, G-23

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of revenues from all service charges (initial connection, etc.) under present and proposed rates.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Mark Cutshaw, Doreen Cox

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase	
						Dollars	Percent
1	322	44.00	44.00	14,179	14,179	-	0.00%
2	5,395	19.00	19.00	102,505	102,505	-	0.00%
3	196	27.00	27.00	5,292	5,292	-	0.00%
4	972	37.00	37.00	35,964	35,964	-	0.00%
5	68	60.00	60.00	4,080	4,080	-	0.00%
6	3,487	11.50	11.50	40,101	40,101	-	0.00%
7	551	Per Statute	Per Statute	16,519	16,519	-	0.00%
8	1251	\$ 3.50 3.5% (Non-Residential)	\$ 3.50 3.5% (Non-Residential)	4,379	4,379	-	0.00%
9	274	Various	Various	(3,432)	(3,432)	-	0.00%
Correction Factor	n/a	n/a	n/a	314	314	-	0.00%
<b>TOTAL</b>	<b>12,516</b>			<b>219,900</b>	<b>219,900</b>	<b>-</b>	<b>0.00%</b>
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 \$3.50 (Residential) 3.50% (All Other Accounts)						
9	Miscellaneous Allowance & Adjustments						

Supporting Schedules:

Recap Schedules:

G-11

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO. 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule RS			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	23,454	10.00	2,814,440	23,454	10.59	2,979,231	5.86%
T-O-D	0	-	-	-	-	-	-
Total	23,454		2,814,440	23,454		2,979,231	5.86%
KWH Charge:							
Standard	349,930,593	0.01373	4,804,547	349,930,593	0.01453	5,085,863	5.86%
T-O-D On-Peak	0	0	-	0	0	-	-
T-O-D Off-Peak	0	0	-	0	0	-	-
Total	349,930,593		4,804,547	349,930,593		5,085,863	5.86%
Etc.							
Total Base Revenue (Calculated)			7,618,987			8,065,094	5.86%
Correction Factor			(25,441)			(26,931)	
Total Base Revenue			7,593,546			8,038,164	

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
 Consolidated Electric Division  
 DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GS			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	3,411	14.00	572,978	3,411	14.82	606,527				5.86%
T-O-D	0	-	-	-	-	-				
Total	3,411		572,978	3,411		606,527				5.86%
KWH Charge:										
Standard	59,621,785	0.01473	878,229	59,621,785	0.01559	929,651				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	59,621,785		878,229	59,621,785		929,651				5.86%
Etc.										
Total Base Revenue (Calculated)			1,451,207			1,536,178				5.86%
Correction Factor			(2,377)			(2,516)				
Total Base Revenue			1,448,830			1,533,662				

Supporting Schedules:

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

## Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSD			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:							
Standard	699	44.00	369,292	699	46.58	390,915	5.86%
T-O-D	0	-	-	-	-	-	
Total	699		369,292	699		390,915	5.86%
KWH Charge:							
Standard	178,753,210	0.00232	414,707	178,753,210	0.00246	438,989	5.86%
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	
Primary 1% discount	1,771,200	(0.0000232)	(41)	1,771,200	(0.0000246)	(43)	
Total	180,524,410		414,666	180,524,410		438,946	5.86%
KW Charge							
Standard	574,289	2.48	1,424,238	574,289	2.63	1,507,630	
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	0	0	-	0	0	-	5.87%
Primary 1% discount	6,042	(0.0248)	(150)	6,042	(0.0263)	(159)	
Primary \$0.55 discount	6,042	(0.55)	(3,323)	6,042	(0.55)	(3,323)	
Total	586,373		1,420,765	586,373		1,504,148	
Total Base Revenue (Calculated)			2,204,723			2,334,009	5.86%
Correction Factor			3,542			3,555	
Total Base Revenue			2,208,265			2,337,563	

Supporting Schedules: G-20

Recap Schedules:



## FLORIDA PUBLIC SERVICE COMMISSION

## EXPLANATION:

By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:

Historic Year Ended 12/31/2006

Witness: Doreen Cox, Mark Cutshaw

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO. 070304-EI

Type of Charges	Present Revenue Calculation			Rate Schedule GSLD			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	20	75.00	18,000	20	79.39	19,054				5.86%
T-O-D	0	-	-	-	-	-				
Total	20		18,000	20		19,054				5.86%
KWH Charge:										
Standard	92,691,048	0.00086	79,714	92,691,048	0.00091	84,382				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	25,402,800	-0.0000086	(218)	25,402,800	(0.0000091)	(231)				
Total	118,093,848		79,496	118,093,848		84,150				5.86%
KW Charge										
Standard	198,159	2.89	572,680	198,159	3.06	606,212				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Primary 1% discount	49,209	(0.0289)	(1,422.14)	49,209	(0.0306)	(1,505)				
Primary \$0.55 discount	49,209	(0.55)	(27,065)	49,209	(0.55)	(27,065)				
Total	296,577		544,193	296,577		577,641				
Total Base Revenue (Calculated)			641,689			680,846				
Correction Factor			1,623			133				
Total Base Revenue			643,312			680,979				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES  
Consolidated Electric Division  
DOCKET NO.: 070304-EI

EXPLANATION: By rate schedule, calculate revenues under present and proposed rates for the rates for the test year. If any customers are to be transferred from one schedule to another, show revenues separately for the transfer group. Correction factors are used for historical test years only. The total base revenue by class must equal that shown in Schedule E-13a. The billing units must equal those shown in Schedule E-15. PROVIDE TOTAL NUMBER OF BILLS, MWHs AND BILLING KWH FOR EACH RATE SCHEDULE (including standard and time of use customers) AND TRANSFER GROUP.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Charges	Present Revenue Calculation			Rate Schedule GSLED1			Proposed Revenue Calculation			Percent Increase
	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	Units	Charge/Unit	\$ Revenue	
Customer Charge:										
Standard	2	600.00	14,400	2	635.13	15,243				5.86%
T-O-D	0	-	-	-	-	-				
Total	2		14,400	2		15,243				5.86%
KWH Charge:										
Standard	159,780,000	-	-	159,780,000	0	-				0.00%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	159,780,000		-	159,780,000		-				0.00%
KW Charge										
Standard	472,200	1.12	528,864	472,200	1.19	559,830				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	472,200		528,864	472,200		559,830				5.86%
KVAR Charge										
Standard	11,216	0.24	2,692	11,216	0.25	2,849				5.86%
T-O-D On-Peak	0	0	-	0	0	-				
T-O-D Off-Peak	0	0	-	0	0	-				
Total	11,216		2,692	11,216		2,849				5.86%
Total Base Revenue (Calculated)			545,956			577,923				5.86%
Correction Factor			(1)			(1)				
Total Base Revenue			545,955			577,922				

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
 Historic Year Ended 12/31/2006  
 Witness: Doreen Cox, Mark Cutshaw

Type of Facility	Annual Billing Items	Est. Monthly KWH	Present Rates - Outdoor Lighting					Proposed Rates - Outdoor Lighting					Percent Increase	
			Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge		\$ Total Revenue
100w HPS Cobra Head-OL	22,365	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$163,935	\$5.62	\$1.30	\$0.84	\$7.76	\$173,534	5.86%
175w MV Cobra Head -OL	5,844	72	864	\$2.11	\$2.16	\$0.41	\$4.68	\$27,350	\$2.23	\$2.29	\$0.43	\$4.95	\$28,951	5.86%
400w MV Cobra Head-OL	305	154	1,848	\$5.77	\$4.62	\$0.71	\$11.10	\$3,386	\$6.11	\$4.89	\$0.75	\$11.75	\$3,584	5.86%
1000w HPS Flood -OL2	147	405	4,860	\$14.20	\$12.15	\$1.81	\$28.16	\$4,140	\$15.03	\$12.86	\$1.92	\$29.81	\$4,382	5.86%
1000w MH Flood - OL2	2,707	405	4,860	\$13.18	\$12.15	\$1.68	\$27.01	\$73,116	\$13.95	\$12.86	\$1.78	\$28.59	\$77,397	5.86%
1000w MH Vert Shoebox - OL2	132	405	4,860	\$18.47	\$12.15	\$2.22	\$32.84	\$4,335	\$19.55	\$12.86	\$2.35	\$34.76	\$4,589	5.86%
100w HPS Amer Rev-OL2	1,272	41	492	\$7.02	\$1.23	\$0.95	\$9.20	\$11,702	\$7.43	\$1.30	\$1.01	\$9.74	\$12,388	5.86%
100w HPS Cobra Head-OL2	11,730	41	492	\$5.31	\$1.23	\$0.79	\$7.33	\$85,981	\$5.62	\$1.30	\$0.84	\$7.76	\$91,015	5.86%
100w HPS SP2 Spectra -OL2	111	41	492	\$15.76	\$1.23	\$2.61	\$19.60	\$2,176	\$16.68	\$1.30	\$2.76	\$20.75	\$2,303	5.86%
100w MH SP2 Spectra -OL2	263	41	492	\$15.64	\$1.23	\$1.82	\$18.69	\$4,915	\$16.56	\$1.30	\$1.93	\$19.78	\$5,203	5.86%
150w HPS Acorn-OL2	760	61	732	\$12.50	\$1.83	\$1.51	\$15.84	\$12,038	\$13.23	\$1.94	\$1.60	\$16.77	\$12,743	5.86%
150w HPS ALN 440 -OL2	798	61	732	\$18.60	\$1.83	\$2.16	\$22.59	\$18,027	\$19.69	\$1.94	\$2.29	\$23.91	\$19,082	5.86%
150w HPS Am Rev-OL2	1,254	61	732	\$7.20	\$1.83	\$0.94	\$9.97	\$12,502	\$7.62	\$1.94	\$1.00	\$10.55	\$13,234	5.86%
175w MH ALN 440 -OL2	36	71	852	\$18.72	\$2.13	\$2.20	\$23.05	\$830	\$19.82	\$2.25	\$2.33	\$24.40	\$878	5.86%
175w MH Shoebox -OL2	4,398	71	852	\$14.41	\$2.13	\$1.78	\$18.32	\$80,571	\$15.25	\$2.25	\$1.88	\$19.39	\$85,289	5.86%
200w HPS Cobra Head -OL2	3,324	81	972	\$8.08	\$2.43	\$0.35	\$10.86	\$36,099	\$8.55	\$2.57	\$0.37	\$11.50	\$38,212	5.86%
250w HPS Cobra Head -OL2	720	101	1,212	\$9.72	\$3.03	\$1.21	\$13.96	\$10,051	\$10.29	\$3.21	\$1.28	\$14.78	\$10,640	5.86%
250w HPS Flood -OL2	3,263	101	1,212	\$7.36	\$3.03	\$1.11	\$11.50	\$37,525	\$7.79	\$3.21	\$1.17	\$12.17	\$39,722	5.86%
250w MH Shoebox-OL2	208	101	1,212	\$15.33	\$3.03	\$1.98	\$20.34	\$4,231	\$16.23	\$3.21	\$2.10	\$21.53	\$4,478	5.86%
400w HPS Cobra Head -OL2	1,404	162	1,944	\$7.31	\$4.86	\$1.11	\$13.28	\$18,645	\$7.74	\$5.14	\$1.17	\$14.06	\$19,737	5.86%
400w HPS Flood - OL2	62	162	1,944	\$11.34	\$4.86	\$1.37	\$17.57	\$1,089	\$12.00	\$5.14	\$1.45	\$18.60	\$1,153	5.86%
400w MH Flood OL2	4,806	162	1,944	\$7.64	\$4.86	\$1.15	\$13.65	\$65,602	\$8.09	\$5.14	\$1.22	\$14.45	\$69,443	5.86%
10' Alum Deco Base-OL2	1,183			\$11.64			\$11.64	\$13,770	\$12.32			\$12.32	\$14,576	5.86%
13' Decorative Concrete-OL2	175			\$8.94			\$8.94	\$1,565	\$9.46			\$9.46	\$1,656	5.86%
18' Fiberglass Round-OL2	2,224			\$5.93			\$5.93	\$13,188	\$6.28			\$6.28	\$13,961	5.86%
20' Decorative Concrete-OL2	5,476			\$10.13			\$10.13	\$55,472	\$10.72			\$10.72	\$58,720	5.86%
30' Wood Pole Std-OL2	17,187			\$3.35			\$3.35	\$57,576	\$3.55			\$3.55	\$60,948	5.86%
35' Concrete Square-OL2	1,410			\$9.89			\$9.89	\$13,945	\$10.47			\$10.47	\$14,761	5.86%
40' Wood Pole Std - OL2	6			\$6.76			\$6.76	\$41	\$7.16			\$7.16	\$43	5.86%
30' Wood pole	2,256			\$3.53			\$3.53	\$7,964	\$3.74			\$3.74	\$8,430	5.86%
Total Base Revenue Calculated								\$841,766				\$891,053		
Correction Factor								11,237				11,895		
Total Base Revenue								\$853,003				\$902,948		

Supporting Schedules: G-20

Recap Schedules:

## FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Calculate revenue under present and proposed rates for the test year for each lighting schedule. Show revenues from charges for all types of lighting fixtures, poles and conductors. Poles should be listed separately from fixtures. Show separately revenues from customers who own facilities as well as those who do not.

Type of Data Shown:  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox, Mark Cutshaw

Type of Facility	Present Rates - Street Lighting							Proposed Rates - Street Lighting						
	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Facility Charge	Energy Charge	Maint. Charge	Total Monthly Charge	\$ Total Revenue	Percent Increase
175w MV Cobra Head - SL1-2	4,849	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$17,893	\$0.65	\$2.29	\$0.97	\$3.91	\$18,940	5.86%
400w MV Cobra Head - SL1-3	70	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$468	\$1.08	\$4.89	\$1.11	\$7.08	\$496	5.86%
175w MV Cobra Head -SL2	5,376	72	864	\$0.61	\$2.16	\$0.92	\$3.69	\$19,837	\$0.65	\$2.29	\$0.97	\$3.91	\$20,999	5.86%
400w MV Cobra Head -SL2	870	154	1,848	\$1.02	\$4.62	\$1.05	\$6.69	\$5,820	\$1.08	\$4.89	\$1.11	\$7.08	\$6,161	5.86%
1000w MH Flood -SL3	132	405	4,860	\$8.42	\$12.15	\$5.17	\$25.74	\$3,398	\$8.91	\$12.86	\$5.47	\$27.25	\$3,597	5.86%
100w HPS Amer -SL3	48	41	492	\$4.55	\$1.23	\$2.89	\$8.67	\$416	\$4.82	\$1.30	\$3.06	\$9.18	\$441	5.86%
100w HPS Cobra Head- SL3	13,879	41	492	\$3.32	\$1.23	\$2.12	\$6.67	\$92,573	\$3.51	\$1.30	\$2.24	\$7.06	\$97,993	5.86%
150w HPS Acom -SL3	252	61	732	\$7.95	\$1.83	\$4.68	\$14.46	\$3,644	\$8.42	\$1.94	\$4.95	\$15.31	\$3,857	5.86%
150w HPS Amer Rev -SL3	966	61	732	\$4.44	\$1.83	\$3.26	\$9.53	\$9,206	\$4.70	\$1.94	\$3.45	\$10.09	\$9,745	5.86%
175w MH ALN 440 -SL3	132	71	852	\$16.97	\$2.13	\$1.30	\$20.40	\$2,693	\$17.96	\$2.25	\$1.38	\$21.59	\$2,850	5.86%
200w HPS Cobra Head -SL3	3,541	81	972	\$4.26	\$2.43	\$2.19	\$8.88	\$31,444	\$4.51	\$2.57	\$2.32	\$9.40	\$33,285	5.86%
250w HPS Cobra Head -SL3	2,606	101	1,212	\$4.08	\$3.03	\$3.00	\$10.11	\$26,347	\$4.32	\$3.21	\$3.18	\$10.70	\$27,889	5.86%
250w HPS Flood - SL3	252	101	1,212	\$7.00	\$3.03	\$4.10	\$14.13	\$3,561	\$7.41	\$3.21	\$4.34	\$14.96	\$3,769	5.86%
400w HPS Cobra Head -SL3	207	162	1,944	\$4.77	\$4.86	\$3.36	\$12.99	\$2,689	\$5.05	\$5.14	\$3.56	\$13.75	\$2,846	5.86%
400w MH Flood -SL3	82	162	1,944	\$7.31	\$4.86	\$8.82	\$20.99	\$1,721	\$7.74	\$5.14	\$9.34	\$22.22	\$1,822	5.86%
10' Alum Deco Base-SL3	108			\$11.31			\$11.31	\$1,221	\$11.97			\$11.97	\$1,293	5.86%
13' Deco Concrete - SL3	12			\$7.85			\$7.85	\$94	\$8.31			\$8.31	\$100	5.86%
18' Fiberglass Round-SL3	1,014			\$5.78			\$5.78	\$5,861	\$6.12			\$6.12	\$6,204	5.86%
20' Decorative Concrete-SL3	240			\$8.68			\$8.68	\$2,083	\$9.19			\$9.19	\$2,205	5.86%
30' Wood Pole Std - SL3	1,977			\$2.78			\$2.78	\$5,496	\$2.94			\$2.94	\$5,818	5.86%
35' Concrete Square-SL3	264			\$9.71			\$9.71	\$2,563	\$10.28			\$10.28	\$2,714	5.86%
Total Base Revenue Calculated								\$239,029					\$253,025	
Correction Factor								(26,286)					(27,825)	
Total Base Revenue								212,743					225,200	

Supporting Schedules: G-20

Recap Schedules:

Sheet 12

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:  
Projected Test Year Ended 12/31/2008  
Prior Year Ended 12/31/2007  
Historic Year Ended 12/31/2006  
Witness: Doreen Cox

COMPANY:

DOCKET NO.:

Line No.	Description	Percent
1.	Revenue Requirement	100.0000
2.	Gross Receipts Tax Rate	
3.	Regulatory Assessment Rate	
4.	Bad Debt Rate	
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	
6.	State Income Tax Rate	
7.	State Income Tax (5) x (6)	
8.	Net Before Federal Income Tax (5) - (7)	
9.	Federal Income Tax Rate	
10.	Federal Income Tax (8) x (9)	
11.	Revenue Expansion Factor (8) - (10)	
12.	Net Operating Income Multiplier (100% / Line 11)	

Supporting Schedules:

Recap Schedules:

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Wednesday, April 25, 2007 6:26 PM  
**To:** Lundgren April; Mesite Jim; Khojasteh Mehrdad; Cox Doreen  
**Subject:** Liquidity section of 10Q

Make sure our remaining capital expenditures for 2007 include the new FB office building that is now being planned. See outlook for cost. I was not sure who was doing it so I am sending it to all of you. :}

Thanks,

*Cheryl Martin*  
*Controller, FPUC*  
561-838-1725

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD



**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## DEVELOPER AGREEMENT

**THIS DEVELOPER AGREEMENT** (this "Agreement") is made and entered into effective this \_\_\_\_\_ day of \_\_\_\_\_, 2007, (the "Effective Date"), by and between Florida Public Utilities Company, a Florida corporation ("Company"), and KMT Development, LLC, a Florida corporation ("Developer") (Company and Developer may sometimes be collectively referred to as the "Party" or "Parties").

Deleted: 6

Deleted: Oakwood Construction and Development, LLC

### WITNESSETH

**WHEREAS**, Developer intends to build 48 single-family homes in a community to be known as Veramonte aka Long Pond Road Project, located in Seminole County, Florida (the "Project"). A legal description of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference; and

Deleted: a

Deleted: 16

Deleted: -unit townhome

Deleted: community

Deleted: the

Deleted: wood Hills Road Pro

**WHEREAS**, Company desires to install a natural gas distribution system within the Project in order to make service available from time to time to owners, occupants and residents of the Project and Developer has agreed to permit Company to install such a system to service the Project, pursuant to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Company and Developer hereby agree as follows.

#### 1. Installation of Gas Distribution System.

1.1. Installation. Company agrees to install a natural gas distribution system within the residential portions of the Project, including all necessary distribution lines, meters and ancillary facilities (collectively, the "Gas Distribution System") as Company deems reasonably necessary to provide natural gas service to owners, occupants and residents within the Project. From time to time, Company shall install additional lines, meters and ancillary facilities ("System Extensions") which Company deems reasonably necessary to extend the Gas Distribution System to other areas of the Project in order to supply gas service to non-residential portions of the Project that apply for and qualify for gas service from Company. For purposes of this Agreement, the term "Gas Distribution System" shall include any System Extensions that are added by Company.

1.2. Location. The location of the gas lines and all infrastructure and improvements relating to the Gas Distribution System shall be subject to Developer's prior written approval, which approval shall not be unreasonably withheld or delayed. Prior to commencing installation of the Gas Distribution System, Company shall provide, for Developer's review and comment, plans and specifications in accordance with which the Gas Distribution System is to be installed ("Gas

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
\_\_\_\_\_, 2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 1 of 17

FPU Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Builder Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Distribution System Plans and Specifications"). Upon completion of installation of each three thousand (3000) linear feet of the Gas Distribution System (each being a "Completed Portion"), Company shall commence restoration of those portions of the Project disturbed by Company during installation of the Completed Portion and shall continue diligently such restoration work until complete. Restoration work shall be completed so that the surface of the land shall be restored to substantially the same condition existing immediately prior to commencement of the installation of the Completed Portion.

1.3. Preparation for Installation and Easements.

1.3.1. Developer agrees to provide adequate physical and legal access (including the easements described below) to all areas of the Project where portions of the Gas Distribution System are to be installed to access, maintain and operate the Gas Distribution System. Such easements are identified in the plat referenced in 1.3.2.

1.3.2. Developer has provided Company a preliminary plat, and at a later date will provide Company a plat of all or a portion of the Project (recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Seminole County, Florida), which depicts the location of streets, lots and easements encompassed therein (the "Plat"). If additional plats ("Additional Plats") are created for the Project, Developer shall provide Company a copy thereof within ten (10) days after recording. The Plat and all Additional Plats (whether or not provided to Company) shall be collectively referred to herein as "Project Plats". Notwithstanding any provision contained herein to the contrary and in addition to the easements referenced in Section 1.3.1 hereof, Developer hereby grants Company an easement over those portions of the Project designated on Project's Plats as a utility easement or right-of-way (public or private) (or other similar designations) for purposes of installing, operating, maintaining, repairing and replacing the Gas Distribution System.

Deleted: of

1.3.3. Developer reserves the right to relocate any easement granted to Company if Developer deems such relocation to be necessary for the development of the Project. If Company has not installed the portion of the Gas Distribution System proposed to be installed in the relocated easement, but has commenced the design and engineering thereof prior to the date Company receives written notice from Developer of its desire to amend an easement, Developer shall be required (prior to amendment of the easement) to reimburse Company for Company's actual, out-of-pocket expenses incurred in redesigning and/or reengineering the applicable portion of the Gas Distribution System. If Developer desires to relocate any easement relating to a portion of the Gas Distribution System after the

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
\_\_\_\_\_, 2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 2 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

system has been installed, Developer must first, (a) obtain Company prior written consent (which consent shall not be unreasonably withheld or delayed) and (b) reimburse Company for all costs incurred by Company in relocating the Gas Distribution System, including, but not limited to the cost of redesigning and/or reengineering the Gas Distribution System, and the cost of all materials and labor therefore.

1.4. Coordination of Installation. Company agrees to cooperate with Developer with respect to the construction of the Gas Distribution System so as to minimize interference with or delay to Developer's construction and development of the Project. Developer shall provide Company a copy of its anticipated construction schedule for the Project, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein (the "Developer's Construction Schedule"). Developer acknowledges that Company will rely upon the Developer's Construction Schedule for purposes of coordinating its acquisition of materials, mobilization of equipment and labor at the worksite and installation of the Gas Distribution System. Company will install said system within 60 days following the grading of easements and written notification from Developer to proceed.

1.5. Ownership of Gas Distribution System; Maintenance. Notwithstanding any provision contained herein to the contrary, the Gas Distribution System shall remain the exclusive property of Company at all times during the term of this Agreement and following its expiration or earlier termination. Company shall have the sole obligation and responsibility for the maintenance of the Gas Distribution System. Company shall at all times maintain the Gas Distribution System in accordance with the requirements of all appropriate governmental and regulatory agencies.

1.6. Supply Date. Subject to any delay caused by Force Majeure or the actions or inactions of Developer, Company agrees that the Gas Distribution System shall be complete and operational to provide natural gas service to the first completed residential structure utilizing natural gas service, in the Project, at least ten (10) calendar days prior to the issuance of Certificate of Occupancy (CO) for the first residential structure within the Project.

## 2. Minimum Gas Compliant Units; Installation of Internal Piping

### 2.1. Minimum GCU.

2.1.1. Developer acknowledges that Company will make a substantial economic investment in order to construct the Gas Distribution System and that Company is willing to undertake such investment given Company's anticipated usage of the Gas Distribution System by current and future owners, occupants or residents in the Project. In consideration for the

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 3 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

<b>Deleted:</b>	
Developer Agreement	
Project: Longwood Hills Road	
2006	
Initials: Company	Initials: Developer
Page 17	

substantial investment made by Company in constructing the Gas Distribution System and the mutual covenants contained herein, Developer agrees that all ~~forty-eight (48)~~ residential units in the Project shall have installed therein: OPTION 1 - a 50 gallon (or larger) gas water heater, and gas furnace or hydro heat ("Minimum Required GCU.") or OPTION 2 - two large tankless water heaters ("Minimum Required GCU.") In addition, Developer agrees that any model and speculative residential unit in the Project shall have installed therein the same gas appliances as the GCU, plus any combination of additional gas appliances resulting in a minimum total of 570 therms. Each residential unit constructed in compliance with the foregoing two sentences shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances." Inclusive of Option 1 or Option 2 the Developer agrees to install a cumulative total of 27,360 (570 therms x 48) therms ("Minimum Required Therms") in the Project. The therm rate schedule is attached hereto as Exhibit "E."

2.1.2. Developer shall, within fifteen (15) days after completion of the last GCU in the Project, pay Company an omission fee for Minimum Required therms ("Therm Omission Fee") equal to the Therm Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of Therms in the Project from the Minimum Required Therms. The therm Omission Rate shall equal  $\$2.80 \times (1 + (\text{Time} \times .04))$ . Developer shall, within fifteen (15) days after completion of each non-GCU pay Company an omission fee ("GCU Omission Fee") equal to the GCU Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the minimum Required GCU. The GCU Omission Rate shall equal  $\$725 \times (1 + (\text{Time} \times .04))$ . Time shall mean the number of years (and partial years) between the date Main Line Facilities are placed in service and the date upon which the Omission Fee is paid. Nothing contained in this Section 2.1.2 shall be construed as limiting other remedies available to Company as result of the Developer's failure to comply with the Minimum Required Therm & GCU requirement set forth herein.

2.2. Installation. Developer shall provide all labor, materials, equipment and supervision to install (at no cost to Company) (a) each Appliance and (b) all internal piping, venting and other equipment (the "Internal Piping") necessary to service the gas appliances installed in each GCU. Company to connect Internal Piping to the external gas meter installed by Company at an external location (reasonably selected by Company) at each GCU.

2.3. Ownership of Internal Piping, Appliances and External Piping.

Florida Public Utilities Company  
Project: Verainonte  
Developer: Natural Gas Agreement  
Page 4 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

~~Deleted:~~ twenty-three  
~~Deleted:~~ 23  
~~Deleted:~~  
~~Deleted:~~ in the Project shall have installed therein (a) 50 gallon (or larger) gas  
~~Deleted:~~ a gas  
~~Deleted:~~ water heater.  
~~Deleted:~~  
~~Deleted:~~ (b) gas furnace, and a combination of additional appliances resulting in a total therm value per unit of 650 therms (see "Exhibit E" for therm calculation). Additional appliances may include (a) either gas  
~~Deleted:~~ two (2) gas central heating or hydro heat systems, (c) gas  
~~Deleted:~~ range, or gas  
~~Deleted:~~ /  
~~Deleted:~~ cooktop and gas oven combination, (b  
~~Deleted:~~ d  
~~Deleted:~~ ) gas dryer, (c) gas  
~~Deleted:~~ dryer, (e) two (2) gas  
~~Deleted:~~ fireplace  
~~Deleted:~~ s  
~~Deleted:~~  
~~Deleted:~~ and (f  
~~Deleted:~~ (c) gas grill/summer kitchen, and (d) gas pool/spa heater.  
~~Deleted:~~  
~~Deleted:~~ In addition, Developer agrees that any model and speculative residential unit in the Project shall have installed therein the same gas appliances as the GCU. Each residential unit constructed in compliance with the foregoing ... [1]  
~~Deleted:~~ two (2) sentences  
~~Deleted:~~ shall be referred to her( ... [2]  
~~Deleted:~~ ("Omission Fee") equa( ... [3]  
~~Formatted:~~ Not Highlight  
~~Deleted:~~ 2520  
~~Deleted:~~ .00 x 1 + (Time x .04) for the  
~~Deleted:~~ Longwood Hills  
~~Deleted:~~ Long Pond Road Project.  
~~Deleted:~~ Effective D  
~~Deleted:~~ ... [4]

2.3.1. All piping, meters, vents and other equipment installed by Company, at Company's expense, between the main line of the Gas Distribution System and the external meter installed by Company at each GCU (including such meter) (the "External Piping") shall be the exclusive property of the Company. Company shall at all times maintain the External Piping, including the meter, in accordance with the requirements of all appropriate governmental agencies.

Deleted:

Deleted:

2.3.2. The Internal Piping and the Appliances shall be the exclusive property of the Developer and its successors and assigns. Developer or the successor or assign of Developer with respect to each GCU shall at all time during and following the expiration or earlier termination of this Agreement, service, maintain, repair and replace the Internal Piping and the Appliances.

### 3. Payment to Developer for each GCU.

3.1 Company shall pay Developer the applicable amount set forth in the payment schedule attached hereto as Exhibit 'C' for each Qualified GCU (as hereinafter defined) constructed in the Project (the "GCU Payment"). A GCU shall be deemed a Qualified GCU only after (a) the Company commences supplying natural gas service to the unit (i.e., the GCU is occupied by a rate paying customer) and (b) Company receives a Compliance Affidavit from Developer with respect to said unit in the form attached hereto as Exhibit "D".

3.2 GCU Payments shall be made semi-annually by Company to Developer for the term of this Agreement in the following manner:

3.2.1 For Qualified GCU that receive natural gas service from the Company for the first time ever between January 1 and June 30 of each year, payment shall be made on July 25 of such year.

3.2.2 For Qualified GCU that receive natural gas service from the Company for the first time ever between July 1 and December 31 of each year. Payment shall be made on January 25 of the next year.

**Formatted:** Normal, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Tab after: 1" + Indent at: 1"

Deleted: ¶

Deleted: ¶

4. Successors, Assigns And Assignment. The Developer and the Company each bind itself, its successors, assigns and legal representatives to the other party in respect to all covenants, agreements and obligations contained in this Agreement. If Developer desires to convey to other Developer or Developers any or all of the land upon which the Project is to be constructed, such conveyance may not be undertaken and shall not be effective until such Developer or Developers expressly assumes all of the obligations and responsibilities of Developer hereunder (to the reasonable satisfaction

**Formatted:** Bullets and Numbering

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
2006  
Initials: Company  
Page 17 Developer

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 5 of 17

FPC Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

of Company). Similarly, if Developer desires to assign this Agreement or any portion hereof to a homeowner's association, as a condition of such assignment, the homeowner's association shall pass a valid and appropriate resolution expressly assuming all of the obligations and responsibilities of Developer hereunder (such resolution being to the reasonable satisfaction of Company).

5. **Force Majeure.** Neither Party shall be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure. The term "Force Majeure" shall mean Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, riots, epidemics, industrial disturbances that affect the Parties or its customers, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party whose performance is affected and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights of way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure shall promptly notify the other Party in writing of such occurrence and its estimated duration, shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that neither Party shall be required to settle any labor dispute against its will.

6. **Duration.**

- 6.1. **Expiration; Automatic Extension.** Subject to Subsection 6.2 hereof, this Agreement shall automatically expire twenty (20) years after execution of Agreement. The term of this Agreement shall be automatically extended for terms of one (1) year periods unless written notice is provided at least ninety (90) days but no greater than one hundred twenty (120) days prior to the expiration of the initial term of this Agreement or any extension thereto by one Party to the other Party that it will not allow the extension of the term of this Agreement.

- 6.2. **Early Termination.** Notwithstanding any provision contained herein to the contrary, either Party may terminate this Agreement by providing the other at least fifteen (15) days prior written notice if the Minimum Required GCU has been constructed.

- 6.3. **Survival of Easements.** Notwithstanding the expiration or earlier termination of this Agreement (regardless of the cause therefore), the easements created herein and required to be granted herein shall survive, and the rights, privileges and

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 6 of 17

EPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Deleted: \_\_\_\_\_  
Developer Agreement  
Project: Longwood Hills Road  
2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

responsibilities created therein shall not be adversely affected by, the termination or expiration of this Agreement

7. **Notices.** Any notices sent by either party to the other pursuant to this Agreement shall be sent by either U.S. mail, postage prepaid, return requested, or by receipted overnight national delivery service (e.g., Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the United States Mail, or one business day after receipt by any overnight national delivery service, as aforesaid. All notices shall be addressed to each party at the following address, or such other address as either party may hereafter designate to the other party in writing:

If to Developer: KMT Development, LLC  
1050 S. Lake Sybelia Drive  
Maitland, Florida 32751  
Attn: Mark A. Crone, Manager  
Fax No. 407.539.1762  
Phone No. 407.539.1050

If to Company: Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, Florida 33401-5807  
Attn: Marc Seagrave, Director of Marketing  
Fax No. 561.833.8562  
Phone No. 561.838.1714

with a copy to: Florida Public Utilities Company  
450 S. Highway 17-92  
DeBary, Florida 32713-9703  
Attn: Donald Kitner, General Manager  
Fax No. 386.668.2692  
Phone No. 386.668.2600

8. **Governing Law: Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Developer and Company agree to submit any disputes arising under this agreement to non-binding mediation; provided, that applicable statutes of limitation will be tolled during the pendency of such mediation. In the event Company and Developer cannot in good faith agree on a mediator within fifteen (15) days of the request of either party for mediation, or, if the parties remain

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 7 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Formatted: Bullets and Numbering

Deleted: Oakwood Construction and Development.

Formatted: Indent: Left: 2", First line: 0.5"

Deleted: 754 Fleet Financial Court

Deleted: Longwood, Florida 32750

Deleted: Michael F. Towers, Director

Deleted:

Deleted: 834.2374

Deleted:

Deleted: 834.2557

Formatted: Indent: Left: 2", First line: 0.5"

Deleted: P.O. Box 530969

Deleted: 53-0969

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_



in dispute following mediation, any such dispute will be resolved by final, binding arbitration. Arbitration shall be accomplished expeditiously in Orange County, Florida, and shall be conducted by the American Arbitration Association (in accordance with its rules) which will appoint three arbitrators, one of which must be an attorney. The arbitrators shall render a written judgment accompanied by findings of fact and conclusions of law, which are subject to review by the appellate courts of the State of Florida. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties shall share equally the arbitrators' fees and costs until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. In any suit or arbitration proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred by the prevailing party in such suit or arbitration proceeding or in any appeal. The parties consent that any arbitration may be consolidated with any other arbitration concerning this Agreement to which Company or Developer is a party and that a dispute shall not be submitted to such binding arbitration if there are any third parties who are not subject to such binding arbitration but who are proper parties to such dispute. This Section 8 shall survive expiration or any termination of this Agreement.

**9. Indemnity; Damages to Property; Limitation on Liability.**

Formatted: Bullets and Numbering

9.1. Company agrees to protect, defend, reimburse, indemnify and hold the Developer, its agents and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Developer, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Developer by reason of the negligent or intentional acts of the Company; provided however, that Company shall not be responsible to Developer for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Developer, its respective agents, servants, employees, officers, tenants, residents or homeowners.

Formatted: Bullets and Numbering

9.2. Developer agrees to protect, defend, reimburse, indemnify and hold the Company, its agents, and employees and each of them, hereinafter collectively referred to, for the purposes of this paragraph, as Company, free and harmless from and against any and all claims or damages (including attorneys' fees) incurred by Company by reason of the negligent or intentional acts of Developer and its respective agents, servants, employees, officers, tenants, residents or homeowners; provided however, that Developer shall not be responsible to Company for damages resulting out of bodily injury or damages to property which are attributable to the negligent acts or omissions of Company.

Formatted: Bullets and Numbering

**Deleted:**  
 \_\_\_\_\_  
 Developer Agreement  
 Project: Longwood Hills Road  
 \_\_\_\_\_, 2006  
 Initials: Company \_\_\_\_\_  
 Page 17 Developer \_\_\_\_\_

Florida Public Utilities Company  
 Project: Verano  
 Developer Natural Gas Agreement  
 Page 8 of 17

FPU Initials: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Builder Initials: \_\_\_\_\_  
 Date: \_\_\_\_\_

9.3. Any damage to the Project caused by Company, its agents or employees, shall be promptly repaired to the reasonable satisfaction of Developer at Company's expense. Any damage caused to Company's equipment by Developer, its agents, employees, contractors, subcontractors, tenants, residents or homeowners shall be promptly repaired by Company at Developer's expense. Developer will take all reasonable precautions to notify its agents, employees, contractors, subcontractors, tenants, residents and homeowners of the location of Company's equipment.

Formatted: Bullets and Numbering

9.4. Neither the Company nor Developer shall have liability to the other party or any third party for any special, indirect, incidental or consequential damages or loss of any kind, including, without limitation, loss of profits or savings, loss of use, or similar damages, whether based on strict liability, or negligence, whether resulting from installation, use or maintenance of the Gas Distribution System, breach of this Agreement or otherwise, except for direct, specific damages to the extent caused by either party's negligence or misconduct.

Formatted: Bullets and Numbering

9.5. This Section 9 shall survive the expiration or early termination of this Agreement.

Formatted: Bullets and Numbering

10. **Miscellaneous.** This Agreement constitutes the entire understanding and agreement between the Parties and supersedes any and all prior negotiations, understandings or agreements with respect to this subject matter. This Agreement may be amended only by written instrument signed by both of the Parties. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Florida law, but if any provision of this Agreement or the application thereof to any Party or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or the application of the same. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between Company and Developer. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns, and no assignment shall relieve either Party of such Party's obligations hereunder without written consent of the other Party. This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the Parties, their facilities, or the transactions contemplated. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one in the same instrument.

Formatted: Bullets and Numbering

11. **Recording.** This Agreement may be recorded by Company among the Public Records of the County in which the Project are located.

Formatted: Bullets and Numbering

<b>Deleted:</b>	
Developer Agreement	
Project: Longwood Hills Road	
, 2006	
Initials: Company	
Page 17	Developer

Florida Public Utilities Company  
Project: Veramonte  
Developer: Natural Gas Agreement  
Page 9 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

12. **Exclusivity.** During the term of this Agreement and for a period of ten (10) years thereafter, Developer shall not install, cause to be installed, or allow to be installed any other gas distribution system in the Project or any other system or mechanism for delivery of natural gas or propane gas to residents in the Project. Developer agrees that Company has an exclusive right to provide natural gas services to the Project and that Developer will not grant, or allow others to grant any easement or right-of-way for purposes of delivering natural gas service. Developer certifies that there is no existing contractual agreement with any third party for the provision of natural gas service to the Project, with the exception of this Agreement.

Formatted: Bullets and Numbering

Deleted: existing

[Rest of page intentionally left blank]

Formatted: Centered

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 10 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Deleted: \_\_\_\_\_  
Developer Agreement  
Project: Longwood Hills Road  
2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

Deleted: 1

**COMPANY:**

FLORIDA PUBLIC UTILITIES COMPANY,  
a Florida corporation

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of FLORIDA PUBLIC UTILITIES COMPANY, a Florida  
corporation, who is either personally known to me or who provided \_\_\_\_\_  
as identification, and who acknowledged to and before me that he/she executed the  
foregoing instrument freely and voluntarily on behalf of said corporation.

NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 11 of 17

FPU Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Builder Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
\_\_\_\_\_, 2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

**DEVELOPER:**

KMT DEVELOPMENT, LLC,  
a Florida corporation

**Deleted:** OAKWOOD  
CONSTRUCTION AND

**Deleted:** DEVELOPMENT, LLC

Witnesses:

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_,  
as \_\_\_\_\_ of \_\_\_\_\_, a  
\_\_\_\_\_ Corporation, who is either personally known to me or  
who provided \_\_\_\_\_ as identification, and who acknowledged to and  
before me that he/she executed the foregoing instrument freely and voluntarily on behalf  
of said \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(AFFIX NOTARY SEAL)

**Deleted:**

Developer Agreement  
Project: Longwood Hills Road  
\_\_\_\_\_, 2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 12 of 17

FPC Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Builder Initials: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**

Legal Description

Deleted: ¶

Formatted: Font: Bold

Formatted: Font: Bold

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 13 of 17

EPC Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Deleted: \_\_\_\_\_  
Developer Agreement  
Project: Longwood Hills Road  
2006  
Initials: Company  
Page 17 Developer

13

**EXHIBIT "B"**

**Developer's Construction Schedule**

Deleted: 1

Formatted: Font: Bold

Formatted: Font: Bold

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 14 of 17

EPU Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Builder Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Deleted: \_\_\_\_\_

Developer Agreement

Project: Longwood Hills Road

, 2006

Initials: Company \_\_\_\_\_

Page 17 Developer \_\_\_\_\_

## EXHIBIT "C"

### GCU Payment

The Company will disburse to the Developer a GCU payment based on the following schedule:

#### Schedule of Allowances:

##### \*Gas Conservation Rebates

Gas Water Heater	\$350.00 ea
Gas Tankless Water Heater	\$450.00 ea
Gas Furnace or Hydro Heat	\$350.00 ea
Gas Range or Gas Cooktop & Gas Wall Oven	\$100.00 ea
Gas Dryer	\$100.00 ea

##### \*Piping Allowance Schedule

Gas Fireplace	\$ 50.00 ea
Gas Spa Heater	\$ 50.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea

\*Allowances shall be paid only after unit is determined to be a GCU and gas is turned on.

\*\* Will be paid based on rebate schedule only if premises meet GCU requirement per agreement.

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 15 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Deleted: ¶

Formatted: Font: Bold

Formatted: No underline

Formatted: No underline

Deleted:

Deleted:

Deleted: 300

Deleted: Gas Furnace or Hydro  
Heat \$300.00 ea¶

Deleted: Cooktop/

Deleted:

Deleted: 85

Deleted: ea

Deleted: ¶  
Gas Dryer \$ 85.00 ea¶

Deleted:

Deleted: 125

Deleted: Grill/Summer Kitchen

Deleted:

Deleted: \*\*TOTAL \$1.37  
0.00¶

Deleted: \*\*TOTAL \$137  
0.00¶

Deleted: GCU Payment¶

The Company will disburse to the  
Developer a GCU payment based on the  
following schedule:¶

¶  
Schedule of Allowances:¶

¶  
\*Conservation/Piping Allowance¶

Gas Water Heater \$300.00 ea¶

Gas Furnace or Hydro

Heat \$300.00 ea¶

Gas Cooktop/Range \$ 85.00

ea¶

Gas Dryer \$ 85.00 ea¶

Gas Fireplace \$125.00 ea¶

Gas Grill/Summer Kitchen \$

\$0.00 ea¶

¶

\*Allowances shall be paid only after unit  
is determined to be a GCU and gas is  
turned on.¶

¶

TOTAL \$1370.00¶

Formatted: Centered

Deleted:

[5]



## EXHIBIT "D"

### Compliance Affidavit

Payment is requested for the following GCU:

Turn-on Date \_\_\_\_\_ Address \_\_\_\_\_ Gas Appliances \_\_\_\_\_

Total

Gas Water Heater	\$
Gas Tankless Water Heater	\$
Gas Furnace or Hydro Heat	\$
Gas Range or Gas Cooktop & Gas Wall Oven	\$
Gas Dryer	\$
Gas Fireplace	\$
Gas Grill/Summer Kitchen	\$
Gas Spa Heater	\$

Total GCU \$ \_\_\_\_\_

Date: \_\_\_\_\_

Requested by: \_\_\_\_\_ Title: \_\_\_\_\_

#### Gas Conservation Rebates

Gas Water Heater	\$350.00 ea
Gas Tankless Water Heater	\$450.00 ea
Gas Furnace or Hydro Heat	\$350.00 ea
Gas Range or Gas Cooktop & Gas Wall Oven	\$100.00 ea
Gas Dryer	\$100.00 ea

#### Piping Allowance Schedule

Gas Fireplace	\$ 50.00 ea
Gas Spa Heater	\$ 50.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 16 of 17

FPU Initials: \_\_\_\_\_  
Date: \_\_\_\_\_  
Builder Initials: \_\_\_\_\_  
Date: \_\_\_\_\_

Formatted: Font: Bold

Deleted: Compliance Affidavit

Payment is requested for the following GCU:

Turn-on Date \_\_\_\_\_ Address \_\_\_\_\_  
Gas Appliances \_\_\_\_\_

Gas Water Heater  
\$ \_\_\_\_\_  
Gas Furnace or Hydro  
Heat \$ \_\_\_\_\_  
Gas  
Cooktop/Range \$ \_\_\_\_\_  
Gas  
Dryer \$ \_\_\_\_\_  
Gas  
Fireplace \$ \_\_\_\_\_  
Gas Grill/Summer  
Kitchen \$ \_\_\_\_\_

Total GCU \$ \_\_\_\_\_

Date: \_\_\_\_\_

Requested by: \_\_\_\_\_ Title: \_\_\_\_\_

\*Conservation/Piping Allowance\* ... [6]

Deleted:

Deleted:

Deleted: Cooktop

Deleted:

Deleted:

Deleted:

\*Gas Conservation Rebate\*  
Gas Water Heater \$300.00 ea  
Gas Furnace or Hydro  
Heat \$300.00 ea  
Gas Cooktop/Range \$ ... [7]

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
2006 ... [8]

## EXHIBIT "E"

### Appliance Therm Rate Schedule

#### Estimated Annual Therms

#### Required Appliances

•	Water Heater	
○	50 gallon	150
○	75 gallon	190
○	Rinnai – commercial & large residential	170
•	Hydro-Heat	
○	Single Family	130
•	Furnace	
○	60,000 – 90,000 BTU	110
○	90,001 – 120,000 BTU	130
○	120,001 & Greater BTU	150

#### Substitutable Appliances

•	Range <b>OR</b> gas cooktop & gas wall oven	35
•	Dryer	50
•	Fireplace	40
•	Pool / Spa Heater	250
•	Grill	20
•	Generator	00

#### NOTE:

Additional like gas appliances per residential unit will receive 50% of the estimated therm load for calculation purposes.

Formatted: Indent: Left: 3.5", First line: 0.5"

Formatted: Font: Bold

Formatted: Bullets and Numbering

Formatted: Font: Not Bold

Formatted: Indent: Left: 1", No bullets or numbering

Formatted

Formatted: Bullets and Numbering

Formatted: Font: Bold

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Font: Bold

Formatted: Indent: Left: 0.25"

Formatted: Indent: Left: 0.5"

Deleted:

Developer Agreement  
Project: Longwood Hills Road  
\_\_\_\_\_, 2006  
Initials: Company \_\_\_\_\_  
Page 17 Developer \_\_\_\_\_

Florida Public Utilities Company  
Project: Veramonte  
Developer Natural Gas Agreement  
Page 17 of 17

FPU Initials: \_\_\_\_\_

Date: \_\_\_\_\_

Builder Initials: \_\_\_\_\_

Date: \_\_\_\_\_

<b>Page 4: [1] Deleted</b>	<b>Dan Lynch</b>	<b>5/29/2007 11:42:00 AM</b>
In addition, Developer agrees that any model and speculative residential unit in the Project shall have installed therein the same gas appliances as the GCU. Each residential unit constructed in compliance with the foregoing statements		
<b>Page 4: [2] Deleted</b>	<b>Dan Lynch</b>	<b>5/29/2007 11:43:00 AM</b>
shall be referred to herein as a "Gas Compliant Unit" or "GCU" and each of the appliances installed in a GCU shall be referred to herein as an "Appliance" and collectively as the "Appliances".		
<b>Page 4: [3] Deleted</b>	<b>Dan Lynch</b>	<b>5/29/2007 2:17:00 PM</b>
("Omission Fee") equal to the Omission Rate (as hereinafter defined) multiplied by the integer obtained by subtracting the actual number of GCU in the Project from the Minimum Required GCU. The Omission Rate shall equal \$725		
<b>Page 1: [4] Deleted</b>		<b>1/10/2007 3:53:00 PM</b>
Developer Agreement _____, 2006 Page 17	Project: Longwood Hills Road Initials: Company_____ Developer_____	
<b>Page 1: [5] Deleted</b>		<b>1/10/2007 3:53:00 PM</b>
Developer Agreement _____, 2006 Page 17	Project: Longwood Hills Road Initials: Company_____ Developer_____	
<b>Page 16: [6] Deleted</b>	<b>SWDL</b>	<b>6/20/2006 6:44:00 PM</b>
Compliance Affidavit		

Payment is requested for the following GCU:

<u>Turn-on Date</u>	<u>Address</u>	<u>Gas Appliances</u>
---------------------	----------------	-----------------------

Gas Water Heater	\$ _____
Gas Furnace or Hydro Heat	\$ _____
Gas Cooktop/Range	\$ _____
Gas Dryer	\$ _____
Gas Fireplace	\$ _____
Gas Grill/Summer Kitchen	\$ _____

Total GCU \$ \_\_\_\_\_

Date: \_\_\_\_\_

Requested by: \_\_\_\_\_ Title: \_\_\_\_\_

\*Conservation/Piping Allowance

Gas Water Heater	\$300.00 ea
Gas Furnace or Hydro Heat	\$300.00 ea
Gas Cooktop/Range	\$ 85.00 ea
Gas Dryer	\$ 85.00 ea
Gas Fireplace	\$125.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea

\* Each qualified Gas Compliant Unit (GCU) piping allowance shall become payable when the unit is occupied and the gas / meter for the unit is turned on. The Company will pay qualifying GCU payment fees semi-annually.

---

**Page 16: [7] Deleted**

**11/7/2006 2:56:00 PM**

\*Gas Conservation Rebate

Gas Water Heater	\$300.00 ea
Gas Furnace or Hydro Heat	\$300.00 ea
Gas Cooktop/Range	\$ 85.00 ea
Gas Dryer	\$ 85.00 ea

Piping Allowance Schedule

Gas Fireplace	\$125.00 ea
Gas Grill/Summer Kitchen	\$ 50.00 ea

---

**Page 1: [8] Deleted**

**1/10/2007 3:53:00 PM**

Developer Agreement  
\_\_\_\_\_, 2006

Page 17

Project: Longwood Hills Road  
Initials: Company \_\_\_\_\_  
Developer \_\_\_\_\_

**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## 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 <b>Project Name</b>                    | Short description of investment.  |
| 2 <b>Beginning in Year</b>               | Projected year that the project will commence.  |
| 3 <b>Piping Allowance</b>                | Estimated Piping Allowance per class of customer if not capitalized (see note 24).  |
| 4 <b>Occupancy Rate</b>                  | Anticipated occupancy level.  |
| 5 <b>Cost of Service per Customer</b>    | Estimated cost of providing service to each class of customer.  |
| 6 <b>Mains</b>                           | Cost of installing main per year.   |
| 7 <b>New Residential Customers</b>       | Estimated residential customer added each month for each year.  |
| 8 <b>Therms per Customer each Month</b>  | Average monthly therms per residential customer.  |
| 9 <b>New General Service Customers</b>   | Estimated General Service customers added each month for each year.   |
| 10 <b>Therms per Customer each Month</b> | Average monthly therms per General Service customer.  |
| 11 <b>New Large Volume Customers</b>     | Estimated Large Volume customer added each month for each year.   |
| 12 <b>Therms per Customer each Month</b> | Average monthly therms per Large Volume customer.   |
| 13 <b>Gas Lighting Service</b>           | Estimated other customer added each month for each year.  |
| 14 <b>Therms per Customer each Month</b> | Average monthly therms per other customer.  |
| 15 <b>Customer Charge</b>                | Estimated Customer Charge for Other Customers added.  |
| 16 <b>Other Income</b>                   | Other "non base revenue" estimated positive cash flows to be generated by the project for each year.<br>Note - pass-through revenues, such as fuel and gross receipts tax are not to be included. |
| 17 <b>Other Expenses</b>                 | Other expenses estimated to be incurred from the project for each year eg Sales Rep Commissions.<br>Note - pass-through expenses, such as fuel and gross receipts tax are not to be included.     |
| 18 <b>AEP Worksheet</b>                  | 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

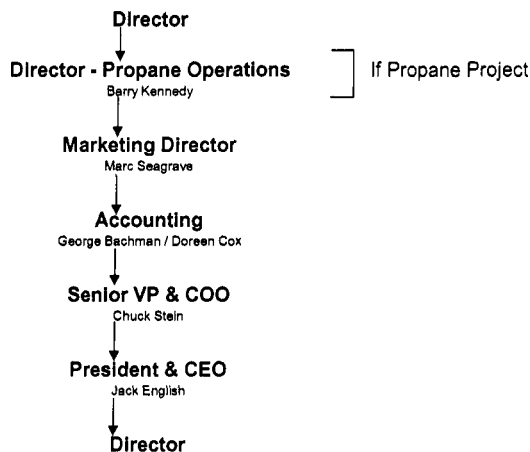
### NPV MODEL ASSUMPTIONS

- 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 **LONG POND RD, LONGWOOD**  
Beginning in Year **2007**

Prepared By: **B.Z.**  
Date: **4/1/2008**  
I.R. #:   
AEP #:

R  
Residential Commercial Industrial Gas Lights  
Piping Allowance \$ **150**

Occupancy Rate : **100%**

## Construction:

SERVICES-cost per customer:	Residential	General Serv	Large Volume	Gas Lights	Year:	1st	2nd	3rd	4th	Total Main \$
	\$ 664				MAINS:	34,710				34,710
Enter Customers ADDED each Month by Tariff Rate Schedule below:										Total Service : 31,867 \$ 66,577

### 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													1	2	2	142.5	142.5	68.88	24
2	0	1	0	1	0	1	0	1	0	1	0	1	6	8	8	1710	2850	1377.69	480
3	1	1	0	1	1	0	1	1	0	1	0	1	8	16	2612.5	7172.5	3467.19	1,208	
4	0	1	1	0	1	1	0	1	1	0	1	1	8	24	2280	11400	5510.76	1,920	
5	1	1	0	1	1	0	1	1	0	1	1	0	8	32	2660	16340	7898.76	2,752	
6	0	1	1	0	1	1	0	1	1	0	1	1	8	40	2280	20520	9919.37	3,456	
7	1	0	1	0	1	0	1	0	1	0	1	1	5	45	1900	24700	11939.98	4,160	
8	1	1	1										3	48	1567.5	27217.5	13156.94	4,584	
9													0	48	0	27360	13225.82	4,608	
10													0	48	0	27360	13225.82	4,608	

Therms per Customer each month: 47.50 << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: << 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													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-



10 \_\_\_\_\_ 0 0 0 0 0.00 -

Therms per Customer each month: \_\_\_\_\_ << 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														0	0	0	0	0.00	-
2														0	0	0	0	0.00	-
3														0	0	0	0	0.00	-
4														0	0	0	0	0.00	-
5														0	0	0	0	0.00	-
6														0	0	0	0	0.00	-
7														0	0	0	0	0.00	-
8														0	0	0	0	0.00	-
9														0	0	0	0	0.00	-
10														0	0	0	0	0.00	-

Therms per Light each month: \_\_\_\_\_ << 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	1,448	239	319	319	319	319	200	120							

## Area Expansion Program

Project Name: LONG POND RD, LONGWOOD

I.R. #: 0

AEP #: 0

Prepared By: B.Z.

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 20,920 As computed on Wkst  
 ROR 8.070% Company's Authorized Rate  
 T1 10 Years for collection  
 T2 1 (1 if total therms used for T1)  
 TH 165,063 Total 10 year therms  
 AEPS \$ 0.178 Original calculation

Prepared By: \_\_\_\_\_

Approved By: Dir of Mktg

Fin Analyst

CFO

COO

CEO

Initial \_\_\_\_\_

Date \_\_\_\_\_

### Construction and Revenue Summary:

Estimated Construction Cost (CC): \$ 50,643 Four year Construction Costs  
 Four Years Revenue (MACC)\*: 29,723 Four years revenue

Net Excess Construction Cost (ECC): \$ 20,920

Manual Input: Override Computed AEPS \$ 0.350

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
1	143	0	0	0
2	2850	0	0	0
3	7173	0	0	0
4	11400	0	0	0
5	16340	0	0	0
6	20520	0	0	0
7	24700	0	0	0
8	27218	0	0	0
9	27360	0	0	0
10	27360	0	0	0
Total	165,063	-	-	-

Total Therm Load Added
143
2850
7173
11400
16340
20520
24700
27218
27360
27360
165,063

### \*\* Rate Breakdown: AEPS / therm

RS Residential 0.350  
 GS General Service 0.232  
 LVS Large Volume Service 0.172  
 Gas Lights 0.128

Ratio: 100% of  
 therms per class are  
 counted in 10 year  
 therm total

100.0000%  
 66.4191%  
 49.2532%  
 36.5929%

### Projected Cash Flow of:

#### Revenue

	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	69	24	-	-	-	-	-	-	\$ 93	\$ 20,920	\$ 50	\$ 20,871	\$ 842	\$ 21,713
2	1,378	480	-	-	-	-	-	-	1,858	-	998	20,715	1,712	22,427
3	3,467	1,208	-	-	-	-	-	-	4,675	-	2,510	19,917	1,709	21,625
4	5,511	1,920	-	-	-	-	-	-	7,431	-	3,990	17,635	1,584	19,220
5	7,899	2,752	-	-	-	-	-	-	10,651	-	5,719	13,501	1,320	14,821
6	9,919	3,456	-	-	-	-	-	-	13,375	-	7,182	7,639	906	8,545
7	11,940	4,160	-	-	-	-	-	-	16,100	-	8,645	(100)	341	241
8	13,157	4,584	-	-	-	-	-	-	17,741	-	9,526	(9,285)	(365)	(9,650)
9	13,226	4,608	-	-	-	-	-	-	17,834	-	9,576	(19,226)	(1,165)	(20,391)
10	13,226	4,608	-	-	-	-	-	-	17,834	-	9,576	(29,967)	(2,032)	(31,999)
Total	\$ 79,791	\$ 27,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,591	\$ 20,920	\$ 57,772		\$ 4,852	

# Cash Flow Investment Analysis

Date: 4/1/2008 Revision # 12.4

Procedure No. ACT-5.11  
Effective Date: 8/28/2006

Initial Date

Project Title: **LONG POND RD, LONGWOOD**  
Beginning in Year: **2007**

Prepared By:  
Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

Input Area:

REGULATED / NON-REGULATED  
R

Overall Result: **Project meets or exceeds minimum 15 year required return!**

	Residential	Commercial	Industrial	Gas Lights		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Therms per Customer / Light	570	-	-	-												
Piping Allowance	\$ 150	\$ -	\$ -	\$ -												
Cost of SERVICE per Customer	\$ 664	\$ -	\$ -	\$ -												
Customer Charge (mth)	\$8.00	\$15.00	\$45.00	\$0.00												
Non-Fuel Charge (therm)	\$0.48340	\$0.32107	\$0.23809	\$0.17689												
Year	2007	2008	2009	2010												
New Residential Customers	2	6	8	8		8	8	5	3	-	-	-	-	-	-	-
New Commercial Customers	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
New Industrial Customers	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
New Gas Lights	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Total Customers added for year	2	6	8	8		8	8	5	3	0	0	0	0	0	0	0
Cumulative Customers	2	8	16	24		32	40	45	48	48	48	48	48	48	48	48
Total Gas Lights added for year	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Cumulative Gas Lights	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0
Other Expenses	1448	239	319	319		319	319	200	120	0	0	0	0	0	0	0
Capital expenditures on Services	1,328	3,983	5,311	5,311		5,311	5,311	3,319	1,992	-	-	-	-	-	-	-
Capital Expenditures (Exc. Services)	34,710	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Upfront Capital Exp (Contributions) <sup>1</sup>	(20,920)	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures by Year	\$ 15,117	\$ 3,983	\$ 5,311	\$ 5,311		\$ 5,311	\$ 5,311	\$ 3,319	\$ 1,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

List AEP LCC as contribution (credit)

Output Area: Cash Flow by Year

Total Base Revenue	\$93	\$1,858	\$4,675	\$7,431	\$10,651	\$13,375	\$16,100	\$17,741	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$93	\$1,858	\$4,675	\$7,431	\$10,651	\$13,375	\$16,100	\$17,741	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834	\$17,834
O&M Expense (Incl TOTI)	29	576	1,449	2,304	3,302	4,146	4,991	5,500	5,528	5,528	5,528	5,528	5,528	5,528	5,528	5,528
Other Expenses	1,448	239	319	319	319	319	200	120	0	0	0	0	0	0	0	0
Amortized Piping Cost	43	171	343	514	686	857	964	986	857	686	514	343	171	64	64	64
Depreciation, Book	1,008	1,273	1,627	1,982	2,336	2,690	2,911	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
	2,527	2,260	3,739	5,118	6,642	8,012	9,066	9,649	9,429	9,258	9,087	8,915	8,744	8,637	8,637	8,637
Operating Income before Income Tax	(2,435)	(402)	937	2,312	4,009	5,363	7,034	8,092	8,404	8,576	8,747	8,919	9,090	9,197	9,197	9,197
Adjust to cash flow:																
Add: Depreciation, Book	1,008	1,273	1,627	1,982	2,336	2,690	2,911	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
Add: Amortized Piping	43	171	343	514	686	857	964	986	857	686	514	343	171	64	64	64
Less: Actual Income Tax	(1,142)	(828)	(399)	162	879	1,496	2,409	3,050	3,445	3,546	3,582	3,604	3,612	3,615	3,615	3,615
After Tax Cash Flow (before capital investments)	(242)	1,871	3,306	4,646	6,151	7,414	8,500	9,072	8,860	8,759	8,723	8,702	8,693	8,690	8,691	8,691
Less: Piping Costs	300	900	1,200	1,200	1,200	1,200	750	450	0	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	15,117	3,983	5,311	5,311	5,311	5,311	3,319	1,992	-	-	-	-	-	-	-	-
Memo: Cumulative Capital Expenditure	15,117	19,101	24,412	29,723	35,034	40,345	43,665	45,656	45,656	45,656	45,656	45,656	45,656	45,656	45,656	45,656
Asset remaining value																
Net Cash Flow (w/ 15 yr ending book value)	(15,660)	(3,012)	(3,205)	(1,865)	(360)	903	4,430	6,630	8,860	8,759	8,723	8,702	8,693	8,690	106,333	106,333

Net Present Value (fifteen years) \$ **44,000** Zero = Meets Required Return

Operating Income before Income Tax	(2,435)	(402)	937	2,312	4,009	5,363	7,034	8,092	8,404	8,576	8,747	8,919	9,090	9,197	9,197	9,197
Less: Interest Costs*	595	710	831	902	916	882	713	461	125	0	0	0	0	0	0	0
Net Income before Taxes	(3,030)	(1,112)	105	1,410	3,093	4,482	6,320	7,630	8,280	8,576	8,747	8,919	9,090	9,197	9,197	9,197
Less: Book Income Tax (37.63%)	(1,140)	(418)	40	531	1,164	1,686	2,378	2,871	3,115	3,226	3,291	3,355	3,420	3,460	3,460	3,460
Net Income after Book I/T	(1,890)	(693)	66	880	1,929	2,796	3,943	4,760	5,165	5,350	5,457	5,563	5,670	5,737	5,737	5,737
Earnings Per Share - Investment																
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Cumulative Net Cash Flow	(15,660)	(18,672)	(21,877)	(23,742)	(24,102)	(23,199)	(18,769)	(12,139)	(3,279)	5,480	14,204	22,905	31,598	40,288	146,621	146,621
Cumulative Depr. Reserve	1,008	2,281	3,909	5,890	8,226	10,916	13,826	16,870	19,914	22,958	26,002	29,045	32,089	35,133	38,177	38,177
Cumulative Piping Allowance	257	986	1,843	2,529	3,043	3,386	3,171	2,636	1,779	1,093	579	236	64	0	(64)	(64)
Book Rate of Return	-9.01%	0.09%	4.01%	6.76%	9.53%	11.21%	14.10%	16.62%	19.22%	22.49%	26.97%	33.02%	41.60%	54.52%	77.37%	77.37%
Economic Value Added (EVA)	(2,433)	(1,341)	(758)	(141)	682	1,302	2,248	2,898	3,212	3,518	3,870	4,223	4,576	4,888	102,776	102,776
NPV (EVA) \$	45,000															

Average Rate of Return on Investment:

Revenue Comparison:

Customer Totals:

15 Yr Total

Net Present Value of Cap. Exp.	38,296															
Net Present Value of Pip. Exp.	5,537															
			15 Years (IRR)	19%												

Four Year Revenue \$29,723

Added Residential Customers 48  
Added Commercial Customers -

Added Industrial Customers -  
Cumulative Customers 48

Capital Expenditure per Customer \$ 951

Summary of Rates used

Depreciation Book %  
Income Tax %

Base Earnings per Share

6.67%  
37.62%  
0.71

Required Return  
Ratio of Debt Financing  
O&M Expense %  
Interest Rate

061807 Copy of REG-001115 15 YEAR IRR NPV Template 4/1/2008 29 PM

8.07%

50.00%

31.00%

7.60%

CONFIDENTIAL

3941

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

REQUIRED RETURN

REGULATED NON-REGULATED

8.07%	15.00%
-------	--------

**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

**Marketing  
Employee's**

<b>Name</b>	<b>Employee #</b>	<b>Office#</b>	<b>Division</b>
Alicia Gladue	2429 (386) 668-9233		Central
Amanda Jaikaran	2885 (561) 838-1753		South
Barbara Ziegler	2562 (386) 668-9316		Central
Bill McGoldrick	1599 (561) 838-1717		South
Dale Butcher	1505 (561) 838-1758		South
Denise Dunham	2834 (352) 447-2790		West
Garth Hadley	2939 (561) 838-1751		South
Gia Araya	2046 (561) 838-1716		South
Hope Baird	2697 (352) 447-2790		West
Jarrett Smith	2843 (561) 838-1795		South
Jim McKenna	2427 (386) 668-9227		Central
Julie McMahon	2771 (561) 838-1756		South
Karen Ray	2577 (904) 432-2003		Northeast
Kim Leisure	2694 (561) 312-3516		South
Lynn Reck	2690 (386) 668-9522		Central
Manager	0000		
Managers-CF	0003		Central
TECO-Bob Godek	TPC1		Central
TECO-Dennis Mashir	TPC		Central
TECO-JJ Morris	TPC2		Central
Mauro Ruini	3044 (561) 838-1719		South
Sandra Rattler	0291 (561) 838-1710		South
Wade Hughes	2826 (352) 447-2790		West
Winston Humphrey	2434 (561) 838-1715		South

## RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input

### Project, Rep and Tracking Information

- 1 Enter the name of the project in this section
- 2 Select your name from the drop down menu next to "Marketing Rep" \*  
\*If your name is not in the drop down list (or incorrect info), have the form administrator add it to the "Rep Info" tab
- 3 Enter the name of the developer, project location (cross streets) and the city that the project is in.  
You can obtain the "Development Code" from the Marketing Analyst

### Job Information Sections

- 4
  - Gas Type: - Select Natural or Propane
  - Metered or Bulk - For all Natural Gas Accounts select metered, if LP select either metered or bulk
  - Request for: - This drop down box is to be used to identify the type of request (New Service, Main Extension, Add Load, Relocation, Abandonment, Reactivation)
  - Request for: - Same as above, used when more than one of the above selections is applicable
- 5
  - Converted from: - Enter the fuel type, price and Company if the account is a Competitive Take-over
  - Gas Pressure: - Select the correct gas pressure
  - Turn-On Charge - Enter the dollar amount of the turn-on charge that will be charged to activate the account
  - Pressure Factor: - Enter the pressure factor

### Customer Contact Information

- 6 Builder Contact Information Section: Enter contact Name, Phone numbers, Fax number and email when applicable.

### Customer Information

- 7 This section lists the details about the customers involved in the project. Enter the number of customers, rate and monthly charge for each class of customer

### Construction Information

- 8 Enter the cost of the main, and the total cost of each type of customer's services (all the services combined)  
The cost per customer will be generated below.

### Residential Appliance Information

- 9 Enter the quantity of each type of appliance. For example, if there are 10 homes and each will have a range, dryer and a 50 gallon W/H, the enter "10" next to each of those appliances. There is a free format line available if an unusual type appliance will be installed.

### Commercial Appliance Information (GS and Large Volume)

- 10 Enter the quantity, type of equipment, Btu rating, and the number of hours per year that the appliance will be used. The therms will calculate based on the Btu and the number of hours that the appliance will run.
- 11

# RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input



## FLORIDA PUBLIC UTILITIES COMPANY NEW DEVELOPMENT - PROJECT INFO REQUEST FOR NEW GAS SERVICE

Project Name

1

Marketing Rep:

Mktg Rep ID #:

Rep's Phone:

Division

2

Development Code:

Builder/Developer

Project Location

City

3

### Job Information

Gas Type

Metered or Bulk

Request for

Request for

4

Converted from

Gas Pressure

Turn-On Charge

Pressure Factor

5

### Builder Contact Information

Builder Contact

Office

Cell

Fax

Email

6

## Project Summary

### Customer Information

7

Number of Customers

Residential

Commercial (GS)

Commercial (LVS)

Rate

Tank Charge

Total Customers

0.0

### Construction Information

8

Estimated Cost of Main

Estimated cost of services

Residential

Commercial (GS)

Commercial (LVS)

	Residential	Commercial (GS)	Commercial (LVS)
Avg Gallons per Customer	0.0	0.0	0.0
Cost of Service per Customer	\$0.00	\$0.00	\$0.00
Annual Rev - Tank Charge	\$0.00	\$0.00	\$0.00
Annual Rev - Non-Fuel Charge	\$0.00	\$0.00	\$0.00

	Residential	Commercial (GS)	Commercial (LVS)
4 yr Est. Rev - Tank Charge	\$0.00	\$0.00	\$0.00
4 yr Est. Rev - Non-Fuel Charge	\$0.00	\$0.00	\$0.00
Total 4 Year Revenue	\$0.00	\$0.00	\$0.00

	Residential	Commercial (GS)	Commercial (LVS)	Combined
Total BTUs	0	0	0	0
Total Gallons	0	0	0	0
Total Connected Load	0	0	0	0

Approved By: \_\_\_\_\_



# RNGS FORM INSTRUCTIONS

All cells that are shaded yellow are available for input



## FLORIDA PUBLIC UTILITIES COMPANY NEW DEVELOPMENT - PROJECT INFO REQUEST FOR NEW GAS SERVICE

Project Name \_\_\_\_\_

Marketing Rep: \_\_\_\_\_

Mktg Rep ID #: \_\_\_\_\_

Builder/Developer: \_\_\_\_\_

Rep's Phone: \_\_\_\_\_

Project Location: \_\_\_\_\_

Division: \_\_\_\_\_

### Residential

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
	30 gal Water Heater	40,000	274	110	0			c
	40 gal Water Heater	40,000	326	130	0			c
	50 gal Water Heater	50,000	300	150	0			c
	75 gal Water Heater	75,000	253	130	0			c
9	Tankless - Small	150,000	87	100	0			c
	Tankless - Large	200,000	85	170	0			c
	Range	68,000	52	35	0			c
	Cooktop	68,001	30	20	0			c
	Wall Oven	68,002	22	15	0			c
	Dryer	30,000	166	50	0			c
	Grill	60,000	34	20	0			c
	Gas Light - Residential	10,000	0	0	0			c
	Fireplace/Space Heater	50,000	80	40	0			c
	Pool/Spa heater	400,000	63	250	0			c
	Furnace 60,000 - 90,000 BTU	60,000	184	110	0			c
	Furnace 90,001 - 120,000 BTU	90,000	144	130	0			c
	Furnace > 120,000 BTU	120,000	125	150	0			c
	Generator	300,000	0	0	0			c
				0	0			c
Total BTUHs:				Total Therms		Total Connected Load		

### Commercial (GS)

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
				0	0			c
				0	0			c
10				0	0			c
				0	0			c
				0	0			c
				0	0			c
				0	0			c
Total BTUHs:				Total Therms		Total Connected Load		

### Commercial (LVS)

Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	LB CFH
				0	0			c
				0	0			c
				0	0			c
11				0	0			c
				0	0			c
				0	0			c
				0	0			c
Total BTUHs:				Total Therms		Total Connected Load		

Approved By: \_\_\_\_\_



FLORIDA PUBLIC UTILITIES COMPANY  
NEW DEVELOPMENT - PROJECT INFO  
REQUEST FOR NEW GAS SERVICE

Project Name KMT Development LLC

Marketing Rep: Managers-CF

Mktg Rep ID #: 0003

Rep's Phone: 0

Division Central

Builder/Developer Long Pond Rd. Project

Project Location Near I-4

City Longwood

Development Code: \_\_\_\_\_

<b>Job Information</b>	
Gas Type: <u>Natural Gas</u>	Converted from: _____
Metered or Bulk <u>Metered</u>	Gas Pressure: <u>12"</u>
Request for: <u>Main Extention</u>	Turn-On Charge <u>\$42.00</u>
Request for: <u>New Service</u>	Pressure Factor: _____

<b>Builder Contact Information</b>	
Builder Contact <u>Mark A. Crone</u>	
Office	<u>(407) 539-1050</u>
Cell	_____
Fax	<u>(407) 539-1762</u>
Email	_____

## Project Summary

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Number of Customers	<u>48.0</u>	_____	_____
Rate	<u>0.48340</u>	_____	_____
Customer Charge	<u>\$8.00</u>	_____	_____

<b>Total Customers</b>
<u>48.0</u>

<b>Construction Information</b>			
Estimated Cost of Main	<u>\$34,710.05</u>	_____	_____
	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Estimated cost of services	<u>\$31,866.86</u>	_____	_____

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
Avg Therms per Customer	<u>570.0</u>	<u>0.0</u>	<u>0.0</u>
Cost of Service per Customer	<u>\$663.89</u>	<u>\$0.00</u>	<u>\$0.00</u>
Annual Rev - Cust. Charge	<u>\$4,808.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Annual Rev - Non-Fuel Charge	<u>\$13,225.82</u>	<u>\$0.00</u>	<u>\$0.00</u>

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>
4 yr Est Rev - Cust. Charge	<u>\$18,432.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
4 yr Est. Rev - Non-Fuel Charge	<u>\$52,903.30</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total 4 Year Revenue	<u>\$71,335.30</u>	<u>\$0.00</u>	<u>\$0.00</u>

	<u>Residential</u>	<u>Commercial (GS)</u>	<u>Commercial (LVS)</u>	<u>Combined</u>
Total BTUhs	<u>9,744,000</u>	_____	_____	<u>9,744,000</u>
Total Therms	<u>27,360</u>	<u>0</u>	<u>0</u>	<u>27,360</u>
Total Connected Load	<u>12,292</u>	_____	_____	<u>12,292</u>

Approved By: \_\_\_\_\_



**FLORIDA PUBLIC UTILITIES COMPANY**  
**NEW DEVELOPMENT - PROJECT INFO**  
**REQUEST FOR NEW GAS SERVICE**

**Project Name** KMT Development LLC

Marketing Rep: Managers-CF  
 Mktg Rep ID #: 0003  
 Rep's Phone: 0  
 Division Central

Builder/Developer Long Pond Rd. Project  
 Project Location Near I-4

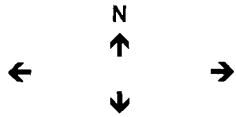
<b>Residential</b>								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	SCFH
	30 gal Water Heater	40,000	274	110	0			0
	40 gal Water Heater	40,000	326	130	0			0
72.0	50 gal Water Heater	50,000	300	150	10,800			1,412
	75 gal Water Heater	75,000	253	190	0			0
	Tankless - Small	150,000	67	100	0			0
	Tankless - Large	200,000	85	170	0			0
48.0	Range	68,000	52	35	1,680			1,280
	Cooktop	68,001	30	20	0			0
	Wall Oven	68,002	22	15	0			0
	Dryer	30,000	166	50	0			0
48.0	Grill	60,000	34	20	960			1,129
	Gas Light - Residential	10,000	0	0	0			0
48.0	Fireplace/Space Heater	50,000	80	40	1,920			941
48.0	Pool/Spa heater	400,000	63	250	12,000			7,529
	Furnace 60,000 - 90,000 BTU	60,000	184	110	0			0
	Furnace 90,001 - 120,000 BTU	90,000	144	130	0			0
	Furnace >120,000 BTU	120,000	125	150	0			0
	Generator	300,000	0	0	0			0
				0	0			0
<b>Total BTUHs:</b>		<b>9,744,000</b>		<b>Total Therms</b>	<b>27,360</b>	<b>Total Connected Load</b>		<b>12,292</b>

<b>Commercial (GS)</b>								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	SCFH
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
<b>Total BTUHs:</b>				<b>Total Therms</b>		<b>Total Connected Load</b>		

<b>Commercial (LVS)</b>								
Units	Equipment	BTUH	Hours/Year	Therms/Year	Therms	ON	MOD	SCFH
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
<b>Total BTUHs:</b>				<b>Total Therms</b>		<b>Total Connected Load</b>		

Approved By: \_\_\_\_\_

# Sketch of Proposed Installation



## LOCATE ON SKETCH

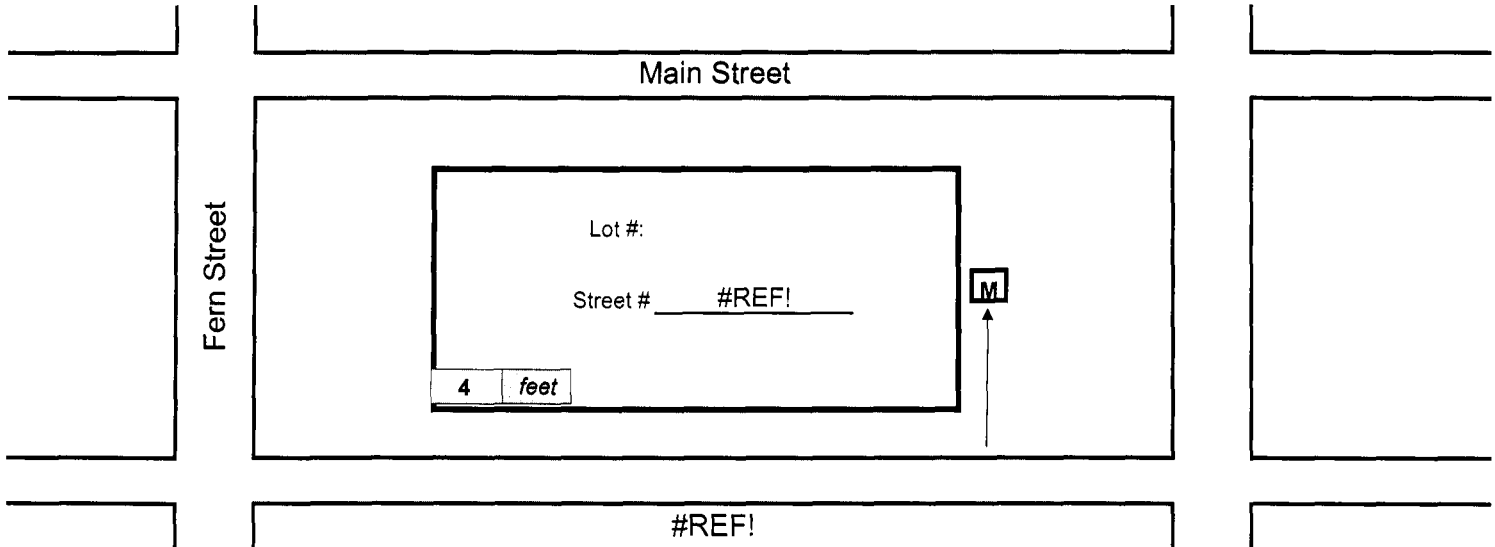
1. Frontage Street Name
2. Structure Address Number
3. Gas Meter Location M

## Other Factors

INDICATE NORTH ARROW

SET METER 40 Feet Off CORNER

★ Run Service to House Fuel Line Stub-Out



Information to be supplied by Distribution Department		
<b>Meter Required:</b> Make: _____ Size & Type _____ Capacity _____  <b>Meter In-Stock?:</b> _____ <b>To be Ordered:</b> _____ <b>Date Ordered:</b> _____ <b>PO #:</b> _____	<b>Meter By-Pass required:</b> Full _____ Meter Only _____ Perm _____ Temp _____	
<b>Regulator Required:</b> Make: _____ Size & Type _____ Capacity _____  <b>Regulator In-Stock:</b> _____ <b>To be Ordered:</b> _____ <b>Date Ordered:</b> _____ <b>PO #:</b> _____	<b>Overpressure Protection: IRV</b> <b>Monitor Regulator</b> _____ <b>Relief Valve</b> _____ Make: _____ Size & Type _____ Capacity _____  <b>Regulator In-Stock:</b> _____ <b>To be Ordered:</b> _____ <b>Date Ordered:</b> _____ <b>PO #:</b> _____	<b>Metering Pressure</b> W.C. _____ PSI Compensating Index _____ Factor _____  <b>Meter Information</b> Meter # : _____ Meter # issued by: _____ Meter # issued date: _____ Meter Set Date: _____ Recorded By: _____ Recorded on (date): _____

Estimated Cost of Meter Set Instal \_\_\_\_\_

Total Hours: \_\_\_\_\_

REMARKS: \_\_\_\_\_

Completed by \_\_\_\_\_

Date: 3950

Approved \_\_\_\_\_

**Clara Leider**

---

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201



Approved By:	Dir of Mktg	_____
	Fin Analyst	_____
	CFO	_____
	COO	_____
	CEO	_____
	Division G.M.	_____

### **Long Pond Road Project, Longwood**

- Project consists of forty-eight (48) single-family homes, each home situated on one-acre sites, located in Longwood and adjacent to Interstate 4.
- FPU to extend natural gas main approximately 2400 feet. As a result, this will become an AEP project with a thirty cent (\$0.35) contribution per therm. Project estimated to be paid off after year seven.
- The developer of the project is KMT Development, LLC. This group is a limited partnership with affiliations to our LP custom builder known as Kingsbridge Homes dba Resource Alliances, Inc.
- This will be the first time FPU has worked with the development side of this company. In the past, we have provided LP for their custom home side of the business.
- Miniumum GCU for each home will be two large tankless gas water heaters or one large tankless gas water heater and gas furnace. Including the minimum GCU each home will have a target of 570 therms. Collectively the development will total 27,360 therms when complete.
- Piping allowance of \$150.00 was included for the spa heater, fireplace and summer kitchen @ \$50 each.
- NPV yields a 19 % Average ROR on investment.
- The gas main extension will consist of approximately 2400 feet of 2" PE main, 4500 feet of 1 1/4" PE main, and approximately 6260 feet of 3/4" service line.
- Briar construction is making quick progress on the site. Will need to put crossings in soon.

Underlined section has been modified from original approved summary. The AEP has also been raised to (\$0.35)

**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

48 Services (Single Feed System)

3/4" CTS, PE Serv. to Serve:

Long Pond Road Project

38 short side &amp; 10 long side

Prep. by: Scribber

Date:

04/01/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Setting:

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
3/4" PE Service Line:									
3/4" PE Pipe	6,260	LF.	\$0.15		939.00				\$939.00
3/4" PE Tap Tee	48	EA.	\$7.00		336.00				\$336.00
3/4" Tap Tee (Stl.)	0	EA.	\$20.00		0.00				\$0.00
3/4" Trans. Fitting	0	EA.	\$10.00		0.00				\$0.00
3/4" Riser Assy.	48	EA.	\$13.50		648.00				\$648.00
3/4" Meter Stop & Plug	48	EA.	\$13.00		624.00				\$624.00
3/4" PE 90 Degrees or 3-Way Tee	0	EA.	\$2.50		0.00				\$0.00
Tracer Wire & Warning Tape	6,260	FT.	\$0.07		438.20				\$438.20
Misc. Fitting	1	Lot	\$150.00		150.00				\$150.00
Fr. & Handling	\$3,135.20		37.00%		1160.02				\$1,160.02
Sub - Total				0.00	4295.22	0.00	0.00	0.00	\$4,295.22

## Install Service:

3/4" PE Pipe	5,960	LF.	\$1.93				11502.80		\$11,502.80
Directional Bore	0	LF.	\$9.52				0.00		\$0.00
3/4" PE Bore	300	FT.	\$6.47				1941.00		\$1,941.00
3/4" PE Tap Tee	48	EA.	\$8.08				387.84		\$387.84
3/4" Tap Tee (Stl.)	0	EA.	\$10.77				0.00		\$0.00
3/4" Trans Fitting	0	EA.	\$8.08				0.00		\$0.00
3/4" Riser Assy.	48	EA.	\$5.38				258.24		\$258.24
3/4" PE Fittings	0	EA.	\$5.38				0.00		\$0.00
Under 75' Minimum	0	LF.	\$215.25				0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13				0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				0.00		\$0.00
Restore Sod	0	SF.	\$0.80				0.00		\$0.00
Hand Ditch	2,000	FT.	\$1.62				3240.00		\$3,240.00
FPUC Crew	0	Day	\$350.00	0.00		0.00			\$0.00
Eng. & Inspection	1	Lot		0.00		0.00			\$0.00
Permit	1	Lot						0.00	\$0.00

SUB - TOTAL				0.00	0.00	0.00	17329.88	0.00	\$17,329.88
-------------	--	--	--	------	------	------	----------	------	-------------

Meter Set & Reg.	1	Lot	\$10,241.76	3072.53	6145.06	1024.18			\$10,241.76
------------------	---	-----	-------------	---------	---------	---------	--	--	-------------

48 AL-425 Meter Sets									
----------------------	--	--	--	--	--	--	--	--	--

EST. SERVICE COST				3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
-------------------	--	--	--	---------	----------	---------	----------	------	-------------

TOTAL EST. MAIN COST									\$0.00
----------------------	--	--	--	--	--	--	--	--	--------

TOTAL EST. MAIN COST									
----------------------	--	--	--	--	--	--	--	--	--

CIAC BASED EST. MAIN COST									
---------------------------	--	--	--	--	--	--	--	--	--

CIAC BASED TOTAL EST. PROJECT COST				3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
------------------------------------	--	--	--	---------	----------	---------	----------	------	-------------

TOTAL EST. PROJECT COST				3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
(PROPOSED IR AMOUNT EARNINGS BASIS)									



**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

**Distribution Main (Single Feed System)**

1\_1/4" IPS. PE Main Ext. to Serve:

Long Pond Project

Prep. by: Scribber

Date:

04/01/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC. Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
1_1/4" PE Main Extension:									
1_1/4" PE Pipe	4,500	LF.	\$0.33		\$1,485.00				\$1,485.00
1_1/4" PE Tap Tee	0	EA.	\$12.00		\$0.00				\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$68.50		\$0.00				\$0.00
1_1/4" Trans. Fitting	0	EA.	\$14.00		\$0.00				\$0.00
1_1/4" PE 90 Degrees or 3-Way Tee	4	EA.	\$3.50		\$14.00				\$14.00
1_1/4" PE Cap	3	EA.	\$2.50		\$7.50				\$7.50
1_1/4" PE Valve	1	EA.	\$160.00		\$160.00				\$160.00
Tracer Wire & Warning Tape	4,500	FT.	\$0.07		\$315.00				\$315.00
Misc. Fitting	1	Lot	\$50.00		\$50.00				\$50.00
Frt. & Handling	\$2,031.50		\$0.37		\$751.66				\$751.66
Sub - Total				\$0.00	\$2,783.16	\$0.00	\$0.00	\$0.00	\$2,783.16

## Install Main: 1\_1/4" PE

1_1/4" PE Pipe	4,500	LF.	\$2.17				\$9,765.00		\$9,765.00
1_1/4" PE Tap Tee	0	EA.	\$8.08				\$0.00		\$0.00
1_1/4" (Stl.) Tap Tee	0	EA.	\$10.77				\$0.00		\$0.00
1_1/4" Trans Fitting	0	EA.	\$10.77				\$0.00		\$0.00
1_1/4" PE Fittings	7	EA.	\$5.38				\$37.66		\$37.66
1_1/4" PE Valve	1	EA.	\$10.77				\$10.77		\$10.77
Directional Bore	0	LF.	\$9.52				\$0.00		\$0.00
Push & Pull 1_1/4" PE	0	LF.	\$6.47				\$0.00		\$0.00
Under 500'Premium	0	FT.	\$0.27				\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13				\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				\$0.00		\$0.00
Restore Sod	0	SF.	\$0.80				\$0.00		\$0.00
Hand Ditch	500	FT.	\$1.83				\$915.00		\$915.00
Extra Depth (Over 42")	0	FT.	\$0.75				\$0.00		\$0.00
FPUC Crew	2.00	Day	\$350.00	\$595.00		\$105.00			\$700.00
Eng. & Inspection	1	Lot	\$3,000.00	\$2,550.00		\$450.00			\$3,000.00
Survey	1	Lot							\$0.00
Permit	1	Lot							\$0.00
Misc. Labor	1	Lot	\$500.00				\$500.00		\$500.00

SUB - TOTAL				\$3,145.00	\$0.00	\$555.00	\$11,228.43	\$0.00	\$14,928.43
-------------	--	--	--	------------	--------	----------	-------------	--------	-------------

TOTAL EST. MAIN COST				\$3,145.00	\$2,783.16	\$555.00	\$11,228.43	\$0.00	\$17,711.59
----------------------	--	--	--	------------	------------	----------	-------------	--------	-------------

=====

(MAIN Cost Per FT.)

\$3.94

**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201

## COST ESTIMATE DETAIL

## Feeder Main Across I-4

2" PE Main Ext. To Serve:

Long Pond Road Project

Prep. by: Scribber

Date:

04/01/08 Sheet No.

C:\Documents and Settings\CLEIDER\Local Settings

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
2" PE Main Ext.									
2" PE Pipe	2400	LF.	\$0.53		1272.00				\$1,272.00
2" PE H.V.S.P.	0	EA.	\$74.00		0.00				\$0.00
2" T.D.W. (Stl.) Punch Tee	1	EA.	\$90.00		90.00				\$90.00
2" Trans Fitting	0	EA.	\$21.00		0.00				\$0.00
2" PE 90 Degree or 3-Way Tee	2	EA.	\$7.50		15.00				\$15.00
2" PE Cap	0	EA.	\$3.50		0.00				\$0.00
2" PE Valve	1	EA.	\$210.00		210.00				\$210.00
Tracer Wire & Warning Tape	2400	FT.	\$0.07		168.00				\$168.00
Misc. Fitting	1	Lot	\$25.00		25.00				\$25.00
Fr. & Handling	\$1,780.00		37.00%		658.60				\$658.60
Sub - Total				0.00	2438.60	0.00	0.00	0.00	\$2,438.60
Install 2" PE Main:									
2" PE Pipe	2150	LF.	\$2.74				5891.00		\$5,891.00
2" H.V.S.P.	0	EA.	\$13.47				0.00		\$0.00
2" T.D.W. Tap Tee	1	EA.	\$16.15				16.15		\$16.15
2" Trans Fitting	1	EA.	\$10.77				10.77		\$10.77
2" PE Fittings	2	EA.	\$6.47				12.94		\$12.94
Directional Bore	250	LF.	\$9.52				2380.00		\$2,380.00
Push & Pull 2" PE	0	LF.	\$8.08				0.00		\$0.00
2" PE Valve	0	EA.	\$10.77				0.00		\$0.00
Under 500'Premium	0	LF.	\$0.27				0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13				0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				0.00		\$0.00
Restore Sod	2000	SF.	\$0.80				1600.00		\$1,600.00
Hand Ditch	300	FT.	\$1.83				549.00		\$549.00
Extra Depth (Over 42")	0	FT.	\$0.75				0.00		\$0.00
FPUC Crew	1	Day	\$350.00	297.50		52.50			\$350.00
Eng. & Inspection	1	Lot	\$3,500.00	2975.00		525.00			\$3,500.00
Survey	1	Lot						0.00	\$0.00
Permit	1	Lot						0.00	\$0.00
Misc. Labor or Minimum Charges	1	Lot	\$250.00				250.00		\$250.00
SUB - TOTAL				\$3,272.50	\$0.00	\$577.50	#####	\$0.00	\$14,559.86
TOTAL EST. MAIN COST				3272.50	2438.60	577.50	10709.86	0.00	\$16,998.46
									=====
(MAIN Cost Per FT.)	\$7.08								

**Clara Leider**

**From:** Kitner Don  
**Sent:** Tuesday, June 19, 2007 5:30 PM  
**To:** Seagrave Marc; Cox Doreen  
**Subject:** Long Pond - resubmitted  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Categories:** NPV AEP  
**Attachments:** AGREEMENT\_LONG POND 061807.doc; 061807 Copy of REGULATED 15 YEAR.xls; 061807 RNGS Long Pond.xls; 061807 Summary.doc; Long Pond Services-Single.xls; Long Pond Dist-Single.xls; Long Pond Main 2in PE.xls; Approved Paperwork - Long Pond Road Project.pdf

Marc,  
Attached is the Long Pond re-submittal we discussed.  
Thanks,

Don Kitner  
General Manager, Central Florida  
386-668-9201



Date	Initial	
11/13/06	[Signature]	GM/Mktg Rep
11/24/06	[Signature]	Mktg Analyst
	[Signature]	Mktg Director
	[Signature]	Financial Analyst
11/22/06	[Signature]	CFO
11/24/06	[Signature]	COO
11/24/06	[Signature]	CEO

Please return to Marketing Analyst

**Approvals needed by: 11/24/2006**

### Long Pond Road Project, Longwood

- Project consists of forty-eight (48) single-family homes, each home situated on one-acre sites, located in Longwood and adjacent to Interstate 4.
- FPU to extend natural gas main approximately 2400 feet. As a result, this will become an AEP project with a thirty cent (\$.30) contribution per therm.
- The developer of the project is KMT Development, LLC. This group is a limited partnership with affiliations to our LP custom builder known as Kingsbridge Homes dba Resource Alliances, Inc.
- This will be the first time FPU has worked with the development side of this company. In the past, we have provided LP for their custom home side of the business.
- Homes will utilize a minimum of one 50-gallon gas water heater with possible second tankless for large master area, gas furnace, gas range or gas cooktop and wall oven, gas fireplace, gas spa heater, and gas grill /summer kitchen.
- Piping allowance of \$150.00 was included for the spa heater, fireplace and summer kitchen @ \$50 each.
- NPV yields a 19 % Average ROR on investment.
- The gas main extension will consist of approximately 2400 feet of 2" PE main, 4500 feet of 1 1/4" PE main, and approximately 6260 feet of 3/4" service line.

# FLORIDA PUBLIC UTILITIES COMPANY

## REQUEST FOR NEW GAS SERVICE

Residential ☒

Commercial ☐

Industrial ☐

Delray Beach ☐

West Palm Beach ☐

Central ☒

Customer Name

KMT DEVELOPMENT LLC

Social Security #

DBA/ or C/O

Telephone #

Service Address

LONG POND ROAD PROJECT

Alternate #

City & State

LONGWOOD

Zip

32779

Premise #

Mailing Address

near I-4

Zip

Natural

☒

Propane

☐

Metered

☒

Bulk

☐

Request For:

Main Extension

☒

Relocation

☐

Set & Lock Date

New Service

☒

Abandonment

☐

Turn-On Date

Reactivate Service

☐

Turn-On Charge

Meter Deposit

Converted From

Gas Account Number

Tax District

SCG33

Rate

GRS31

State Tax

Gas Pressure:

5.5" ☐

7" ☐

11" ☐

12" ☐

2psi ☒

5 psi ☐

20psi ☐

S.I.C.

Meter Reading Route #

???

Pressure Factor

units	Equipment	BTUH	Therms/Year	Total Therms	ON	MOD	SCFH	LP CFH
1.0	Water Heater	40,000	150	150			40	
1.0	Range	60,000	35	35			60	
0.0	Dryer	80,000	60	0			80	
1.0	Central Heat	80,000	130	130			80	
1.0	Fireplace	40,000	40	40			40	
1.0	Spa/Pool Heater	400,000	250	250			400	
1.0	Grill/Summer Kitchen	40,000	20	20			40	
0.0	Light	2,000	120	0			2	
				0			0	
Total Therms per Year				625			742	0.0

System Map Page

Hourly Max

594

SCFH-Daily Hrs @ this rate

Map Book Page

Demand: Ave

371

SCFH-Daily Hrs @ this rate

Plans Attached

Min

74

SCFH-Daily Hrs @ this rate

Number of Customers

48

Total Hours

Total Annual Therms

625

Annual Customer Charge

\$96.00

Revenues - Customer Charge

\$4,608.00

Non-Fuel Energy Charges

0.48340

Revenues - Non-Fuel Charge

\$14,502.00

Four Year Estimated Non-Fuel Revenues

\$76,440.00

Estimated Construction Cost

\$66,576.91

Negative Number Indicates Contribution Required

\$9,863.09

Permits Required

☐

Easement Required

☐

Estimated Start Date

06/01/06

Estimated Completion

SPECIAL PROVISIONS:

48 units all on one-acre sites

Per Dan - 2400 ft of 2" feeder main; 4500 ft of 1 1/4" PE distribution main; - IR required for project

SEE ATTACHED SHEET DONE BY SCRIBBEN

Cycle/Route

Initial

Date Turned On

Completed By

Submitted By: B. ZIEGLER

Approved By:

11/10/06

# Cash Flow Investment Analysis

Date: 11/10/2006

Revision # 12.4

Procedure No. ACT-5.11

Effective Date: 8/28/2006

Initial Date

Project Title: LONG POND RD, LONGWOOD

Beginning in Year 2007

Prepared By:

Approved By: Dir of Mktg  
Fin Analyst  
CFO  
COO  
CEO

Input Area:

	Residential	Commercial	Industrial	Gas Lights											
Annual Therms per Customer / Light	625														
Piping Allowance	\$ 150	\$	\$	\$											
Cost of SERVICE per Customer	\$ 664	\$	\$	\$											
Customer Charge (mth)	\$8.00	\$15.00	\$45.00	\$0.00											
Non-Fuel Charge (therm)	\$0.48340	\$0.32107	\$0.23809	\$0.17689											
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New Residential Customers	2	6	8	8	8	8	8	8	8	8	8	8	8	8	8
New Commercial Customers															
New Industrial Customers															
New Gas Lights															
Total Customers added for year	2	6	8	8	8	8	8	8	8	8	8	8	8	8	8
Cumulative Customers	2	8	16	24	32	40	48	56	64	72	80	88	96	104	112
Total Gas Lights added for year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Gas Lights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	1605	315	420	420	420	420	262.5	0	0	0	0	0	0	0	0
Capital expenditures on Services	1,329	2,983	5,311	5,311	5,311	5,311	3,319	1,992							
Capital Expenditures (Exc. Services)	34,710														
Upfront Capital Exp (Contributions)	(18,793)														
Total Capital Expenditures by Year	\$ 17,244	\$ 3,983	\$ 5,311	\$ 5,311	\$ 5,311	\$ 5,311	\$ 3,319	\$ 1,992	\$	\$	\$	\$	\$	\$	\$

Overall Result: Project meets or exceeds minimum 15 year required return!

Occupancy Rate: 100%

Output Area: Cash Flow by Year

Total Base Revenue	\$100	\$1,991	\$5,010	\$7,963	\$11,413	\$14,333	\$17,252	\$19,010	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$100	\$1,991	\$5,010	\$7,963	\$11,413	\$14,333	\$17,252	\$19,010	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110	\$19,110
O&M Expense (Incl TOTI)	31	617	1,553	2,468	3,538	4,443	5,348	5,893	5,924	5,924	5,924	5,924	5,924	5,924	5,924
Other Expenses	1,605	315	420	420	420	420	263	0	0	0	0	0	0	0	0
Amortized Piping Cost	43	171	343	514	686	857	964	986	857	686	514	343	171	64	64
Depreciation, Book	1,150	1,415	1,769	2,123	2,477	2,831	3,053	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
	2,828	2,519	4,085	5,526	7,121	8,552	9,628	10,065	9,967	9,795	9,624	9,453	9,281	9,174	9,174
Operating Income before Income Tax	(2,729)	(528)	925	2,437	4,292	5,781	7,624	8,946	9,143	9,315	9,486	9,657	9,829	9,936	9,936
Adjust to cash flow:															
Add: Depreciation, Book	1,150	1,415	1,769	2,123	2,477	2,831	3,053	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
Add: Amortized Piping	43	171	343	514	686	857	964	986	857	686	514	343	171	64	64
Less: Actual Income Tax	(1,270)	(928)	(445)	178	965	1,645	2,633	3,381	3,742	3,830	3,866	3,888	3,896	3,899	3,899
After Tax Cash Flow (before capital investments)	(267)	1,986	3,482	4,896	6,490	7,825	9,009	9,736	9,444	9,356	9,320	9,298	9,289	9,287	9,287
Less: Piping Costs	300	900	1,200	1,200	1,200	1,200	750	450	0	0	0	0	0	0	0
Less: Capital Expenditure - Cash Outlay	17,244	3,983	5,311	5,311	5,311	5,311	3,319	1,992							
Memor Cumulative Capital Expenditure	17,244	21,228	26,539	31,850	37,161	42,472	45,792	47,783	47,793	47,783	47,793	47,783	47,783	47,783	47,783
Asset remaining value															104,687
Net Cash Flow (w/ 15 yr ending book value)	(17,811)	(2,897)	(3,029)	(1,615)	(21)	1,314	4,939	7,294	9,444	9,356	9,320	9,298	9,289	9,287	113,974
Net Present Value (fifteen years)	\$ 47,000														
Operating Income before Income Tax	(2,729)	(528)	925	2,437	4,292	5,781	7,624	8,946	9,143	9,315	9,486	9,657	9,829	9,936	9,936
Less: Interest Costs	677	787	902	963	964	914	727	449	91	0	0	0	0	0	0
Net Income before Taxes	(3,406)	(1,315)	23	1,473	3,328	4,867	6,898	8,497	9,053	9,315	9,486	9,657	9,829	9,936	9,936
Less: Book Income Tax (37.63%)	(1,281)	(495)	8	554	1,252	1,831	2,565	3,196	3,406	3,504	3,569	3,633	3,698	3,738	3,738
Net Income after Book I/T	(2,124)	(820)	14	919	2,076	3,036	4,333	5,300	5,647	5,810	5,917	6,024	6,131	6,198	6,198
Earnings Per Share - Investment															
Corporate EPS after Investment	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Cumulative Net Cash Flow	(17,811)	(20,708)	(23,737)	(25,352)	(25,373)	(24,059)	(19,120)	(11,826)	(2,382)		16,294	25,592	34,881	44,168	158,142
Cumulative Depr. Reserve	1,150	2,565	4,334	6,457	8,935	11,766	14,819	18,005	21,190	24,376	27,561	30,747	33,932	37,118	40,304
Cumulative Piping Allowance	257	986	1,643	2,529	3,043	3,386	3,171	2,636	1,779	1,093	579	236	64	0	(64)
Book Rate of Return	-8.85%	-0.17%	3.81%	6.74%	9.72%	11.59%	14.73%	17.74%	20.22%	23.72%	28.45%	34.88%	44.06%	58.11%	83.58%
Internal Rate of Return (IRR)	(2,746)	(1,539)	(876)	(167)	762	1,472	2,539	3,346	3,592	3,921	4,285	4,649	5,013	5,377	110,282
NPV (FVA)	\$ 49,004														

Average Rate of Return on Investment:

Revenue Comparison:

Customer Totals:

15 Yr Total

Net Present Value of Cap. Exp. 40,423  
Net Present Value of Pip. Exp. 5,537  
15 Years (IRR) 19%

Four Year Revenue \$31,850

Added Residential Customers 48  
Added Commercial Customers -

Added Industrial Customers -  
Cumulative Customers 48

Capital Expenditure per Customer \$ 995

Summary of Rates Used

Depreciation Book %

Income Tax %

Base Earnings per Share

Required Return

Rate of Return

IRR

Margin Rate

8.07%

50.00%

31.00%

8.07%

DATE: 11/10/2006 1:03 PM

3962

CONFIDENTIAL



# INPUT SHEET

Project Name LONG POND RD, LONGWOOD  
Beginning in Year 2007

Prepared By: \_\_\_\_\_  
Date: 11/10/2008  
I.R. #: \_\_\_\_\_  
AEP #: \_\_\_\_\_

				R
	Residential	Commercial	Industrial	Gas Lights
Piping Allowance \$	160			

Occupancy Rate 100%

**Construction:**

SERVICES-cost per customer	Woodstock	General Serv	Large Volume	Gas Light	Year	1st	2nd	3rd	4th	Total Main \$
	\$ 664				MAINS	34,710				34,710

Enter Customers ADDED each Month by Tariff Rate Schedule below:

Total Service:	Total Const
31,867	\$ 86,577

### 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 for the Year	Therm Sales for the Year	Energy Charge	Customer charge
1													2	2	156 25	156 25	5 53	24
2	0	0	0	1	0	1	0	1	0	1	1	1	8	8	1875	3125	1510 63	480
3	1	1	0	1	1	0	1	1	0	1	0	1	6	16	2864 5833	7864 583333	3801 74	1 298
4	0	1	1	0	1	1	0	1	1	0	1	1	8	24	2500	12500	8047 50	1 920
5	1	1	0	1	1	0	1	1	0	1	1	0	8	32	2916 6067	17910 06667	8660 92	2 752
6	0	1	1	0	1	1	0	1	1	0	1	1	8	40	2500	22500	10876 50	3 456
7	1	1	1	0	1	1	0	1	1	0	1	1	5	45	2083 3333	27083 33333	13092 08	4 180
8	1	1	1	0	1	1	0	1	1	0	1	1	3	48	1718 75	28643 75	14426 47	4 584
9													0	48	0	30000	14502 00	4 808
10													0	48	0	30000	14502 00	4 808

Therms per Customer each month: 52.08 << Enter average therms used per customer in a month

Therms per Customer each month: 52.08 Entire average therms used per customer in a month

Base Rate per Therm Residential 0.48340 Enter as \$ For example 33.51¢ = 33.51

Customer Charge \$8.00 \* 20% Tax

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	Sales for the Year	Energy Charge	Customer charge
1													0	0	0	0	0.00	
2													0	0	0	0	0.00	
3													0	0	0	0	0.00	
4													0	0	0	0	0.00	
5													0	0	0	0	0.00	
6													0	0	0	0	0.00	
7													0	0	0	0	0.00	
8													0	0	0	0	0.00	
9													0	0	0	0	0.00	
10													0	0	0	0	0.00	

\*Enter average therms used per customer in a month

Gas\* Rpte per Therm General Serv \$ 0.02107 \*Enter as \$ For example 33.5¢ = 33.51

Customer Charge \$15.00 Per Page

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 for the Year	Therm Sales for the Year	Energy Charge	Customer charge
1													0	0	0	0	0.00	-
2													0	0	0	0	0.00	-
3													0	0	0	0	0.00	-
4													0	0	0	0	0.00	-
5													0	0	0	0	0.00	-
6													0	0	0	0	0.00	-
7													0	0	0	0	0.00	-
8													0	0	0	0	0.00	-
9													0	0	0	0	0.00	-
10													0	0	0	0	0.00	-

Therms per Customer each month: \_\_\_\_\_ &lt;&lt; Enter average therms used per customer in a month

Base Rate per Therm Large Volume \$ 0.23606 <<Enter as \$ For example: 33.51¢ = 3351>

Customer Charge 345.00 cc Per Month

**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	Sales for the Year	Energy Charge	Customer charge
1													0	0	0	0	0.00	
2													0	0	0	0	0.00	
3													0	0	0	0	0.00	
4													0	0	0	0	0.00	
5													0	0	0	0	0.00	
6													0	0	0	0	0.00	
7													0	0	0	0	0.00	
8													0	0	0	0	0.00	
9													0	0	0	0	0.00	
10													0	0	0	0	0.00	

therms per light each month

Gas Lights \$ 0.17666 (Enter as \$ 1 for example 33.51¢ = 33.51)

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
Depreciation and amortization expenses	600	516	420	420	420	420	263								

## Area Expansion Program

Project Name: LONG POND RD, LONGWOOD  
 I.R. #: 0  
 AEP #: 0  
 Prepared By: B.2

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 18.793 As computed on Wkst  
 ROR 8.070% Company's Authorized Rate  
 T1 10 Years for collection  
 T2 1 (1 if total therms used for T1)  
 TH 180,990 Total 10 year therms  
 AEPS \$ 0.146 Original calculation

Initial \_\_\_\_\_ Date \_\_\_\_\_

Prepared By: \_\_\_\_\_

Approved By: Dir of Mktg 11/02  
Fin Analyst 11/02  
CFO 11/02  
COO 11/02  
CEO 11/02

### Construction and Revenue Summary:

Estimated Construction Cost (CC): \$ 50,643 Four year Construction Costs  
 Four Years Revenue (MACC): 31,850 Four years revenue

Net Excess Construction Cost (ECC): \$ 18,793

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
1	156	0	0	0
2	3125	0	0	0
3	7865	0	0	0
4	12500	0	0	0
5	17917	0	0	0
6	22500	0	0	0
7	27083	0	0	0
8	29844	0	0	0
9	30000	0	0	0
10	30000	0	0	0

Total 180,990

Total Therm Load Added
156
3125
7865
12500
17917
22500
27083
29844
30000
30000

180,990

### \*\* Rate Breakdown: AEPS / therm

RS Residential 0.300  
 GS General Service 0.199  
 LVS Large Volume Service 0.148  
 Gas Lights 0.110

Ratio: This % of  
 therms per class are  
 counted in 10 year  
 therm total

100.0000%  
 66.4191%  
 49.2532%  
 36.5929%

### Projected Cash Flow of: Revenue

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 (cost of money)	charge Total Cost To be recovered
1	76	24	-	-	-	-	-	-	\$ 100	\$ 18,793	\$ 47	\$ 18,747	\$ 756	\$ 19,503
2	1,511	480	-	-	-	-	-	-	1,991	-	938	18,566	1,536	20,102
3	3,802	1,208	-	-	-	-	-	-	5,010	-	2,359	17,742	1,527	19,269
4	6,043	1,920	-	-	-	-	-	-	7,963	-	3,750	15,519	1,404	16,923
5	8,661	2,752	-	-	-	-	-	-	11,413	-	5,375	11,548	1,149	12,697
6	10,877	3,456	-	-	-	-	-	-	14,333	-	6,750	5,947	752	6,699
7	13,092	4,160	-	-	-	-	-	-	17,252	-	8,125	(1,426)	213	(1,213)
8	14,426	4,584	-	-	-	-	-	-	19,010	-	8,953	(10,166)	(459)	(10,626)
9	14,502	4,608	-	-	-	-	-	-	19,110	-	9,000	(19,626)	(1,221)	(20,846)
10	14,502	4,608	-	-	-	-	-	-	19,110	-	9,000	(29,846)	(2,045)	(31,892)
Total	\$ 87,490	\$ 27,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,290	\$ 18,793	\$ 54,297	\$ -	\$ 3,612	

COST ESTIMATE DETAIL

Feeder Main Across I-4

2" PE Main Ext. To Serve:

Long Pond Road Project

Prep. by: Scribner

Date:

11/10/06 Sheet No.

P:\Departments & Divisions\Marketing\Residential N

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
2" PE Main Ext.									
2" PE Pipe	2400	LF.	\$0.53		1272.00				\$1,272.00
2" PE H.V.S.P.	0	EA.	\$74.00		0.00				\$0.00
2" T.D.W. (Stl.) Punch Tee	1	EA.	\$90.00		90.00				\$90.00
2" Trans Fitting	0	EA.	\$21.00		0.00				\$0.00
2" PE 90 Degree or 3-Way Tee	2	EA.	\$7.50		15.00				\$15.00
2" PE Cap	0	EA.	\$3.50		0.00				\$0.00
2" PE Valve	1	EA.	\$210.00		210.00				\$210.00
Tracer Wire & Warning Tape	2400	FT.	\$0.07		168.00				\$168.00
Misc. Fitting	1	Lot	25.00		25.00				\$25.00
Frt. & Handling	\$1,780.00				658.60				\$658.60
Sub - Total				0.00	2438.60	0.00	0.00	0.00	\$2,438.60
Install 2" PE Main:									
2" PE Pipe	2150	LF.	\$2.74				5891.00		\$5,891.00
2" H.V.S.P.	0	EA.	\$13.47				0.00		\$0.00
2" T.D.W. Tap Tee	1	EA.	\$16.15				16.15		\$16.15
2" Trans Fitting	1	EA.	\$10.77				10.77		\$10.77
2" PE Fittings	2	EA.	\$6.47				12.94		\$12.94
Directional Bore	250	LF.	\$9.52				2380.00		\$2,380.00
Push & Pull 2" PE	0	LF.	\$8.08				0.00		\$0.00
2" PE Valve	0	EA.	\$10.77				0.00		\$0.00
Under 500' Premium	0	LF.	\$0.27				0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13				0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				0.00		\$0.00
Restore Sod	2000	SF	\$0.80				1600.00		\$1,600.00
Hand Ditch	300	FT.	\$1.83				549.00		\$549.00
Extra Depth (Over 42")	0	FT.	\$0.75				0.00		\$0.00
FPUC Crew	1	Day	\$350.00	297.50		52.50			\$350.00
Eng. & Inspection	1	Lot	2975.00	2975.00		525.00			\$3,500.00
Survey	1	Lot						0.00	\$0.00
Permit	1	Lot						0.00	\$0.00
Misc. Labor or Minimum Charges	1	Lot					250.00		\$250.00
SUB - TOTAL				\$3,272.50	\$0.00	\$577.50	#####	\$0.00	\$14,559.86
TOTAL EST MAIN COST				3272.50	2438.60	577.50	10709.86	0.00	\$16,998.46
(MAIN Cost Per FT.)			\$7.08						=====

## CCST ESTIMATE DETAIL

**Distribution Main (Single Feed System)**

1\_1/4" IPS. PE Main Ext. to Serve:

Long Pond Project

Prep. by: J. Smith

Date:

11/10/06 Sheet No.

P:\Departments &amp; Divisions\Marketing\Residential N

DESCRIPTION	#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
1_1/4" PE Main Extension:									
1_1/4" PE Pipe	4 500	LF.	\$0.33		\$1,485.00				\$1,485.00
1_1/4" PE Tap Tee	0	EA.	\$12.00		\$0.00				\$0.00
1_1/4" (Std.) Tap Tee	0	EA.	\$68.50		\$0.00				\$0.00
1_1/4" Trans. Fitting	0	EA.	\$14.00		\$0.00				\$0.00
1_1/4" PE 90 Degrees or 3-Way Tee	4	EA.	\$3.50		\$14.00				\$14.00
1_1/4" PE Cap	3	EA.	\$2.50		\$7.50				\$7.50
1_1/4" PE Valve	1	EA.	\$160.00		\$160.00				\$160.00
Tracer Wire & Warning Tape	4 500	FT.	\$0.07		\$315.00				\$315.00
Misc. Fitting	1	Lot	\$50.00		\$50.00				\$50.00
Frt. & Handling	\$2,031.50		\$0.37		\$751.66				\$751.66
Sub - Total				\$0.00	\$2,783.16	\$0.00	\$0.00	\$0.00	\$2,783.16

## Install Main: 1\_1/4" PE

1_1/4" PE Pipe	4 500	LF.	\$2.17				\$9,765.00		\$9,765.00
1_1/4" PE Tap Tee	0	EA.	\$8.08				\$0.00		\$0.00
1_1/4" (Std.) Tap Tee	0	EA.	\$10.77				\$0.00		\$0.00
1_1/4" Trans Fitting	0	EA.	\$10.77				\$0.00		\$0.00
1_1/4" PE Fittings	7	EA.	\$5.38				\$37.66		\$37.66
1_1/4" PE Valve	1	EA.	\$10.77				\$10.77		\$10.77
Directional Bore	0	LF.	\$9.52				\$0.00		\$0.00
Push & Pull 1_1/4" PE	0	LF.	\$6.47				\$0.00		\$0.00
Under 500' Premium	0	FT.	\$0.27				\$0.00		\$0.00
Asph.(Remove & Replace)	0	CF.	\$19.13				\$0.00		\$0.00
Conc.(Remove & Replace)	0	CF.	\$19.08				\$0.00		\$0.00
Restore Sod	0	SF.	\$0.80				\$0.00		\$0.00
Hand Ditch	500	FT.	\$1.83				\$915.00		\$915.00
Extra Depth (Over 42")	0	FT.	\$0.75				\$0.00		\$0.00
FPUC Crew	2 00	Day	\$350.00	\$595.00		\$105.00			\$700.00
Eng. & Inspection	1	Lot	\$3,000.00	\$2,550.00		\$450.00			\$3,000.00
Survey	1	Lot							\$0.00
Permit	1	Lot							\$0.00
Misc. Labor	1	Lot	\$500.00				\$500.00		\$500.00

SUB- TOTAL \$3,145.00 \$0.00 \$555.00 \$11,228.43 \$0.00 \$14,928.43

TOTAL EST. MAIN COST \$3,145.00 \$2,783.16 \$555.00 \$11,228.43 \$0.00 \$17,711.59

=====

(MAIN Cost Per FT.) \$3.94

# COST ESTIMATE DETAIL

48 Services (Single Feed System)

3/4" CTS, PE Serv. to Serve:

Long Pond Road Project

38 short side & 10 long side

DESCRIPTION

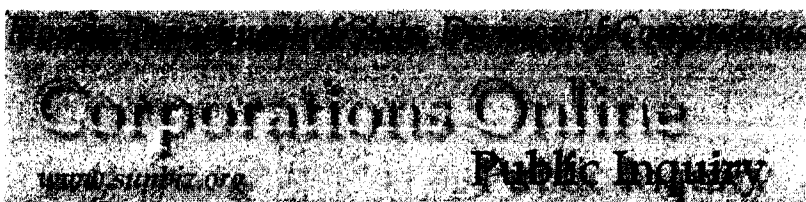
Prep. by: S. Schuber

Date:

11/10/06 Sheet No.

P:\Departments & Divisions\Marketing\Residential N

#	UNIT OF MEASR.	Unit Price	FPUC Labor	Mat. & Sup.	Equip.	Outside Labor	Other Cost	Total Estimate
3/4" PE Service Line:								
3/4" PE Pipe	6,260 LF.	\$0.15		939.00				\$939.00
3/4" PE Tap Tee	48 EA.	\$7.00		336.00				\$336.00
3/4" Tap Tee (Std.)	0 EA.	\$20.00		0.00				\$0.00
3/4" Trans. Fitting	0 EA.	\$10.00		0.00				\$0.00
3/4" Riser Assy.	48 EA.	\$13.50		648.00				\$648.00
3/4" Meter Stop & Plug	48 EA.	\$13.00		624.00				\$624.00
3/4" PE 90 Degrees or 3-Way Tee	0 EA.	\$2.50		0.00				\$0.00
Tracer Wire & Warning Tape	6,260 FT.	\$0.07		438.20				\$438.20
Misc. Fitting	1 Lot	\$150.00		150.00				\$150.00
Frt. & Handling	\$3,135.20	37.00%		1160.02				\$1,160.02
Sub - Total			0.00	4295.22	0.00	0.00	0.00	\$4,295.22
Install Service:								
3/4" PE Pipe	5,960 LF.	\$1.93				11502.80		\$11,502.80
Directional Bore	0 LF.	\$9.52				0.00		\$0.00
3/4" PE Bore	300 FT.	\$6.47				1941.00		\$1,941.00
3/4" PE Tap Tee	48 EA.	\$8.08				387.84		\$387.84
3/4" Tap Tee (Std.)	0 EA.	\$10.77				0.00		\$0.00
3/4" Trans Fitting	0 EA.	\$8.08				0.00		\$0.00
3/4" Riser Assy.	48 EA.	\$5.38				258.24		\$258.24
3/4" PE Fittings	0 EA.	\$5.38				0.00		\$0.00
Under 75' Minimum	0 LF.	\$215.25				0.00		\$0.00
Asph. (Remove & Replace)	0 CF.	\$19.13				0.00		\$0.00
Conc. (Remove & Replace)	0 CF.	\$19.06				0.00		\$0.00
Restore Sod	0 SF.	\$0.80				0.00		\$0.00
Hand Ditch	2,000 FT.	\$1.62				3240.00		\$3,240.00
FPUC Crew	0 Day	\$350.00	0.00		0.00			\$0.00
Eng. & Inspection	1 Lot		0.00		0.00			\$0.00
Permit	1 Lot						0.00	\$0.00
SUB - TOTAL			0.00	0.00	0.00	17329.88	0.00	\$17,329.88
Meter Set & Reg.	1 Lot	\$10,241.76	3072.53	6145.06	1024.18			\$10,241.76
48 AL-425 Meter Sets								
EST. SERVICE COST			3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
TOTAL EST. MAIN COST								\$0.00
TOTAL EST. MAIN COST								
CIAC BASED EST. MAIN COST								
CIAC BASED TOTAL EST. PROJECT COST			3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
TOTAL EST. PROJECT COST			3072.53	10440.28	1024.18	17329.88	0.00	\$31,866.86
(PROPOSED IR AMOUNT EARNINGS BASIS)								



## Florida Limited Liability

### KMT DEVELOPMENT, LLC

**PRINCIPAL ADDRESS**  
1050 S LAKE SYBELIA DR  
MAITLAND FL 32751

**MAILING ADDRESS**  
1050 S LAKE SYBELIA DR  
MAITLAND FL 32751

**Document Number**  
L06000062097

**FEI Number**  
NONE

**Date Filed**  
06/16/2006

**State**  
FL

**Status**  
ACTIVE

**Effective Date**  
06/14/2006

**Total Contribution**  
0.00

## Registered Agent

Name & Address
MILLER, SOUTH & MILHAUSEN, P.A. 1000 LEGION PLACE STE 1200 ORLANDO FL 32801

## Manager/Member Detail

Name & Address	Title
CRONE, MARK A 1050 S LAKE SYBELIA DR MAITLAND FL 32751	MGR
SOUTH, J TODD 8 PINE STREET WINDERMERE FL 34786	MGR
WATKINS, KENNETH F 103 COMMERCE STREET STE 130 LAKE MARY FL 32795	MGR

## Annual Reports

Report Year	Filed Date
-------------	------------

[Previous Filing](#)[Return to List](#)[Next Filing](#)

No Events

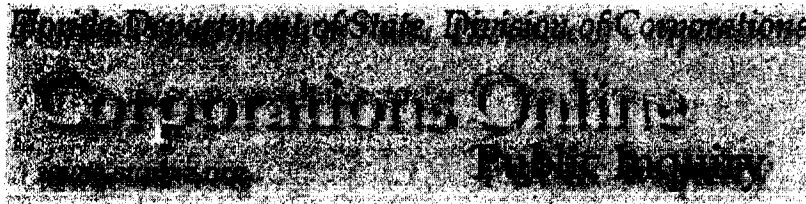
No Name History Information

## Document Images

Listed below are the images available for this filing.

06/15/2006 -- Florida Limited Liability
---

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**[Corporations Inquiry](#)[Corporations Help](#)

**Florida Profit****RESOURCE ALLIANCE, INC.**

**PRINCIPAL ADDRESS**  
1050 S. LAKE SYBELIA DR.  
MAITLAND FL 32751

**MAILING ADDRESS**  
1050 S. LAKE SYBELIA DR.  
MAITLAND FL 32751

**Document Number**  
P00000082609

**FEI Number**  
223750306

**Date Filed**  
08/28/2000

**State**  
FL

**Status**  
ACTIVE

**Effective Date**  
NONE

**Registered Agent**

Name & Address
CRONE, MARK A 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751

**Officer/Director Detail**

Name & Address	Title
CRONE, MARK A 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751	PD
CRONE, LORA N 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751	TVPS

**Annual Reports**

Report Year	Filed Date
-------------	------------



2004	03/10/2004
2005	02/12/2005
2006	01/18/2006

[Previous Filing](#)[Return to List](#)[Next Filing](#)

No Events

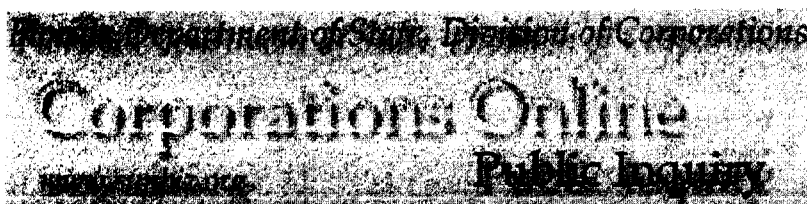
No Name History Information

## Document Images

Listed below are the images available for this filing.

01/18/2006 -- ANN REP/UNIFORM BUS REP  
02/12/2005 -- ANN REP/UNIFORM BUS REP  
03/10/2004 -- ANN REP/UNIFORM BUS REP  
08/11/2003 -- ANN REP/UNIFORM BUS REP  
03/29/2002 -- COR - ANN REP/UNIFORM BUS REP  
03/12/2001 -- ANN REP/UNIFORM BUS REP  
08/28/2000 -- Domestic Profit

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**[Corporations Inquiry](#)[Corporations Help](#)



## Florida Profit

### THE KINGSTON GROUP, INC.

**PRINCIPAL ADDRESS**  
1050 S. LAKE SYBELIA DR.  
MAITLAND FL 32751

**MAILING ADDRESS**  
1050 S. LAKE SYBELIA DR.  
MAITLAND FL 32751

**Document Number**  
P97000054549

**FEI Number**  
593453495

**Date Filed**  
06/20/1997

**State**  
FL

**Status**  
INACTIVE

**Effective Date**  
NONE

**Last Event**  
VOLUNTARY  
DISSOLUTION

**Event Date Filed**  
02/24/2005

**Event Effective Date**  
NONE

## Registered Agent

Name & Address
CRONE, MARK A 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751

## Officer/Director Detail

Name & Address	Title
PHILPOT, SCOTT L. 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751	DP
CRONE, MARK A 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751	DOV
CRONE, LORA N 1050 S. LAKE SYBELIA DR.	DT

MAITLAND FL 32751	
PHILPOT, ROBIN L. 1050 S. LAKE SYBELIA DR. MAITLAND FL 32751	DS

## Annual Reports

Report Year	Filed Date
2002	03/29/2002
2003	08/11/2003
2004	03/10/2004

[Previous Filing](#)[Return to List](#)[Next Filing](#)[View Events](#)[No Name History Information](#)

## Document Images

Listed below are the images available for this filing.

02/24/2005 -- Voluntary Dissolution  
03/10/2004 -- ANN REP/UNIFORM BUS REP  
08/11/2003 -- ANN REP/UNIFORM BUS REP  
03/29/2002 -- COR - ANN REP/UNIFORM BUS REP  
03/14/2001 -- ANN REP/UNIFORM BUS REP  
05/26/2000 -- ANN REP/UNIFORM BUS REP  
04/23/1999 -- ANNUAL REPORT  
04/15/1998 -- ANNUAL REPORT

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**

[Corporations Inquiry](#)[Corporations Help](#)

# 2006 Natural Gas Developments - Piping Allowance

Development	Builder	Div	# Units Signed of	Total units	Agent Signed	Approved NPV		Running Total of Auth P.A.	Developer Agmt			Running Total of Signed P.A.	Approved Piping Allowance Commitment by Year (per Build)					
						100% Occupancy ROR	Authorized Max. Piping Allowance		Revised ROR	Revised NPV	Actual Piping Allowance		2006	2007	2008	2009	2010	2011
Signed																		
Sandy Oaks	Showcase Homes	SF	0 of 97	01/25/2006		12%	28,000	\$500.00		12%	28,000	\$500.00	\$48,500.00	\$18,000	\$24,000	\$6,500		
Vista Lago	Toll Brothers	SF	106 of 106	02/10/2006		14%	61,000	\$500.00		17%	88,000	\$0.00	\$48,500.00	\$15,500	\$30,000	\$7,500		
Sunterra	Centex	SF	118 of 124	02/13/2006		13%	46,000	\$500.00		13%	46,000	\$500.00	\$107,500.00	\$26,500	\$32,500			
Atlantica	LMC Development	SF	11 of 11	02/28/2006		15%	6,000	\$500.00		15%	6,000	\$500.00	\$113,000.00	\$1,500	\$4,000			
The Estates	The Platinum Group	SF	12 of 12	03/20/2006		17%	12,000	\$500.00		17%	12,000	\$500.00	\$119,000.00	\$6,000				
Sunset Isles (revision)	Integrity Services Inc	SF	16 of 16	03/21/2006		12%	5,000	\$500.00		12%	5,000	\$500.00	\$127,000.00	\$3,500	\$4,500			
The Reserve	Integrity Services Inc	SF	72 of 72	03/21/2006		12%	23,000	\$500.00		12%	23,000	\$500.00	\$163,000.00	\$14,000	\$22,000			
Azura	Gordon Homes	SF	92 of 92	04/12/2006		16%	76,000	\$500.00		17%	87,000	\$200.00	\$181,400.00		\$17,500	\$25,500	\$3,000	
Merry Place	City of West Palm Beach	SF	243 of 243	05/09/2006		16%	114,000	\$500.00		16%	114,000	\$500.00	\$302,900.00		\$26,500	\$60,000	\$35,000	
Lake's Edge, Deland	City of Deltona	CF	7 of 7	06/26/2006		14%	4,000	\$200.00		14%	4,000	\$200.00	\$304,300.00	\$800	\$800			
Equus Phase III	Equus Properties, LLC	SF	76 of 76	06/29/2006		12%	33,000	\$680.00		12%	33,000	\$680.00	\$355,980.00	\$1,360	\$34,680	\$15,640		
Oakwood Inc	Pine Avenue Project	CF	3 of 4	07/08/2006		18%	3,000	\$300.00		18%	3,000	\$300.00	\$356,880.00	\$900				
Oakwood Inc	Longwood Hill Road	CF	16 of 16	07/08/2006		14%	15,000	\$300.00		14%	15,000	\$300.00	\$361,680.00	\$2,400	\$2,400			
Oakwood Inc	Bay Avenue	CF	6 of 7	07/08/2006		23%	8,000	\$300.00		23%	8,000	\$300.00	\$363,480.00	\$900	\$900			
Mariner Court	Mariner Court LLC	SF	8 of 16	08/09/2006		11%	2,000	\$500.00		11%	2,000	\$500.00	\$367,480.00		\$2,000	\$2,000		
Estates at Tuscany	McGo Construction LLC	SF	11 of 11	08/11/2006		15%	6,000	\$0.00		15%	6,000	\$0.00	\$367,480.00		\$0	\$0		
2700 North Ocean	SINGER ISLAND CONDOMINIUMS LTD.	SF	242 of 242	10/23/2006		36%	89,000	\$0.00		36%	89,000	\$0.00	\$367,480.00			\$0		
Approved																		
Blue Lake Community	Stiles Development Co	SF	32 of 32			19%	39,000	\$0.00	\$367,480.00					\$0	\$0			
Eighty Points West	Aqua Vista LLC	SF	174 of 174			20%	42,000	\$0.00	\$367,480.00									\$0
Aquabella	Dixie Mews, LLC	SF	110 of 110			23%	76,000	\$500.00	\$422,480.00					\$1,000	\$24,000	\$25,500	\$4,500	
Heritage Park	CENTEX	SF	598 of 630			16%	301,000	\$320.00	\$813,840.00						\$20,160	\$38,400	\$38,400	\$38,400
Isla Verde, LLC	Isla Verde, LLC	SF	240 of 240			79%	121,000	\$0.00	\$813,840.00					\$0	\$0	\$0		
Liberty Commons	PD Boca Raton, LLC	SF	86 of 86			17%	48,000	\$500.00	\$866,840.00					\$11,000	\$12,000	\$20,000		
Montage Point	Home DevCo	SF	375 of 375			14%	175,000	\$250.00	\$750,590.00				\$4,000	\$41,250	\$48,500			
Owens Grove	CENTEX	SF	427 of 449			15%	208,000	\$320.00	\$887,230.00						\$19,200	\$38,400	\$38,400	\$33,920
Parkmore Manor	Parks Properties Inc, LLC	CF	43 of 45			16%	27,000	\$150.00	\$883,680.00				\$450	\$1,800	\$1,800	\$1,800	\$800	
Ravello	Kolter	SF	45 of 45			15%	25,000	\$0.00	\$883,680.00				\$0	\$0	\$0			
Ravello	Morton Group Inc.	SF	173 of 192			15%	100,000	\$0.00	\$883,680.00				\$0	\$0	\$0	\$0		
Village Parc	Paramount Diamond Delray, LLC	SF	104 of 104			16%	61,000	\$0.00	\$883,680.00					\$0	\$0	\$0		
Fairmont & Chester	Isleboro Development Co., LLC	CF	60 of 60			13%	29,000	\$325.00	\$813,180.00					\$4,225	\$4,875	\$5,650	\$4,550	
Wellington Parc	Paramount Wellington, LLC	SF	92 of 92			22%	71,000	\$0.00	\$813,180.00					\$0	\$0	\$0		
Pending Approval																		
Long Pond Road Project	Resource Alliance	CF	48 of 48			19%	47,000	\$150.00	\$920,380.00					\$300	\$900	\$1,200	\$1,200	\$1,200
Total Number of Units: 3743													Piping Allowance Approved Per Year					
													\$27,610	\$261,355	\$248,570	\$109,150	\$81,650	\$73,520

Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	→FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	→FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Documents	→FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Jobe	→FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
2Win9	→FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Local User Files	→FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Local Link	→FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My eBooks	→FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Music	→FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Pictures	→FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Recent Places	→FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Recent Places	→FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Recent Places	→FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Recent Places	→FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My Recent Places	→FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Recent Places	→fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My Recent Places	→HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Recent Places	→HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Recent Places	→Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Recent Places	→IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
My Recent Places	→June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Recent Places	→Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My Recent Places	→Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Recent Places	→Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Recent Places	→LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Recent Places	→LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My Recent Places	→March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Recent Places	→Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Recent Places	→MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My Recent Places	→mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My Recent Places	→mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Recent Places	→mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My Recent Places	→mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Monday, March 05, 2007 10:43 AM  
**To:** Cox Doreen  
**Cc:** Khojasteh Mehrdad  
**Subject:** LT debt table in 10K

What is the (\$82) next year in table? Why not a payment. Who is giving us money?

**Annual Maturities of Long-Term Debt**

	Total	2007	2008	2009	2010	2011	2012 & Thereafter
Long-term Debt	\$50,702	(\$82)	1,327	\$1,327	\$1,327	\$1,327	\$ 45,476

Thanks,

*Cheryl Martin*  
 Controller, FPUC  
 561-838-1725

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33.pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL.XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL.XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL.XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL.XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

**Clara Leider**

**From:** Martin Cheryl  
**Sent:** Monday, March 12, 2007 8:08 AM  
**To:** Cox Doreen  
**Subject:** LTD

BDO updated the table as follows. Please make sure amounts are correct. Page 57 10K. Excludes amortization.  
**Annual Maturities of Long-Term Debt**

(Dollars in thousands)

	Total	2007	2008	2009	2010	2011	Thereafter
Long-term Debt	\$48,500	-	\$409	\$409	\$409	\$409	\$ 45,864

Thanks,

*Cheryl Martin*  
*Controller, FPUC*  
 561-838-1725



Back Search Folders

Address D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
Documents	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
Jobe	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
OWin9	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
Personal User Files	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
Personal Link	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My eBooks	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Music	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Pictures	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My Recent	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My Computer	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
My 1/2 Floppy (A:)	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My P3014 (C:)	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My OXIO122 (D:)	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
My Exhibit 2.8	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My BACHMA	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My COX	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My KHOJAS	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My MARTIN	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My MESITE	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My Leider on 'fp2	G-MFRS-5-Nolinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My p on 'Ground	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
My ings on 'FP3	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My g on 'Ground	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My s on 'Ground	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
My 23 on 'Ground	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
My rs on 'Ground	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My ansfer on 'Gr	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
My 26dos on 'Gr	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My it on 'Ground	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My blic on 'Grou	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My on 'Grou	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
My on 'Grou	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My on 'Grou	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
My on 'Grou	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
My on 'Grou	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
My on 'Grou	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My on 'Grou	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
My on 'Grou	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

## Clara Leider

**From:** Bhatia Nadira  
**Sent:** Friday, May 04, 2007 4:16 PM  
**To:** Anderson Carl; Bachman George; Canino Chris; CORPORATE ACCOUNTING; Cox Doreen; Dysard Heidi; English Jack; GENERAL ACCOUNTING; Johnson Louie; Kennedy Barry; Kitner Don; Knowles Terry; Myers Don; Petty Julie; Puentes Jorge; Rance Donna; Saylor Chaundra; Schneidermann Marc; Scotten Laura; Seagrave Marc; Snyder Chris; Stein Chuck  
**Subject:** March Financial Analysis letter  
**Attachments:** 3-07 FS Letter.doc

Please find attached the March Financial Analysis letters.

Thank you,  
Nadira

**Nadira Bhatia**  
Sr. Financial Accountant  
**Florida Public Utilities Company**  
nbhatia@fpuc.com  
561.838.1776

# Florida Public Utilities Company

## Memo

**To:** All Financial Statement Recipients

**From:** Nadira Bhatia

**Date:** May 4, 2007

Below are items that affected March 2007's earnings as compared with the same month last year:

---

### Administrative and General:

- Payroll expenses (920) increased \$38,000 mainly due inflationary impact and merit increases.
- Office Computer Supplies (9213) increased \$30,000 for cost of monthly sprint phone bills. This is not an increase in expense but rather a reclass from maintenance account (935).
- Pension expenses (9261) increased \$75,000 due to an increase in the estimated 2007 pension expenses by our actuary. The original estimate of \$1,150,000 was revised to \$1,690,000 for 2007. The increase includes a true-up of \$72,000 for prior month's pension cost. Pension expense was forecasted at \$1,650,000 in 2006 compared to \$1,690,000 in 2007.

### South Florida Natural Gas Expense:

- Customer Accounts meter reading expenses (902) increased \$22,000 due higher than expected contractor's cost for meter reading. Severn Trent was sub-contracted for our meter reading service.
- Sales expense (9121) decreased \$25,000 in March due to lower payroll expenses as a result of a vacant Tech Specialist position and lower sales commissions.
- Maintenance of Mains (887) was lower by \$35,000 due to more focus on capital projects this year.

### Northeast Florida Electric Expense:

- Maintenance of Overhead Conduct (5932) expense decreased \$29,000 mainly as a result of having one tree trimming crew this year verses two crews last year.
- Maintenance of poles & tower expenses (5931) were \$18,000 lower this year. This is mainly due to less repairs to poles as a result of better weather conditions this year.

### South Florida M&J:

- Total Revenues decreased \$72,000 mainly due to lower demand for merchandise as a result of the slow down of new construction projects from the downturn in the housing market.
- Cost of Merchandise decreased \$34,000 as sales decrease.
- Cost of Installation decreased by \$31,000 as a result of lower merchandise installations and more customers using competitive outside vendors for installations.

- Cost of Jobbing decreased by \$56,000 as a result of lower merchandise installations and
- Despite the decrease to our revenues and expenses, our overall profitability rose \$ 50,000 due to a focus by our management on pricing structure.

**Central Florida M&J:**

- Total Revenues decreased \$26,000 mainly due to lower demand for merchandise as a result of the slow down of new construction projects from the downturn in the housing market.
- Cost of Merchandise decreased \$10,000 due to reduction in sales as a result of lower demand for merchandise.
- Cost of Installation decreased by \$13,000 as a result of lower merchandise installations and more customers using competitive outside vendors for installations.

If you are aware of any items affecting earnings, please notify me. Thank you.

Back Search Folders

D:\Exhibit 2.8\COX

Folders	Name	Size	Type	Date Modified	Location
	FW HC-MFRS-6-NoLinks.xls.msg	1,042 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Latest version of G's.msg	507 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	FW Long term debt Obligations.msg	70 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	FW LPCS Performance Report - Summer Glen Reprojection.xls.msg	329 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW PDF Document of All Testimony and Exhibits.msg	1,435 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW rate case (1).msg	772 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW rate case (22).msg	772 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	FW rate case (35).msg	772 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW rate case.msg	42 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW River Oaks.msg	383 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	FW Schedule D.msg	492 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW SFAS 142 Draft Report.msg	806 KB	Outlook Item	10/16/2007 1:16 PM	Files Currently on the CD
	FW Short-term debt.msg	26 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW SUMMER GLEN IR 21319.msg	29 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Testimony Exhibit Formatting.msg	24 KB	Outlook Item	10/16/2007 1:32 PM	Files Currently on the CD
	FW Updated B Schedules.msg	828 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated G schedules.msg	498 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	FW Updated pricing.msg	97 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	FW Wellington Woods - resubmitted.msg	1,027 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	fyi.msg	27 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-4-nolinks.xls.msg	232 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	G-MFRS-5-NoLinks.xls.msg	233 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	HC-MFRS-7.xls.msg	1,349 KB	Outlook Item	10/16/2007 1:34 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader (25).msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	HC-MFRS-C-33 pdf - Adobe Reader.msg	26 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Internal Controls Master Checklist.msg	271 KB	Outlook Item	10/16/2007 1:35 PM	Files Currently on the CD
	IQ Note Comparison 090507.msg	88 KB	Outlook Item	10/16/2007 2:23 PM	Files Currently on the CD
	June Financial Analysis.msg	150 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Latest version of G's.msg	495 KB	Outlook Item	10/16/2007 1:33 PM	Files Currently on the CD
	Liquidity section of 10Q.msg	28 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Long Pond - resubmitted.msg	4,851 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	LT debt table in 10K.msg	29 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	LTD.msg	25 KB	Outlook Item	10/16/2007 1:17 PM	Files Currently on the CD
	March Financial Analysis letter.msg	227 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	Mat's comments.msg	168 KB	Outlook Item	10/16/2007 1:37 PM	Files Currently on the CD
	MFR.msg	27 KB	Outlook Item	10/16/2007 2:24 PM	Files Currently on the CD
	mfrindex_AL XLS (52).msg	76 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD
	mfrindex_AL XLS (83).msg	76 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_AL XLS.msg	89 KB	Outlook Item	10/16/2007 1:36 PM	Files Currently on the CD
	mfrindex_EL XLS (46).msg	122 KB	Outlook Item	10/16/2007 2:26 PM	Files Currently on the CD

Clara Leider

---

**From:** Robert Camfield [rjcamfield@CAEnergy.com]  
**Sent:** Wednesday, January 24, 2007 5:53 AM  
**To:** Doc Horton; Martin Cheryl  
**Cc:** Khojasteh Mehrdad; Cox Doreen  
**Subject:** Mat's comments

**Attachments:** DIRECT TESTIMONY\_RJC\_v2\_MJM.doc



DIRECT  
NY\_RJC\_v2\_1

Mat's comments, which might be useful to review, are attached.

Robert

---

From: Robert Camfield  
Sent: Wed 1/24/2007 4:52 AM  
To: Doc Horton; Martin Cheryl  
Cc: Khojasteh Mehrdad; Doreen Cox  
Subject: RE: Fuel

Folks,

Cheryl: regarding Line 11, Page 32, I was thinking that it should read 2008, as stated.  
Doc: Thanks for the edits and comments, which I will incorporate into the second draft.

I have comments back from Doreen and my colleague, Mat Morey, for inclusion. Mat's comments were fairly extensive, and should perhaps be sent to you directly - I will send them on in a minute.

Robert

---

From: Doc Horton [mailto:nhorton@lawfla.com]  
Sent: Tue 1/23/2007 4:49 PM  
To: Martin Cheryl  
Cc: Robert Camfield; Khojasteh Mehrdad  
Subject: Re: Fuel

I have gone through Robert's testimony and have just a few brief comments or suggestions. I did not consider it too long or detailed Page 6 line 6. the first two sentences almost say the same thing but I do see the distinction. On line 8 we should either drop "the" before "favorable" or insert "most" On line 11 instead of saying "documented elsewhere" I would strike "elsewhere and insert "in the fuel proceedings"

Page 9 line 14 "manifest" should be "manifested"

General question--Do we somewhere in the discussion of the process want to make the point that the process was the same as followed in the JEA contract and reviewed by staff in that item ?

Page 19 Please discuss Transmission.... question. Can we reword this to ask Will There be Any differences in Handling Transmission Services for the Northwest Division Under the New Contract? something to make it a question Page 20 line 9 "... FPUC for many years drawn upon..." either a word missing or misspelled Page 21-- Reword question to Regarding the structure... Drop the period and insert a comma. Makes it a question Page 22-- I'd suggest a slight rewording of that question as well--Would you highlight some of the other ... Page 29 line 18 -"historically" should be "historical" I think Page 29 and 30--Think I'm ok with the discussion of declining sales and storm activity but just generally--any

reason to reword any of this with the thought of the next rate case?

that's all--as usual a real good job

Doc

>>> "Martin Cheryl" <cherylmartin@fpuc.com> 01/23/07 11:42 AM >>>

Doc, if you send any comments and or suggestions as well as the fuel petition to me, please copy Mehrdad as well. I may be tied up with something, and he can make sure we get these changes updated, and forwarded to Robert as appropriate if I am not here.

Thanks,

Cheryl Martin  
Controller, FPUC  
561-838-1725

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO.**

Formatted: Font: 10 pt

Formatted: Font: 10 pt

Deleted: 1/22/2007

Deleted: 1/21/2007

| Christensen Associates Energy Consulting LLC |

4/1/2008



**DIRECT TESTIMONY  
OF  
ROBERT J. CAMFIELD**

**ON BEHALF OF**

**FLORIDA PUBLIC UTILITIES COMPANY**

1 **Q. PLEASE STATE YOUR NAME, ADDRESS.**

2 A. My name is Robert J. Camfield, and my business address is 4610 University  
3 Avenue, Madison, Wisconsin 53705.

4

5 **Q. WITH WHOM ARE YOU EMPLOYED AND WHAT IS YOUR**  
6 **POSITION?**

7 A. I am employed with Christensen Associates Energy Consulting, LLC, where I  
8 serve in the position of Vice President.

9

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. For the consideration of the Florida Public Service Commission, the testimony  
12 reviews Florida Public Utilities Company's ("FPUC" or "Company") long-term  
13 arrangements for wholesale power supply for its Northwest Division. The  
14 Company has executed a new agreement for power supply that succeeds the  
15 Company's current contract for power supply, and begins in 2008 and extends  
16 through 2017. The testimony discusses several related elements associated with  
17 the new agreement including FPUC's wholesale market context and situation  
18 with a focus on transmission and transmission accessibility, the Company's

procurement process, and the results of that process including the implications for retail electricity consumers of the Northwest Division.

As I ~~stated~~ in previous testimony before this Commission, ~~insert reference to previous testimony here~~ the process of power procurement for Florida Public Utilities Company for the Northeast and Northwest ~~Divisions~~ during 2005 and 2006 proved to be unusually arduous, primarily because of ramifications of the transmission issues associated with service to the Northeast Division. Transmission service for the Company's Northwest Division however is fairly straightforward, and the Company could thus proceed to negotiate a power supply agreement for generation services with the selected service provider, following the conclusion of the Company's ~~power procurement~~ process of 2005.

Deleted: mentioned

Formatted: Highlight

Deleted:

Deleted: RFP

**Q. WOULD YOU BRIEFLY DESCRIBE YOUR BACKGROUND AND PROFESSIONAL EXPERIENCE?**

A. 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

1 department of the Commission staff. I oversaw the analysis of regulatory  
2 issues, the coordination and guidance of staff participation in regulatory  
3 proceedings, the preparation and development of testimony, and I provided  
4 policy advice to the Commission on a variety of issues such as construction  
5 work in progress, financial planning, and the determination of PURPA Section  
6 133 rates. I joined Southern Company in 1983, and held positions in several  
7 departments including Pricing and Economic Analysis at Georgia Power  
8 Company, Costing Analysis of Southern Company Services, and Southern  
9 Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen  
10 Associates, Inc. ("Christensen Associates") as a senior economist, and currently  
11 hold the position of Vice President with Christensen Associates Energy  
12 Consulting LLC., a subsidiary consulting group of Christensen Associates.

13  
14 My experience covers a gamut of issues facing regulated industries. I have been  
15 involved in the negotiation of power supply contracts and the terms of franchise  
16 licenses. My overseas assignments are several, and I have managed a large  
17 market restructuring project in Central Europe. I have served on national and  
18 regional advisory panels, and I have advised integrated electric utilities,  
19 independent power producers, transmission and distribution companies, utility  
20 associations, offices of consumer advocate, and regulatory agencies on  
21 numerous policy and technical issues. Innovations include two-part tariffs for  
22 transmission services, web-based self-designing retail electric products,  
23 marginal cost-based cost-of-service methods, and principles for efficient pricing

1 of distribution services. I have published chapters in technical books, reports,  
2 and articles in noted journals such as *The Electricity Journal*, *IEEE*  
3 *Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program  
4 Director of the Edison Electric Institute's Market Design and Transmission  
5 Pricing School.

6  
7 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY**  
8 **PROCEEDINGS?**

9 A. I have represented regulatory Commission staff, consumer advocates,  
10 generation companies, distribution companies, transmission companies,  
11 integrated utilities, and utility associations in proceedings before a number of  
12 regulatory agencies regarding a host of issues including cost of capital,  
13 performance assessment and benchmarking, electricity forecasting, retail rates,  
14 cost-of-service allocation, generation expansion planning, and transmission  
15 issues.

16  
17 **Q. COULD YOU DESCRIBE THE ELECTRIC SERVICE**  
18 **TERRITORY OF FLORIDA PUBLIC UTILITIES COMPANY?**

19 A. Florida Public Utilities Company is a small diversified distribution utility  
20 providing electricity, natural gas, and propane services in the State of Florida.  
21 The Company's electric operations consist of two divisions in northern Florida,  
22 referred to as the Northeast and Northwest Divisions. These two divisions  
23 provide bundled retail services to residential, commercial, and industrial

1 consumers in two non-contiguous service territories. During 2005, the  
2 Northeast Division, also known as Fernandina Beach, served 15,099 customers  
3 with gross electricity sales of 495,370 MWh, while the Northwest Division, also  
4 known as Marianna, served 15,147 customers with gross electricity sales of  
5 356,704 MWh. The Northeast Division is interconnected with the JEA  
6 (previously referred to as Jacksonville Electric Authority) transmission network  
7 at one delivery point with 150 MVA of transformer capability and 138 kV  
8 primary feeders. The Northwest Division interconnects with Southern  
9 Company's (Gulf Power Company) transmission network at six delivery points  
10 with a total of 130 MVA of capability and 12.5 kV primary feeders.

11 **[NOTE: The 2006 sales and customer experience will be incorporated into the**  
12 **above paragraph when such information becomes available.]**

13  
14 **Q. DOES FPUC GENERATE ANY OF THE POWER WHICH IT SELLS TO**  
15 **RETAIL CUSTOMERS IN THESE TWO SERVICE DIVISIONS?**

16 A. No. The Company is a distribution utility, and purchases all generation and  
17 transmission services from regional wholesale power and transmission service  
18 providers.

19  
20 **Q. WHAT ARE THE COMPANY'S CURRENT ARRANGEMENTS FOR**  
21 **POWER SUPPLY FOR THE NORTHWEST DIVISION AND PLANS**  
22 **FOR THE FUTURE?**

1 A. The Company purchases bundled generation and transmission services under a  
2 long-term supply contract with Gulf Power Company that dates from 1997, and  
3 is scheduled to expire on December 31 of 2007. The Company's current  
4 contract with Gulf Power Company provides full requirements service including  
5 energy and reserve services, and also covers transmission services.  
6

7 **Q. WHAT ARE THE POWER PROCUREMENT OBJECTIVES OF**  
8 **FLORIDA PUBLIC UTILITIES COMPANY?**

9 A. The Company's power supply objectives align with the Company's  
10 longstanding goal of providing, over the long term, high quality service at favorable  
11 prices to its retail customers. Stated more explicitly, the Company's underlying  
12 power procurement objectives are to obtain long-term power supply at favorable  
13 terms and prices, while assuming an acceptable level of risk. To this end and as I  
14 have documented elsewhere [do you mean in previous testimony?] before this  
15 Commission, Florida Public Utilities Company is currently and has been for [name  
16 the length of time here] years a low-priced service provider within the region, with  
17 very favorable retail electricity prices. The Company's costs of generation and  
18 transmission services, as provided under the Company's current wholesale supply  
19 contracts, are very low with reference to wholesale power prices within the region. In  
20 addition, the Company provides comparatively low-cost distribution services and, the  
21 Company has realized substantial gains in productivity in distribution services over  
22 recent years, despite the Company's small scale,

Deleted: the

Formatted: Highlight

Formatted: Highlight

Deleted: although of small scale,

Deleted: 1

1 **Q. WHAT POWER PROCUREMENT STRATEGIES DID THE COMPANY**  
2 **CONSIDER FOR POWER SUPPLY BEYOND 2007?**

3 A. In view of the pending expiration of the Company's current supply contracts,  
4 Florida Public Utilities Company engaged in a deliberate process that began by  
5 exploring alternative procurement approaches. The Company initiated an open  
6 solicitation for power supply, referred to as a Request for Proposal, during 2005.  
7 Specifically, the Company released a formal *Request for Proposals to Provide*  
8 *Wholesale Power Supply* on April 21, 2005 ("2005 RFP").

9  
10 An open solicitation for supply is one of several procurement formats that are  
11 potentially available to the Company. Alternative formats were initially  
12 explored by the Company including sequential short-term purchases that could  
13 involve contract laddering, as well as self-supply where FPUC owns and  
14 operates generation resources. Because power generation resources are sizable  
15 facilities involving large investment in specialized capital, self-supply would  
16 likely involve a jointly owned facility. In addition, the Company could engage  
17 in several forms of bilateral contracts including, for example, a tolling  
18 agreement with a power generation entity where the Company would purchase  
19 primary fuels that would then be transformed to electricity and transmitted to  
20 the Company's designated delivery points (points of withdrawal of power from  
21 transmission networks). The contractual arrangements for power supply under a  
22 tolling agreement would involve three separate contracts covering primary fuel  
23 inputs, power transformation, and transmission services.

Deleted: then

The solicitation of power supply by others can be approached in a variety of ways, and several formats are possible. As mentioned, FPUC currently takes power under two bundled power supply contracts covering full requirements generation services (energy and reserves) and transmission services.

Alternative solicitation formats include the two general categories of sealed bid and auction procedures. In the case of a so-called sealed bid solicitation, the solicitation—which can be as simple as a one- to two-page letter requesting power services or a formal RFP process that is highly specific as regards to information requirements, including but not limited to pre-qualifying, engagement rules, and timetable—can involve a limited number of pre-identified potential suppliers, or can be an open invitation seeking offers from interested parties.

Deleted: process

[I don't see the purpose of this paragraph – it provides more detail than is necessary. The Company did not follow an auction format of this type. And you don't really use it to support your position. Most important of all, it does not provide any information to create a record upon which the Commission can take a position and issue an order in support of FPU's power supply arrangement and the costs and prices that result from it.] Auctions for electric power supply first appeared, at least in recent years, within the unbundled wholesale markets of California (CAISO), PJM, and New York (NYISO). Auctions are, literally, markets that operate under highly specific rules. For electricity, auctions can be

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight



1 organized as short-term sequential or simultaneous market procedures involving  
2 related services such as energy and reserves which are provided over same-day  
3 and day-ahead timeframes. These short-term auctions can include pay-as-bid  
4 and uniform-price auction formats. Because these auctions are repeated with  
5 high levels of frequency, they are organized electronically as a matter of  
6 necessity. Auctions for standard offer service ("SOS") have recently been  
7 organized in the Eastern and the Midwest regions of the U.S. (e.g., New Jersey,  
8 Maryland, Ohio, and Illinois). In these auctions, pre-qualified candidate bidders  
9 provide offers to serve load shape shares. A type of auction recently  
10 implemented in wholesale electricity markets is referred to as a declining clock  
11 auction, where the market price follows a schedule of pre-defined decrement  
12 steps at periodic intervals (rounds) over the course of the auction. Electricity  
13 auctions usually cover very large loads, enjoy wide participation by many  
14 candidate suppliers, and can involve numerous auction rounds (i.e., 50 iterations  
15 or more).

16  
17 **Q. PLEASE DESCRIBE THE COMPANY'S APPROACH AND POWER**  
18 **PROCUREMENT FORMAT.**

19 [I suggest that you consider supporting this choice by saying that this is one of  
20 the most common approaches employed by utilities today, especially those not  
21 operating in retail choice states. Notwithstanding the various alternatives to this  
22 option, it is tried and true, probably the most economical for a utility such as  
23 FPU with the size load obligations that it has in the two Divisions]. Of the

Formatted: Highlight

various alternative procurement formats that are potentially available, the Company settled on the open solicitation format, where bidders are free to propose a variety of service arrangements and terms. The open solicitation format, manifest as the 2005 RFP, was designed in a manner to facilitate (and encourage) participation in order to increase the level of contestability and supply options available to the Company.

**Q. DID THE POWER PROCUREMENT STRATEGY OF THE COMPANY CONSIDER DIVERSIFICATION OF CONTRACTS?**

A. Yes. The Company's 2005 RFP provided bidders with options to submit offer packages with multiple offers covering full requirements, partial requirements, and energy only services. Energy offers could be submitted for a variety of timeframes such as, for example, specific hours of weekdays of defined seasons for individual years. The Company sought offers for a five-year term, although offers of shorter duration would also have been considered. In addition, the Company's 2005 RFP requested ten-year offers as options. Finally, the 2005 RFP provided bidders with considerable flexibility regarding the proposed commercial terms; bidders could submit offers with fixed charges, demand charges, energy charges, or energy charges indexed to primary fuel prices and wholesale electricity prices.

The approach taken, the open solicitation format, provides two main advantages relative to other approaches the Company could have pursued. First, multiple offers covering a variety of forms provide a basis for the Company to

1 potentially build a portfolio of supply including laddered contracts to hedge  
2 risks. Second, by allowing for a broad range of potential services and structure  
3 of terms, the 2005 RFP design, to the extent possible, held to a minimum the  
4 level of constraints and impediments to participation by serious, potential  
5 bidders. As a result, participation by bidders, at least conceptually, was  
6 enhanced thus increasing the potential level of competition and contestability,  
7 all in the interest of obtaining the lowest possible prices.

Deleted: i

8  
9 **Q. WOULD YOU DESCRIBE THE IMPLEMENTATION OF THE**  
10 **PROCUREMENT PROCESS?**

11 A. Yes. The Company's 2005 procurement process began with the identification  
12 of power suppliers and power marketing entities operating within the Southeast  
13 and Midwest regions. Selected potential suppliers situated toward the west  
14 [what does "toward the west" refer to?] were also identified. Potential suppliers  
15 were then surveyed in order to gauge their interest in taking receipt of the  
16 Company's formal RFP. The 2005 RFP was released on April 21 to suppliers  
17 that expressed interest in participation. The RFP explicitly defines several  
18 procedural steps, and the necessary information and data to be included in the  
19 offer packages submitted by bidders.

Formatted: Highlight

20  
21 **Q. CAN YOU BRIEFLY DISCUSS THE POWER SUPPLY SERVICES**  
22 **ASSOCIATED WITH THE RFP?**

1 A. Yes. As a result of the unbundling of wholesale markets into separable  
2 transmission and generation services beginning in 1996, the Company's 2005  
3 RFP process involves generation services including energy and certain ancillary  
4 services. Bidders were free to offer various bundles of services within offer  
5 packages. The implication is that, for example, a selected bidder could provide  
6 a service bundle including energy and load following service, such that the  
7 Company would be required to self-supply or contract for transmission and  
8 other ancillary services not covered under the bundle provided by the energy  
9 service provider (winning bidder).  
10 Transmission services would be provided under separate contracts between the  
11 selected generation service provider (on behalf of the Company) and the  
12 relevant control areas, or between the Company and the control areas directly.

13

14 **Q. BRIEFLY REVIEW THE DATA AND INFORMATION INCLUDED IN**  
15 **THE OFFER PACKAGES OF BIDDERS RESPONDING TO FPUC'S**  
16 **RFP FOR POWER SUPPLY.**

17 A. In addition to the commercial terms and defined services, several information  
18 items were requested to be included in offer packages submitted by bidders.  
19 First, bidders were requested to provide a summary statement or business  
20 overview with a focus on the bidder's activities in wholesale markets and the  
21 generation technologies available to them. A business overview provides a  
22 means to gauge the full range and extent of the business activities of bidders, as  
23 bidders are often subsidiary organizations within the diversified business

activities of very large firms—for example, a commodity group of an investment banking firm, a merchant supply business unit of an independent power producer, or an energy company involved in oil and gas exploration.

Where relevant, bidders were requested to list their wholesale market certification.

The RFP requested bidders to provide statements of financial condition and credit worthiness and identified financial surety in the form of letters of credit.

The 2005 RFP also imposed non-disclosure obligations and commitments on bidders including confidentiality agreements and signed submission agreements.

**Q. PLEASE DESCRIBE THE RFP PROCESS.**

A. The RFP identified specific procedural steps with an accompanying schedule, as follows. First, *Response Window for Inquiries and Questions* (April 22 – May 16) provided candidate bidders with the opportunity to obtain additional information to assist them in deciding whether to prepare an offer package and in the preparation of such packages. Responses to questions were circulated to all candidate bidders. Bidders were requested to indicate their *Intent to Submit Offer Packages* on May 17, and *Offer Packages Were Due* on June 2. The Company conducted an *Initial Screen of Offers* and provided *Notice of Status* to bidders on June 22. Specifically, offer packages of bidders were reviewed for completeness and conformance with the delineated information requested within the 2005 RFP. Bidders were advised of non-conforming conditions of

1 offer packages, and were provided one week to correct or provide additional  
2 information as identified. Under the original schedule of the 2005 RFP process,  
3 the Company then conducted an initial assessment of offer packages, identified  
4 qualifying bids, and noticed qualifying bidders by July 29 of their status. The  
5 Company then proceeded to interview qualifying bidders during early  
6 September 2005.

7 **Q. HOW WERE BIDS SOLICITED AND HOW MANY RESPONSES**  
8 **WERE OBTAINED?**

9 A. The Company contacted numerous potential suppliers, and thirty-five entities  
10 expressed interest in taking receipt of the 2005 RFP. Nine entities provided  
11 Letters of Intent to submit offer packages following the release of the RFP.  
12 Seven offer packages were submitted.

13  
14 **Q. WITH RESPECT TO THE SUBMISSIONS RECEIVED, WERE THE**  
15 **OFFERS BY BIDDERS TO SERVE ONE OR BOTH DIVISIONS?**

16 A. Three bidders provided offers to serve either or both electric divisions of the  
17 Company. Other offer packages focused on one of the two divisions.