Q. OF THE OFFER PACKAGES RECEIVED, WERE ANY PACKAGES SUBMITTED BY ENTITIES AFFILIATED WITH FPUC?

A. No entities providing offer packages, or for that matter participating in the RFP process, are affiliated with FPUC in any way.

Q. ONCE THE RESPONSES WERE RECEIVED AND QUALIFIED BIDDERS IDENTIFIED, WHAT WERE THE NEXT STEPS?

A. At the time that the RFP was released, the schedule would have placed the Company in the position of selecting bidders during August and subsequently negotiating contracts during the September-October timeframe. However, the overall level of participation was greater than anticipated, and several viable bidders for both the Northeast and the Northwest Divisions were identified. Also, it became evident that, at least potentially, the Company could induce lower prices through an auction-style market procedure. Thus, the Company's 2005 RFP concluded with a quasi-auction involving three rounds, where bidders were invited to provide revisions to the price terms of offers. The relative standings of the offers of bidders were noticed to bidders following the first and second rounds.

Q. WHAT FACTORS WERE INCLUDED IN THE EVALUATION OF OFFERS?

A. The criteria for evaluation of offers of bidders, as stated within the Company's 2005 RFP, included overall price level, counterparty risk, environmental quality

of the underlying resources used to provide services, and delivery risks. Where appropriate, the potential monetary impact of policy actions at the federal level aimed to internalize the social costs of CO2 emissions were incorporated into the analyses.

To the extent possible, the analyses involve quantitative assessment and utilize multi-criteria analysis methods. Particular attention was given to the implied level of price risks, as some of the terms of the offer packages of bidders contained variable price terms. Indeed, one specific offer package with highly favorable terms, stated on an expected value basis, would involve a contract for differences with a major financial institution in order to hedge much of the inherent price risk associated with the commercial terms of the offer, should the offer be selected.

Q. HOW WAS THE EVALUATION CONDUCTED?

A. The evaluation was conducted independent of the Company by Christensen Associates Energy Consulting, and the results of the evaluation were presented to the Company as an outside assessment. The evaluation included unit-specific and total bills criteria, where the commercial (price) terms are converted to an equivalent price basis, stated as net present value over the term of the potential contract.

The evaluation of the final terms of the Offers, as obtained during the third round, was conducted during late 2005. The evaluation of terms, when combined with the assessment of non-price factors, provided the basis for the recommendations provided to the Company. The Company selected the winning bidder and bidders were advised of the outcome during late January 2006.

Q. PLEASE IDENTIFY THE SERVICE PROVIDERS SELECTED THROUGH THE 2005 RFP PROCESS.

A. Through the 2005 RFP process, the Company selected Southern Company as its prospective service provider, including Southern Power Company ("Southern Power") to serve the Northeast Division over the 2008 – 2017 period, and Gulf Power Company ("Gulf Power")to serve the Northwest Division from 2008 through 2012.

The prospective contracts with Southern Power and Gulf Power would cover several key generation services including energy and reserves service categories including imbalance energy, regulation, spin, and supplemental reserves. The contracts would not cover voltage support and reactive power.

Q. PLEASE DISCUSS SUBSEQUENT DEVELOPMENTS FOLLOWING THE CONCLUSION OF THE COMPANY'S RFP PROCESS?

A. Two events subsequent to the RFP process are of interest. First, as I have discussed at considerable length in testimony before this Commission [reference previous testimony here], Florida Public Utilities Company was forestalled from completing its contract with Southern Power Company for generation services for the Northeast Division because of the difficulty associated with obtaining rights to firm transmission service over the transmission interface connecting Georgia and Florida. The Company thus negotiated and executed a power supply agreement with JEA (Jacksonville Electric Authority) for the Northeast Division for the period 2007 – 2017. Second, the Company explored through discussion with Gulf Power a ten-year power supply agreement beginning in 2008 in lieu of the five-year contract 2008 – 2012, as originally contemplated.

Q. IS IT YOUR VIEW THAT, AS A RESULT OF THE 2005 RFP PROCESS, THE SELECTION OF GULF POWER COMPANY TO SERVE THE NORTHWEST DIVISION IS IN THE BEST INTEREST OF RETAIL CUSTOMERS?

A. Yes, the Company's decision to continue with uninterrupted power supply from the incumbent supplier, Gulf Power Company, beyond 2007 is the best of power supply alternatives known by and available to the Company and will ensure that the Company's customers of the Northwest Division are receiving the most favorably priced power that could be acquired. This long-term contract with Gulf Power Company can be considered the best option open to the Company, in view of the following points: the alternative offer packages and potential

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suppliers made available to the Company through the 2005 RFP process, contemporary wholesale electricity prices in the region during late-2005 – early-2006, and the current long-term outlook for power supply at the wholesale level (would you want to add here "in the southeast region of the United States"?).

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Over many years, Gulf Power has proved<u>n</u> that it can provide high levels of service reliability to FPU and the Northwest Division. Gulf Power Company has served as a good business partner with the Company. Consistently, Gulf Power has promptly responded to various technical issues with regards to electric services, and has also provided various support services to FPU in the form of data and data analysis.

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Gulf Power and the parent organization, Southern Company, is a well recognized, established electricity service provider with attending low levels of counterparty risks. Through conservative resource management and a focus on the markets that it serves, Gulf Power and Southern Company provide very high levels of customer satisfaction to electricity consumers through high service quality and innovative products at favorable prices. These attributes were tested over the course of the Company's 2005 RFP. [this last statement will prompt a question from someone I would venture to guess that would go something like "and Mr.Camfield would you please explain what you are referring to by "these attributes were tested over the course of the Company's 2005 RFP"? I don't believe that you have provided sufficient support for this statement in this testimony]

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Q. PLEASE DISCUSS TRANSMISSION SERVICES FOR THE NORTHWEST DIVISION.

A. Going forward, arrangements for transmission services will be handled directly by the Company, whereas under the current contract transmissions services are provided with the full requirements contract with Gulf Power Company. Gulf Power manages and contracts for the transmission services with Southern Company. In the case of the Company's Northwest Division, the Company is recognized as an entity serving native loads and is thus entitled, as a matter of the market rules regarding transmission access rights, to Network Integration Transmission Service. Under the Company's contract with Gulf Power Company, FPUC for many years has drawn upon and paid for the generation services provided by Southern Company's system-wide generation resources situated at various locations across Southern's transmission network including, in particular, the generation resources of Gulf Power Company. Because of its longstanding status as a native load customer, the Company is entitled to continued access to the network transmission resources of its service provider, Southern Company (Gulf Power Company). For its new contract with Gulf Power for generation services, the Company *rolls over* (continues) the transmission service provided under the current agreement with Gulf Power.

In parallel with the new contractual arrangement for generation services, the Company will assume the position of a direct customer of Southern Company for transmission services, and under the transmission service agreement with Southern will pay transmission charges monthly for voltage control and reactive power, scheduling services, regulatory fees and charges, and direct transport services (transmission). These services are (will be) defined in the transmission service agreement between the Company and Southern Company. The charge levels for these services are posted within Southern Company's Open Access Transmission Tariff (OATT), and are approved by the Federal Energy Regulatory Commission.

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In addition, the Company will pay for interconnection services, including costs for dedicated substations (transformation and related equipment including metering equipment), and metering activities, where such costs are based on embedded costs that, as a matter of level, are very similar to the charges for interconnection services included within the current contract.

Q. PLEASE HIGHLIGHT THE STRUCTURE OF THE COMMERCIAL TERMS OF THE NEW CONTRACT. HOW DOES THE STRUCTURE OF TERMS OF THE NEW CONTRACT COMPARE WITH THAT OF THE CURRENT CONTRACT?

A. The terms of the Company's current contract with Gulf Power includes charges for energy stated in dollars per kWh, charges for demand stated in dollars per

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kW-month, and fixed monthly charges for transformation services (stated in dollars). The terms also include a monthly customer charge. The current contract includes provision for escalation in the level of the charges over course of the life of the contract. The current contract also includes specific charges for transmission services, which are set at levels defined within Southern Company's OATT as discussed above.

The structure of the commercial terms of the new contract beginning in 2008 includes an energy charge ($/MWh), an environmental compliance charge ($/MWh), and a demand charge ($/kW-month), sometimes referred to as a capacity payment. The energy and environmental compliance charges are based on embedded costs, where the cost levels are regulated and set by the Florida Public Service Commission. [RC: what about the third element? You should say something about that otherwise you are not completing the obvious in this paragraph]

Q. PLEASE REVIEW OTHER PROVISIONS OF THE NEW CONTRACT.

A. The new contract deals explicitly with contingency events, which is a natural result of the evolution of the wholesale power and transmission markets under FERC orders since the mid- to late-1990s. The history of the electric power industry in general and wholesale energy markets in particular since 1998 reveals much higher levels of uncertainty and risks. These risks have assumed several dimensions, such as high short-term variation in wholesale electricity

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prices and primary fuel prices; an increased likelihood of power system reliability failures; potential for large-scale financial losses incurred by investors in entities in energy markets; increased frequency of congestion events across major transmission corridors leading to higher likelihood of transaction curtailments; uncertainty regarding the direction of environmental policy initiatives at the federal, regional, and state level; and force majeure weather events. These factors pose greater financial risk for participants in wholesale power markets today as well as the potential for temporary loss of power supply. Accordingly, contemporary power contracts to a much greater extent than in the past incorporate provisions to explicitly manage and share these and other risks between counterparties to contracts.

The new contract with Gulf Power is fully consistent with the realities of the contemporary wholesale power market. First, the new contract incorporates credit worthiness standards, and provisions that specify how the cost impacts of potential changes in the business environments confronting the counterparties to the contract, Florida Public Utilities Company and Gulf Power Company, are to be managed. Specifically, the new contract incorporates a *Change in Law* provision to manage the cost impacts associated with potential policy actions by governing authorities.

Second, the contract includes a provision to accommodate renewable resource requirements that potentially may be imposed on the Company, for example, in

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the form of a renewable portfolio standard mandated by federal, or state legislation, or by regulatory policy rule. Third, the new contract incorporates a provision that protects Florida Public Utilities Company and its Northwest Customers by explicitly defining the responsibilities of the supplier, Gulf Power Company, should the organization of wholesale power markets in the Southeast region of the Eastern Interconnection undergo a major market design change – e.g., the formation of a Regional Transmission Organization.

Q. PLEASE REVIEW THE RELATIVE PRICE LEVELS FOR GENERATION SERVICES IMPLIED BY THE COMMERCIAL TERMS OF THE COMPANY'S NEW CONTRACT WITH GULF POWER COMPANY?

The RFP-obtained all-in offer prices submitted by bidders for the Northwest Division, as estimated for the standard suite of generation services identified above, average $67/MWh for the period 2008 through 2012. The all-in prices of the new contract for the Northwest Division beginning in 2008, as executed by the Florida Public Utilities Company and Gulf Power Company, are estimated to be significantly lower in the early years but to increase gradually over the contract period. Overall, the estimated prices that the Company will pay for generation services to serve the Northwest Division are below that of all the other offers considered during the power procurement process. On a discounted basis, the stated (and implied) [what do you mean by "implied"

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here?] prices contained in the new contract are found to be significantly below that of the other offers obtained through the 2005 RFP process.

Wholesale electricity prices and primary fuel prices have eased somewhat since the late-2005 – early-2006 timeframe and, as a consequence, it is useful to consider how the estimated prices of the new contract compare to estimates of wholesale prices in the Southeast region. Because of lower levels of market liquidity in the Southeast particularly within the FRCC region, however, wholesale market benchmarks over several years ahead are not readily observable. Thus, price benchmarks must be developed, either directly by developing wholesale electricity price projections with computer simulation techniques, or by inferring future wholesale prices from historical experience. In the latter approach, relative levels of observed short-term prices over past years for commercial hubs within the Eastern Interconnection including the Southeast region are used, in conjunction with forward power contracts for selected hubs, to develop projections of prices over longer-term forward periods in the Southeast; for example, for developing projections, three years ahead.

Once developed, the wholesale price benchmark then serves as a basis against which to measure the estimated prices implied by the new contract. Here, the approach taken is to use inferred wholesale electricity prices as the benchmark.

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The results of the analysis suggest [I don't find that "suggest" is a very positive word to use in reporting your own analysis. I would recommend a stronger word such as "demonstrate"] that the estimated prices for the new contract are consistent with the expected wholesale energy market prices over the next several years, and consistent with what any wholesale power buyer in the market today would expect to pay for power over the next few years. Projections of wholesale electricity prices stated on a per-MWh basis for the Southeast region, not including reserve services, are estimated at $62, $68, and $66 for the years 2008 – 2010, respectively. In summary, projected regional prices are somewhat above the estimated prices for the new contract, notwithstanding that the projected regional prices do not cover reserve services. Over the ten-year contract term, the prices for generation services implied by the new contract are likely to escalate at annual rates of change approximately equal to overall inflation, though contract price changes of any one year, either up or down, can deviate substantially from overall price inflation for the year.

It is perhaps useful to mention that the commercial terms of the current contract between the Company and Gulf Power are unusually favorable to retail consumers, with commensurate economic losses for Gulf Power, Southern Company, and Southern Company shareholders. For years, the current contract has provided overall prices covering energy, reserve services, and transmission services of about $39 to $41, stated on a per-MWh basis. These contract prices contrast sharply with the corresponding average day-ahead prices for 2003 –

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2006 of $66, $60, and $55, [Robert: 2003 to 2006 is a 4 year period, but you have stated only 3 prices here, which three years of the four do these prices correspond to? Or do you mean that these three stated prices correspond to the three regions stated below and that the prices represent the day-ahead averages computed over the four year period 2003 to 2006?] stated on a per-MWh basis, for regional hubs referred to as Instate Florida, Florida-Georgia Border, and Into Southern Company, respectively.

Q. PLEASE REVIEW SPECIFIC RISKS INHERENT TO THE COMPANY'S EXECUTED CONTRACT WITH GULF POWER.

A. The expiration of the current contracts of Florida Public Utilities Company that have necessitated the Company's initiation of a competitive power procurement process has coincide with an unusually difficult and challenging time for power markets, and energy markets more generally. Currently, primary fuel supplies at the national level are relatively tight based on historical standards, a direct consequence of high worldwide demands for fuels and fairly high levels of uncertainty in several dimensions including weather-induced supply disruptions such as that associated with Hurricane Katrina in the case of natural gas and oil supplies, and rail line failures in the case of Powder River Basin coal supplies. Accordingly, wholesale electric prices have reached historically high levels and remain sensitive to unplanned events. All of these things affect the commercial terms of power supply contracts, and it is useful to review the implied risks, as

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they are significant, and how the contract manages and shares risks. [I thought you just got through discussing the risks several pages ago]

Because the commercial terms of the contract, including fuel and environmental charges, are based upon embedded costs, the contract prices are likely to have greater stability than short-term wholesale electricity prices. [and what does this mean in terms of the implied price for power in this contract – higher price or lower price relative to buying power in the day ahead market?] Second, the price levels (and annual charges) for generation services under the contract are likely to vary in similar fashion to that of the retail prices charged by Gulf Power, and are likely to remain below that of the charges for generation services implicit in retail tariffs charged by other incumbent service providers within the State of Florida, though not necessarily by service prices within the Southeast region as whole.

Moreover, annual changes in the contract prices will to a substantial extent follow primary fuel prices particularly coal prices, and primary fuel prices can vary greatly. Gulf Power's embedded fuel costs are sensitive to changes in short-term market prices for fuels experienced nationally. [why are GP's costs sensitive to short-term prices for fuels nationally?] Because fuel charges are directly reflected in both the retail charges to Gulf Power's retail customers and wholesale charges under this contract, the charges for services paid by FPU for the Northwest Division will, to a substantial extent, follow Gulf Power's

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charges to its retail consumers. Primary fuel prices including natural gas and coal have risen substantially in recent years, particularly during late 2005 and continuing through the second quarter of 2006. [In addition, the prices have not fallen back to the levels seen in the period 2000 to 2004, and would not be expected to return to those levels in the foreseeable future] Moreover, the prices for these two fuels appear to be more highly correlated currently than in past years, a natural result of the increased substitution of fuels for electric power generation, in the short run. Since early 2005, the sharp increases in electric prices nationally are largely attributable to much higher costs for fuels.

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As mentioned, another important risk factor arises in association with the costs of environmental compliance, as the Company is subject to future environmental charges through the Change in Law provision of the Agreement. Of particular concern is future restrictions imposed by federal legislation on CO2 emissions associated with fossil fuels, and the resulting cost impacts on electricity service providers and retail electricity prices. While CO2 compliance costs will be borne by all electricity generators, compliance costs are likely to be highly uneven. Indeed, restrictions on CO2 emissions will favor natural gas-fired generators and, to the degree that natural gas is increasingly "on the margin," regional wholesale prices are likely to increase relatively less, with respect to the embedded cost impacts on electric utilities, like Gulf Power Company, that predominantly employ coal-fired generation. In short, the implication is that, in the face of restrictions on CO2 emissions – which would

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be implemented in the form of a so-called *cap and trade* market scheme such as that currently in place to manage SO2 emissions or a direct tax on emissions – Gulf Power and most incumbent utilities in the Southeast region are comparatively disadvantaged. Because the Northwest Division's costs and retail prices for services under the Agreement are wedded to Gulf Power's potential compliance costs for CO2 compliance, the Company's costs may also be comparatively disadvantaged with respect to regional wholesale prices.

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The other concerns regarding risks are with respect to various contingency events. Contingency events can cover any number of dimensions. Under the Agreement, of particular concern are the cost impacts and other effects associated with: 1) declines in the future level of electricity consumption, 2) the impact of storms in the Gulf region resulting in long-term power outages, and 3) change in the structure of wholesale electricity markets. Each is worthy of consideration and review.

Possible Declines in the Future Level of Electricity Consumption: Growth in electricity sales of the Company's Northwest Division has been within the range of 1.5-2.0% in recent years, although year-by-year change in retail sales are quite sensitive to weather and the resulting demand for space conditioning. We [who does the word "we" refer to here – you are the witness, not "we"] can realistically anticipate that sales will advance at rates of change that approximate historical patterns, perhaps slightly lower than historical rates

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[what period of history are you referring to here?]. Nonetheless, there is the possibility that sales could decline. The risks associated with a decline in retail sales levels are a direct result of the structure of the commercial terms of the Agreement regarding capacity purchase, which are manifested as demand charges. Specifically, the demand charges have a ratchet provision, where the minimum level of demand charges are based upon the level of peak demand (MWs) observed when the contract is initiated. Demand charges are not harmful to retail consumers in terms of impact on the overall prices for services, unless demand declines fairly significantly over the term of the contract. For example, declining future retail sales levels of the Northwest Division could potentially result from the combined impact of a slowdown in the growth of long-term economic activity for the territory covered by the Northwest Division, coupled with aggressive electricity conservation policy. The likelihood of this contingency event, and the impact of it, should it occur is small, however.

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Storm Activity and Supply Interruptions: The Force Majeure provisions of the new contract excuse the payment of demand charges in the case of transmission interruptions, but not in the case of power interruptions at the distribution level. This means that the Company will continue to be responsible for monthly demand charges for up to 90 days. This puts the retail customers at risk in the case of a natural disaster that results in an extended loss of power at the distribution level. As a practical matter, the negative impact of this contract

provision should not be material, particularly in view of the location of the Northwest, which is substantially inland from the Gulf Coast..

Change In the Structure of Wholesale Markets: As mentioned earlier, the new power supply agreement covers generation services and the Company must purchase and arrange for transmission services in order to transport generation services from points of delivery of supply to the transmission network to the Company's Northwest substations, where power is delivered. The prices and charges for transmission services for the Northwest are based on the embedded costs of transmission facilities, as reflected in Southern Company's OATT. These OATT prices are based on contract path principles, which do not recognize the true underlying economic costs of transmission services, which are highly locational. The risks, here arises from the possibility that the Southeast region, as a result of federal mandate or for other reasons, implements locational pricing principles, and that the relevant delivery points designated by Gulf Power under the Agreement change in a manner that is unfavorable to Company, such that transmission charges under a locational pricing regime increase dramatically.

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The risks of this event are very small. First, it is highly likely that the transition to a locational pricing framework would involve the grandfathering of existing transmission rights, where Financial Transmission Rights (FTRs) are granted in lieu of the contract path-based transmission rights that the Company will

purchase under Southern Company's OATT. This means that the Company should be fully protected from locational congestion charges. Second, it is likely that, should Gulf Power Company designate new delivery points, such points would not, relatively, disadvantage the Northwest Division, as the Division resides within Gulf Power's service territory.

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 could involve the incorporation of a component accounting for marginal losses that would not be covered by FTRs; such losses are large, tending to be roughly twice average losses. Taken as a whole, and given the current direction in the structure of wholesale markets and the inherent protections through grandfathering of rights as discussed above, the risks are small.

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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.

Q. IN YOUR PROFESSIONAL OPINION, IS THE COMPANY'S SELECTION OF THE EMBEDDED COST-BASED CONTRACT WITH GULF POWER COMPANY FOR THE NORTHWEST DIVISION THE MOST PRUDENT ARRANGMENT FOR RETAIL CUSTOMERS OVER THE SHORT- AND LONG-TERM?

A. Yes, the new contract with Gulf Power Company for generation services for the Northwest Division, is the best long-term least cost power supply option and choice available to the Company and its retail consumers at this time.

The commercial terms of the new contract with Gulf Power are based largely on embedded costs and, while the prices will follow charges for primary fuels and environmental costs, such prices are likely to demonstrate reasonably high levels of stability. The outlook for the overall level of the contract prices are favorable though it is possible that future wholesale electricity prices within the region may vary from the prices projected under the terms of the new contract with Gulf Power. Gulf Power and Southern Company are well established, financially sound partners and have historically provided reliable power and transmission service [compared to whom over what period of time based on what measures?], they have obtained high levels of credit worthiness. Gulf Power, through participation with Southern's generation pool, is well balanced and draws upon a substantial amount of coal-fired resources and nuclear power, which is complemented by gas-fired generation for peaking capability.

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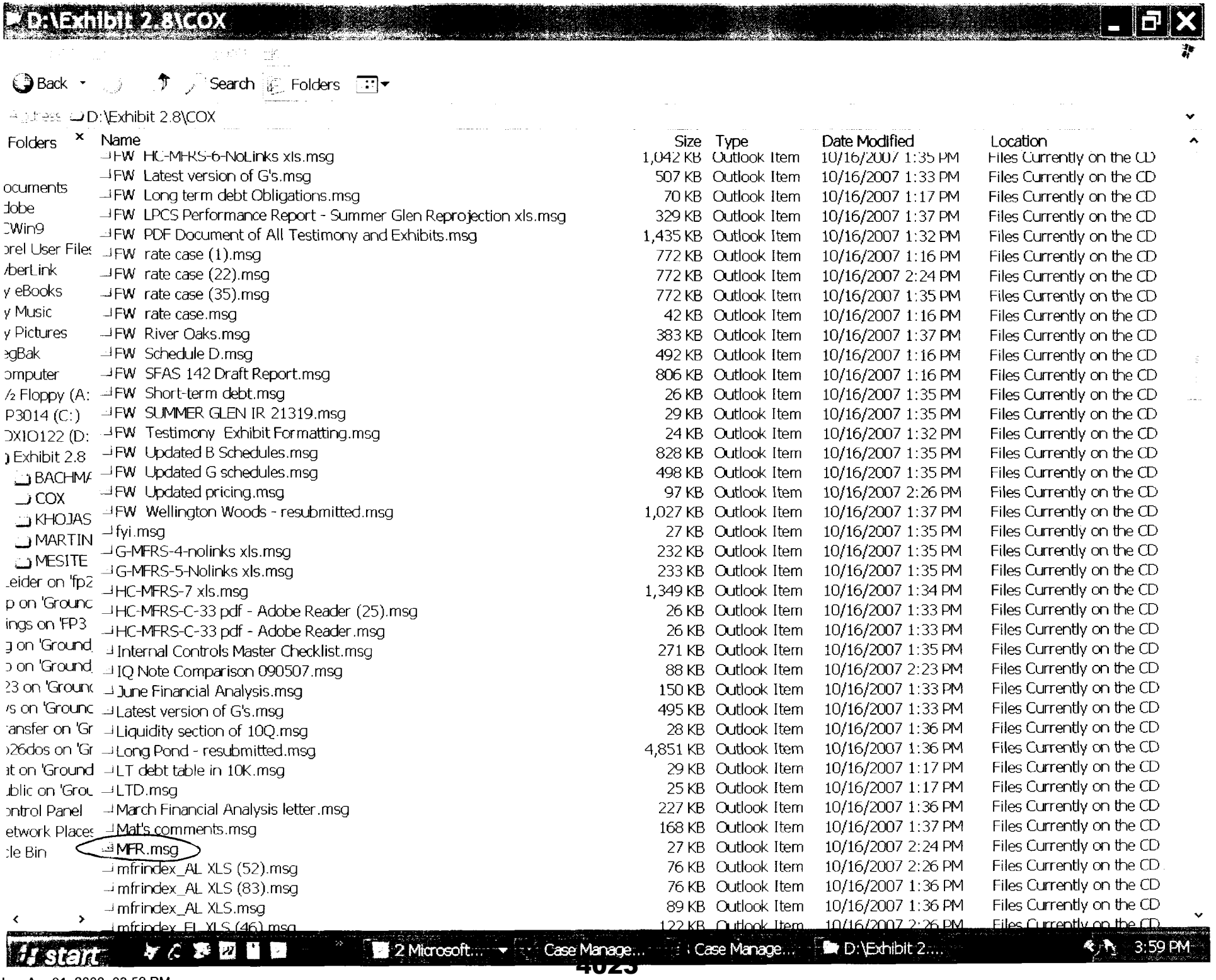
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Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.



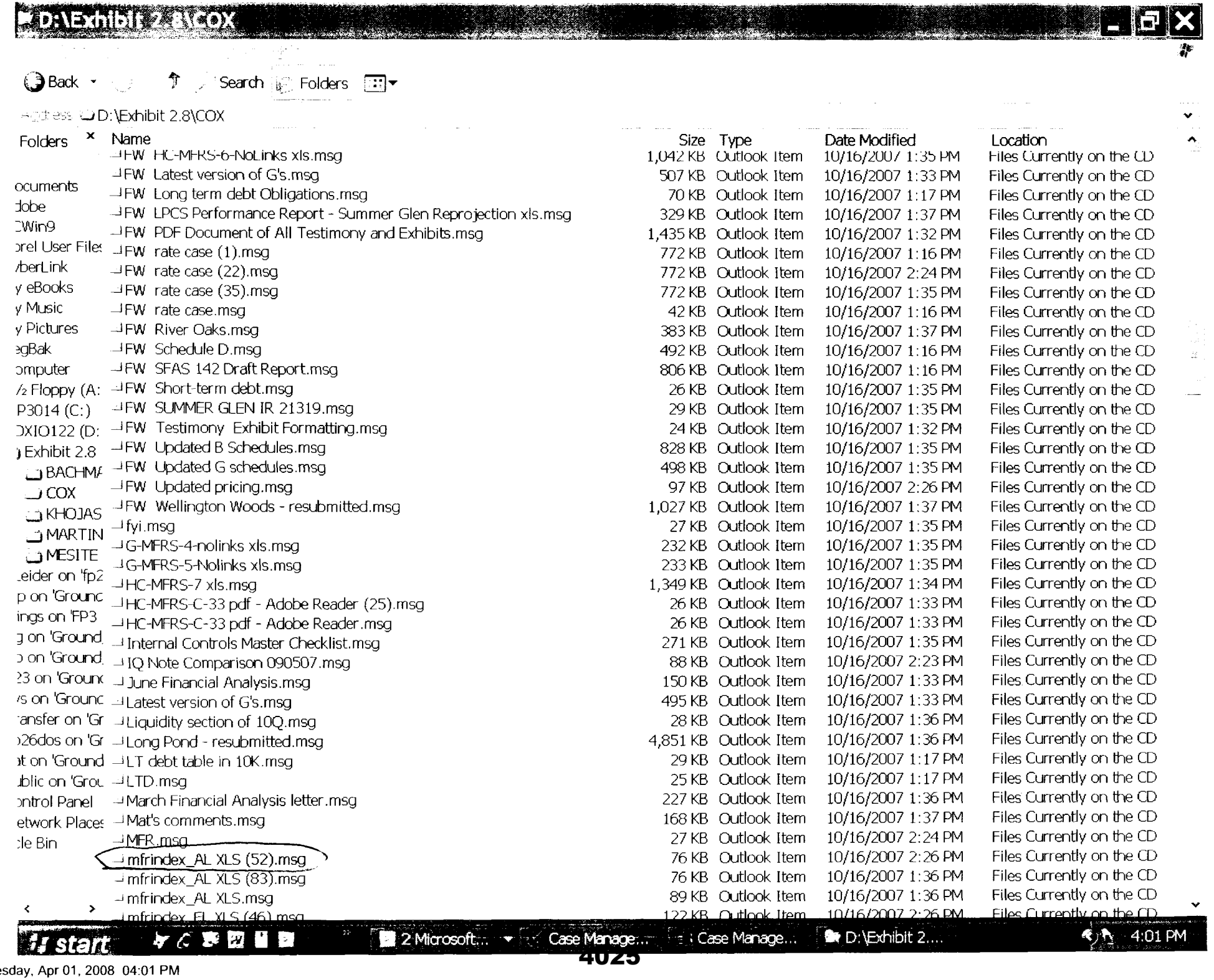
Tuesday, Apr 01, 2008 03:59 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, June 28, 2007 1:37 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad
Subject: MFR
Categories: Elec Rate Case

C-44 computed the interest last rate case, but there was no ST debt, and it looks like the ITC was wrong.

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Tuesday, Apr 01, 2008 04:01 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, April 16, 2007 2:50 PM
To: Cox Doreen
Subject: mfrindex_AL.XLS
Attachments: mfrindex_AL.XLS

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base	05/11/07	JM/CM
Income Statement	05/18/07	MK
Cost of Capital	05/25/07	DC
Prepare projected schedules		
Projected Cash Flow	05/11/07	DC
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts
Rate Base	05/25/07	JM/CM
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expense	05/25/07	Submitted by Divisions/Corp Depts
Income Statement	06/08/07	MK
Cost of Capital	06/15/07	DC
Cost of Service	06/22/07	Division
Prepare requested rates	07/13/07	Division
Prepare final filing	07/20/07	All
Finalize testimony	07/27/07	All
File MFRs	08/01/07	All

Vacations during filing prep

Cheryl	June 25-July 6
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Mark	April 17-20, June 25-Jun 29
Doreen	Jul 16-20, 30-31

Section Witness	
Jim Mesite	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Expenses and some related balance sheet accounts
Doreen Cox	Revenues and Cost of Capital
Cheryl Martin	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	Rates, Cost of Service, Engineering and Division Operations
George Bachman	Officer/Treasurer overall company operations

Additional Help	
Consultant	Cost of Capital (? Accounting, Cost of Service, Billing Determinants)
Accountant temps	Assistance with Accounting schedule preparation
Darryl Troy	Expenses/Special accounts
April/Nadira/Jennifer	AG Accounts and other areas as time permits
Don Myers	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Working Capital excluding Plant related items

Templates needed

Request for Projections for 2008 and any modifications to 2007 outside of budget
Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
Template for Common Expenses for 2007-2008
Template for Additions and Retirements for 2008 and any modifications to 2007
Billing Determinant History
Template for Operation Expenses for 2007-2008
Template for TOTI expenses for 2007-2008
Template for Other Revenues

Special Projections

FASB 109 method
Storm Reserve
Storm Hardening
Transformers
Loss of Demand due to fuel rate increases
Over recovery
Performance award
Weather normalization
Rate Case expense
Payroll data for mfrs
audit expense (include accelerated filer estimates for 2008)
pension
Amortize adverstising to warn customers of upcoming fuel increase

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Rate Case Consultant-RC
April Lundgren-AL
Nadira Bhatia-NB

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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	MC	A-3	SUMMARY OF TARIFFS
	CM	A-4	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	A-5	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

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JM	B-13	CONSTRUCTION WORK IN PROGRESS
NA	B-14	EARNINGS TEST
NA	B-15	PROPERTY HELD FOR FUTURE USE
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	MK	C-8	DETAIL OF CHANGES IN EXPENSES
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	DC/CONS	D-4a	LONG-TERM DEBT OUTSTANDING
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	DC/CONS	D-5	PREFERRED STOCK OUTSTANDING
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	DC/CONS	D-7	COMMON STOCK DATA
	DC/CONS	D-8	FINANCING PLANS-STOCK AND BOND ISSUES
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	CM	F-5	FORECASING MODELS
	CM	F-6	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
	CM	F-7	FORECASTING MODELS-HISTORICAL DATA
	CM	F-8	ASSUMPTIONS
	CM	F-9	PUBLIC NOTICE

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	JM	G-4	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	G-5	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	G-6	INTERIM FUEL INVENTORY BY PLANT
	MK	G-7	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	G-8	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	G-9	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	G-10	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	G-11	INTERIM OPERATING REVENUES DETAIL
	MK	G-12	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	G-13	INTERIM INTEREST IN TAX EXPENSE CALCULATION

	DC	G-14	INTERIM PARENT(S) DEBT INFORMATION
	JM	G-15	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	G-16	INTERIM PENSION COSTS
	CM	G-17	INTERIM ACCOUNTING POLICY CHANGES
	DC	G-18	INTERIM REVENUE EXPANSION FACTOR
	DC	G-19a	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	G-19b	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	G-20	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	G-21	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	G-22	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
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JM/CM	H (B-2)	RATE BASE ADJUSTMENTS
JM/CM	H (B-3)	13 MONTH AVERAGE BALANCE SHEET
JM	H (B-4)	BALANCE SHEET-TWO YEAR HISTORICAL
JM/CM	H (B-5)	DETAILS OF CHANGES IN RATE BASE
JM	H (B-6)	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
JM	H (B-7)	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
JM	H (B-8)	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
JM	H (B-9)	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
JM	H (B-10)	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
JM/MC	H (B-11)	CAPITAL ADDITIONS AND RETIREMENTS
JM	B-12	PRODUCTION PLANT ADDITIONS
JM	B-13	CONSTRUCTION WORK IN PROGRESS
NA	B-14	EARNINGS TEST
NA	B-15	PROPERTY HELD FOR FUTURE USE
NA	B-16	NUCLEAR FUEL BALANCES
CM	B-17	WORKING CAPITAL-13 MONTH AVERAGE
NA	B-18	FUEL INVENTORY BY PLANT
CM	B-19	MISCELLANEOUS DEFERRED DEBITS
CM	B-20	OTHER DEFERRED CREDITS
CM	B-21	ACCUMULATED PROVISIONS ACCOUNT
MK	B-22	TOTAL ACCUMULATED DEFERRED INCOME TAXES
MK	B-23	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
CM	B-24	LEASING ARRANGEMENTS
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MC	E-3a	COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE (PRESENT RATES)
MC	E-3b	COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE (PROPOSED RATES)
MC	E-4	RECONCILIATION OF CLASS RATE OR RETURN INDICES BETWEEN THE LAST RATE CASE TEST YEAR TO THE CURRENT CASE
MC	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	E-8a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	E-8b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	E-9	DETAILED BREAKDOWN OF CUSTOMER UNIT COSTS
MC	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	E-12	COST OF SERVICE-LOAD DATA
MC	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	E-15	ADJUSTMENT TO TEST YEAR UNBILLED REVENUE
MC	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES

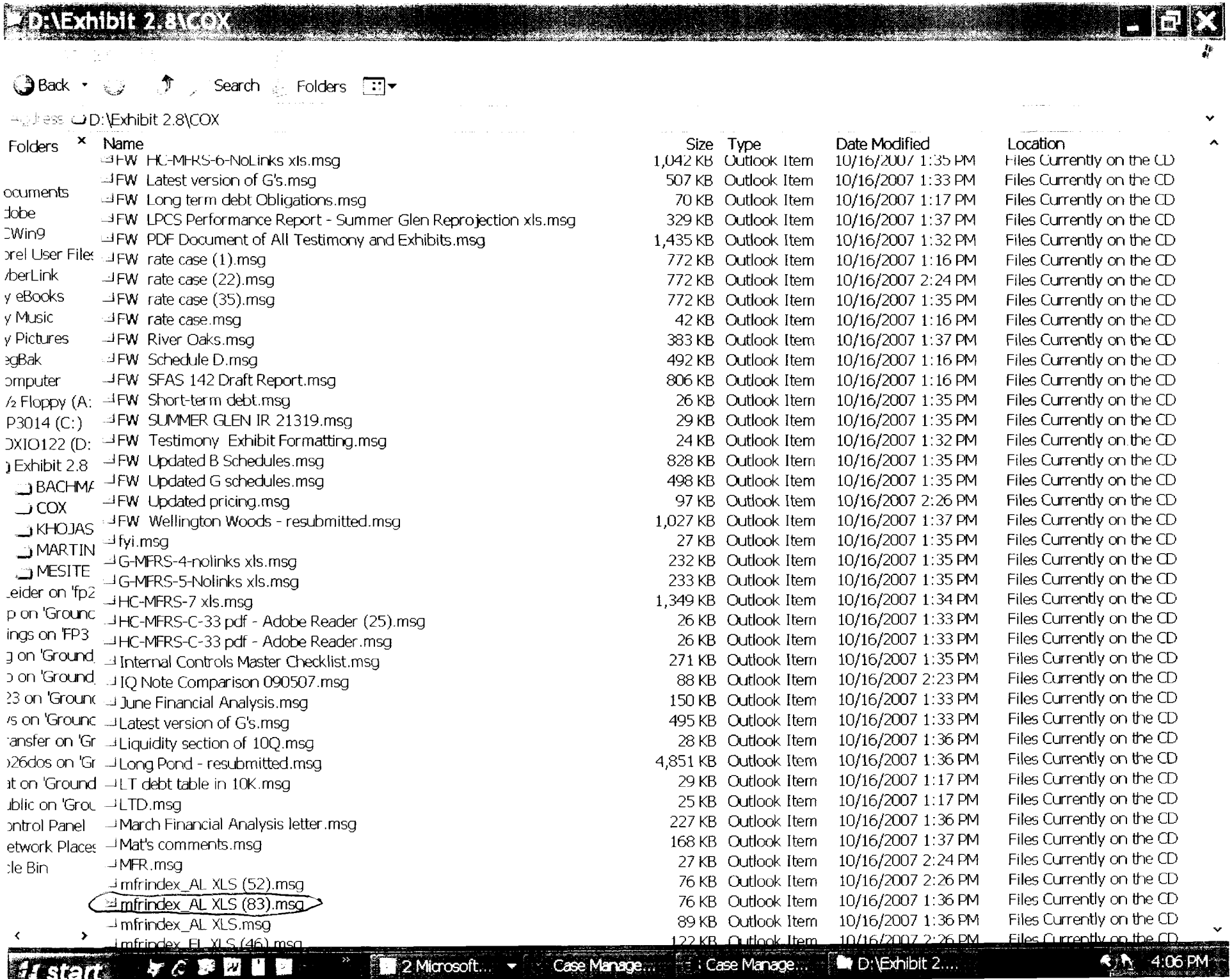
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MC	E-18b	BILLING DETERMINANTS-KW DEMAND
MC	E-18c	BILLING DETERMINANTS-MWH SALES
MC	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	E-20	LOAD RESEARCH DATA
MC	E-21a	CORRELATIONS BETWEEN CONTRIBUTIONS TO THE 12 MONTHLY SYSTEM PEAKS AND BILLING KW, KWH, MAXIMUM ON-PEAK DEMAND, AND ON-PEAK KWH FOR ALL DEMAND CLASSES
MC	E-21b	CORRELATIONS BETWEEN CONTRIBUTIONS TO THE CLASS NONCOINCIDENT PEAK AND BILLING KW, KWH, MAXIMUM ON-PEAK DEMAND AND ON-PEAK KWH FOR ALL DEMAND CLASSES
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MC	E-25a	DAYS WITHIN 10% OF MONTHLY PEAKS
MC	E-25b	HOURS WITHIN 10% OF MONTHLY PEAKS
MC	E-26	MONTHLY PEAKS
MC	E-27a	DEMAND AND ENERGY LOSSES
MC	E-27b	ENERGY LOSSES
MC	E-27c	DEMAND LOSSES
MC	E-28a	INTERRUPTIBLE RATES POLICY
MC	E-28b	CURTAILABLE RATES POLICY



Tuesday, Apr 01, 2008 04:06 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, April 16, 2007 2:50 PM
To: Cox Doreen
Subject: mfrindex_AL.XLS
Attachments: mfrindex_AL.XLS

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base	05/11/07	JM/CM
Income Statement	05/18/07	MK
Cost of Capital	05/25/07	DC
Prepare projected schedules		
Projected Cash Flow	05/11/07	DC
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts
Rate Base	05/25/07	JM/CM
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expense	05/25/07	Submitted by Divisions/Corp Depts
Income Statement	06/08/07	MK
Cost of Capital	06/15/07	DC
Cost of Service	06/22/07	Division
Prepare requested rates	07/13/07	Division
Prepare final filing	07/20/07	All
Finalize testimony	07/27/07	All
File MFRs	08/01/07	All

Vacations during filing prep

Cheryl	June 25-July 6
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Mark	April 17-20, June 25-Jun 29
Doreen	Jul 16-20, 30-31

Section Witness	
Jim Mesite	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Expenses and some related balance sheet accounts
Doreen Cox	Revenues and Cost of Capital
Cheryl Martin	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	Rates, Cost of Service, Engineering and Division Operations
George Bachman	Officer/Treasurer overall company operations

Additional Help	
Consultant	Cost of Capital (? Accounting, Cost of Service, Billing Determinants)
Accountant temps	Assistance with Accounting schedule preparation
Darryl Troy	Expenses/Special accounts
April/Nadira/Jennifer	AG Accounts and other areas as time permits
Don Myers	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Working Capital excluding Plant related items

Templates needed

- Request for Projections for 2008 and any modifications to 2007 outside of budget
- Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
- Template for Common Expenses for 2007-2008
- Template for Additions and Retirements for 2008 and any modifications to 2007
- Billing Determinant History
- Template for Operation Expenses for 2007-2008
- Template for TOTI expenses for 2007-2008
- Template for Other Revenues

Special Projections

- FASB 109 method
- Storm Reserve
- Storm Hardening
- Transformers
- Loss of Demand due to fuel rate increases
- Over recovery
- Performance award
- Weather normalization
- Rate Case expense
- Payroll data for mfrs
- audit expense (include accelerated filer estimates for 2008)
- pension
- Amortize adverstising to warn customers of upcoming fuel increase

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Rate Case Consultant-RC
April Lundgren-AL
Nadira Bhatia-NB

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MC	A-3	SUMMARY OF TARIFFS
CM	A-4	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
MC	A-5	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

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DC	G-20	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
DC	G-21	INTERIM - REVENUES FROM SERVICE CHARGES
DC	G-22	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
DC	G-23	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

H PROJECTED YEARS SCHEDULES

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Prepared by: Witness	H (Schedule) SCHEDULE	TITLE
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JM/CM	H (B-2)	RATE BASE ADJUSTMENTS
JM/CM	H (B-3)	13 MONTH AVERAGE BALANCE SHEET
JM	H (B-4)	BALANCE SHEET-TWO YEAR HISTORICAL
JM/CM	H (B-5)	DETAILS OF CHANGES IN RATE BASE
JM	H (B-6)	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
JM	H (B-7)	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
JM	H (B-8)	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
JM	H (B-9)	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
JM	H (B-10)	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
JM/MC	H (B-11)	CAPITAL ADDITIONS AND RETIREMENTS
JM	B-12	PRODUCTION PLANT ADDITIONS
JM	B-13	CONSTRUCTION WORK IN PROGRESS
NA	B-14	EARNINGS TEST
NA	B-15	PROPERTY HELD FOR FUTURE USE
NA	B-16	NUCLEAR FUEL BALANCES
CM	B-17	WORKING CAPITAL-13 MONTH AVERAGE
NA	B-18	FUEL INVENTORY BY PLANT
CM	B-19	MISCELLANEOUS DEFERRED DEBITS
CM	B-20	OTHER DEFERRED CREDITS
CM	B-21	ACCUMULATED PROVISIONS ACCOUNT
MK	B-22	TOTAL ACCUMULATED DEFERRED INCOME TAXES
MK	B-23	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
CM	B-24	LEASING ARRANGEMENTS
CM	B-25	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

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COST OF SERVICE AND RATE DESIGN SCHEDULES

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Prepared by Witness	SCHEDULE	TITLE
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MC	E-3a	COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE (PRESENT RATES)
MC	E-3b	COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE (PROPOSED RATES)
MC	E-4	RECONCILIATION OF CLASS RATE OR RETURN INDICES BETWEEN THE LAST RATE CASE TEST YEAR TO THE CURRENT CASE
MC	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	E-8a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	E-8b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	E-9	DETAILED BREAKDOWN OF CUSTOMER UNIT COSTS
MC	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	E-12	COST OF SERVICE-LOAD DATA
MC	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	E-15	ADJUSTMENT TO TEST YEAR UNBILLED REVENUE
MC	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES

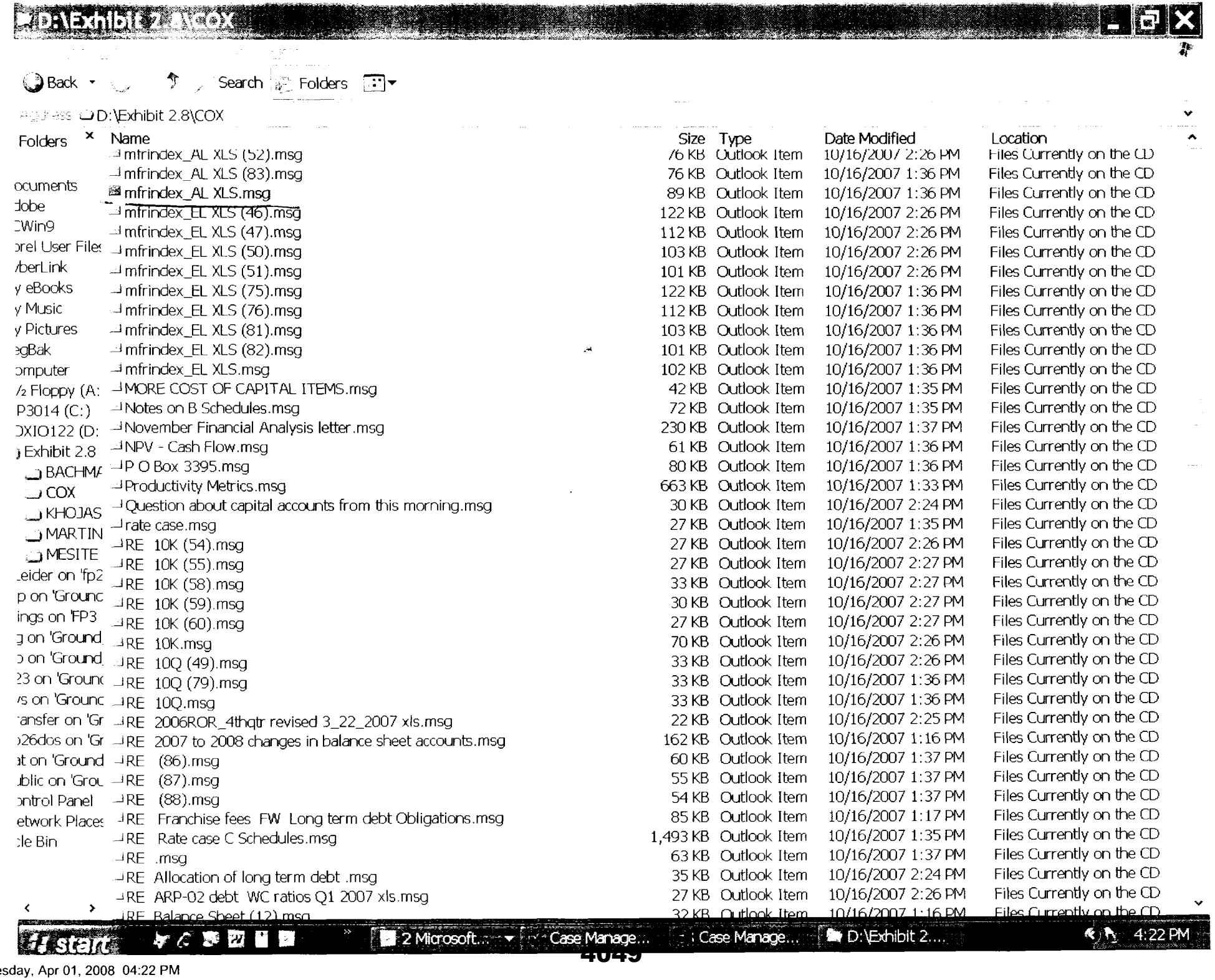
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

TABLE OF CONTENTS

Prepared by Witness	SCHEDULE	TITLE
MC	E-18a	BILLING DETERMINANTS-NUMBER OF BILLS
MC	E-18b	BILLING DETERMINANTS-KW DEMAND
MC	E-18c	BILLING DETERMINANTS-MWH SALES
MC	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	E-20	LOAD RESEARCH DATA
MC	E-21a	CORRELATIONS BETWEEN CONTRIBUTIONS TO THE 12 MONTHLY SYSTEM PEAKS AND BILLING KW, KWH, MAXIMUM ON-PEAK DEMAND, AND ON-PEAK KWH FOR ALL DEMAND CLASSES
MC	E-21b	CORRELATIONS BETWEEN CONTRIBUTIONS TO THE CLASS NONCOINCIDENT PEAK AND BILLING KW, KWH, MAXIMUM ON-PEAK DEMAND AND ON-PEAK KWH FOR ALL DEMAND CLASSES
MC	E-22	LOAD DURATION CURVES
MC	E-23	SYSTEM LOAD SHAPES
MC	E-24	MONTHLY RESERVE MARGINS AND RELIABILITY INDEXES
MC	E-25a	DAYS WITHIN 10% OF MONTHLY PEAKS
MC	E-25b	HOURS WITHIN 10% OF MONTHLY PEAKS
MC	E-26	MONTHLY PEAKS
MC	E-27a	DEMAND AND ENERGY LOSSES
MC	E-27b	ENERGY LOSSES
MC	E-27c	DEMAND LOSSES
MC	E-28a	INTERRUPTIBLE RATES POLICY
MC	E-28b	CURTAILABLE RATES POLICY



Tuesday, Apr 01, 2008 04:22 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, April 18, 2007 4:06 PM
To: CORPORATE ACCOUNTING; Cox Doreen; Cutshaw Mark; Myers Don
Subject: mfrindex_AL.XLS
Attachments: mfrindex_AL.XLS

Here is the latest time table, and plan. Until we know if the consultants are going to do the entire case or part of it, it does not make sense to assign a preparor. Thanks Cheryl Martin

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base	05/11/07	JM/CM
Income Statement	05/18/07	MK
Cost of Capital	05/25/07	DC
Prepare projected schedules		
Projected Cash Flow	05/11/07	DC
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts
Rate Base	05/25/07	JM/CM
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts
Income Statement	06/08/07	MK
Cost of Capital	06/15/07	DC
Cost of Service	06/22/07	Division
Prepare requested rates	07/13/07	Division
Prepare final filing	07/20/07	All
Finalize testimony	07/27/07	All
File MFRs	08/01/07	All

Vacations during filing prep

Cheryl	June 25-July 6
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Mark	April 17-20, June 25-Jun 29
Doreen	Jul 16-20, 30-31
Don	Apr 19-20, May 24-25

Section Witness	
Jim Mesite	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Expenses and some related balance sheet accounts
Doreen Cox	Revenues and Cost of Capital
Cheryl Martin	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	Rates, Cost of Service, Engineering and Division Operations
George Bachman	Officer/Treasurer overall company operations

Additional Help	
Consultant	Cost of Capital (? Accounting, Cost of Service, Billing Determinants)
Accountant temps	Assistance with Accounting schedule preparation
Darryl Troy	Expenses/Special accounts
April/Nadira/Jennifer	AG Accounts and other areas as time permits
Don Myers	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Working Capital excluding Plant related items

Templates needed

Request for Projections for 2008 and any modifications to 2007 outside of budget
Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
Template for Common Expenses for 2007-2008
Template for Additions and Retirements for 2008 and any modifications to 2007
Billing Determinant History
Template for Operation Expenses for 2007-2008
Template for TOTI expenses for 2007-2008
Template for Other Revenues
Template for unusual rev items

Special Projections

FASB 109 method
Storm Reserve
Storm Hardening
Transformers
Loss of Demand due to fuel rate increases
Over recovery
Performance award
Weather normalization
Rate Case expense
Payroll data for mfrs
audit expense (include accelerated filer estimates for 2008)
pension
Amortize adverstising to warn customers of upcoming fuel increase
Adjustments for nonutility items shared from IS and BS
Property in NE FI for new office
Lost or new customers or load outside of trends
Rate structure with less demand(Fixed Charge)
Union rate increase above inflation. Salary survey impact'
Possible step rates for base and fuel
FASB 158 Pension expense

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Rate Case Consultant-RC
April Lundgren-AL
Nadira Bhatia-NB

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MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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	MC	A-2	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	A-3	SUMMARY OF TARIFFS
	CM	A-4	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	A-5	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

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MINIMUM FILING REQUIREMENTS

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	JM/CM	B-2	RATE BASE ADJUSTMENTS
	JM/CM	B-3	13 MONTH AVERAGE BALANCE SHEET
	JM	B-4	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	B-5	DETAILS OF CHANGES IN RATE BASE
	JM	B-6	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	B-7	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	B-8	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	B-9	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	B-10	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	B-11	CAPITAL ADDITIONS AND RETIREMENTS
	JM	B-12	PRODUCTION PLANT ADDITIONS
	JM	B-13	CONSTRUCTION WORK IN PROGRESS
	NA	B-14	EARNINGS TEST
	NA	B-15	PROPERTY HELD FOR FUTURE USE
	NA	B-16	NUCLEAR FUEL BALANCES
	CM	B-17	WORKING CAPITAL-13 MONTH AVERAGE
	NA	B-18	FUEL INVENTORY BY PLANT
	CM	B-19	MISCELLANEOUS DEFERRED DEBITS
	CM	B-20	OTHER DEFERRED CREDITS
	CM	B-21	ACCUMULATED PROVISIONS ACCOUNT
	MK	B-22	TOTAL ACCUMULATED DEFERRED INCOME TAXES
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	CM	B-24	LEASING ARRANGEMENTS
	CM	B-25	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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	Prepared by Witness	SCHEDULE	TITLE
	MK/CM	C-1	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	C-2	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-3	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-4	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	C-5	OPERATING REVENUES DETAIL
	DC/MK	C-6	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	C-7	OPERATION AND MAINTENANCE EXPENSES
	MK	C-8	DETAIL OF CHANGES IN EXPENSES
	MK	C-9	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	C-10	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	C-11	UNCOLLECTIBLE ACCOUNTS
	MK	C-12	ADMINISTRATIVE EXPENSES
	MK	C-13	MISCELLANEOUS GENERAL EXPENSES
	MK	C-14	ADVERTISING EXPENSES
	MK	C-15	INDUSTRY ASSOCIATION DUES
	MK	C-16	OUTSIDE PROFESSIONAL SERVICES
NB	MK	C-17	PENSION COST
	MK	C-18	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	C-19	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	C-20	TAXES OTHER THAN INCOME TAXES
	DC	C-21	REVENUE TAXES
	MK	C-22	STATE AND FEDERAL INCOME TAXES
	DC	C-23	INTEREST IN TAX EXPENSE CALCULATION
	DC	C-24	PARENT(S) DEBT INFORMATION
	MK	C-25	DEFERRED TAX ADJUSTMENT
	MK	C-26	INCOME TAX RETURNS
	MK	C-27	CONSOLIDATED TAX INFORMATION
	MK	C-28	MISCELLANEOUS TAX INFORMATION
	JM	C-29	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	C-30	TRANSACTIONS WITH AFFILIATED COMPANIES

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NET OPERATING INCOME SCHEDULES

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JM	C-32	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	PERFRMANCE INDICES
MC/DC	C-34	STATISTICAL INFORMATION
MK	C-35	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	HEDGING COSTS
MK	C-43	SECURITY COSTS
DC	C-44	REVENUE EXPANSION FACTOR

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COST OF CAPITAL SCHEDULES

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Prepared by Witness	SCHEDULE	TITLE
DC/CONS	D-1a	COST OF CAPITAL-13 MONTH AVERAGE
DC/CONS	D-1b	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	D-3	SHORT-TERM DEBT
DC/CONS	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	D-4b	REACQUIRED BONDS
DC/CONS	D-5	PREFERRED STOCK OUTSTANDING
DC/CONS	D-6	CUSTOMER DEPOSITS
DC/CONS	D-7	COMMON STOCK DATA
DC/CONS	D-8	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	D-9	FINANCIAL INDICATORS-SUMMARY

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MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	TITLE
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CM	F-2	SEC REPORTS
CM	F-3	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	F-4	FERC AUDIT
CM	F-5	FORECASING MODELS
CM	F-6	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	F-7	FORECASTING MODELS-HISTORICAL DATA
CM	F-8	ASSUMPTIONS
CM	F-9	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

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INTERIM RATE RELIEF SCHEDULES

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	JM	G-2	INTERIM ADJUSTED RATE BASE
	JM	G-3	INTERIM RATE BASE ADJUSTMENTS
	JM	G-4	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	G-5	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	G-6	INTERIM FUEL INVENTORY BY PLANT
	MK	G-7	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	G-8	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	G-9	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	G-10	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	G-11	INTERIM OPERATING REVENUES DETAIL
	MK	G-12	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	G-13	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	G-14	INTERIM PARENT(S) DEBT INFORMATION
	JM	G-15	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	G-16	INTERIM PENSION COSTS
	CM	G-17	INTERIM ACCOUNTING POLICY CHANGES
	DC	G-18	INTERIM REVENUE EXPANSION FACTOR
	DC	G-19a	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	G-19b	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	G-20	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	G-21	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	G-22	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	G-23	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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H PROJECTED YEARS SCHEDULES

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Prepared by	Witness	H (Schedule) SCHEDULE	TITLE
	JM/CM	H (B-1)	ADJUSTED RATE BASE
	JM/CM	H (B-2)	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
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	JM	H (B-8)	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
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	NA	H(B-15)	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	NUCLEAR FUEL BALANCES
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	CM	H(B-21)	ACCUMULATED PROVISIONS ACCOUNT
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	MK	H(B-23)	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	LEASING ARRANGEMENTS
	CM	H(B-25)	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
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	DC	H(C-24)	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	INCOME TAX RETURNS
	MK	H(C-27)	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	MISCELLANEOUS TAX INFORMATION
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	MK	H(C-30)	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	PERFRMANCE INDICES
	MC/DC	H(C-34)	STATISTICAL INFORMATION
	MK	H(C-35)	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	HEDGING COSTS
	MK	H(C-43)	SECURITY COSTS
	DC	H(C-44)	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	REACQUIRED BONDS
	DC/CONS	H(D-5)	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	COMMON STOCK DATA
	DC/CONS	H(D-8)	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

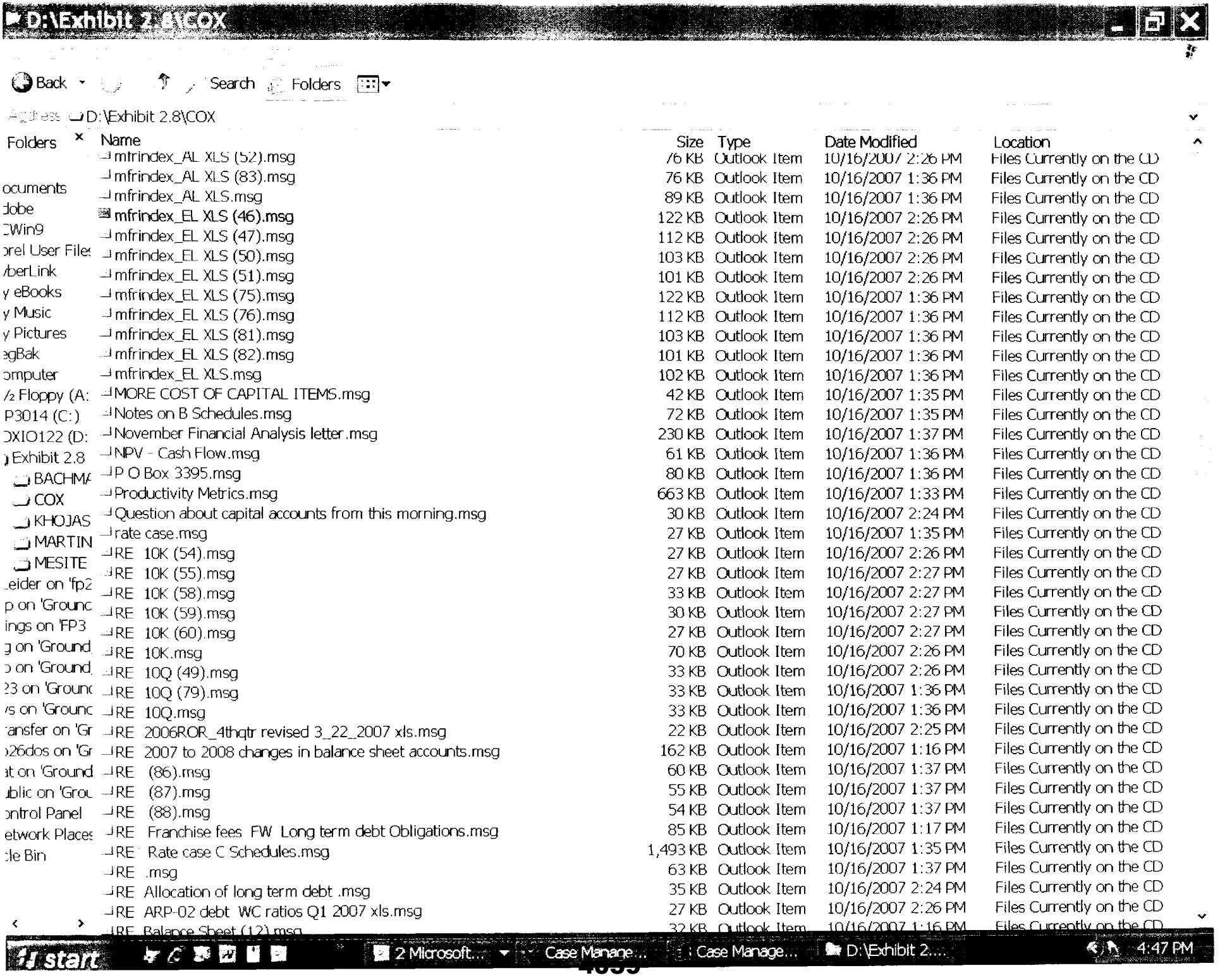
MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

TABLE OF CONTENTS

Prepared by Witness	SCHEDULE	TITLE
MC	E-1	COST OF SERVICE STUDIES
MC	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	E-3a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	E-3b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	E-4a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	E-4b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	E-5	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	E-6a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	E-6b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	E-7	DEVELOPMENT OF SERVICE CHARGES
MC	E-8	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	E-9	COST OF SERVICE-LOAD DATA
MC	E-10	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	E-11	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	E-12	ADJUSTMENT TO TEST YEAR REVENUE
MC	E-13a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	E-13b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	E-13c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	E-13d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	E-14	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	E-15	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	E-16	CUSTOMERS BY VOLTAGE LEVEL
MC	E-17	LOAD RESEARCH DATA
MC	E-18	MONTHLY PEAKS
MC	E-19a	DEMAND AND ENERGY LOSSES
MC	E-19b	ENERGY LOSSES
MC	E-19c	DEMAND LOSSES

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Tuesday, Apr 01, 2008 04:47 PM

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Hortor	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield	Ext. 162		rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen	Ext. 159		dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh	Ext. 163		mpwelsh@caenergy.com	Consulting work for rate proceeding

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Overall Time table

Major Category	Due Date	Leader	
Prepare historical schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Depreciation Study	06/01/07	JS	
Prepare projected schedules			
Projected Cash Flow	06/08/07	DC	
Projected Construction	05/18/07	Submitted by Divisions/Corp Depts	
Special Projection items Capital	05/24/07	As assigned on Other items required tab	
Rate Base	06/15/07	JM	
Other revenue, customers, unit sold	05/22/07	Submitted by Divisions/Corp Depts	
Billing Determinants	06/08/07	Div/DC	
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts	
Projected trended expenses	06/22/07	MK/CM	
Special Projection items Income St.	06/11/07	As assigned on Other items required tab	
Projected other revenue	06/15/07	Div/DC	
Income Statement	06/28/07	MK	
Cost of Capital	06/20/07	DC	
Cost of Service	07/13/07	MC	
Prepare requested rates	07/20/07	MC	
Prepare final filing	07/27/07	All	
Finalize testimony	07/27/07	All	
File MFRs	08/08/07	All	

Miami Audit	August-December
Tallahassee Audit	November-February
Interim Rate Relief hearing	September-October
Customer Hearings	December-January
Prehearing	January-February
Final Hearing	February-March
Final Rates	April-May

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 29-June 1
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jun 29-July 6
Doreen	Jul 16-20, 30-31
Doc	July 29-Aug 3

100.1860.1 SL number 36164
Docket No. 070304-EI
SJ File Number 07-665

Templates needed

x	Request for Projections for 2008 and any modifications to 2007 outside of budget
x	Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
x	Template for Common Expenses for 2007-2008
x	Template for Additions and Retirements for 2008 and any modifications to 2007
DC	Billing Determinant History
x	Template for Operation Expenses for 2007-2008
AL	Template for AG, ITC, Customer Relations, Amortization and Deprec, TOTI expenses for 2007-2008
x	Template for Other Revenues
x	Template for unusual rev items

Special Projections

MK	FASB 109 method
MC/MK	Storm Reserve
DC	Storm Hardening
MC/JM	Transformers
MC/Consul	Loss of Demand due to fuel rate increases
CY	Over recovery
Consultant	Performance award
Consultant	Weather normalization
CM	Rate Case expense
All	Payroll data for mfrs
AL	audit expense (include accelerated filer estimates for 2008) and other nonoperations
NB	pension and insurances
AL	Amortize adverstising to warn customers of upcoming fuel increase
JM/MK	Adjustments for nonutility items shared from IS and BS
JM	Property in NE Fl for new office
MC/DM	Lost or new customers or load outside of trends
MC/Consul	Rate structure with less demand(Fixed Charge)
MK	Union rate increase above inflation. Salary survey impact'
NB	FASB 158 Pension expense
MC	AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?/Underground wires
MK	Payroll % increase
DC	Add ons for benefits %
JS	Depr study
JM	Put in office building full recovery with cost savings from avoiding separate rate case for special recovery.
JM	Same for transformers. Put them in at full recovery and provide testimony why it is appropriate despite not finishing to early 08
MC	Public Awareness, safety programs'
MC	Line man training
MC	AMR elelctric
MC	2 way metering/reverse metering.

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-Temp
Darryl Troy-DT
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
26-Jun	Cons	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
20-Jul	Cons	MC	**A-3**	A-5	SUMMARY OF TARIFFS
1-Jun	Cons	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	Cons	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
18-May	JM/Temp	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
18-May	JM/Temp	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
21-May	JM/Temp	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
25-May	JM/Temp	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
25-May	JM/Temp	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
18-May	Cons	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
25-May	JM/Temp	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
18-May	Cons	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
18-May	JM/Temp	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
25-May	JM/Temp	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
25-May	JM/Temp	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
25-May	JM/Temp	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
1-Jun	CM	CM	**B-14**	NA	EARNINGS TEST
25-May	JM/Temp	JM	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
25-May	JM/Temp	JM	**B-16**	B-16	NUCLEAR FUEL BALANCES
18-May	CY/Temp	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
25-May	JM/Temp	JM	**B-18**	B-17b	FUEL INVENTORY BY PLANT
1-Jun	CY/Temp	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
1-Jun	CY/Temp	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
1-Jun	NB	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
25-May	MK/Temp	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
25-May	MK/Temp	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
1-Jun	AL	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
1-Jun	CM	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
23-May	Cons	MK/CM	**C-1**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK/CM	**C-2**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK/CM	**C-3**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK/CM	**C-4**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC/MC	**C-5**	C-10	OPERATING REVENUES DETAIL
22-Jun	MK/Temp	DC/MK	**C-6**	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES (include the projected years on this schedule as well)
8-Jun	Cons	MK	**C-7**	C-19,2	OPERATION AND MAINTENANCE EXPENSES
8-Jun	MK	MK	**C-8**	C-21	DETAIL OF CHANGES IN EXPENSES
8-Jun	Cons	MK	**C-9**	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
8-Jun	CM	CM	**C-10**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
8-Jun	AL	MK	**C-11**	C-25	UNCOLLECTIBLE ACCOUNTS
8-Jun	AL	MK	**C-12**	C-31	ADMINISTRATIVE EXPENSES
8-Jun	AL	MK	**C-13**	C-32	MISCELLANEOUS GENERAL EXPENSES
8-Jun	AL	MK	**C-14**	C-26	ADVERTISING EXPENSES
8-Jun	AL	MK	**C-15**	C-27	INDUSTRY ASSOCIATION DUES
8-Jun	AL	MK	**C-16**	C-65	OUTSIDE PROFESSIONAL SERVICES
1-Jun	NB	MK	**C-17**	C-66	PENSION COST
8-Jun	AL	MK	**C-18**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
25-May	JM	JM	**C-19**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
8-Jun	AL	MK	**C-20**	C-38a	TAXES OTHER THAN INCOME TAXES
8-Jun	AL	DC	**C-21**	C-38b	REVENUE TAXES
8-Jun	MK/Temp	MK	**C-22**	C-42	STATE AND FEDERAL INCOME TAXES
21-May	Cons	DC	**C-23**	C-44	INTEREST IN TAX EXPENSE CALCULATION
8-Jun	Cons	DC	**C-24**	C-47	PARENT(S) DEBT INFORMATION
8-Jun	MK/Temp	MK	**C-25**	C-41	DEFERRED TAX ADJUSTMENT
8-Jun	MK/Temp	MK	**C-26**	C-46	INCOME TAX RETURNS
8-Jun	MK	MK	**C-27**	C-45	CONSOLIDATED TAX INFORMATION
8-Jun	MK	MK	**C-28**	C-46	MISCELLANEOUS TAX INFORMATION
8-Jun	JM	JM	**C-29**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
8-Jun	MK	MK	**C-30**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
8-Jun	MK	MK	**C-31**	NA	AFFILIATED COMPANY RELATIONSHIPS
25-May	JM	JM	**C-32**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
8-Jun	DC	DC	**C-33**	C-61	PERFRMANCE INDICES
8-Jun	DC	MC/DC	**C-34**	NA	STATISTICAL INFORMATION
8-Jun	AL	MK	**C-35**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
8-Jun	DT	MK	**C-36**	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI (include test year unless we get this waived)
8-Jun	DT	MK	**C-37**	C-53	O & M BENCHMARK COMPARISON BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-38**	C-54	O & M ADJUSTMENTS BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-39**	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-40**	C-56	O & M COMPOUND MULTIPLIER CALCULATION (include test year unless we get this waived)
8-Jun	DT	MK	**C-41**	C-57	O & M BENCHMARK VARIANCE BY FUNCTION (include test year unless we get this waived)
8-Jun	MK	MK	**C-42**	NA	HEDGING COSTS
8-Jun	MK	MK	**C-43**	NA	SECURITY COSTS
21-May	DC	DC	**C-44**	C-58	REVENUE EXPANSION FACTOR

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	DC	DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
21-May	DC	DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
1-Jun	DC	DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
21-May	DC	DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
21-May	DC	DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
21-May	DC	DC/CONS	**D-4b**	NA	REACQUIRED BONDS
21-May	DC	DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
21-May	DC	DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
21-May	DC	DC/CONS	**D-7**	D-9	COMMON STOCK DATA
1-Jun	DC	DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
1-Jun	DC	DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
22-Jun	AL	CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
22-Jun	AL	CM	**F-2**	F-3	SEC REPORTS
22-Jun	AL	CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
22-Jun	AL	CM	**F-4**	F-4	FERC AUDIT
1-Jun	CM	CM	**F-5**	F-9	FORECASING MODELS
1-Jun	CM	CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
1-Jun	CM	CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
1-Jun	CM	CM	**F-8**	F-17	ASSUMPTIONS
23-Jul	CM	CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
1-Jun	CM	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
21-May	JM	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
18-May	JM	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
1-Jun	Cons	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
18-May	CY/temp	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
25-May	JM/temp	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
23-May	MK	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
8-Jun	MK	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
23-May	Cons	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
8-Jun	DC	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
8-Jun	JM	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
1-Jun	NB	MK	**G-16**	NA	INTERIM PENSION COSTS
1-Jun	CM	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
21-May	DC	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
23-May	DC	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
21-May	DC	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
20-Jul	Cons	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
20-Jul	Cons	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
20-Jul	Cons	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
20-Jul	Cons	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

H PROJECTED YEARS SCHEDULES

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Due Date	Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
15-Jun	Cons	JM/CM	**H (B-1)**	B-3	ADJUSTED RATE BASE
15-Jun	JM	JM/CM	**H (B-2)**	B-4	RATE BASE ADJUSTMENTS
8-Jun	JM/Temp	JM/CM	**H (B-3)**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
22-Jun	JM./Temp	JM/CM	**H (B-5)**	NA	DETAILS OF CHANGES IN RATE BASE
15-Jun	JM	JM	**H (B-6)**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
8-Jun	Cons	JM	**H (B-7)**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
8-Jun	JM/Temp	JM	**H (B-8)**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
8-Jun	Cons	JM	**H (B-9)**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
8-Jun	JM/Temp	JM	**H (B-10)**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
15-Jun	JM/Temp	JM/MC	**H (B-11)**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
22-Jun	JM/Temp	JM	**H(B-12)**	NA	PRODUCTION PLANT ADDITIONS
22-Jun	JM/Temp	JM	**H(B-13)**	NA	CONSTRUCTION WORK IN PROGRESS
22-Jun	CM	CM	**H(B-14)**	NA	EARNINGS TEST
22-Jun	JM/Temp	JM	**H(B-15)**	B-12a	PROPERTY HELD FOR FUTURE USE
22-Jun	JM/Temp	JM	**H(B-16)**	B-16	NUCLEAR FUEL BALANCES
15-Jun	CY/Temp	CM	**H(B-17)**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
22-Jun	JM/Temp	JM	**H(B-18)**	B-17b	FUEL INVENTORY BY PLANT
8-Jun	CY/Temp	CM	**H(B-19)**	B-22	MISCELLANEOUS DEFERRED DEBITS
8-Jun	CY/Temp	CM	**H(B-20)**	B-21	OTHER DEFERRED CREDITS
8-Jun	NB	CM	**H(B-21)**	NA	ACCUMULATED PROVISIONS ACCOUNT
8-Jun	MK/Temp	MK	**H(B-22)**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
8-Jun	MK/Temp	MK	**H(B-23)**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
15-Jun	AL	CM	**H(B-24)**	B-28a	LEASING ARRANGEMENTS
28-Jun	Cons	MK/CM	**H(C-1)**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
28-Jun	Cons	MK/CM	**H(C-2)**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-3)**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-4)**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
22-Jun	Cons	DC/MC	**H(C-5)**	C-10	OPERATING REVENUES DETAIL
22-Jun	Cons	MK	**H(C-7)**	C-19.2	OPERATION AND MAINTENANCE EXPENSES
22-Jun	MK	MK	**H(C-8)**	C-21	DETAIL OF CHANGES IN EXPENSES
15-Jun	CM	CM	**H(C-10)**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
15-Jun	AL	MK	**H(C-11)**	C-25	UNCOLLECTIBLE ACCOUNTS
15-Jun	AL	MK	**H(C-12)**	C-31	ADMINISTRATIVE EXPENSES
15-Jun	AL	MK	**H(C-13)**	C-32	MISCELLANEOUS GENERAL EXPENSES
15-Jun	Al=L	MK	**H(C-14)**	C-26	ADVERTISING EXPENSES
15-Jun	AL	MK	**H(C-15)**	C-27	INDUSTRY ASSOCIATION DUES
15-Jun	AL	MK	**H(C-16)**	C-65	OUTSIDE PROFESSIONAL SERVICES
15-Jun	NB	MK	**H(C-17)**	C-66	PENSION COST
15-Jun	AL	MK	**H(C-18)**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
8-Jun	JM	JM	**H(C-19)**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
15-Jun	AL	MK	**H(C-20)**	C-38a	TAXES OTHER THAN INCOME TAXES
15-Jun	AL	DC	**H(C-21)**	C-38b	REVENUE TAXES
15-Jun	MK	MK	**H(C-22)**	C-42	STATE AND FEDERAL INCOME TAXES
22-Jun	Cons	DC	**H(C-23)**	C-44	INTEREST IN TAX EXPENSE CALCULATION
22-Jun	Cons	DC	**H(C-24)**	C-47	PARENT(S) DEBT INFORMATION
15-Jun	MK	MK	**H(C-25)**	C-41	DEFERRED TAX ADJUSTMENT
28-Jun	MK/Temp	MK	**H(C-26)**	C-46	INCOME TAX RETURNS
28-Jun	MK/Temp	MK	**H(C-27)**	C-45	CONSOLIDATED TAX INFORMATION
28-Jun	MK/Temp	MK	**H(C-28)**	C-46	MISCELLANEOUS TAX INFORMATION
15-Jun	JM	JM	**H(C-29)**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
22-Jun	MK	MK	**H(C-30)**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
22-Jun	MK	MK	**H(C-31)**	NA	AFFILIATED COMPANY RELATIONSHIPS
8-Jun	JM	JM	**H(C-32)**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
28-Jun	DC	DC	**H(C-33)**	C-61	PERFRMANCE INDICES
28-Jun	DC	MC/DC	**H(C-34)**	NA	STATISTICAL INFORMATION
28-Jun	AL	MK	**H(C-35)**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
28-Jun	MK	MK	**H(C-42)**	NA	HEDGING COSTS
28-Jun	MK	MK	**H(C-43)**	NA	SECURITY COSTS
15-Jun	DC	DC	**H(C-44)**	C-58	REVENUE EXPANSION FACTOR
20-Jun	Cons	DC/CONS	**H(D-1a)**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
20-Jun	Cons	DC/CONS	**H(D-1b)**	NA	COST OF CAPITAL -ADJUSTMENTS
20-Jun	Cons	DC/CONS	**H(D-3)**	D-3a	SHORT-TERM DEBT
20-Jun	Cons	DC/CONS	**H(D-4a)**	D-4a	LONG-TERM DEBT OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-4b)**	NA	REACQUIRED BONDS
20-Jun	Cons	DC/CONS	**H(D-5)**	D-7	PREFERRED STOCK OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-6)**	D-8	CUSTOMER DEPOSITS
20-Jun	Cons	DC/CONS	**H(D-7)**	D-9	COMMON STOCK DATA
28-Jun	DC	DC/CONS	**H(D-8)**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
28-Jun	DC	DC/CONS	**H(D-9)**	D-11a	FINANCIAL INDICATORS-SUMMARY

4

FLORIDA PUBLIC SERVICE COMMISSION

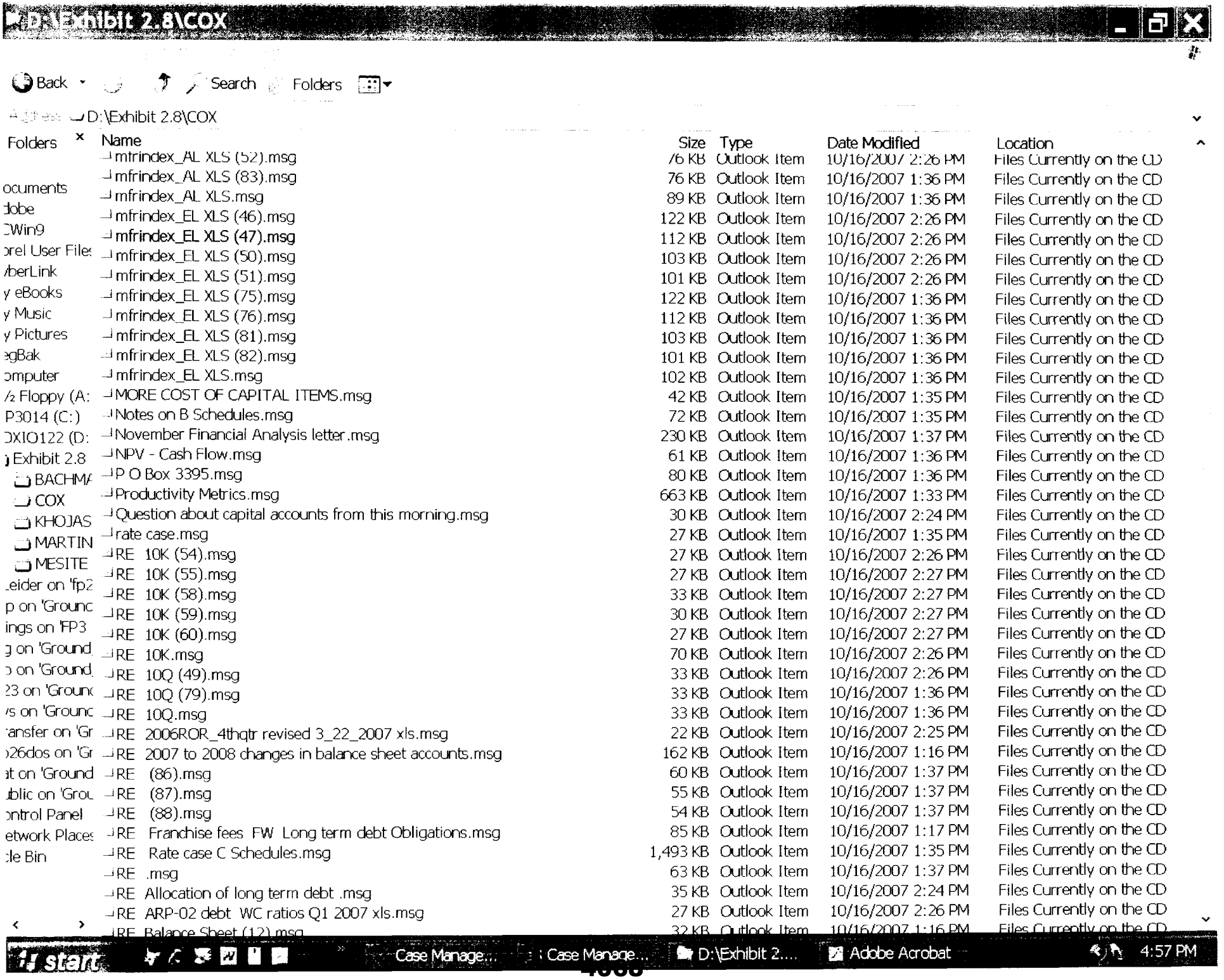
MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
13-Jul	Cons	MC	**E-1**	E-1	COST OF SERVICE STUDIES
13-Jul	Cons	MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
13-Jul	Cons	MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
13-Jul	Cons	MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
13-Jul	Cons	MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
13-Jul	Cons	MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
13-Jul	Cons	MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
13-Jul	Cons	MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
13-Jul	Cons	MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
13-Jul	Cons	MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
13-Jul	Cons	MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
13-Jul	Cons	MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
13-Jul	Cons	MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
13-Jul	Cons	MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
13-Jul	Cons	MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
13-Jul	Cons	MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
13-Jul	Cons	MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
13-Jul	Cons	MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
13-Jul	Cons	MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
13-Jul	Cons	MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
13-Jul	Cons	MC	**E-17**	E-20	LOAD RESEARCH DATA
13-Jul	Cons	MC	**E-18**	E-26	MONTHLY PEAKS
13-Jul	Cons	MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
13-Jul	Cons	MC	**E-19b**	E-27b	ENERGY LOSSES
13-Jul	Cons	MC	**E-19c**	E-27b	DEMAND LOSSES

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Question about capital accounts from this morning.msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
rate case.msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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RE 10K (55).msg 27 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
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RE 10K (59).msg 30 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
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RE (87).msg 55 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
RE (88).msg 54 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
RE Franchise fees FW Long term debt Obligations.msg 85 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE Rate case C Schedules.msg 1,493 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE .msg 63 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
RE Allocation of long term debt .msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE ARP-02 debt WC ratios Q1 2007 xls.msg 27 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
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Clara Leider

From: Martin Cheryl
Sent: Tuesday, May 15, 2007 2:22 PM
To: CORPORATE ACCOUNTING; Cox Doreen; Cutshaw Mark; Myers Don
Cc: Robert Camfield (E-mail); Norman Horton (E-mail)
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Here is our revised time table, and some Other items required along with assigned personnel. Please let me know if any one sees any issues with the due dates or assigned items. Thanks for your help. Thanks Cheryl Martin

PS_ Mark and Don, if I am attending the fuel agenda next Tuesday we can talk perhaps Monday night if you all have any questions. That is still up in the air however. If you need clarification on anything, please feel free to give me a call.

Overall Time table

Major Category	Due Date	Leader	
Prepare historical schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/23/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/23/07	DC	
Depreciation Study	06/01/07	JS	
Prepare projected schedules			
Projected Cash Flow	06/08/07	DC	
Projected Construction	05/18/07	Submitted by Divisions/Corp Depts	
Special Projection items Capital	05/24/07	As assigned on Other items required tab	
Rate Base	06/08/07	JM	
Other revenue, customers, unit sold	05/22/07	Submitted by Divisions/Corp Depts	
Billing Determinants	06/01/07	Div/DC	
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts	
Projected trended expenses	06/15/07	MK/CM	
Special Projection items Income St.	06/11/07	As assigned on Other items required tab	
Projected other revenue	06/13/07	Div/DC	
Income Statement	06/22/07	MK	
Cost of Capital	06/13/07	DC	
Cost of Service	07/13/07	MC	
Prepare requested rates	07/20/07	MC	
Prepare final filing	07/27/07	All	
Finalize testimony	07/27/07	All	
File MFRs	08/08/07	All	

Miami Audit	August-December
Tallahassee Audit	November-February
Interim Rate Relief hearing	September-October
Customer Hearings	December-January
Prehearing	January-February
Final Hearing	February-March
Final Rates	April-May

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 29-June 1
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jun 29-July 6
Doreen	Jul 16-20, 30-31
Doc	July 29-Aug 3

100.1860.1 SL number 36164
Docket No. 070304-EI
SJ File Number 07-665

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Hortor	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield	Ext. 162		rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen	Ext. 159		dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh	Ext. 163		mpwelsh@caenergy.com	Consulting work for rate proceeding

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Templates needed

x	Request for Projections for 2008 and any modifications to 2007 outside of budget
x	Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
x	Template for Common Expenses for 2007-2008
x	Template for Additions and Retirements for 2008 and any modifications to 2007
DC	Billing Determinant History
x	Template for Operation Expenses for 2007-2008
AL	Template for AG, ITC, Customer Relations, Amortization and Deprec, TOTI expenses for 2007-2008
x	Template for Other Revenues
x	Template for unusual rev items

Special Projections

MK	FASB 109 method
MC/MK	Storm Reserve
DC	Storm Hardening
MC/JM	Transformers
MC/Consul	Loss of Demand due to fuel rate increases
CY	Over recovery
Consultant	Performance award
Consultant	Weather normalization
CM	Rate Case expense
All	Payroll data for mfrs
AL	audit expense (include accelerated filer estimates for 2008) and other nonoperations
NB	pension and insurances
AL	Amortize adverstising to warn customers of upcoming fuel increase
JM/MK	Adjustments for nonutility items shared from IS and BS
JM	Property in NE Fl for new office
MC/DM	Lost or new customers or load outside of trends
MC/Consul	Rate structure with less demand(Fixed Charge)
MK	Union rate increase above inflation. Salary survey impact'
NB	FASB 158 Pension expense
MC	AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?/Underground wires
MK	Payroll % increase
DC	Add ons for benefits %
JS	Depr study
JM	Put in office building full recovery with cost savings from avoiding separate rate case for special recovery.
JM	Same for transformers. Put them in at full recovery and provide testimony why it is appropriate despite not finishing to early 08
MC	Public Awareness, safety programs'
MC	Line man training
MC	AMR elelctric
MC	2 way metering/reverse metering.

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	**A-3**	A-5	SUMMARY OF TARIFFS
	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**B-14**	NA	EARNINGS TEST
	NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
MK	C-12	C-31	ADMINISTRATIVE EXPENSES
MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
MK	C-14	C-26	ADVERTISING EXPENSES
MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB MK	C-17	C-66	PENSION COST
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MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
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DC	C-24	C-47	PARENT(S) DEBT INFORMATION
MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
MK	C-26	C-46	INCOME TAX RETURNS
MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK	C-31	NA	AFFILIATED COMPANY RELATIONSHIPS
JM	C-32	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
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DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

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INTERIM RATE RELIEF SCHEDULES

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	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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	JM/CM	H (B-1)	B-3	ADJUSTED RATE BASE
	JM/CM	H (B-2)	B-4	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	NA	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	H (B-7)	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	H (B-8)	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	H (B-10)	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	H (B-11)	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	H(B-12)	NA	PRODUCTION PLANT ADDITIONS
	JM	H(B-13)	NA	CONSTRUCTION WORK IN PROGRESS
	NA	H(B-14)	NA	EARNINGS TEST
	NA	H(B-15)	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	B-16	NUCLEAR FUEL BALANCES
	CM	H(B-17)	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	H(B-18)	B-17b	FUEL INVENTORY BY PLANT
	CM	H(B-19)	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	H(B-20)	B-21	OTHER DEFERRED CREDITS
	CM	H(B-21)	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	H(B-22)	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	H(B-23)	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	B-28a	LEASING ARRANGEMENTS
	CM	H(B-25)	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	H(C-5)	C-10	OPERATING REVENUES DETAIL
	DC/MK	H(C-6)	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	H(C-7)	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	H(C-8)	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	H(C-9)	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	H(C-10)	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	H(C-11)	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	H(C-12)	C-31	ADMINISTRATIVE EXPENSES
	MK	H(C-13)	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	H(C-14)	C-26	ADVERTISING EXPENSES
	MK	H(C-15)	C-27	INDUSTRY ASSOCIATION DUES
	MK	H(C-16)	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	H(C-17)	C-66	PENSION COST
	MK	H(C-18)	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	H(C-19)	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	H(C-20)	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	H(C-21)	C-38b	REVENUE TAXES
	MK	H(C-22)	C-42	STATE AND FEDERAL INCOME TAXES
	DC	H(C-23)	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	H(C-24)	C-47	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	C-41	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	C-46	INCOME TAX RETURNS
	MK	H(C-27)	C-45	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	C-46	MISCELLANEOUS TAX INFORMATION
	JM	H(C-29)	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	H(C-30)	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	C-61	PERFRMANCE INDICES
	MC/DC	H(C-34)	NA	STATISTICAL INFORMATION
	MK	H(C-35)	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	NA	HEDGING COSTS
	MK	H(C-43)	NA	SECURITY COSTS
	DC	H(C-44)	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	D-3a	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	NA	REACQUIRED BONDS
	DC/CONS	H(D-5)	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	D-8	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	D-9	COMMON STOCK DATA
	DC/CONS	H(D-8)	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	D-11a	FINANCIAL INDICATORS-SUMMARY

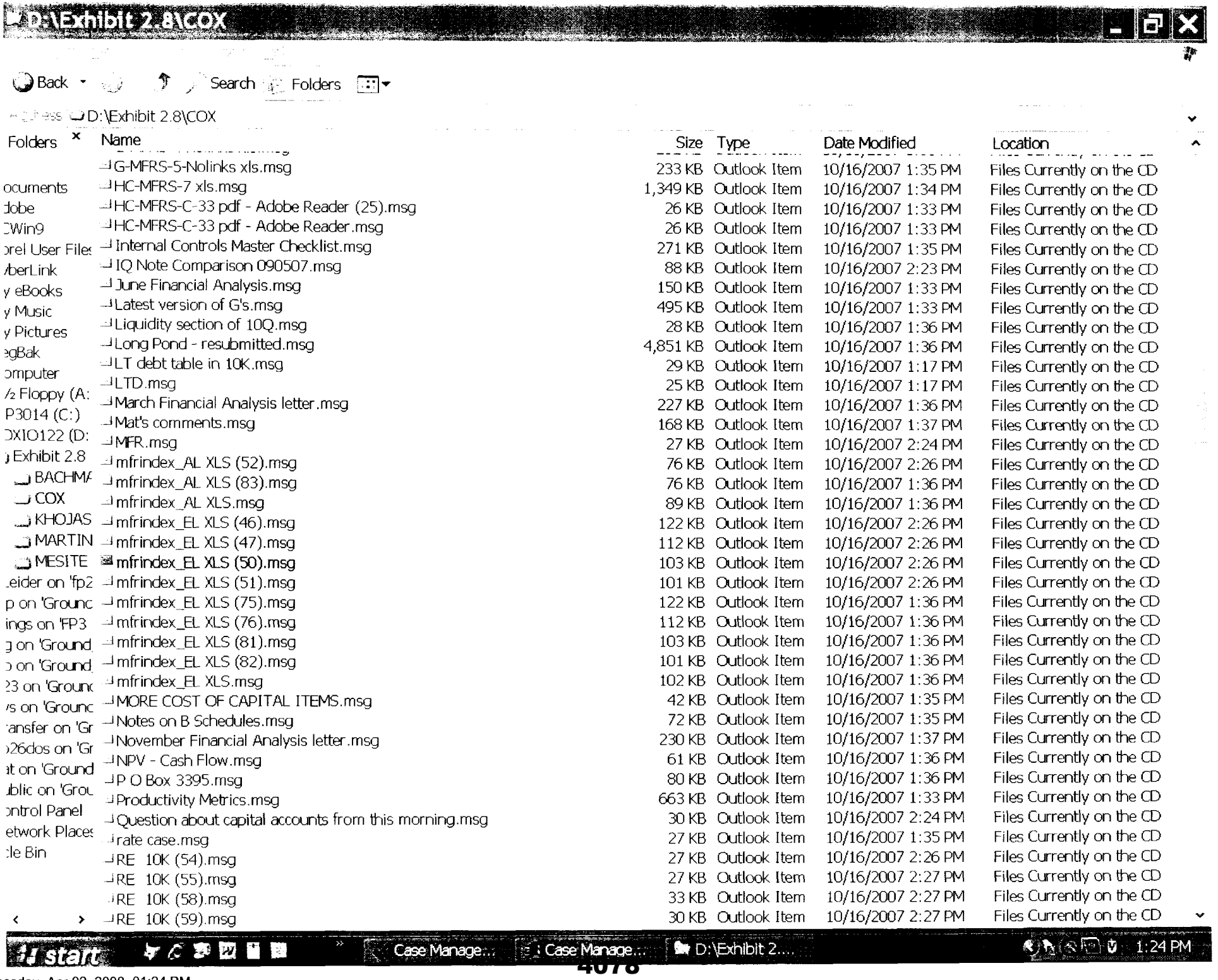
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES



Wednesday, Apr 02, 2008 01:24 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, April 25, 2007 9:44 AM
To: CORPORATE ACCOUNTING; Cox Doreen; Cutshaw Mark; Myers Don
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Let me know if anyone sees any issues with the time table before I send it to Robert. I would like to send out tomorrow. Thanks Cheryl Martin

Overall Time table

Major Category	Due Date	Leader	
Prepare historical schedules			
Rate Base Adjustments	05/07/07	JM	
Rate Base	05/09/07	JM	
Income statement adjustments	05/14/07	MK	
Income Statement	05/16/07	MK	
Cost of capital adjustments	05/09/07	DC	
Cost of Capital	05/11/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/07/07	JM	
Rate Base	05/09/07	JM	
Income statement adjustments	05/14/07	MK	
Income Statement	05/16/07	MK	
Cost of capital adjustments	05/09/07	DC	
Cost of Capital	05/11/07	DC	
Prepare projected schedules			
Projected Cash Flow	06/01/07	DC	
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts	
Rate Base	05/25/07	JM	
Billing Determinants	06/01/07	Div/DC	
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts	
Projected trended expenses	06/13/07	MK/CM	
Projected other revenue	06/13/07	Div/DC	
Income Statement	06/18/07	MK	
Cost of Capital	06/11/07	DC	
Cost of Service	07/06/07	MC	
Prepare requested rates	07/13/07	MC	
Prepare final filing	07/20/07	All	
Finalize testimony	07/23/07	All	
File MFRs	08/01/07	All	

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jul 2-July 6
Doreen	Jul 16-20, 30-31

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts			
Norman (Doc) Hortor	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield			rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen			dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh				Consulting work for rate proceeding

Templates needed

- Request for Projections for 2008 and any modifications to 2007 outside of budget
- Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
- Template for Common Expenses for 2007-2008
- Template for Additions and Retirements for 2008 and any modifications to 2007
- Billing Determinant History
- Template for Operation Expenses for 2007-2008
- Template for TOTI expenses for 2007-2008
- Template for Other Revenues
- Template for unusual rev items

Special Projections

- FASB 109 method
- Storm Reserve
- Storm Hardening
- Transformers
- Loss of Demand due to fuel rate increases
- Over recovery
- Performance award
- Weather normalization
- Rate Case expense
- Payroll data for mfrs
- audit expense (include accelerated filer estimates for 2008)
- pension
- Amortize adverstising to warn customers of upcoming fuel increase
- Adjustments for nonutility items shared from IS and BS
- Property in NE FI for new office
- Lost or new customers or load outside of trends
- Rate structure with less demand(Fixed Charge)
- Union rate increase above inflation. Salary survey impact'
- Possible step rates for base and fuel
- FASB 158 Pension expense
- AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?

T/B by account and cost center for 2006 and 2005
13 month TB by cost center, combined for 114 and 115 for period ending Dec 31, 2006
13 month TB by cost center and account for all divisions for period ending Dec 31, 2006

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	**A-3**	A-5	SUMMARY OF TARIFFS
	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

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RATE BASE SCHEDULES

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Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**B-14**	NA	EARNINGS TEST
	NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
MK	C-12	C-31	ADMINISTRATIVE EXPENSES
MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
MK	C-14	C-26	ADVERTISING EXPENSES
MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB MK	C-17	C-66	PENSION COST
MK	C-18	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
JM	C-19	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
MK	C-20	C-38a	TAXES OTHER THAN INCOME TAXES
DC	C-21	C-38b	REVENUE TAXES
MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
DC	C-23	C-44	INTEREST IN TAX EXPENSE CALCULATION
DC	C-24	C-47	PARENT(S) DEBT INFORMATION
MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
MK	C-26	C-46	INCOME TAX RETURNS
MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
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DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
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DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

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INTERIM RATE RELIEF SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
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	JM/CM	H (B-2)	B-4	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	NA	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	H (B-7)	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	H (B-8)	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	H (B-10)	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	H (B-11)	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	H(B-12)	NA	PRODUCTION PLANT ADDITIONS
	JM	H(B-13)	NA	CONSTRUCTION WORK IN PROGRESS
	NA	H(B-14)	NA	EARNINGS TEST
	NA	H(B-15)	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	B-16	NUCLEAR FUEL BALANCES
	CM	H(B-17)	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	H(B-18)	B-17b	FUEL INVENTORY BY PLANT
	CM	H(B-19)	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	H(B-20)	B-21	OTHER DEFERRED CREDITS
	CM	H(B-21)	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	H(B-22)	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	H(B-23)	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	B-28a	LEASING ARRANGEMENTS
	CM	H(B-25)	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	H(C-5)	C-10	OPERATING REVENUES DETAIL
	DC/MK	H(C-6)	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	H(C-7)	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	H(C-8)	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	H(C-9)	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	H(C-10)	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	H(C-11)	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	H(C-12)	C-31	ADMINISTRATIVE EXPENSES
	MK	H(C-13)	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	H(C-14)	C-26	ADVERTISING EXPENSES
	MK	H(C-15)	C-27	INDUSTRY ASSOCIATION DUES
	MK	H(C-16)	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	H(C-17)	C-66	PENSION COST
	MK	H(C-18)	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	H(C-19)	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	H(C-20)	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	H(C-21)	C-38b	REVENUE TAXES
	MK	H(C-22)	C-42	STATE AND FEDERAL INCOME TAXES
	DC	H(C-23)	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	H(C-24)	C-47	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	C-41	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	C-46	INCOME TAX RETURNS
	MK	H(C-27)	C-45	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	C-46	MISCELLANEOUS TAX INFORMATION
	JM	H(C-29)	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	H(C-30)	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	C-61	PERFRMANCE INDICES
	MC/DC	H(C-34)	NA	STATISTICAL INFORMATION
	MK	H(C-35)	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	NA	HEDGING COSTS
	MK	H(C-43)	NA	SECURITY COSTS
	DC	H(C-44)	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	D-3a	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	NA	REACQUIRED BONDS
	DC/CONS	H(D-5)	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	D-8	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	D-9	COMMON STOCK DATA
	DC/CONS	H(D-8)	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	D-11a	FINANCIAL INDICATORS-SUMMARY

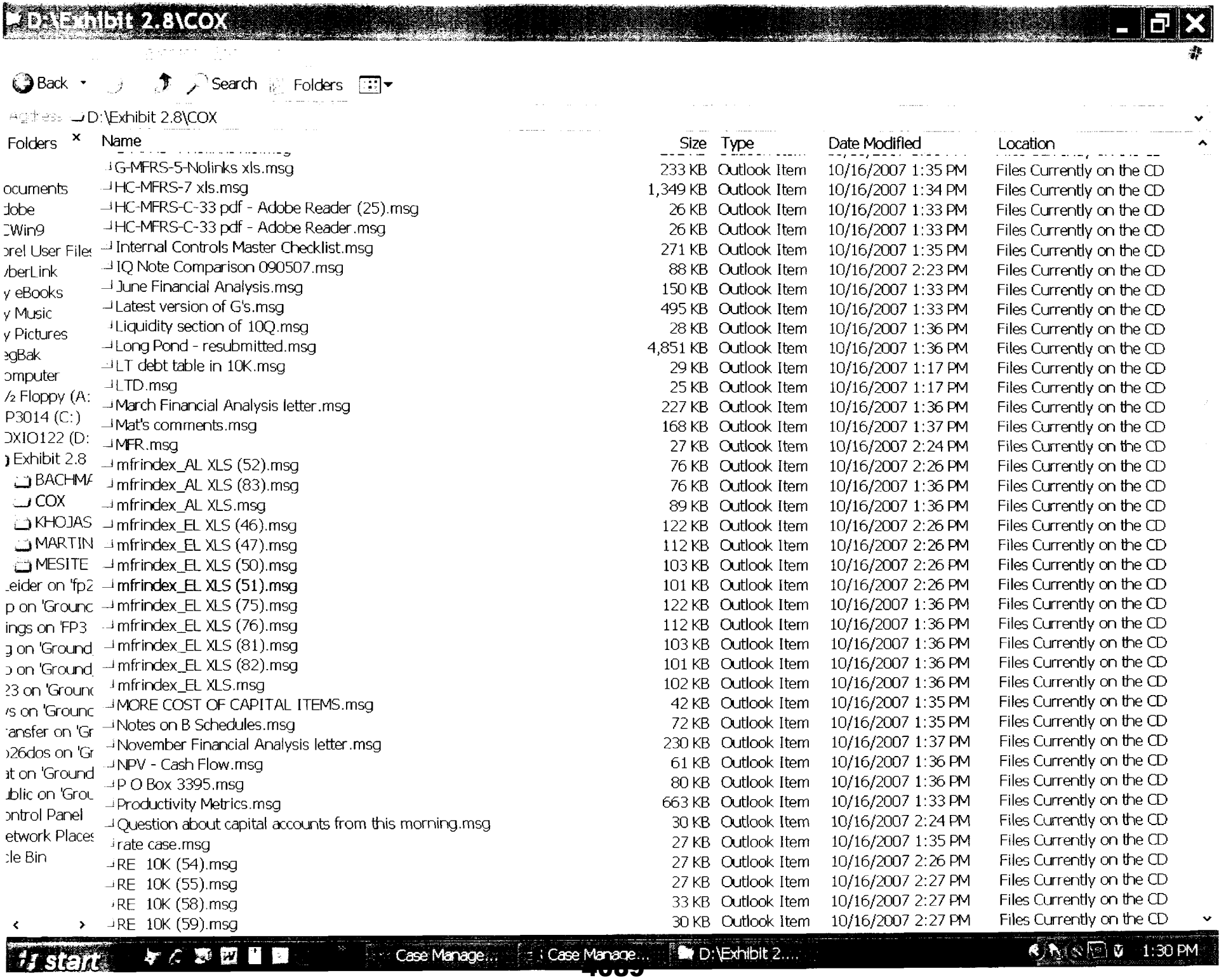
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES



Wednesday, Apr 02, 2008 01:30 PM

Clara Leider

From: Martin Cheryl
Sent: Tuesday, April 24, 2007 4:44 PM
To: Cox Doreen; CORPORATE ACCOUNTING; Cutshaw Mark; Myers Don
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Check your contact info for me, and let me know if I missed anything. Thanks Cheryl Martin

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base	05/11/07	JM/CM
Income Statement	05/18/07	MK
Cost of Capital	05/25/07	DC
Prepare projected schedules		
Projected Cash Flow	05/11/07	DC
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts
Rate Base	05/25/07	JM/CM
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts
Income Statement	06/08/07	MK
Cost of Capital	06/15/07	DC
Cost of Service	06/22/07	Division
Prepare requested rates	07/13/07	Division
Prepare final filing	07/20/07	All
Finalize testimony	07/27/07	All
File MFRs	08/01/07	All

Vacations during filing prep

Cheryl	June 29-July 6
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Mark	April 17-20, June 25-Jun 29
Doreen	Jul 16-20, 30-31
Don	Apr 19-20, May 24-25

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items

Other Contacts			
Norman (Doc) Horton	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield			rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen			dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh				Consulting work for rate proceeding

Templates needed

- Request for Projections for 2008 and any modifications to 2007 outside of budget
- Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
- Template for Common Expenses for 2007-2008
- Template for Additions and Retirements for 2008 and any modifications to 2007
- Billing Determinant History
- Template for Operation Expenses for 2007-2008
- Template for TOTI expenses for 2007-2008
- Template for Other Revenues
- Template for unusual rev items

Special Projections

- FASB 109 method
- Storm Reserve
- Storm Hardening
- Transformers
- Loss of Demand due to fuel rate increases
- Over recovery
- Performance award
- Weather normalization
- Rate Case expense
- Payroll data for mfrs
- audit expense (include accelerated filer estimates for 2008)
- pension
- Amortize adverstising to warn customers of upcoming fuel increase
- Adjustments for nonutility items shared from IS and BS
- Property in NE FI for new office
- Lost or new customers or load outside of trends
- Rate structure with less demand(Fixed Charge)
- Union rate increase above inflation. Salary survey impact'
- Possible step rates for base and fuel
- FASB 158 Pension expense
- AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	**A-3**	A-5	SUMMARY OF TARIFFS
	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

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RATE BASE SCHEDULES

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Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**B-14**	NA	EARNINGS TEST
	NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
MK	C-12	C-31	ADMINISTRATIVE EXPENSES
MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
MK	C-14	C-26	ADVERTISING EXPENSES
MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB MK	C-17	C-66	PENSION COST
MK	C-18	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
JM	C-19	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
MK	C-20	C-38a	TAXES OTHER THAN INCOME TAXES
DC	C-21	C-38b	REVENUE TAXES
MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
DC	C-23	C-44	INTEREST IN TAX EXPENSE CALCULATION
DC	C-24	C-47	PARENT(S) DEBT INFORMATION
MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
MK	C-26	C-46	INCOME TAX RETURNS
MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK	C-31	NA	AFFILIATED COMPANY RELATIONSHIPS
JM	C-32	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

H PROJECTED YEARS SCHEDULES

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Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
	JM/CM	H (B-1)	B-3	ADJUSTED RATE BASE
	JM/CM	H (B-2)	B-4	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	NA	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	H (B-7)	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	H (B-8)	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	H (B-10)	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	H (B-11)	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	H(B-12)	NA	PRODUCTION PLANT ADDITIONS
	JM	H(B-13)	NA	CONSTRUCTION WORK IN PROGRESS
	NA	H(B-14)	NA	EARNINGS TEST
	NA	H(B-15)	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	B-16	NUCLEAR FUEL BALANCES
	CM	H(B-17)	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	H(B-18)	B-17b	FUEL INVENTORY BY PLANT
	CM	H(B-19)	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	H(B-20)	B-21	OTHER DEFERRED CREDITS
	CM	H(B-21)	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	H(B-22)	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	H(B-23)	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	B-28a	LEASING ARRANGEMENTS
	CM	H(B-25)	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	H(C-5)	C-10	OPERATING REVENUES DETAIL
	DC/MK	H(C-6)	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	H(C-7)	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	H(C-8)	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	H(C-9)	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	H(C-10)	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	H(C-11)	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	H(C-12)	C-31	ADMINISTRATIVE EXPENSES
	MK	H(C-13)	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	H(C-14)	C-26	ADVERTISING EXPENSES
	MK	H(C-15)	C-27	INDUSTRY ASSOCIATION DUES
	MK	H(C-16)	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	H(C-17)	C-66	PENSION COST
	MK	H(C-18)	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	H(C-19)	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	H(C-20)	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	H(C-21)	C-38b	REVENUE TAXES
	MK	H(C-22)	C-42	STATE AND FEDERAL INCOME TAXES
	DC	H(C-23)	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	H(C-24)	C-47	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	C-41	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	C-46	INCOME TAX RETURNS
	MK	H(C-27)	C-45	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	C-46	MISCELLANEOUS TAX INFORMATION
	JM	H(C-29)	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	H(C-30)	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	C-61	PERFRMANCE INDICES
	MC/DC	H(C-34)	NA	STATISTICAL INFORMATION
	MK	H(C-35)	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	NA	HEDGING COSTS
	MK	H(C-43)	NA	SECURITY COSTS
	DC	H(C-44)	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	D-3a	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	NA	REACQUIRED BONDS
	DC/CONS	H(D-5)	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	D-8	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	D-9	COMMON STOCK DATA
	DC/CONS	H(D-8)	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	D-11a	FINANCIAL INDICATORS-SUMMARY

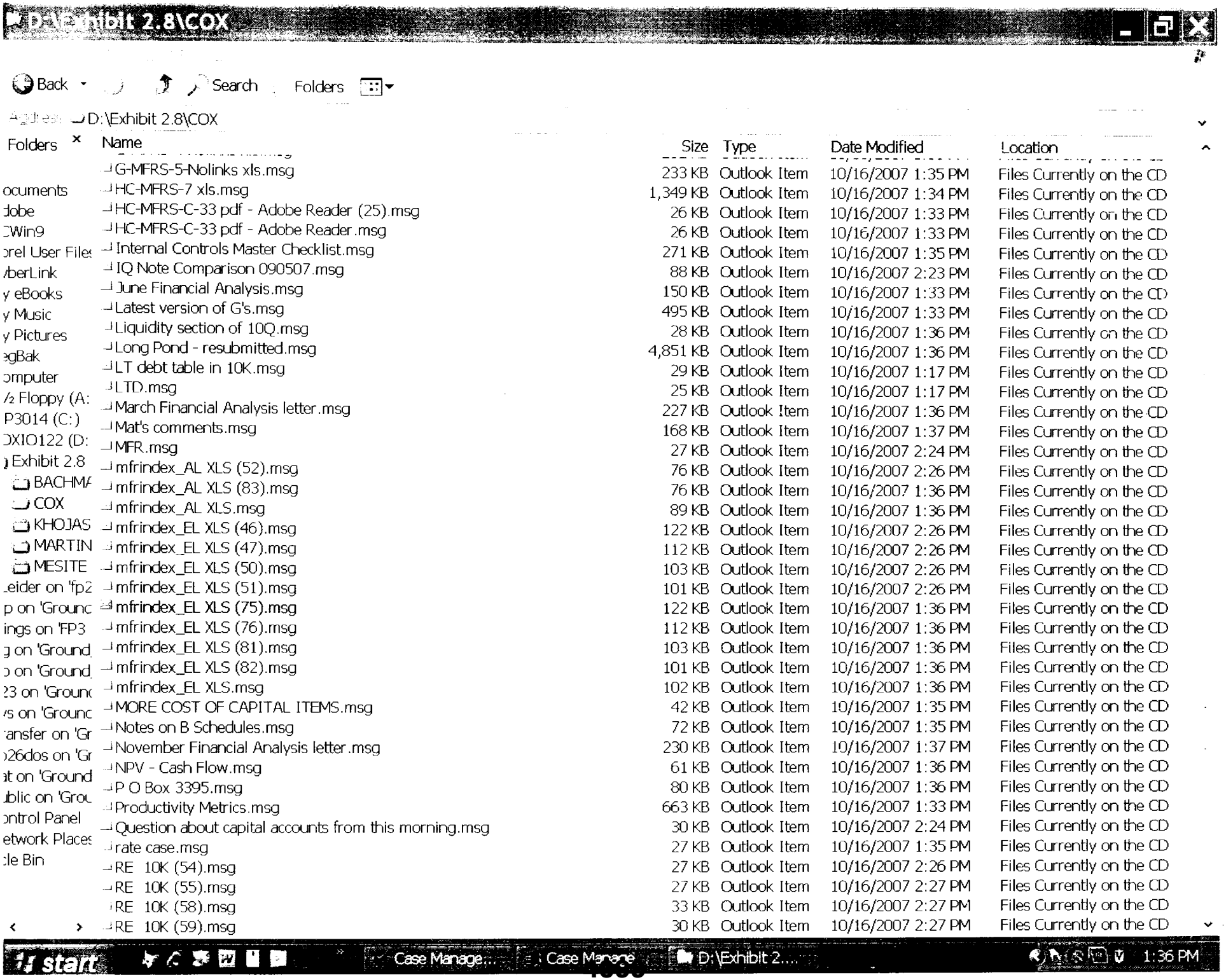
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES



Wednesday, Apr 02, 2008 01:36 PM

Clara Leider

From: Martin Cheryl

Sent: Wednesday, May 16, 2007 11:29 AM

To: Cox Doreen; Young Curtis; Bhatia Nadira; Lundgren April; Khojasteh Mehrdad; Mesite Jim; Cutshaw Mark

Subject: mfrindex_EL.XLS

Attachments: mfrindex_EL.XLS

Take a look at the time table today and tomorrow morning, and let me know if you see any problems with dates due on MFRs, or who is assigned to prepare the schedule itself. If you feel the Consultants should do one assigned to you , please let me know that as well. I tried to assign due dates for dependent components, but I may not have done all of these correct, so let me know if y ou see any problems with that as well. In other words, if you need data to complete a schedule, make sure it is done before you due date to allow you enough time to complete. Thanks for your help. Cheryl

Overall Time table

Major Category	Due Date	Leader	Comments
Prepare historical schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Depreciation Study	06/01/07	JS	
Prepare projected schedules			
Projected Cash Flow	06/08/07	DC	
Projected Construction	05/18/07		Submitted by Divisions/Corp Depts
Special Projection items Capital	05/24/07		As assigned on Other items required tab
Rate Base	06/15/07	JM	
Other revenue, customers, unit sold	05/22/07		Submitted by Divisions/Corp Depts
Billing Determinants	06/08/07	Div/DC	
Projected Extraordinary Expenses	05/25/07		Submitted by Divisions/Corp Depts
Projected trended expenses	06/22/07	MK/CM	
Special Projection items Income St.	06/11/07		As assigned on Other items required tab
Projected other revenue	06/15/07	Div/DC	
Income Statement	06/28/07	MK	
Cost of Capital	06/20/07	DC	
Cost of Service	07/13/07	MC	
Prepare requested rates	07/20/07	MC	
Prepare final filing	07/27/07	All	
Finalize testimony	07/27/07	All	
File MFRs	08/08/07	All	

Miami Audit	August-December
Tallahassee Audit	November-February
Interim Rate Relief hearing	September-October
Customer Hearings	December-January
Prehearing	January-February
Final Hearing	February-March
Final Rates	April-May

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 29-June 1
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jun 29-July 6
Doreen	Jul 16-20, 30-31
Doc	July 29-Aug 3

100.1860.1 SL number 36164
Docket No. 070304-EI
SJ File Number 07-665

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Hortor	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield	Ext. 162		rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen	Ext. 159		dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh	Ext. 163		mpwelsh@caenergy.com	Consulting work for rate proceeding

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Templates needed

x	Request for Projections for 2008 and any modifications to 2007 outside of budget
x	Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
x	Template for Common Expenses for 2007-2008
x	Template for Additions and Retirements for 2008 and any modifications to 2007
DC	Billing Determinant History
x	Template for Operation Expenses for 2007-2008
AL	Template for AG, ITC, Customer Relations, Amortization and Deprec, TOTI expenses for 2007-2008
x	Template for Other Revenues
x	Template for unusual rev items

Special Projections

MK	FASB 109 method
MC/MK	Storm Reserve
DC	Storm Hardening
MC/JM	Transformers
MC/Consul	Loss of Demand due to fuel rate increases
CY	Over recovery
Consultant	Performance award
Consultant	Weather normalization
CM	Rate Case expense
All	Payroll data for mfrs
AL	audit expense (include accelerated filer estimates for 2008) and other nonoperations
NB	pension and insurances
AL	Amortize adverstising to warn customers of upcoming fuel increase
JM/MK	Adjustments for nonutility items shared from IS and BS
JM	Property in NE Fl for new office
MC/DM	Lost or new customers or load outside of trends
MC/Consul	Rate structure with less demand(Fixed Charge)
MK	Union rate increase above inflation. Salary survey impact'
NB	FASB 158 Pension expense
MC	AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?/Underground wires
MK	Payroll % increase
DC	Add ons for benefits %
JS	Depr study
JM	Put in office building full recovery with cost savings from avoiding separate rate case for special recovery.
JM	Same for transformers. Put them in at full recovery and provide testimony why it is appropriate despite not finishing to early 08
MC	Public Awareness, safety programs'
MC	Line man training
MC	AMR elelctric
MC	2 way metering/reverse metering.

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojestah-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-Temp
Darryl Troy-DT
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
26-Jun	Cons	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
20-Jul	Cons	MC	**A-3**	A-5	SUMMARY OF TARIFFS
1-Jun	Cons	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	Cons	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
18-May	JM/Temp	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
18-May	JM/Temp	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
21-May	JM/Temp	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
25-May	JM/Temp	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
25-May	JM/Temp	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
18-May	Cons	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
25-May	JM/Temp	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
18-May	Cons	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
18-May	JM/Temp	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
25-May	JM/Temp	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
25-May	JM/Temp	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
25-May	JM/Temp	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
1-Jun	CM	CM	**B-14**	NA	EARNINGS TEST
25-May	JM/Temp	JM	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
25-May	JM/Temp	JM	**B-16**	B-16	NUCLEAR FUEL BALANCES
18-May	CY/Temp	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
25-May	JM/Temp	JM	**B-18**	B-17b	FUEL INVENTORY BY PLANT
1-Jun	CY/Temp	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
1-Jun	CY/Temp	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
1-Jun	NB	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
25-May	MK/Temp	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
25-May	MK/Temp	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
1-Jun	AL	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
1-Jun	CM	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
23-May	Cons	MK/CM	**C-1**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK/CM	**C-2**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK/CM	**C-3**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK/CM	**C-4**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC/MC	**C-5**	C-10	OPERATING REVENUES DETAIL
22-Jun	MK/Temp	DC/MK	**C-6**	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES (Include the projected years on this schedule as well)
8-Jun	Cons	MK	**C-7**	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
8-Jun	MK	MK	**C-8**	C-21	DETAIL OF CHANGES IN EXPENSES
8-Jun	Cons	MK	**C-9**	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
8-Jun	CM	CM	**C-10**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
8-Jun	AL	MK	**C-11**	C-25	UNCOLLECTIBLE ACCOUNTS
8-Jun	AL	MK	**C-12**	C-31	ADMINISTRATIVE EXPENSES
8-Jun	AL	MK	**C-13**	C-32	MISCELLANEOUS GENERAL EXPENSES
8-Jun	AL	MK	**C-14**	C-26	ADVERTISING EXPENSES
8-Jun	AL	MK	**C-15**	C-27	INDUSTRY ASSOCIATION DUES
8-Jun	AL	MK	**C-16**	C-65	OUTSIDE PROFESSIONAL SERVICES
1-Jun	NB	MK	**C-17**	C-66	PENSION COST
8-Jun	AL	MK	**C-18**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
25-May	JM	JM	**C-19**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
8-Jun	AL	MK	**C-20**	C-38a	TAXES OTHER THAN INCOME TAXES
8-Jun	AL	DC	**C-21**	C-38b	REVENUE TAXES
8-Jun	MK/Temp	MK	**C-22**	C-42	STATE AND FEDERAL INCOME TAXES
21-May	Cons	DC	**C-23**	C-44	INTEREST IN TAX EXPENSE CALCULATION
8-Jun	Cons	DC	**C-24**	C-47	PARENT(S) DEBT INFORMATION
8-Jun	MK/Temp	MK	**C-25**	C-41	DEFERRED TAX ADJUSTMENT
8-Jun	MK/Temp	MK	**C-26**	C-46	INCOME TAX RETURNS
8-Jun	MK	MK	**C-27**	C-45	CONSOLIDATED TAX INFORMATION
8-Jun	MK	MK	**C-28**	C-46	MISCELLANEOUS TAX INFORMATION
8-Jun	JM	JM	**C-29**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
8-Jun	MK	MK	**C-30**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
8-Jun	MK	MK	**C-31**	NA	AFFILIATED COMPANY RELATIONSHIPS
25-May	JM	JM	**C-32**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
8-Jun	DC	DC	**C-33**	C-61	PERFRMANCE INDICES
8-Jun	DC	MC/DC	**C-34**	NA	STATISTICAL INFORMATION
8-Jun	AL	MK	**C-35**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
8-Jun	DT	MK	**C-36**	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI (include test year unless we get this waived)
8-Jun	DT	MK	**C-37**	C-53	O & M BENCHMARK COMPARISON BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-38**	C-54	O & M ADJUSTMENTS BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-39**	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION (include test year unless we get this waived)
8-Jun	DT	MK	**C-40**	C-56	O & M COMPOUND MULTIPLIER CALCULATION (include test year unless we get this waived)
8-Jun	DT	MK	**C-41**	C-57	O & M BENCHMARK VARIANCE BY FUNCTION (include test year unless we get this waived)
8-Jun	MK	MK	**C-42**	NA	HEDGING COSTS
8-Jun	MK	MK	**C-43**	NA	SECURITY COSTS
21-May	DC	DC	**C-44**	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	DC	DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
21-May	DC	DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
1-Jun	DC	DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
21-May	DC	DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
21-May	DC	DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
21-May	DC	DC/CONS	**D-4b**	NA	REACQUIRED BONDS
21-May	DC	DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
21-May	DC	DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
21-May	DC	DC/CONS	**D-7**	D-9	COMMON STOCK DATA
1-Jun	DC	DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
1-Jun	DC	DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
22-Jun	AL	CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
22-Jun	AL	CM	**F-2**	F-3	SEC REPORTS
22-Jun	AL	CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
22-Jun	AL	CM	**F-4**	F-4	FERC AUDIT
1-Jun	CM	CM	**F-5**	F-9	FORECASING MODELS
1-Jun	CM	CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
1-Jun	CM	CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
1-Jun	CM	CM	**F-8**	F-17	ASSUMPTIONS
23-Jul	CM	CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
1-Jun	CM	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
21-May	JM	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
18-May	JM	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
1-Jun	Cons	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
18-May	CY/temp	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
25-May	JM/temp	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
23-May	MK	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
8-Jun	MK	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
23-May	Cons	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
8-Jun	DC	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
8-Jun	JM	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
1-Jun	NB	MK	**G-16**	NA	INTERIM PENSION COSTS
1-Jun	CM	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
21-May	DC	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
23-May	DC	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
21-May	DC	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
20-Jul	Cons	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
20-Jul	Cons	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
20-Jul	Cons	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
20-Jul	Cons	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

H PROJECTED YEARS SCHEDULES

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Due Date	Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
15-Jun	Cons	JM/CM	**H (B-1)**	B-3	ADJUSTED RATE BASE
15-Jun	JM	JM/CM	**H (B-2)**	B-4	RATE BASE ADJUSTMENTS
8-Jun	JM/Temp	JM/CM	**H (B-3)**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
22-Jun	JM./Temp	JM/CM	**H (B-5)**	NA	DETAILS OF CHANGES IN RATE BASE
15-Jun	JM	JM	**H (B-6)**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
8-Jun	Cons	JM	**H (B-7)**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
8-Jun	JM/Temp	JM	**H (B-8)**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
8-Jun	Cons	JM	**H (B-9)**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
8-Jun	JM/Temp	JM	**H (B-10)**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
15-Jun	JM/Temp	JM/MC	**H (B-11)**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
22-Jun	JM/Temp	JM	**H(B-12)**	NA	PRODUCTION PLANT ADDITIONS
22-Jun	JM/Temp	JM	**H(B-13)**	NA	CONSTRUCTION WORK IN PROGRESS
22-Jun	CM	CM	**H(B-14)**	NA	EARNINGS TEST
22-Jun	JM/Temp	JM	**H(B-15)**	B-12a	PROPERTY HELD FOR FUTURE USE
22-Jun	JM/Temp	JM	**H(B-16)**	B-16	NUCLEAR FUEL BALANCES
15-Jun	CY/Temp	CM	**H(B-17)**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
22-Jun	JM/Temp	JM	**H(B-18)**	B-17b	FUEL INVENTORY BY PLANT
8-Jun	CY/Temp	CM	***H(B-19)***	*B-22*	*MISCELLANEOUS DEFERRED DEBITS*
8-Jun	CY/Temp	CM	**H(B-20)**	B-21	OTHER DEFERRED CREDITS
8-Jun	NB	CM	**H(B-21)**	NA	ACCUMULATED PROVISIONS ACCOUNT
8-Jun	MK/Temp	MK	**H(B-22)**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
8-Jun	MK/Temp	MK	**H(B-23)**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
15-Jun	AL	CM	**H(B-24)**	B-28a	LEASING ARRANGEMENTS
28-Jun	Cons	MK/CM	**H(C-1)**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
28-Jun	Cons	MK/CM	**H(C-2)**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-3)**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-4)**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
22-Jun	Cons	DC/MC	**H(C-5)**	C-10	OPERATING REVENUES DETAIL
22-Jun	Cons	MK	**H(C-7)**	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
22-Jun	MK	MK	**H(C-8)**	C-21	DETAIL OF CHANGES IN EXPENSES
15-Jun	CM	CM	**H(C-10)**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
15-Jun	AL	MK	**H(C-11)**	C-25	UNCOLLECTIBLE ACCOUNTS
15-Jun	AL	MK	**H(C-12)**	C-31	ADMINISTRATIVE EXPENSES
15-Jun	AL	MK	**H(C-13)**	C-32	MISCELLANEOUS GENERAL EXPENSES
15-Jun	AI=L	MK	**H(C-14)**	C-26	ADVERTISING EXPENSES
15-Jun	AL	MK	**H(C-15)**	C-27	INDUSTRY ASSOCIATION DUES
15-Jun	AL	MK	**H(C-16)**	C-65	OUTSIDE PROFESSIONAL SERVICES
15-Jun	NB	MK	**H(C-17)**	C-66	PENSION COST
15-Jun	AL	MK	**H(C-18)**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
8-Jun	JM	JM	**H(C-19)**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
15-Jun	AL	MK	**H(C-20)**	C-38a	TAXES OTHER THAN INCOME TAXES
15-Jun	AL	DC	**H(C-21)**	C-38b	REVENUE TAXES
15-Jun	MK	MK	**H(C-22)**	C-42	STATE AND FEDERAL INCOME TAXES
22-Jun	Cons	DC	**H(C-23)**	C-44	INTEREST IN TAX EXPENSE CALCULATION
22-Jun	Cons	DC	**H(C-24)**	C-47	PARENT(S) DEBT INFORMATION
15-Jun	MK	MK	**H(C-25)**	C-41	DEFERRED TAX ADJUSTMENT
28-Jun	MK/Temp	MK	**H(C-26)**	C-46	INCOME TAX RETURNS
28-Jun	MK/Temp	MK	**H(C-27)**	C-45	CONSOLIDATED TAX INFORMATION
28-Jun	MK/Temp	MK	**H(C-28)**	C-46	MISCELLANEOUS TAX INFORMATION
15-Jun	JM	JM	**H(C-29)**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
22-Jun	MK	MK	**H(C-30)**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
22-Jun	MK	MK	**H(C-31)**	NA	AFFILIATED COMPANY RELATIONSHIPS
8-Jun	JM	JM	**H(C-32)**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
28-Jun	DC	DC	**H(C-33)**	C-61	PERFRMANCE INDICES
28-Jun	DC	MC/DC	**H(C-34)**	NA	STATISTICAL INFORMATION
28-Jun	AL	MK	**H(C-35)**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
28-Jun	MK	MK	**H(C-42)**	NA	HEDGING COSTS
28-Jun	MK	MK	**H(C-43)**	NA	SECURITY COSTS
15-Jun	DC	DC	**H(C-44)**	C-58	REVENUE EXPANSION FACTOR
20-Jun	Cons	DC/CONS	**H(D-1a)**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
20-Jun	Cons	DC/CONS	**H(D-1b)**	NA	COST OF CAPITAL -ADJUSTMENTS
20-Jun	Cons	DC/CONS	**H(D-3)**	D-3a	SHORT-TERM DEBT
20-Jun	Cons	DC/CONS	**H(D-4a)**	D-4a	LONG-TERM DEBT OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-4b)**	NA	REACQUIRED BONDS
20-Jun	Cons	DC/CONS	**H(D-5)**	D-7	PREFERRED STOCK OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-6)**	D-8	CUSTOMER DEPOSITS
20-Jun	Cons	DC/CONS	**H(D-7)**	D-9	COMMON STOCK DATA
28-Jun	DC	DC/CONS	**H(D-8)**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
28-Jun	DC	DC/CONS	**H(D-9)**	D-11a	FINANCIAL INDICATORS-SUMMARY

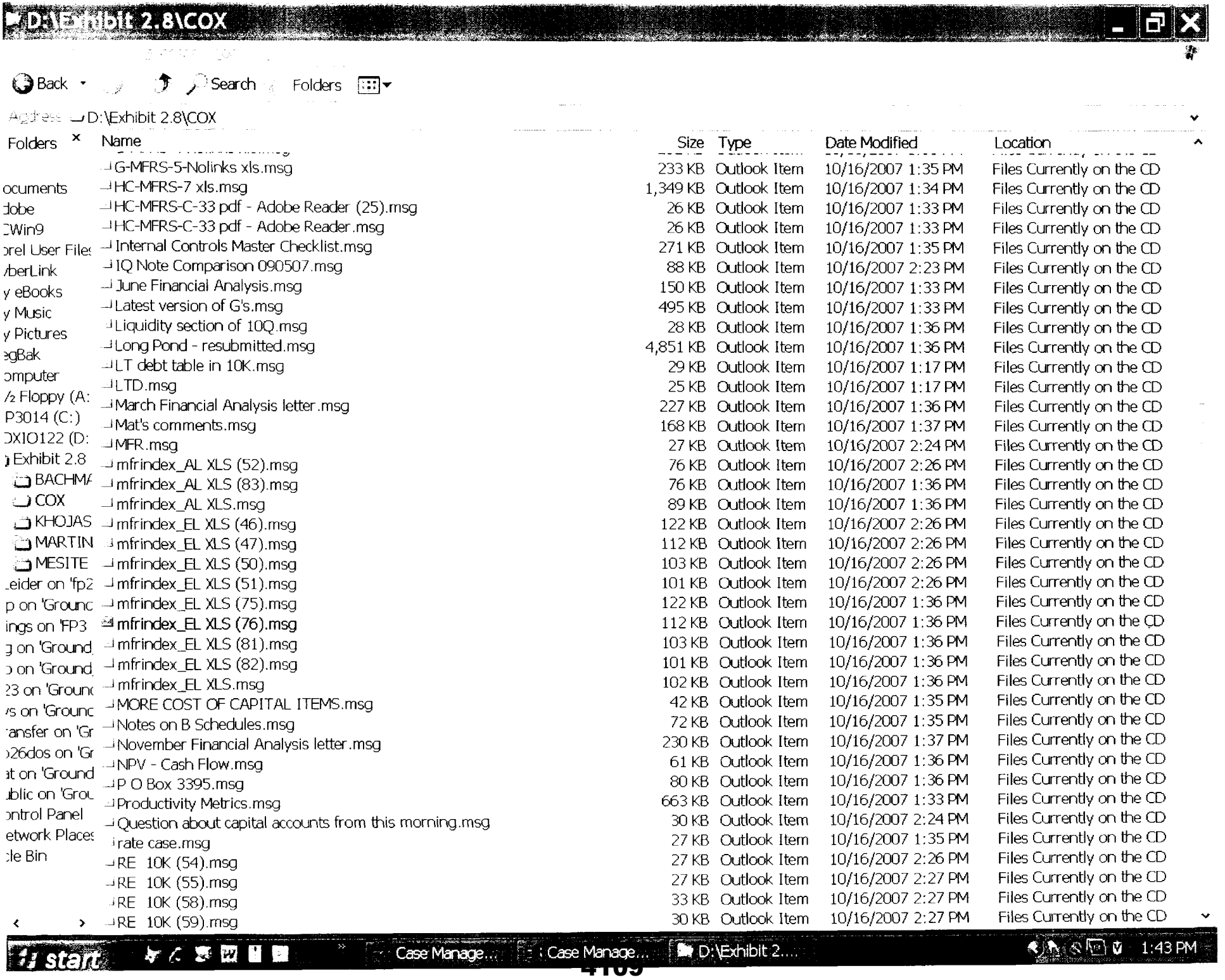
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
13-Jul	Cons	MC	**E-1**	E-1	COST OF SERVICE STUDIES
13-Jul	Cons	MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
13-Jul	Cons	MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
13-Jul	Cons	MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
13-Jul	Cons	MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
13-Jul	Cons	MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
13-Jul	Cons	MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
13-Jul	Cons	MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
13-Jul	Cons	MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
13-Jul	Cons	MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
13-Jul	Cons	MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
13-Jul	Cons	MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
13-Jul	Cons	MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
13-Jul	Cons	MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
13-Jul	Cons	MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
13-Jul	Cons	MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
13-Jul	Cons	MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
13-Jul	Cons	MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
13-Jul	Cons	MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
13-Jul	Cons	MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
13-Jul	Cons	MC	**E-17**	E-20	LOAD RESEARCH DATA
13-Jul	Cons	MC	**E-18**	E-26	MONTHLY PEAKS
13-Jul	Cons	MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
13-Jul	Cons	MC	**E-19b**	E-27b	ENERGY LOSSES
13-Jul	Cons	MC	**E-19c**	E-27b	DEMAND LOSSES



Wednesday, Apr 02, 2008 01:43 PM

Clara Leider

From: Martin Cheryl
Sent: Tuesday, May 15, 2007 2:22 PM
To: CORPORATE ACCOUNTING; Cox Doreen; Cutshaw Mark; Myers Don
Cc: Robert Camfield (E-mail); Norman Horton (E-mail)
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Here is our revised time table, and some Other items required along with assigned personnel. Please let me know if any one sees any issues with the due dates or assigned items. Thanks for your help. Thanks Cheryl Martin

PS_ Mark and Don, if I am attending the fuel agenda next Tuesday we can talk perhaps Monday night if you all have any questions. That is still up in the air however. If you need clarification on anything, please feel free to give me a call.

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base Adjustments	05/18/07	JM
Rate Base	05/21/07	JM
Income statement adjustments	05/21/07	MK
Income Statement	05/23/07	MK
Cost of capital adjustments	05/21/07	DC
Cost of Capital	05/23/07	DC
Prepare interim schedules		
Rate Base Adjustments	05/18/07	JM
Rate Base	05/21/07	JM
Income statement adjustments	05/21/07	MK
Income Statement	05/23/07	MK
Cost of capital adjustments	05/21/07	DC
Cost of Capital	05/23/07	DC
Depreciation Study	06/01/07	JS
Prepare projected schedules		
Projected Cash Flow	06/08/07	DC
Projected Construction	05/18/07	Submitted by Divisions/Corp Depts
Special Projection items Capital	05/24/07	As assigned on Other items required tab
Rate Base	06/08/07	JM
Other revenue, customers, unit sold	05/22/07	Submitted by Divisions/Corp Depts
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts
Projected trended expenses	06/15/07	MK/CM
Special Projection items Income St.	06/11/07	As assigned on Other items required tab
Projected other revenue	06/13/07	Div/DC
Income Statement	06/22/07	MK
Cost of Capital	06/13/07	DC
Cost of Service	07/13/07	MC
Prepare requested rates	07/20/07	MC
Prepare final filing	07/27/07	All
Finalize testimony	07/27/07	All
File MFRs	08/08/07	All

Miami Audit	August-December
Tallahassee Audit	November-February
Interim Rate Relief hearing	September-October
Customer Hearings	December-January
Prehearing	January-February
Final Hearing	February-March
Final Rates	April-May

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 29-June 1
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jun 29-July 6
Doreen	Jul 16-20, 30-31
Doc	July 29-Aug 3

100.1860.1 SL number 36164
Docket No. 070304-EI
SJ File Number 07-665

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Horton	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield	Ext. 162		rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen	Ext. 159		dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh	Ext. 163		mpwelsh@caenergy.com	Consulting work for rate proceeding

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Templates needed

x	Request for Projections for 2008 and any modifications to 2007 outside of budget
x	Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
x	Template for Common Expenses for 2007-2008
x	Template for Additions and Retirements for 2008 and any modifications to 2007
DC	Billing Determinant History
x	Template for Operation Expenses for 2007-2008
AL	Template for AG, ITC, Customer Relations, Amortization and Deprec, TOTI expenses for 2007-2008
x	Template for Other Revenues
x	Template for unusual rev items

Special Projections

MK	FASB 109 method
MC/MK	Storm Reserve
DC	Storm Hardening
MC/JM	Transformers
MC/Consul	Loss of Demand due to fuel rate increases
CY	Over recovery
Consultant	Performance award
Consultant	Weather normalization
CM	Rate Case expense
All	Payroll data for mfrs
AL	audit expense (include accelerated filer estimates for 2008) and other nonoperations
NB	pension and insurances
AL	Amortize adverstising to warn customers of upcoming fuel increase
JM/MK	Adjustments for nonutility items shared from IS and BS
JM	Property in NE Fl for new office
MC/DM	Lost or new customers or load outside of trends
MC/Consul	Rate structure with less demand(Fixed Charge)
MK	Union rate increase above inflation. Salary survey impact'
NB	FASB 158 Pension expense
MC	AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?/Underground wires
MK	Payroll % increase
DC	Add ons for benefits %
JS	Depr study
JM	Put in office building full recovery with cost savings from avoiding separate rate case for special recovery.
JM	Same for transformers. Put them in at full recovery and provide testimony why it is appropriate despite not finishing to early 08
MC	Public Awareness, safety programs'
MC	Line man training
MC	AMR elelctric
MC	2 way metering/reverse metering.

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	**A-3**	A-5	SUMMARY OF TARIFFS
	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**B-14**	NA	EARNINGS TEST
	NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
	DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	C-12	C-31	ADMINISTRATIVE EXPENSES
	MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	C-14	C-26	ADVERTISING EXPENSES
	MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
	MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	C-17	C-66	PENSION COST
	MK	C-18	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	C-19	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	C-20	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	C-21	C-38b	REVENUE TAXES
	MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
	DC	C-23	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	C-24	C-47	PARENT(S) DEBT INFORMATION
	MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
	MK	C-26	C-46	INCOME TAX RETURNS
	MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
	MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
	JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK	C-31	NA	AFFILIATED COMPANY RELATIONSHIPS
JM	C-32	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

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MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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H PROJECTED YEARS SCHEDULES

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Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
	JM/CM	H (B-1)	B-3	ADJUSTED RATE BASE
	JM/CM	H (B-2)	B-4	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	NA	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	H (B-7)	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	H (B-8)	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	H (B-10)	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	H (B-11)	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	H(B-12)	NA	PRODUCTION PLANT ADDITIONS
	JM	H(B-13)	NA	CONSTRUCTION WORK IN PROGRESS
	NA	H(B-14)	NA	EARNINGS TEST
	NA	H(B-15)	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	B-16	NUCLEAR FUEL BALANCES
	CM	H(B-17)	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	H(B-18)	B-17b	FUEL INVENTORY BY PLANT
	CM	H(B-19)	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	H(B-20)	B-21	OTHER DEFERRED CREDITS
	CM	H(B-21)	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	H(B-22)	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	H(B-23)	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	B-28a	LEASING ARRANGEMENTS
	CM	H(B-25)	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	H(C-5)	C-10	OPERATING REVENUES DETAIL
	DC/MK	H(C-6)	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	H(C-7)	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	H(C-8)	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	H(C-9)	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	H(C-10)	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	H(C-11)	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	H(C-12)	C-31	ADMINISTRATIVE EXPENSES
	MK	H(C-13)	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	H(C-14)	C-26	ADVERTISING EXPENSES
	MK	H(C-15)	C-27	INDUSTRY ASSOCIATION DUES
	MK	H(C-16)	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	H(C-17)	C-66	PENSION COST
	MK	H(C-18)	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	H(C-19)	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	H(C-20)	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	H(C-21)	C-38b	REVENUE TAXES
	MK	H(C-22)	C-42	STATE AND FEDERAL INCOME TAXES
	DC	H(C-23)	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	H(C-24)	C-47	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	C-41	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	C-46	INCOME TAX RETURNS
	MK	H(C-27)	C-45	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	C-46	MISCELLANEOUS TAX INFORMATION
	JM	H(C-29)	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	H(C-30)	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	C-61	PERFRMANCE INDICES
	MC/DC	H(C-34)	NA	STATISTICAL INFORMATION
	MK	H(C-35)	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	NA	HEDGING COSTS
	MK	H(C-43)	NA	SECURITY COSTS
	DC	H(C-44)	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	D-3a	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	NA	REACQUIRED BONDS
	DC/CONS	H(D-5)	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	D-8	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	D-9	COMMON STOCK DATA
	DC/CONS	H(D-8)	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	D-11a	FINANCIAL INDICATORS-SUMMARY

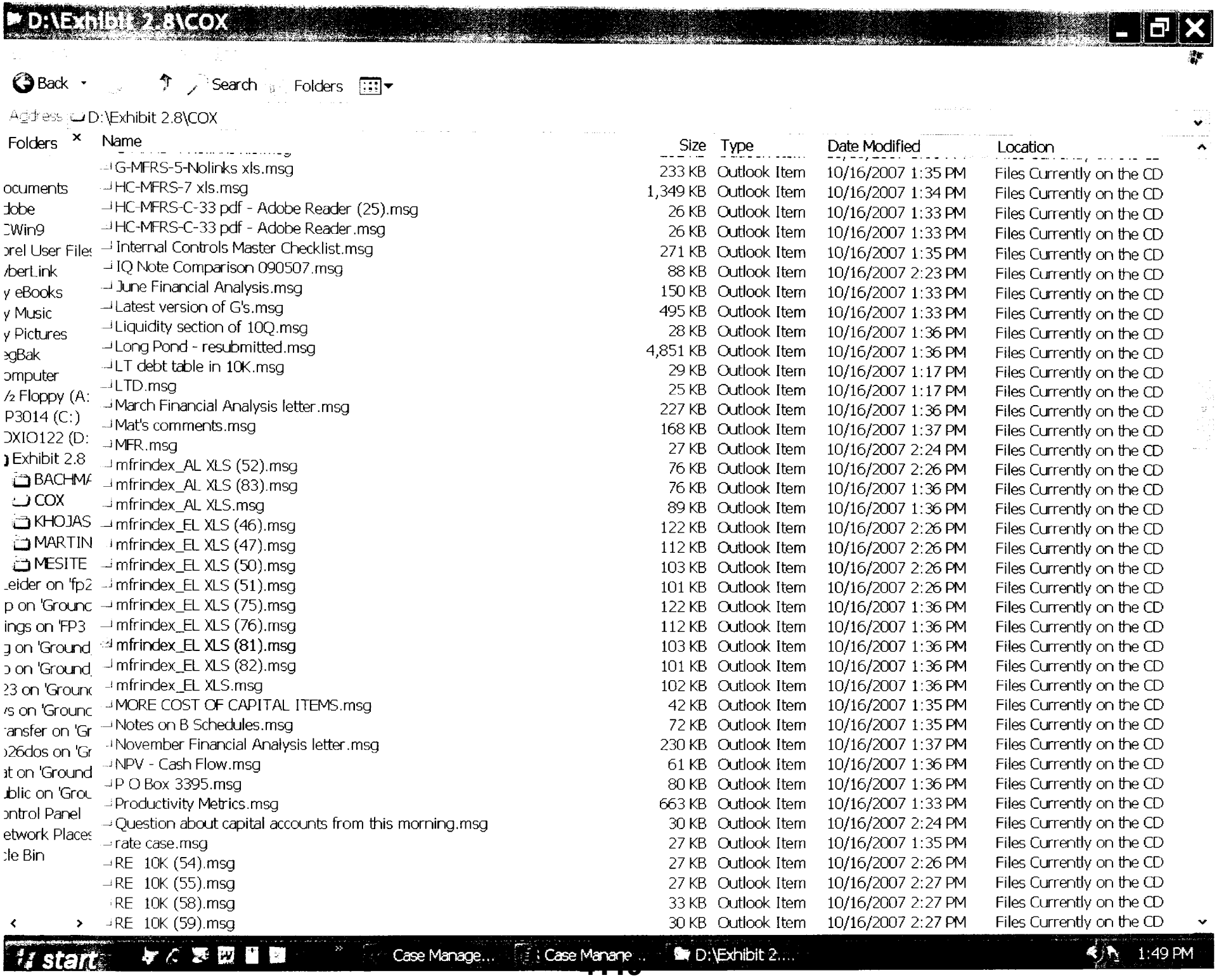
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES



Wednesday, Apr 02, 2008 01:49 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, April 25, 2007 9:44 AM
To: CORPORATE ACCOUNTING; Cox Doreen; Cutshaw Mark; Myers Don
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Let me know if anyone sees any issues with the time table before I send it to Robert. I would like to send out tomorrow. Thanks Cheryl Martin

Overall Time table

Major Category	Due Date	Leader	
Prepare historical schedules			
Rate Base Adjustments	05/07/07	JM	
Rate Base	05/09/07	JM	
Income statement adjustments	05/14/07	MK	
Income Statement	05/16/07	MK	
Cost of capital adjustments	05/09/07	DC	
Cost of Capital	05/11/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/07/07	JM	
Rate Base	05/09/07	JM	
Income statement adjustments	05/14/07	MK	
Income Statement	05/16/07	MK	
Cost of capital adjustments	05/09/07	DC	
Cost of Capital	05/11/07	DC	
Prepare projected schedules			
Projected Cash Flow	06/01/07	DC	
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts	
Rate Base	05/25/07	JM	
Billing Determinants	06/01/07	Div/DC	
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts	
Projected trended expenses	06/13/07	MK/CM	
Projected other revenue	06/13/07	Div/DC	
Income Statement	06/18/07	MK	
Cost of Capital	06/11/07	DC	
Cost of Service	07/06/07	MC	
Prepare requested rates	07/13/07	MC	
Prepare final filing	07/20/07	All	
Finalize testimony	07/23/07	All	
File MFRs	08/01/07	All	

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jul 2-July 6
Doreen	Jul 16-20, 30-31

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Horton	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield			rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen			dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh				Consulting work for rate proceeding

Templates needed

- Request for Projections for 2008 and any modifications to 2007 outside of budget
- Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
- Template for Common Expenses for 2007-2008
- Template for Additions and Retirements for 2008 and any modifications to 2007
- Billing Determinant History
- Template for Operation Expenses for 2007-2008
- Template for TOTI expenses for 2007-2008
- Template for Other Revenues
- Template for unusual rev items

Special Projections

- FASB 109 method
- Storm Reserve
- Storm Hardening
- Transformers
- Loss of Demand due to fuel rate increases
- Over recovery
- Performance award
- Weather normalization
- Rate Case expense
- Payroll data for mfrs
- audit expense (include accelerated filer estimates for 2008)
- pension
- Amortize adverstising to warn customers of upcoming fuel increase
- Adjustments for nonutility items shared from IS and BS
- Property in NE FI for new office
- Lost or new customers or load outside of trends
- Rate structure with less demand(Fixed Charge)
- Union rate increase above inflation. Salary survey impact'
- Possible step rates for base and fuel
- FASB 158 Pension expense
- AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?

T/B by account and cost center for 2006 and 2005
13 month TB by cost center, combined for 114 and 115 for period ending Dec 31, 2006
13 month TB by cost center and account for all divisions for period ending Dec 31, 2006

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
	MC	**A-3**	A-5	SUMMARY OF TARIFFS
	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

TABLE OF CONTENTS

Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**B-14**	NA	EARNINGS TEST
	NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
	DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	C-12	C-31	ADMINISTRATIVE EXPENSES
	MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	C-14	C-26	ADVERTISING EXPENSES
	MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
	MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	C-17	C-66	PENSION COST
	MK	C-18	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	C-19	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	C-20	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	C-21	C-38b	REVENUE TAXES
	MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
	DC	C-23	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	C-24	C-47	PARENT(S) DEBT INFORMATION
	MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
	MK	C-26	C-46	INCOME TAX RETURNS
	MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
	MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
	JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK	C-31	NA	AFFILIATED COMPANY RELATIONSHIPS
JM	C-32	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

TABLE OF CONTENTS

Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

TABLE OF CONTENTS

	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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	Prepared by Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
	JM/CM	H (B-1)	B-3	ADJUSTED RATE BASE
	JM/CM	H (B-2)	B-4	RATE BASE ADJUSTMENTS
	JM/CM	H (B-3)	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	H (B-4)	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	H (B-5)	NA	DETAILS OF CHANGES IN RATE BASE
	JM	H (B-6)	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	H (B-7)	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	H (B-8)	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	H (B-9)	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	H (B-10)	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	H (B-11)	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	H(B-12)	NA	PRODUCTION PLANT ADDITIONS
	JM	H(B-13)	NA	CONSTRUCTION WORK IN PROGRESS
	NA	H(B-14)	NA	EARNINGS TEST
	NA	H(B-15)	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	H(B-16)	B-16	NUCLEAR FUEL BALANCES
	CM	H(B-17)	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	H(B-18)	B-17b	FUEL INVENTORY BY PLANT
	CM	H(B-19)	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	H(B-20)	B-21	OTHER DEFERRED CREDITS
	CM	H(B-21)	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	H(B-22)	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	H(B-23)	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	H(B-24)	B-28a	LEASING ARRANGEMENTS
	CM	H(B-25)	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	H(C-1)	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	H(C-2)	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-3)	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	H(C-4)	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	H(C-5)	C-10	OPERATING REVENUES DETAIL
	DC/MK	H(C-6)	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	H(C-7)	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	H(C-8)	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	H(C-9)	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	H(C-10)	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	H(C-11)	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	H(C-12)	C-31	ADMINISTRATIVE EXPENSES
	MK	H(C-13)	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	H(C-14)	C-26	ADVERTISING EXPENSES
	MK	H(C-15)	C-27	INDUSTRY ASSOCIATION DUES
	MK	H(C-16)	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	H(C-17)	C-66	PENSION COST
	MK	H(C-18)	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	H(C-19)	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	H(C-20)	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	H(C-21)	C-38b	REVENUE TAXES
	MK	H(C-22)	C-42	STATE AND FEDERAL INCOME TAXES
	DC	H(C-23)	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	H(C-24)	C-47	PARENT(S) DEBT INFORMATION
	MK	H(C-25)	C-41	DEFERRED TAX ADJUSTMENT
	MK	H(C-26)	C-46	INCOME TAX RETURNS
	MK	H(C-27)	C-45	CONSOLIDATED TAX INFORMATION
	MK	H(C-28)	C-46	MISCELLANEOUS TAX INFORMATION
	JM	H(C-29)	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	H(C-30)	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	H(C-31)	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	H(C-32)	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	H(C-33)	C-61	PERFRMANCE INDICES
	MC/DC	H(C-34)	NA	STATISTICAL INFORMATION
	MK	H(C-35)	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	H(C-36)	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	H(C-37)	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	H(C-38)	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	H(C-39)	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	H(C-40)	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	H(C-41)	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	H(C-42)	NA	HEDGING COSTS
	MK	H(C-43)	NA	SECURITY COSTS
	DC	H(C-44)	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	H(D-1a)	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	H(D-1b)	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	H(D-2)	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	H(D-3)	D-3a	SHORT-TERM DEBT
	DC/CONS	H(D-4a)	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	H(D-4b)	NA	REACQUIRED BONDS
	DC/CONS	H(D-5)	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	H(D-6)	D-8	CUSTOMER DEPOSITS
	DC/CONS	H(D-7)	D-9	COMMON STOCK DATA
	DC/CONS	H(D-8)	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	H(D-9)	D-11a	FINANCIAL INDICATORS-SUMMARY

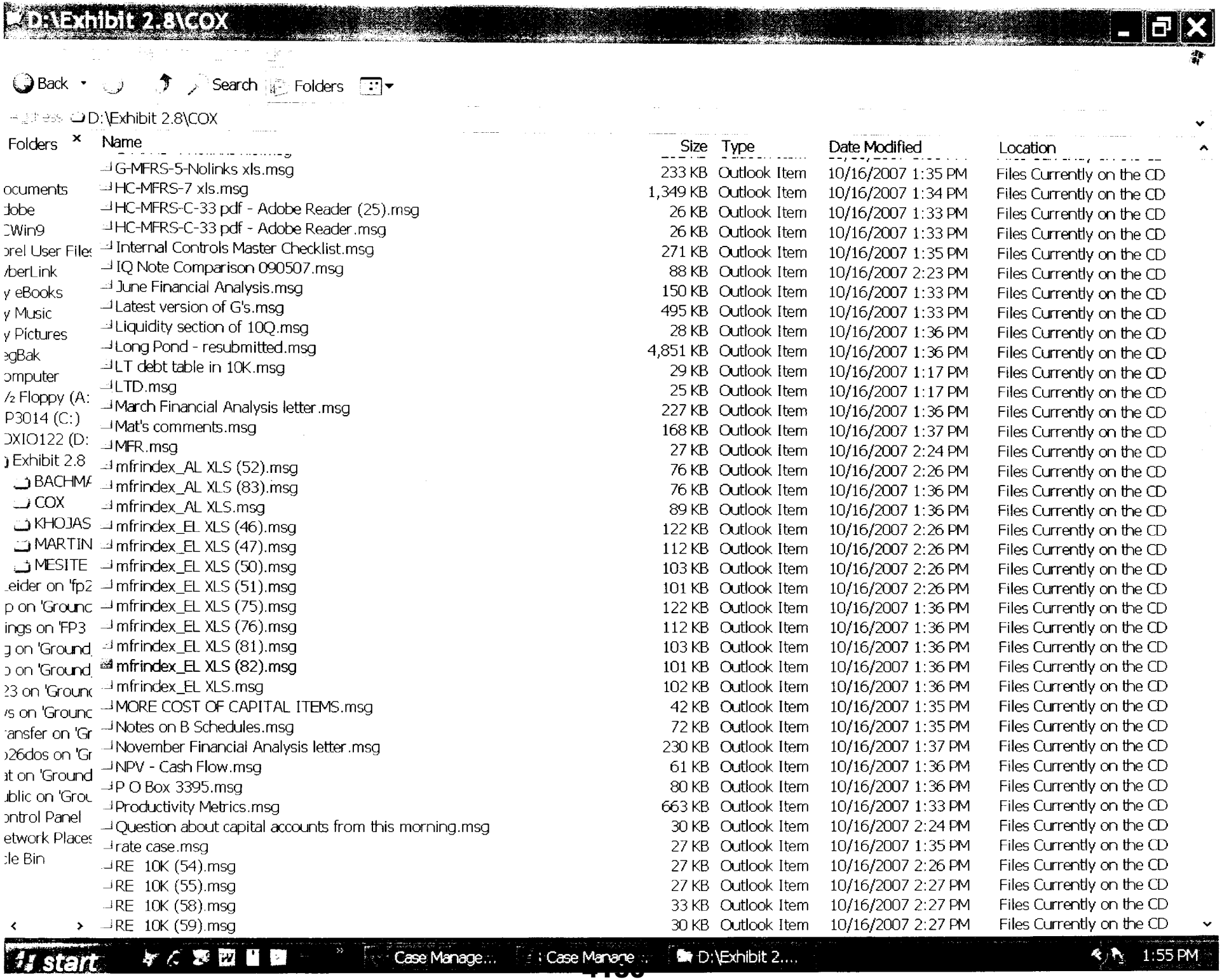
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES


D:\Exhibit 2.8\COX
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Search
Folders
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Folders
Name
Size
Type
Date Modified
Location
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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
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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
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MORE COST OF CAPITAL ITEMS.msg 42 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
Notes on B Schedules.msg 72 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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1:55 PM

Clara Leider

From: Martin Cheryl
Sent: Tuesday, April 24, 2007 4:44 PM
To: Cox Doreen; CORPORATE ACCOUNTING; Cutshaw Mark; Myers Don
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

Check your contact info for me, and let me know if I missed anything. Thanks Cheryl Martin

Overall Time table

Major Category	Due Date	Leader
Prepare historical schedules		
Rate Base	05/11/07	JM/CM
Income Statement	05/18/07	MK
Cost of Capital	05/25/07	DC
Prepare projected schedules		
Projected Cash Flow	05/11/07	DC
Projected Construction	05/11/07	Submitted by Divisions/Corp Depts
Rate Base	05/25/07	JM/CM
Billing Determinants	06/01/07	Div/DC
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts
Income Statement	06/08/07	MK
Cost of Capital	06/15/07	DC
Cost of Service	06/22/07	Division
Prepare requested rates	07/13/07	Division
Prepare final filing	07/20/07	All
Finalize testimony	07/27/07	All
File MFRs	08/01/07	All

Vacations during filing prep

Cheryl	June 29-July 6
Mehrdad	May 21-June 8
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Mark	April 17-20, June 25-Jun 29
Doreen	Jul 16-20, 30-31
Don	Apr 19-20, May 24-25

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items

Other Contacts				
Norman (Doc) Horton	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield			rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen			dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh				Consulting work for rate proceeding

Templates needed

Request for Projections for 2008 and any modifications to 2007 outside of budget
Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
Template for Common Expenses for 2007-2008
Template for Additions and Retirements for 2008 and any modifications to 2007
Billing Determinant History
Template for Operation Expenses for 2007-2008
Template for TOTI expenses for 2007-2008
Template for Other Revenues
Template for unusual rev items

Special Projections

FASB 109 method
Storm Reserve
Storm Hardening
Transformers
Loss of Demand due to fuel rate increases
Over recovery
Performance award
Weather normalization
Rate Case expense
Payroll data for mfrs
audit expense (include accelerated filer estimates for 2008)
pension
Amortize adverstising to warn customers of upcoming fuel increase
Adjustments for nonutility items shared from IS and BS
Property in NE Fl for new office
Lost or new customers or load outside of trends
Rate structure with less demand(Fixed Charge)
Union rate increase above inflation. Salary survey impact'
Possible step rates for base and fuel
FASB 158 Pension expense
AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-TA
Consulting Accountant-CA
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadira Bhatia-NB

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
MC	**A-3**	A-5	SUMMARY OF TARIFFS
CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
NA	**B-14**	NA	EARNINGS TEST
NA	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
NA	**B-16**	B-16	NUCLEAR FUEL BALANCES
CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
NA	**B-18**	B-17b	FUEL INVENTORY BY PLANT
CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
CM	**B-20**	B-21	OTHER DEFERRED CREDITS
CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
CM	**B-24**	B-28a	LEASING ARRANGEMENTS
CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	C-1	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	C-2	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-3	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	C-4	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	C-5	C-10	OPERATING REVENUES DETAIL
	DC/MK	C-6	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	C-7	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	C-8	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	C-9	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	C-10	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	C-11	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	C-12	C-31	ADMINISTRATIVE EXPENSES
	MK	C-13	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	C-14	C-26	ADVERTISING EXPENSES
	MK	C-15	C-27	INDUSTRY ASSOCIATION DUES
	MK	C-16	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	C-17	C-66	PENSION COST
	MK	C-18	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	C-19	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	C-20	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	C-21	C-38b	REVENUE TAXES
	MK	C-22	C-42	STATE AND FEDERAL INCOME TAXES
	DC	C-23	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	C-24	C-47	PARENT(S) DEBT INFORMATION
	MK	C-25	C-41	DEFERRED TAX ADJUSTMENT
	MK	C-26	C-46	INCOME TAX RETURNS
	MK	C-27	C-45	CONSOLIDATED TAX INFORMATION
	MK	C-28	C-46	MISCELLANEOUS TAX INFORMATION
	JM	C-29	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	C-30	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MK	C-31	NA	AFFILIATED COMPANY RELATIONSHIPS
JM	C-32	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
DC	C-33	C-61	PERFRMANCE INDICES
MC/DC	C-34	NA	STATISTICAL INFORMATION
MK	C-35	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MK	C-36	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
MK	C-37	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
MK	C-38	C-54	O & M ADJUSTMENTS BY FUNCTION
MK	C-39	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
MK	C-40	C-56	O & M COMPOUND MULTIPLIER CALCULATION
MK	C-41	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
MK	C-42	NA	HEDGING COSTS
MK	C-43	NA	SECURITY COSTS
DC	C-44	C-58	REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
DC/CONS	**D-4b**	NA	REACQUIRED BONDS
DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
DC/CONS	**D-7**	D-9	COMMON STOCK DATA
DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
CM	**F-2**	F-3	SEC REPORTS
CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
CM	**F-4**	F-4	FERC AUDIT
CM	**F-5**	F-9	FORECASING MODELS
CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
CM	**F-8**	F-17	ASSUMPTIONS
CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

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	Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
NB	MK	**G-16**	NA	INTERIM PENSION COSTS
	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

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Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
	JM/CM	**H (B-1)**	B-3	ADJUSTED RATE BASE
	JM/CM	**H (B-2)**	B-4	RATE BASE ADJUSTMENTS
	JM/CM	**H (B-3)**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
	JM	**H (B-4)**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
	JM/CM	**H (B-5)**	NA	DETAILS OF CHANGES IN RATE BASE
	JM	**H (B-6)**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
	JM	**H (B-7)**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
	JM	**H (B-8)**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
	JM	**H (B-9)**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
	JM	**H (B-10)**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
	JM/MC	**H (B-11)**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
	JM	**H(B-12)**	NA	PRODUCTION PLANT ADDITIONS
	JM	**H(B-13)**	NA	CONSTRUCTION WORK IN PROGRESS
	NA	**H(B-14)**	NA	EARNINGS TEST
	NA	**H(B-15)**	B-12a	PROPERTY HELD FOR FUTURE USE
	NA	**H(B-16)**	B-16	NUCLEAR FUEL BALANCES
	CM	**H(B-17)**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
	NA	**H(B-18)**	B-17b	FUEL INVENTORY BY PLANT
	CM	**H(B-19)**	B-22	MISCELLANEOUS DEFERRED DEBITS
	CM	**H(B-20)**	B-21	OTHER DEFERRED CREDITS
	CM	**H(B-21)**	NA	ACCUMULATED PROVISIONS ACCOUNT
	MK	**H(B-22)**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
	MK	**H(B-23)**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
	CM	**H(B-24)**	B-28a	LEASING ARRANGEMENTS
	CM	**H(B-25)**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE
	MK/CM	**H(C-1)**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
	MK/CM	**H(C-2)**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
	MK/CM	**H(C-3)**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
	MK/CM	**H(C-4)**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
	DC/MC	**H(C-5)**	C-10	OPERATING REVENUES DETAIL
	DC/MK	**H(C-6)**	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
	MK	**H(C-7)**	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
	MK	**H(C-8)**	C-21	DETAIL OF CHANGES IN EXPENSES
	MK	**H(C-9)**	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
	CM	**H(C-10)**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
	MK	**H(C-11)**	C-25	UNCOLLECTIBLE ACCOUNTS
	MK	**H(C-12)**	C-31	ADMINISTRATIVE EXPENSES
	MK	**H(C-13)**	C-32	MISCELLANEOUS GENERAL EXPENSES
	MK	**H(C-14)**	C-26	ADVERTISING EXPENSES
	MK	**H(C-15)**	C-27	INDUSTRY ASSOCIATION DUES
	MK	**H(C-16)**	C-65	OUTSIDE PROFESSIONAL SERVICES
NB	MK	**H(C-17)**	C-66	PENSION COST
	MK	**H(C-18)**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
	JM	**H(C-19)**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
	MK	**H(C-20)**	C-38a	TAXES OTHER THAN INCOME TAXES
	DC	**H(C-21)**	C-38b	REVENUE TAXES
	MK	**H(C-22)**	C-42	STATE AND FEDERAL INCOME TAXES
	DC	**H(C-23)**	C-44	INTEREST IN TAX EXPENSE CALCULATION
	DC	**H(C-24)**	C-47	PARENT(S) DEBT INFORMATION
	MK	**H(C-25)**	C-41	DEFERRED TAX ADJUSTMENT
	MK	**H(C-26)**	C-46	INCOME TAX RETURNS
	MK	**H(C-27)**	C-45	CONSOLIDATED TAX INFORMATION
	MK	**H(C-28)**	C-46	MISCELLANEOUS TAX INFORMATION
	JM	**H(C-29)**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
	MK	**H(C-30)**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
	MK	**H(C-31)**	NA	AFFILIATED COMPANY RELATIONSHIPS
	JM	**H(C-32)**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
	DC	**H(C-33)**	C-61	PERFRMANCE INDICES
	MC/DC	**H(C-34)**	NA	STATISTICAL INFORMATION
	MK	**H(C-35)**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
	MK	**H(C-36)**	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI
	MK	**H(C-37)**	C-53	O & M BENCHMARK COMPARISON BY FUNCTION
	MK	**H(C-38)**	C-54	O & M ADJUSTMENTS BY FUNCTION
	MK	**H(C-39)**	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
	MK	**H(C-40)**	C-56	O & M COMPOUND MULTIPLIER CALCULATION
	MK	**H(C-41)**	C-57	O & M BENCHMARK VARIANCE BY FUNCTION
	MK	**H(C-42)**	NA	HEDGING COSTS
	MK	**H(C-43)**	NA	SECURITY COSTS
	DC	**H(C-44)**	C-58	REVENUE EXPANSION FACTOR
	DC/CONS	**H(D-1a)**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
	DC/CONS	**H(D-1b)**	NA	COST OF CAPITAL -ADJUSTMENTS
	DC/CONS	**H(D-2)**	D-2	COST OF CAPITAL-5 YEAR HISTORY
	DC/CONS	**H(D-3)**	D-3a	SHORT-TERM DEBT
	DC/CONS	**H(D-4a)**	D-4a	LONG-TERM DEBT OUTSTANDING
	DC/CONS	**H(D-4b)**	NA	REACQUIRED BONDS
	DC/CONS	**H(D-5)**	D-7	PREFERRED STOCK OUTSTANDING
	DC/CONS	**H(D-6)**	D-8	CUSTOMER DEPOSITS
	DC/CONS	**H(D-7)**	D-9	COMMON STOCK DATA
	DC/CONS	**H(D-8)**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
	DC/CONS	**H(D-9)**	D-11a	FINANCIAL INDICATORS-SUMMARY

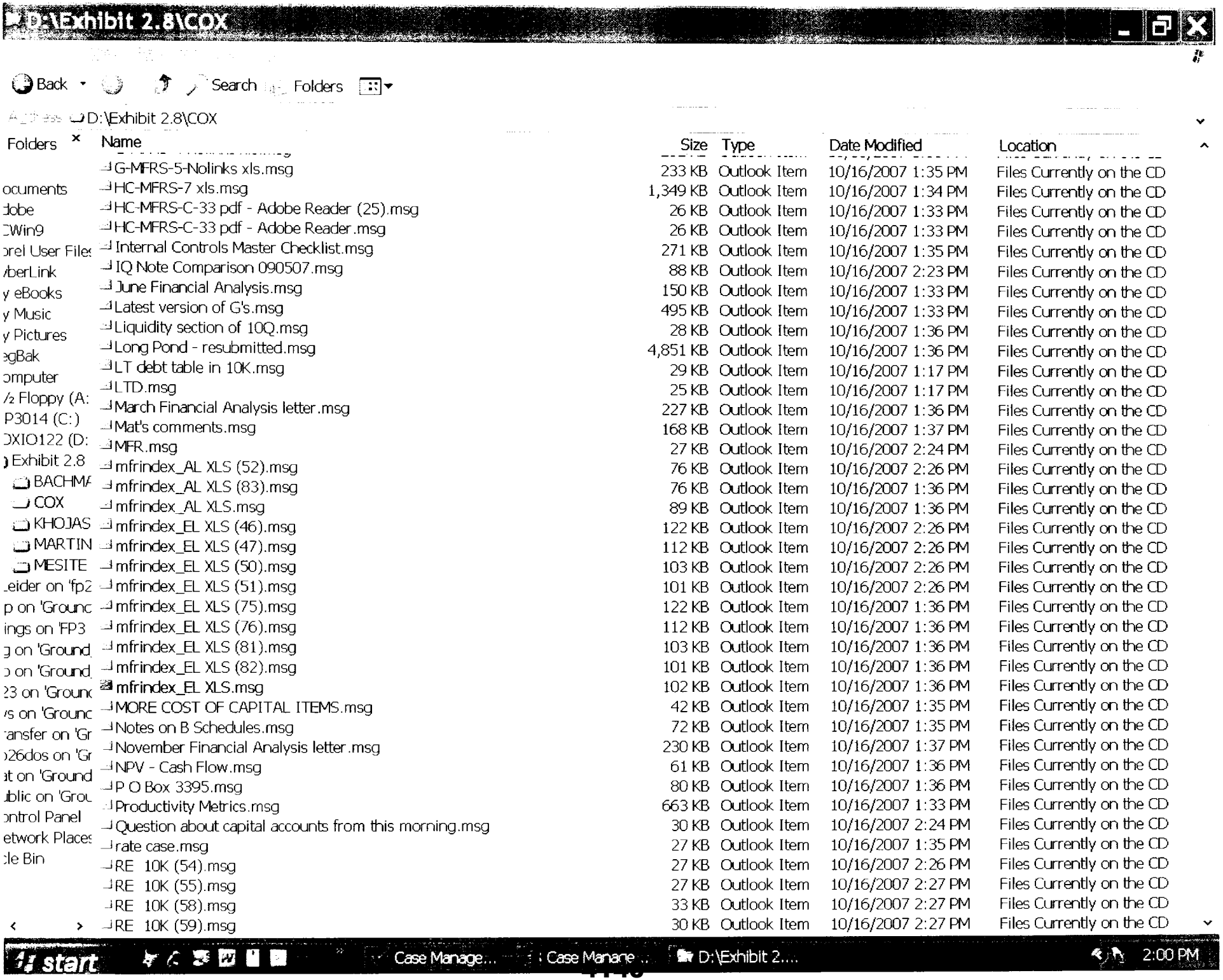
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

TABLE OF CONTENTS

Prepared by Witness	SCHEDULE	Prior Schedule	TITLE
MC	**E-1**	E-1	COST OF SERVICE STUDIES
MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
MC	**E-17**	E-20	LOAD RESEARCH DATA
MC	**E-18**	E-26	MONTHLY PEAKS
MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
MC	**E-19b**	E-27b	ENERGY LOSSES
MC	**E-19c**	E-27b	DEMAND LOSSES


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Folders
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Size
Type
Date Modified
Location
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HC-MFRS-C-33 pdf - Adobe Reader.msg 26 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
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Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 16, 2007 12:58 PM
To: Cox Doreen
Subject: mfrindex_EL.XLS
Attachments: mfrindex_EL.XLS

How is this version? Cheryl

Overall Time table

Major Category	Due Date	Leader	
Prepare historical schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Prepare interim schedules			
Rate Base Adjustments	05/18/07	JM	
Rate Base	05/21/07	JM	
Income statement adjustments	05/21/07	MK	
Income Statement	05/23/07	MK	
Cost of capital adjustments	05/21/07	DC	
Cost of Capital	05/21/07	DC	
Depreciation Study	06/01/07	JS	
Prepare projected schedules			
Projected Cash Flow	06/08/07	DC	
Projected Construction	05/18/07	Submitted by Divisions/Corp Depts	
Special Projection items Capital	05/24/07	As assigned on Other items required tab	
Rate Base	06/15/07	JM	
Other revenue, customers, unit sold	05/22/07	Submitted by Divisions/Corp Depts	
Billing Determinants	06/08/07	Div/DC	
Projected Extraordinary Expenses	05/25/07	Submitted by Divisions/Corp Depts	
Projected trended expenses	06/22/07	MK/CM	
Special Projection items Income St.	06/11/07	As assigned on Other items required tab	
Projected other revenue	06/15/07	Div/DC	
Income Statement	06/28/07	MK	
Cost of Capital	06/20/07	DC	
Cost of Service	07/13/07	MC	
Prepare requested rates	07/20/07	MC	
Prepare final filing	07/27/07	All	
Finalize testimony	07/27/07	All	
File MFRs	08/08/07	All	

Miami Audit	August-December
Tallahassee Audit	November-February
Interim Rate Relief hearing	September-October
Customer Hearings	December-January
Prehearing	January-February
Final Hearing	February-March
Final Rates	April-May

Vacations during filing prep

Mark	April 17-20, June 25-Jun 29
Don	Apr 19-20, May 24-25
Mehrdad	May 29-June 1
Jim	May 29-June 1, and July 5-6
Curtis	June 25-July 6
Cheryl	Jun 29-July 6
Doreen	Jul 16-20, 30-31
Doc	July 29-Aug 3

100.1860.1 SL number 36164
Docket No. 070304-EI
SJ File Number 07-665

Section Witness Contacts		Phone	Cell Phone	email	Area of Concentration
Jim Mesite	Accountant	561-838-1733		jmesite@fpuc.com	Rate Base primarily Plant related and some expense as it relates to Plant
Mehrdad Khojasteh	Asst. Mgr	561-838-1724	561-762-8236	mkhojasteh@fpuc.com	Expenses and some related balance sheet accounts
Doreen Cox	Fin Analyst	561-838-1797		dcox@fpuc.com	Revenues and Cost of Capital
Cheryl Martin	Controller	561-838-1725	561-762-8337	cherylmartin@fpuc.com	Overall, Special items and some Balance Sheet accounts
Mark Cutshaw	NE Gen Mgr	904-277-1957	904-753-1272	mcutshaw@fpuc.com	Rates, Cost of Service, Engineering and Division Operations
George Bachman	CFO	561-838-1731	561-310-6769	Gbachman@fpuc.com	Officer/Treasurer overall company operations

Additional FPUC Contacts				
Darryl Troy	Acct Consultant	561-650-8434	dtroy@fpuc.com	Expenses/Special accounts
April Lundgren	Accountant	561-838-1788	alundgren@fpuc.com	AG and other area as time permits
Nadira Bhatia	Accountant	561-838-1776	nbhatia@fpuc.com	AG and other area as time permits
Jennifer Starr	Accountant	772-334-7172	mstarr@bellsouth.net	AG Accounts and other areas as time permits
Don Myers	NW Gen Mgr	850-526-6811	dmyers@fpuc.com	Assistance to Rates, Cost of Service, Engineering and Division Operations
Curtis Young	Accountant	561-838-1735	cyoung@fpuc.com	Working Capital excluding Plant related items
Dina Bellechases	Exec Fin Asst	561-838-1728	dbellechases@fpuc.com	Adminstrative Assistance with Rate Case Filing

Other Contacts				
Norman (Doc) Horton	Attorney	850-425-5203	nhorton@lawfla.com	Attorney representation for rate proceeding
Christensen Associates		608-231-2266	See Below	
Robert Camfield	Ext. 162		rjcamfield@lrca.com	Consulting work for rate proceeding
Dan Hansen	Ext. 159		dghansen@lrca.com	Consulting work for rate proceeding
David Armstrong				Consulting work for rate proceeding
Michael Welsh	Ext. 163		mpwelsh@caenergy.com	Consulting work for rate proceeding

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Templates needed

x	Request for Projections for 2008 and any modifications to 2007 outside of budget
x	Projections for above and beyond 2006 embedded expenses additions or deletions outside of normal inflation and growth
x	Template for Common Expenses for 2007-2008
x	Template for Additions and Retirements for 2008 and any modifications to 2007
DC	Billing Determinant History
x	Template for Operation Expenses for 2007-2008
AL	Template for AG, ITC, Customer Relations, Amortization and Deprec, TOTI expenses for 2007-2008
x	Template for Other Revenues
x	Template for unusual rev items

Special Projections

MK	FASB 109 method
MC/MK	Storm Reserve
DC	Storm Hardening
MC/JM	Transformers
MC/Consul	Loss of Demand due to fuel rate increases
CY	Over recovery
Consultant	Performance award
Consultant	Weather normalization
CM	Rate Case expense
All	Payroll data for mfrs
AL	audit expense (include accelerated filer estimates for 2008) and other nonoperations
NB	pension and insurances
AL	Amortize adverstising to warn customers of upcoming fuel increase
JM/MK	Adjustments for nonutility items shared from IS and BS
JM	Property in NE Fl for new office
MC/DM	Lost or new customers or load outside of trends
MC/Consul	Rate structure with less demand(Fixed Charge)
MK	Union rate increase above inflation. Salary survey impact'
NB	FASB 158 Pension expense
MC	AIP Cable replacement, Do we want to do a bare steel type of replacement for this for the future?/Underground wires
MK	Payroll % increase
DC	Add ons for benefits %
JS	Depr study
JM	Put in office building full recovery with cost savings from avoiding separate rate case for special recovery.
JM	Same for transformers. Put them in at full recovery and provide testimony why it is appropriate despite not finishing to early 08
MC	Public Awareness, safety programs'
MC	Line man training
MC	AMR elelctric
MC	2 way metering/reverse metering.

Prepared by and witness key
Jim Mesite - JM
Mehrdad Khojasteh-MK
Mark Cutshaw-MC
Doreen Cox-DC
Curtis Young-CY
George Bachman-GB
Cheryl Martin-CM
Temp Accountant-Temp
Darryl Troy-DT
Don Myers-DM
Consultant-Cons
April Lundgren-AL
Nadine Bhatia-NB

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FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

EXECUTIVE SUMMARY SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
26-Jun	Cons	CM	**A-1**	A-1a	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-2**	A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
20-Jul	Cons	MC	**A-3**	A-5	SUMMARY OF TARIFFS
1-Jun	Cons	CM	**A-4**	A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
20-Jul	Cons	MC	**A-5**	A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

RATE BASE SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	Cons	JM/CM	**B-1**	B-3	ADJUSTED RATE BASE
18-May	JM/Temp	JM/CM	**B-2**	B-4	RATE BASE ADJUSTMENTS
18-May	JM/Temp	JM/CM	**B-3**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
21-May	JM/Temp	JM	**B-4**	NA	BALANCE SHEET-TWO YEAR HISTORICAL
25-May	JM/Temp	JM/CM	**B-5**	NA	DETAILS OF CHANGES IN RATE BASE
25-May	JM/Temp	JM	**B-6**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
18-May	Cons	JM	**B-7**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
25-May	JM/Temp	JM	**B-8**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
18-May	Cons	JM	**B-9**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
18-May	JM/Temp	JM	**B-10**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
25-May	JM/Temp	JM/MC	**B-11**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
25-May	JM/Temp	JM	**B-12**	NA	PRODUCTION PLANT ADDITIONS
25-May	JM/Temp	JM	**B-13**	NA	CONSTRUCTION WORK IN PROGRESS
1-Jun	CM	CM	**B-14**	NA	EARNINGS TEST
25-May	JM/Temp	JM	**B-15**	B-12a	PROPERTY HELD FOR FUTURE USE
25-May	JM/Temp	JM	**B-16**	B-16	NUCLEAR FUEL BALANCES
18-May	CY/Temp	CM	**B-17**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
25-May	JM/Temp	JM	**B-18**	B-17b	FUEL INVENTORY BY PLANT
1-Jun	CY/Temp	CM	**B-19**	B-22	MISCELLANEOUS DEFERRED DEBITS
1-Jun	CY/Temp	CM	**B-20**	B-21	OTHER DEFERRED CREDITS
1-Jun	NB	CM	**B-21**	NA	ACCUMULATED PROVISIONS ACCOUNT
25-May	MK/Temp	MK	**B-22**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
25-May	MK/Temp	MK	**B-23**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
1-Jun	AL	CM	**B-24**	B-28a	LEASING ARRANGEMENTS
1-Jun	CM	CM	**B-25**	B-26	ACCOUNTING POLICY CHANGES AFFECTING RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
23-May	Cons	MK/CM	**C-1**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK/CM	**C-2**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK/CM	**C-3**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK/CM	**C-4**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC/MC	**C-5**	C-10	OPERATING REVENUES DETAIL
22-Jun	MK/Temp	DC/MK	**C-6**	C-12	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES (Include the projected years on this schedule as well)
8-Jun	Cons	MK	**C-7**	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
8-Jun	MK	MK	**C-8**	C-21	DETAIL OF CHANGES IN EXPENSES
8-Jun	Cons	MK	**C-9**	NA	FIVE YEAR ANALYSIS - CHANGE IN COST
8-Jun	CM	CM	**C-10**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
8-Jun	AL	MK	**C-11**	C-25	UNCOLLECTIBLE ACCOUNTS
8-Jun	AL	MK	**C-12**	C-31	ADMINISTRATIVE EXPENSES
8-Jun	AL	MK	**C-13**	C-32	MISCELLANEOUS GENERAL EXPENSES
8-Jun	AL	MK	**C-14**	C-26	ADVERTISING EXPENSES
8-Jun	AL	MK	**C-15**	C-27	INDUSTRY ASSOCIATION DUES
8-Jun	AL	MK	**C-16**	C-65	OUTSIDE PROFESSIONAL SERVICES
1-Jun	NB	MK	**C-17**	C-66	PENSION COST
8-Jun	AL	MK	**C-18**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
25-May	JM	JM	**C-19**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
8-Jun	AL	MK	**C-20**	C-38a	TAXES OTHER THAN INCOME TAXES
8-Jun	AL	DC	**C-21**	C-38b	REVENUE TAXES
8-Jun	MK/Temp	MK	**C-22**	C-42	STATE AND FEDERAL INCOME TAXES
21-May	Cons	DC	**C-23**	C-44	INTEREST IN TAX EXPENSE CALCULATION
8-Jun	Cons	DC	**C-24**	C-47	PARENT(S) DEBT INFORMATION
8-Jun	MK/Temp	MK	**C-25**	C-41	DEFERRED TAX ADJUSTMENT
8-Jun	MK/Temp	MK	**C-26**	C-46	INCOME TAX RETURNS
8-Jun	MK	MK	**C-27**	C-45	CONSOLIDATED TAX INFORMATION
8-Jun	MK	MK	**C-28**	C-48	MISCELLANEOUS TAX INFORMATION
8-Jun	JM	JM	**C-29**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
8-Jun	MK	MK	**C-30**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

NET OPERATING INCOME SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE	
8-Jun	MK	MK	**C-31**	NA	AFFILIATED COMPANY RELATIONSHIPS	
25-May	JM	JM	**C-32**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS	
8-Jun	DC	DC	**C-33**	C-61	PERFRMANCE INDICES	
8-Jun	DC	MC/DC	**C-34**	NA	STATISTICAL INFORMATION	
8-Jun	AL	MK	**C-35**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI	
8-Jun	DT	MK	**C-36**	C-52	NON-FUEL OPEARTION AND MAINTENANCE EXPENSE COMPARED TO CPI	(include test year unless we get this waived)
8-Jun	DT	MK	**C-37**	C-53	O & M BENCHMARK COMPARISON BY FUNCTION	(include test year unless we get this waived)
8-Jun	DT	MK	**C-38**	C-54	O & M ADJUSTMENTS BY FUNCTION	(include test year unless we get this waived)
8-Jun	DT	MK	**C-39**	C-55	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION	(include test year unless we get this waived)
8-Jun	DT	MK	**C-40**	C-56	O & M COMPOUND MULTIPLIER CALCULATION	(include test year unless we get this waived)
8-Jun	DT	MK	**C-41**	C-57	O & M BENCHMARK VARIANCE BY FUNCTION	(include test year unless we get this waived)
8-Jun	MK	MK	**C-42**	NA	HEDGING COSTS	
8-Jun	MK	MK	**C-43**	NA	SECURITY COSTS	
21-May	DC	DC	**C-44**	C-58	REVENUE EXPANSION FACTOR	

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF CAPITAL SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
21-May	Cons	DC/CONS	**D-1a**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
21-May	Cons	DC/CONS	**D-1b**	NA	COST OF CAPITAL -ADJUSTMENTS
1-Jun	Cons	DC/CONS	**D-2**	D-2	COST OF CAPITAL-5 YEAR HISTORY
21-May	Cons	DC/CONS	**D-3**	D-3a	SHORT-TERM DEBT
21-May	Cons	DC/CONS	**D-4a**	D-4a	LONG-TERM DEBT OUTSTANDING
21-May	Cons	DC/CONS	**D-4b**	NA	REACQUIRED BONDS
21-May	Cons	DC/CONS	**D-5**	D-7	PREFERRED STOCK OUTSTANDING
21-May	Cons	DC/CONS	**D-6**	D-8	CUSTOMER DEPOSITS
21-May	Cons	DC/CONS	**D-7**	D-9	COMMON STOCK DATA
1-Jun	DC	DC/CONS	**D-8**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
1-Jun	DC	DC/CONS	**D-9**	D-11a	FINANCIAL INDICATORS-SUMMARY

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

MISCELLANEOUS SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
22-Jun	AL	CM	**F-1**	F-1	ANNUAL AND QUARTERLY REPORT TO SHAREHOLDERS
22-Jun	AL	CM	**F-2**	F-3	SEC REPORTS
22-Jun	AL	CM	**F-3**	F-6	BUSINESS CONTRACTS WITH OFFICERS OR DIRECTORS
22-Jun	AL	CM	**F-4**	F-4	FERC AUDIT
1-Jun	CM	CM	**F-5**	F-9	FORECASING MODELS
1-Jun	CM	CM	**F-6**	F-10	FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
1-Jun	CM	CM	**F-7**	F-11	FORECASTING MODELS-HISTORICAL DATA
1-Jun	CM	CM	**F-8**	F-17	ASSUMPTIONS
23-Jul	CM	CM	**F-9**	F-21	PUBLIC NOTICE

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

INTERIM RATE RELIEF SCHEDULES

TABLE OF CONTENTS

Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
1-Jun	CM	MK/CM	**G-1**	NA	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED
21-May	JM	JM	**G-2**	NA	INTERIM ADJUSTED RATE BASE
18-May	JM	JM	**G-3**	NA	INTERIM RATE BASE ADJUSTMENTS
1-Jun	Cons	JM	**G-4**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS - RATE BASE
18-May	CY/temp	CM	**G-5**	NA	INTERIM WORKING CAPITAL - 13 MONTH AVERAGE
25-May	JM/temp	JM	**G-6**	NA	INTERIM FUEL INVENTORY BY PLANT
23-May	MK	MK	**G-7**	NA	INTERIM ADJUSTED JURISDICTIONAL NET OPERATING INCOME
21-May	MK	MK	**G-8**	NA	INTERIM NET OPERATING INCOME ADJUSTMENTS
21-May	MK	MK	**G-9**	NA	INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
1-Jun	Cons	MK	**G-10**	NA	INTERIM JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
1-Jun	Cons	DC	**G-11**	NA	INTERIM OPERATING REVENUES DETAIL
8-Jun	MK	MK	**G-12**	NA	INTERIM STATE AND FEDERAL INCOME TAX CALCULATION
23-May	Cons	DC	**G-13**	NA	INTERIM INTEREST IN TAX EXPENSE CALCULATION
8-Jun	DC	DC	**G-14**	NA	INTERIM PARENT(S) DEBT INFORMATION
8-Jun	JM	JM	**G-15**	NA	INTERIM GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
1-Jun	NB	MK	**G-16**	NA	INTERIM PENSION COSTS
1-Jun	CM	CM	**G-17**	NA	INTERIM ACCOUNTING POLICY CHANGES
21-May	DC	DC	**G-18**	NA	INTERIM REVENUE EXPANSION FACTOR
23-May	DC	DC	**G-19a**	NA	INTERIM COST OF CAPITAL - 13 MONTH AVERAGE
21-May	DC	DC	**G-19b**	NA	INTERIM COST OF CAPITAL - ADJUSTMENTS
20-Jul	Cons	DC	**G-20**	NA	INTERIM - REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
20-Jul	Cons	DC	**G-21**	NA	INTERIM - REVENUES FROM SERVICE CHARGES
20-Jul	Cons	DC	**G-22**	NA	INTERIM - BASE REVENUE BY RATE SCHEDULE CALCULATIONS
20-Jul	Cons	DC	**G-23**	NA	INTERIM - REVENUE BY LIGHTING SCHEDULE CALCUATION

FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

H PROJECTED YEARS SCHEDULES

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Due Date	Prepared by	Witness	H (Schedule) SCHEDULE	Prior Schedule C-59(Schedule)	TITLE
15-Jun	Cons	JM/CM	**H (B-1)**	B-3	ADJUSTED RATE BASE
15-Jun	JM	JM/CM	**H (B-2)**	B-4	RATE BASE ADJUSTMENTS
8-Jun	JM/Temp	JM/CM	**H (B-3)**	B-2ab	13 MONTH AVERAGE BALANCE SHEET
22-Jun	JM./Temp	JM/CM	**H (B-5)**	NA	DETAILS OF CHANGES IN RATE BASE
15-Jun	JM	JM	**H (B-6)**	B-7	JURISDICTIONAL SEPARATION FACTORS-RATE BASE
8-Jun	Cons	JM	**H (B-7)**	B-8a	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
8-Jun	JM/Temp	JM	**H (B-8)**	B-9a	MONTHLY PLANT BALANCES TEST YEAR-13 MONTHS
8-Jun	Cons	JM	**H (B-9)**	B-8b	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUBACCOUNT
8-Jun	JM/Temp	JM	**H (B-10)**	B-9b	MONTHLY RESERVE BALANCES TEST YEAR-13 MONTHS
15-Jun	JM/Temp	JM/MC	**H (B-11)**	B-10	CAPITAL ADDITIONS AND RETIREMENTS
22-Jun	JM/Temp	JM	**H(B-12)**	NA	PRODUCTION PLANT ADDITIONS
22-Jun	JM/Temp	JM	**H(B-13)**	NA	CONSTRUCTION WORK IN PROGRESS
22-Jun	CM	CM	**H(B-14)**	NA	EARNINGS TEST
22-Jun	JM/Temp	JM	**H(B-15)**	B-12a	PROPERTY HELD FOR FUTURE USE
22-Jun	JM/Temp	JM	**H(B-16)**	B-16	NUCLEAR FUEL BALANCES
15-Jun	CY/Temp	CM	**H(B-17)**	B-14	WORKING CAPITAL-13 MONTH AVERAGE
22-Jun	JM/Temp	JM	**H(B-18)**	B-17b	FUEL INVENTORY BY PLANT
8-Jun	CY/Temp	CM	**H(B-19)**	B-22	MISCELLANEOUS DEFERRED DEBITS
8-Jun	CY/Temp	CM	**H(B-20)**	B-21	OTHER DEFERRED CREDITS
8-Jun	NB	CM	**H(B-21)**	NA	ACCUMULATED PROVISIONS ACCOUNT
8-Jun	MK/Temp	MK	**H(B-22)**	B-24a	TOTAL ACCUMULATED DEFERRED INCOME TAXES
8-Jun	MK/Temp	MK	**H(B-23)**	B-23a	INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
15-Jun	AL	CM	**H(B-24)**	B-28a	LEASING ARRANGEMENTS
28-Jun	Cons	MK/CM	**H(C-1)**	C-2	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
28-Jun	Cons	MK/CM	**H(C-2)**	C-3,C-4,C-	NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-3)**	C-1	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
28-Jun	Cons	MK/CM	**H(C-4)**	C-9	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
22-Jun	Cons	DC/MC	**H(C-5)**	C-10	OPERATING REVENUES DETAIL
22-Jun	Cons	MK	**H(C-7)**	C-19,2(	OPERATION AND MAINTENANCE EXPENSES
22-Jun	MK	MK	**H(C-8)**	C-21	DETAIL OF CHANGES IN EXPENSES
15-Jun	CM	CM	**H(C-10)**	C-23	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
15-Jun	AL	MK	**H(C-11)**	C-25	UNCOLLECTIBLE ACCOUNTS
15-Jun	AL	MK	**H(C-12)**	C-31	ADMINISTRATIVE EXPENSES
15-Jun	AL	MK	**H(C-13)**	C-32	MISCELLANEOUS GENERAL EXPENSES
15-Jun	Al=L	MK	**H(C-14)**	C-26	ADVERTISING EXPENSES
15-Jun	AL	MK	**H(C-15)**	C-27	INDUSTRY ASSOCIATION DUES
15-Jun	AL	MK	**H(C-16)**	C-65	OUTSIDE PROFESSIONAL SERVICES
15-Jun	NB	MK	**H(C-17)**	C-66	PENSION COST
15-Jun	AL	MK	**H(C-18)**	C-29	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
8-Jun	JM	JM	**H(C-19)**	C-35	AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
15-Jun	AL	MK	**H(C-20)**	C-38a	TAXES OTHER THAN INCOME TAXES
15-Jun	AL	DC	**H(C-21)**	C-38b	REVENUE TAXES
15-Jun	MK	MK	**H(C-22)**	C-42	STATE AND FEDERAL INCOME TAXES
22-Jun	Cons	DC	**H(C-23)**	C-44	INTEREST IN TAX EXPENSE CALCULATION
22-Jun	Cons	DC	**H(C-24)**	C-47	PARENT(S) DEBT INFORMATION
15-Jun	MK	MK	**H(C-25)**	C-41	DEFERRED TAX ADJUSTMENT
28-Jun	MK/Temp	MK	**H(C-26)**	C-46	INCOME TAX RETURNS
28-Jun	MK/Temp	MK	**H(C-27)**	C-45	CONSOLIDATED TAX INFORMATION
28-Jun	MK/Temp	MK	**H(C-28)**	C-46	MISCELLANEOUS TAX INFORMATION
15-Jun	JM	JM	**H(C-29)**	C-51	GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY
22-Jun	MK	MK	**H(C-30)**	C-60	TRANSACTIONS WITH AFFILIATED COMPANIES
22-Jun	MK	MK	**H(C-31)**	NA	AFFILIATED COMPANY RELATIONSHIPS
8-Jun	JM	JM	**H(C-32)**	C-62	NON-UTILITY OPERATIUONS UTILIZING UTILITY ASSETS
28-Jun	DC	DC	**H(C-33)**	C-61	PERFRMANCE INDICES
28-Jun	DC	MC/DC	**H(C-34)**	NA	STATISTICAL INFORMATION
28-Jun	AL	MK	**H(C-35)**	NA	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
28-Jun	MK	MK	**H(C-42)**	NA	HEDGING COSTS
28-Jun	MK	MK	**H(C-43)**	NA	SECURITY COSTS
15-Jun	DC	DC	**H(C-44)**	C-58	REVENUE EXPANSION FACTOR
20-Jun	Cons	DC/CONS	**H(D-1a)**	D-1	COST OF CAPITAL-13 MONTH AVERAGE
20-Jun	Cons	DC/CONS	**H(D-1b)**	NA	COST OF CAPITAL -ADJUSTMENTS
20-Jun	Cons	DC/CONS	**H(D-3)**	D-3a	SHORT-TERM DEBT
20-Jun	Cons	DC/CONS	**H(D-4a)**	D-4a	LONG-TERM DEBT OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-4b)**	NA	REACQUIRED BONDS
20-Jun	Cons	DC/CONS	**H(D-5)**	D-7	PREFERRED STOCK OUTSTANDING
20-Jun	Cons	DC/CONS	**H(D-6)**	D-8	CUSTOMER DEPOSITS
20-Jun	Cons	DC/CONS	**H(D-7)**	D-9	COMMON STOCK DATA
28-Jun	DC	DC/CONS	**H(D-8)**	D-10a	FINANCING PLANS-STOCK AND BOND ISSUES
28-Jun	DC	DC/CONS	**H(D-9)**	D-11a	FINANCIAL INDICATORS-SUMMARY

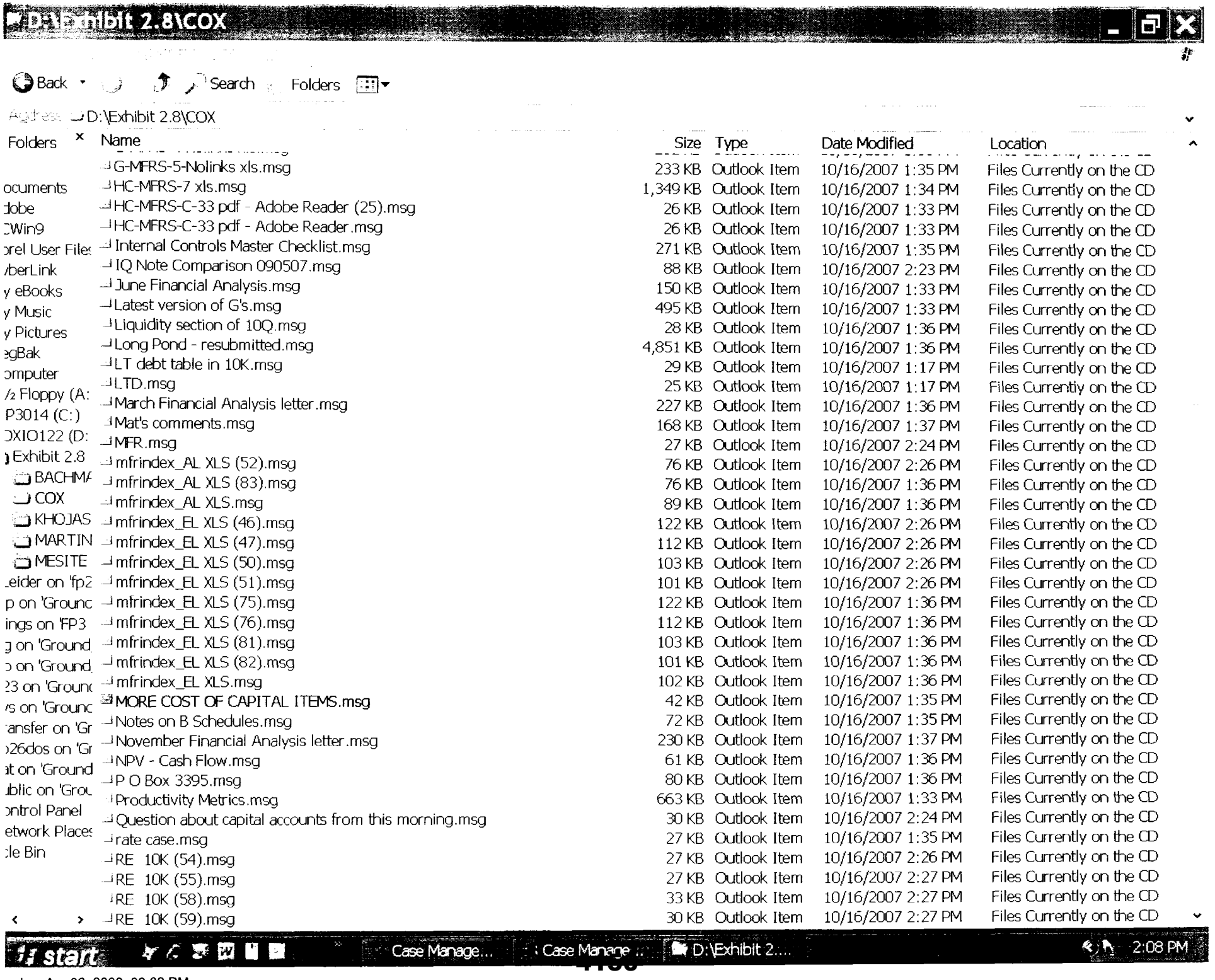
FLORIDA PUBLIC SERVICE COMMISSION

MINIMUM FILING REQUIREMENTS

COST OF SERVICE AND RATE DESIGN SCHEDULES

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Due Date	Prepared by	Witness	SCHEDULE	Prior Schedule	TITLE
13-Jul	Cons	MC	**E-1**	E-1	COST OF SERVICE STUDIES
13-Jul	Cons	MC	**E-2**	E-2	EXPLANATION OF VARIATIONS FROM COST OF SERVICE STUDY
13-Jul	Cons	MC	**E-3a**	E-5a	COST OF SERVICE STUDY-ALLOCATION OF RATE BASE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-3b**	E-5b	COST OF SERVICE STUDY-ALLOCATION OF EXPENSE COMPONENTS TO RATE SCHEDULE
13-Jul	Cons	MC	**E-4a**	E-6a	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF RATE BASE
13-Jul	Cons	MC	**E-4b**	E-6b	COST OF SERVICE STUDY-FUNCTIONALIZATION AND CLASSIFICATION OF EXPENSES
13-Jul	Cons	MC	**E-5**	E-7	SOURCE AND AMOUNT OF REVENUES-AT PRESENT AND PROPOSED RATES
13-Jul	Cons	MC	**E-6a**	E-3a	COST OF SERVICE STUDY-UNIT COSTS, PRESENT RATES
13-Jul	Cons	MC	**E-6b**	E-3b	COST OF SERVICE STUDY-UNIT COSTS, PROPOSED RATES
13-Jul	Cons	MC	**E-7**	E-10	DEVELOPMENT OF SERVICE CHARGES
13-Jul	Cons	MC	**E-8**	E-11	COMPANY-PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
13-Jul	Cons	MC	**E-9**	E-12	COST OF SERVICE-LOAD DATA
13-Jul	Cons	MC	**E-10**	E-13	COST OF SERVICE STUDY-DEVELOPMENT OF ALLOCATION FACTORS
13-Jul	Cons	MC	**E-11**	E-14	DEVELOPMENT OF COINCIDENT AND NONCOINCIDENT DEMANDS FOR COST STUDY
13-Jul	Cons	MC	**E-12**	E-15	ADJUSTMENT TO TEST YEAR REVENUE
13-Jul	Cons	MC	**E-13a**	E-16a	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
13-Jul	Cons	MC	**E-13b**	E-16b	REVENUES BY RATE SCHEDULE-SERVICE CHARGES (ACCOUNT 451)
13-Jul	Cons	MC	**E-13c**	E-16c	BASE REVENUE BY RATE SCHEDULE-CALCULATIONS
13-Jul	Cons	MC	**E-13d**	E-16d	REVENUE BY RATE SCHEDULE-LIGHTING SCHEDULE CALCULATION
13-Jul	Cons	MC	**E-14**	E-17	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
13-Jul	Cons	MC	**E-15**	E-18d	PROJECTED BILLING DETERMINANTS-DERIVATION
13-Jul	Cons	MC	**E-16**	E-19	CUSTOMERS BY VOLTAGE LEVEL
13-Jul	Cons	MC	**E-17**	E-20	LOAD RESEARCH DATA
13-Jul	Cons	MC	**E-18**	E-26	MONTHLY PEAKS
13-Jul	Cons	MC	**E-19a**	E-27a	DEMAND AND ENERGY LOSSES
13-Jul	Cons	MC	**E-19b**	E-27b	ENERGY LOSSES
13-Jul	Cons	MC	**E-19c**	E-27b	DEMAND LOSSES


D:\Exhibit 2.8\COX
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Folders
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Folders
Name
Size
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Date Modified
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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
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Latest version of G's.msg 495 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
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Long Pond - resubmitted.msg 4,851 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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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
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MORE COST OF CAPITAL ITEMS.msg 42 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
Notes on B Schedules.msg 72 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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Productivity Metrics.msg 663 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
Question about capital accounts from this morning.msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
rate case.msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE 10K (54).msg 27 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE 10K (55).msg 27 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
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start
Case Manage...
Case Manage...
D:\Exhibit 2....
2:08 PM

Clara Leider

From: Mesite Jim
Sent: Monday, June 25, 2007 4:31 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad; Martin Cheryl
Subject: MORE COST OF CAPITAL ITEMS
Categories: Elec Rate Case

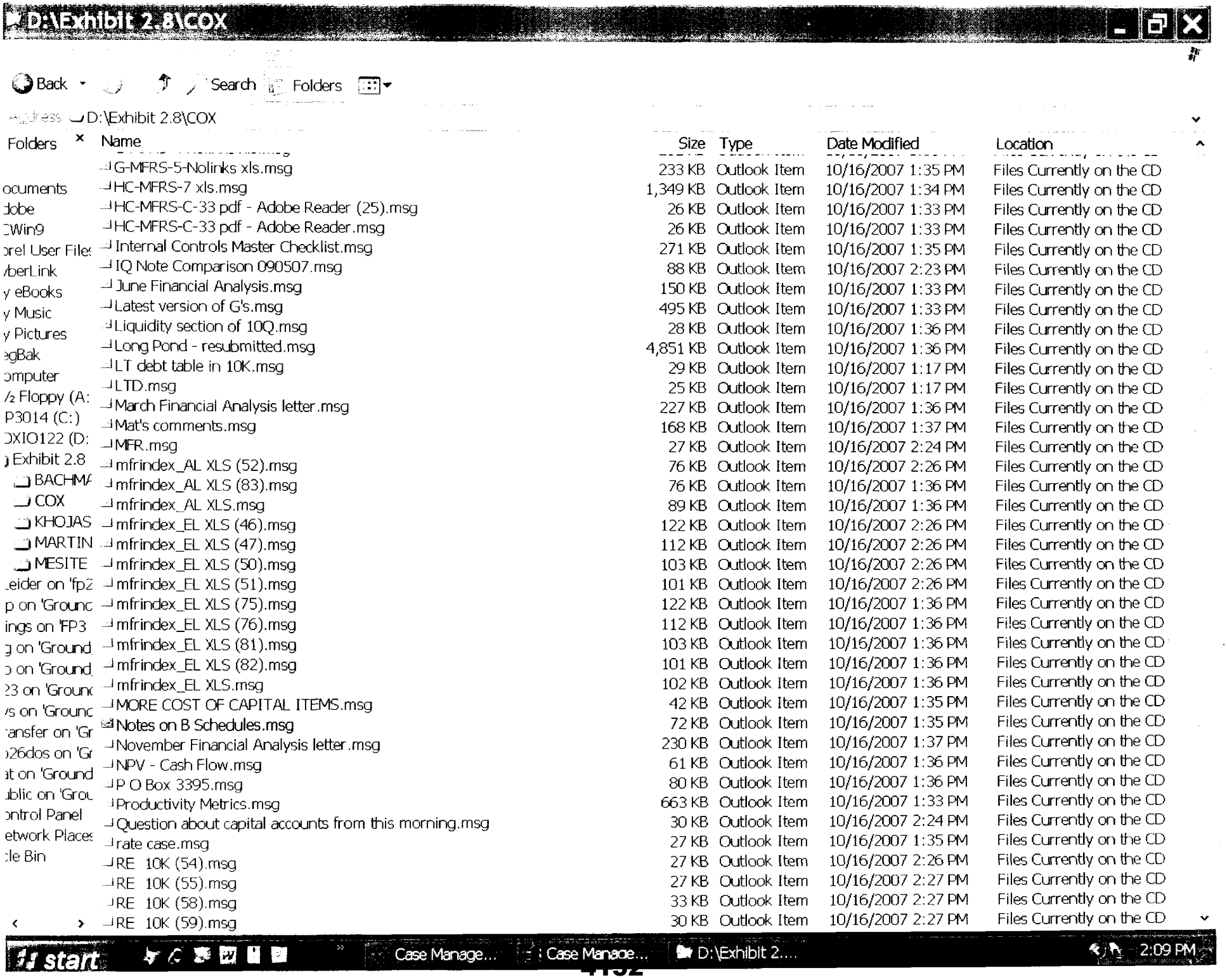
It appears that accounts 1901.158 and .258 may need to be added to the cost of capital work. It started in Dec 2006 and may have been missed on the work Curtis provided you.

There may be a question as to how 2190.1 is shown. Please check with Cheryl.

I am confused about the common 100.2820 accounts. How do you account for these non-direct amounts.

Thank You,

Jim Mesite
Senior Project Accountant, Corporate Accounting
jmesite@fpuc.com
tel.561.838.1733
fax.561.366.1533



Wednesday, Apr 02, 2008 02:09 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 12:52 PM
To: Bhatia Nadira; Khojasteh Mehrdad; Mesite Jim; Cox Doreen
Subject: Notes on B Schedules
Categories: Elec Rate Case
Attachments: Notes on B Schedules.doc

Please let me know by tomorrow if you agree with notes in blue. Cheryl

Notes on B Schedules

Schedule B1 JM will provide

- 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 JM will provide

- 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. JM will provide after discussions with DC too

    - 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 JM will provide

- 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 JM will provide

- It would be useful if FPU could produce this schedule.

Schedule B7 JM will provide

- I still need to insert the depreciation rates.

Schedule B10 and B10-for 2005 JM will provide

- In checking values I noticed a General Plant Account for 3892. Does that account need to get included?

Schedule B11 JM will do or coordinate with temp to complete and then send to Mike

- I had hoped FPU could produce this schedule. If not, I can.

Schedule B13 CWIP JM will do or coordinate with temp to complete and then send to Mike

- Schedule calls for data on estimated additional costs, initial project budget etc, that I still need to get from FPU.

Schedule B17 JM will provide

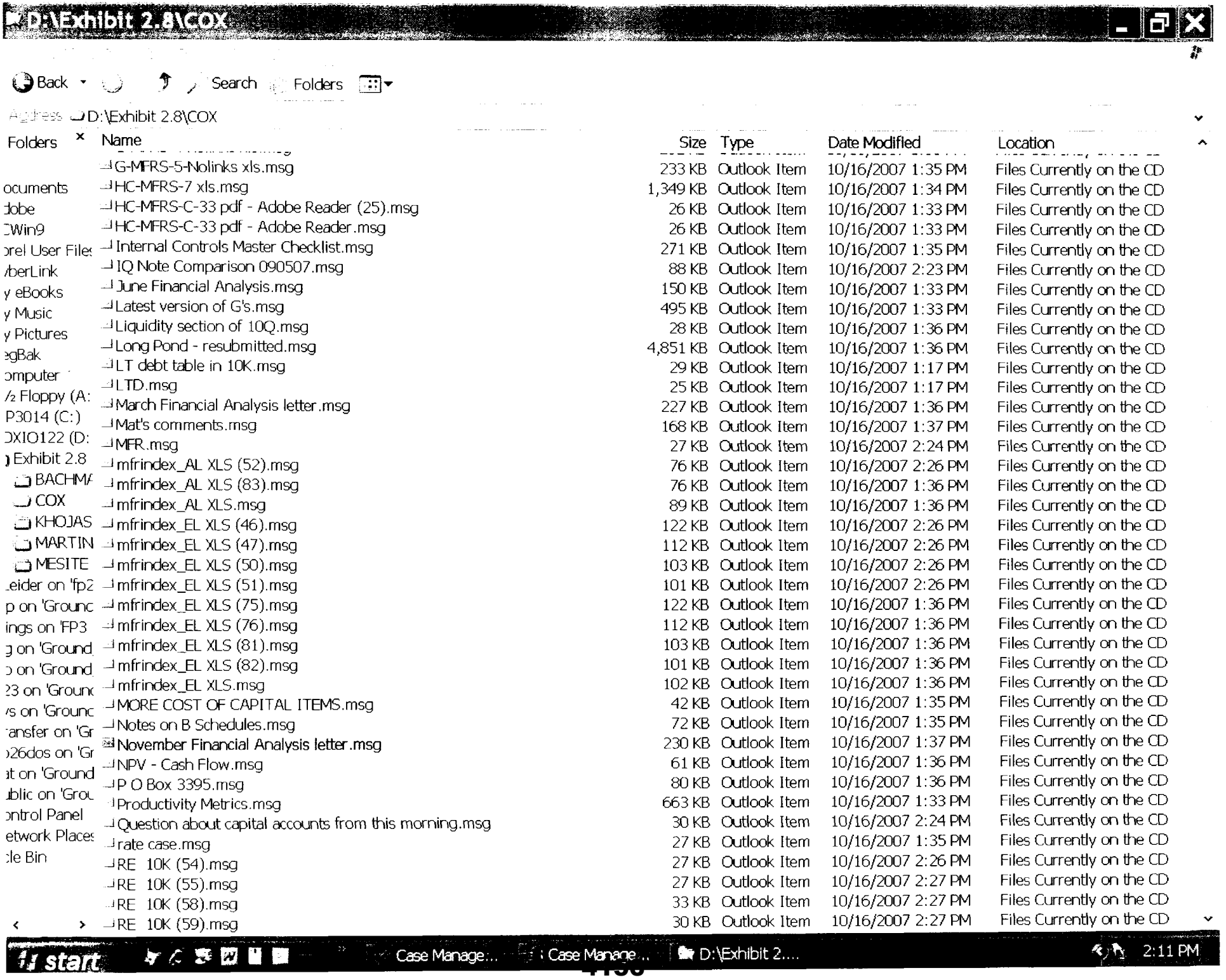
- I need adjustment data for prior year (2005) in numbered column 1.
- In numbered column 2 I need any unbilled revenue adjustment for 2006. (I am guessing that it is zero).

Schedule B19 JM will do or coordinate with someone here to complete and then send to Mike.

- 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 NB check this out, and then let JM know so he can get back to MIke

- Need to check that the updated values as provided are correct. Cell L21 looks suspicious.


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Clara Leider

From: Bhatia Nadira

Sent: Wednesday, January 24, 2007 9:19 AM

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: November Financial Analysis letter

Attachments: 11-06 FS Letter.doc

Please find attached the November 2006 Financial Analysis letter.

Thanks,
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: January 23, 2007

Below are items that affected November 2006's earnings as compared with the same month last year:

Administrative and General:

- Employee Medical Benefit expense (9262) increased in November 2006 due to a ($31,000) overstatement of the capitalized payroll in 2005. This overstatement was corrected in December 2005.
- Property Insurance expense (9240) increased due to Regulatory storm surcharges of $16,000 for November approved in the 2005 Natural Gas storm petition hearings.
- Post-retirement medical expense (9263) decreased by $12,000 due to a revised estimate in the retiree medical expenses by our consultants for 2006. The estimate was reduced from $270,000 to $190,000 for the year.

South Florida Natural Gas Expense:

- Customer Accounts meter reading expenses (902) decreased $23,000 due to a move to sub-contract the meter reading service rather than using payroll employees.
- Sales expense (9134) decreased mainly due to a $29,000 payment to MTN Advertising for designing, printing and binding of the Natural Gas Guide in Nov., 2005.
- Other Operating expense (8771) decreased mainly due to a reversal of a $32,000 Natural Gas Odorizing expense posted in October that should be amortized over a 5 year period.
- Maintenance expense (892) decreased primarily due $18,000 reduction in payroll and related allocation expenses. Due to high volumes of commercial projects, labor was more focused on capital instead of maintenance.

Central Florida Natural Gas Expense:

- Sales expense (9134) decreased due to an $18,000 payment to MTN Advertising for designing, printing and binding of the Natural Gas Guide in November 2005.
- Maintenance expenses (891) were higher in November 2005 due to higher expense in pressure cleaning and painting by Wrap Tech that were not done in 2006.

North East Florida Electric Expense:

- Other Operating expenses (592) decreased primarily due to higher cost in November 2005 associated with more substation equipment failures.

South Florida Propane Expense:

- Other expense (8031) decreased $38,000 mainly due to an incorrect posting of $27,000 on JE10 for L.P Deliveries which was corrected in December 2005 and the rest being part of normal payroll increases associated with L P gas run-outs.

- Maintenance expenses (8439) decreased due to an error on November 2005 PL accrual for Bellsouth. The amount was entered as 11,113.95 instead of 1,113.95. This reversed in December 2005.

North East Florida Propane Expense:

- Sales expenses (916) increased $27,000 primarily due to a physical inventory loss of $20,000 posted to this account in November 2006. The remainder was due to piping costs for the Summer Beach development project being charged to this account as of April 2006 that where originally charged to M&J during 2005.

West Florida Propane Expense:

- Selling expense (912) decreased $20,000 due to a 50% commission payment to Summer Glen Development Block system in November 2005.

South Florida M&J:

- Cost of Installation decreased by $32,000 primarily due to more customers picking up their water heaters at our warehouse and hiring other vendors to install them.

- Merchandise cost increased due to sales of higher priced items like pool heaters and larger water heaters.

- Jobbing Service costs for November 2005 were higher mainly due to services that were rescheduled from prior hurricane months and billing for more gas light repairs.

Central Florida M&J:

- Profitability decreased by $35,000 primarily due to a reduction in the number of generators sold and installed in 2006. It was decided by management to discontinue the sale of generators in 2006, hence a reduction in cost of merchandise, cost of installation and revenue.

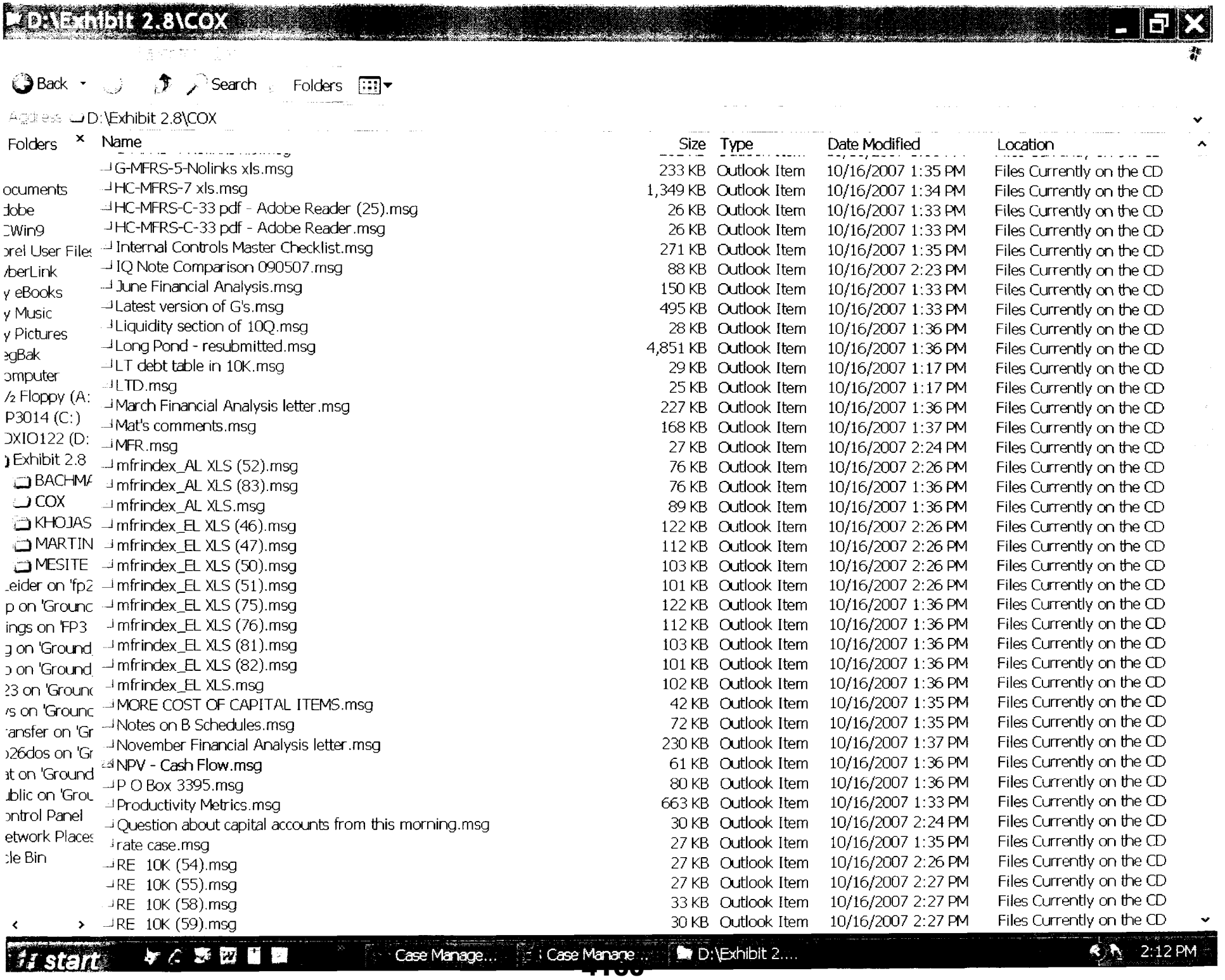
- Merchandise cost decreased in November 2006 due to a reduction in generator sales and also by a $17,000 overstated accrual in 2005 that reversed in December, 2005.

North East Florida M&J:

- Profitability decreased by $35,000 due to a reduction in sale of merchandise while the showroom is being remodeled. This also explains why the merchandise cost is down.

- Jobbing revenue and Installation cost increased $15,000 due to a big installation job at the Ritz Carlton for a spa expansion.

If you are aware of any items affecting earnings, please notify me. Thank you.


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Clara Leider

From: Kitner Don
Sent: Tuesday, April 17, 2007 12:50 PM
To: Bachman George
Cc: Cox Doreen
Subject: NPV - Cash Flow
Attachments: Cash Flow Investment Analysis.xls

George,
Please review the attached spreadsheets. I took what you provided and mover it to a separate spreadsheet – one for natural gas and the other tab for propane. I thought it may be easier for Jim to utilize. I ran a number of different scenarios and the attached always had a slightly lower return than the NPV currently used. This will strictly be used for individual accounts. I will be begging for Doreen's help when we get to the multi-account part of our project.
Thanks,

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

Cash Flow Investment Analysis - Propane

Project Title:

Annual Gallons		400
Piping Allowance	$	500
Cost of SERVICE	$	500
Cost of Main		
Monthly Customer Charge		**$8.00**
Non-Fuel Charge per Gallon		**$1.00000**
Other Income		
Upfront Capital (Contributions)		(85)
Other Expenses (Commissions)		50

Year	2007	2008	2009	2010	2011
CASH INFLOWS					
Base Revenue/year	496	496	496	496	496
Other Income	0	0	0	0	0
Total Cash Inflows	**496**	**496**	**496**	**496**	**496**
CASH OUTFLOWS					
Captal Expenditures on Services	*500*	*0*	*0*	*0*	*0*
Capital Expenditures on Main	*0*	*0*	*0*	*0*	*0*
Upfront Capital (Contributions)	*(85)*	*0*	*0*	*0*	*0*
Total Capital Expenditures	415	0	0	0	0
Piping Costs	500	0	0	0	0
O&M Expense	174	174	174	174	174
Other Expenses (Commissions)	50	0	0	0	0
Income Tax (Refund) / Payment	(117)	90	90	90	90
Total Cash Outflows	**1,022**	**264**	**264**	**264**	**264**
Net Cash Flows	**(526)**	**232**	**232**	**232**	**232**
	(526)	232	232	232	232
Net Present Value	**$ 140**				
	1,139	174	174	174	174

Average Rate of Return on Investment: **27%**

Required Return	15.00%

Cash Flow Investment Analysis - Natural Gas

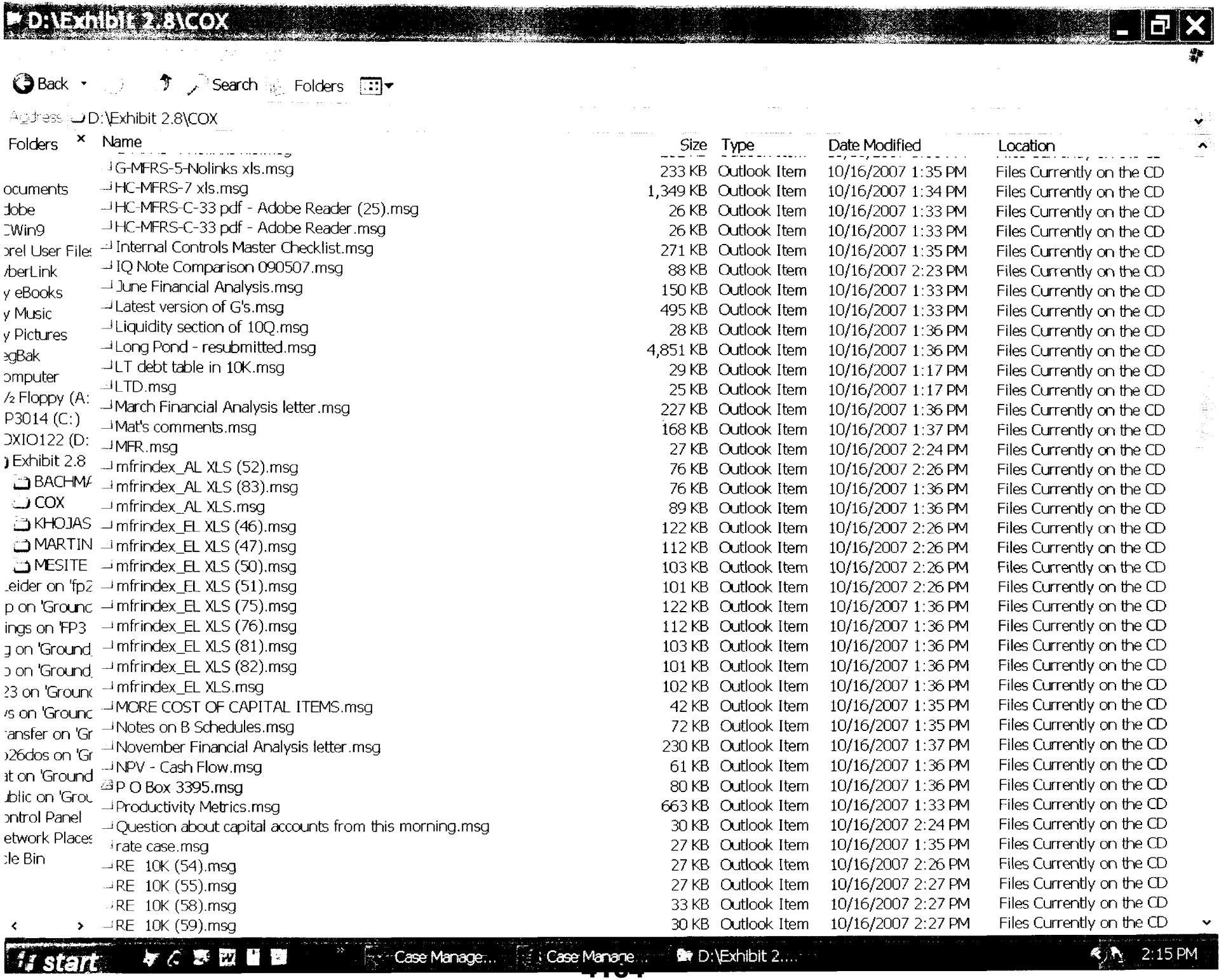
Project Title:

Annual Therms		400
Piping Allowance	$	500
Cost of Service	$	500
Cost of Main		
Monthly Customer Charge		**$8.00**
Non-Fuel Charge per Therm		**$0.48340**
Other Income		0
Upfront Capital (Contributions)		(85)
Other Expenses (Commissions)		50

Year	2007	2008	2009	2010	2011
CASH INFLOWS					
Base Revenue/year	289	289	289	289	289
Other Income	*0*	*0*	0	0	0
Total Cash Inflows	**289**	**289**	**289**	**289**	**289**
CASH OUTFLOWS					
Captal Expenditures on Services	*500*	*0*	*0*	*0*	*0*
Capital Expenditures on Main	*0*	*0*	*0*	*0*	*0*
Upfront Capital (Contributions)	*(85)*	*0*	*0*	*0*	*0*
Total Capital Expenditures	415	0	0	0	0
Piping Costs	71	71	71	71	71
O&M Expense	101	101	101	101	101
Other Expenses (Commissions)	50	0	0	0	0
Income Tax (Refund) / Payment	(6)	13	13	13	13
Total Cash Outflows	**632**	**185**	**185**	**185**	**185**
Net Cash Flows	**(342)**	**104**	**104**	**104**	**104**
	(342)	104	104	104	104
Net Present Value	**$ -**				
	638	173	173	173	173

Average Rate of Return on Investment: **8.3%**

Required Return	8.07%


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Clara Leider

From: Martin Cheryl
Sent: Wednesday, April 18, 2007 4:18 PM
To: Bachman George; Cutshaw Mark; Myers Don; Khojasteh Mehrdad; Cox Doreen; Mesite Jim
Subject: P O Box 3395
Attachments: Filing Letter.doc

Here is the current draft of our letter. Please let me know if y ou have any additional items we can add in the second section particularly, of things that have increased since our rate proceeding that necessitates a rate case. Material items only. Any suggestions are appreciated. I want to send out this Monday. Thanks for your input. Thanks Cheryl Martin

P O Box 3395
West Palm Beach, FL 33402-3395
(561) 838-1725

April 17, 2007

The Honorable Lisa Polak Edgar, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Chairman Edgar:

After considerable review and analysis, Florida Public Utilities Company ("FPUC" or the "Company") now finds it necessary to file with the Florida Public Service Commission ("Commission") for an increase in our rates and charges in order that we may have the opportunity to earn a fair rate of return on our investment in utility plant and working capital. Earning a fair rate of return will enable us to continue our high quality of service and maintain financial integrity, which are in the best interest of our customers. The Company has experienced and is expecting to experience continued increases in expenses, and despite efforts to keep expenses down, many are beyond the control of the Company and we expect a significant declining rate of return in our electric operations. Our last Consolidated Electric Rate Case for both Marianna (Northwest Florida Division) and Fernandina Beach (Northeast Florida Division), Docket No. 030438-EI, authorized an increase in revenues, which went into effect in April 2004.

In accordance with Rule 25-6.140, F.A.C., Test Year Notification, we have selected the twelve-month period ending December 31, 2008 as the projected test year for our petition to increase our rates and charges. We offer the following reasons for selecting this period:

1. The calendar year serves also as our fiscal year for accounting purposes.

2. The new rates developed in this rate case will be effective on or after January 1, 2008.

3. The Company believes the proposed 2008 test year will accurately reflect the economic conditions in which the Consolidated Electric Division will be operating during the first twelve months the new rates will be in effect.

4. The overall rate of return for the twelve-month periods ending December 31, 2007 and 2008 will decline further below our allowable rate of returns based on our projections for 2007 and 2008.

As required in the above rule, we submit the following major factors, which necessitate a rate increase along with their estimated annual revenue requirement impact:

1. Recent events will have a significant unfavorable impact to earnings in upcoming financial periods. The value of the pension plan assets will significantly increase pension expense in 2007 and 2008. Current actuarial estimates show pension expense increasing by approximately $90,000 in 2007 over 2006 and the estimated annual impact to the Consolidated Electric Division is $90,000.

2. Insurance costs continue to greatly increase. Management believes that medical costs will also increase approximately $300,000 in 2007 and even further in 2008 and the Company made revisions to the medical plan to help minimize the effect on operating income. The estimated annual impact to the Consolidated Electric Division in 2007 is $500,000.

3. Accounting, auditing, and tax service expenses are expected to increase by an estimated $250,000 annually. This is due to additional work requirements of regulations on the external auditors including Sarbanes-Oxley Act and an expanded internal audit and tax program. The estimated annual impact to the Consolidated Electric Division is $100,000.

4. In 2006 the Company entered into new fuel agreements in both divisions, one effective January 1, 2007 and one effective January 1, 2008. The fuel cost to our customers is expected to increase significantly to closer to market rates as a result of these new contracts, The Company expects a decline in demand due to the overall increase to the customer's bill as a result of the fuel rate increase, and accordingly will further decline the Company's earnings.

5. Based on a review of the adequacy of storm reserves, the reserves are believed to be currently deficient. To bring the reserves to an adequate level over a period of ten years, the estimated annual impact to the Consolidated Electric Division will be determined prior to the conclusion of this rate proceeding.

6. The recent storm hardening requirements have increased expenses significantly. Expenses relating to these have increased over $ 700,000 annually. We may receive temporary recovery for these expenses in an upcoming storm hardening hearing, however, once a rate proceeding is completed, this temporary surcharge would be rolled into base rates.

7. The cost of transformers and substations have increased significantly in recent years. We have required significant upgrades in these facilities starting in 2004 that were not recovered in our last rate proceeding. We have recently placed an order for additional upgrades and these are expected to be complete in early 2008. The estimated total cost of these assets since 2004 have and will increase plant in the Consolidated

Electric Division by $250,000. The increase to the annual revenue requirement would be $.

9. Inflationary effect on new and replacement utility plant and on operating expenses over the 5-year period since our last rate case. The estimated annual impact to the Consolidated Electric Division is unknown at this time.

10. Adjustments in annual depreciation expense that may result from revised new depreciation rates effective with the finalization of our consolidated electric depreciation study to be filed in conjunction with this rate proceeding. The estimated annual impact to the Consolidated Electric Division is unknown at this time.

11. We have not achieved our allowable rate of return with the rates approved in the last rate proceeding in any calendar year since those were put into effect. The projections for variables used in our test year to set rates during that last proceeding compared to the actual results negatively impacted our rate of return. Billing determinants achieved were lower that those used in our test year, rate base projections were lower than actual, and expenses were higher than those used in our projections.

Since our last electric rate cases, the following measures were implemented for the purpose of reducing revenue requirements:

1. Managing capital expenditures to stay in line with expected increases in customer growth and inflation. Reviewed capital expenditures to try and ensure the increase in net plant per customer amount was kept consistent.

2. Improved productivity in the construction crews by ensuring efficient equipment is available and actively monitoring actual and estimated cost to identify areas in which productivity can be improved.

3. Improved purchasing functions in order to reduce costs and achieve better inventory control.

4. Issuance of short-term and long-term debt with favorable interest rates to assist in the financing requirements of capital and operating expenditures.

5. To hold down rising medical insurance costs we have made changes in medical programs, premiums and deductibles over the years including 2006.

6. The Company historically has been able to manage costs. Steps are taken to budget and find ways to keep costs down on a continual basis.

7. Additional Emphasis on reviewing monthly budget variances to more quickly identifies and corrects areas in which variances occur. This allows work plans to be

modified in order to ensure budgets are maintained in the best manner possible.

FPUC will be filing MFR schedules consistent with current Commission minimum filing requirements and similar to those filed in our last rate case for our Consolidated Electric Operations, Docket No. 030438-EI with certain modifications and waivers noted in Attachment A, which is a copy of a Petition for Waiver of Certain MFR schedules. This petition was developed after consultation with Staff and is being filed with the Commission Clerk for handling. Also, as noted the Company is filing this as a Consolidated Electric Division filing with one combined set of data for Cost of Service and all financial information and requests that the Commission acknowledge and accept this proposal. Finally, the calendar year 2008 will be presented as the projected test year, calendar year 2007 will be presented as the projected prior year and the calendar year 2006 will be presented as the historic year.

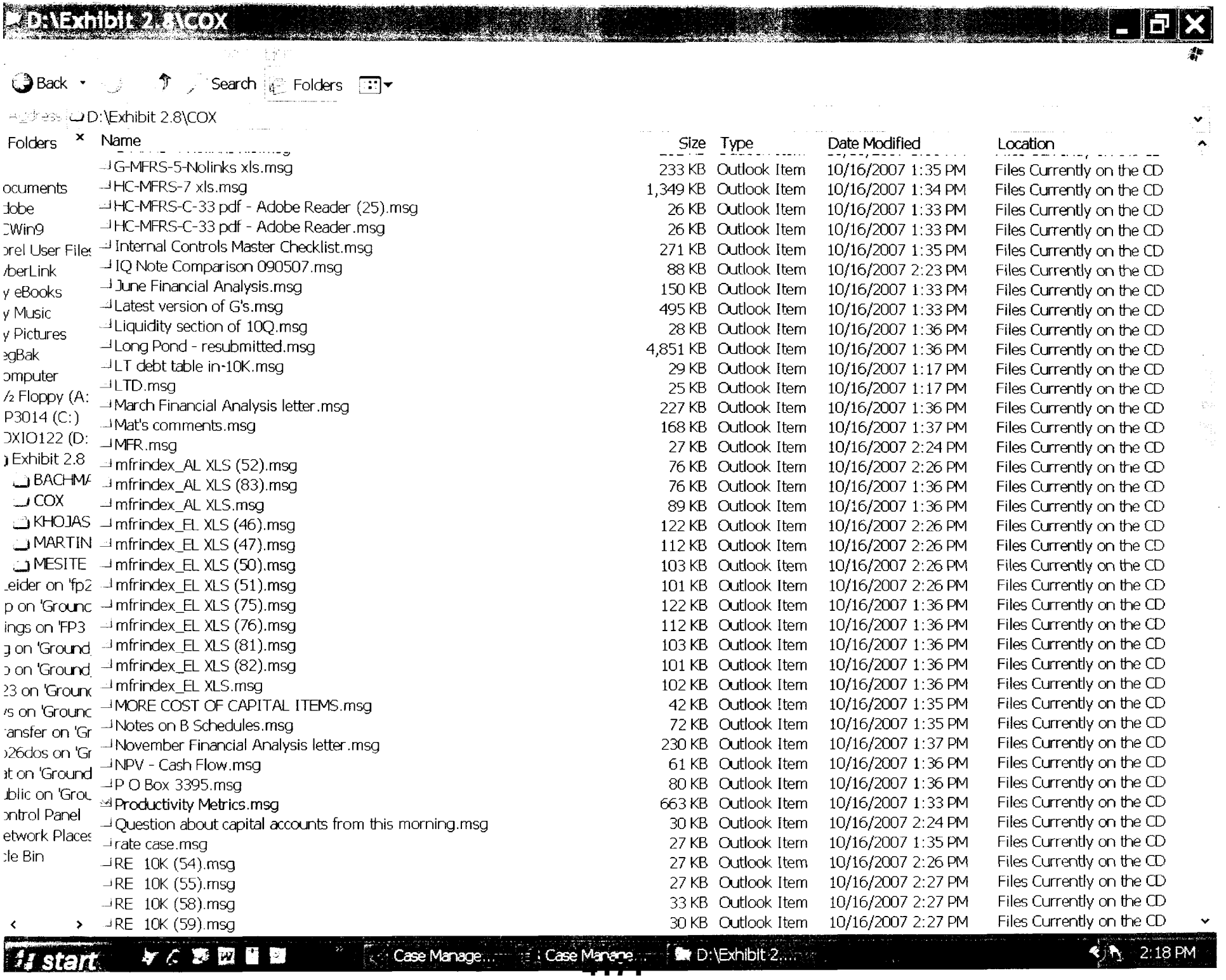
The Company has not undertaken this filing without a considerable amount of study. We have undertaken to provide quality service to our customers and to tightly control our expenses. Our rates are among the lowest in Florida; but we are experiencing increases which are beyond our control and we cannot continue to maintain a high quality of service and customer satisfaction at the current rates.

We plan to file the minimum filing requirements (MFRs) for rate relief on or before September 30, 2007 and will advise you if this date cannot be met. We are not requesting that this be processed as a PAA. If you need any additional information, please let me know.

Sincerely,

George M. Bachman
CFO and Treasurer

CC:
Office of Public Counsel
Norman Horton, Esq.
Mark Cutshaw
Don Myers
Jack English
Cheryl Martin
Chuck Stein



Wednesday, Apr 02, 2008 02:18 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, August 09, 2007 7:24 AM
To: Cox Doreen; Martin Cheryl; Cutshaw Mark; English Jack; Bachman George; Stein Chuck
Cc: Mike Welsh; Dan Hansen
Subject: Productivity Metrics

Attachments: Productivity_FPU and Comparable Utilities.xls



Productivity_
and Compara

Colleagues,

Attached below is the productivity analysis for FPU and a set of comparable utilities that I completed yesterday, though our colleague Phil Schoech did much of the work, which was completed last week.

As expected, FPU's unit cost of distribution wires services are less than that of the utility sample, and productivity metrics suggest that FPU has done exceedingly well. Please reference the range A98 - S161 of the tab entitled "Productivity".

Robert

Productivity

Total Customers	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Black Hills Power, Inc.	53,816	54,448	55,326	56,023	56,519	57,320	58,290	58,948	59,665	60,638	61,786	63,039
Cleco Power LLC	215,382	218,709	213,801	228,582	239,297	244,159	248,441	251,192	254,919	258,360	258,577	260,634
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	256,496	258,534	260,390	263,018	264,913	267,159	269,806	276,831	278,974	282,187	284,180	286,197
The Dayton Power and Light Company	461,779	466,991	471,666	476,156	481,730	486,138	490,548	494,250	496,857	499,068	501,469	505,301
Florida Power Corporation	1,226,710	1,254,011	1,274,038	1,295,944	1,321,839	1,356,996	1,380,295	1,424,206	1,454,627	1,488,851	1,526,189	1,560,717
Florida Power & Light Company	3,419,630	3,486,349	3,548,270	3,612,977	3,677,891	3,753,411	3,845,664	3,932,570	4,017,026	4,114,352	4,221,493	4,318,742
Idaho Power Company	324,025	335,107	346,270	356,895	367,411	378,210	388,407	398,036	407,501	420,025	432,964	448,179
Madison Gas and Electric Company	117,678	119,280	120,693	122,007	123,212	125,493	126,074	127,370	129,454	132,167	133,793	135,019
Otter Tail Corporation	121,766	122,581	123,363	123,946	124,422	124,952	125,463	125,619	125,820	126,280	126,811	127,298
Tampa Electric Company	481,587	490,957	501,647	513,785	525,413	538,362	554,603	570,131	584,167	598,501	613,100	629,092
The United Illuminating Company	305,373	308,475	309,342	311,208	312,811	314,489	316,456	317,927	319,019	319,687	320,487	319,412
FPUC	21,943	22,381	22,873	23,417	23,846	24,353	25,009	25,544	26,241	26,778	26,916	27,219

Total Sales	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Black Hills Power, Inc.	1,448,120	1,450,612	1,503,722	1,496,237	1,481,086	1,478,510	1,508,575	1,542,485	1,488,797	1,509,410	1,480,701	1,552,758
Cleco Power LLC	5,742,315	6,254,173	6,429,559	6,697,856	7,171,969	7,525,334	7,958,126	7,496,537	7,877,949	7,996,216	8,263,271	8,214,957
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	4,227,552	4,130,077	4,249,512	4,126,291	4,167,008	4,192,403	4,333,671	4,599,312	4,416,747	4,055,338	3,975,836	3,875,446
The Dayton Power and Light Company	11,921,760	12,696,929	12,870,930	12,945,081	12,962,760	12,989,929	13,206,175	13,095,255	13,483,498	13,099,598	13,310,652	13,752,526
Florida Power Corporation	25,695,070	27,414,527	28,553,079	28,524,880	30,901,007	30,905,329	32,177,815	32,536,727	34,008,961	34,982,469	35,149,430	27,344,949
Florida Power & Light Company	72,506,716	75,156,936	76,304,595	78,684,986	84,051,880	83,655,413	87,088,573	89,638,960	94,951,203	98,913,912	98,530,526	101,728,679
Idaho Power Company	12,173,405	11,961,068	13,012,669	13,214,800	13,341,194	13,736,537	14,569,054	13,003,823	12,865,579	12,950,599	13,211,699	13,260,118
Madison Gas and Electric Company	2,349,069	2,376,039	2,396,417	2,448,408	2,538,167	2,610,032	2,677,006	2,629,408	2,775,415	2,751,562	2,781,613	2,919,088
Otter Tail Corporation	3,102,173	3,199,653	3,341,437	3,425,060	3,406,025	3,310,982	3,431,993	3,534,200	3,620,141	3,646,273	3,702,959	3,824,772
Tampa Electric Company	12,807,961	13,423,983	13,726,413	13,867,089	14,742,844	14,526,837	15,299,847	15,608,097	16,490,020	16,704,296	16,836,548	17,269,980
The United Illuminating Company	5,314,728	5,290,998	5,291,598	5,327,399	5,404,166	5,604,023	5,605,874	5,678,397	5,734,493	5,715,696	5,907,949	6,062,185
FPUC	534,282	585,345	614,759	623,664	697,963	703,727	734,544	707,903	738,926	720,230	759,308	816,836

Customer Accounting Expenses	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Black Hills Power, Inc.	2,781,086	2,584,767	2,703,292	2,835,619	2,974,695	3,441,221	3,687,090	4,683,797	4,607,382	3,965,207	2,053,646	1,768,059
Cleco Power LLC	10,259,317	12,369,848	10,982,236	9,474,000	10,861,226	12,188,312	11,695,267	11,925,962	13,146,739	13,497,187	14,595,788	16,999,081
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	10,250,932	10,279,060	10,826,568	10,422,570	10,871,374	11,233,857	12,014,393	11,925,542	12,258,232	13,899,934	14,293,507	12,651,068
The Dayton Power and Light Company	17,535,745	22,561,949	19,697,054	21,163,843	26,484,071	21,566,171	24,434,769	27,758,488	26,003,959	24,024,767	24,667,926	22,157,714
Florida Power Corporation	34,558,436	43,089,677	53,231,106	50,165,972	55,039,122	58,534,290	55,050,019	71,152,592	51,392,889	47,569,877	49,448,305	53,933,450
Florida Power & Light Company	110,975,968	113,577,617	108,839,612	102,505,224	103,480,815	101,347,897	92,635,081	101,429,070	106,925,715	109,494,095	113,883,094	112,568,666
Idaho Power Company	12,372,005	13,004,009	14,651,760	13,187,565	13,144,412	13,203,383	13,379,946	17,446,931	16,420,629	17,875,445	17,445,057	16,094,522
Madison Gas and Electric Company	3,507,321	3,725,402	3,297,901	3,465,510	4,226,263	4,418,820	4,750,491	5,129,891	4,978,019	5,407,076	5,285,206	6,192,441
Otter Tail Corporation	6,050,612	6,074,415	6,119,853	7,558,352	7,871,118	7,441,898	7,792,508	7,769,211	8,090,989	8,301,798	9,009,999	9,043,794
Tampa Electric Company	16,584,407	17,124,574	17,238,579	17,785,052	20,854,984	21,506,997	21,797,330	22,532,194	29,028,420	27,251,170	22,538,287	25,454,104
The United Illuminating Company	20,618,788	18,735,933	20,562,521	17,069,839	15,218,705	14,380,064	15,028,361	14,393,590	13,391,031	13,549,639	24,183,358	24,197,615
FPUC	765,096	815,276	849,995	888,231	1,007,179	944,510	1,108,287	1,156,904	1,106,230	1,246,794	1,280,880	1,225,795

Distribution Wires Expenses	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Black Hills Power, Inc.	2,961,242	3,142,842	2,791,415	3,368,036	3,016,814	3,000,184	3,490,851	3,386,804	3,557,895	4,078,182	3,794,429	4,361,033
Cleco Power LLC	20,114,189	16,425,932	17,347,120	15,367,102	15,691,626	18,886,850	18,760,343	16,165,797	16,448,323	28,676,412	19,115,177	21,819,649
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	18,226,869	19,411,748	21,925,337	23,655,851	21,997,532	22,909,181	26,647,225	22,337,849	26,016,345	34,140,523	23,454,093	25,696,540
The Dayton Power and Light Company	37,812,932	32,361,803	29,562,055	27,416,843	32,365,586	22,677,818	23,561,136	22,184,488	19,510,397	21,494,521	22,413,126	25,035,190
Florida Power Corporation	53,874,433	51,975,842	53,009,811	60,430,976	66,215,952	76,643,197	77,242,720	72,686,192	81,951,879	92,963,867	84,943,583	131,357,502
Florida Power & Light Company	203,204,104	182,401,698	168,352,963	187,778,891	249,703,530	238,759,285	240,509,463	238,441,951	240,262,259	237,520,892	246,334,120	219,942,386
Idaho Power Company	28,513,397	27,587,707	35,885,435	38,957,896	39,022,087	41,047,509	42,714,557	41,986,069	41,943,849	44,043,908	39,349,285	38,324,600
Madison Gas and Electric Company	7,222,741	7,111,123	6,847,457	6,494,919	7,482,610	7,617,476	7,862,895	9,413,533	8,031,680	10,929,516	10,846,094	9,761,996
Otter Tail Corporation	8,812,803	8,728,483	8,635,205	8,910,459	9,989,591	10,948,228	11,970,706	10,795,122	8,364,057	10,009,428	10,753,775	11,911,636
Tampa Electric Company	27,335,321	25,049,688	23,457,584	24,567,336	27,510,072	24,898,952	29,837,697	32,454,787	37,267,240	37,889,880	35,739,422	38,188,854
The United Illuminating Company	29,886,238	30,292,331	28,339,223	27,735,629	25,036,711	26,941,519	26,508,810	28,074,834	34,195,616	32,062,658	29,040,765	32,519,334
FPUC	1,526,668	1,563,546	1,683,244	1,779,377	1,922,473	1,901,024	2,177,011	2,285,122	2,191,218	2,243,867	2,543,434	2,928,028

Distribution Wires Capital Stocks	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Black Hills Power, Inc.	21,903,610	23,284,913	24,214,982	25,074,489	26,462,530	26,778,793	28,109,465	29,772,158	31,553,155	32,979,688	35,535,026	49,662,835

Cleco Power LLC	111,664,635	115,263,083	119,199,761	120,235,008	125,155,548	132,412,169	136,556,775	143,552,744	148,336,383	152,071,096	168,163,768	180,655,110
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	79,252,348	82,162,050	84,563,129	86,782,485	89,524,959	91,373,589	95,258,343	98,814,336	103,987,675	106,495,217	117,175,479	128,982,435
The Dayton Power and Light Company	141,979,270	148,893,268	134,839,077	139,650,363	153,690,002	200,508,931	203,779,575	211,127,645	220,580,602	229,297,783	244,194,030	265,330,009
Florida Power Corporation	448,971,279	471,326,521	480,102,744	487,926,468	509,571,149	513,972,786	535,205,999	557,079,644	583,558,913	605,751,399	670,319,268	716,545,315
Florida Power & Light Company	1,287,437,515	1,337,858,933	1,342,669,290	1,360,808,243	1,408,566,816	1,417,444,935	1,466,215,037	1,528,685,251	1,591,516,277	1,639,955,124	1,814,325,788	1,946,037,360
Idaho Power Company	156,042,953	166,188,615	168,077,110	169,075,035	176,080,417	178,404,029	185,814,514	195,045,254	201,574,465	208,957,470	227,292,276	244,035,775
Madison Gas and Electric Company	38,159,843	40,083,018	41,189,928	42,441,841	43,824,459	44,203,492	46,147,857	48,329,327	50,925,328	54,506,226	59,748,544	65,664,694
Otter Tail Corporation	51,213,404	53,786,615	55,044,608	56,619,945	58,589,403	59,003,752	61,226,770	63,882,287	66,723,950	69,248,823	72,937,255	78,611,603
Tampa Electric Company	210,318,391	219,533,853	222,378,753	227,268,769	237,526,978	241,250,138	250,831,953	262,587,307	274,384,043	282,346,425	310,150,075	332,366,768
The United Illuminating Company	90,242,239	95,871,476	97,326,241	98,725,995	101,555,548	102,161,519	105,674,811	107,755,529	112,009,650	113,984,311	128,135,602	133,064,177
FPUC	10,133,039	10,521,456	8,951,755	9,136,405	9,576,987	9,687,441	10,014,718	10,482,376	11,019,070	11,206,767	12,301,298	13,263,144

Distribution Wires, Total Costs	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Black Hills Power, Inc.	24,864,852	26,427,755	27,006,397	28,442,525	29,479,344	29,778,977	31,600,316	33,158,962	35,111,050	37,057,870	39,329,455	54,023,868
Cleco Power LLC	131,778,824	131,689,015	136,546,881	135,602,110	140,847,174	151,299,019	155,317,118	159,718,541	164,784,706	180,747,508	187,278,945	202,474,759
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	97,479,217	101,573,798	106,488,466	110,438,336	111,522,491	114,282,770	121,905,568	121,152,185	130,004,020	140,635,740	140,629,572	154,678,975
The Dayton Power and Light Company	179,792,202	181,255,071	164,401,132	167,067,206	186,055,588	223,186,749	227,340,711	233,312,133	240,090,999	250,792,304	266,607,156	290,365,199
Florida Power Corporation	502,845,712	523,302,363	533,112,555	548,357,444	575,787,101	590,615,983	612,448,719	629,765,836	665,510,792	698,715,266	755,262,851	847,902,817
Florida Power & Light Company	1,490,641,619	1,520,260,631	1,511,022,253	1,548,587,134	1,658,270,346	1,656,204,220	1,706,724,500	1,767,127,202	1,831,778,536	1,877,476,016	2,060,659,908	2,165,979,746
Idaho Power Company	184,556,350	193,776,322	203,962,545	208,032,931	215,102,504	219,451,538	228,529,071	237,031,323	243,518,314	253,001,378	266,641,561	282,360,375
Madison Gas and Electric Company	45,382,584	47,194,141	48,037,385	48,936,760	51,307,069	51,820,968	54,010,752	57,742,860	58,957,008	65,435,742	70,594,638	75,426,690
Otter Tail Corporation	60,026,207	62,515,098	63,679,813	65,530,404	68,578,994	69,951,980	73,197,476	74,677,409	75,088,007	79,258,251	83,691,030	90,523,239
Tampa Electric Company	237,653,712	244,583,541	245,836,337	251,836,105	265,037,050	266,149,090	280,669,650	295,042,094	311,651,283	320,236,305	345,889,497	370,555,622
The United Illuminating Company	120,128,477	126,163,807	125,665,464	126,461,624	126,592,259	129,103,038	132,183,621	135,830,363	146,205,266	146,046,969	157,176,367	165,583,511
FPUC	11,659,707	12,085,002	10,634,999	10,915,782	11,499,460	11,588,465	12,191,729	12,767,498	13,210,288	13,450,634	14,844,732	16,191,172

Distribution Wires, Productivity ($/MWh)	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	
Black Hills Power, Inc.	17.17	18.22	17.96	19.01	19.90	20.14	20.95	21.50	23.58	24.55	26.56	34.79	6.6%
Cleco Power LLC	22.95	21.06	21.24	20.25	19.64	20.11	19.52	21.31	20.92	22.60	22.66	24.65	0.7%
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	23.06	24.59	25.06	26.76	26.76	27.26	28.13	26.34	29.43	34.68	35.37	39.91	5.1%
The Dayton Power and Light Company	15.08	14.28	12.77	12.91	14.35	17.18	17.21	17.82	17.81	19.15	20.03	21.11	3.1%
Florida Power Corporation	19.57	19.09	18.67	19.22	18.63	19.11	19.03	19.36	19.57	19.97	21.49	31.01	0.9%
Florida Power & Light Company	20.56	20.23	19.80	19.68	19.73	19.80	19.60	19.71	19.29	18.98	20.91	21.29	0.3%
Idaho Power Company	15.16	16.20	15.67	15.74	16.12	15.98	15.69	18.23	18.93	19.54	20.18	21.29	3.1%
Madison Gas and Electric Company	19.32	19.86	20.05	19.99	20.21	19.85	20.18	21.96	21.24	23.78	25.38	25.84	2.7%
Otter Tail Corporation	19.35	19.54	19.06	19.13	20.13	21.13	21.33	21.13	20.74	21.74	22.60	23.67	1.8%
Tampa Electric Company	18.56	18.22	17.91	18.16	17.98	18.32	18.34	18.90	18.90	19.17	20.54	21.46	1.3%
The United Illuminating Company	22.60	23.84	23.75	23.74	23.42	23.04	23.58	23.92	25.50	25.55	26.60	27.31	1.7%
FPUC	**21.82**	**20.65**	**17.30**	**17.50**	**16.48**	**16.47**	**16.60**	**18.04**	**17.88**	**18.68**	**19.55**	**19.82**	**-0.9%**
Utility Sample Results													
Average	19.60	19.65	19.10	19.34	19.45	19.86	20.01	20.68	21.15	22.37	23.49	26.01	2.2%
Standard Deviation	2.78	2.87	3.32	3.50	3.29	3.06	3.35	2.57	3.46	4.56	4.50	6.27	2.1%
Maximum	23.06	24.59	25.06	26.76	26.76	27.26	28.13	26.34	29.43	34.68	35.37	39.91	
Minimum	15.08	14.28	12.77	12.91	14.35	15.98	15.69	17.82	17.81	18.68	19.55	19.82	

Distribution Wires, Productivity ($/Customer)	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	
Black Hills Power, Inc.	462.03	485.38	488.13	507.69	521.58	519.52	542.12	562.51	588.47	611.13	636.54	856.99	5.8%
Cleco Power LLC	611.84	602.12	638.66	593.23	588.59	619.67	625.17	635.84	646.42	699.60	724.27	776.85	2.2%
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	380.04	392.88	408.96	419.89	420.98	427.77	451.83	437.64	466.01	498.38	494.86	540.46	3.3%
The Dayton Power and Light Company	389.35	388.13	348.55	350.87	386.22	459.10	463.44	472.05	483.22	502.52	531.65	574.64	3.6%
Florida Power Corporation	409.91	417.30	418.44	423.13	435.60	435.24	443.71	442.19	457.51	469.30	494.87	543.28	1.9%
Florida Power & Light Company	435.91	436.06	425.85	428.62	450.88	441.25	443.80	449.36	456.00	456.32	488.14	501.53	1.3%
Idaho Power Company	569.57	578.25	589.03	582.90	585.45	580.24	588.38	595.50	597.59	602.35	615.85	630.02	0.9%
Madison Gas and Electric Company	385.65	395.66	398.01	401.10	416.41	412.94	428.41	453.35	455.43	495.10	527.64	558.64	3.4%
Otter Tail Corporation	492.96	509.99	516.20	528.70	551.18	559.83	583.42	594.48	596.79	627.64	659.97	711.11	3.4%
Tampa Electric Company	493.48	498.18	490.06	490.16	504.44	494.37	506.07	517.50	533.50	535.06	564.16	589.03	1.6%
The United Illuminating Company	393.38	408.99	406.23	406.36	404.69	410.52	417.70	427.24	458.30	456.84	490.43	518.40	2.5%
FPUC	**531.36**	**539.97**	**464.96**	**466.15**	**482.24**	**475.85**	**487.49**	**499.82**	**503.42**	**502.30**	**551.52**	**594.85**	**1.0%**
Utility Sample Results													
Average	462.96	471.08	466.09	466.57	479.02	486.36	498.46	507.29	520.22	538.05	564.99	616.32	2.6%

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Standard Deviation	77.87	75.38	84.02	75.37	70.78	69.56	70.23	72.69	69.60	78.37	77.51	109.96	1.4%
Maximum	611.84	602.12	638.66	593.23	588.59	619.67	625.17	635.84	646.42	699.60	724.27	856.99	
Minimum	380.04	388.13	348.55	350.87	386.22	410.52	417.70	427.24	455.43	456.32	488.14	501.53	

Customer Accouting, Productivity ($/Customer)	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	
Black Hills Power, Inc.	51.68	47.47	48.86	50.62	52.63	60.04	63.25	79.46	77.22	65.39	33.24	28.05	-5.4%
Cleco Power LLC	47.63	56.56	51.37	41.45	45.39	49.92	47.07	47.48	51.57	52.24	56.45	65.22	2.9%
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	39.97	39.76	41.58	39.63	41.04	42.05	44.53	43.08	43.94	49.26	50.30	44.20	0.9%
The Dayton Power and Light Company	37.97	48.31	41.76	44.45	54.98	44.36	49.81	56.16	52.34	48.14	49.19	43.85	1.3%
Florida Power Corporation	28.17	34.36	41.78	38.71	41.64	43.14	39.88	49.96	35.33	31.95	32.40	34.56	1.9%
Florida Power & Light Company	32.45	32.58	30.67	28.37	28.14	27.00	24.09	25.79	26.62	26.61	26.98	26.07	-2.0%
Idaho Power Company	38.18	38.81	42.31	36.95	35.78	34.91	34.45	43.83	40.30	42.56	40.29	35.91	-0.6%
Madison Gas and Electric Company	29.80	31.23	27.32	28.40	34.30	35.21	37.68	40.28	38.45	40.91	39.50	45.86	4.0%
Otter Tail Corporation	49.69	49.55	49.61	60.98	63.26	59.56	62.11	61.85	64.31	65.74	71.05	71.04	3.3%
Tampa Electric Company	34.44	34.88	34.36	34.62	39.69	39.95	39.30	39.52	49.69	45.53	36.76	40.46	1.5%
The United Illuminating Company	67.52	60.74	66.47	54.85	48.65	45.73	47.49	45.27	41.98	42.38	75.46	75.76	1.1%
FPUC	**34.87**	**36.43**	**37.16**	**37.93**	**42.24**	**38.78**	**44.32**	**45.29**	**42.16**	**46.56**	**47.59**	**45.03**	**2.4%**
Utility Sample Results													
Average	41.03	42.56	42.77	41.41	43.98	43.39	44.50	48.16	46.99	46.44	46.60	46.33	0.9%
Standard Deviation	11.28	9.75	10.49	9.93	9.72	9.68	10.95	13.26	13.47	11.45	15.08	16.16	2.6%
Maximum	67.52	60.74	66.47	60.98	63.26	60.04	63.25	79.46	77.22	65.74	75.46	75.76	
Minimum	28.17	31.23	27.32	28.37	28.14	27.00	24.09	25.79	26.62	26.61	26.98	26.07	

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Outputs

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Customers (FERC)													
Residential													
Black Hills Power, Inc.	44,395	45,006	45,427	46,023	46,460	46,753	47,308	47,820	48,224	48,708	49,463	50,356	51,365
Cleco Power LLC	185,412	188,965	191,841	187,533	200,216	209,605	213,860	217,538	219,809	222,766	225,223	225,949	227,799
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	223,376	223,040	224,382	225,613	227,484	228,551	230,395	232,064	237,756	239,249	242,001	243,985	245,858
The Dayton Power and Light Company	414,410	418,263	422,886	426,765	430,568	435,449	439,158	442,856	445,668	447,762	449,689	452,031	454,928
Florida Power Corporation	1,076,658	1,100,537	1,124,679	1,141,671	1,160,610	1,182,787	1,213,470	1,234,285	1,274,672	1,301,515	1,331,914	1,364,676	1,397,013
Florida Power & Light Company	2,974,526	3,037,628	3,097,194	3,152,626	3,209,301	3,266,010	3,332,425	3,413,956	3,490,546	3,566,169	3,652,666	3,744,920	3,828,375
Idaho Power Company	259,265	268,840	278,125	287,235	295,694	304,325	313,943	323,461	331,275	339,764	349,219	360,462	373,602
Madison Gas and Electric Company	100,721	102,255	103,624	104,778	105,787	106,710	108,654	109,160	110,287	112,130	114,590	116,000	116,977
Otter Tail Corporation	95,991	96,409	97,111	97,777	98,259	98,664	99,086	99,524	99,696	99,880	100,304	100,730	101,060
Tampa Electric Company	420,051	427,594	436,091	445,664	456,175	466,189	477,533	491,925	505,964	518,554	531,257	544,313	558,728
The United Illuminating Company	273,752	275,441	278,326	279,024	280,283	281,591	282,986	284,955	286,331	287,632	288,405	290,112	289,122
FPUC		18,914	19,290	19,722	20,218	20,556	20,952	21,484	21,866	22,243	22,632	22,878	23,120
Small C&I													
Black Hills Power, Inc.	8,501	8,772	8,986	9,267	9,523	9,724	9,969	10,424	10,680	10,914	11,132	11,384	11,630
Cleco Power LLC	24,678	25,663	26,131	25,556	27,579	28,902	29,513	30,136	30,633	31,406	32,405	31,936	32,161
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	32,243	32,661	33,354	33,962	34,711	35,501	35,925	36,880	38,157	38,698	39,152	39,160	39,347
The Dayton Power and Light Company	40,015	41,124	41,767	42,997	43,706	44,388	45,066	45,766	46,659	47,186	47,498	47,582	48,528
Florida Power Corporation	119,811	122,987	126,189	129,440	132,504	136,345	140,897	143,475	146,983	150,577	154,294	158,780	161,001
Florida Power & Light Company	358,479	366,415	374,012	380,863	388,910	396,752	404,944	415,295	426,577	435,322	444,654	458,057	469,976
Idaho Power Company	53,081	55,037	56,857	58,927	61,090	62,970	64,154	64,834	66,646	67,622	70,691	72,382	74,448
Madison Gas and Electric Company	15,037	15,348	15,581	15,841	16,144	16,427	16,764	16,845	17,015	17,256	17,513	17,728	17,614
Otter Tail Corporation	23,709	23,873	25,425	25,540	25,640	25,712	25,819	25,889	25,871	25,888	25,925	26,031	26,187
Tampa Electric Company	52,492	53,482	54,375	55,479	56,981	58,542	60,089	61,902	63,316	64,665	66,041	67,488	69,027
The United Illuminating Company	28,968	28,394	28,550	28,666	29,228	29,468	29,757	29,776	29,889	29,757	29,687	28,900	28,934
FPUC		3,023	3,085	3,145	3,193	3,284	3,395	3,366	3,092	3,376	3,499	3,353	3,385
Large C&I													
Black Hills Power, Inc.	40	38	35	36	40	42	43	46	44	43	43	46	44
Cleco Power LLC	770	754	737	712	787	790	786	767	750	747	732	692	674
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	806	795	798	815	823	861	839	862	918	1,027	1,034	1,035	992
The Dayton Power and Light Company	2,401	2,392	2,338	1,904	1,882	1,893	1,914	1,926	1,923	1,909	1,881	1,856	1,845
Florida Power Corporation	3,107	3,186	3,143	2,927	2,830	2,707	2,629	2,535	2,551	2,535	2,643	2,733	2,703
Florida Power & Light Company	14,857	15,587	15,143	14,781	14,766	15,129	16,042	16,413	15,447	15,535	17,032	18,516	20,391
Idaho Power Company	145	148	125	108	111	116	113	112	115	115	115	120	129
Madison Gas and Electric Company	77	75	75	74	76	75	75	69	68	68	64	65	428
Otter Tail Corporation	1,466	1,484	45	46	47	46	47	50	52	52	51	50	51
Tampa Electric Company	509	511	491	504	629	682	740	776	851	948	1,203	1,299	1,337
The United Illuminating Company	959	1,538	1,599	1,652	1,697	1,752	1,746	1,725	1,707	1,630	1,595	1,475	1,356
FPUC		6	6	6	6	6	6	159	586	622	647	685	714
Total Customers													
Black Hills Power, Inc.	52,936	53,816	54,448	55,326	56,023	56,519	57,320	58,290	58,948	59,665	60,638	61,786	63,039
Cleco Power LLC	210,860	215,382	218,709	213,801	228,582	239,297	244,159	248,441	251,192	254,919	258,360	258,577	260,634
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	256,425	256,496	258,534	260,390	263,018	264,913	267,159	269,806	276,831	278,974	282,187	284,180	286,197
The Dayton Power and Light Company	456,826	461,779	466,991	471,666	476,156	481,730	486,138	490,548	494,250	496,857	499,068	501,469	505,301
Florida Power Corporation	1,199,576	1,226,710	1,254,011	1,274,038	1,295,944	1,321,839	1,356,996	1,380,295	1,424,206	1,454,627	1,488,851	1,526,189	1,560,717
Florida Power & Light Company	3,347,862	3,419,630	3,486,349	3,548,270	3,612,977	3,677,891	3,753,411	3,845,664	3,932,570	4,017,026	4,114,352	4,221,493	4,318,742
Idaho Power Company	312,491	324,025	335,107	346,270	356,895	367,411	378,210	388,407	398,036	407,501	420,025	432,964	448,179
Madison Gas and Electric Company	115,835	117,678	119,280	120,693	122,007	123,212	125,493	126,074	127,370	129,454	132,167	133,793	135,019
Otter Tail Corporation	121,166	121,766	122,581	123,363	123,946	124,422	124,952	125,463	125,619	125,820	126,280	126,811	127,298
Tampa Electric Company	473,052	481,587	490,957	501,647	513,785	525,413	538,362	554,603	570,131	584,167	598,501	613,100	629,092
The United Illuminating Company	303,679	305,373	308,475	309,342	311,208	312,811	314,489	316,456	317,927	319,019	319,687	320,487	319,412
FPUC		21,943	22,381	22,873	23,417	23,846	24,353	25,009	25,544	26,241	26,778	26,916	27,219
Total Megawattt Hours (FERC)													

Residential													
Black Hills Power, Inc.	370,736	368,953	383,929	406,658	392,059	392,637	393,151	415,761	430,916	454,201	463,290	447,165	480,054
Cleco Power LLC	2,469,801	2,531,559	2,762,499	2,722,521	2,838,236	3,146,802	3,208,581	3,357,609	3,201,025	3,400,027	3,428,776	3,507,007	3,515,981
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	1,570,502	1,590,759	1,565,481	1,631,349	1,601,558	1,616,938	1,714,749	1,712,561	1,805,622	1,882,605	1,978,211	2,002,612	2,146,753
The Dayton Power and Light Company	4,557,846	4,465,489	4,870,925	4,923,578	4,788,034	4,789,662	4,724,615	4,816,187	4,909,198	5,301,821	5,070,736	5,140,258	5,519,913
Florida Power Corporation	13,372,584	13,863,412	14,937,961	15,481,371	15,079,778	16,526,269	16,244,772	17,115,692	17,603,735	18,753,816	19,428,943	19,347,267	15,241,749
Florida Power & Light Company	36,359,904	38,715,907	40,555,523	41,301,530	41,849,070	45,482,192	44,187,226	46,319,806	47,587,522	50,864,926	53,484,924	52,502,422	54,348,188
Idaho Power Company	3,781,925	3,806,372	3,747,678	3,971,760	4,040,744	4,090,453	4,200,175	4,392,484	4,306,996	4,386,794	4,426,976	4,580,337	4,760,275
Madison Gas and Electric Company	666,991	679,211	735,442	725,471	720,576	750,831	770,153	780,446	771,094	839,005	800,535	785,538	842,758
Otter Tail Corporation	998,680	1,000,248	1,035,740	1,082,926	1,064,579	1,020,471	1,026,631	1,058,998	1,098,149	1,130,770	1,141,613	1,119,067	1,162,765
Tampa Electric Company	5,705,620	5,946,904	6,351,642	6,606,502	6,499,820	7,050,418	6,967,174	7,368,852	7,594,089	8,046,430	8,264,748	8,292,829	8,558,461
The United Illuminating Company	1,844,041	1,892,955	1,890,575	1,891,988	1,903,096	1,924,724	2,053,927	2,056,367	2,119,976	2,247,196	2,261,954	2,346,859	2,458,245
FPUC		238,097	261,637	273,601	266,788	294,980	290,633	305,401	310,687	333,069	328,038	336,814	350,659
Small C&I													
Black Hills Power, Inc.	469,496	495,909	513,854	541,463	547,624	561,292	564,286	582,761	602,713	620,666	641,779	627,326	655,076
Cleco Power LLC	1,109,198	1,180,425	1,264,932	1,344,795	1,392,733	1,509,117	1,596,663	1,674,724	1,655,311	1,721,709	1,781,551	1,853,869	1,837,727
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	1,218,680	1,260,903	1,270,344	1,285,163	1,273,450	1,285,453	1,242,471	1,331,580	1,488,291	1,534,091	1,524,463	1,494,743	1,400,574
The Dayton Power and Light Company	3,006,374	3,067,884	3,424,550	3,407,196	3,408,241	3,518,319	3,389,766	3,539,439	3,617,892	3,709,565	3,699,183	3,777,032	3,900,545
Florida Power Corporation	7,884,747	8,252,062	8,612,145	8,848,015	9,257,316	9,999,348	10,326,849	10,813,408	11,060,652	11,420,084	11,552,967	11,733,536	9,009,965
Florida Power & Light Company	28,508,322	29,946,145	30,718,620	31,211,129	32,941,519	34,618,274	35,520,544	37,001,161	37,960,492	40,029,067	41,424,867	42,063,955	43,467,783
Idaho Power Company	3,705,562	4,314,879	3,949,654	4,480,135	4,512,113	4,462,699	4,870,063	5,368,470	4,772,190	5,253,004	5,317,441	5,296,407	5,077,227
Madison Gas and Electric Company	1,405,856	1,448,473	1,347,948	1,381,043	1,420,347	1,481,314	1,524,641	1,577,165	1,543,866	1,640,190	1,651,578	806,049	848,635
Otter Tail Corporation	546,819	564,506	1,200,615	1,265,532	1,260,840	1,241,529	1,262,374	1,275,482	1,327,494	1,388,631	1,383,185	1,385,397	1,429,282
Tampa Electric Company	4,432,216	4,582,852	4,710,291	4,814,998	4,901,512	5,172,882	5,336,396	5,541,100	5,685,302	5,831,617	5,860,214	5,988,052	6,233,982
The United Illuminating Company	2,359,023	2,285,942	2,273,965	2,258,501	2,253,488	2,324,507	2,388,240	2,403,212	2,476,027	2,465,711	2,501,996	2,604,028	2,701,923
FPUC		198,451	211,977	217,177	220,036	245,298	243,820	200,181	57,732	65,180	64,695	59,760	59,983
Large C&I													
Black Hills Power, Inc.	568,316	583,258	552,829	555,601	556,554	527,157	521,073	510,053	508,856	413,930	404,341	406,210	417,628
Cleco Power LLC	2,004,525	2,030,331	2,226,742	2,362,243	2,466,887	2,516,050	2,720,090	2,925,793	2,640,201	2,756,213	2,785,889	2,902,395	2,861,249
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	1,580,043	1,375,890	1,294,252	1,333,000	1,251,283	1,264,617	1,235,183	1,289,530	1,305,399	1,000,051	552,664	478,481	328,119
The Dayton Power and Light Company	4,088,955	4,388,387	4,401,454	4,540,156	4,748,806	4,654,779	4,875,548	4,850,549	4,568,165	4,472,112	4,329,679	4,393,362	4,332,068
Florida Power Corporation	3,380,799	3,579,596	3,864,421	4,223,693	4,187,786	4,375,390	4,333,708	4,248,715	3,872,340	3,835,061	4,000,559	4,068,627	3,093,234
Florida Power & Light Company	3,889,134	3,844,664	3,882,793	3,791,936	3,894,397	3,951,414	3,947,643	3,767,606	4,090,946	4,057,210	4,004,121	3,964,149	3,912,708
Idaho Power Company	3,899,016	4,052,154	4,263,736	4,560,774	4,661,943	4,788,042	4,666,299	4,808,100	3,924,637	3,225,781	3,206,182	3,334,955	3,422,616
Madison Gas and Electric Company	173,266	221,385	292,649	289,903	307,485	306,022	315,238	319,395	314,448	296,220	299,449	1,190,026	1,227,695
Otter Tail Corporation	1,443,272	1,537,419	963,298	992,979	1,099,641	1,144,025	1,021,977	1,097,513	1,108,557	1,100,740	1,121,475	1,198,495	1,232,725
Tampa Electric Company	2,235,617	2,278,205	2,362,050	2,304,913	2,465,757	2,519,544	2,223,267	2,389,895	2,328,706	2,611,973	2,579,334	2,555,667	2,477,537
The United Illuminating Company	1,036,547	1,135,831	1,126,458	1,141,109	1,170,815	1,154,935	1,161,856	1,146,295	1,082,394	1,021,586	951,746	957,062	902,017
FPUC		97,734	111,731	123,981	136,840	157,685	169,274	228,962	339,484	340,677	327,497	362,734	406,194
Total Megawatt Hours													
Black Hills Power, Inc.	1,408,548	1,448,120	1,450,612	1,503,722	1,496,237	1,481,086	1,478,510	1,508,575	1,542,485	1,488,797	1,509,410	1,480,701	1,552,758
Cleco Power LLC	5,583,524	5,742,315	6,254,173	6,429,559	6,697,856	7,171,969	7,525,334	7,958,126	7,496,537	7,877,949	7,996,216	8,263,271	8,214,957
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	4,369,225	4,227,552	4,130,077	4,249,512	4,126,291	4,167,008	4,192,403	4,333,671	4,599,312	4,416,747	4,055,338	3,975,836	3,875,446
The Dayton Power and Light Company	11,653,175	11,921,760	12,696,929	12,870,930	12,945,081	12,962,760	12,989,929	13,206,175	13,095,255	13,483,498	13,099,598	13,310,652	13,752,526
Florida Power Corporation	24,638,130	25,695,070	27,414,527	28,553,079	28,524,880	30,901,007	30,905,329	32,177,815	32,536,727	34,008,961	34,982,469	35,149,430	27,344,949
Florida Power & Light Company	68,757,360	72,506,716	75,156,936	76,304,595	78,684,986	84,051,880	83,655,413	87,088,573	89,638,960	94,951,203	98,913,912	98,530,526	101,728,679
Idaho Power Company	11,386,503	12,173,405	11,961,068	13,012,669	13,214,800	13,341,194	13,736,537	14,569,054	13,003,823	12,865,579	12,950,599	13,211,699	13,260,118
Madison Gas and Electric Company	2,246,113	2,349,069	2,376,039	2,396,417	2,448,408	2,538,167	2,610,032	2,677,006	2,629,408	2,775,415	2,751,562	2,781,613	2,919,088
Otter Tail Corporation	2,988,771	3,102,173	3,199,653	3,341,437	3,425,060	3,406,025	3,310,982	3,431,993	3,534,200	3,620,141	3,646,273	3,702,959	3,824,772
Tampa Electric Company	12,373,453	12,807,961	13,423,983	13,726,413	13,867,089	14,742,844	14,526,837	15,299,847	15,608,097	16,490,020	16,704,296	16,836,548	17,269,980
The United Illuminating Company	5,239,611	5,314,728	5,290,998	5,291,598	5,327,399	5,404,166	5,604,023	5,605,874	5,678,397	5,734,493	5,715,696	5,907,949	6,062,185
FPUC		534,282	585,345	614,759	623,664	697,963	703,727	734,544	707,903	738,926	720,230	759,308	816,836

EIA Data
2005

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Central Hudson Gas & Elec Corp	Bundled	270647	2146753	248409	182043	1800725	44673	32968	328119	988
Central Hudson Gas & Elec Corp	Delivery	689	17924	2089	2622	291676	1346	707	1153696	82
Central Hudson Gas & Elec Corp	Total	271336	2164677	250498	184665	2092401	46019	33675	1481815	1070
United Illuminating Co	Bundled	357000	2458000	289100	322000	2746000	30200	88000	902000	1400
2004										
Central Hudson Gas & Elec Corp	Bundled	208815	2002612	245088	145006	1890480	44092	34276	478489	981
Central Hudson Gas & Elec Corp	Delivery	203	5306	906	1125	116380	902	68	998887	15
Central Hudson Gas & Elec Corp	Total	209018	2007918	245994	146131	2006860	44994	34344	1477376	996
United Illuminating Co	Bundled	312000	2347000	289000	292000	2648000	30300	88000	957000	1500
United Illuminating Co	Delivery	0	0	0	0	0	0	0	0	0
2003										
Central Hudson Gas & Elec Corp	Bundled	205551	1978211	243689	147304	1935048	44571	41471	552664	1026
Central Hudson Gas & Elec Corp	Delivery	17	669	34	72	32830	90	1963	880282	15
Central Hudson Gas & Elec Corp	Total	205568	1978880	243723	147376	1967878	44661	43434	1432946	1041
United Illuminating Co	Bundled	273230	2261954	288405	258568	2549352	30993	82087	951746	1595
United Illuminating Co	Delivery	35	418	53						
United Illuminating Co	Total	273265	2262372	288458	258568	2549352	30993	82087	951746	1595
2002										
Central Hudson Gas & Elec Corp	Bundled	187536	1882605	239249	112599	1534091	38698	50031	1000051	1027
Central Hudson Gas & Elec Corp	Delivery	25	786	47	62	3602	42	-384	383592	3
Central Hudson Gas & Elec Corp	Total	187561	1883391	239296	112661	1537693	38740	49647	1383643	1030
United Illuminating Co	Bundled	281307	2247196	287632	256077	2465711	29757	91129	1021586	1630
2001										
Central Hudson Gas & Elec Corp	Bundled	179561	1805621	237756	107755	1488291	38157	68439	1305399	918
Central Hudson Gas & Elec Corp	Delivery	104	1956	113	246	7169	85			
Central Hudson Gas & Elec Corp	Total	179665	1807577	237869	108001	1495460	38242	68439	1305399	918
United Illuminating Co	Bundled	266585	2120470	286331	254842	2476000	29889	95250	1082000	1707
2000										
Central Hudson Gas & Elec Corp		196806	1712561	232064	114891	1331580	36880	76912	1289530	862
United Illuminating Co		252730	2056367	284955	242075	2403212	29776	96955	1146295	1725
1999										
Central Hudson Gas & Elec Corp		189353	1714749	230395	101212	1242471	35925	66588	1235183	839
United Illuminating Co		271605	2053927	282986	256246	2388240	29757	100437	1161856	1746
1998	REV1_1	REV1_2	REV1_3	MWH1_1	MWH1_2	MWH1_3	CONSUM1_	CONSUM1_	CONSUM1_3	
Central Hudson Gas & Elec Corp	179348	104446	69297	1616938	1285453	1264617	228551	35501	861	
United Illuminating Co	262974	254765	102201	1924724	2324507	1154935	281591	29468	1752	
1997										
Central Hudson Gas & Elec Corp	178286	104099	71493	1601558	1273450	1251283	227484	34711	823	
United Illuminating Co	259842	248984	102967	1903096	2253488	1170815	280283	29228	1697	
1996										
Central Hudson Gas & Elec Corp	182061	105577	76308	1631349	1285163	1333000	225613	33962	815	
United Illuminating Co	265562	263609	108825	1891988	2258501	1141109	279024	28666	1652	
1995										
Central Hudson Gas & Elec Corp	176346	104791	75197	1565481	1270344	1294252	224382	33354	798	
United Illuminating Co	260694	259715	106963	1890575	2273965	1126458	278326	28550	1599	
1994										
Central Hudson Gas & Elec Corp	176878	102703	78573	1590759	1260903	1375890	223040	32661	795	
United Illuminating Co	257014	256360	107019	1892955	2285942	1135831	275441	28394	1538	

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Distribution Expenses

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Distribution O&M Expenses												
Black Hills Power, Inc.	2,961,242	3,142,842	2,791,415	3,368,036	3,016,814	3,000,184	3,490,851	3,386,804	3,557,895	4,078,182	3,794,429	4,361,033
Cleco Power LLC	20,114,189	16,425,932	17,347,120	15,367,102	15,691,626	18,886,850	18,760,343	16,165,797	16,448,323	28,676,412	19,115,177	21,819,649
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	18,226,869	19,411,748	21,925,337	23,655,851	21,997,532	22,909,181	26,647,225	22,337,849	26,016,345	34,140,523	23,454,093	25,696,540
The Dayton Power and Light Company	37,812,932	32,361,803	29,562,055	27,416,843	32,365,586	22,677,818	23,561,136	22,184,488	19,510,397	21,494,521	22,413,126	25,035,190
Florida Power Corporation	53,874,433	51,975,842	53,009,811	60,430,976	66,215,952	76,643,197	77,242,720	72,686,192	81,951,879	92,963,867	84,943,583	131,357,502
Florida Power & Light Company	203,204,104	182,401,698	168,352,963	187,778,891	249,703,530	238,759,285	240,509,463	238,441,951	240,262,259	237,520,892	246,334,120	219,942,386
Idaho Power Company	28,513,397	27,587,707	35,885,435	38,957,896	39,022,087	41,047,509	42,714,557	41,986,069	41,943,849	44,043,908	39,349,285	38,324,600
Madison Gas and Electric Company	7,222,741	7,111,123	6,847,457	6,494,919	7,482,610	7,617,476	7,862,895	9,413,533	8,031,680	10,929,516	10,846,094	9,761,996
Otter Tail Corporation	8,812,803	8,728,483	8,635,205	8,910,459	9,989,591	10,948,228	11,970,706	10,795,122	8,364,057	10,009,428	10,753,775	11,911,636
Tampa Electric Company	27,335,321	25,049,688	23,457,584	24,567,336	27,510,072	24,898,952	29,837,697	32,454,787	37,267,240	37,889,880	35,739,422	38,188,854
The United Illuminating Company	29,886,238	30,292,331	28,339,223	27,735,629	25,036,711	26,941,519	26,508,810	28,074,834	34,195,616	32,062,658	29,040,765	32,519,334
FPUC	1,526,668	1,563,546	1,683,244	1,779,377	1,922,473	1,901,024	2,177,011	2,285,122	2,191,218	2,243,867	2,543,434	2,928,028
Customer Accounts O&M Expenses												
Black Hills Power, Inc.	2,781,086	2,584,767	2,703,292	2,835,619	2,974,695	3,441,221	3,687,090	4,683,797	4,607,382	3,965,207	2,053,646	1,768,059
Cleco Power LLC	10,259,317	12,369,848	10,982,236	9,474,000	10,861,226	12,188,312	11,695,267	11,925,962	13,146,739	13,497,187	14,595,788	16,999,081
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	10,250,932	10,279,060	10,826,568	10,422,570	10,871,374	11,233,857	12,014,393	11,925,542	12,258,232	13,899,934	14,293,507	12,651,068
The Dayton Power and Light Company	17,535,745	22,561,949	19,697,054	21,163,843	26,484,071	21,566,171	24,434,769	27,758,488	26,003,959	24,024,767	24,667,926	22,157,714
Florida Power Corporation	34,558,436	43,089,677	53,231,106	50,165,972	55,039,122	58,534,290	55,050,019	71,152,592	51,392,889	47,569,877	49,448,305	53,933,450
Florida Power & Light Company	110,975,968	113,577,617	108,839,612	102,505,224	103,480,815	101,347,897	92,635,081	101,429,070	106,925,715	109,494,095	113,883,094	112,568,666
Idaho Power Company	12,372,005	13,004,009	14,651,760	13,187,565	13,144,412	13,203,383	13,379,946	17,446,931	16,420,629	17,875,445	17,445,057	16,094,522
Madison Gas and Electric Company	3,507,321	3,725,402	3,297,901	3,465,510	4,226,263	4,418,820	4,750,491	5,129,891	4,978,019	5,407,076	5,285,206	6,192,441
Otter Tail Corporation	6,050,612	6,074,415	6,119,853	7,558,352	7,871,118	7,441,898	7,792,508	7,769,211	8,090,989	8,301,798	9,009,999	9,043,794
Tampa Electric Company	16,584,407	17,124,574	17,238,579	17,785,052	20,854,984	21,506,997	21,797,330	22,532,194	29,028,420	27,251,170	22,538,287	25,454,104
The United Illuminating Company	20,618,788	18,735,933	20,562,521	17,069,839	15,218,705	14,380,064	15,028,361	14,393,590	13,391,031	13,549,639	24,183,358	24,197,615
FPUC	765,096	815,276	849,995	888,231	1,007,179	944,510	1,108,287	1,156,904	1,106,230	1,246,794	1,280,880	1,225,795
Customer Service and Information O&M Expense												
Black Hills Power, Inc.	885,641	862,747	935,801	833,153	915,973	860,073	868,171	840,447	875,165	918,656	929,753	893,370
Cleco Power LLC	1,484,312	1,947,956	4,937,820	4,678,862	4,139,218	3,127,077	3,820,066	5,191,759	5,813,040	5,800,650	5,011,434	5,125,766
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	5,250,342	5,725,798	6,612,792	6,526,443	6,902,527	7,539,776	7,062,679	6,132,250	7,531,985	8,579,521	7,741,735	8,044,299
The Dayton Power and Light Company	8,444,962	8,370,745	7,899,512	8,767,968	10,351,026	8,055,965	9,569,065	2,206,397	527,426	599,944	1,016,920	828,971
Florida Power Corporation	111,447,017	89,395,358	67,704,571	70,347,218	82,973,979	84,968,640	68,013,955	62,173,520	67,776,159	65,427,024	64,122,945	63,875,881
Florida Power & Light Company	85,802,629	88,230,058	95,115,863	84,494,501	87,147,839	77,438,163	77,125,399	75,988,571	76,599,067	62,676,034	61,560,725	65,680,786
Idaho Power Company	3,943,260	4,296,061	5,665,792	4,956,179	5,193,551	7,335,595	8,866,434	8,749,973	8,590,792	8,063,989	8,397,962	9,620,257
Madison Gas and Electric Company	3,623,198	4,889,258	4,989,834	4,886,964	4,921,120	5,208,828	5,279,460	4,454,072	4,297,915	3,615,428	3,289,412	4,032,160
Otter Tail Corporation	2,176,410	4,385,417	4,879,074	6,516,524	5,978,771	5,613,218	5,142,776	4,899,608	4,398,051	4,403,650	4,476,688	4,723,996
Tampa Electric Company	21,489,244	20,100,336	21,935,613	21,129,777	23,134,058	21,082,710	19,876,240	20,955,479	19,660,703	19,279,161	17,871,047	17,528,141
The United Illuminating Company	5,288,353	5,723,087	8,541,387	11,869,056	11,365,025	12,542,316	25,080,809	25,238,228	25,423,576	27,352,136	22,858,785	21,407,114
FPUC	47,909	77,913	67,278	199,035	208,866	153,755	236,050	298,280	486,640	381,563	382,504	473,611
Sales O&M Expense												
Black Hills Power, Inc.	0	0	0	0	0	0	0	0	0	0	0	0
Cleco Power LLC	3,166,175	8,395,636	2,133,746	2,669,395	4,758,386	6,510,540	5,140,586	5,355,222	4,003,638	3,331,309	4,477,091	3,869,780
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	281,725	188,324	332,584	377,692	536,999	376,675	330,303	328,710	377,887	1,439,357	1,301,082	1,069,609
The Dayton Power and Light Company	0	0	0	0	0	0	0	0	0	0	0	0
Florida Power Corporation	854,138	187,704	6,338,944	9,697,077	11,908,591	14,798,252	12,905,044	10,944,103	5,282,693	4,506,340	2,239,368	2,364,282
Florida Power & Light Company	183,659	236,696	78,492	52,984	161,475	1,414,115	936,004	70,216	402,928	162,739	83,648	14,870
Idaho Power Company	0	0	0	0	340,600	0	0	0	0	0	0	0
Madison Gas and Electric Company	142,661	228,227	167,073	128,688	174,549	74,917	125,183	148,052	311,500	314,816	387,740	245,809
Otter Tail Corporation	2,039,303	2,596,698	1,968,178	2,408,051	2,337,124	2,490,734	2,089,303	1,145,896	1,036,619	1,525,332	1,179,602	1,488,483
Tampa Electric Company	457,240	1,132,850	1,758,852	2,286,573	2,685,877	2,832,825	2,811,715	2,910,245	3,312,405	1,709,109	1,533,250	1,304,718
The United Illuminating Company	145,510	61,001	3,149	18,621	-2,054	0	0	0	0	0	0	0
FPUC	3,588	4,307	3,224	3,111	2,111	2,397	1,719	2,765	3,184	9,523	21,503	23,845

(1)

Distribution Capital Stock

Distribution Plant	1993	1994	1995	1996	1997	1998	1999
End-of-Year Gross Book Value							
Black Hills Power, Inc.	80,765,728	87,258,108	94,673,632	100,112,444	107,979,985	113,408,373	119,390,982
Cleco Power LLC	409,773,024	431,646,936	462,742,202	493,190,258	526,264,625	580,496,713	601,490,705
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	293,545,888	303,385,938	315,675,048	332,214,683	342,698,655	361,483,466	378,813,645
The Dayton Power and Light Company	523,523,712	545,378,472	503,327,663	534,199,566	601,570,597	803,294,027	814,488,885
Florida Power Corporation	1,657,563,136	1,781,853,882	1,896,936,624	1,986,961,573	2,094,608,903	2,194,224,914	2,315,007,952
Florida Power & Light Company	4,753,107,968	4,972,906,444	5,151,736,671	5,350,008,474	5,569,933,876	5,839,338,820	6,128,924,119
Idaho Power Company	582,604,096	625,148,577	648,549,018	688,231,670	715,090,519	736,526,868	786,488,323
Madison Gas and Electric Company	140,707,744	147,011,496	154,837,053	162,888,934	169,243,519	174,694,951	183,423,014
Otter Tail Corporation	188,840,464	198,139,730	207,224,739	217,801,629	227,440,022	234,647,975	242,106,169
Tampa Electric Company	776,477,312	821,103,153	862,601,352	908,262,204	959,024,452	1,016,241,954	1,071,691,209
The United Illuminating Company	334,251,776	364,101,608	375,961,628	387,824,957	401,425,987	408,845,204	415,892,899
FPUC	37,410,305	38,745,176	33,981,779	35,529,780	37,771,758	39,656,371	41,268,228
Plant Additions During Year							
Black Hills Power, Inc.		6,948,366	7,999,071	5,805,579	7,516,516	6,694,486	6,508,740
Cleco Power LLC		27,098,966	35,124,510	34,633,127	40,167,350	36,635,731	32,229,568
CENTRAL HUDSON GAS & ELECTRIC CORPORATION		12,157,276	14,490,574	19,236,991	13,006,054	21,887,962	20,631,098
The Dayton Power and Light Company		24,883,943	29,135,316	33,107,888	41,733,221	35,666,810	34,860,764
Florida Power Corporation		140,994,557	129,335,948	115,800,136	122,464,188	120,853,989	137,574,744
Florida Power & Light Company		268,310,561	254,623,889	261,516,713	288,651,776	344,668,774	368,448,755
Idaho Power Company		47,096,542	46,095,595	43,038,494	31,635,955	23,447,985	55,984,804
Madison Gas and Electric Company		6,990,004	8,893,561	9,228,087	7,420,526	6,349,598	10,409,397
Otter Tail Corporation		10,759,023	11,050,539	12,625,292	10,999,208	8,923,101	9,435,754
Tampa Electric Company		51,890,140	48,581,066	52,285,082	56,985,368	63,258,487	64,884,292
The United Illuminating Company		29,764,514	21,005,739	17,685,778	19,175,764	11,789,500	8,396,724
FPUC		1,534,494	1,978,479	1,717,909	2,443,633	2,121,969	1,970,992
Retirements, Transfers, and Adjustments							
Black Hills Power, Inc.		455,986	583,547	366,767	-351,025	1,266,098	526,131
Cleco Power LLC		5,225,054	4,029,244	4,185,071	7,092,983	-17,596,357	11,235,576
CENTRAL HUDSON GAS & ELECTRIC CORPORATION		2,317,226	2,201,464	2,697,356	2,522,082	3,103,151	3,300,919
The Dayton Power and Light Company		3,029,183	71,186,125	2,235,985	-25,637,810	-166,056,620	23,665,906
Florida Power Corporation		16,703,811	14,253,206	25,775,187	14,816,858	21,237,978	16,791,706
Florida Power & Light Company		48,512,085	75,793,662	63,244,910	68,726,374	75,263,830	78,863,456
Idaho Power Company		4,552,061	22,695,154	3,355,842	4,777,106	2,011,636	6,023,349
Madison Gas and Electric Company		686,252	1,068,004	1,176,206	1,065,941	898,166	1,681,334
Otter Tail Corporation		1,459,757	1,965,530	2,048,402	1,360,815	1,715,148	1,977,560
Tampa Electric Company		7,264,299	7,082,867	6,624,230	6,223,120	6,040,985	9,435,037
The United Illuminating Company		-85,318	9,145,719	5,822,449	5,574,734	4,370,283	1,349,029
FPUC		199,623	6,741,876	169,908	201,655	237,356	359,135
Handy-Whitman Price Indexes							
Total Distribution Plant							

Black Hills Power, Inc.	287	298	309	313	318	325	325
Cleco Power LLC	277	289	295	299	296	303	301
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	297	307	316	322	326	334	336
The Dayton Power and Light Company	287	298	309	313	318	325	325
Florida Power Corporation	270	280	288	288	290	298	297
Florida Power & Light Company	270	280	288	288	290	298	297
Idaho Power Company	275	282	294	300	296	305	306
Madison Gas and Electric Company	287	298	309	313	318	325	325
Otter Tail Corporation	287	298	309	313	318	325	325
Tampa Electric Company	270	280	288	288	290	298	297
The United Illuminating Company	297	307	316	322	326	334	336
FPUC	270	280	288	288	290	298	297
Normalized Price Indexes							
Black Hills Power, Inc.	0.688	0.715	0.741	0.751	0.763	0.779	0.779
Cleco Power LLC	0.735	0.767	0.782	0.793	0.785	0.804	0.798
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	0.694	0.717	0.738	0.752	0.762	0.780	0.785
The Dayton Power and Light Company	0.688	0.715	0.741	0.751	0.763	0.779	0.779
Florida Power Corporation	0.720	0.747	0.768	0.768	0.773	0.795	0.792
Florida Power & Light Company	0.720	0.747	0.768	0.768	0.773	0.795	0.792
Idaho Power Company	0.712	0.731	0.762	0.777	0.767	0.790	0.793
Madison Gas and Electric Company	0.688	0.715	0.741	0.751	0.763	0.779	0.779
Otter Tail Corporation	0.688	0.715	0.741	0.751	0.763	0.779	0.779
Tampa Electric Company	0.720	0.747	0.768	0.768	0.773	0.795	0.792
The United Illuminating Company	0.694	0.717	0.738	0.752	0.762	0.780	0.785
FPUC	0.720	0.747	0.768	0.768	0.773	0.795	0.792
Robert's Book Value Adjustment Factor	0.370						
Real Capital Stock at End of Year							
Black Hills Power, Inc.	317,160,830	325,159,354	333,825,825	340,239,787	351,340,421	355,539,418	362,066,128
Cleco Power LLC	1,507,312,226	1,524,240,959	1,555,212,035	1,584,618,191	1,611,361,152	1,716,116,702	1,718,450,277
CENTRAL HUDSON GAS & ELECTRIC CORPORATION	1,143,303,668	1,151,521,412	1,163,089,156	1,178,968,806	1,187,095,051	1,204,395,820	1,219,311,741
The Dayton Power and Light Company	2,055,837,536	2,079,202,076	1,858,880,846	1,894,938,270	2,040,527,132	2,662,137,466	2,624,798,459
Florida Power Corporation	6,222,083,844	6,350,453,203	6,468,700,299	6,528,775,128	6,635,350,937	6,715,200,831	6,831,604,561
Florida Power & Light Company	17,841,996,877	18,025,742,615	18,090,555,315	18,208,503,914	18,341,570,491	18,519,321,771	18,715,413,032
Idaho Power Company	2,210,173,770	2,257,799,154	2,237,786,683	2,281,493,014	2,305,911,240	2,328,705,655	2,378,791,656
Madison Gas and Electric Company	552,548,538	559,734,468	567,841,088	575,900,182	581,853,059	586,885,444	594,411,012
Otter Tail Corporation	741,562,044	751,096,699	758,840,612	768,285,157	777,885,768	783,387,045	788,636,109
Tampa Electric Company	2,914,704,625	2,957,905,829	2,996,236,796	3,041,004,709	3,092,943,664	3,152,001,760	3,201,729,275
The United Illuminating Company	1,301,845,119	1,343,662,396	1,338,634,181	1,341,225,348	1,346,619,875	1,346,591,587	1,352,643,073
FPUC	140,429,073	141,761,625	120,612,136	122,251,066	124,706,178	126,569,180	127,832,257
Real Capital Input (Proportional to BOY Stock)							
Black Hills Power, Inc.		317,160,830	325,159,354	333,825,825	340,239,787	351,340,421	355,539,418
Cleco Power LLC		1,507,312,226	1,524,240,959	1,555,212,035	1,584,618,191	1,611,361,152	1,716,116,702
CENTRAL HUDSON GAS & ELECTRIC CORPORATION		1,143,303,668	1,151,521,412	1,163,089,156	1,178,968,806	1,187,095,051	1,204,395,820

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The Dayton Power and Light Company		2,055,837,536	2,079,202,076	1,858,880,846	1,894,938,270	2,040,527,132	2,662,137,466
Florida Power Corporation		6,222,083,844	6,350,453,203	6,468,700,299	6,528,775,128	6,635,350,937	6,715,200,831
Florida Power & Light Company		17,841,996,877	18,025,742,615	18,090,555,315	18,208,503,914	18,341,570,491	18,519,321,771
Idaho Power Company		2,210,173,770	2,257,799,154	2,237,786,683	2,281,493,014	2,305,911,240	2,328,705,655
Madison Gas and Electric Company		552,548,538	559,734,468	567,841,088	575,900,182	581,853,059	586,885,444
Otter Tail Corporation		741,562,044	751,096,699	758,840,612	768,285,157	777,885,768	783,387,045
Tampa Electric Company		2,914,704,625	2,957,905,829	2,996,236,796	3,041,004,709	3,092,943,664	3,152,001,760
The United Illuminating Company		1,301,845,119	1,343,662,396	1,338,634,181	1,341,225,348	1,346,619,875	1,346,591,587
FPUC		140,429,073	141,761,625	120,612,136	122,251,066	124,706,178	126,569,180
Nominal Rate of Return	12.50%						
Expected Inflation Rate	3.00%						
Expected Lifetime of Asset	35						
Rental Value of Capital Input							
Black Hills Power, Inc.		21,903,610	23,284,913	24,214,982	25,074,489	26,462,530	26,778,793
Cleco Power LLC		111,664,635	115,263,083	119,199,761	120,235,008	125,155,548	132,412,169
CENTRAL HUDSON GAS & ELECTRIC CORPORATION		79,252,348	82,162,050	84,563,129	86,782,485	89,524,959	91,373,589
The Dayton Power and Light Company		141,979,270	148,893,268	134,839,077	139,650,363	153,690,002	200,508,931
Florida Power Corporation		448,971,279	471,326,521	480,102,744	487,926,468	509,571,149	513,972,786
Florida Power & Light Company		1,287,437,515	1,337,858,933	1,342,669,290	1,360,808,243	1,408,566,816	1,417,444,935
Idaho Power Company		156,042,953	166,188,615	168,077,110	169,075,035	176,080,417	178,404,029
Madison Gas and Electric Company		38,159,843	40,083,018	41,189,928	42,441,841	43,824,459	44,203,492
Otter Tail Corporation		51,213,404	53,786,615	55,044,608	56,619,945	58,589,403	59,003,752
Tampa Electric Company		210,318,391	219,533,853	222,378,753	227,268,769	237,526,978	241,250,138
The United Illuminating Company		90,242,239	95,871,476	97,326,241	98,725,995	101,555,548	102,161,519
FPUC		10,133,039	10,521,456	8,951,755	9,136,405	9,576,987	9,687,441

2000	2001	2002	2003	2004	2005
128,485,929	136,165,677	143,246,746	150,541,240	198,636,821	222,685,486
630,172,958	655,889,197	674,808,102	726,305,535	748,190,178	810,429,022
398,207,446	416,468,629	432,840,418	473,517,446	510,480,305	538,219,620
833,277,872	865,243,650	891,685,676	903,995,106	947,668,592	986,859,819
2,423,030,041	2,551,554,236	2,728,238,917	2,889,968,104	3,058,301,215	3,184,980,335
6,492,914,266	6,844,749,889	7,264,011,754	7,709,604,055	8,093,787,565	8,542,329,081
811,604,059	854,445,132	902,984,488	952,978,561	992,248,198	1,046,880,491
192,405,437	201,654,757	227,762,513	250,232,457	273,921,163	294,284,872
251,729,894	258,750,932	268,376,844	272,892,962	285,237,056	296,287,065
1,135,452,013	1,197,615,249	1,260,162,770	1,315,005,249	1,371,129,198	1,467,200,130
429,005,170	443,773,315	460,590,324	498,570,286	493,702,897	514,939,484
43,310,955	45,537,554	47,527,215	49,511,678	52,273,470	56,553,811
10,084,045	8,310,353	8,002,002	8,200,085	9,302,357	11,483,543
30,273,884	28,339,718	21,293,595	53,034,035	22,892,207	72,056,437
22,744,245	21,588,288	19,423,610	44,390,370	41,860,810	32,576,899
25,959,165	41,834,015	26,759,272	12,510,899	41,412,608	43,215,651
135,879,176	142,209,706	190,752,332	186,531,597	230,127,328	195,548,971
465,245,934	446,966,457	493,408,106	519,717,863	471,658,648	581,064,197
31,182,318	54,150,819	54,720,693	55,936,600	56,631,874	64,756,148
10,338,071	10,111,950	28,655,834	24,238,312	26,528,729	26,476,994
11,480,056	8,558,796	11,339,903	9,693,251	14,896,683	14,607,704
75,653,385	73,587,351	71,946,377	67,166,843	67,182,381	86,318,217
22,967,108	23,484,744	23,978,843	23,198,954	19,003,763	25,957,344
2,232,098	2,144,377	2,853,171	2,411,275	3,052,216	5,171,412
989,098	630,605	920,933	905,591	-38,793,224	-12,565,122
1,591,631	2,623,479	2,374,690	1,536,602	1,007,564	9,817,593
3,350,444	3,327,105	3,051,821	3,713,342	4,897,951	4,837,584
7,170,178	9,868,237	317,246	201,469	-2,260,878	4,024,424
27,857,087	13,685,511	14,067,651	24,802,410	61,794,217	68,869,851
101,255,787	95,130,834	74,146,241	74,125,562	87,475,138	132,522,681
6,066,582	11,309,746	6,181,337	5,942,527	17,362,237	10,123,855
1,355,648	862,630	2,548,078	1,768,368	2,840,023	6,113,285
1,856,331	1,537,758	1,713,991	5,177,133	2,552,589	3,557,695
11,892,581	11,424,115	9,398,856	12,324,364	11,058,432	-9,752,715
9,854,837	8,716,599	7,161,834	-14,781,008	23,871,152	4,720,757
		199,623	281,218	175,532	197,123
189,371	-82,222	863,510	426,812	290,424	891,071

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335	346	359	369	391	417
310	320	326	331	355	377
346	354	368	373	398	428
335	346	359	369	391	417
304	313	322	326	354	375
304	313	322	326	354	375
312	325	332	338	361	386
335	346	359	369	391	417
335	346	359	369	391	417
304	313	322	326	354	375
346	354	368	373	398	428
304	313	322	326	354	375

0.803	0.830	0.861	0.885	0.938	1.000
0.822	0.849	0.865	0.878	0.942	1.000
0.808	0.827	0.860	0.871	0.930	1.000
0.803	0.830	0.861	0.885	0.938	1.000
0.811	0.835	0.859	0.869	0.944	1.000
0.811	0.835	0.859	0.869	0.944	1.000
0.808	0.842	0.860	0.876	0.935	1.000
0.803	0.830	0.861	0.885	0.938	1.000
0.803	0.830	0.861	0.885	0.938	1.000
0.811	0.835	0.859	0.869	0.944	1.000
0.808	0.827	0.860	0.871	0.930	1.000
0.811	0.835	0.859	0.869	0.944	1.000

371,290,924	379,252,509	385,656,181	392,157,021	513,896,394	559,339,726
1,750,035,798	1,775,070,052	1,792,272,717	1,847,946,911	1,869,365,886	1,914,888,288
1,236,244,944	1,251,474,142	1,264,471,671	1,303,891,630	1,334,672,255	1,354,174,603
2,632,989,467	2,651,264,075	2,681,350,625	2,694,873,617	2,745,556,809	2,777,895,638
6,906,345,209	7,032,409,712	7,210,280,426	7,347,739,847	7,414,599,943	7,424,014,182
18,951,739,075	19,179,202,447	19,520,444,132	19,887,827,383	############	############
2,397,084,778	2,425,095,239	2,469,292,678	2,514,831,217	2,525,210,350	2,562,604,728
602,718,844	612,095,942	637,382,098	659,372,281	679,478,923	689,433,526
796,681,029	801,987,165	809,778,322	804,920,102	813,449,719	818,442,031
3,255,402,722	3,306,574,485	3,360,779,527	3,399,726,327	3,439,233,453	3,551,910,359
1,348,106,290	1,348,017,266	1,353,393,475	1,425,852,411	1,376,908,929	1,390,107,471
129,954,319	132,789,700	133,394,545	134,841,320	137,243,106	140,006,218

362,066,128	371,290,924	379,252,509	385,656,181	392,157,021	513,896,394
1,718,450,277	1,750,035,798	1,775,070,052	1,792,272,717	1,847,946,911	1,869,365,886
1,219,311,741	1,236,244,944	1,251,474,142	1,264,471,671	1,303,891,630	1,334,672,255

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2,624,798,459	2,632,989,467	2,651,264,075	2,681,350,625	2,694,873,617	2,745,556,809
6,831,604,561	6,906,345,209	7,032,409,712	7,210,280,426	7,347,739,847	7,414,599,943
18,715,413,032	18,951,739,075	19,179,202,447	19,520,444,132	############	############
2,378,791,656	2,397,084,778	2,425,095,239	2,469,292,678	2,514,831,217	2,525,210,350
594,411,012	602,718,844	612,095,942	637,382,098	659,372,281	679,478,923
788,636,109	796,681,029	801,987,165	809,778,322	804,920,102	813,449,719
3,201,729,275	3,255,402,722	3,306,574,485	3,360,779,527	3,399,726,327	3,439,233,453
1,352,643,073	1,348,106,290	1,348,017,266	1,353,393,475	1,425,852,411	1,376,908,929
127,832,257	129,954,319	132,789,700	133,394,545	134,841,320	137,243,106

28,109,465	29,772,158	31,553,155	32,979,688	35,535,026	49,662,835
136,556,775	143,552,744	148,336,383	152,071,096	168,163,768	180,655,110
95,258,343	98,814,336	103,987,675	106,495,217	117,175,479	128,982,435
203,779,575	211,127,645	220,580,602	229,297,783	244,194,030	265,330,009
535,205,999	557,079,644	583,558,913	605,751,399	670,319,268	716,545,315
1,466,215,037	1,528,685,251	1,591,516,277	1,639,955,124	1,814,325,788	1,946,037,360
185,814,514	195,045,254	201,574,465	208,957,470	227,292,276	244,035,775
46,147,857	48,329,327	50,925,328	54,506,226	59,748,544	65,664,694
61,226,770	63,882,287	66,723,950	69,248,823	72,937,255	78,611,603
250,831,953	262,587,307	274,384,043	282,346,425	310,150,075	332,366,768
105,674,811	107,755,529	112,009,650	113,984,311	128,135,602	133,064,177
10,014,718	10,482,376	11,019,070	11,206,767	12,301,298	13,263,144

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FERC Expenses

YEAR	FERC Number	FERC Name	SALARIES	PENSION	EXPAGEWAG	EXPCAEWAG	EXPCSIWAG	EXPSALWAG	EXPDSTWAG	EXPTRSWAG	EXPPRDWAG
1993	12	Black Hills Power, Inc.	11,267,206	2,077,239	1,965,072	1,715,770	549,547	0	2,419,261	790,682	3,826,874
1994	12	Black Hills Power, Inc.	11,015,462	1,151,665	1,952,005	1,958,342	490,211	0	2,116,932	740,233	3,757,739
1995	12	Black Hills Power, Inc.	10,918,771	1,442,423	1,981,629	1,914,840	471,847	0	2,065,776	768,923	3,715,756
1996	12	Black Hills Power, Inc.	10,800,296	1,157,573	2,043,021	1,859,719	427,107	0	1,985,994	775,483	3,708,972
1997	12	Black Hills Power, Inc.	10,969,215	1,040,964	2,165,479	1,793,571	461,101	0	2,156,117	741,436	3,651,511
1998	12	Black Hills Power, Inc.	10,555,689	7,933	2,212,354	1,171,621	535,687	0	2,151,079	729,864	3,755,084
1999	12	Black Hills Power, Inc.	10,302,171	616,498	2,052,136	1,197,366	495,998	0	2,014,647	766,082	3,775,942
2000	12	Black Hills Power, Inc.	12,239,854	-499,304	3,409,061	1,297,394	551,386	0	2,215,183	738,929	4,027,901
2001	12	Black Hills Power, Inc.	16,022,737	-593,436	6,256,099	1,451,709	543,983	0	2,425,524	749,072	4,596,350
2002	12	Black Hills Power, Inc.	11,252,736	1,218,107	1,220,790	1,414,431	569,351	0	2,728,789	798,553	4,520,822
2003	12	Black Hills Power, Inc.	11,509,413	2,396,761	1,708,783	1,437,881	576,931	0	2,569,546	791,992	4,424,280
2004	12	Black Hills Power, Inc.	12,627,098	2,806,960	2,112,691	1,367,296	593,606	0	2,664,948	970,252	4,918,305
2005	12	Black Hills Power, Inc.	12,671,765	2,901,973	2,206,720	1,237,501	616,186	0	2,689,554	1,029,517	4,892,287
1993	22	Cleco Power LLC	41,303,088	16,904,224	10,398,702	5,494,321	950,992	410,147	10,008,113	1,573,456	7,581,628
1994	22	Cleco Power LLC	39,144,530	8,150,231	9,238,502	4,485,545	891,935	1,562,633	9,083,532	1,364,997	7,847,239
1995	22	Cleco Power LLC	38,197,263	9,596,799	10,673,203	4,981,926	927,525	1,688,846	6,020,627	1,376,041	7,838,720
1996	22	Cleco Power LLC	40,263,796	8,541,312	12,032,668	3,880,104	2,669,560	615,011	6,594,633	1,545,716	8,267,464
1997	22	Cleco Power LLC	41,980,535	11,240,376	11,619,604	4,390,182	3,026,956	761,859	5,881,219	1,561,939	9,918,119
1998	22	Cleco Power LLC	45,683,382	11,171,601	13,529,383	5,256,066	2,424,503	1,983,429	5,397,509	1,481,946	10,687,510
1999	22	Cleco Power LLC	45,675,952	7,068,187	16,436,729	5,460,501	1,818,447	2,109,080	5,201,207	1,486,908	8,756,118
2000	22	Cleco Power LLC	21,786,600	-1,335,847	1,647,585	5,745,458	1,963,541	1,380,158	5,606,713	1,546,411	951,734
2001	22	Cleco Power LLC	36,761,659	3,896,201	3,500,562	5,772,610	2,940,426	1,772,957	6,089,638	1,566,786	10,670,931
2002	22	Cleco Power LLC	39,033,313	8,891,459	3,216,112	5,664,580	3,531,280	2,104,403	5,616,218	1,341,171	12,245,078
2003	22	Cleco Power LLC	31,680,934	-573,910	2,275,524	5,883,042	2,162,728	1,563,613	5,669,807	1,907,254	11,829,797
2004	22	Cleco Power LLC	32,189,597	-1,128,221	1,795,525	5,922,408	2,126,971	1,525,914	4,778,548	2,876,499	12,731,129
2005	22	Cleco Power LLC	35,144,939	-626,070	1,954,415	5,987,552	2,476,152	1,392,626	5,794,044	3,721,831	12,986,236
1993	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	42,968,808	8,519,117	11,265,060	5,332,306	864,550	0	10,621,245	1,957,441	11,327,675
1994	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	44,138,654	9,926,441	12,539,864	5,367,786	882,150	0	11,093,956	1,968,733	10,772,612
1995	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	44,482,660	11,446,269	12,591,591	5,433,179	1,212,210	0	11,759,747	2,132,232	9,841,581
1996	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	46,880,454	10,678,639	12,485,614	5,287,200	2,032,453	0	13,231,948	1,955,215	10,379,603
1997	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	49,607,526	8,896,536	12,764,912	5,587,053	2,265,603	0	14,893,790	2,139,551	10,751,614
1998	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	46,935,982	5,653,707	12,660,219	5,896,966	2,238,890	0	12,638,117	1,978,707	10,510,462
1999	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	48,021,198	6,576,495	11,982,842	5,673,950	2,543,693	0	13,912,972	2,266,628	10,620,062
2000	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	49,807,901	6,269,071	13,115,103	5,894,125	2,169,708	0	14,549,759	2,159,191	10,891,655
2001	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	40,308,186	2,953,497	13,036,878	5,818,194	2,055,906	0	13,033,130	2,144,426	3,281,746
2002	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	36,709,075	-4,330,381	12,836,506	5,322,966	1,691,888	0	12,698,347	1,725,878	2,300,443
2003	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	39,703,284	-4,100,482	13,918,121	5,488,135	1,700,349	0	14,335,209	1,848,591	2,225,776
2004	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	39,096,427	-4,212,171	15,363,620	5,756,262	1,355,590	0	11,221,202	1,834,748	2,126,188
2005	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	41,288,507	-4,404,273	14,322,949	6,059,108	1,118,693	0	14,260,178	1,912,609	2,066,134
1993	42	The Dayton Power and Light Company	64,539,352	12,076,040	10,890,459	9,512,774	1,503,658	0	15,487,711	1,772,760	25,371,992
1994	42	The Dayton Power and Light Company	66,093,965	15,852,892	10,555,812	9,529,003	1,660,630	0	15,659,582	1,879,599	26,809,339
1995	42	The Dayton Power and Light Company	68,175,250	15,854,997	12,691,368	10,430,515	1,872,913	0	14,606,875	2,894,163	25,679,416
1996	42	The Dayton Power and Light Company	72,541,623	13,683,671	13,603,543	10,161,312	1,802,252	0	14,559,237	1,972,237	30,443,042
1997	42	The Dayton Power and Light Company	66,021,066	9,387,408	11,068,151	9,940,824	2,059,867	0	14,503,672	1,459,474	26,989,078
1998	42	The Dayton Power and Light Company	69,323,970	11,209,008	11,887,221	10,011,030	2,899,932	0	15,193,928	1,721,111	27,610,748
1999	42	The Dayton Power and Light Company	61,734,706	7,733,239	12,590,891	8,584,092	2,309,796	0	11,549,629	1,644,652	25,055,646
2000	42	The Dayton Power and Light Company	66,983,836	4,385,891	10,014,046	7,991,553	1,630,308	0	15,916,839	1,735,123	29,695,967
2001	42	The Dayton Power and Light Company	71,543,367	10,338,919	15,424,098	10,627,302	682,036	0	13,494,223	1,684,862	29,630,846
2002	42	The Dayton Power and Light Company	62,251,694	8,557,993	12,019,848	7,785,934	126,636	0	11,867,235	1,585,168	28,866,873
2003	42	The Dayton Power and Light Company	63,181,994	26,686,293	12,749,308	7,592,160	99,654	0	11,622,988	1,514,973	29,602,911
2004	42	The Dayton Power and Light Company	63,369,283	15,049,549	12,000,473	6,693,043	118,390	0	11,927,358	1,519,810	31,110,209
2005	42	The Dayton Power and Light Company	68,216,879	15,099,058	15,489,424	6,426,492	186,669	0	12,321,279	1,319,332	32,473,683
1993	55	Florida Power Corporation	207,658,960	40,769,048	29,641,122	21,545,424	14,717,397	402,465	30,238,860	7,586,042	100,954,352
1994	55	Florida Power Corporation	202,691,356	49,666,211	31,084,368	19,395,557	11,294,702	299,783	31,255,598	7,425,732	99,181,441
1995	55	Florida Power Corporation	190,409,353	29,579,915	26,528,889	20,303,794	9,246,548	131,950	30,091,516	7,959,224	94,109,605
1996	55	Florida Power Corporation	180,643,691	28,485,327	19,779,292	21,665,563	7,607,370	2,090,365	25,841,625	8,161,759	93,700,057
1997	55	Florida Power Corporation	216,245,221	14,236,559	17,423,016	22,050,337	5,911,176	6,630,687	29,322,918	8,564,295	123,861,477
1998	55	Florida Power Corporation	207,898,839	-19,134,051	21,724,916	14,561,782	6,548,684	4,860,696	39,624,283	11,500,528	107,042,980
1999	55	Florida Power Corporation	197,622,110	-33,001,212	16,454,347	14,106,900	6,152,826	4,503,118	39,611,695	10,519,458	104,303,945
2000	55	Florida Power Corporation	199,588,985	-47,567,198	15,953,055	13,827,323	5,900,031	4,364,821	41,730,615	10,604,277	105,146,035
2001	55	Florida Power Corporation	178,293,878	-50,120,499	7,541,436	14,232,202	5,518,350	3,063,549	40,404,044	11,807,400	94,665,356

2002	55 Florida Power Corporation	208,766,437	23,587,738	32,883,482	24,444,107	7,784,685	2,566,923	31,057,135	12,065,355	84,852,644
2003	55 Florida Power Corporation	231,530,062	56,558,515	48,173,937	20,857,641	9,416,495	1,285,408	32,135,748	11,328,109	90,751,419
2004	55 Florida Power Corporation	225,031,181	34,349,838	50,669,309	22,200,702	8,300,355	884,646	30,062,285	10,767,311	84,356,405
2005	55 Florida Power Corporation	273,638,979	145,835,191	49,379,743	25,544,705	9,127,028	1,321,104	55,282,972	12,576,725	97,039,411
1993	56 Florida Power & Light Company	516,106,880	68,561,640	68,546,344	71,198,016	25,244,284	135,837	118,564,208	17,384,526	206,677,136
1994	56 Florida Power & Light Company	471,388,107	68,760,389	48,621,855	56,774,122	25,202,099	113,456	110,014,220	13,020,053	211,748,835
1995	56 Florida Power & Light Company	463,422,722	43,721,902	54,291,986	55,978,498	25,595,615	150,511	95,479,228	13,380,653	212,349,753
1996	56 Florida Power & Light Company	439,962,813	49,101,244	51,813,682	55,377,272	22,228,822	12,147	84,352,314	13,811,653	207,531,063
1997	56 Florida Power & Light Company	448,251,958	14,887,553	52,466,141	53,395,848	21,487,316	5,950	89,725,484	13,747,239	212,487,750
1998	56 Florida Power & Light Company	475,806,567	10,404,928	61,867,455	57,671,780	21,952,341	19,899	108,982,555	14,095,839	205,282,822
1999	56 Florida Power & Light Company	484,978,107	-10,528,978	68,069,759	56,487,082	20,481,787	403,671	120,965,278	14,331,242	199,342,149
2000	56 Florida Power & Light Company	515,606,959	-12,561,623	109,402,412	56,905,527	21,929,578	280,599	114,753,822	13,693,655	194,161,719
2001	56 Florida Power & Light Company	498,371,988	-7,885,041	86,954,287	58,581,270	24,122,007	51,202	117,998,089	12,774,049	195,207,903
2002	56 Florida Power & Light Company	525,327,233	10,933,562	108,968,200	62,865,736	25,844,169	152,163	115,489,612	12,737,505	197,190,939
2003	56 Florida Power & Light Company	523,104,092	22,980,070	62,434,005	64,500,720	23,167,577	118,497	120,882,819	14,100,914	209,362,837
2004	56 Florida Power & Light Company	537,806,554	22,506,767	102,382,638	64,394,219	22,613,603	68,997	115,155,595	12,687,220	217,298,997
2005	56 Florida Power & Light Company	616,850,776	46,614,860	149,172,574	68,963,674	22,715,143	11,208	117,920,129	13,402,666	237,494,015
1993	70 Idaho Power Company	54,276,820	14,755,763	17,470,808	6,865,057	2,049,794	0	13,383,477	2,476,388	7,075,536
1994	70 Idaho Power Company	57,482,803	16,541,787	19,171,827	6,952,680	2,084,055	0	13,908,793	2,620,513	7,910,195
1995	70 Idaho Power Company	56,740,983	21,134,486	19,535,426	7,154,539	2,511,636	0	13,101,563	2,703,092	7,681,484
1996	70 Idaho Power Company	76,747,451	18,229,654	27,047,626	9,331,500	3,038,894	0	18,560,876	4,114,054	9,456,466
1997	70 Idaho Power Company	80,474,386	15,090,180	28,013,753	7,787,134	2,619,484	0	20,902,338	4,560,453	12,436,440
1998	70 Idaho Power Company	95,238,856	16,373,766	29,079,472	8,384,241	2,686,466	0	32,928,497	7,287,015	11,265,434
1999	70 Idaho Power Company	94,391,352	15,343,399	28,408,528	8,100,964	2,801,483	0	32,089,297	7,192,914	12,255,182
2000	70 Idaho Power Company	78,080,530	7,723,227	27,145,841	7,457,082	2,759,498	0	20,245,350	5,980,025	11,246,801
2001	70 Idaho Power Company	79,040,458	10,589,654	26,686,926	8,368,867	2,925,810	0	19,862,156	6,792,294	11,147,351
2002	70 Idaho Power Company	80,149,719	18,547,555	26,244,010	8,514,591	3,091,725	0	20,424,657	6,992,792	11,842,193
2003	70 Idaho Power Company	91,333,963	27,781,551	29,547,883	9,546,622	3,501,551	0	23,095,940	8,118,567	14,148,809
2004	70 Idaho Power Company	92,906,074	26,676,544	30,492,572	9,714,335	3,651,373	0	21,151,776	8,327,129	16,152,732
2005	70 Idaho Power Company	91,997,326	22,956,720	32,908,558	9,648,239	3,945,542	0	20,967,734	7,887,916	16,639,337
1993	89 Madison Gas and Electric Company	16,077,527	2,647,751	920,724	1,171,169	1,341,094	21,144	2,483,155	591,700	3,641,508
1994	89 Madison Gas and Electric Company	16,470,468	3,048,884	1,731,046	968,707	610,318	25,025	2,523,538	574,749	3,762,267
1995	89 Madison Gas and Electric Company	16,502,256	3,739,875	950,364	925,117	1,424,080	29,933	2,622,419	636,164	3,680,951
1996	89 Madison Gas and Electric Company	16,304,560	3,976,414	901,382	954,551	1,454,054	45,284	2,668,560	517,751	3,619,748
1997	89 Madison Gas and Electric Company	18,411,581	3,542,666	4,867,880	1,740,920	1,518,056	44,933	3,319,440	541,644	4,045,145
1998	89 Madison Gas and Electric Company	19,847,385	3,059,699	4,969,306	2,187,243	1,593,586	43,963	3,512,008	680,523	4,329,653
1999	89 Madison Gas and Electric Company	20,848,126	3,752,210	5,152,630	2,340,360	1,692,248	18,501	3,829,962	747,607	4,588,282
2000	89 Madison Gas and Electric Company	21,680,661	3,125,314	5,554,783	2,380,158	1,885,198	4,887	3,762,770	705,005	5,041,445
2001	89 Madison Gas and Electric Company	22,806,630	4,223,939	5,729,910	2,447,731	1,915,147	729	4,293,799	7,302	5,393,041
2002	89 Madison Gas and Electric Company	23,114,309	6,836,097	6,122,554	2,426,582	2,015,911	0	4,132,989	0	5,508,927
2003	89 Madison Gas and Electric Company	23,659,906	9,951,209	6,625,622	2,402,585	1,901,111	0	4,194,374	0	5,663,672
2004	89 Madison Gas and Electric Company	25,263,137	9,278,040	7,285,797	2,274,755	1,940,853	0	4,486,546	0	5,883,829
2005	89 Madison Gas and Electric Company	27,688,519	9,718,852	7,646,655	2,654,819	1,966,788	0	4,548,931		7,099,342
1993	132 Otter Tail Corporation	36,027,024	2,901,346	12,289,857	4,803,001	925,730	428,097	6,552,762	2,677,327	7,672,572
1994	132 Otter Tail Corporation	37,596,252	2,824,254	12,715,796	4,917,452	903,036	449,093	7,008,300	2,726,558	8,004,706
1995	132 Otter Tail Corporation	36,733,733	3,222,860	13,272,008	4,759,505	770,403	384,615	6,467,907	2,587,965	7,681,834
1996	132 Otter Tail Corporation	36,912,794	5,714,284	13,106,630	4,935,240	812,725	452,682	6,531,737	2,464,603	7,763,897
1997	132 Otter Tail Corporation	40,140,276	2,510,017	14,305,355	5,668,174	1,463,402	524,581	6,917,007	2,716,252	8,163,116
1998	132 Otter Tail Corporation	37,642,604	8,763,321	12,148,223	5,512,628	1,447,550	530,803	7,252,078	1,858,826	8,892,496
1999	132 Otter Tail Corporation	41,524,694	2,721,929	12,919,280	5,863,116	1,550,912	558,758	7,928,593	2,664,840	10,039,195
2000	132 Otter Tail Corporation	43,896,708	4,044,999	14,269,419	5,782,218	1,767,852	743,873	7,804,647	2,563,602	10,965,097
2001	132 Otter Tail Corporation	43,293,927	4,062,770	15,141,638	5,759,645	1,619,998	655,078	7,485,590	2,152,496	10,479,482
2002	132 Otter Tail Corporation	40,767,774	5,796,191	13,384,322	5,745,027	1,511,819	521,980	6,248,561	2,696,273	10,659,792
2003	132 Otter Tail Corporation	43,576,541	4,563,293	13,130,328	5,668,062	1,500,032	497,216	6,930,131	3,526,366	12,324,406
2004	132 Otter Tail Corporation	47,586,744	3,040,767	14,177,467	6,327,836	1,658,183	611,513	7,610,990	4,229,460	12,971,295
2005	132 Otter Tail Corporation	55,528,145	3,488,407	19,139,738	6,539,966	1,657,872	702,517	8,273,856	4,526,841	14,687,355
1993	170 Tampa Electric Company	102,664,920	29,467,604	22,156,484	9,395,967	4,072,921	151,180	13,770,498	4,808,607	42,442,516
1994	170 Tampa Electric Company	113,816,611	45,731,775	32,176,708	9,660,638	4,363,084	320,322	13,457,711	4,957,347	41,913,175
1995	170 Tampa Electric Company	103,674,473	25,571,061	28,976,627	9,550,838	3,965,582	683,731	11,442,990	4,095,852	38,619,392
1996	170 Tampa Electric Company	108,681,742	27,243,205	30,696,805	9,932,622	4,089,805	1,083,305	11,946,160	4,234,149	39,410,545
1997	170 Tampa Electric Company	111,308,834	23,924,088	28,338,344	9,776,033	4,133,939	1,505,406	12,703,867	4,026,722	42,569,494
1998	170 Tampa Electric Company	120,356,704	23,670,849	33,774,392	11,075,899	3,995,595	1,762,802	13,433,629	4,398,770	44,188,577

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1999	170 Tampa Electric Company	115,549,497	24,605,042	28,664,729	11,166,633	4,201,636	1,899,539	13,064,558	4,408,058	44,057,046
2000	170 Tampa Electric Company	124,842,095	27,708,948	36,516,731	11,001,002	4,273,002	1,841,237	14,142,988	4,489,997	44,017,205
2001	170 Tampa Electric Company	126,755,072	22,868,416	36,859,678	11,544,321	4,393,220	1,916,628	14,943,899	4,455,323	42,049,296
2002	170 Tampa Electric Company	132,061,769	37,887,366	43,732,795	10,865,795	4,180,549	2,118,436	16,043,249	4,044,260	41,018,921
2003	170 Tampa Electric Company	111,534,526	38,606,985	26,411,747	10,889,710	3,376,601	1,403,355	16,386,803	3,152,877	40,564,356
2004	170 Tampa Electric Company	101,192,808	34,890,074	22,006,397	8,907,132	3,048,178	1,174,669	15,200,812	2,523,169	37,367,997
2005	170 Tampa Electric Company	115,241,411	37,413,197	24,760,168	9,331,952	3,645,738	1,096,953	17,557,535	2,825,961	38,409,975
1993	179 The United Illuminating Company	62,094,088	32,112,508	14,884,104	7,587,621	3,591,565	124,288	16,769,822	2,840,794	15,348,808
1994	179 The United Illuminating Company	62,645,041	20,481,847	14,375,329	7,374,931	4,645,649	59,418	17,597,200	2,541,803	15,148,143
1995	179 The United Illuminating Company	60,357,281	20,748,015	13,575,913	6,930,181	4,581,760	11,332	17,335,354	2,541,433	14,464,925
1996	179 The United Illuminating Company	62,892,913	42,946,530	15,152,975	6,742,858	5,416,812	0	16,856,841	2,693,506	14,893,707
1997	179 The United Illuminating Company	62,036,735	10,203,206	15,018,582	6,129,809	6,187,313	13,581	16,477,455	2,465,467	14,686,178
1998	179 The United Illuminating Company	57,630,151	7,047,293	14,038,254	6,141,385	5,028,940	-5,297	14,470,758	2,260,315	14,958,318
1999	179 The United Illuminating Company	51,565,663	3,156,110	18,466,802	5,447,198	4,612,830	0	15,252,486	2,230,048	4,806,462
2000	179 The United Illuminating Company	48,879,113	-4,879,700	19,829,293	5,856,163	5,021,893	0	14,535,384	2,322,085	645,689
2001	179 The United Illuminating Company	53,642,553	10,370,016	23,120,113	5,558,522	5,028,156	0	16,585,845	2,734,760	0
2002	179 The United Illuminating Company	53,265,852	17,014,326	22,022,326	5,306,520	4,083,195	0	18,820,694	2,330,141	0
2003	179 The United Illuminating Company	50,848,476	28,213,346	19,195,825	5,223,907	3,861,040	0	19,278,687	2,319,146	0
2004	179 The United Illuminating Company	55,237,552	21,537,159	19,489,803	6,317,685	3,787,043	0	21,554,593	3,121,116	0
2005	179 The United Illuminating Company	60,477,649	22,533,403	21,713,055	6,835,642	3,786,485	0	23,940,880	3,191,900	0

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EXPAGETOT	EXPCAETOT	EXPCSITOT	EXPDSTTOT	EXPHYDTOT	EXPNUCTOT	EXPOPGTOT	EXPPRDTOT	EXPSALTOT	EXPSTMTOT	EXPTRSTOT	EXPPUR	PURTOT	FUELNUC	FUELOTH	FUELSTEAM
6,257,760	2,542,968	947,257	3,389,685	0	0	981,560	45,244,828	0	21,134,772	1,394,579	23,128,494	431,721	0	560,476	13,256,601
5,885,773	2,781,086	885,641	2,961,242	0	0	716,211	50,873,443	0	20,377,593	1,265,235	29,779,639	594,484	0	282,074	12,401,291
7,039,461	2,584,767	862,747	3,142,842	0	0	605,972	48,939,243	0	22,281,157	1,238,626	26,052,114	495,274	0	272,439	13,398,967
6,109,398	2,703,292	935,801	2,791,415	0	0	669,893	44,315,816	0	22,522,144	1,281,383	21,123,779	416,382	0	420,984	13,193,721
7,693,327	2,835,619	833,153	3,368,036	0	0	750,278	44,979,613	0	22,658,244	2,206,653	21,571,091	501,772	0	443,622	13,990,910
5,868,855	2,974,695	915,973	3,016,814	0	0	1,755,192	42,575,549	0	21,849,578	3,096,942	18,970,779	502,510	0	1,415,339	13,132,098
6,330,092	3,441,221	860,073	3,000,184	0	0	2,007,464	42,023,885	0	19,469,159	3,200,810	20,547,262	617,644	0	1,371,004	10,166,155
7,999,960	3,687,090	868,171	3,490,851	0	0	20,056,538	64,100,821	0	21,710,754	3,182,016	22,333,529	620,766	0	19,061,650	12,426,917
11,172,477	4,683,797	840,447	3,386,804	0	0	28,825,389	82,307,877	0	24,769,806	3,745,571	28,712,682	750,635	0	24,385,241	14,249,013
10,041,482	4,607,382	875,165	3,557,895	0	0	8,051,104	56,699,163	0	22,747,487	3,337,241	25,900,572	943,658	0	5,979,373	13,512,582
12,736,628	3,965,207	918,656	4,078,182	0	0	8,768,795	67,543,189	0	24,254,105	3,516,172	34,520,289	1,052,708	0	7,361,231	13,601,760
17,796,199	2,053,646	929,753	3,794,429	0	0	3,577,572	74,762,127	0	24,854,678	3,832,807	46,329,877	1,370,825	0	2,214,762	12,933,902
22,574,048	1,768,059	893,370	4,361,033	0	0	4,020,230	92,192,258	0	25,188,132	4,257,433	62,983,896	1,409,393	0	3,228,660	13,622,030
30,255,732	10,360,737	1,644,713	21,122,928	0	0	15,328	163,449,760	1,360,990	132,283,792	3,958,760	23,579,340	1,368,567	0	9,313	117,317,568
26,051,104	10,259,317	1,484,312	20,114,189	0	0	15,250	155,458,027	3,166,175	136,025,781	3,743,929	18,130,260	830,481	0	7,411	119,745,545
27,294,717	12,369,848	1,947,956	16,425,932	0	0	46,362	153,287,912	8,395,636	126,591,661	4,545,693	28,506,555	1,436,223	0	31,464	110,728,865
27,417,867	10,982,236	4,937,820	17,347,120	0	0	31,431	190,518,388	2,133,746	133,348,412	4,467,720	57,775,471	2,803,114	0	8,567	117,113,727
27,956,451	9,474,000	4,678,862	15,367,102	0	0	17,812	205,847,219	2,669,395	151,881,135	4,400,763	50,462,815	1,984,640	0	7,866	135,297,641
32,337,505	10,861,226	4,139,218	15,691,626	0	0	64,783	250,854,530	4,758,386	162,481,467	5,778,509	84,148,001	3,030,572	0	56,062	141,013,449
29,904,469	12,188,312	3,127,077	18,886,850	0	0	70,230	471,316,156	6,510,540	169,908,079	7,011,782	298,827,012	8,730,023	0	52,494	148,764,192
28,424,060	11,695,267	3,820,066	18,760,343	0	0	90,192	356,795,152	5,140,586	210,350,682	5,806,751	147,615,561	3,412,191	0	39,665	188,207,064
39,224,729	11,925,962	5,191,759	16,165,797	0	0	9,808	358,078,100	5,355,222	200,945,726	4,198,529	150,795,140	3,756,607	0	4,971	182,955,371
34,491,269	13,146,739	5,813,040	16,448,323	0	0	1,225	329,046,909	4,003,638	147,793,083	4,541,378	169,156,683	4,648,790	0	1,214	130,218,481
25,785,295	13,497,187	5,800,650	28,676,412	0	0	1,780	424,239,877	3,331,309	184,460,377	7,043,243	237,035,007	5,327,000	0	1,780	164,883,398
36,605,871	14,595,788	5,011,434	19,115,177	0	0	7,218	443,614,777	4,477,091	190,618,671	8,291,331	266,395,538	5,800,677	0	192	170,866,275
41,663,782	16,999,081	5,125,766	21,819,649	0	0	9,155	602,215,552	3,869,780	244,212,993	9,230,936	376,606,956	5,122,810	0	305	220,812,566
36,486,736	10,350,999	5,823,062	18,421,216	1,217,283	14,936,250	496,406	158,994,320	50,101	92,801,144	9,047,690	46,574,732	1,801,995	3,135,705	371,027	68,250,968
39,790,499	10,250,932	5,250,342	18,226,869	1,057,401	16,421,932	329,342	145,267,590	281,725	83,389,437	8,539,148	41,302,492	1,636,425	4,255,440	131,101	63,326,429
42,566,179	10,279,060	5,725,798	19,411,748	917,593	13,080,555	239,989	138,916,044	188,324	72,156,677	8,052,674	49,816,014	2,097,067	4,101,028	107,058	56,425,026
40,471,736	10,826,568	6,612,792	21,925,337	2,065,362	13,458,995	265,567	138,831,275	332,584	68,954,180	9,538,961	51,137,917	2,182,881	3,839,195	151,726	53,658,741
39,400,265	10,422,570	6,526,443	23,655,851	1,030,082	13,515,857	419,074	147,273,161	377,692	76,717,049	9,785,448	52,218,634	2,009,632	4,249,617	288,636	61,224,539
34,788,231	10,871,374	6,902,527	21,997,532	1,120,046	13,508,719	420,294	151,709,220	536,999	96,143,819	8,583,598	37,650,111	1,352,602	2,986,549	255,003	81,149,360
34,495,072	11,233,857	7,539,776	22,909,181	1,018,896	14,956,220	685,877	160,008,530	376,675	97,942,788	9,138,841	42,968,384	1,432,924	4,142,363	378,619	80,297,964
38,436,046	12,014,393	7,062,679	26,647,225	985,342	14,975,236	423,362	253,642,650	330,303	114,722,390	8,429,071	120,936,913	1,679,662	3,035,956	273,855	96,854,004
33,918,548	11,925,542	6,132,250	22,337,849	1,026,802	12,049,461	470,308	234,977,830	328,710	12,806,933	7,932,469	206,758,847	4,530,886	3,606,847	306,378	11,418,778
23,332,872	12,258,232	7,531,985	26,016,345	909,370	248,596	1,068,215	254,041,204	377,887	0	7,538,589	248,739,958	5,140,335	75,492	671,384	0
25,851,782	13,899,934	8,579,521	34,140,523	1,328,108	68,779	543,111	269,585,096	1,439,357	0	7,786,408	265,736,724	4,779,730	68,779	336,751	0
26,805,182	14,293,507	7,741,735	23,454,093	1,414,118	70,605	86,262	252,494,935	1,301,082	0	8,226,435	248,790,261	4,605,815	70,605	38,409	0
25,573,662	12,651,068	8,044,299	25,696,540	919,582	73,176	188,076	337,742,719	1,069,609	0	8,121,863	334,726,998	4,612,313	73,176	70,026	0
44,799,648	24,638,272	7,331,065	50,991,564	0	0	4,130,959	292,453,504	0	266,353,056	6,152,056	20,578,700	1,106,503	0	1,025,667	208,048,656
49,836,006	17,535,745	8,444,962	37,812,932	0	0	3,051,464	290,104,410	0	264,134,436	7,533,091	21,354,100	896,942	0	1,845,581	200,124,284
78,344,098	22,561,949	8,370,745	32,361,803	0	0	2,256,121	322,851,533	0	276,641,459	7,880,837	42,539,856	2,115,218	0	1,086,123	216,817,678
99,714,841	19,697,054	7,899,512	29,562,055	0	0	1,486,457	298,088,012	0	271,296,924	4,010,747	23,929,770	1,100,639	0	1,053,841	214,760,766
90,276,970	21,163,843	8,767,968	27,416,843	0	0	3,833,153	290,801,611	0	253,194,429	3,962,409	31,581,560	1,236,095	0	2,981,632	197,280,077
81,717,462	26,484,071	10,351,026	32,365,586	0	0	6,109,528	320,897,685	0	268,172,748	3,997,041	43,973,059	1,475,200	0	4,719,357	213,194,290
59,772,709	21,566,171	8,055,965	22,677,818	0	0	9,499,465	326,302,479	0	261,934,711	3,330,312	52,501,547	1,524,833	0	8,369,655	206,852,157
46,895,276	24,434,769	9,569,065	23,561,136	0	0	6,308,693	343,511,924	0	250,456,204	4,009,605	84,150,228	1,674,784	0	4,462,939	192,485,438
35,663,655	27,758,488	2,206,397	22,184,488	0	0	5,113,955	439,359,005	0	302,136,235	4,145,982	129,024,055	2,354,669	0	4,267,771	223,409,959
41,094,289	26,003,959	527,426	19,510,397	0	0	2,857,995	393,458,666	0	281,261,093	3,163,228	106,777,464	3,741,676	0	2,365,485	208,164,727
100,123,330	24,024,767	599,944	21,494,521	0	0	828,901	403,749,080	0	308,004,945	4,257,353	92,361,365	2,771,938	0	645,122	230,764,378
93,802,078	24,667,926	1,016,920	22,413,126	0	0	625,562	465,522,253	0	353,503,516	14,971,973	105,042,543	2,728,554	0	268,406	251,549,615
64,092,307	22,157,714	828,971	25,035,190	0	0	1,278,634	532,120,559	0	420,761,782	45,810,446	105,025,123	1,664,728	0	915,258	309,714,220
118,289,888	36,050,108	106,747,048	52,505,888	0	122,198,224	30,782,424	845,318,912	988,458	492,899,488	13,389,719	209,468,816	4,940,714	31,137,148	23,260,128	406,422,720
127,512,477	34,558,436	111,447,017	53,874,433	0	112,364,190	35,263,481	895,149,653	854,138	452,380,902	13,282,512	294,658,123	6,889,800	30,604,468	25,254,863	376,008,045
107,578,783	43,089,677	89,395,358	51,975,842	0	117,553,330	39,415,321	1,039,639,285	187,704	441,641,378	13,548,006	440,667,837	8,958,936	33,546,584	28,866,826	371,943,489
106,900,780	53,231,106	67,704,571	53,009,811	0	104,985,554	58,170,451	1,189,709,690	6,338,944	490,551,434	16,543,311	533,991,034	11,154,884	11,590,483	48,146,699	427,939,928
102,025,022	50,165,972	70,347,218	60,430,976	0	194,779,498	102,463,259	1,334,892,715	9,697,077	519,198,795	15,359,563	516,543,065	10,730,248	1,639,233	87,104,185	453,413,281
90,707,915	55,039,122	82,973,979	66,215,952	0	136,475,899	143,122,546	1,225,552,336	11,908,591	499,060,534	22,923,489	444,917,748	8,231,407	27,524,923	118,947,940	415,095,276
60,691,398	58,534,290	84,968,640	76,643,197	0	131,370,465	187,043,617	1,236,102,104	14,798,252	503,553,330	33,366,228	414,129,278	8,576,093	25,525,211	163,380,167	417,010,642
126,318,087	55,050,019	68,013,955	77,242,720	0	128,320,092	300,712,880	1,522,040,439	12,905,044	588,974,735	30,065,236	504,032,732	9,325,744	31,579,029	267,779,546	499,112,944
41,919,471	71,152,592	62,173,520	72,686,192	0	117,666,080	301,025,905	1,547,707,244	10,944,103	602,971,598	32,594,176	526,043,661	9,176,962	29,067,999	267,557,202	529,364,068

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152,985,718	51,392,889	67,776,159	81,951,879	0	106,902,117	302,250,344	1,572,180,542	5,282,693	650,612,196	31,498,882	507,883,865	9,072,160	31,990,432	266,085,286	575,938,585
192,607,162	47,569,877	65,427,024	92,963,867	0	107,639,507	394,902,827	1,811,262,115	4,506,340	752,130,350	27,658,972	551,700,391	9,362,987	31,099,846	358,414,714	670,920,726
188,918,635	49,448,305	64,122,945	84,943,583	0	108,012,416	487,849,591	1,919,691,851	2,239,368	750,075,359	26,716,032	568,665,170	9,436,450	33,969,862	452,395,718	658,062,830
315,130,232	53,933,450	63,875,881	131,357,502		118,678,274	702,518,537	2,445,705,303	2,364,282	904,643,285	32,343,912	714,065,625	9,879,567	30,902,753	665,406,008	792,443,798
429,230,464	128,772,144	99,206,608	213,910,496	0	430,520,736	157,105,904	2,219,351,040	192,147	898,797,120	49,175,168	719,739,072	16,593,227	141,362,272	132,429,368	755,064,192
329,951,005	110,975,968	85,802,629	203,204,104	0	450,067,040	243,512,437	2,178,715,826	183,659	798,281,353	36,579,190	683,307,077	15,982,191	141,713,507	214,328,941	676,012,812
290,089,412	113,577,617	88,230,058	182,401,698	0	392,619,071	316,469,009	2,145,658,876	236,696	848,696,690	40,130,204	666,279,658	16,659,998	129,148,340	288,805,568	718,227,955
259,621,513	108,839,612	95,115,863	168,352,963	0	403,641,043	430,539,054	2,586,908,939	78,492	951,051,475	39,224,778	829,322,455	18,750,949	119,618,709	401,727,671	810,514,881
239,449,049	102,505,224	84,494,501	187,778,891	0	407,411,011	431,056,538	2,672,419,560	52,984	994,760,443	41,793,447	838,600,483	18,507,173	114,987,384	396,731,421	850,788,104
244,804,017	103,480,815	87,147,839	249,703,530	0	369,740,188	418,358,477	2,607,080,189	161,475	1,000,256,306	46,191,071	777,978,241	16,233,737	115,394,282	382,423,081	865,201,434
272,927,532	101,347,897	77,438,163	238,759,285	0	339,263,831	426,480,629	2,650,383,535	1,414,115	1,039,025,346	47,450,555	813,225,879	17,033,469	111,949,367	384,334,723	894,477,114
275,549,450	92,635,081	77,125,399	240,509,463	0	352,288,978	622,922,924	3,442,395,044	936,004	1,579,875,701	44,605,994	884,632,446	19,382,710	110,934,725	592,208,609	1,464,683,226
264,320,610	101,429,070	75,988,571	238,441,951	0	326,155,995	705,261,431	3,879,540,475	70,216	1,598,194,145	43,471,904	907,909,997	19,609,384	98,179,449	671,430,872	1,481,145,783
315,501,284	106,925,715	76,599,067	240,262,259	0	380,312,582	915,905,424	3,741,212,524	402,928	1,259,509,219	49,687,450	1,007,675,088	20,894,179	104,028,433	873,623,565	1,140,852,301
313,369,784	109,494,095	62,676,034	237,520,892	0	407,194,064	1,617,328,148	4,487,304,382	162,739	1,520,459,084	54,075,472	1,153,527,401	22,192,286	99,200,536	1,570,320,015	1,406,847,677
266,463,798	113,883,094	61,560,725	246,334,120	0	421,730,770	1,778,840,675	4,908,884,709	83,648	1,459,458,473	55,371,861	1,125,628,745	20,652,218	103,058,409	1,731,182,970	1,344,330,155
466,380,794	112,568,666	65,680,786	219,942,386	0	447,346,593	2,777,120,783	5,382,279,182	14,870	1,841,389,780	56,787,229	1,179,924,864	19,834,854	101,556,302	2,722,317,095	1,711,490,844
52,847,704	11,556,351	3,692,625	26,929,564	19,848,060	0	137,137	192,295,200	0	121,750,640	10,283,372	45,360,704	1,211,873	0	92,537	87,762,960
56,089,159	12,372,005	3,943,260	28,513,397	20,674,735	0	16,836	198,381,590	0	127,568,139	10,547,398	60,216,168	2,278,454	0	3,023	94,884,590
61,194,571	13,004,009	4,296,061	27,587,707	19,233,788	0	41,293	165,556,161	0	83,163,280	7,597,374	54,586,287	1,973,492	0	24,133	54,666,570
50,472,900	14,651,760	5,665,792	35,885,435	22,290,441	0	24,077	182,072,824	0	93,733,897	12,162,296	69,037,997	2,986,961	0	19,846	63,313,658
56,336,791	13,187,565	4,956,179	38,957,896	21,452,654	0	27,895	342,455,364	0	103,184,455	14,725,774	219,200,088	9,676,409	0	7,791	71,263,693
58,002,392	13,144,412	5,193,551	39,022,087	20,436,545	0	36,858	703,744,659	340,600	116,452,625	16,101,438	540,200,013	20,230,703	0	19,274	86,217,975
59,555,212	13,203,383	7,335,595	41,047,509	22,745,080	0	40,914	251,407,771	0	120,761,638	13,777,070	106,343,659	3,157,105	0	8,845	86,607,880
57,894,421	13,379,946	8,866,434	42,714,557	22,037,169	0	384,208	550,508,701	0	128,132,912	12,895,937	398,648,515	4,299,948	0	279,914	93,934,790
58,341,196	17,446,931	8,749,973	41,986,069	21,169,030	0	9,359,713	747,289,848	0	131,808,270	15,864,521	584,209,158	3,445,916	0	2,947,157	95,371,284
63,330,753	16,420,629	8,590,792	41,943,849	22,484,416	0	6,323,917	475,199,888	0	130,829,300	15,459,670	142,102,234	2,855,620	0	4,524,143	98,346,451
65,001,923	17,875,445	8,063,989	44,043,908	24,532,454	0	7,184,462	385,970,436	0	130,998,596	19,512,743	150,979,849	3,361,292	0	5,674,170	94,223,588
85,126,373	17,445,057	8,397,962	39,349,285	27,390,008	0	6,170,043	407,579,274	0	137,187,919	23,835,089	195,642,193	4,259,876	0	4,874,063	98,387,370
81,724,444	16,094,522	9,620,257	38,324,600	28,686,373	0	5,860,331	397,057,412	0	141,146,320	21,989,736	222,310,315	3,918,389	0	4,181,468	98,982,043
12,845,351	3,701,786	3,283,842	6,249,191	0	15,391,485	916,789	58,028,312	123,598	29,712,366	2,219,794	11,190,336	590,004	3,372,943	223,752	19,565,298
13,137,423	3,507,321	3,623,198	7,222,741	0	14,323,309	1,331,521	58,434,731	142,661	31,962,241	2,035,566	10,015,387	440,828	3,731,724	513,555	21,921,812
15,084,012	3,725,402	4,889,258	7,111,123	0	13,729,949	1,498,104	57,504,302	228,227	33,474,361	1,818,990	8,048,095	334,701	3,611,788	731,934	23,673,262
14,300,247	3,297,901	4,989,834	6,847,457	0	12,477,451	1,618,109	59,788,812	167,073	33,173,465	1,827,020	11,686,782	427,474	2,839,998	483,429	23,352,106
15,248,401	3,465,510	4,886,964	6,494,919	0	11,450,877	3,225,528	68,824,668	128,688	39,337,344	2,150,557	14,008,088	516,468	2,069,187	1,446,242	27,248,724
14,989,808	4,226,263	4,921,120	7,482,610	0	14,009,024	3,647,186	68,594,353	174,549	40,482,278	1,953,894	9,623,541	373,895	2,952,159	1,238,235	28,098,831
16,361,529	4,418,820	5,208,828	7,617,476	0	12,324,413	2,418,635	78,541,829	74,917	40,298,028	3,353,660	22,197,683	750,748	3,806,800	1,238,612	27,342,859
16,432,468	4,750,491	5,279,460	7,862,895	0	15,709,821	5,594,464	86,130,829	125,183	44,419,835	3,896,746	18,962,917	663,745	3,261,082	3,223,942	29,113,114
17,144,177	5,129,891	4,454,072	9,413,533	0	11,023,421	6,212,552	83,337,031	148,052	46,609,418	9,774,609	18,309,516	530,372	2,599,906	5,024,008	31,895,032
22,105,207	4,978,019	4,297,915	8,031,680	0	272,386	6,453,484	100,306,931	311,500	47,764,995	10,349,387	44,607,297	1,305,930	272,386	4,438,634	32,755,543
27,073,951	5,407,076	3,615,428	10,929,516	0	277,551	7,148,972	110,546,088	314,816	52,607,365	16,964,149	49,521,152	1,275,887	277,551	5,023,799	35,518,511
27,940,288	5,285,206	3,289,412	10,846,094	0	283,886	5,725,250	115,689,035	387,740	56,581,968	16,190,298	52,052,418	1,124,911	283,886	3,344,072	39,207,380
26,105,906	6,192,441	4,032,160	9,761,996	0	292,141	13,837,028	170,226,346	245,809	73,250,755	20,129,635	81,733,398	1,318,960	292,141	11,705,444	55,435,905
22,145,884	5,815,912	2,294,873	8,300,717	268,491	0	262,968	72,271,888	2,042,522	43,088,912	3,401,128	27,437,872	1,726,803	0	90,150	31,700,174
22,903,700	6,050,612	2,176,410	8,812,803	175,915	0	287,426	75,130,055	2,039,303	44,746,579	3,498,182	28,717,209	1,749,901	0	144,784	32,840,653
25,647,612	6,074,415	4,385,417	8,728,483	276,498	0	242,558	75,121,059	2,596,698	42,742,140	3,541,487	30,590,672	1,811,838	0	127,838	31,922,205
27,171,389	6,119,853	4,879,074	8,635,205	266,831	0	273,527	70,566,028	1,968,178	40,433,123	4,693,512	28,378,140	1,679,461	0	136,401	28,631,443
25,497,874	7,558,352	6,516,524	8,910,459	293,498	0	740,355	71,587,716	2,408,051	45,116,649	3,554,311	24,419,998	1,322,812	0	556,017	31,551,756
29,083,847	7,871,118	5,978,771	9,989,591	192,039	0	571,415	91,810,371	2,337,124	47,325,106	2,426,248	40,608,874	1,648,996	0	434,889	35,376,658
23,863,145	7,441,898	5,613,218	10,948,228	589,163	0	893,512	97,371,829	2,490,734	49,530,293	4,400,481	44,190,283	1,322,572	0	532,474	37,124,780
24,277,630	7,792,508	5,142,776	11,970,706	617,049	0	2,404,189	122,717,459	2,089,303	51,450,843	5,044,450	66,121,374	1,638,473	0	1,398,012	37,802,697
28,232,006	7,769,211	4,899,608	10,795,122	769,307	0	1,270,044	159,157,377	1,145,896	55,344,589	3,933,125	99,491,377	1,955,368	0	329,300	42,170,481
29,800,013	8,090,989	4,398,051	8,364,057	259,182	0	1,495,639	157,776,643	1,036,619	58,891,894	4,456,418	94,694,066	1,900,971	0	261,784	44,806,065
30,147,552	8,301,798	4,403,650	10,009,428	177,543	0	3,400,260	201,484,254	1,525,332	67,051,515	5,599,338	127,879,219	2,169,483	0	2,598,244	50,067,349
30,217,652	9,009,999	4,476,688	10,753,775	241,035	0	2,872,676	115,656,132	1,179,602	68,996,399	6,169,048	40,097,648	897,702	0	2,264,530	50,758,394
35,223,852	9,043,794	4,723,996	11,911,636	196,406	0	5,667,113	140,093,785	1,488,483	70,997,771	7,516,899	58,827,897	2,139,734	0	4,750,639	52,233,794
81,126,968	16,455,631	18,876,624	27,080,362	0	0	3,346,221	479,991,488	252,648	444,007,296	7,559,252	38,961,140	693,487	0	2,169,332	367,404,288
111,425,985	16,584,407	21,489,244	27,335,321	0	0	2,897,642	503,857,678	457,240	447,174,145	7,389,338	33,436,717	594,499	0	1,252,304	367,731,374
86,305,229	17,124,574	20,100,336	25,049,688	0	0	3,103,462	501,170,111	1,132,850	455,107,951	8,881,743	44,427,202	907,869	0	1,332,054	380,679,367
86,556,749	17,238,579	21,935,613	23,457,584	0	0	15,767,452	509,551,387	1,758,852	444,121,094	7,242,460	48,999,047	915,828	0	12,751,004	373,246,500
86,735,782	17,785,052	21,129,777	24,567,336	0	0	44,796,347	541,062,997	2,286,573	425,299,987	6,811,463	67,767,039	1,297,253	0	29,688,107	346,054,857
82,681,182	20,854,984	23,134,058	27,510,072	0	0	46,458,660	559,189,626	2,685,877	414,892,166	8,199,262	88,192,902	2,150,224	0	36,945,682	328,030,845

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80,382,953	21,506,997	21,082,710	24,898,952	0	0	47,536,480	568,571,323	2,832,825	390,202,042	7,557,225	140,865,315	3,058,491	0	39,411,365	302,701,448
87,678,829	21,797,330	19,876,240	29,837,697	0	0	82,260,496	681,720,485	2,811,715	403,744,370	8,244,756	192,129,017	2,922,744	0	62,944,251	311,866,175
84,468,283	22,532,194	20,955,479	32,454,787	0	0	85,447,963	709,957,601	2,910,245	411,259,118	8,259,206	209,688,431	3,139,778	0	66,171,438	315,720,675
89,480,586	29,028,420	19,660,703	37,267,240	0	0	96,406,214	754,267,344	3,312,405	400,467,380	7,566,215	253,680,075	4,325,896	0	74,864,349	291,524,841
83,123,887	27,251,170	19,279,161	37,889,880	0	0	246,274,113	828,391,665	1,709,109	343,331,823	7,490,791	234,935,284	3,825,551	0	220,073,128	254,223,024
86,889,504	22,538,287	17,871,047	35,739,422	0	0	430,846,394	884,833,717	1,533,250	277,679,969	6,548,125	172,353,694	2,558,262	0	394,815,494	214,110,994
91,717,073	25,454,104	17,528,141	38,188,854	0	0	606,067,904	1,156,792,373	1,304,718	279,721,199	6,987,921	269,708,509	3,284,782		569,813,155	208,355,338
76,221,808	20,054,040	4,526,564	30,150,748	0	43,619,976	33,139	239,348,912	300,569	116,186,728	18,906,210	77,669,520	1,467,134	23,747,840	14,945	84,649,192
63,836,348	20,618,788	5,288,353	29,886,238	0	36,925,562	78,968	227,628,863	145,510	105,985,451	17,883,869	83,031,663	1,657,683	13,130,415	30,017	75,930,716
64,971,611	18,735,933	5,723,087	30,292,331	0	37,486,564	47,052	232,596,824	61,001	117,364,252	17,188,157	76,316,701	1,224,163	15,357,846	38,336	93,876,275
97,636,029	20,562,521	8,541,387	28,339,223	0	30,210,179	50,355	255,044,243	3,149	135,907,838	16,998,295	87,572,600	1,353,421	7,522,744	16,326	112,235,736
67,004,834	17,069,839	11,869,056	27,735,629	0	41,436,091	49,152	282,085,034	18,621	170,500,667	17,662,017	67,913,420	809,223	7,234,338	20,000	147,474,452
56,330,008	15,218,705	11,365,025	25,036,711	0	35,518,222	47,815	248,465,891	-2,054	136,340,035	18,590,389	75,327,761	1,391,072	8,481,946	20,777	102,228,173
58,306,938	14,380,064	12,542,316	26,941,519	0	39,561,769	35,124	243,816,016	0	53,834,132	22,985,367	149,188,351	3,462,319	10,277,532	8,871	33,802,064
45,557,578	15,028,361	25,080,809	26,508,810	0	36,001,163	0	316,246,562	0	1,084,883	26,141,105	278,661,499	6,456,376	8,174,050	0	0
57,567,056	14,393,590	25,238,228	28,074,834	0	25,480,430	0	294,228,922	0	0	29,564,320	268,250,260	6,491,658	6,952,913	0	0
68,351,664	13,391,031	25,423,576	34,195,616	0	29,115,570	0	296,227,098	0	0	32,136,829	266,799,964	6,533,665	6,145,559	0	0
80,601,205	13,549,639	27,352,136	32,062,658	0	0	0	276,654,874	0	0	27,909,055	276,461,683	6,542,586	0	0	0
78,763,694	24,183,358	22,858,785	29,040,765	0	0	0	383,481,001	0	0	29,953,825	381,723,711	6,619,890	0	0	0
81,939,200	24,197,615	21,407,114	32,519,334	0	0	0	426,873,811	0	0	33,396,948	424,812,873	6,790,989	0	0	0
													132824372	3982388058	3463090538

TAXFED	TAXOTH	TAXOTHINC	GENNET	CUSCOM	CUSIND	CUSRES	CUSRSL	CUSTOT	MEGCOM	MEGIND	MEGRES	MEGRSL	MEGTOT	REVCOM	REVIND
4,597,005	4,456,870	-15,156	1,227,084	8,501	40	44,395	1	53,059	469,496	568,316	370,736	170,569	1,601,738	31,930,304	25,651,204
4,342,601	4,713,426	0	1,108,530	8,772	38	45,006	1	53,944	495,909	583,258	368,953	167,579	1,638,750	35,360,943	27,193,182
3,259,493	4,790,086	0	1,296,558	8,986	35	45,427	2	54,583	513,854	552,829	383,929	232,517	1,706,293	37,078,781	26,149,475
7,048,384	5,387,043	0	1,659,671	9,267	36	46,023	4	55,468	541,463	555,601	406,658	430,866	1,959,671	41,180,154	26,915,146
8,763,691	5,361,066	0	1,803,350	9,523	40	46,460	5	56,171	547,624	556,554	392,059	693,144	2,211,959	41,538,177	26,802,210
11,500,668	6,010,002	0	1,870,247	9,724	42	46,753	6	56,671	561,292	527,157	392,637	788,993	2,294,436	42,341,614	25,713,340
11,965,141	6,527,481	0	1,828,465	9,969	43	47,308	6	57,472	564,286	521,073	393,151	863,910	2,365,716	42,424,320	25,042,900
18,815,132	6,805,266	0	2,122,766	10,424	46	47,820	7	58,444	582,761	510,053	415,761	1,123,385	2,657,444	43,767,806	24,233,591
23,680,390	7,191,337	0	2,270,470	10,680	44	48,224	13	59,105	602,713	508,856	430,916	1,408,930	2,977,383	45,080,314	24,014,167
10,826,589	7,409,050	0	2,075,253	10,914	43	48,708	29	59,836	620,666	413,930	454,201	1,430,103	2,945,739	46,357,209	20,406,705
3,354,559	7,929,700	199,396	1,963,147	11,132	43	49,463	20	60,802	641,779	404,341	463,290	1,388,689	2,925,525	47,678,389	19,588,694
5,416,100	7,794,661	315,241	1,780,445	11,384	46	50,356	20	61,955	627,326	406,210	447,165	1,540,921	3,050,556	46,963,908	19,796,412
8,229,460	7,260,750	71,918	1,766,062	11,630	44	51,365	20	63,211	655,076	417,628	480,054	1,488,527	3,071,370	48,870,384	19,982,345
17,473,424	27,011,104	2,742,797	5,614,540	24,678	770	185,412	11	216,011	1,109,198	2,004,525	2,469,801	441,066	6,487,687	70,707,448	84,718,208
17,189,546	28,899,107	2,529,032	6,233,542	25,663	754	188,965	9	220,877	1,180,425	2,030,331	2,531,559	384,336	6,613,133	72,632,020	82,096,281
21,550,609	29,062,810	2,882,373	6,249,380	26,131	737	191,841	8	224,299	1,264,932	2,226,742	2,762,499	428,279	7,184,606	74,577,671	85,173,144
20,959,487	29,595,170	3,180,236	5,348,016	25,556	712	187,533	8	219,385	1,344,795	2,362,243	2,722,521	621,416	7,577,350	83,985,390	98,670,545
22,758,167	33,422,811	3,370,633	6,227,364	27,579	787	200,216	3	234,296	1,392,733	2,466,887	2,838,236	468,763	7,699,292	87,715,526	104,739,396
17,490,561	35,419,919	2,291,636	6,763,661	28,902	790	209,605	3	245,176	1,509,117	2,516,050	3,146,802	1,503,214	9,227,587	93,626,296	104,552,207
18,671,474	35,870,195	2,265,364	6,360,384	29,513	786	213,860	3	250,138	1,596,663	2,720,090	3,208,581	6,438,974	14,538,411	99,588,719	114,494,314
22,073,706	36,533,277	3,780,216	6,253,874	30,136	767	217,538	4	254,566	1,674,724	2,925,793	3,357,609	594,693	9,141,846	120,180,417	148,252,115
38,518,684	35,357,891	6,528,954	5,536,280	30,633	750	219,809	5	257,370	1,655,311	2,640,201	3,201,025	572,092	8,649,510	126,442,300	147,133,459
-22,472,310	36,892,362	-699,719	5,405,076	31,406	747	222,766	6	261,130	1,721,709	2,756,213	3,400,027	860,805	9,331,384	116,213,952	128,296,854
18,515,742	37,062,117	240,269	5,044,332	32,405	732	225,223	6	264,620	1,781,551	2,785,889	3,428,776	1,260,932	9,852,494	135,428,888	151,551,453
7,653,954	36,735,135	1,729,284	4,821,210	31,936	692	225,949	6	264,851	1,853,869	2,902,395	3,507,007	1,258,443	10,118,620	146,006,880	165,379,059
-40,164,030	38,508,094	607,740	5,284,166	32,161	674	227,799	5	267,035	1,837,727	2,861,249	3,515,981	1,078,853	9,903,454	175,055,333	207,436,131
13,400,000	56,243,104	0	3,828,180	32,243	806	223,376	7	259,657	1,218,680	1,580,043	1,570,502	523,336	5,227,090	101,949,568	92,132,784
18,190,000	66,898,796	0	3,782,455	32,661	795	223,040	7	259,772	1,260,903	1,375,890	1,590,759	469,848	5,037,541	102,703,285	78,573,118
19,245,000	66,708,744	0	3,401,104	33,354	798	224,382	8	261,884	1,270,344	1,294,252	1,565,481	595,748	5,073,150	104,790,659	75,197,572
18,936,000	66,145,040	0	3,354,341	33,962	815	225,613	9	263,790	1,285,163	1,333,000	1,631,349	573,170	5,181,382	105,576,605	76,307,631
19,004,000	64,878,841	0	3,775,417	34,711	823	227,484	12	266,482	1,273,450	1,251,283	1,601,558	864,279	5,354,596	104,098,913	71,493,454
28,408,000	63,458,015	0	4,803,481	35,501	861	228,551	22	268,502	1,285,453	1,264,617	1,616,938	1,254,245	5,794,580	104,445,844	69,296,786
22,255,000	63,986,208	0	4,640,031	35,925	839	230,395	21	270,868	1,242,471	1,235,183	1,714,749	1,232,748	5,795,141	101,212,107	66,588,130
27,297,000	53,993,257	5,582,000	4,596,543	36,880	862	232,064	8	273,520	1,331,580	1,289,530	1,712,561	1,347,756	6,067,833	114,890,932	76,911,714
225,240,530	50,170,045	22,034,736	1,184,548	38,157	918	237,756	5	280,571	1,488,291	1,305,399	1,805,622	371,221	5,370,786	107,755,444	68,438,648
-4,440,000	38,396,169	-1,179,000	104,385	38,698	1,027	239,249	5	282,721	1,534,091	1,000,051	1,882,605	189,978	5,011,035	112,599,235	50,030,666
-5,522,000	31,725,449	-423,000	188,686	39,152	1,034	242,001	5	285,966	1,524,463	552,664	1,978,211	260,748	4,726,671	119,788,963	36,379,441
2,411,000	30,767,843	2,625,000	174,434	39,160	1,035	243,985	5	287,941	1,494,743	478,481	2,002,612	256,145	4,627,726	118,533,884	29,042,442
10,493,000	33,161,432	1,724,000	102,930	39,347	992	245,858	5	289,961	1,400,574	328,119	2,146,753	189,250	4,464,847	146,313,659	26,779,986
61,398,600	91,502,648	176,852	14,745,978	40,015	2,401	414,410	17	462,073	3,006,374	4,088,955	4,557,846	1,667,013	14,678,804	200,123,920	205,995,552
101,624,050	120,572,172	238,789	14,510,160	41,124	2,392	418,263	18	467,109	3,067,884	4,388,387	4,465,489	964,844	14,222,775	218,045,900	228,545,949
90,780,326	124,828,782	307,982	15,707,942	41,767	2,338	422,886	17	472,526	3,424,550	4,401,454	4,870,925	2,739,264	16,816,835	237,798,860	224,135,114
99,709,705	129,214,464	173,651	16,163,298	42,997	1,904	426,765	26	477,333	3,407,196	4,540,156	4,923,578	2,050,726	16,316,514	236,597,995	222,940,616
99,613,151	133,488,226	242,630	16,297,380	43,706	1,882	430,568	38	481,951	3,408,241	4,748,806	4,788,034	2,334,403	16,609,954	234,206,020	225,774,834
125,053,608	136,153,176	390,761	16,953,611	44,388	1,893	435,449	43	487,603	3,518,319	4,654,779	4,789,662	3,157,767	17,481,400	242,525,554	228,685,303
100,425,978	136,441,782	384,000	16,728,107	45,066	1,914	439,158	44	492,125	3,389,766	4,875,548	4,724,615	2,570,939	16,867,293	235,309,430	242,409,678
183,720,329	128,366,042	764,513	17,131,624	45,766	1,926	442,856	47	496,670	3,539,439	4,850,549	4,816,187	2,945,540	17,522,911	245,097,142	236,669,678
95,245,073	98,737,535	11,501,581	16,749,216	46,659	1,923	445,668	50	500,552	3,617,892	4,568,165	4,909,198	3,590,689	18,054,823	229,440,449	184,156,267
68,561,635	109,343,936	19,178,826	16,567,575	47,186	1,909	447,762	45	503,203	3,709,565	4,472,112	5,301,821	4,357,758	19,246,550	207,954,892	156,062,074
69,833,818	106,807,568	18,030,024	17,608,961	47,498	1,881	449,689	42	505,368	3,699,183	4,329,679	5,070,736	4,835,683	19,344,606	191,880,755	113,665,541
110,410,383	103,167,081	11,957,372	16,787,022	47,582	1,856	452,031	39	507,796	3,777,032	4,393,362	5,140,258	3,747,518	18,464,710	239,951,983	128,059,133
116,753,252	105,010,079	15,401,216	17,282,724	48,528	1,845	454,928	29	511,624	3,900,545	4,332,068	5,519,913	2,716,446	17,906,310	247,911,921	126,506,172
109,638,736	152,641,344	19,075,582	25,660,884	119,811	3,107	1,076,658	16	1,214,653	7,884,747	3,380,799	13,372,584	2,119,502	28,647,760	457,859,712	161,926,016
97,839,606	162,771,655	17,453,854	24,740,115	122,987	3,186	1,100,537	16	1,243,891	8,252,062	3,579,596	13,863,412	2,339,396	30,014,616	483,875,510	173,105,183
136,777,407	176,199,335	22,016,862	25,710,425	126,189	3,143	1,124,679	15	1,271,784	8,612,145	3,864,421	14,937,961	2,903,121	32,402,597	515,258,881	189,318,778
143,101,624	183,638,973	24,774,906	24,153,224	129,440	2,927	1,141,671	18	1,292,075	8,848,015	4,223,693	15,481,371	2,707,733	33,492,528	537,248,202	206,764,971
73,555,120	193,604,133	11,591,165	24,536,841	132,504	2,830	1,160,610	17	1,314,508	9,257,316	4,187,786	15,079,778	2,439,605	33,289,873	568,343,872	207,936,525
87,956,911	203,553,899	14,911,594	31,031,876	136,345	2,707	1,182,787	17	1,340,853	9,999,348	4,375,390	16,526,269	3,864,465	37,251,077	608,889,126	214,436,081
183,573,623	203,099,203	28,157,083	32,140,176	140,897	2,629	1,213,470	18	1,376,597	10,326,849	4,333,708	16,244,772	4,856,238	38,297,267	617,585,643	207,604,624
178,761,481	213,280,451	28,192,052	33,340,113	143,475	2,535	1,234,285	18	1,400,299	10,813,408	4,248,715	17,115,692	5,209,100	40,041,064	661,604,694	212,489,048
193,411,458	230,169,247	30,697,687	32,639,455	146,983	2,551	1,274,672	20	1,444,958	11,060,652	3,872,340	17,603,735	4,719,397	39,982,303	753,874,882	223,110,383

190,937,414	227,699,247	30,456,757	34,481,078	150,577	2,535	1,301,515	22	1,475,783	11,420,084	3,835,061	18,753,816	4,179,607	41,038,954	720,002,777	206,724,798
160,594,108	241,134,838	27,833,613	35,493,465	154,294	2,643	1,331,914	22	1,510,516	11,552,967	4,000,559	19,428,943	4,322,616	42,279,318	740,412,983	218,648,600
68,215,864	254,104,999	10,030,248	36,622,299	158,780	2,733	1,364,676	25	1,548,627	11,733,536	4,068,627	19,347,267	5,100,847	43,293,950	853,365,829	253,958,706
154,744,964	278,509,732	26,045,841	37,229,462	161,001	2,703	1,397,013	26	1,583,417	9,009,965,117	3,093,234,131	15,241,749,480	4,054,929,222	33,768,199,954	948,550,111	284,365,436
238,207,664	531,724,704	41,780,456	61,343,844	358,479	14,857	2,974,526	11	3,351,125	28,508,322	3,889,134	36,359,904	3,352,749	73,183,576	1,923,910,144	210,475,376
314,955,936	529,301,402	46,151,551	66,733,119	366,415	15,587	3,037,628	13	3,422,192	29,946,145	3,844,664	38,715,907	3,293,348	76,900,969	1,853,647,495	188,929,154
395,479,721	547,976,007	64,426,911	68,653,279	374,012	15,143	3,097,194	15	3,488,811	30,718,620	3,882,793	40,555,523	2,677,080	78,924,011	1,952,554,315	194,788,979
387,515,268	586,504,601	53,952,541	67,843,372	380,863	14,781	3,152,626	15	3,550,757	31,211,129	3,791,936	41,301,530	3,464,143	80,797,369	2,116,287,315	203,193,167
376,388,088	593,141,849	60,465,795	69,920,666	388,910	14,766	3,209,301	15	3,615,508	32,941,519	3,894,397	41,849,070	2,964,578	82,818,514	2,221,567,572	206,317,728
491,597,460	596,075,324	77,617,495	79,848,957	396,752	15,129	3,266,010	15	3,680,481	34,618,274	3,951,414	45,482,192	4,221,314	89,352,228	2,239,243,164	197,257,102
382,504,127	607,252,158	61,985,082	76,839,241	404,944	16,042	3,332,425	15	3,756,027	35,520,544	3,947,643	44,187,226	3,629,368	88,230,934	2,226,242,348	190,251,228
86,603,632	602,023,263	12,844,404	79,200,416	415,295	16,413	3,413,956	7	3,848,363	37,001,161	3,767,606	46,319,806	3,839,938	91,799,280	2,298,962,605	180,605,268
543,420,920	698,880,419	89,923,695	80,829,080	426,577	15,447	3,490,546	3	3,935,296	37,960,492	4,090,946	47,587,522	2,983,375	93,195,105	2,813,982,649	239,836,860
91,421,553	690,621,348	11,641,846	84,714,740	435,322	15,535	3,566,169	3	4,019,817	40,029,067	4,057,210	50,864,926	3,027,902	98,550,792	2,669,759,253	213,341,688
214,801,542	772,165,694	37,553,653	88,412,034	444,654	17,032	3,652,666	4	4,117,233	41,424,867	4,004,121	53,484,924	3,862,948	103,358,607	3,033,416,610	235,779,391
-122,416,769	813,402,155	198,717	90,205,900	458,057	18,516	3,744,920	4	4,224,524	42,063,955	3,964,149	52,502,422	4,481,870	103,576,742	3,265,390,614	250,922,909
-82,465,035	859,857,742	-24,197,136	93,539,985	469,976	20,391	3,828,375	4	4,321,896	43,467,783	3,912,708	54,348,188	3,659,653	105,956,091	3,566,226,680	264,170,187
25,255,922	22,132,370	4,361,544	14,847,217	53,081	145	259,265	22	312,668	3,705,562	3,899,016	3,781,925	3,589,834	14,995,926	147,374,544	97,007,440
17,860,727	23,945,430	1,501,600	13,434,934	55,037	148	268,840	15	324,196	4,314,879	4,052,154	3,806,372	2,303,182	14,497,484	169,542,180	101,677,719
27,682,604	22,979,349	3,961,961	13,869,029	56,857	125	278,125	20	335,288	3,949,654	4,263,736	3,747,678	2,896,064	14,878,578	157,870,009	108,480,757
38,245,287	20,657,744	3,581,328	15,496,452	58,927	108	287,235	33	346,469	4,480,135	4,560,774	3,971,760	4,270,283	17,305,749	169,526,538	111,324,138
38,585,720	21,161,498	5,768,466	17,201,324	61,090	111	295,694	0	357,077	4,512,113	4,661,943	4,040,744	12,644,791	25,885,212	168,172,219	109,854,849
52,123,090	20,725,258	9,698,236	18,059,897	62,970	116	304,325	0	367,597	4,462,699	4,788,042	4,090,453	23,908,668	37,277,511	177,013,654	124,237,328
42,724,027	21,718,896	8,648,173	17,917,936	64,154	113	313,943	0	378,401	4,870,063	4,666,299	4,200,175	5,923,948	19,689,732	183,011,931	117,365,705
-10,776,914	20,166,336	-3,819,821	16,201,420	64,834	112	323,461	0	388,609	5,368,470	4,808,100	4,392,484	4,528,800	19,127,188	204,641,842	133,171,352
-52,618,236	19,693,396	-14,479,363	13,259,484	66,646	115	331,275	0	398,291	4,772,190	3,924,637	4,306,996	2,387,206	15,418,231	233,620,438	154,317,682
75,166,820	19,952,735	9,726,454	13,354,722	67,622	115	339,764	0	407,828	5,253,004	3,225,781	4,386,794	2,068,504	14,962,572	286,812,049	176,648,064
40,987,586	20,752,763	7,251,532	13,063,065	70,691	115	349,219	0	420,439	5,317,441	3,206,182	4,426,976	1,829,940	14,809,971	263,803,176	128,619,992
16,305,814	19,090,214	7,273,792	13,343,868	72,382	120	360,462	0	433,465	5,296,407	3,334,955	4,580,337	2,885,350	16,124,939	247,425,040	111,797,200
64,853,588	20,856,185	8,931,316	13,513,694	74,448	129	373,602	0	448,819	5,077,227	3,422,616	4,760,275	2,773,852	16,062,664	247,103,087	118,259,189
7,233,874	6,651,435	1,862,053	1,966,568	15,037	77	100,721	3	115,892	1,405,856	173,266	666,991	13,311	2,441,853	78,084,656	7,998,859
11,200,912	8,619,113	2,888,776	2,251,543	15,348	75	102,255	4	117,734	1,448,473	221,385	679,211	34,990	2,559,377	79,295,212	9,022,483
13,784,960	8,709,123	3,545,791	2,537,504	15,581	75	103,624	5	119,338	1,347,948	292,649	735,442	26,344	2,729,134	72,884,973	10,245,268
12,819,691	8,735,534	3,245,222	2,450,316	15,841	74	104,778	5	120,751	1,381,043	289,903	725,471	26,815	2,734,910	74,291,027	10,095,310
12,098,773	8,797,272	3,165,746	2,441,116	16,144	76	105,787	5	122,065	1,420,347	307,485	720,576	64,914	2,851,686	79,004,389	11,260,715
12,591,440	9,262,945	3,204,830	2,710,472	16,427	75	106,710	6	123,270	1,481,314	306,022	750,831	76,889	2,932,953	82,359,113	11,572,127
14,042,868	9,305,947	3,517,805	2,629,332	16,764	75	108,654	8	125,574	1,524,641	315,238	770,153	312,861	3,229,394	88,712,700	12,204,516
13,407,850	10,179,712	3,378,688	2,766,901	16,845	69	109,160	8	126,155	1,577,165	319,395	780,446	283,809	3,273,227	96,145,519	13,125,713
4,961,003	10,864,400	1,154,792	2,734,644	17,015	68	110,287	8	127,453	1,543,866	314,448	771,094	69,958	3,011,444	99,213,756	13,844,587
10,711,703	10,860,621	3,873,112	2,051,129	17,256	68	112,130	7	129,536	1,640,190	296,220	839,005	59,616	3,164,000	108,842,262	12,948,851
8,420,448	11,588,623	3,109,815	2,100,838	17,513	64	114,590	9	132,255	1,651,578	299,449	800,535	106,569	3,187,936	119,584,411	14,554,693
9,165,583	12,712,694	3,332,458	2,189,058	17,728	65	116,000	0	133,793	806,049	1,190,026	785,538	38,204	3,149,589	68,587,877	69,513,862
5,170,601	13,268,054	3,117,053	2,272,191	17,614	428	116,977	3	135,103	848,635	1,227,695	842,758	187,338	3,469,652	82,277,291	83,448,948
7,418,695	10,686,486	1,889,285	2,744,422	23,709	1,466	95,991	51	122,212	546,819	1,443,272	998,680	1,143,240	4,199,046	36,971,340	65,849,360
9,820,491	11,278,875	2,301,062	2,832,026	23,873	1,484	96,409	51	122,825	564,506	1,537,419	1,000,248	1,145,667	4,317,117	38,081,931	69,411,196
10,404,053	10,634,358	2,444,291	2,876,219	25,425	45	97,111	51	123,654	1,200,615	963,298	1,035,740	1,134,735	4,404,591	71,566,624	37,951,834
14,063,298	11,493,446	2,548,477	2,636,321	25,540	46	97,777	51	124,436	1,265,532	992,979	1,082,926	636,664	4,050,033	74,432,938	37,452,584
11,079,353	10,819,259	1,666,450	2,933,364	25,640	47	98,259	51	124,998	1,260,840	1,099,641	1,064,579	602,492	4,101,550	74,596,506	41,322,994
13,555,403	10,683,617	2,669,671	3,202,200	25,712	46	98,664	53	125,462	1,241,529	1,144,025	1,020,471	1,183,552	4,661,700	74,265,999	43,426,465
15,039,213	10,174,427	2,513,713	3,545,992	25,819	47	99,086	59	126,011	1,262,374	1,021,977	1,026,631	1,222,510	4,605,835	74,084,268	39,200,464
14,911,129	9,976,584	2,430,348	3,610,302	25,889	50	99,524	62	126,532	1,275,482	1,097,513	1,058,998	1,497,335	4,999,810	74,937,835	43,206,149
15,713,901	9,464,047	1,744,764	3,765,265	25,871	52	99,696	67	126,696	1,327,494	1,108,557	1,098,149	1,903,080	5,508,730	79,554,231	45,486,145
13,000,642	9,423,082	2,329,204	3,548,413	25,888	52	99,880	67	126,899	1,388,631	1,100,740	1,130,770	1,546,495	5,237,082	83,732,517	46,212,936
11,415,116	9,597,727	2,756,118	3,672,617	25,925	51	100,304	62	127,357	1,383,185	1,121,475	1,141,613	1,818,917	5,535,261	86,072,742	50,792,049
8,498,105	10,411,091	1,535,876	3,774,115	26,031	50	100,730	61	127,885	1,385,397	1,198,495	1,119,067	1,470,161	4,312,544	88,739,945	54,272,059
13,713,244	10,040,468	2,131,343	3,513,706	26,187	51	101,060	61	128,350	1,429,282	1,232,725	1,162,765	1,456,717	5,351,152	95,347,687	66,564,310
46,524,304	83,513,024	8,112,664	15,927,056	52,492	509	420,051	0	477,010	4,432,216	2,235,617	5,705,620	2,330,141	15,776,628	298,281,248	104,022,280
67,231,422	86,734,987	9,747,458	16,102,814	53,482	511	427,594	0	485,698	4,582,852	2,278,205	5,946,904	2,101,991	16,033,650	316,772,285	108,228,106
72,301,895	87,928,410	12,547,739	17,306,790	54,375	491	436,091	0	495,198	4,710,291	2,362,050	6,351,642	2,706,193	17,306,148	316,077,098	106,711,168
58,301,357	86,966,265	10,121,257	18,060,826	55,479	504	445,664	0	506,038	4,814,998	2,304,913	6,606,502	3,241,386	18,170,312	321,332,908	102,913,135
54,500,327	91,750,017	6,463,074	17,733,928	56,981	629	456,175	0	518,368	4,901,512	2,465,757	6,499,820	3,160,098	18,250,282	326,738,033	112,776,558
43,638,209	97,248,238	7,763,679	17,174,384	58,542	682	466,189	0	530,252	5,172,882	2,519,544	7,050,418	2,485,979	18,513,335	335,213,445	112,762,423

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80,326,725	98,783,039	10,949,189	15,835,011	60,089	740	477,533	0	543,661	5,336,396	2,223,267	6,967,174	2,160,194	17,965,155	345,503,039	110,344,610
121,182,889	98,733,916	9,837,715	17,283,042	61,902	776	491,925	0	560,100	5,541,100	2,389,895	7,368,852	2,563,906	19,201,766	377,128,290	124,231,361
68,707,313	104,775,928	12,065,209	16,145,343	63,316	851	505,964	0	575,780	5,685,302	2,328,706	7,594,089	1,498,535	18,474,579	409,653,958	128,884,483
61,573,912	112,299,386	14,014,189	15,626,574	64,665	948	518,554	0	590,199	5,831,617	2,611,973	8,046,430	1,083,712	19,008,852	459,569,446	158,065,111
85,626,100	112,632,686	19,445,671	16,089,379	66,041	1,203	531,257	0	604,900	5,860,214	2,579,334	8,264,748	691,292	18,933,608	460,059,626	153,883,787
32,155,757	120,783,694	5,705,106	17,501,595	67,488	1,299	544,313	0	619,535	5,988,052	2,555,667	8,292,829	664,823	19,101,493	505,461,310	165,977,577
17,722,473	125,799,903	2,897,219	17,362,091	69,027	1,337	558,728	0	635,748	6,233,982	2,477,537	8,558,461	773,447	19,685,284	516,440,869	159,589,306
23,287,160	57,931,540	8,266,592	5,757,586	28,968	959	273,752	10	304,864	2,359,023	1,036,547	1,844,041	1,839,750	7,130,076	259,977,664	98,967,816
31,247,623	59,860,766	11,241,024	4,946,504	28,394	1,538	275,441	9	306,509	2,285,942	1,135,831	1,892,955	1,283,491	6,646,937	256,359,668	107,019,470
28,437,342	58,943,076	13,788,209	5,732,531	28,550	1,599	278,326	8	309,605	2,273,965	1,126,458	1,890,575	1,708,837	7,048,270	259,715,447	106,962,900
45,637,008	57,138,743	14,880,500	6,197,294	28,666	1,652	279,024	6	310,489	2,258,501	1,141,109	1,891,988	2,260,423	7,600,312	263,609,233	108,824,726
32,989,253	52,539,776	10,595,023	7,128,870	29,228	1,697	280,283	8	312,379	2,253,488	1,170,815	1,903,096	2,700,393	8,076,509	248,983,447	102,966,893
45,521,071	64,674,725	13,228,862	5,869,220	29,468	1,752	281,591	8	313,991	2,324,507	1,154,935	1,924,724	1,551,109	7,003,441	254,765,271	102,200,574
99,296,455	47,139,836	25,978,329	3,488,667	29,757	1,746	282,986	3	315,677	2,388,240	1,161,856	2,053,927	1,009,866	6,661,916	256,245,908	100,437,079
33,324,556	42,019,742	7,757,680	1,758,751	29,776	1,725	284,955	1	317,664	2,403,212	1,146,295	2,056,367	2,237,837	7,891,563	242,074,977	96,955,517
54,825,062	43,323,372	12,802,371	1,549,081	29,889	1,707	286,331	1	319,178	2,476,027	1,082,394	2,119,976	2,030,365	7,754,835	254,842,419	95,250,323
11,074,497	44,487,778	3,187,364	1,329,774	29,757	1,630	287,632	1	320,287	2,465,711	1,021,586	2,247,196	1,812,531	7,593,541	256,077,114	91,128,693
18,106,335	39,310,552	6,677,043	0	29,687	1,595	288,405	1	320,994	2,501,996	951,746	2,261,954	478,185	6,241,237	248,257,007	82,087,350
19,614,354	39,434,883	6,762,683	0	28,900	1,475	290,112	1	321,774	2,604,028	957,062	2,346,859	479,531	6,431,744	281,722,349	87,350,084
24,127,113	41,250,582	5,459,429	0	28,934	1,356	289,122	1	320,673	2,701,923	902,017	2,458,245	456,724	6,562,297	312,239,492	87,557,868
293178630	1533523021	42189939	191867011	978853	29950	7644827	154	8705837	9077517871	3114348493	15325542873	4069710029	33960633075	6386336514	1444659878

REVRES	REVRSL	REVTOT	COPSOTH	CTRSWHL	CAGEFRC	CTOT	PTOTE
26,776,160	7,251,941	93,136,928	0	0	0	0	0
28,417,600	7,425,149	100,109,724	0	0	0	64,652,420	339,442,995
30,354,929	8,365,875	103,706,681	0	0	0	63,807,686	470,393,784
33,356,367	11,173,351	114,595,547	0	0	0	58,137,105	480,169,231
32,091,739	19,940,427	122,215,142	0	844,773	0	61,916,401	490,286,883
32,215,738	21,783,690	123,998,306	0	1,818,159	0	58,448,828	497,551,476
32,859,175	25,579,671	127,784,254	0	1,817,943	0	58,856,265	505,210,860
34,232,664	63,543,993	167,771,090	0	1,880,664	0	83,328,909	532,028,327
35,109,221	101,289,552	207,508,555	0	2,219,591	0	106,136,973	545,547,263
37,426,113	48,961,785	155,222,097	0	1,690,839	0	79,118,328	589,836,642
37,814,240	55,194,134	162,377,958	0	1,971,245	0	92,758,034	625,638,992
36,362,959	60,948,024	166,270,899	0	2,258,619	0	103,168,961	635,834,648
39,662,001	71,031,241	181,813,786	0	2,458,614	0	126,046,201	649,264,456
169,875,936	11,742,587	365,205,440	0	0	0	0	0
168,739,710	10,314,375	362,114,402	848,942	127,526	175,187	220,277,053	1,274,560,705
177,634,078	11,285,599	377,070,713	-2,388,865	289,803	180,829	224,267,694	1,317,166,507
186,274,249	15,419,808	416,411,614	-1,342,000	21,320	9,591	257,804,897	1,371,021,612
194,640,100	15,478,375	435,416,213	1,860,695	299,901	283,090	270,393,792	1,446,256,565
218,593,698	46,786,723	497,146,892	2,920,451	949,123	170,535	324,421,000	1,492,383,703
218,943,999	222,363,079	690,532,150	838,956	2,601,671	199,468	548,945,186	1,499,647,917
261,351,404	24,212,107	595,750,127	-1,728,495	1,799,220	345,427	430,442,225	1,543,288,250
260,667,558	26,910,256	605,349,391	5,848,232	611,032	158,244	440,140,098	1,578,236,100
247,876,754	36,274,096	568,500,895	9,467,333	690,547	106,816	407,491,296	1,610,520,317
279,549,057	62,227,335	674,117,923	-399,477	500,855	151,810	508,373,973	1,686,149,350
297,955,661	60,479,343	717,182,268	-16,729,332	975,699	141,349	531,711,469	1,715,087,133
354,783,680	78,645,729	873,935,273	-22,804,469	-46,287	251,237	700,924,546	1,815,586,763
175,541,136	14,931,548	412,905,440	147,000	3,384,000	0	239,174,000	1,083,365,000
176,877,706	13,038,971	399,522,522	-16,898	2,782,651	0	227,607,105	1,114,448,358
176,345,771	14,366,645	399,900,645	110,554	2,506,578	0	225,139,827	1,149,106,675
182,061,400	15,091,746	408,883,858	158,989	4,385,592	0	228,539,253	1,171,671,190
178,285,688	21,860,691	405,851,681	182,516	3,645,222	0	237,441,430	1,193,607,957
179,347,925	30,699,821	414,519,891	277,792	2,922,875	0	235,389,481	1,222,616,004
189,353,252	40,740,287	428,575,831	-30,919	2,762,772	0	245,701,932	1,250,329,102
196,805,658	100,374,135	522,779,651	85,438	2,349,689	0	346,562,367	1,277,489,734
179,560,825	28,591,818	414,147,839	99,371	2,343,779	0	317,553,198	584,703,625
187,535,637	11,670,327	391,911,781	123,770	2,272,193	0	331,097,114	605,862,327
205,551,395	12,742,812	407,069,221	159,987	2,188,991	0	361,282,621	656,065,494
208,814,858	11,794,624	399,891,772	158,675	2,189,164	0	334,316,969	702,108,728
270,646,843	16,820,346	502,477,716	155,274	2,189,506	0	418,899,760	739,728,129
373,760,320	38,490,324	891,449,280	0	0	0	0	0
390,531,265	24,273,205	937,022,724	832,779	46,296	0	411,267,146	2,960,617,989
422,153,350	57,799,350	1,020,333,117	896,633	56,103	0	472,370,965	3,063,885,578
422,876,306	43,729,812	1,004,497,565	823,147	0	0	458,972,221	3,182,249,770
409,857,198	53,598,204	997,590,765	772,803	0	0	442,389,644	3,261,034,153
419,947,882	86,484,932	1,054,422,812	787,758	0	0	475,812,871	3,355,107,806
412,807,591	79,008,327	1,043,390,362	703,899	0	0	441,705,454	3,392,203,957
422,732,986	112,327,592	1,095,410,700	722,856	0	0	451,981,775	3,430,797,268
392,385,785	200,154,016	1,078,382,911	787,662	787,861	0	531,318,015	3,515,900,905
383,682,896	153,055,431	966,367,031	728,172	116,378	0	483,757,965	3,602,426,671
366,148,621	242,231,948	978,093,774	728,172	364,643	0	554,248,995	3,664,245,445
449,411,052	263,705,768	1,161,751,274	1,295,421	11,330,742	0	622,394,276	3,863,485,604
478,225,715	280,223,784	1,214,745,202	850,445	42,108,313	0	690,045,187	3,944,601,365
1,058,681,536	126,517,304	1,907,155,712	0	0	0	0	0
1,142,724,518	124,863,097	2,032,865,861	-1,477,825	0	0	1,236,678,666	5,552,482,028
1,252,717,931	153,373,049	2,227,211,954	-1,675,562	0	0	1,345,414,655	5,822,053,207
1,299,108,653	159,296,678	2,328,338,147	0	84,007	0	1,493,438,213	5,945,758,399
1,293,654,559	154,272,679	2,357,652,521	0	0	0	1,642,918,543	6,157,767,828
1,424,577,534	207,920,719	2,598,093,363	0	0	0	1,555,321,384	6,297,270,065
1,394,868,733	228,854,863	2,590,703,334	0	9,696,493	0	1,565,104,109	6,779,813,847
1,475,563,256	277,428,358	2,779,591,173	0	5,398,355	0	1,891,635,500	7,000,890,009
1,643,251,016	288,777,264	3,084,389,355	0	7,016,224	0	1,839,177,298	7,154,553,688

1,627,049,640	230,362,904	2,954,607,245	0	1,177,877	0	1,963,068,762	7,480,270,054	
1,691,228,328	228,334,215	3,059,143,228	0	0	0	2,241,995,357	8,153,456,598	
1,806,251,665	268,335,401	3,392,437,970	23,498	2,759	0	2,336,080,719	8,391,177,763	
2,000,607,080	345,510,905	3,820,884,734	44,086	0	0	3,044,710,562	8,760,246,230	
2,950,409,984	116,296,296	5,284,811,264	0	0	0	0	0	
2,919,962,107	128,118,524	5,170,584,880	792,054	8,615,334	0	2,945,412,381	15,511,881,709	
3,096,777,513	115,962,285	5,441,221,208	-81,467,691	11,795,066	0	2,860,324,561	15,864,775,459	
3,323,803,843	158,508,788	5,884,263,521	-30,748,374	10,812,197	0	3,258,142,160	0	
3,393,388,612	139,940,334	6,050,955,519	-2,355,843	11,997,460	0	3,328,493,656	16,643,165,458	
3,579,601,789	209,249,299	6,307,430,784	38,310,594	11,862,159	0	3,338,568,936	16,985,174,237	
3,357,243,740	168,236,202	6,019,010,515	29,936,575	14,984,851	0	3,389,721,082	17,384,830,577	
3,503,550,746	192,847,522	6,249,851,430	-539,324,822	14,645,349	0	3,634,431,613	17,902,661,669	
4,170,440,774	140,361,522	7,433,587,264	338,971,902	13,783,837	0	4,603,262,797	18,526,519,825	
4,085,721,411	113,168,469	7,148,345,854	174,860,484	17,672,795	0	4,530,591,227	19,687,447,310	
4,619,536,019	167,250,750	8,125,970,885	-213,969,565	24,396,256	0	5,264,603,398	21,198,804,048	
4,755,319,423	194,030,555	8,535,511,945	120,034,318	21,389,213	0	5,652,581,955	21,688,462,171	
5,222,943,013	206,593,202	9,334,770,887	-867,091,395	20,709,414	0	6,303,653,913	23,038,504,803	
182,213,760	86,525,496	515,183,552	0	0	0	0	0	
184,005,172	59,923,368	517,277,480	-10,460,436	1,719,549	2,500	309,846,809	2,384,352,033	
193,260,927	57,418,377	519,011,912	7,992,402	480,884	1,275	279,235,883	2,482,284,531	
201,275,948	70,222,483	554,367,831	-4,273,189	2,113,060	1,975	300,911,007	2,538,019,016	
200,350,478	243,873,530	724,331,468	-3,363,944	4,198,432	2,020	470,619,569	2,606,151,208	
211,444,963	579,984,388	1,094,840,282	25,259,467	5,868,002	1,495	835,549,139	2,659,895,422	
213,547,286	119,784,606	635,933,058	189,725	2,759,042	1,595	386,326,540	2,726,480,721	
225,336,243	229,985,643	795,342,216	-120,688,043	214,729	2,389	565,571,953	2,800,328,723	
260,251,206	219,966,420	870,574,785	-174,120,475	1,521,950	1,575	715,558,063	2,990,084,341	
305,827,216	55,031,087	827,065,850	173,448,997	2,213,424	1,750	620,945,581	3,087,419,093	
275,919,849	71,572,857	742,541,616	72,250,173	5,424,722	2,725	540,468,444	3,220,682,867	
274,313,240	121,147,646	756,983,164	41,082,749	8,441,863	2,075	581,733,040	3,325,270,233	
299,487,636	142,794,426	810,064,224	-1,023,410	7,657,106	2,300	564,810,971	3,477,521,238	
51,718,284	366,693	146,636,800	0	0	0	0	0	
51,751,156	1,583,667	149,691,142	188,140	437,548	0	88,103,641	456,617,443	
54,927,907	1,091,506	153,372,248	149,962	232,052	0	90,361,314	466,586,768	
53,971,108	466,361	152,415,041	223,570	464,511	0	91,218,344	477,605,861	
55,505,509	1,565,624	162,490,497	187,814	520,678	0	101,199,707	486,845,245	
58,654,152	1,866,007	168,792,592	206,685	454,462	0	102,342,597	496,939,783	
64,756,048	7,163,935	187,007,346	274,127	1,475,204	0	115,577,059	529,028,022	
69,006,947	6,917,479	200,333,156	336,399	2,146,926	0	124,478,072	596,178,431	
71,401,256	1,658,623	201,781,994	298,919	9,741,540	0	129,401,365	480,524,236	
81,257,710	2,659,396	222,758,978	513,008	10,293,227	0	150,380,639	520,482,299	
85,163,804	5,184,239	242,981,254	371,665	16,951,176	0	174,851,024	546,031,267	
87,326,003	944,102	245,702,932	369,873	16,195,343	0	179,628,073	581,822,827	
103,674,495	17,527,106	310,244,311	213,222	19,778,785	0	236,694,293	614,852,768	
62,166,680	18,106,904	187,365,248	0	0	0	0	0	
62,687,082	19,065,842	193,651,737	0	0	0	120,611,065	696,757,943	
64,354,980	19,110,095	197,440,314	0	0	0	126,095,171	713,625,617	
66,295,397	10,237,825	192,954,010	0	1,176,929	0	124,033,239	740,370,750	
66,102,163	11,117,157	197,771,151	0	0	0	126,033,287	756,857,079	
64,430,045	29,053,794	215,789,538	0	0	0	149,497,070	769,192,501	
63,863,587	45,159,477	226,892,089	0	0	0	152,129,533	777,343,049	
66,168,406	64,928,343	253,807,716	0	0	0	179,034,832	793,670,714	
69,881,589	98,386,425	298,059,190	0	0	0	215,932,345	808,783,427	
72,180,205	82,244,032	289,113,677	0	0	0	213,922,790	833,695,786	
75,688,962	118,345,803	335,784,918	0	0	0	261,471,352	873,684,953	
76,364,589	17,969,801	242,296,152	0	0	0	177,462,896	888,520,806	
83,739,705	24,799,340	275,638,616	0	0	0	210,002,445	909,088,874	
464,096,000	76,055,416	1,017,626,176	0	0	0	0	0	
505,490,728	70,433,023	1,081,592,057	20,349,174	142,949	0	688,539,213	2,854,239,824	
523,292,275	79,967,339	1,108,052,723	-1,664,066	308,439	0	659,764,531	2,924,044,922	
539,740,805	93,295,874	1,140,741,784	469,323	289,038	0	667,741,224	3,530,639,449	
532,345,850	94,284,123	1,151,104,877	2,704,488	285,805	0	700,378,980	3,626,241,081	
563,158,977	89,666,937	1,187,687,374	8,853,424	305,605	0	724,255,061	3,737,009,789	

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557,442,765	86,450,608	1,186,552,961	-10,739,311	330,916	0	726,832,985	3,886,755,876	
613,285,329	109,120,022	1,318,806,704	2,704,408	297,259	0	851,967,052	4,048,919,237	
659,756,679	82,458,798	1,383,752,340	2,701,105	273,401	0	881,537,795	4,107,614,732	
753,935,772	67,886,108	1,556,826,412	2,678,950	312,566	0	940,582,913	4,305,349,600	
767,404,578	42,004,444	1,548,217,277	2,671,894	308,987	0	1,005,135,663	4,688,313,584	
820,220,685	41,465,769	1,672,319,172	2,702,836	293,478	0	1,055,953,352	4,771,247,454	
838,100,895	50,721,217	1,705,156,854	0	305,408	0	1,337,973,184	4,888,220,179	
240,858,464	45,931,276	657,158,656	233,000	12,585,000	0	389,509,000	1,660,922,000	
257,013,680	34,927,122	666,907,767	64,303	12,591,915	0	365,287,969	1,711,428,330	
260,693,827	48,232,578	687,340,866	189	11,894,973	0	369,568,944	1,759,363,241	
265,561,414	72,844,543	722,719,918	114	11,576,403	0	427,124,847	1,793,693,206	
259,841,846	82,870,733	706,441,162	0	12,565,208	0	423,445,030	1,819,357,502	
262,973,663	44,948,107	676,555,063	3,738	12,698,806	0	375,004,675	1,839,571,192	
271,605,169	24,333,698	663,930,136	15,281	16,205,434	0	378,972,220	960,392,551	
252,730,340	67,989,957	670,337,578	0	18,738,299	0	454,563,225	909,202,026	
266,584,571	61,569,688	688,748,036	0	21,790,242	0	449,066,950	851,921,258	
281,307,328	58,249,543	697,274,591	0	22,497,788	0	469,725,814	679,852,744	
273,229,593	24,591,420	638,476,049	0	21,881,234	0	458,129,567	735,102,447	
312,067,333	24,445,608	715,999,984	1,736,178	21,732,852	0	568,281,428	749,701,816	
357,350,619	35,782,265	803,327,270	1,969,037	25,016,581	0	620,334,022	786,959,130	
10049221682	1270449561	19833058873	-887687210	120177440	253537	14254095084	49624573935	0

FERC Plant

YEAR	FERC Number	FERC Name	DEPACCDST	DEPACCGNL	DEPACCHYD	DEPACCNUC	DEPACCOPG	DEPACCSTM	DEPACCTRS	PLNDSTADDTOT	PLNDSTENDTOT	PLNGNLADDTOT
1993	12	Black Hills Power, Inc.	0	0	0	0	0	0	0	6284652	80765728	4388629
1994	12	Black Hills Power, Inc.	26089947	3858283	0	0	9822070	64117034	22425738	6948366	87258108	2057716
1995	12	Black Hills Power, Inc.	27983747	5602024	0	0	10146933	69494403	23823900	7999071	94673632	698744
1996	12	Black Hills Power, Inc.	30608287	7393081	0	0	10472149	77331280	24671233	5805579	100112444	1902023
1997	12	Black Hills Power, Inc.	33173445	8447290	0	0	10417059	84391256	25500359	7516516	107979985	1927720
1998	12	Black Hills Power, Inc.	35100617	10273107	0	0	10737978	91661035	27211535	6694486	113408373	948126
1999	12	Black Hills Power, Inc.	38266736	8385062	0	0	11069847	98336169	28328810	6508740	119390982	913774
2000	12	Black Hills Power, Inc.	40922062	9508598	0	0	11649770	89583506	29595811	10084045	128485929	3212351
2001	12	Black Hills Power, Inc.	43993010	11411139	0	0	12907200	96074719	30675744	8310353	136165677	1778835
2002	12	Black Hills Power, Inc.	47350685	12815361	0	0	15395924	102558483	32101245	8002002	143246746	3144509
2003	12	Black Hills Power, Inc.	50828909	11292812	0	0	18859135	109373076	33101029	8200085	150541240	1979752
2004	12	Black Hills Power, Inc.	54977165	12501160	0	0	21627312	116021624	35344876	9302357	198636821	1416401
2005	12	Black Hills Power, Inc.	60654776	14019684	0	0	24414290	122885416	36563406	11483543	222685486	1844939
1993	22	Cleco Power LLC	0	0	0	0	0	0	0	26021432	409773024	5306272
1994	22	Cleco Power LLC	136840291	10473996	0	0	1348225	191117751	63088879	27098966	431646936	3279166
1995	22	Cleco Power LLC	146938637	8938378	0	0	1390598	206424980	68472796	35124510	462742202	6596472
1996	22	Cleco Power LLC	158508983	10040907	0	0	1400615	221131194	72844484	34633127	493190258	8260929
1997	22	Cleco Power LLC	172270778	12754139	0	0	1408627	233129851	78374375	40167350	526264625	4267102
1998	22	Cleco Power LLC	187139935	14753681	0	0	1412571	248463695	83789275	36635731	580496713	6385717
1999	22	Cleco Power LLC	199089093	14221036	0	0	1344569	233233496	88562656	32229568	601490705	5212154
2000	22	Cleco Power LLC	218277651	15024555	0	0	1373032	246325767	94928362	30273884	630172958	2921671
2001	22	Cleco Power LLC	237375970	15099748	0	0	1373112	259606048	101708217	28339718	655889197	2443829
2002	22	Cleco Power LLC	253769777	17650424	0	0	1376441	273481199	107957886	21293595	674808102	1079749
2003	22	Cleco Power LLC	280496135	19705939	0	0	1460639	285467012	115008773	53034035	726305535	2487335
2004	22	Cleco Power LLC	302273107	13852134	0	0	1470991	303602726	121144923	22892207	748190178	2817392
2005	22	Cleco Power LLC	285508016	16790209	0	0	1478900	325639892	129445344	72056437	810429022	20886409
1993	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	0	0	0	0	0	0	0	13475700	293545888	150550
1994	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	104516120	580363	6152978	53246227	4017237	187706189	38879789	12157276	303385938	2583996
1995	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	110911780	495400	6531942	62080259	3117176	198011043	40758778	14490574	315675048	939258
1996	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	116924404	1002482	6897353	69909822	2244666	209175900	42712215	19236991	332214683	19351
1997	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	123656267	1899509	7274469	81149526	2315021	219951206	45756580	13006054	342698655	2636125
1998	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	130360065	1150140	7643225	90874184	2405715	232150722	47678894	21887962	361483466	-77168
1999	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	137434932	1770230	8016882	101414771	2497682	244783460	50061186	20631098	378813645	777602
2000	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	145083120	2151551	8000817	107412473	2554290	257506235	52396713	22744245	398207446	104767
2001	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	183485698	446171	8177791	0	2473164	0	64808905	21588288	416468629	17421
2002	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	190576554	469281	8597698	0	2504912	0	67569922	19423610	432840418	6850
2003	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	197843863	484383	9080622	0	2556945	0	69587841	44390370	473517446	1764
2004	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	203779662	416496	9539606	0	2616624	0	71068658	41860810	510480305	25634
2005	19	CENTRAL HUDSON GAS & ELECTRIC CORPORATION	212156507	438618	9971798	0	2692257	0	73565746	32576899	538219620	0
1993	42	The Dayton Power and Light Company	0	0	0	0	0	0	0	31377076	523523712	4739513
1994	42	The Dayton Power and Light Company	-159728897	-29528577	0	0	-17511377	-629533267	-92658318	24883943	545378472	1367389
1995	42	The Dayton Power and Light Company	-153016809	-37956007	0	0	-18748596	-695138141	-113407977	29135316	503327663	3405808
1996	42	The Dayton Power and Light Company	-167231182	-50239960	0	0	-22391380	-768091558	-119946399	33107888	534199566	21997604
1997	42	The Dayton Power and Light Company	-184743391	-53927510	0	0	-28335857	-836486836	-127524475	41733221	601570597	15800622
1998	42	The Dayton Power and Light Company	-258810070	-28971625	0	0	-39221983	-906585619	-108443700	35666810	803294027	13770634
1999	42	The Dayton Power and Light Company	-280937028	-22498049	0	0	-42528569	-977179800	-115264245	34860764	814488885	-86322
2000	42	The Dayton Power and Light Company	-301263335	-22802428	0	0	-49486231	-1051209684	-123674466	25959165	833277872	220880
2001	42	The Dayton Power and Light Company	-325989278	-18390470	0	0	-52696656	-1115985592	-139369278	41834015	865243650	573106
2002	42	The Dayton Power and Light Company	-357263131	-19432796	0	0	-55735745	-1165725999	-147736093	26759272	891685676	132046
2003	42	The Dayton Power and Light Company	-333226500	-20634957	0	0	-58281446	-1193723955	-139691689	12510899	903995106	26416
2004	42	The Dayton Power and Light Company	-360844454	-22202529	0	0	-60880522	-1252301562	-146910030	41412608	947668592	-38338
2005	42	The Dayton Power and Light Company	-386976159	-23513198	0	0	-61902565	-1321597822	-153824504	43215651	986859819	597973
1993	55	Florida Power Corporation	0	0	0	0	0	0	0	129259696	1657563136	36560832
1994	55	Florida Power Corporation	541538818	106252029	0	420391640	113073741	753489352	262998667	140994557	1781853882	58291245
1995	55	Florida Power Corporation	599067297	121005926	0	476028613	129595643	820781331	280763859	129335948	1896936624	27831697
1996	55	Florida Power Corporation	654710514	135083466	0	502768695	145990890	872483528	303291333	115800136	1986961573	14955387
1997	55	Florida Power Corporation	719314013	111064426	0	564380611	164838513	943779283	326303285	122464188	2094608903	34902444
1998	55	Florida Power Corporation	780358592	110290048	0	622857542	185692056	1009291769	349729233	120853989	2194224914	21904950
1999	55	Florida Power Corporation	849561680	93875125	0	683851944	222952672	1064386155	375745328	137574744	2315007952	32909933
2000	55	Florida Power Corporation	916396580	102385040	0	751835702	260142811	1123147885	395241051	135879176	2423030041	10874585
2001	55	Florida Power Corporation	1072662184	44145884	0	795878395	317398319	1188642097	419173727	142209706	2551554236	4679758

2002	55	Florida Power Corporation	1151392061	41321859	0	835461755	334314280	1206178743	436206246	190752332	2728238917	12518588
2003	55	Florida Power Corporation	1207190160	61311227	0	620366893	365997917	1230621103	454880667	186531597	2889968104	96342443
2004	55	Florida Power Corporation	1172693477	130533369	0	622297410	442776567	1265927851	460973509	230127328	3058301215	37081743
2005	55	Florida Power Corporation	1252165798	125688822	0	564803794	462980057	1310707886	453026610	195548971	3184980335	15758302
1993	56	Florida Power & Light Company	0	0	0	0	0	0	0	295925376	4753107968	87022864
1994	56	Florida Power & Light Company	1697804971	180609185	0	1194801787	283314902	1251904026	810522929	268310561	4972906444	83686161
1995	56	Florida Power & Light Company	1797599097	201260394	0	2111647106	328615830	1358582005	838946725	254623889	5151736671	73862655
1996	56	Florida Power & Light Company	1911202271	204795685	0	2468608045	403474230	1528646482	867284677	261516713	5350008474	71010563
1997	56	Florida Power & Light Company	2030424335	219597060	0	2807166282	483588149	1676731062	897076529	288651776	5569933876	85368543
1998	56	Florida Power & Light Company	2158977774	234440939	0	3212586263	552352194	1976287138	933332585	344668774	5839338820	81807050
1999	56	Florida Power & Light Company	2298266395	277825621	0	3575474843	606060340	2152972192	967569957	368448755	6128924119	109553844
2000	56	Florida Power & Light Company	2429346317	369858727	0	3852915717	651172850	2287334039	1002758598	465245934	6492914266	80524468
2001	56	Florida Power & Light Company	2571054457	361381285	0	4114101193	721201885	2300269943	1040441181	446966457	6844749889	86310422
2002	56	Florida Power & Light Company	2740222377	200832366	0	4222413714	824990643	2351065134	1077446787	493408106	7264011754	75897009
2003	56	Florida Power & Light Company	2921982694	339383343	0	2782792106	899526013	2450074435	1103623206	519717863	7709604055	60090416
2004	56	Florida Power & Light Company	3106021468	238760616	0	2935273083	995888672	2527730793	1138647944	471658648	8093787565	39835198
2005	56	Florida Power & Light Company	3234272392	70353910		2914018511	1076302543	2571356772	1174503609	581064197	8542329081	88357929
1993	70	Idaho Power Company	0	0	0	0	0	0	0	43292996	582604096	6641583
1994	70	Idaho Power Company	202293956	27647439	147291040	0	996164	269414993	124366616	47096542	625148577	18309009
1995	70	Idaho Power Company	218310167	30266430	158053382	0	929983	289126543	130164044	46095595	648549018	9200296
1996	70	Idaho Power Company	227087062	33829231	168907032	0	928093	307010463	144733692	43038494	688231670	7662717
1997	70	Idaho Power Company	247490880	34071682	179927312	0	567572	327316250	148027514	31635955	715090519	12213845
1998	70	Idaho Power Company	266472682	36756582	191635545	0	584864	349889157	155661670	23447985	736526868	12388472
1999	70	Idaho Power Company	287558244	43954423	202444489	0	163090915	338709860	0	55984804	786488323	3094913
2000	70	Idaho Power Company	308746082	47789198	213410123	0	618411	391108804	169682427	31182318	811604059	11785381
2001	70	Idaho Power Company	328288588	56762085	224589333	0	949113	414242188	178087991	54150819	854445132	27392181
2002	70	Idaho Power Company	351657228	59479223	236498187	0	2527421	434025860	185425734	54720693	902984488	17974020
2003	70	Idaho Power Company	374006059	67349187	207061646	0	4183276	363647084	188976220	55936600	952978561	18866287
2004	70	Idaho Power Company	385008939	81732949	217545265	0	5664338	385155364	196980645	56631874	992248198	16684944
2005	70	Idaho Power Company	400254012	90653627	228958005	0	8282764	404798819	200078275	64756148	1046880491	13431516
1993	89	Madison Gas and Electric Company	0	0	0	0	0	0	0	7452574	140707744	81095
1994	89	Madison Gas and Electric Company	45409861	14108173	0	59708779	3554769	76033000	36123571	6990004	147011496	143508
1995	89	Madison Gas and Electric Company	48631770	16043546	0	65536314	3588907	77586233	38547812	8893561	154837053	180638
1996	89	Madison Gas and Electric Company	51771470	18394929	0	72160450	3591241	80672253	41078743	9228087	162888934	602363
1997	89	Madison Gas and Electric Company	54822282	20932355	0	81097808	3674926	83429920	43719112	7420526	169243519	601142
1998	89	Madison Gas and Electric Company	58557154	23352460	0	94619167	3747650	85547743	46058320	6349598	174694951	365926
1999	89	Madison Gas and Electric Company	62550115	24688247	0	108979606	3991226	88293472	48496792	10409397	183423014	339367
2000	89	Madison Gas and Electric Company	66147264	24979540	0	123823753	5263248	91637062	50827381	10338071	192405437	523798
2001	89	Madison Gas and Electric Company	70311933	24557009	0	2208783	7433710	94139589	14097499	10111950	201654757	125131
2002	89	Madison Gas and Electric Company	73641392	24642435	0	10009045	9694184	98858901	14975611	28655834	227762513	130211
2003	89	Madison Gas and Electric Company	78416696	25060608	0	0	12157732	103103737	15695182	24238312	250232457	745690
2004	89	Madison Gas and Electric Company	84929413	24208214	0	0	14464618	105622374	16370010	26528729	273921163	151246
2005	89	Madison Gas and Electric Company	87426723	24390692	0	0	17000178	109952401	16794305	26476994	294284872	422573
1993	132	Otter Tail Corporation	0	0	0	0	0	0	0	9828104	188840464	3474510
1994	132	Otter Tail Corporation	66798178	22120002	1460006	0	4808558	137362483	42066611	10759023	198139730	6628635
1995	132	Otter Tail Corporation	71375259	24001050	1467582	0	5080049	144391354	43629879	11050539	207224739	4446602
1996	132	Otter Tail Corporation	75962910	25450596	1483889	0	5303916	145448569	45356322	12625292	217801629	9519975
1997	132	Otter Tail Corporation	81363618	27888462	1507241	0	5580441	148392013	47212353	10999208	227440022	3989582
1998	132	Otter Tail Corporation	86532612	29632414	1519663	0	5861322	156235096	49362696	8923101	234647975	3015429
1999	132	Otter Tail Corporation	92014657	24999356	1548407	0	6142677	162416168	52523542	9435754	242106169	1714655
2000	132	Otter Tail Corporation	97145790	25739459	1582097	0	6423283	169802207	54554676	11480056	251729894	5069361
2001	132	Otter Tail Corporation	103012843	27253762	1616553	0	6608774	177194524	57298233	8558796	258750932	5212417
2002	132	Otter Tail Corporation	108189039	28883950	1650906	0	6945747	184688474	59577669	11339903	268376844	3614224
2003	132	Otter Tail Corporation	112369549	30949312	1646766	0	7690264	170749055	63122247	9693251	272892962	2513667
2004	132	Otter Tail Corporation	117262726	26980858	1616636	0	8736437	176337064	65809266	14896683	285237056	5647516
2005	132	Otter Tail Corporation	121671897	28328114	1687645	0	9807426	179569968	69684142	14607704	296287065	1914718
1993	170	Tampa Electric Company	0	0	0	0	0	0	0	49500600	776477312	20686406
1994	170	Tampa Electric Company	247395704	75397190	0	0	55893552	664592271	68247690	51890140	821103153	19690926
1995	170	Tampa Electric Company	272131500	82018257	0	0	59008478	713087065	74120032	48581066	862601352	13123430
1996	170	Tampa Electric Company	297529660	89547158	0	0	67089591	760960202	80981035	52285082	908262204	16429452
1997	170	Tampa Electric Company	325584808	99237072	0	0	91084307	807643361	87025048	56985368	959024452	27651858
1998	170	Tampa Electric Company	354557480	108078621	0	0	114148552	855389768	93095863	63258487	1016241954	26158254

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1999	170 Tampa Electric Company	383065522	109293116	0	0	140464545	873407672	97781074	64884292	1071691209	14251205
2000	170 Tampa Electric Company	409819564	109653161	0	0	163517621	916024954	103371922	75653385	1135452013	21480575
2001	170 Tampa Electric Company	438202649	75400904	0	0	173385071	968234460	108981496	73587351	1197615249	22429156
2002	170 Tampa Electric Company	471938149	77907767	0	0	198897723	1023444489	114885093	71946377	1260162770	17960184
2003	170 Tampa Electric Company	501826830	79042468	0	0	227854726	1047693089	119141073	67166843	1315005249	7827711
2004	170 Tampa Electric Company	535643438	83327976	0	0	280771600	698115478	124756568	67182381	1371129198	9500993
2005	170 Tampa Electric Company	563389260	86990004	0	0	318268397	712127136	130966202	86318217	1467200130	12399426
1993	179 The United Illuminating Company	0	0	0	0	0	0	0	20054108	334251776	1137851
1994	179 The United Illuminating Company	101431495	5510423	0	131256111	1344432	168894256	33125836	29764514	364101608	4287513
1995	179 The United Illuminating Company	104072950	6221020	0	145733580	1387832	176395236	34898644	21005739	375961628	3413231
1996	179 The United Illuminating Company	110984202	7460279	0	165045460	1432332	184774011	38307574	17685778	387824957	3089931
1997	179 The United Illuminating Company	118524021	9449624	0	186622981	1477132	188186782	41784998	19175764	401425987	5715254
1998	179 The United Illuminating Company	127422095	10599773	0	205881236	1522305	196066114	45229610	11789500	408845204	5787721
1999	179 The United Illuminating Company	139502543	12817879	0	227315298	0	24261574	46599026	8396724	415892899	30327
2000	179 The United Illuminating Company	147577074	14447088	0	225079726	0	622217	49521158	22967108	429005170	2055504
2001	179 The United Illuminating Company	153695246	16638031	0	160402508	0	622217	51677936	23484744	443773315	3427444
2002	179 The United Illuminating Company	160368771	20709867	0	0	0	0	51602426	23978843	460590324	10973829
2003	179 The United Illuminating Company	180181620	22028021	0	0	0	0	48720846	23198954	498570286	10101898
2004	179 The United Illuminating Company	173207902	13106540	0	0	0	0	42243344	19003763	493702897	19648060
2005	179 The United Illuminating Company	185186409	15111233	0	0	0	0	42430070	25957344	514939484	8642109

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PLNGNLENDTOT	PLNHYADDTOT	PLNHYENDTOT	PLNNUCADDTOT	PLNNUCENDTOT	PLNOPGADDTOT	PLNOPGENDTOT	PLNSTMADDTOT	PLNSTMENDTOT	PLNTRSADDTOT	PLNTRSENDTOT
27493504	0	0	0	0	85042	17363596	7835946	131557568	6210913	71885256
26528816	0	0	0	0	17800	17365894	2202308	133462676	3484286	74827501
27143170	0	0	0	0	47343	17412169	118182716	251552238	5038668	79612575
28932572	0	0	0	0	43294	17455463	3576820	253741871	1154318	79926881
29237502	0	0	0	0	23967	17161461	610968	253711683	4434032	82196252
29220223	0	0	0	0	0	17161461	-27235	254663371	1772975	83098048
26139504	0	0	0	0	1453521	18614982	1856006	255569667	3211557	85495725
28486368	0	0	0	0	27353310	45678292	153965	240588469	3950678	88789269
30017705	0	0	0	0	-516645	45161647	2550084	242798991	3526589	91403243
32302979	0	0	0	0	30417740	75567387	1168238	243678306	4274621	95041224
30326049	0	0	0	0	11836	75579223	2810001	246471085	28578033	122721395
30747406	0	0	0	0	131945	75711168	802236	247047832	688149	83691421
31833734	0	0	0	0	1312959	77024127	908383	247913453	485663	69807656
50488260	0	0	0	0	0	1503773	5043647	494086496	32299776	257887664
65931453	0	0	0	0	5703	1506976	2518964	496059460	8128912	265783785
68187186	0	0	0	0	0	1506976	1196721	495656131	9897609	274957801
75945138	0	0	0	0	0	1506976	8105948	503025306	2859961	275847122
79567331	0	0	0	0	0	1506976	6388534	505011962	11329474	286277467
87119007	0	0	0	0	0	1506976	4589049	508483677	5033896	290647088
89355262	0	0	0	0	34288	1540634	4330079	509949332	17826400	306161405
90069188	0	0	0	0	0	1540634	5383659	475536010	11717287	316253715
89735417	0	0	0	0	0	1540633	2188730	475912016	9914386	325345931
90623374	0	0	0	0	93477	1634110	2142224	477037702	2316380	327048885
92097910	0	0	0	0	0	1634110	3619542	482961238	15192347	341675572
85543268	0	0	0	0	0	1634110	2877725	485168689	11318813	351769052
106079316	0	0	0	0	0	1634110	2941357	486972258	16597434	367360087
2371162	96866	18761016	2563305	298278976	19747	3772122	11923550	363832192	2450315	102758024
5651700	30000	18787318	4576515	302633310	13230	3784552	13501046	374964500	2774781	105195521
6676695	47292	18832131	5420860	306065034	372527	3199439	11254819	384406445	9099381	113654657
6671555	215676	18985153	1328100	305316342	401464	2641261	6005492	389115282	3620259	116681395
9303584	219020	19198074	1679718	306996060	0	2641261	7761449	394729851	1632949	117994953
8076978	22724	19217737	754133	306227158	0	2641261	2444511	395364551	12258678	129559334
8823862	419805	19607206	897448	305624167	308768	2946625	2324069	396198884	9203564	138269194
8887760	2920019	22350506	2025527	305990088	68671	3014016	2188185	396928028	4389298	142066371
739576	1456598	23595514	0	0	38965	2939769	0	0	14399615	140914618
747936	539738	24102315	0	0	41360	2957455	0	0	4538199	145168684
749535	196103	24307781	0	0	153210	3090475	0	0	9932028	154354738
749530	40970	24333056	0	0	88906	3172381	0	0	11723990	163327937
749530	99059	24396215	0	0	0	3172381	0	0	10174494	173144864
101507520	0	0	0	0	-150000	22788024	19862834	2027773184	13130342	247186304
99529524	0	0	0	0	6215	22794238	19774364	2043400226	3412291	249515529
116190073	0	0	0	0	27600187	50467165	23338626	2059064358	24026615	334836319
141042918	0	0	0	0	19924107	70509995	6758665	2063790207	38810379	372707084
125822002	0	0	0	0	846104	71356099	14902154	2073343261	18133324	388942194
51454465	0	0	0	0	18248420	98546615	12085354	2081194379	13460555	320618320
33559818	0	0	0	0	65715	93214967	16634371	2102568748	7802051	328265920
33775483	0	0	0	0	1294956	94501976	19907483	2117695875	2947313	330627006
34185458	0	0	0	0	500941	95002917	4287713	2119339884	23893221	361471408
34304929	0	0	0	0	-8873	94994044	78993804	2192440188	3163577	364008788
34331345	0	0	0	0	0	94501976	57473786	2242543450	-117358	363706348
34293007	0	0	0	0	0	90654864	16574951 2	2396242131	2902565	366307628
34890980	0	0	0	0	512544	91157540	50181081	2429388161	4158553	370131420
290432352	0	0	16305719	622704384	106994264	387705984	125445336	1623008512	40593432	701981568
328573400	0	0	39304720	654077237	47682974	424622854	52898018	1608958968	40112261	740051889
337587628	0	0	5699862	656649717	5736933	439782004	29239238	1615676889	62374019	797172609
334170925	0	0	16334937	643642907	3326480	442362138	24748348	1629507016	28317489	831323915
278844467	0	0	18490987	667473597	33771105	548384291	14902513	1640906534	16512171	846070248
255289763	0	0	40270731	702476019	2008293	548873162	8067529	1643303529	27740727	869115888
246359136	0	0	61436402	766692330	277432124	825678565	23888627	1650710856	20057454	891094890
246545865	0	0	7381815	769963153	108083796	918043746	20915577	1660142611	24213998	904571567
244025490	0	0	126239	770000043	8703535	925575427	12106056	1665251110	16425063	918269471

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243878569	0	0	10417039	779941861	54582625	951286652	64833941	1698991170	63768060	976423495
316525951	0	0	119974525	898872564	249028688	1187451058	55046972	1732814175	37897688	1011427505
332506504	0	0	8517310	874369803	17438597	1189737960	35132063	1756954304	54011695	1059281104
328004791			2674033	793374126	310910373	1477174031	18108609	1769780185	36462382	1083335314
911730432	0	0	40406664	3386443008	483230400	839318976	126281936	2653632768	140090832	1805191296
889093018	0	0	59030478	3422110040	475664199	1317343367	77406424	2828907333	141113360	1930383646
886393517	0	0	25553423	3414426707	26984552	1332095667	75398568	2934723936	58397588	1981953497
896363716	0	0	34082285	3427097940	20430427	1347109390	25620698	2937426068	127227867	2091675481
907804751	0	0	129129178	3538409487	12175123	1357341510	25786580	2950136690	53526487	2132407979
935859975	0	0	15943738	3522076959	12313216	1362645558	13321041	2949663988	33888654	2153579940
972306803	0	0	11647991	3521003298	31780410	1369108879	19829002	2956026689	70212748	2210151331
903021322	0	0	8811700	3514561830	171684211	1493892495	29115693	2964146392	91420562	2276962864
924795633	0	0	5401339	3504526317	275005208	1754040500	34700411	2854644675	122692370	2389229518
946458181	0	0	7201257	3501954498	586186874	2326906809	31575346	2807222615	100910139	2470563505
970490765	0	0	22066767	3514975192	652692164	2904315665	46278030	2794781687	123304140	2570979318
854453174	0	0	90400843	3592762432	156329738	2906037809	62148844	2835375331	117250117	2665937660
866647465	0	0	260358517	3774584467	996482379	3754824902	122800908	2903073084	149785147	2816043891
133600544	7576150	486629216	0	0	0	645366	7979514	711913984	4297286	328249440
141318264	66199493	551306320	0	0	32584	599800	11082685	719569897	12696649	340151051
145696674	43882052	594990033	0	0	38194	637994	3534017	719841181	9865279	365581245
148644481	3990363	599077682	0	0	-584	632410	7665324	723380153	8426283	371123084
153281867	5026580	603815372	0	0	0	632410	8003096	729320414	11029258	378190143
162176974	8756678	612464837	0	0	0	632410	2108909	731429323	11885744	389011190
160663566	-1124213	610372472	0	0	0	632410	9951112	737526219	15506696	403009959
165736680	7284942	616593601	0	0	0	632410	4513537	743183465	10059545	410314602
189835384	4103684	619811966	0	0	47300698	47933108	13834266	757032190	51489286	460148571
198329401	2465055	622126287	0	0	2550747	50473809	7721442	761026716	29817871	485349425
212069129	4100202	625446437	0	0	1278391	51752200	21561117	779755259	42775030	526886598
213447249	4432028	629100975	0	0	701160	52453360	21275050	800962763	35351785	560303124
217508189	2902990	631885738	0	0	54311026	105592913	26682066	825529475	27228507	580381676
25635912	0	0	911433	55402836	0	3866855	423874	121173576	743477	99473328
25735470	0	0	1217928	56045951	10616	3877471	2698445	123327807	1273877	100619248
25331325	0	0	921232	56425746	0	3877470	3062096	123736548	1885268	102378626
25786323	0	0	116879	56500524	99999	3950560	1837893	125414543	517654	103064977
26368943	0	0	93530	56460577	2817	3947937	2508233	127396862	559544	103427407
26578847	0	0	343564	56741665	0	3937020	3603463	130157236	1713602	104830064
25759098	0	0	414794	57156459	18050063	21968098	3451627	133233874	2887718	107487479
26183664	0	0	467698	57619969	43150390	65114507	9043618	142018379	5792143	112836475
25211976	0	0	1283196	0	4335669	69450176	9938650	150720600	-175430	33486727
25331999	0	0	0	0	1687205	71137381	12043079	162763679	0	33486727
25961351	0	0	0	0	649230	71786611	2447383	164707602	1543	33343246
25915469	0	0	0	0	4127746	75823499	9707657	173008802	0	33153894
26076259	0	0	0	0	345927	76166648	14497517	185951574	147199	32373415
61249736	58157	1928470	0	0	12868	10071238	3343825	285026240	4495498	127330768
65757924	113663	2035015	0	0	148278	10044675	3323029	287043773	2777689	129559596
68805368	87260	2119792	0	0	641260	10681423	1896129	288211348	3267083	131963904
76210917	225265	2342452	0	0	65379	10686866	11172592	290854429	6789238	137456346
77902163	17485	2359937	0	0	22185	10702225	4282651	290496617	5277736	141873040
77280929	127852	2474264	0	0	10984	10709586	4163617	294336793	2698111	143738711
70432801	112378	2586622	0	0	0	10709586	2157694	294876065	7500011	151498575
72303017	22918	2609540	0	0	361954	11071540	1595586	295686841	4868129	155535864
74353182	0	2609540	0	0	459261	11379291	2703464	297435708	4343518	158563922
75386472	0	2609540	0	0	0	11379291	1970919	298515641	14821318	172535176
75006152	339018	2916314	0	0	28596303	39975594	11863786	302409373	4033140	175878303
72079924	300812	3138787	0	0	19878	39995472	1818172	303077677	5445443	180074874
70443933	0	3138787	0	0	298964	39216567	13644183	313341306	1779573	182427305
221541344	0	0	0	0	169399	84821184	40485064	1459858816	15086244	222369248
215303100	0	0	0	0	78918	84720437	44345200	1490536807	16963869	236664045
215309097	0	0	0	0	156106	84750366	21313480	1506169101	14056835	250374978
222084582	0	0	0	0	490213039	593814299	23702302	1524475420	29417906	278166474
241433375	0	0	0	0	6093879	599906488	21567453	1537750709	6512449	283040202
256327829	0	0	0	0	12970306	609037433	25219876	1557063473	5881221	288283979

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250444754	0	0	0	0	10248822	616338718	111664045	1640253789	9587456	295237699
248157102	0	0	0	0	78702955	690828599	18853108	1645338479	8984182	301855439
211534578	0	0	0	0	9388515	682340969	30029333	1671761428	10739073	310643928
207949137	0	0	0	0	57992615	735130698	76541267	1742739209	13322269	323670662
196489070	0	0	0	0	338977116	1067489866	30065378	1703916852	52284589	372748906
191451228	0	0	0	0	360103052	1422084100	29254841	1354909692	28777868	396469062
186651561	0	0	0	0	25052033	1413329968	31859761	1373761167	5665249	416329679
22437980	0	0	9651932	766436608	0	1845304	13838148	333805856	8790838	129185736
25530833	0	0	3186266	768416465	0	1845304	10388136	344216675	22502110	143983757
28124393	0	0	797836	762102670	4155	1897311	12739280	358001044	15997731	158373556
30381072	0	0	1637739	761742109	0	1897311	2646590	360473646	2591697	160970067
35582682	0	0	3556977	765299086	13875	1911186	8314417	364074260	538951	161288004
39410358	0	0	362871	763535984	40149	1951335	4422444	368496704	543824	161643205
30071759	0	0	4398983	271011531	0	0	3083595	0	-78299	148419064
28115526	0	0	0	269749710	0	0	0	0	1521714	153832877
30436912	0	0	554760	196851891	0	0	0	0	861043	151279543
37317328	0	0	0	0	0	0	0	0	4311377	151673637
44847254	0	0	0	0	0	0	0	0	7305266	140538186
54402558	0	0	0	0	0	0	0	0	3668194	144339892
62673960	0	0	0	0	0	0	0	0	4689453	147125003

FPUC Expense

Non - Fuel Operating and Maintanance Expenses

Report Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
5 (501) Fuel												
13 TOTAL Operation (Enter Total of Lines 4 thru 12)												
20 TOTAL Maintenance (Enter Total of Lines 15 thru 19)												
25 (518) Fuel												
33 TOTAL Operation (Enter Total of lines 24 thru 32)												
40 TOTAL Maintenance (Enter Total of lines 35 thru 39)												
45 (536) Water for Power												
50 TOTAL Operation (Enter Total of Lines 44 thru 49)	3675	0										
58 TOTAL Maintenance (Enter Total of lines 53 thru 57)	0	0										
63 (547) Fuel												
67 TOTAL Operation (Enter Total of lines 62 thru 66)												
73 TOTAL Maintenance (Enter Total of lines 69 thru 72)	-	3,838				155	-					
76 (555) Purchased Power	26,897,361	28,796,845	29,181,088	27,013,672	27,558,091	25,088,252	26,174,132	25,289,869	26,497,851	25,084,836	26,722,332	29,483,309
79 TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	26,897,361	28,796,845	29,181,088	27,013,672	27,558,091	25,088,252	26,174,132	25,289,869	26,497,851	25,084,836	26,728,907	29,720,125
84 (561) Load Dispatching												
91 TOTAL Operation (Enter Total of lines 83 thru 90)	16,006	14,941	14,536	15,859	17,130	13,478	21,847	13,492	20,110	17,730	13,098	16,086
99 TOTAL Maintenance (Enter Total of lines 93 thru 98)	48,049	51,439	33,391	47,201	45,441	102,401	61,474	110,226	44,066	41,064	19,471	112,408
105 (581) Load Dispatching	293	-	42	73	-	370	273	319	297		10	49,932
109 (585) Street Lighting and Signal System Expenses	19,807	16,988	18,341	16,726	15,500	19,719	14,682	17,309	28,908	17,698	21,384	13,630
110 (586) Meter Expenses	144,434	144,110	157,691	186,438	175,958	188,780	185,623	193,147	209,728	228,832	227,728	250,175
111 (587) Customer Installations Expenses	51,321	46,159	47,652	43,961	43,269	62,414	73,512	76,044	99,769	101,568	108,197	86,606
114 TOTAL Operation (Enter Total of lines 103 thru 113)	550,702	540,391	601,050	**662,576**	**663,064**	**729,494**	**790,321**	**814,126**	**910,061**	**908,073**	**965,908**	**1,074,558**
118 (592) Maintenance of Station Equipment	20,215	36,829	44,225	24,617	77,485	53,532	40,047	119,929	75,116	57,322	59,582	170,331
121 (595) Maintenance of Line Transformers	62,942	96,945	75,610	69,939	73,389	86,593	109,964	108,716	86,676	116,732	102,037	96,161
122 (596) Maintenance of Street Lighting and Signal Systems	18,855	18,503	17,270	20,592	19,347	21,401	13,927	26,368	18,407	23,488	27,908	30,141
123 (597) Maintenance of Meters	11,141	14,600	19,275	15,700	29,534	18,168	17,262	25,423	38,364	33,256	30,294	28,323
125 TOTAL Maintenance (Enter Total of lines 116 thru 124)	975,966	1,023,155	1,082,194	**1,116,801**	**1,259,409**	**1,171,530**	**1,386,690**	**1,470,996**	**1,281,157**	**1,335,794**	**1,577,526**	**1,853,470**
132 (904) Uncollectible Accounts	53,255	65,283	63,936	74,651	151,641	65,333	73,890	99,147	27,468	66,215	72,943	(7,795)
134 TOTAL Customer Accounts Expenses (Total of lines 129 thru 133)	765,096	815,276	849,995	**888,231**	**1,007,179**	**944,510**	**1,108,287**	**1,156,904**	**1,106,230**	**1,246,794**	**1,280,880**	**1,225,795**
141 TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140)	47,909	77,913	67,278	**199,035**	**208,866**	**153,755**	**236,050**	**298,280**	**486,640**	**381,563**	**382,504**	**473,611**
148 TOTAL Sales Expenses (Enter Total of lines 144 thru 147)	3,588	4,307	3,224	**- 3,111**	**2,111**	**2,397**	**1,719**	**2,765**	**3,184**	**9,523**	**21,503**	**23,845**
151 (920) Administrative and General Salaries	362,683	364,964	395,308	400,747	435,232	441,045	435,001	808,808	847,947	832,637	825,298	830,978
152 (921) Office Supplies and Expenses	92,792	96,765	92,180	97,773	109,760	130,348	153,648	184,730	229,330	187,842	195,299	207,548
153 (Less) (922) Administrative Expenses Transferred-Credit	(7,567)	-									0	0
155 (923) Outside Services Employed	73,170	115,624	85,461	54,010	68,838	46,102	57,404	63,563	94,186	155,805	91,041	151,865
156 (924) Property Insurance	128,630	155,469	144,973	142,790	140,238	135,916	139,463	150,329	157,715	162,182	181,717	175,060
157 (925) Injuries and Damages	247,548	305,819	256,229	243,110	259,599	135,304	222,278	183,072	362,414	591,001	475,183	426,800
158 (926) Employee Pensions and Benefits	140,990	212,048	213,126	109,091	145,476	191,261	149,568	217,924	254,693	440,715	768,078	870,833
159 (927) Franchise Requirements	27,176	-									0	0
160 (928) Regulatory Commission Expenses	37,531	28,397	17,237	10,041	10,373	1,180	2,864	2,520	5,442	9,133	66,101	118,835
161 (929) (Less) Duplicate Charges-Cr.											0	0
162 (930.1) General Advertising Expenses	2,218	-	-	864	596	4,295	318	742	713	283	252	-
163 (930.2) Miscellaneous General Expenses	44,987	45,355	45,483	35,546	34,276	46,400	83,203	78,326	129,670	78,026	86,906	102,616
164 (931) Rents	2,774	3,075	4,135	3,336	2,731	3,331	2,124	3,328	4,038	4,758	6,314	7,035
165 TOTAL Operation (Enter Total of lines 151 thru 164)	1,152,932	1,327,506	1,254,132	1,097,307	1,207,119	1,135,182	1,245,876	1,693,341	2,086,148	2,462,382	2,696,189	2,891,570

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
55 (360) Land and Land Rights	addition	0	0	0	0				0	0	0	5,200	0
56 (361) Structures and Improvements	addition	0	0	0	0	6,348			54,483	1,634	0	0	0
57 (362) Station Equipment	addition	2,757	160,519	0	374,054		77,475	49	64,139	456,450	48,559	16,446	2392109
58 (363) Storage Battery Equipment	addition	0	0	0						0	0	0	0
59 (364) Poles, Towers, and Fixtures	addition	341,027	322,019	255,833	372,604	323,858	276,072	341,907	297,942	434,374	366,203	678,157	407536
60 (365) Overhead Conductors and Devices	addition	264,659	347,878	177,396	279,670	261,351	237,749	260,309	165,726	342,058	275,742	411,104	270186
61 (366) Underground Conduit	addition	45,742	48,940	57,010	65,246	62,053	132,017	165,213	74,811	50,949	159,378	172,725	303006
62 (367) Underground Conductors and Devices	addition	97,248	133,322	103,879	164,717	311,093	189,880	170,984	107,247	178,794	169,485	310,508	451568
63 (368) Line Transformers	addition	370,459	460,718	489,822	581,186	468,998	395,332	541,916	595,566	551,855	539,291	658,448	548321
64 (369) Services	addition	210,001	314,485	302,472	326,231	345,320	353,473	365,905	364,273	409,853	435,140	411,492	447276
65 (370) Meters	addition	97,209	88,867	108,751	129,956	97,197	87,274	105,596	115,055	121,106	188,821	168,713	179527
66 (371) Installations on Customer Premises	addition	72,952	72,003	155,980	89,259	112,759	130,228	201,478	161,195	192,722	181,186	189,695	125907
67 (372) Leased Property on Customer Premises	addition									0	0	0	0
68 (373) Street Lighting and Signal Systems	addition	32,440	29,728	66,766	60,710	132,992	91,492	78,741	143,940	113,376	47,470	29,728	45976
Total Distribution Plant Additions		1,534,494	1,978,479	1,717,909	2,443,633	2,121,969	1,970,992	2,232,098	2,144,377	2,853,171	2,411,275	3,052,216	5,171,412
55 (360) Land and Land Rights	yr_end_bal	34,101	34,101	34,101	34,101	34,101	27,260	27,260	572,661	27,260	27,260	32,460	32460
56 (361) Structures and Improvements	yr_end_bal	42,191	42,191	42,191	42,191	48,539	39,925	39,925	94,408	96,042	96,042	96,042	96042
57 (362) Station Equipment	yr_end_bal	2,245,721	2,385,043	2,376,471	2,759,097	2,759,097	2,833,106	2,833,155	2,897,294	3,317,022	3,316,540	3,332,986	5140457
58 (363) Storage Battery Equipment	yr_end_bal	0								0	0	0	0
59 (364) Poles, Towers, and Fixtures	yr_end_bal	4,997,066	5,264,430	5,478,976	5,810,277	6,092,067	6,329,874	6,636,153	6,885,990	7,271,848	7,566,963	8,192,765	8513073
60 (365) Overhead Conductors and Devices	yr_end_bal	6,576,928	6,880,362	7,037,826	7,250,819	7,469,261	7,666,108	7,900,356	8,019,048	8,331,788	8,577,631	8,960,311	9221904
61 (366) Underground Conduit	yr_end_bal	1,081,967	1,130,907	1,187,917	1,253,163	1,315,216	1,444,898	1,609,911	1,684,722	1,735,671	1,895,049	2,067,681	2372922
62 (367) Underground Conductors and Devices	yr_end_bal	2,234,414	2,362,493	2,454,943	2,615,986	2,916,663	3,099,159	3,261,699	3,367,585	3,539,708	3,687,555	3,966,641	4410932
63 (368) Line Transformers	yr_end_bal	14,268,021	8,166,538	8,628,970	9,186,029	9,567,287	9,799,856	10,318,734	10,712,188	11,194,435	########	########	12676246
64 (369) Services	yr_end_bal	3,872,673	4,176,331	4,470,004	4,787,906	5,124,713	5,468,333	5,829,172	6,184,209	6,586,448	6,985,466	7,387,741	7821949
65 (370) Meters	yr_end_bal	2,285,603	2,356,872	2,447,347	2,562,899	2,648,402	2,703,793	2,772,790	2,826,424	2,893,452	3,042,216	3,171,897	3282840
66 (371) Installations on Customer Premises	yr_end_bal	608,038	663,663	798,051	854,503	943,942	1,050,693	1,207,489	1,314,640	1,463,527	1,596,628	1,737,159	1832332
67 (372) Leased Property on Customer Premises	yr_end_bal	36,865								0	0	0	0
68 (373) Street Lighting and Signal Systems	yr_end_bal	461,588	518,848	572,983	614,787	737,083	805,223	874,311	978,385	1,070,014	1,100,005	1,113,390	1152654
Total Distribution Plant Year-End Balance		38,745,176	33,981,779	35,529,780	37,771,758	39,656,371	41,268,228	43,310,955	45,537,554	47,527,215	########	########	########
55 (360) Land and Land Rights	retirements						-6,841			0	0	0	0
56 (361) Structures and Improvements	retirements						-8,614			0	0	0	0
57 (362) Station Equipment	retirements	-8,572	-21,197	-8,572	8,572		-3,466			-36,722	-49,041	0	-584638
58 (363) Storage Battery Equipment	retirements									0	0	0	0
59 (364) Poles, Towers, and Fixtures	retirements	-36,952	-54,657	-43,545	-41,303	-42,068	-34,227	-35,628	-50,602	-48,516	-71,088	-52,355	-48379
60 (365) Overhead Conductors and Devices	retirements	-44,779	-44,441	-24,466	-66,677	-42,908	-44,940	-26,061	-46,280	-29,318	-30,345	-28,425	-27075
61 (366) Underground Conduit	retirements						-2,335	-200		0	0	-93	0
62 (367) Underground Conductors and Devices	retirements	-40	-5,242	-11,429	-3,674	-10,418	-7,382	-8,444	-1,361	-6,671	-21,638	-31,422	-9182
63 (368) Line Transformers	retirements	-38,893	-90,384	-27,806	-24,127	-87,742	-162,763	-23,038	-202,112	-69,608	-113,403	-64,373	-86472
64 (369) Services	retirements	-15,435	-10,826	-8,788	-8,329	-8,515	-9,853	-5,066	-9,236	-7,614	-36,122	-9,217	-13068
65 (370) Meters	retirements	-17,298	-17,697	-19,366	-14,404	-11,692	-31,883	-36,599	-61,421	-54,078	-40,057	-39,033	-68584
66 (371) Installations on Customer Premises	retirements	-16,848	-16,407	-21,582	-32,807	-23,319	-23,477	-44,682	-54,044	-43,835	-48,085	-49,162	-30734
67 (372) Leased Property on Customer Premises	retirements									0	0	0	0
68 (373) Street Lighting and Signal Systems	retirements	-8,058	-9,334	-12,683	-18,907	-10,695	-23,352	-9,653	-39,866	-21,747	-17,479	-16,344	-8069
Total Distribution Plan Retirements		-186,875	-270,185	-178,237	-201,656	-237,357	-359,133	-189,371	-464,922	-318,109	-427,258	-290,424	-876,201
55 (360) Land and Land Rights	transfers										0		0
56 (361) Structures and Improvements	transfers										0		0
57 (362) Station Equipment	transfers										0		0
58 (363) Storage Battery Equipment	transfers										0		0
59 (364) Poles, Towers, and Fixtures	transfers						-4,038		2,497		0		-38849
60 (365) Overhead Conductors and Devices	transfers	20,393					4,038		-754		446		18482
61 (366) Underground Conduit	transfers										0		2235
62 (367) Underground Conductors and Devices	transfers										0		1905
63 (368) Line Transformers	transfers		67,656	-6,266							0		0
64 (369) Services	transfers										0		0

65 (370) Meters	transfers										0		0
66 (371) Installations on Customer Premises	transfers										0		0
67 (372) Leased Property on Customer Premises	transfers										0		0
68 (373) Street Lighting and Signal Systems	transfers										0		1357
Total Distribution Plant Transfers		20,393	67,656	-6,266	0	0	0	0	1,743	0	446	0	-14,870
55 (360) Land and Land Rights	adjustments												
56 (361) Structures and Improvements	adjustments												
57 (362) Station Equipment	adjustments												
58 (363) Storage Battery Equipment	adjustments												
59 (364) Poles, Towers, and Fixtures	adjustments	-21,821		2,258	4,533								
60 (365) Overhead Conductors and Devices	adjustments	-1,694											
61 (366) Underground Conduit	adjustments	-1,263											
62 (367) Underground Conductors and Devices	adjustments	-1,615											
63 (368) Line Transformers	adjustments		-78,689	6,581									
64 (369) Services	adjustments	-6,051											
65 (370) Meters	adjustments			80									
66 (371) Installations on Customer Premises	adjustments	-383											
67 (372) Leased Property on Customer Premises	adjustments												
68 (373) Street Lighting and Signal Systems	adjustments	-314		52									
Total Distribution Plant Adjustments		-33,141	-78,689	8,971	4,533	0	0	0	0	0	0	0	0
check			**-6,741,876**	**-169,908**	**-201,655**	-237,356	-359,135	-189,371	**82,222**	**-863,510**	-426,812	-290,424	-891,071
			-281,218	**-175,532**	**-197,123**	-237,357	-359,133	-189,371	**-463,179**	**-318,109**	-426,812	-290,424	-891,071

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FPUC Plant

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
55 (360) Land and Land Rights	addition	0	0	0	0				0	0	0	5,200	0
56 (361) Structures and Improvements	addition	0	0	0	0	6,348			54,483	1,634	0	0	0
57 (362) Station Equipment	addition	2,757	160,519	0	374,054		77,475	49	64,139	456,450	48,559	16,446	2392109
58 (363) Storage Battery Equipment	addition	0	0	0						0	0	0	0
59 (364) Poles, Towers, and Fixtures	addition	341,027	322,019	255,833	372,604	323,858	276,072	341,907	297,942	434,374	366,203	678,157	407536
60 (365) Overhead Conductors and Devices	addition	264,659	347,878	177,396	279,670	261,351	237,749	260,309	165,726	342,058	275,742	411,104	270186
61 (366) Underground Conduit	addition	45,742	48,940	57,010	65,246	62,053	132,017	165,213	74,811	50,949	159,378	172,725	303006
62 (367) Underground Conductors and Devices	addition	97,248	133,322	103,879	164,717	311,093	189,880	170,984	107,247	178,794	169,485	310,508	451568
63 (368) Line Transformers	addition	370,459	460,718	489,822	581,186	468,998	395,332	541,916	595,566	551,855	539,291	658,448	548321
64 (369) Services	addition	210,001	314,485	302,472	326,231	345,320	353,473	365,905	364,273	409,853	435,140	411,492	447276
65 (370) Meters	addition	97,209	88,867	108,751	129,956	97,197	87,274	105,596	115,055	121,106	188,821	168,713	179527
66 (371) Installations on Customer Premises	addition	72,952	72,003	155,980	89,259	112,759	130,228	201,478	161,195	192,722	181,186	189,695	125907
67 (372) Leased Property on Customer Premises	addition									0	0	0	0
68 (373) Street Lighting and Signal Systems	addition	32,440	29,728	66,766	60,710	132,992	91,492	78,741	143,940	113,376	47,470	29,728	45976
Total Distribution Plant Additions		1,534,494	1,978,479	1,717,909	2,443,633	2,121,969	1,970,992	2,232,098	2,144,377	2,853,171	2,411,275	3,052,216	5,171,412
55 (360) Land and Land Rights	yr_end_bal	34,101	34,101	34,101	34,101	34,101	27,260	27,260	572,661	27,260	27,260	32,460	32460
56 (361) Structures and Improvements	yr_end_bal	42,191	42,191	42,191	42,191	48,539	39,925	39,925	94,408	96,042	96,042	96,042	96042
57 (362) Station Equipment	yr_end_bal	2,245,721	2,385,043	2,376,471	2,759,097	2,759,097	2,833,106	2,833,155	2,897,294	3,317,022	3,316,540	3,332,986	5140457
58 (363) Storage Battery Equipment	yr_end_bal	0								0	0	0	0
59 (364) Poles, Towers, and Fixtures	yr_end_bal	4,997,066	5,264,430	5,478,976	5,810,277	6,092,067	6,329,874	6,636,153	6,885,990	7,271,848	7,566,963	8,192,765	8513073
60 (365) Overhead Conductors and Devices	yr_end_bal	6,576,928	6,880,362	7,037,826	7,250,819	7,469,261	7,666,108	7,900,356	8,019,048	8,331,788	8,577,631	8,960,311	9221904
61 (366) Underground Conduit	yr_end_bal	1,081,967	1,130,907	1,187,917	1,253,163	1,315,216	1,444,898	1,609,911	1,684,722	1,735,671	1,895,049	2,067,681	2372922
62 (367) Underground Conductors and Devices	yr_end_bal	2,234,414	2,362,493	2,454,943	2,615,986	2,916,663	3,099,159	3,261,699	3,367,585	3,539,708	3,687,555	3,966,641	4410932
63 (368) Line Transformers	yr_end_bal	14,268,021	8,166,538	8,628,970	9,186,029	9,567,287	9,799,856	10,318,734	10,712,188	11,194,435	11,620,323	12,214,397	12676246
64 (369) Services	yr_end_bal	3,872,673	4,176,331	4,470,004	4,787,906	5,124,713	5,468,333	5,829,172	6,184,209	6,586,448	6,985,466	7,387,741	7821949
65 (370) Meters	yr_end_bal	2,285,603	2,356,872	2,447,347	2,562,899	2,648,402	2,703,793	2,772,790	2,826,424	2,893,452	3,042,216	3,171,897	3282840
66 (371) Installations on Customer Premises	yr_end_bal	608,038	663,663	798,051	854,503	943,942	1,050,693	1,207,489	1,314,640	1,463,527	1,596,628	1,737,159	1832332
67 (372) Leased Property on Customer Premises	yr_end_bal	36,865								0	0	0	0
68 (373) Street Lighting and Signal Systems	yr_end_bal	461,588	518,848	572,983	614,787	737,083	805,223	874,311	978,385	1,070,014	1,100,005	1,113,390	1152654
Total Distribution Plant Year-End Balance		38,745,176	33,981,779	35,529,780	37,771,758	39,656,371	41,268,228	43,310,955	45,537,554	47,527,215	49,511,678	52,273,470	########
55 (360) Land and Land Rights	retirements						-6,841			0	0	0	0
56 (361) Structures and Improvements	retirements						-8,614			0	0	0	0
57 (362) Station Equipment	retirements	-8,572	-21,197	-8,572	8,572		-3,466			-36,722	-49,041	0	-584638
58 (363) Storage Battery Equipment	retirements									0	0	0	0
59 (364) Poles, Towers, and Fixtures	retirements	-36,952	-54,657	-43,545	-41,303	-42,068	-34,227	-35,628	-50,602	-48,516	-71,088	-52,355	-48379
60 (365) Overhead Conductors and Devices	retirements	-44,779	-44,441	-24,466	-66,677	-42,908	-44,940	-26,061	-46,280	-29,318	-30,345	-28,425	-27075
61 (366) Underground Conduit	retirements						-2,335	-200		0	0	-93	0
62 (367) Underground Conductors and Devices	retirements	-40	-5,242	-11,429	-3,674	-10,418	-7,382	-8,444	-1,361	-6,671	-21,638	-31,422	-9182
63 (368) Line Transformers	retirements	-38,893	-90,384	-27,806	-24,127	-87,742	-162,763	-23,038	-202,112	-69,608	-113,403	-64,373	-86472
64 (369) Services	retirements	-15,435	-10,826	-8,788	-8,329	-8,515	-9,853	-5,066	-9,236	-7,614	-36,122	-9,217	-13068
65 (370) Meters	retirements	-17,298	-17,697	-19,366	-14,404	-11,692	-31,883	-36,599	-61,421	-54,078	-40,057	-39,033	-68584
66 (371) Installations on Customer Premises	retirements	-16,848	-16,407	-21,582	-32,807	-23,319	-23,477	-44,682	-54,044	-43,835	-48,085	-49,162	-30734
67 (372) Leased Property on Customer Premises	retirements									0	0	0	0
68 (373) Street Lighting and Signal Systems	retirements	-8,058	-9,334	-12,683	-18,907	-10,695	-23,352	-9,653	-39,866	-21,747	-17,479	-16,344	-8069
Total Distribution Plan Retirements		-186,875	-270,185	-178,237	-201,656	-237,357	-359,133	-189,371	-464,922	-318,109	-427,258	-290,424	-876,201

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55 (360) Land and Land Rights	transfers											0	0
56 (361) Structures and Improvements	transfers											0	0
57 (362) Station Equipment	transfers											0	0
58 (363) Storage Battery Equipment	transfers											0	0
59 (364) Poles, Towers, and Fixtures	transfers						-4,038		2,497			0	-38849
60 (365) Overhead Conductors and Devices	transfers	20,393					4,038		-754			446	18482
61 (366) Underground Conduit	transfers											0	2235
62 (367) Underground Conductors and Devices	transfers											0	1905
63 (368) Line Transformers	transfers		67,656	-6,266								0	0
64 (369) Services	transfers											0	0
65 (370) Meters	transfers											0	0
66 (371) Installations on Customer Premises	transfers											0	0
67 (372) Leased Property on Customer Premises	transfers											0	0
68 (373) Street Lighting and Signal Systems	transfers											0	1357
Total Distribution Plant Transfers		20,393	67,656	-6,266	0	0	0	0	1,743	0	446	0	-14,870

55 (360) Land and Land Rights	adjustments												
56 (361) Structures and Improvements	adjustments												
57 (362) Station Equipment	adjustments												
58 (363) Storage Battery Equipment	adjustments												
59 (364) Poles, Towers, and Fixtures	adjustments	-21,821		2,258	4,533								
60 (365) Overhead Conductors and Devices	adjustments	-1,694											
61 (366) Underground Conduit	adjustments	-1,263											
62 (367) Underground Conductors and Devices	adjustments	-1,615											
63 (368) Line Transformers	adjustments		-78,689	6,581									
64 (369) Services	adjustments	-6,051											
65 (370) Meters	adjustments			80									
66 (371) Installations on Customer Premises	adjustments	-383											
67 (372) Leased Property on Customer Premises	adjustments												
68 (373) Street Lighting and Signal Systems	adjustments	-314		52									
Total Distribution Plant Adjustments		-33,141	-78,689	8,971	4,533	0	0	0	0	0	0	0	0

check		**-6,741,876**	**-169,908**	**-201,655**	-237,356	-359,135	-189,371	**82,222**	**-863,510**	-426,812	-290,424	-891,071
		-281,218	-175,532	**-197,123**	-237,357	-359,133	-189,371	**-463,179**	**-318,109**	-426,812	-290,424	-891,071

E-1

COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1	Total Plant-All Steam Generation		10	10	10	10	13	15	18	19	21	19	18	18	19	19
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		-	-	-	10	12	15	18	19	21	20	19	19	19	19
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		8	8	8	9	11	15	18	18	25	19	17	18	19	18
7	Structures & Improvements-Indoor	311	-	-	-	9	11	16	17	18	20	18	18	18	19	18
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	8	8	8	8	10	16	19	17	18	16	14	15	17	16
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		10	10	10	8	11	18	19	20	18	18	16	17	18	18
12	Turbogenerator Units	314	9	9	9	9	13	14	17	19	22	23	20	19	19	19
13	Accessory Electrical Equipment	315	14	14	14	14	16	18	21	26	27	27	26	26	26	26
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		-	-	-	8	9	13	14	15	16	16	15	15	16	16
23	Structures & Improvements	331	-	-	-	9	11	16	17	18	20	18	18	18	19	18
24	Reservoirs, Dams & Waterways	332	-	-	-	7	9	13	15	15	17	17	16	16	17	16
25	Water Wheels, Turbines & Generators	333	-	-	-	7	9	11	12	13	14	13	12	12	12	12
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		11	11	10	11	13	16	19	20	22	21	20	20	20	20
34	Station Equipment	353	15	15	15	15	17	20	25	27	30	30	28	28	29	29
35	Towers & Fixtures	354	8	8	8	8	11	15	16	16	16	16	15	15	16	16
36	Poles & Fixtures	355	6	6	6	6	7	8	12	14	15	13	12	13	13	13
37	Overhead Conductors & Devices	356	15	14	13	13	21	23	27	28	29	21	20	21	21	22
38	Underground Conduit	357	6	7	7	7	8	10	14	16	17	16	15	16	16	15
39	Underground Conductors & Devices	358	12	11	10	11	16	18	21	22	23	18	18	21	20	20
40																
41	**Distribution Plant**															
42	Total Distribution Plant		11	11	11	11	13	15	19	20	22	21	20	20	20	20
43	Station Equipment	362	15	15	16	16	17	20	25	27	30	30	28	28	29	29
44	Poles, Towers & Fixtures	364	6	6	6	6	7	9	10	11	13	14	13	13	14	14
45	Overhead Conductors & Devices	365	12	11	10	11	17	19	22	23	23	17	16	17	17	18
46	Underground Conduit	366	8	8	8	8	9	12	16	18	20	19	17	18	18	18
47	Underground Conductors & Devices	367	12	11	11	11	16	19	22	23	24	19	19	22	21	21
48	Line Transformers	368	42	42	42	42	42	45	61	64	68	70	62	60	62	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	11	10	9	10	14	17	20	21	21	15	14	16	16	16
51	Services-Underground	369	10	10	11	12	14	17	20	22	22	18	16	17	17	18
52	Meters Installed	370	31	31	31	31	31	35	39	44	46	49	46	44	43	42
53	Street Lighting-Overhead	373	-	-	-	-	-	-	-	-	-	-	-	-	22	22
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	-	-	-	-	-	-	-	-	-	-	-	-	23	23
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	Total Plant-All Steam Generation		18	18	18	19	18	18	17	17	19	19	19	21	21	21
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		19	19	19	20	19	19	18	18	19	19	20	22	22	22
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		18	18	18	19	19	18	17	17	19	19	20	22	22	22
7	Structures & Improvements-Indoor	311	18	18	18	18	17	16	15	15	16	16	16	18	18	18
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	16	16	16	16	16	15	14	14	16	16	17	19	19	19
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		18	19	19	19	19	19	17	16	16	16	16	18	18	18
12	Turbogenerator Units	314	19	19	19	22	23	22	21	22	25	26	26	29	30	30
13	Accessory Electrical Equipment	315	26	26	26	27	27	26	25	25	27	27	28	30	30	31
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		16	16	16	16	16	15	14	14	15	15	16	17	17	17
23	Structures & Improvements	331	18	18	18	18	17	16	15	15	16	16	16	18	18	18
24	Reservoirs, Dams & Waterways	332	17	17	17	17	17	16	14	14	15	15	15	17	17	17
25	Water Wheels, Turbines & Generators	333	12	12	13	14	14	14	13	13	14	16	16	17	18	19
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		20	20	20	22	20	20	19	19	20	21	22	23	23	23
34	Station Equipment	353	30	29	29	31	30	29	28	29	32	32	33	35	36	36
35	Towers & Fixtures	354	16	16	16	16	16	16	14	14	15	15	16	17	17	17
36	Poles & Fixtures	355	13	12	12	12	12	12	11	10	12	12	12	14	14	15
37	Overhead Conductors & Devices	356	22	21	23	25	21	19	17	18	21	21	22	23	22	22
38	Underground Conduit	357	15	15	15	15	15	15	13	11	14	15	15	16	17	17
39	Underground Conductors & Devices	358	20	19	21	23	19	19	18	19	20	20	22	24	22	23
40																
41	**Distribution Plant**															
42	Total Distribution Plant		20	20	20	21	20	20	19	19	20	20	20	22	22	22
43	Station Equipment	362	28	27	26	27	27	27	26	26	28	28	29	31	31	32
44	Poles, Towers & Fixtures	364	14	13	13	13	14	13	12	12	13	13	13	15	15	15
45	Overhead Conductors & Devices	365	17	17	18	20	17	16	14	15	17	17	17	19	18	18
46	Underground Conduit	366	17	18	18	18	17	17	16	13	16	17	17	18	20	20
47	Underground Conductors & Devices	367	21	20	22	24	20	20	18	20	21	21	23	25	23	24
48	Line Transformers	368	57	53	52	56	55	53	51	53	54	55	55	59	61	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	16	15	17	18	15	14	13	14	15	15	16	17	17	17
51	Services-Underground	369	19	18	18	18	17	17	15	15	17	17	18	21	20	20
52	Meters Installed	370	42	42	42	42	42	42	42	44	46	48	48	48	48	48
53	Street Lighting-Overhead	373	21	20	22	22	22	21	20	21	22	22	23	24	24	23
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	23	21	23	23	24	24	24	24	25	25	25	26	26	27
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1	Total Plant-All Steam Generation		22	23	24	24	24	24	29	33	36	38	40	44	45	48
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		22	23	24	24	25	25	28	33	37	38	40	43	44	47
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		22	24	24	24	24	24	28	32	36	39	40	44	44	46
7	Structures & Improvements-Indoor	311	18	19	20	21	21	22	24	28	32	35	36	38	38	39
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	38	38	38	39	41
9	Boiler Plant Equipment-Coal Fired	312	20	21	21	21	21	21	24	27	32	35	37	41	42	43
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		19	20	20	21	21	20	23	26	28	29	32	35	36	37
12	Turbogenerator Units	314	30	30	30	30	30	30	35	42	45	47	47	52	52	55
13	Accessory Electrical Equipment	315	32	32	32	32	31	32	37	43	44	46	49	56	57	60
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	37	39	40	43	44
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		18	19	17	20	21	21	24	28	32	33	35	36	38	40
23	Structures & Improvements	331	18	19	20	21	21	22	24	28	32	35	36	38	38	39
24	Reservoirs, Dams & Waterways	332	17	18	20	20	20	21	23	27	31	32	34	35	36	38
25	Water Wheels, Turbines & Generators	333	20	21	22	23	23	23	26	31	34	35	37	41	43	46
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		24	25	25	25	25	26	29	34	38	39	42	46	48	50
34	Station Equipment	353	36	37	37	37	35	35	39	46	49	52	56	63	65	68
35	Towers & Fixtures	354	18	19	20	20	20	21	23	27	30	32	34	36	38	40
36	Poles & Fixtures	355	15	16	17	18	19	22	23	28	30	31	32	35	37	39
37	Overhead Conductors & Devices	356	23	24	26	27	27	28	33	38	40	40	42	46	48	50
38	Underground Conduit	357	17	18	19	19	20	21	24	27	31	32	33	35	37	38
39	Underground Conductors & Devices	358	23	26	27	27	27	27	32	37	44	47	51	62	64	63
40																
41	**Distribution Plant**															
42	Total Distribution Plant		23	24	25	25	26	26	29	34	37	39	41	44	45	48
43	Station Equipment	362	33	33	33	33	32	34	39	44	46	48	50	55	56	59
44	Poles, Towers & Fixtures	364	16	17	18	19	21	22	23	28	31	32	33	35	36	38
45	Overhead Conductors & Devices	365	19	19	21	21	22	22	26	30	32	32	34	37	39	40
46	Underground Conduit	366	21	21	22	23	23	23	26	29	33	34	36	38	39	40
47	Underground Conductors & Devices	367	24	27	28	28	28	28	33	39	46	50	53	65	67	67
48	Line Transformers	368	61	63	62	58	58	58	65	81	84	87	91	103	103	109
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	102	102	102	102	102
50	Services-Overhead	369	17	18	19	20	21	21	25	28	30	30	32	35	37	39
51	Services-Underground	369	21	24	24	25	26	26	30	34	37	38	39	44	45	45
52	Meters Installed	370	48	49	49	49	49	49	54	61	65	70	70	70	70	73
53	Street Lighting-Overhead	373	24	25	26	26	27	27	30	36	39	42	44	48	50	51
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	27	27	28	28	30	30	32	39	42	43	42	46	46	47
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1	Total Plant-All Steam Generation		49	50	55	58	59	61	60	59	60	60	62	64	66	68
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	63	65	68
3	Total Plant-All Steam & Hydro Gen.		48	49	54	57	58	59	59	59	59	60	61	63	65	68
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		48	49	56	61	63	64	64	62	62	62	63	64	66	68
7	Structures & Improvements-Indoor	311	41	43	46	49	50	52	53	53	54	55	56	57	59	61
8	Structures & Improvements-Semi-Outdoor	311	43	45	50	55	56	58	58	56	57	57	58	60	62	63
9	Boiler Plant Equipment-Coal Fired	312	45	47	53	59	61	64	64	64	64	64	66	67	69	71
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		40	42	47	51	53	56	58	59	59	60	60	61	63	66
12	Turbogenerator Units	314	57	58	68	75	80	79	75	69	68	67	68	69	70	72
13	Accessory Electrical Equipment	315	62	62	66	70	73	72	67	58	59	58	60	65	66	71
14	Misc. Power Plant Equipment	316	46	47	50	53	56	57	58	59	60	60	62	63	65	68
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	64	66	69
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	60	62	64
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	65	67	70
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		41	43	47	50	52	54	55	55	56	57	59	60	63	65
23	Structures & Improvements	331	41	43	46	49	50	52	53	53	54	55	56	57	59	61
24	Reservoirs, Dams & Waterways	332	40	41	44	47	49	51	52	53	55	56	57	59	61	64
25	Water Wheels, Turbines & Generators	333	47	49	56	62	65	66	66	65	64	65	66	67	69	71
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	71	72	74	81
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	61	62	64	66
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	74	74	77	85
31																
32	**Transmission Plant**															
33	Total Transmission Plant		51	53	57	58	60	60	60	58	58	58	61	64	66	70
34	Station Equipment	353	69	70	77	81	84	83	77	69	68	64	68	72	74	78
35	Towers & Fixtures	354	41	42	45	48	50	52	53	54	56	57	59	62	65	68
36	Poles & Fixtures	355	40	41	44	47	48	49	51	51	53	54	55	57	60	62
37	Overhead Conductors & Devices	356	53	56	61	65	64	62	63	63	64	59	63	66	69	71
38	Underground Conduit	357	40	41	44	47	49	50	51	53	55	56	58	60	62	64
39	Underground Conductors & Devices	358	65	68	66	58	58	60	61	60	60	61	65	71	72	74
40																
41	**Distribution Plant**															
42	Total Distribution Plant		49	50	53	54	56	56	57	57	58	58	60	62	64	67
43	Station Equipment	362	61	62	68	72	74	74	72	67	68	66	68	70	71	76
44	Poles, Towers & Fixtures	364	39	40	44	46	47	48	50	50	52	53	54	57	59	61
45	Overhead Conductors & Devices	365	42	45	49	49	48	50	51	51	53	54	56	59	61	65
46	Underground Conduit	366	42	43	46	48	50	52	54	55	57	58	60	61	62	64
47	Underground Conductors & Devices	367	68	71	70	61	61	63	64	63	63	64	69	75	76	78
48	Line Transformers	368	112	112	115	121	118	114	112	108	98	93	93	95	95	98
49	Pad Mounted Transformers	368	102	102	102	102	102	102	99	95	94	95	90	90	93	96
50	Services-Overhead	369	39	42	45	43	43	45	47	47	48	49	51	54	57	61
51	Services-Underground	369	44	44	46	45	43	44	42	42	45	46	48	52	57	60
52	Meters Installed	370	74	71	74	78	80	82	83	82	82	82	82	82	82	83
53	Street Lighting-Overhead	373	54	54	57	62	65	65	64	64	64	65	66	67	68	72
54	Mast Arms & Luminaires Installed	373	-	57	64	70	70	66	66	66	65	65	67	68	72	71
55	Street Lighting-Underground	373	51	53	54	59	61	61	62	60	60	61	61	62	67	74
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
1	Total Plant-All Steam Generation		71	74	80	87	93	100	118	137	144	153	162	178	194	210
2	Total Plant-All Steam & Nuclear Gen.		70	74	80	88	93	100	119	136	143	152	161	176	192	209
3	Total Plant-All Steam & Hydro Gen.		70	74	81	87	93	100	118	137	144	152	161	177	193	209
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		70	74	79	87	95	100	118	136	144	155	167	184	200	218
7	Structures & Improvements-Indoor	311	64	68	75	84	92	100	117	127	130	137	148	163	181	191
8	Structures & Improvements-Semi-Outdoor	311	66	71	77	85	92	100	123	137	137	142	153	170	190	198
9	Boiler Plant Equipment-Coal Fired	312	73	76	81	88	95	100	120	140	151	162	175	192	210	229
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		68	71	77	88	97	100	112	124	134	146	160	177	191	209
12	Turbogenerator Units	314	72	75	80	89	98	100	111	127	140	153	164	181	197	219
13	Accessory Electrical Equipment	315	74	77	82	88	94	100	117	135	144	155	161	174	188	207
14	Misc. Power Plant Equipment	316	71	75	80	87	94	100	115	128	136	147	158	174	189	212
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		71	75	81	88	95	100	113	127	136	146	155	170	185	201
18	Structures & Improvements	321	67	73	79	87	93	100	113	123	130	137	146	160	174	186
19	Reactor Plant Equipment	322	72	76	83	89	96	100	113	128	139	147	157	171	187	204
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		68	73	79	86	94	100	115	128	135	143	153	170	186	199
23	Structures & Improvements	331	64	68	75	84	92	100	117	127	130	137	148	163	181	191
24	Reservoirs, Dams & Waterways	332	67	72	78	86	94	100	115	127	133	139	148	164	179	189
25	Water Wheels, Turbines & Generators	333	73	78	83	88	95	100	114	130	143	157	170	188	207	231
26																
27	**Other Production Plant**															
28	Total Other Production Plant		86	88	93	97	99	100	109	133	146	159	166	179	193	211
29	Fuel Holders, Producers & Accessories	342	68	74	81	88	96	100	114	129	140	150	164	179	195	211
30	Gas Turbogenerators	344	89	92	95	98	100	100	107	133	147	161	168	181	194	213
31																
32	**Transmission Plant**															
33	Total Transmission Plant		72	76	82	88	92	100	122	140	147	156	161	175	194	209
34	Station Equipment	353	80	83	87	89	92	100	125	148	152	162	172	185	201	217
35	Towers & Fixtures	354	71	77	82	88	94	100	122	139	141	146	159	174	194	206
36	Poles & Fixtures	355	64	69	74	80	86	100	125	142	142	146	154	169	184	201
37	Overhead Conductors & Devices	356	71	77	88	97	98	100	117	146	167	178	168	180	203	219
38	Underground Conduit	357	67	72	79	89	96	100	111	122	131	140	150	163	176	188
39	Underground Conductors & Devices	358	71	76	80	80	90	100	135	136	138	149	148	176	212	231
40																
41	**Distribution Plant**															
42	Total Distribution Plant		70	74	81	87	92	100	118	136	142	149	156	173	186	202
43	Station Equipment	362	81	83	87	89	92	100	122	139	144	155	164	174	189	204
44	Poles, Towers & Fixtures	364	63	68	74	81	87	100	123	142	143	148	157	176	191	207
45	Overhead Conductors & Devices	365	68	74	85	93	96	100	115	143	162	171	165	178	197	213
46	Underground Conduit	366	66	70	78	87	94	100	111	121	127	135	144	158	169	180
47	Underground Conductors & Devices	367	74	80	85	86	97	100	125	129	133	141	148	182	206	208
48	Line Transformers	368	103	99	100	101	99	100	109	130	134	145	154	163	163	190
49	Pad Mounted Transformers	368	98	94	95	97	99	100	103	105	107	118	130	137	157	184
50	Services-Overhead	369	64	70	81	89	95	100	108	120	128	136	145	158	175	186
51	Services-Underground	369	64	68	73	77	86	100	115	107	112	116	124	134	160	176
52	Meters Installed	370	86	89	93	98	99	100	107	124	133	138	142	146	144	160
53	Street Lighting-Overhead	373	74	79	86	91	96	100	121	147	155	165	180	200	217	238
54	Mast Arms & Luminaires Installed	373	71	75	88	93	96	100	117	137	151	165	178	195	217	242
55	Street Lighting-Underground	373	71	75	86	92	97	100	120	147	157	168	183	204	220	239
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
									1988		1989		1990		1991	
			1982	1983	1984	1985	1986	1987	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		222	230	239	244	248	253	260	273	280	286	290	296	299	305
2	Total Plant-All Steam & Nuclear Gen.		221	230	238	243	247	252	259	272	279	285	289	295	297	304
3	Total Plant-All Steam & Hydro Gen.		221	229	238	243	247	252	258	272	279	285	289	295	297	304
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		230	238	248	256	260	267	276	287	290	300	304	308	312	315
7	Structures & Improvements-Indoor	311	198	206	218	225	233	239	242	253	257	268	268	272	271	276
8	Structures & Improvements-Semi-Outdoor	311	197	203	218	230	237	243	246	259	260	269	270	274	270	269
9	Boiler Plant Equipment-Coal Fired	312	241	248	258	267	272	281	293	300	301	315	320	327	332	336
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		227	226	231	237	240	252	266	275	289	288	289	291	290	299
12	Turbogenerator Units	314	232	245	254	258	257	263	273	281	288	294	298	298	304	308
13	Accessory Electrical Equipment	315	235	247	248	253	256	258	262	303	309	313	314	324	326	334
14	Misc. Power Plant Equipment	316	233	246	258	270	275	283	290	298	304	313	318	324	328	336
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		217	227	235	242	244	252	260	268	274	281	285	288	291	296
18	Structures & Improvements	321	197	206	216	224	227	233	236	243	242	252	254	258	259	264
19	Reactor Plant Equipment	322	220	229	236	243	248	259	269	273	283	290	293	296	299	303
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		208	217	229	237	243	248	253	262	264	270	275	272	276	281
23	Structures & Improvements	331	198	206	218	225	233	239	242	253	257	268	268	272	271	276
24	Reservoirs, Dams & Waterways	332	197	206	217	227	234	238	242	250	251	256	257	258	258	263
25	Water Wheels, Turbines & Generators	333	245	256	266	272	273	278	287	300	303	307	327	308	330	332
26																
27	**Other Production Plant**															
28	Total Other Production Plant		228	235	239	243	247	264	273	319	322	335	339	342	340	350
29	Fuel Holders, Producers & Accessories	342	226	228	235	244	251	259	266	276	282	291	298	299	303	309
30	Gas Turbogenerators	344	230	236	240	243	247	268	277	329	331	345	349	351	350	360
31																
32	**Transmission Plant**															
33	Total Transmission Plant		221	228	234	240	245	248	253	275	280	287	291	304	305	315
34	Station Equipment	353	231	235	242	248	250	259	264	271	281	288	293	308	311	311
35	Towers & Fixtures	354	210	218	233	245	252	258	261	273	272	282	284	289	285	283
36	Poles & Fixtures	355	216	224	235	240	245	248	252	274	287	295	299	304	319	333
37	Overhead Conductors & Devices	356	226	245	240	242	244	235	260	323	322	318	312	332	309	358
38	Underground Conduit	357	205	213	223	230	235	240	246	260	270	278	276	280	282	289
39	Underground Conductors & Devices	358	245	250	249	244	267	271	269	298	288	312	338	365	391	417
40																
41	**Distribution Plant**															
42	Total Distribution Plant		215	223	229	234	237	239	244	257	269	272	275	281	281	291
43	Station Equipment	362	221	225	230	235	238	245	252	270	283	291	294	312	314	315
44	Poles, Towers & Fixtures	364	221	227	236	243	248	249	251	265	270	276	280	286	293	305
45	Overhead Conductors & Devices	365	225	241	248	250	252	250	267	311	315	316	312	323	313	345
46	Underground Conduit	366	191	206	219	225	230	235	241	253	273	284	281	282	281	284
47	Underground Conductors & Devices	367	207	211	213	220	231	235	242	239	254	258	272	271	275	284
48	Line Transformers	368	206	210	213	215	217	215	217	215	228	226	232	231	231	232
49	Pad Mounted Transformers	368	184	187	206	209	217	239	253	266	271	282	283	284	292	300
50	Services-Overhead	369	198	206	226	227	228	232	239	259	272	276	273	277	278	288
51	Services-Underground	369	177	197	204	188	183	195	214	196	239	226	223	239	227	224
52	Meters Installed	370	187	201	204	207	212	212	202	203	194	190	195	191	195	215
53	Street Lighting-Overhead	373	255	258	272	284	283	271	270	278	284	289	293	298	302	312
54	Mast Arms & Luminaires Installed	373	256	264	284	296	289	279	276	283	292	300	304	309	313	324
55	Street Lighting-Underground	373	259	261	275	286	287	273	273	280	285	290	294	300	304	313
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1992		1993		1994		1995		1996		1997		1998	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		302	308	315	318	323	330	337	341	344	346	351	354	360	362
2	Total Plant-All Steam & Nuclear Gen.		301	307	314	316	322	328	336	340	342	344	349	352	358	360
3	Total Plant-All Steam & Hydro Gen.		301	307	314	316	322	328	336	340	342	344	349	352	358	360
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		317	322	329	334	341	346	354	358	361	363	373	375	380	383
7	Structures & Improvements-Indoor	311	273	281	288	294	300	308	313	316	317	319	329	330	333	335
8	Structures & Improvements-Semi-Outdoor	311	265	275	281	286	292	306	309	312	317	318	329	331	332	337
9	Boiler Plant Equipment-Coal Fired	312	338	344	350	355	360	363	371	375	378	380	388	392	396	399
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		300	303	306	311	314	313	321	328	330	334	337	338	341	343
12	Turbogenerator Units	314	311	312	319	321	337	336	350	353	353	356	368	368	376	376
13	Accessory Electrical Equipment	315	339	344	355	360	362	367	377	387	390	397	402	407	413	416
14	Misc. Power Plant Equipment	316	337	343	351	357	364	374	382	385	385	390	394	403	406	410
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		297	301	307	311	320	322	330	335	335	338	347	348	353	354
18	Structures & Improvements	321	261	270	275	280	289	294	299	299	300	303	316	314	317	319
19	Reactor Plant Equipment	322	306	309	313	316	324	324	332	339	339	341	347	349	352	354
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		279	286	291	297	304	309	315	319	319	323	333	333	336	338
23	Structures & Improvements	331	273	281	288	294	300	308	313	316	317	319	329	330	333	335
24	Reservoirs, Dams & Waterways	332	262	271	274	283	288	295	300	303	303	308	317	317	318	320
25	Water Wheels, Turbines & Generators	333	331	329	337	338	349	347	356	362	361	365	376	376	387	386
26																
27	**Other Production Plant**															
28	Total Other Production Plant		350	354	365	362	357	354	354	362	364	375	375	376	386	388
29	Fuel Holders, Producers & Accessories	342	308	313	317	322	324	327	332	336	340	343	349	353	359	362
30	Gas Turbogenerators	344	360	363	375	370	363	358	356	364	367	379	377	378	389	390
31																
32	**Transmission Plant**															
33	Total Transmission Plant		307	316	325	326	332	341	352	355	357	358	364	366	375	377
34	Station Equipment	353	308	320	330	329	335	347	358	360	361	360	364	365	377	379
35	Towers & Fixtures	354	280	289	295	301	307	321	324	327	332	327	344	346	352	357
36	Poles & Fixtures	355	337	352	349	357	369	378	390	389	392	410	414	421	428	429
37	Overhead Conductors & Devices	356	309	313	336	325	333	337	365	370	376	374	381	377	394	395
38	Underground Conduit	357	285	291	297	301	306	312	313	316	316	323	327	330	335	338
39	Underground Conductors & Devices	358	418	420	424	427	428	430	434	443	444	447	450	452	455	455
40																
41	**Distribution Plant**															
42	Total Distribution Plant		284	290	297	297	301	307	314	316	320	322	323	326	332	334
43	Station Equipment	362	303	317	319	321	319	332	341	350	347	347	352	353	366	368
44	Poles, Towers & Fixtures	364	308	321	325	329	340	352	355	362	369	370	379	383	387	388
45	Overhead Conductors & Devices	365	316	317	339	334	343	348	369	376	380	382	388	389	401	403
46	Underground Conduit	366	281	286	290	295	301	308	312	314	313	319	325	328	333	336
47	Underground Conductors & Devices	367	282	284	290	290	291	293	298	307	309	313	313	315	318	321
48	Line Transformers	368	233	238	239	238	241	245	244	237	243	239	223	228	230	231
49	Pad Mounted Transformers	368	295	297	299	307	309	310	301	312	312	324	326	327	329	329
50	Services-Overhead	369	281	281	295	292	298	305	316	320	325	324	320	330	335	335
51	Services-Underground	369	230	221	226	225	229	237	241	244	244	244	242	249	247	243
52	Meters Installed	370	209	205	214	214	207	201	202	197	204	204	205	222	224	224
53	Street Lighting-Overhead	373	317	320	331	336	344	354	358	368	376	387	395	395	399	398
54	Mast Arms & Luminaires Installed	373	334	335	342	346	356	371	376	379	388	407	417	414	416	411
55	Street Lighting-Underground	373	318	320	333	338	345	353	356	367	375	386	394	394	398	398
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		365	366	370	384	390	394	401	406	411	410	422	436	459	466
2	Total Plant-All Steam & Nuclear Gen.		363	364	368	382	387	391	398	404	408	407	419	434	456	463
3	Total Plant-All Steam & Hydro Gen.		363	364	368	382	387	391	398	404	408	407	419	433	455	462
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		385	389	396	415	420	425	431	438	445	441	455	465	489	493
7	Structures & Improvements-Indoor	311	340	341	346	366	370	380	382	390	393	387	404	418	443	447
8	Structures & Improvements-Semi-Outdoor	311	336	339	349	356	358	367	370	374	376	376	403	410	427	434
9	Boiler Plant Equipment-Coal Fired	312	404	407	411	435	440	449	453	460	463	456	468	482	505	509
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		351	351	351	365	370	376	381	385	387	383	405	418	464	468
12	Turbogenerator Units	314	376	381	390	406	411	404	413	420	441	439	449	451	476	473
13	Accessory Electrical Equipment	315	420	429	435	462	475	482	496	510	516	512	528	537	581	591
14	Misc. Power Plant Equipment	316	416	422	430	448	453	460	465	472	474	468	487	501	535	538
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		356	360	365	381	386	391	396	403	409	407	417	427	454	457
18	Structures & Improvements	321	319	323	327	343	345	356	359	367	369	364	376	383	403	410
19	Reactor Plant Equipment	322	358	360	364	378	382	386	391	396	398	399	407	423	451	452
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		333	337	341	348	351	356	358	364	364	365	382	384	401	405
23	Structures & Improvements	331	340	341	346	366	370	380	382	390	393	387	404	418	443	447
24	Reservoirs, Dams & Waterways	332	314	318	320	327	328	338	338	346	344	345	364	370	388	394
25	Water Wheels, Turbines & Generators	333	382	387	396	396	402	388	399	394	399	405	415	397	405	403
26																
27	**Other Production Plant**															
28	Total Other Production Plant		400	404	410	440	448	420	426	437	443	444	439	447	443	450
29	Fuel Holders, Producers & Accessories	342	371	369	371	384	387	393	396	403	406	405	414	437	467	473
30	Gas Turbogenerators	344	404	408	415	402	410	418	424	435	441	443	434	440	426	434
31																
32	**Transmission Plant**															
33	Total Transmission Plant		379	378	380	399	404	408	415	416	419	416	429	455	474	486
34	Station Equipment	353	381	385	388	414	418	426	431	432	435	428	436	475	494	506
35	Towers & Fixtures	354	363	363	373	379	382	390	398	401	406	407	431	436	451	456
36	Poles & Fixtures	355	419	423	417	425	431	439	449	450	451	453	467	470	493	509
37	Overhead Conductors & Devices	356	392	359	360	401	405	410	416	407	409	409	419	446	469	495
38	Underground Conduit	357	354	348	351	360	363	369	377	385	388	387	402	418	454	454
39	Underground Conductors & Devices	358	459	471	460	464	476	455	462	469	473	474	482	531	541	558
40																
41	**Distribution Plant**															
42	Total Distribution Plant		337	336	338	346	352	354	363	368	371	373	382	398	419	428
43	Station Equipment	362	370	373	375	378	384	386	392	390	394	395	406	442	463	471
44	Poles, Towers & Fixtures	364	391	395	395	402	406	411	420	428	430	434	440	449	472	476
45	Overhead Conductors & Devices	365	403	389	392	422	429	434	445	446	452	455	468	487	514	537
46	Underground Conduit	366	342	346	354	359	365	370	378	391	394	390	406	407	435	438
47	Underground Conductors & Devices	367	325	331	328	335	344	330	337	340	340	342	348	365	396	407
48	Line Transformers	368	237	232	233	234	237	243	248	253	253	258	250	270	282	290
49	Pad Mounted Transformers	368	331	332	333	335	336	355	359	368	362	363	393	462	497	546
50	Services-Overhead	369	338	339	342	349	355	356	367	368	374	374	390	397	419	426
51	Services-Underground	369	242	242	248	256	259	255	261	269	270	270	277	278	291	304
52	Meters Installed	370	229	216	211	213	225	241	264	277	287	287	325	325	315	315
53	Street Lighting-Overhead	373	403	406	408	413	419	424	434	451	472	475	482	487	509	517
54	Mast Arms & Luminaires Installed	373	413	415	415	420	426	427	436	439	442	448	454	460	491	505
55	Street Lighting-Underground	373	405	407	411	416	423	429	439	459	486	489	496	499	519	526
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1	Total Plant-All Steam Generation		10	10	9	10	12	14	16	18	20	18	17	18	18	18
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		-	-	-	10	12	5	18	19	21	19	18	18	18	18
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		8	9	9	9	11	15	18	18	20	19	17	18	18	18
7	Structures & Improvements-Indoor	311	-	-	-	9	11	15	16	17	19	17	16	17	17	17
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	8	8	8	9	10	16	19	17	18	16	14	16	17	16
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		10	10	10	9	11	18	20	21	19	18	17	18	19	19
12	Turbogenerator Units	314	9	9	9	9	13	14	17	19	22	23	20	19	19	19
13	Accessory Electrical Equipment	315	13	13	13	13	14	16	19	23	26	26	24	24	25	25
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		-	-	-	8	10	13	14	15	16	15	14	15	15	15
23	Structures & Improvements	331	-	-	-	9	11	15	16	17	19	17	16	17	17	17
24	Reservoirs, Dams & Waterways	332	-	-	-	8	9	12	15	16	17	15	15	15	16	16
25	Water Wheels, Turbines & Generators	333	-	-	-	7	9	11	12	13	14	13	12	12	12	12
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		11	11	10	11	13	16	18	20	22	19	18	19	19	19
34	Station Equipment	353	15	15	15	15	16	20	24	27	30	30	27	28	29	29
35	Towers & Fixtures	354	7	8	8	8	11	14	15	15	15	14	13	13	15	15
36	Poles & Fixtures	355	6	6	6	6	7	9	10	12	13	12	12	12	12	13
37	Overhead Conductors & Devices	356	14	14	13	14	20	23	25	27	29	22	20	21	21	22
38	Underground Conduit	357	6	6	6	6	6	9	11	12	13	14	13	12	13	13
39	Underground Conductors & Devices	358	12	11	10	11	15	17	19	21	22	18	18	21	20	20
40																
41	**Distribution Plant**															
42	Total Distribution Plant		11	12	11	12	13	15	19	21	22	21	19	19	20	20
43	Station Equipment	362	16	16	16	16	17	20	24	27	30	30	29	29	30	30
44	Poles, Towers & Fixtures	364	6	6	6	6	7	8	10	12	13	12	12	12	12	13
45	Overhead Conductors & Devices	365	11	11	10	11	15	18	20	21	23	17	16	17	17	17
46	Underground Conduit	366	7	8	8	8	8	11	15	16	17	18	17	16	17	17
47	Underground Conductors & Devices	367	12	12	11	11	16	18	20	23	23	19	19	22	21	21
48	Line Transformers	368	42	42	42	42	42	45	62	64	68	70	62	60	62	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	11	11	10	10	15	17	18	20	21	15	14	15	15	16
51	Services-Underground	369	9	10	10	11	13	15	17	20	20	17	15	16	15	16
52	Meters Installed	370	31	31	31	31	31	35	39	44	46	49	46	44	43	42
53	Street Lighting-Overhead	373	-	-	-	-	-	-	-	-	-	-	-	-	21	21
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	-	-	-	-	-	-	-	-	-	-	-	-	22	22
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	Total Plant-All Steam Generation		18	18	18	19	18	18	16	17	18	19	19	21	21	21
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		18	18	18	19	18	17	16	17	18	18	19	20	20	21
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		18	18	18	19	19	18	16	17	19	20	20	22	22	22
7	Structures & Improvements-Indoor	311	17	17	16	16	15	14	13	13	15	15	15	16	16	16
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	16	16	16	16	16	16	14	14	16	16	17	19	19	20
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		19	20	20	20	20	20	18	16	16	17	17	19	19	19
12	Turbogenerator Units	314	19	19	19	22	23	22	21	22	25	26	26	29	30	30
13	Accessory Electrical Equipment	315	26	26	26	28	27	26	24	26	27	27	28	30	30	30
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		15	15	15	15	15	14	13	13	14	15	14	15	16	16
23	Structures & Improvements	331	17	17	16	16	15	14	13	13	15	15	15	16	16	16
24	Reservoirs, Dams & Waterways	332	16	15	15	15	15	14	13	13	15	15	14	15	15	16
25	Water Wheels, Turbines & Generators	333	12	12	13	14	14	14	13	13	14	16	16	17	18	19
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		19	19	19	21	19	18	17	17	19	19	20	21	21	21
34	Station Equipment	353	30	29	28	31	30	29	27	29	32	32	32	34	35	35
35	Towers & Fixtures	354	15	14	14	14	14	13	12	12	13	13	13	15	15	15
36	Poles & Fixtures	355	13	12	12	12	12	12	11	11	12	12	12	13	13	14
37	Overhead Conductors & Devices	356	22	22	23	26	23	19	17	18	20	21	22	23	21	22
38	Underground Conduit	357	13	12	12	12	12	12	11	11	12	12	12	12	14	14
39	Underground Conductors & Devices	358	20	19	21	23	19	18	17	18	20	20	21	23	21	21
40																
41	**Distribution Plant**															
42	Total Distribution Plant		19	19	19	20	19	18	17	17	19	19	19	21	21	21
43	Station Equipment	362	29	29	29	30	30	29	28	28	30	31	32	33	34	34
44	Poles, Towers & Fixtures	364	13	11	11	12	11	11	11	10	12	12	11	13	13	13
45	Overhead Conductors & Devices	365	17	17	18	20	18	15	14	14	16	16	17	18	17	17
46	Underground Conduit	366	17	16	16	16	16	16	15	14	16	16	16	16	18	18
47	Underground Conductors & Devices	367	21	20	22	24	20	19	18	19	21	21	23	24	22	23
48	Line Transformers	368	57	53	52	56	55	53	51	52	55	55	55	59	61	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	16	16	17	19	16	14	13	14	15	15	16	17	16	16
51	Services-Underground	369	17	17	16	17	17	15	13	14	15	15	16	18	16	16
52	Meters Installed	370	42	42	42	43	43	42	42	43	47	48	48	48	48	48
53	Street Lighting-Overhead	373	20	20	21	22	22	21	20	20	22	22	23	23	23	23
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	22	21	22	23	24	23	23	23	24	24	24	25	24	25
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1	Total Plant-All Steam Generation		21	23	24	24	24	24	28	33	36	38	40	44	45	48
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		21	22	24	24	24	25	28	33	36	38	39	43	44	47
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		23	24	25	25	24	25	29	33	37	39	40	44	45	47
7	Structures & Improvements-Indoor	311	16	18	20	20	20	21	24	28	32	33	34	37	37	39
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	37	37	37	38	41
9	Boiler Plant Equipment-Coal Fired	312	20	21	22	22	22	22	24	28	33	36	38	42	42	44
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		20	21	21	22	22	21	24	27	30	30	33	36	38	39
12	Turbogenerator Units	314	30	30	30	30	30	31	34	41	45	47	47	52	52	55
13	Accessory Electrical Equipment	315	30	32	33	33	31	31	35	40	43	45	48	54	55	58
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	38	39	41	43	45
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		17	18	20	20	21	21	24	29	32	33	34	36	38	40
23	Structures & Improvements	331	16	18	20	20	20	21	24	28	32	33	34	37	37	39
24	Reservoirs, Dams & Waterways	332	16	17	19	19	20	21	24	28	31	32	33	35	37	39
25	Water Wheels, Turbines & Generators	333	20	21	22	23	23	23	26	31	34	35	37	41	43	46
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		22	23	25	25	25	25	28	33	37	38	40	44	46	48
34	Station Equipment	353	35	36	37	37	35	35	40	47	50	53	56	64	65	69
35	Towers & Fixtures	354	15	17	19	19	19	20	24	27	30	31	32	35	37	39
36	Poles & Fixtures	355	14	16	18	19	20	22	24	29	32	32	33	35	37	39
37	Overhead Conductors & Devices	356	23	24	26	27	27	27	31	36	40	40	42	46	48	52
38	Underground Conduit	357	14	15	17	17	17	19	21	24	27	28	29	30	32	34
39	Underground Conductors & Devices	358	22	25	27	26	25	26	30	35	42	47	50	61	62	62
40																
41	**Distribution Plant**															
42	Total Distribution Plant		21	23	24	25	26	26	29	34	38	39	40	44	45	48
43	Station Equipment	362	35	36	37	37	36	36	40	45	48	51	54	58	59	63
44	Poles, Towers & Fixtures	364	14	16	18	18	20	22	23	28	31	31	32	34	36	38
45	Overhead Conductors & Devices	365	18	19	21	21	21	21	24	28	31	32	33	36	38	40
46	Underground Conduit	366	18	20	21	22	22	22	25	29	32	33	34	36	37	39
47	Underground Conductors & Devices	367	23	26	28	27	26	27	31	37	45	49	52	64	66	65
48	Line Transformers	368	61	63	62	58	58	58	65	82	83	87	91	103	103	110
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	102	102	102	102	102
50	Services-Overhead	369	17	18	20	20	20	20	23	27	30	30	32	34	36	38
51	Services-Underground	369	18	21	23	23	23	23	26	29	34	36	37	41	42	42
52	Meters Installed	370	48	48	49	49	49	49	54	61	65	71	71	71	70	73
53	Street Lighting-Overhead	373	23	25	26	26	26	26	29	35	38	42	43	48	49	50
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	26	26	27	28	29	29	30	36	41	42	42	45	45	46
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1	Total Plant-All Steam Generation		49	51	55	59	60	62	61	60	60	61	62	64	66	68
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	64	66	68
3	Total Plant-All Steam & Hydro Gen.		48	50	54	57	58	59	60	59	60	60	62	63	65	68
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		49	51	57	63	65	67	65	63	63	63	65	66	68	70
7	Structures & Improvements-Indoor	311	41	42	46	48	50	51	52	53	54	55	56	57	59	60
8	Structures & Improvements-Semi-Outdoor	311	42	44	50	54	55	57	57	56	57	57	58	59	60	62
9	Boiler Plant Equipment-Coal Fired	312	46	48	54	61	62	65	66	65	65	66	67	68	70	72
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		42	44	49	54	55	58	61	61	62	63	63	64	66	69
12	Turbogenerator Units	314	57	58	68	75	80	79	75	70	68	67	68	69	71	72
13	Accessory Electrical Equipment	315	60	61	65	69	71	71	66	59	59	57	60	64	65	69
14	Misc. Power Plant Equipment	316	46	48	51	54	56	58	59	59	60	61	62	63	65	68
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	66	67	70
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	62	64	65
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	67	69	71
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		42	43	48	51	53	55	56	56	57	59	60	61	63	65
23	Structures & Improvements	331	41	42	46	48	50	51	52	53	54	55	56	57	59	60
24	Reservoirs, Dams & Waterways	332	40	42	45	48	49	52	53	54	56	58	59	60	63	65
25	Water Wheels, Turbines & Generators	333	47	49	56	62	65	66	66	65	64	65	66	67	69	71
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	70	71	74	80
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	62	63	64	67
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	74	74	77	85
31																
32	**Transmission Plant**															
33	Total Transmission Plant		50	52	56	57	59	59	59	57	58	58	60	63	65	68
34	Station Equipment	353	70	72	78	82	85	84	78	70	68	64	68	72	74	78
35	Towers & Fixtures	354	41	42	45	47	49	51	53	54	56	57	59	61	64	67
36	Poles & Fixtures	355	40	41	45	47	48	49	51	52	54	55	56	58	60	62
37	Overhead Conductors & Devices	356	53	56	62	65	64	62	63	63	64	60	63	66	68	70
38	Underground Conduit	357	35	36	39	41	43	44	46	48	49	51	52	53	55	57
39	Underground Conductors & Devices	358	64	57	66	58	57	60	61	60	60	61	65	70	71	73
40																
41	**Distribution Plant**															
42	Total Distribution Plant		49	51	54	55	56	57	58	58	58	59	60	62	64	67
43	Station Equipment	362	65	67	73	77	80	80	78	73	73	71	73	75	76	80
44	Poles, Towers & Fixtures	364	39	40	44	46	47	48	50	51	53	54	55	57	59	61
45	Overhead Conductors & Devices	365	42	45	49	49	48	50	51	52	52	53	55	58	60	64
46	Underground Conduit	366	41	43	45	47	49	51	52	54	56	57	58	59	60	61
47	Underground Conductors & Devices	367	67	71	69	61	60	63	64	63	63	64	68	74	75	76
48	Line Transformers	368	111	111	115	122	118	114	112	109	99	93	93	95	96	99
49	Pad Mounted Transformers	368	102	102	102	102	102	102	100	95	95	95	91	91	93	96
50	Services-Overhead	369	39	43	45	44	43	46	47	48	48	50	51	54	56	60
51	Services-Underground	369	42	42	44	44	42	43	41	42	44	45	47	50	54	57
52	Meters Installed	370	75	72	75	79	81	83	84	83	83	83	83	83	83	84
53	Street Lighting-Overhead	373	53	54	56	61	64	64	64	63	63	64	66	66	68	71
54	Mast Arms & Luminaires Installed	373	-	58	65	71	71	66	67	66	65	66	67	68	72	71
55	Street Lighting-Underground	373	51	53	54	58	60	61	61	60	60	60	61	61	66	73
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
1	Total Plant-All Steam Generation		71	76	81	88	94	100	120	139	148	157	166	182	199	217
2	Total Plant-All Steam & Nuclear Gen.		71	76	81	88	94	100	119	139	148	157	166	182	199	217
3	Total Plant-All Steam & Hydro Gen.		71	76	82	88	94	100	119	139	147	156	166	181	198	216
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		72	75	80	87	95	100	118	137	147	157	170	187	205	223
7	Structures & Improvements-Indoor	311	65	70	73	82	93	100	115	127	131	139	152	164	179	191
8	Structures & Improvements-Semi-Outdoor	311	65	70	75	82	91	100	125	139	139	144	156	173	196	205
9	Boiler Plant Equipment-Coal Fired	312	74	77	82	89	94	100	120	142	153	163	177	195	213	232
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		71	74	81	89	96	100	113	127	138	149	165	183	198	215
12	Turbogenerator Units	314	72	75	80	88	96	100	110	129	142	155	166	183	200	222
13	Accessory Electrical Equipment	315	73	77	83	88	95	100	116	135	145	158	164	178	193	214
14	Misc. Power Plant Equipment	316	71	76	82	88	94	100	115	129	137	149	161	177	194	217
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		71	75	81	88	95	100	114	129	139	151	162	177	195	212
18	Structures & Improvements	321	68	72	77	85	92	100	114	126	134	149	161	178	196	210
19	Reactor Plant Equipment	322	73	77	83	89	95	100	114	129	140	149	159	173	191	208
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		69	73	77	84	92	100	115	129	134	145	157	172	188	205
23	Structures & Improvements	331	65	70	73	82	93	100	115	127	131	139	152	164	179	191
24	Reservoirs, Dams & Waterways	332	68	72	76	83	91	100	116	129	132	141	152	167	182	198
25	Water Wheels, Turbines & Generators	333	73	78	83	88	95	100	114	130	143	157	171	189	208	233
26																
27	**Other Production Plant**															
28	Total Other Production Plant		84	88	92	96	98	100	109	133	145	159	166	180	193	212
29	Fuel Holders, Producers & Accessories	342	69	74	80	88	95	100	115	130	142	152	166	183	201	218
30	Gas Turbogenerators	344	89	92	95	98	100	100	107	133	147	162	168	181	194	213
31																
32	**Transmission Plant**															
33	Total Transmission Plant		71	77	82	89	93	100	123	145	154	163	167	180	200	216
34	Station Equipment	353	81	84	88	90	93	100	125	149	155	165	176	189	206	223
35	Towers & Fixtures	354	70	74	78	84	92	100	124	142	143	148	161	178	201	213
36	Poles & Fixtures	355	65	71	76	79	86	100	127	145	146	150	159	176	193	212
37	Overhead Conductors & Devices	356	71	78	88	97	99	100	117	147	169	181	171	184	207	224
38	Underground Conduit	357	60	66	72	83	95	100	112	125	135	145	157	170	185	202
39	Underground Conductors & Devices	358	70	77	81	81	91	100	134	136	140	151	151	179	214	234
40																
41	**Distribution Plant**															
42	Total Distribution Plant		70	76	82	87	93	100	119	139	147	155	163	177	192	210
43	Station Equipment	362	83	87	90	91	93	100	124	145	149	160	170	182	198	213
44	Poles, Towers & Fixtures	364	64	70	75	80	87	100	126	146	146	152	163	184	202	220
45	Overhead Conductors & Devices	365	67	75	85	93	98	100	115	143	162	173	168	181	201	218
46	Underground Conduit	366	64	70	76	84	94	100	111	123	129	138	149	162	175	191
47	Underground Conductors & Devices	367	74	81	85	86	98	100	124	129	134	143	151	184	209	212
48	Line Transformers	368	103	100	100	101	99	100	109	130	134	145	155	163	165	192
49	Pad Mounted Transformers	368	98	95	95	97	100	100	104	106	108	119	132	139	160	187
50	Services-Overhead	369	63	71	81	89	96	100	108	121	131	141	152	165	185	196
51	Services-Underground	369	61	67	72	76	86	100	115	107	112	118	125	136	163	180
52	Meters Installed	370	87	90	95	98	100	100	108	124	134	140	144	149	147	164
53	Street Lighting-Overhead	373	73	79	86	91	96	100	121	148	158	169	184	204	223	244
54	Mast Arms & Luminaires Installed	373	71	76	89	94	97	100	118	138	153	168	182	199	222	248
55	Street Lighting-Underground	373	70	75	86	92	98	100	120	148	159	171	187	208	225	245
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
									1988		1989		1990		1991	
			1982	1983	1984	1985	1986	1987	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		227	232	237	241	242	246	253	263	268	275	279	282	282	285
2	Total Plant-All Steam & Nuclear Gen.		228	233	237	241	242	246	253	263	268	275	279	282	282	284
3	Total Plant-All Steam & Hydro Gen.		226	231	236	239	241	245	251	262	267	273	277	280	280	282
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		233	239	248	253	255	261	270	279	280	288	293	294	297	296
7	Structures & Improvements-Indoor	311	195	201	208	214	217	219	221	227	227	237	237	235	232	232
8	Structures & Improvements-Semi-Outdoor	311	200	201	212	219	222	226	229	237	238	246	250	245	240	233
9	Boiler Plant Equipment-Coal Fired	312	242	248	257	264	268	277	289	296	292	305	310	314	318	319
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		230	227	227	230	231	240	256	264	267	270	271	270	267	273
12	Turbogenerator Units	314	234	246	254	257	254	259	270	277	282	284	290	289	295	294
13	Accessory Electrical Equipment	315	237	244	239	239	241	242	246	275	282	287	290	294	294	296
14	Misc. Power Plant Equipment	316	235	246	254	263	268	274	281	286	293	299	304	307	310	314
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		226	232	236	240	242	247	254	261	267	272	275	277	278	279
18	Structures & Improvements	321	218	220	225	229	231	232	236	242	245	250	250	252	250	252
19	Reactor Plant Equipment	322	223	230	234	239	242	251	262	264	270	278	282	283	285	286
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		213	218	224	231	232	234	238	248	246	251	255	253	256	250
23	Structures & Improvements	331	195	201	208	214	217	219	221	227	227	237	237	235	232	232
24	Reservoirs, Dams & Waterways	332	205	208	213	220	222	222	225	235	236	234	234	238	237	227
25	Water Wheels, Turbines & Generators	333	247	256	265	270	271	276	285	296	299	303	323	303	325	326
26																
27	**Other Production Plant**															
28	Total Other Production Plant		228	233	235	238	241	258	266	309	311	324	328	329	327	334
29	Fuel Holders, Producers & Accessories	342	230	228	231	236	241	246	253	262	266	273	281	279	283	285
30	Gas Turbogenerators	344	230	236	239	241	245	266	275	326	328	342	346	347	345	355
31																
32	**Transmission Plant**															
33	Total Transmission Plant		224	228	229	231	233	234	239	262	268	273	275	284	280	289
34	Station Equipment	353	235	236	238	241	242	248	253	257	266	273	278	291	293	289
35	Towers & Fixtures	354	210	211	222	228	232	237	241	249	250	257	257	257	251	245
36	Poles & Fixtures	355	222	225	229	230	233	235	238	255	269	277	281	282	297	305
37	Overhead Conductors & Devices	356	229	245	235	234	236	226	250	309	308	304	297	316	291	337
38	Underground Conduit	357	213	214	215	214	215	219	225	231	241	249	245	243	242	241
39	Underground Conductors & Devices	358	247	249	244	236	258	261	259	282	272	296	320	345	369	391
40																
41	**Distribution Plant**															
42	Total Distribution Plant		221	225	227	228	229	231	235	241	252	255	259	263	262	267
43	Station Equipment	362	224	222	225	229	232	241	249	257	271	283	285	308	310	305
44	Poles, Towers & Fixtures	364	229	229	230	231	234	235	235	242	246	252	259	259	264	270
45	Overhead Conductors & Devices	365	227	238	238	237	238	236	250	283	287	289	284	292	281	305
46	Underground Conduit	366	196	204	208	207	207	211	216	221	238	250	246	241	237	233
47	Underground Conductors & Devices	367	210	210	209	213	222	227	232	224	239	244	256	253	256	261
48	Line Transformers	368	206	209	210	211	212	211	213	208	221	219	226	223	223	222
49	Pad Mounted Transformers	368	185	186	202	204	210	233	246	256	261	273	273	273	280	285
50	Services-Overhead	369	204	206	218	214	213	218	223	235	249	253	249	250	249	251
51	Services-Underground	369	179	197	199	181	174	186	205	181	227	214	210	225	212	204
52	Meters Installed	370	189	202	202	203	208	207	197	195	186	182	186	181	185	203
53	Street Lighting-Overhead	373	258	258	268	276	275	262	261	263	269	275	278	282	284	290
54	Mast Arms & Luminaires Installed	373	260	265	281	291	283	272	269	272	281	289	293	296	300	307
55	Street Lighting-Underground	373	262	261	269	277	276	262	261	263	267	273	278	280	282	287
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1992		1993		1994		1995		1996		1997		1998	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		282	287	293	294	301	306	315	316	321	320	326	327	335	335
2	Total Plant-All Steam & Nuclear Gen.		281	286	293	294	301	306	314	316	321	320	325	326	334	334
3	Total Plant-All Steam & Hydro Gen.		279	284	291	292	299	303	312	314	318	318	323	324	332	332
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		298	301	308	312	321	324	332	334	339	340	350	350	357	356
7	Structures & Improvements-Indoor	311	230	236	243	246	253	258	264	264	268	269	275	276	280	279
8	Structures & Improvements-Semi-Outdoor	311	227	233	241	244	249	261	266	266	274	278	283	284	286	288
9	Boiler Plant Equipment-Coal Fired	312	321	325	332	337	344	346	352	354	360	361	370	370	377	376
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		273	273	274	279	283	284	287	292	295	294	304	298	305	302
12	Turbogenerator Units	314	297	298	305	307	323	322	335	337	338	339	353	351	361	359
13	Accessory Electrical Equipment	315	300	305	314	319	320	323	333	343	349	349	354	358	366	367
14	Misc. Power Plant Equipment	316	316	320	327	332	340	350	356	357	359	361	366	373	378	379
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		280	283	289	293	302	302	311	314	317	318	326	327	332	332
18	Structures & Improvements	321	250	256	261	267	275	277	285	282	288	292	299	301	304	303
19	Reactor Plant Equipment	322	288	290	294	296	305	304	311	317	318	317	325	324	330	330
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		248	253	259	262	268	272	280	281	282	288	295	295	300	299
23	Structures & Improvements	331	230	236	243	246	253	258	264	264	268	269	275	276	280	279
24	Reservoirs, Dams & Waterways	332	225	232	236	240	245	250	258	258	259	268	273	274	276	276
25	Water Wheels, Turbines & Generators	333	325	323	330	331	342	339	348	354	352	356	367	366	378	376
26																
27	**Other Production Plant**															
28	Total Other Production Plant		334	338	348	345	340	337	336	343	347	356	356	356	367	367
29	Fuel Holders, Producers & Accessories	342	283	287	289	294	296	298	302	304	311	313	318	320	327	328
30	Gas Turbogenerators	344	354	358	369	364	357	352	349	357	360	371	370	370	382	382
31																
32	**Transmission Plant**															
33	Total Transmission Plant		276	285	295	293	300	308	322	323	329	328	333	333	344	345
34	Station Equipment	353	286	297	308	306	312	324	334	336	339	335	338	339	351	352
35	Towers & Fixtures	354	243	246	255	258	264	275	280	281	290	294	300	300	304	306
36	Poles & Fixtures	355	309	324	317	324	335	343	356	354	358	371	376	380	389	389
37	Overhead Conductors & Devices	356	287	291	312	300	307	310	337	342	349	344	350	345	363	363
38	Underground Conduit	357	236	239	242	243	247	248	252	252	255	254	259	256	266	265
39	Underground Conductors & Devices	358	391	393	395	397	398	399	402	411	413	412	415	416	420	420
40																
41	**Distribution Plant**															
42	Total Distribution Plant		261	267	272	270	274	280	286	288	293	288	287	290	298	298
43	Station Equipment	362	296	318	317	316	311	326	338	343	340	332	334	333	354	356
44	Poles, Towers & Fixtures	364	271	284	285	287	298	308	312	317	327	321	331	331	338	337
45	Overhead Conductors & Devices	365	278	280	297	290	298	302	320	327	332	328	334	333	347	348
46	Underground Conduit	366	230	231	233	236	241	243	251	247	251	251	256	255	264	263
47	Underground Conductors & Devices	367	259	261	265	264	264	265	270	279	281	282	282	282	287	289
48	Line Transformers	368	223	228	229	226	229	233	232	225	231	225	210	214	216	217
49	Pad Mounted Transformers	368	280	281	282	290	291	291	282	293	294	304	305	306	308	308
50	Services-Overhead	369	244	242	253	248	253	259	269	273	279	271	267	274	281	281
51	Services-Underground	369	211	200	204	202	205	212	215	219	219	215	214	220	219	213
52	Meters Installed	370	197	193	201	200	192	185	187	181	188	187	188	204	206	206
53	Street Lighting-Overhead	373	295	297	306	310	318	327	331	341	350	357	366	365	369	367
54	Mast Arms & Luminaires Installed	373	317	318	323	326	336	349	354	358	367	383	393	389	392	387
55	Street Lighting-Underground	373	292	293	303	307	314	320	324	335	343	350	358	357	362	361
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH ATLANTIC REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		337	337	342	354	360	362	367	372	376	376	384	401	417	424
2	Total Plant-All Steam & Nuclear Gen.		336	336	341	353	359	361	366	371	375	375	383	400	416	423
3	Total Plant-All Steam & Hydro Gen.		334	334	339	350	356	358	363	368	372	372	381	397	412	419
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		361	364	372	386	391	392	397	404	412	410	420	431	449	453
7	Structures & Improvements-Indoor	311	288	287	293	308	313	318	318	326	326	323	338	354	369	375
8	Structures & Improvements-Semi-Outdoor	311	290	294	305	308	311	315	318	322	318	319	352	360	370	377
9	Boiler Plant Equipment-Coal Fired	312	384	385	391	409	414	419	423	430	433	429	434	450	467	472
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	0
11	Boiler Plant Piping Installed		316	311	312	322	329	330	335	334	340	337	344	358	400	404
12	Turbogenerator Units	314	360	364	375	386	392	382	390	397	419	420	425	428	449	446
13	Accessory Electrical Equipment	315	368	376	383	404	420	423	434	450	454	453	465	475	510	522
14	Misc. Power Plant Equipment	316	388	392	401	415	421	424	428	433	436	432	444	459	488	491
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		335	339	345	355	361	363	366	373	378	379	387	400	421	425
18	Structures & Improvements	321	307	313	316	326	329	337	334	343	342	342	354	367	380	387
19	Reactor Plant Equipment	322	334	334	339	348	352	354	358	362	364	367	370	388	412	414
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		301	303	311	315	318	318	321	322	322	325	339	343	351	357
23	Structures & Improvements	331	288	287	293	308	313	318	318	326	326	323	338	354	369	375
24	Reservoirs, Dams & Waterways	332	278	280	288	289	291	295	296	298	295	298	316	322	330	338
25	Water Wheels, Turbines & Generators	333	372	377	386	386	391	377	387	381	387	393	401	383	388	386
26																
27	**Other Production Plant**															
28	Total Other Production Plant		380	383	390	416	425	396	401	412	416	419	413	421	414	421
29	Fuel Holders, Producers & Accessories	342	339	336	338	347	351	354	355	361	363	364	369	395	419	425
30	Gas Turbogenerators	344	396	399	407	391	400	408	413	424	430	433	421	427	412	419
31																
32	**Transmission Plant**															
33	Total Transmission Plant		343	338	341	360	365	370	374	373	373	372	384	410	423	436
34	Station Equipment	353	353	356	360	381	386	391	395	397	397	394	400	441	455	467
35	Towers & Fixtures	354	311	314	322	324	330	333	339	342	340	341	373	380	388	391
36	Poles & Fixtures	355	375	378	372	376	385	392	398	398	396	398	409	413	427	444
37	Overhead Conductors & Devices	356	359	324	326	366	372	375	379	369	370	370	377	404	420	446
38	Underground Conduit	357	280	271	275	277	284	284	291	304	296	295	317	336	363	364
39	Underground Conductors & Devices	358	421	433	423	425	439	418	423	429	432	433	438	486	488	505
40																
41	**Distribution Plant**															
42	Total Distribution Plant		300	297	299	304	311	313	319	322	324	326	332	354	366	375
43	Station Equipment	362	356	358	359	360	364	364	367	355	357	355	362	432	449	456
44	Poles, Towers & Fixtures	364	336	339	339	342	349	351	358	367	364	368	374	383	397	401
45	Overhead Conductors & Devices	365	346	332	336	361	371	373	382	381	386	388	397	414	429	450
46	Underground Conduit	366	266	271	278	278	287	287	293	312	303	300	324	327	344	346
47	Underground Conductors & Devices	367	291	296	295	300	311	296	301	303	303	305	307	324	347	358
48	Line Transformers	368	222	217	218	218	222	227	232	236	236	241	232	251	261	269
49	Pad Mounted Transformers	368	309	310	311	311	314	332	334	343	336	336	366	435	467	515
50	Services-Overhead	369	279	279	284	287	296	294	302	299	304	304	314	322	331	340
51	Services-Underground	369	210	209	216	223	227	222	225	232	233	233	237	238	245	258
52	Meters Installed	370	210	196	**192**	193	207	222	244	256	265	265	302	302	288	288
53	Street Lighting-Overhead	373	371	374	376	378	387	391	398	414	434	437	440	446	461	469
54	Mast Arms & Luminaires Installed	373	387	388	388	392	399	399	406	409	411	417	420	426	451	465
55	Street Lighting-Underground	373	365	368	372	374	384	387	395	417	440	443	450	454	467	474
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1	Total Plant-All Steam Generation		11	10	10	11	13	16	18	19	21	20	18	19	19	19
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		-	-	-	11	13	16	19	20	22	20	19	19	20	20
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		9	9	9	9	12	16	18	18	20	19	17	18	19	18
7	Structures & Improvements-Indoor	311	0	0	0	9	12	16	17	18	21	19	18	18	18	18
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	8	8	8	9	10	16	19	17	18	16	14	16	17	16
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		10	10	10	9	11	18	20	20	19	18	17	18	18	19
12	Turbogenerator Units	314	9	9	9	9	13	14	18	19	22	23	20	19	19	19
13	Accessory Electrical Equipment	315	15	15	15	15	16	18	21	25	27	28	26	26	27	28
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		-	-	-	9	10	13	15	16	18	17	16	16	16	16
23	Structures & Improvements	331	8	8	9	9	12	16	17	18	21	19	18	18	18	18
24	Reservoirs, Dams & Waterways	332	-	-	-	9	10	14	16	17	18	18	17	17	18	18
25	Water Wheels, Turbines & Generators	333	-	-	-	7	9	11	12	13	13	13	12	12	12	12
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		11	11	11	11	14	16	19	21	22	21	19	20	21	21
34	Station Equipment	353	16	16	15	16	17	21	25	27	31	31	28	29	30	30
35	Towers & Fixtures	354	8	9	9	9	12	15	16	16	17	16	15	15	16	16
36	Poles & Fixtures	355	6	6	6	7	7	9	9	11	14	14	13	13	14	14
37	Overhead Conductors & Devices	356	17	16	15	16	24	27	30	31	32	23	21	23	24	25
38	Underground Conduit	357	7	7	7	8	8	11	13	14	17	18	17	16	17	16
39	Underground Conductors & Devices	358	13	12	11	12	17	18	21	22	23	19	18	22	21	21
40																
41	**Distribution Plant**															
42	Total Distribution Plant		13	12	12	13	14	17	20	22	24	22	21	21	22	22
43	Station Equipment	362	18	18	18	18	18	22	26	27	31	31	29	30	32	32
44	Poles, Towers & Fixtures	364	6	6	6	7	7	9	11	12	14	14	14	13	14	14
45	Overhead Conductors & Devices	365	13	13	12	13	19	21	24	24	26	19	17	18	19	20
46	Underground Conduit	366	8	8	8	9	9	12	15	16	19	21	19	19	19	19
47	Underground Conductors & Devices	367	13	12	11	12	17	19	22	23	24	20	19	23	22	22
48	Line Transformers	368	43	43	43	43	43	46	62	65	69	70	62	61	62	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	12	11	10	11	16	17	19	20	21	16	14	16	16	17
51	Services-Underground	369	12	12	12	14	16	17	20	22	23	19	16	17	18	19
52	Meters Installed	370	31	31	31	31	31	36	40	44	46	49	46	44	44	43
53	Street Lighting-Overhead	373	-	-	-	-	-	-	-	-	-	-	-	-	22	23
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	-	-	-	-	-	-	-	-	-	-	-	-	23	23
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	Total Plant-All Steam Generation		19	19	19	20	19	19	18	18	20	20	20	22	22	22
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		20	19	20	20	20	19	17	18	19	20	20	22	22	23
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		18	18	18	19	19	18	17	17	19	19	20	22	22	22
7	Structures & Improvements-Indoor	311	18	18	17	17	16	16	14	14	16	15	16	17	17	17
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	16	16	16	16	16	16	14	14	16	16	17	19	19	20
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		19	19	20	20	20	20	18	16	16	16	17	19	19	19
12	Turbogenerator Units	314	19	19	19	21	22	22	21	22	25	26	26	29	30	30
13	Accessory Electrical Equipment	315	28	27	28	30	29	29	28	28	30	30	31	33	33	33
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		16	16	17	17	17	16	14	15	16	16	17	18	18	18
23	Structures & Improvements	331	18	18	17	17	16	16	14	14	16	15	16	17	17	17
24	Reservoirs, Dams & Waterways	332	18	18	18	18	18	17	15	15	16	16	17	18	18	18
25	Water Wheels, Turbines & Generators	333	12	12	13	14	14	14	13	13	14	16	16	17	18	19
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		20	20	21	21	20	19	18	19	20	20	21	23	23	23
34	Station Equipment	353	30	30	30	31	30	30	28	30	32	33	33	36	36	36
35	Towers & Fixtures	354	16	15	15	15	15	15	13	13	14	14	16	17	17	17
36	Poles & Fixtures	355	14	13	13	13	14	14	13	12	13	13	14	15	15	15
37	Overhead Conductors & Devices	356	24	23	25	27	23	22	20	21	23	23	23	25	24	24
38	Underground Conduit	357	16	17	17	17	17	17	15	15	16	16	16	17	18	18
39	Underground Conductors & Devices	358	21	20	21	24	19	19	18	19	21	21	22	25	22	22
40																
41	**Distribution Plant**															
42	Total Distribution Plant		21	20	21	22	21	20	19	19	20	20	22	23	23	24
43	Station Equipment	362	30	30	30	31	31	32	30	30	32	33	33	35	36	36
44	Poles, Towers & Fixtures	364	14	13	13	14	14	13	12	12	13	13	14	15	16	16
45	Overhead Conductors & Devices	365	19	19	20	22	19	17	16	16	18	18	19	20	19	19
46	Underground Conduit	366	19	19	19	19	19	19	17	17	18	18	19	19	20	20
47	Underground Conductors & Devices	367	22	21	22	25	20	20	19	20	22	22	23	26	23	23
48	Line Transformers	368	58	53	52	56	55	54	52	53	55	56	56	60	61	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	16	16	17	19	16	15	14	14	16	16	16	18	17	17
51	Services-Underground	369	19	19	18	19	18	17	16	16	17	17	18	21	19	18
52	Meters Installed	370	43	43	43	43	43	43	43	44	48	48	48	48	48	48
53	Street Lighting-Overhead	373	22	21	22	22	22	22	22	21	23	23	24	25	24	24
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	23	22	23	24	25	25	25	25	25	25	25	26	26	26
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1	Total Plant-All Steam Generation		22	23	24	24	24	25	28	33	36	38	40	45	46	49
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		23	24	24	25	25	25	29	34	37	39	40	44	46	49
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		23	24	24	24	24	25	29	32	36	39	40	44	45	47
7	Structures & Improvements-Indoor	311	18	19	20	20	21	22	24	28	32	33	34	37	38	40
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	38	38	41
9	Boiler Plant Equipment-Coal Fired	312	20	21	22	22	22	22	24	27	32	38	38	41	42	44
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		19	20	21	21	21	21	23	26	29	30	33	36	37	38
12	Turbogenerator Units	314	30	30	30	30	30	31	38	43	45	47	48	52	52	56
13	Accessory Electrical Equipment	315	33	34	34	34	32	32	37	42	44	46	49	57	58	61
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	37	38	41	43	45
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		19	20	21	21	21	22	25	29	33	34	35	38	40	43
23	Structures & Improvements	331	18	19	20	20	21	22	24	28	32	33	34	37	38	40
24	Reservoirs, Dams & Waterways	332	19	20	21	21	21	22	25	29	32	34	35	38	39	42
25	Water Wheels, Turbines & Generators	333	20	21	22	23	23	23	26	31	34	35	37	41	43	46
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		24	24	25	25	26	26	29	34	38	39	41	46	47	50
34	Station Equipment	353	36	37	38	37	35	35	40	48	50	53	57	64	66	69
35	Towers & Fixtures	354	17	18	19	19	20	21	23	27	29	31	33	36	37	40
36	Poles & Fixtures	355	16	17	18	19	21	22	24	29	32	32	34	37	38	41
37	Overhead Conductors & Devices	356	24	25	26	26	26	27	32	37	40	40	42	46	49	52
38	Underground Conduit	357	18	18	19	20	20	22	24	27	31	32	34	36	38	41
39	Underground Conductors & Devices	358	23	26	27	27	26	26	31	36	43	47	51	62	64	64
40																
41	**Distribution Plant**															
42	Total Distribution Plant		24	25	26	26	26	27	30	36	39	40	41	45	47	50
43	Station Equipment	362	36	37	37	37	35	36	40	45	47	49	52	57	59	62
44	Poles, Towers & Fixtures	364	16	18	18	19	21	23	24	29	32	32	34	36	38	40
45	Overhead Conductors & Devices	365	19	19	21	21	21	22	25	29	31	31	33	37	39	41
46	Underground Conduit	366	20	21	22	22	22	23	26	29	33	34	36	38	40	41
47	Underground Conductors & Devices	367	24	27	28	28	27	27	32	38	45	50	53	66	68	67
48	Line Transformers	368	61	63	63	59	59	59	66	82	85	87	92	103	104	110
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	103	103	103	103	103
50	Services-Overhead	369	17	17	18	19	19	19	22	26	28	28	30	35	37	39
51	Services-Underground	369	20	23	23	24	24	24	27	31	35	36	38	44	43	43
52	Meters Installed	370	48	49	49	49	49	49	55	62	65	71	71	71	70	73
53	Street Lighting-Overhead	373	24	26	26	26	26	26	29	36	39	42	44	49	50	51
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	26	27	28	28	29	29	31	38	42	42	42	46	47	47
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1	Total Plant-All Steam Generation		50	52	56	60	61	62	62	61	61	61	63	65	66	69
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	64	66	69
3	Total Plant-All Steam & Hydro Gen.		50	51	56	59	61	62	61	61	61	61	62	64	66	69
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		49	51	57	62	65	66	65	63	63	63	65	66	68	70
7	Structures & Improvements-Indoor	311	42	44	47	50	51	53	54	54	54	55	56	58	60	62
8	Structures & Improvements-Semi-Outdoor	311	42	44	50	55	56	57	57	56	56	57	58	59	61	62
9	Boiler Plant Equipment-Coal Fired	312	46	48	54	60	62	64	65	64	65	65	66	68	69	71
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		41	43	48	53	54	57	60	60	60	61	62	63	65	68
12	Turbogenerator Units	314	57	59	68	76	81	80	75	70	68	68	69	70	71	73
13	Accessory Electrical Equipment	315	62	64	67	71	73	74	68	60	61	59	62	66	67	72
14	Misc. Power Plant Equipment	316	46	48	51	54	55	58	58	59	60	61	62	64	65	68
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	66	67	70
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	62	64	66
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	66	68	71
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		44	46	50	53	55	57	58	58	59	60	61	62	64	67
23	Structures & Improvements	331	42	44	47	50	51	53	54	54	54	55	56	58	60	62
24	Reservoirs, Dams & Waterways	332	43	45	48	51	52	54	56	56	57	58	60	62	64	67
25	Water Wheels, Turbines & Generators	333	47	49	56	62	65	66	66	65	64	65	66	67	69	71
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	72	73	75	83
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	61	62	64	66
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	74	74	77	85
31																
32	**Transmission Plant**															
33	Total Transmission Plant		51	53	57	58	60	60	60	58	58	58	60	63	66	69
34	Station Equipment	353	71	72	78	82	86	84	78	70	69	65	69	72	75	79
35	Towers & Fixtures	354	41	42	45	47	49	51	52	53	54	55	57	60	63	66
36	Poles & Fixtures	355	42	43	46	49	50	50	52	53	54	55	56	58	60	63
37	Overhead Conductors & Devices	356	53	57	62	65	64	62	63	63	65	60	64	66	69	71
38	Underground Conduit	357	42	43	46	48	50	51	53	54	55	57	58	60	62	64
39	Underground Conductors & Devices	358	65	69	67	59	58	61	62	61	61	62	66	71	72	74
40																
41	**Distribution Plant**															
42	Total Distribution Plant		51	52	55	57	57	59	59	59	59	59	61	63	65	68
43	Station Equipment	362	64	66	72	76	78	79	77	71	72	70	72	73	75	78
44	Poles, Towers & Fixtures	364	41	42	45	48	49	49	51	52	53	54	55	57	59	61
45	Overhead Conductors & Devices	365	42	46	50	49	49	50	51	52	54	54	56	59	61	65
46	Underground Conduit	366	43	45	47	49	51	52	54	56	57	59	60	61	62	64
47	Underground Conductors & Devices	367	69	72	71	62	61	64	65	64	64	65	70	75	76	78
48	Line Transformers	368	112	112	115	122	119	114	113	109	100	93	93	95	96	100
49	Pad Mounted Transformers	368	103	103	103	103	103	103	101	96	95	96	92	91	94	97
50	Services-Overhead	369	40	43	46	44	44	46	48	49	50	50	52	55	57	61
51	Services-Underground	369	44	44	46	45	43	44	42	43	45	46	48	52	56	59
52	Meters Installed	370	75	72	75	79	81	83	84	83	83	83	83	83	83	84
53	Street Lighting-Overhead	373	54	55	58	62	66	65	65	65	65	66	67	67	69	73
54	Mast Arms & Luminaires Installed	373	-	59	65	71	72	67	68	67	66	67	68	69	73	72
55	Street Lighting-Underground	373	52	54	55	59	62	62	63	62	61	62	62	62	67	75
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
1	Total Plant-All Steam Generation		72	77	83	90	94	100	119	138	146	156	166	181	198	216
2	Total Plant-All Steam & Nuclear Gen.		71	77	83	90	95	100	119	138	145	155	165	181	197	215
3	Total Plant-All Steam & Hydro Gen.		72	77	84	90	95	100	119	138	146	156	165	181	198	215
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		72	76	81	89	95	100	118	136	145	155	168	186	203	221
7	Structures & Improvements-Indoor	311	66	71	77	86	92	100	117	129	133	141	155	169	184	197
8	Structures & Improvements-Semi-Outdoor	311	65	71	76	86	92	100	123	138	138	142	156	173	193	201
9	Boiler Plant Equipment-Coal Fired	312	74	77	82	89	95	100	120	141	151	161	176	193	211	230
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		70	73	80	89	96	100	113	125	135	145	162	180	195	212
12	Turbogenerator Units	314	73	75	81	90	98	100	110	128	140	154	165	183	199	220
13	Accessory Electrical Equipment	315	76	82	88	93	97	100	116	135	143	158	166	179	194	216
14	Misc. Power Plant Equipment	316	72	77	83	89	94	100	114	127	135	148	160	176	192	215
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		72	77	83	90	95	100	114	128	137	147	159	174	190	208
18	Structures & Improvements	321	69	74	81	89	94	100	114	125	130	138	150	165	180	193
19	Reactor Plant Equipment	322	73	78	84	91	95	100	114	129	139	147	159	173	190	208
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		70	75	80	87	94	100	116	130	135	143	156	173	191	206
23	Structures & Improvements	331	66	71	77	86	92	100	117	129	133	141	155	169	184	197
24	Reservoirs, Dams & Waterways	332	70	75	80	87	93	100	117	129	131	137	150	167	185	196
25	Water Wheels, Turbines & Generators	333	73	78	83	89	95	100	114	129	142	157	171	189	208	233
26																
27	**Other Production Plant**															
28	Total Other Production Plant		87	90	94	98	99	100	107	132	146	161	166	180	193	212
29	Fuel Holders, Producers & Accessories	342	69	75	82	89	95	100	114	129	139	150	166	182	198	215
30	Gas Turbogenerators	344	89	92	95	98	100	100	107	132	147	162	168	181	194	213
31																
32	**Transmission Plant**															
33	Total Transmission Plant		72	78	85	91	94	100	122	143	150	160	166	180	198	216
34	Station Equipment	353	82	86	90	92	94	100	125	148	152	164	175	189	205	222
35	Towers & Fixtures	354	69	76	81	87	93	100	122	140	140	145	159	176	196	204
36	Poles & Fixtures	355	65	71	78	83	87	100	126	143	143	149	158	174	190	210
37	Overhead Conductors & Devices	356	72	81	91	100	99	100	118	146	167	180	172	184	207	232
38	Underground Conduit	357	68	73	80	91	97	100	111	122	131	141	153	166	178	194
39	Underground Conductors & Devices	358	72	79	84	83	92	100	135	136	138	151	151	180	216	237
40																
41	**Distribution Plant**															
42	Total Distribution Plant		71	78	85	91	95	100	119	138	144	154	162	178	191	211
43	Station Equipment	362	81	87	91	92	94	100	122	141	145	160	171	181	195	213
44	Poles, Towers & Fixtures	364	64	70	78	84	89	100	124	142	142	150	161	181	197	216
45	Overhead Conductors & Devices	365	69	79	89	98	99	100	116	143	161	174	170	182	201	220
46	Underground Conduit	366	67	74	81	88	93	100	111	121	126	136	148	161	172	185
47	Underground Conductors & Devices	367	76	83	88	88	99	100	125	129	133	142	151	185	209	214
48	Line Transformers	368	103	101	102	102	100	100	109	130	134	145	155	164	164	192
49	Pad Mounted Transformers	368	99	97	97	99	100	100	104	105	107	118	131	138	159	187
50	Services-Overhead	369	65	75	87	94	97	100	108	119	127	139	150	163	181	195
51	Services-Underground	369	64	72	78	81	88	100	115	108	111	118	126	137	162	181
52	Meters Installed	370	87	91	95	100	101	100	108	124	133	140	144	148	146	163
53	Street Lighting-Overhead	373	75	82	90	94	98	100	122	148	156	169	185	205	224	245
54	Mast Arms & Luminaires Installed	373	73	78	92	96	98	100	117	138	151	168	183	200	222	250
55	Street Lighting-Underground	373	71	77	90	96	99	100	120	148	158	171	188	209	226	245
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
									1988		1989		1990		1991	
			1982	1983	1984	1985	1986	1987	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		229	235	241	246	249	254	261	274	278	284	288	294	295	299
2	Total Plant-All Steam & Nuclear Gen.		228	235	241	246	249	254	260	274	278	284	288	294	294	298
3	Total Plant-All Steam & Hydro Gen.		227	234	241	246	249	254	260	274	278	284	288	293	294	298
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		231	239	248	255	259	266	275	285	286	295	299	303	306	306
7	Structures & Improvements-Indoor	311	204	212	221	228	234	240	243	250	259	263	259	267	264	264
8	Structures & Improvements-Semi-Outdoor	311	200	205	218	227	233	241	243	254	256	261	261	264	259	253
9	Boiler Plant Equipment-Coal Fired	312	242	248	258	266	270	280	292	300	296	312	317	324	328	330
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		229	226	230	234	237	249	265	274	276	281	281	282	280	287
12	Turbogenerator Units	314	234	247	255	258	257	263	273	280	286	288	293	293	299	299
13	Accessory Electrical Equipment	315	243	251	247	249	254	256	260	295	301	301	305	314	316	316
14	Misc. Power Plant Equipment	316	235	246	255	267	272	280	287	293	299	305	309	314	317	319
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		223	231	237	242	245	254	262	269	273	280	283	285	288	289
18	Structures & Improvements	321	203	210	217	222	225	232	236	241	241	248	248	252	252	253
19	Reactor Plant Equipment	322	223	231	237	242	246	258	269	271	278	286	289	292	294	296
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		214	222	230	237	242	249	253	261	263	266	269	269	272	272
23	Structures & Improvements	331	204	212	221	228	234	240	243	250	259	263	259	267	264	264
24	Reservoirs, Dams & Waterways	332	202	209	217	223	230	237	240	247	247	250	248	253	251	251
25	Water Wheels, Turbines & Generators	333	247	257	266	272	273	278	287	299	302	305	326	306	328	329
26																
27	**Other Production Plant**															
28	Total Other Production Plant		229	235	238	241	245	264	273	320	322	335	339	342	340	348
29	Fuel Holders, Producers & Accessories	342	230	230	235	242	248	257	264	274	276	285	292	292	296	298
30	Gas Turbogenerators	344	230	236	239	242	246	267	276	327	329	343	347	349	347	357
31																
32	**Transmission Plant**															
33	Total Transmission Plant		231	237	239	243	246	249	254	280	285	289	291	304	301	311
34	Station Equipment	353	236	237	241	245	247	255	261	266	276	282	287	302	304	300
35	Towers & Fixtures	354	208	214	227	236	243	251	254	263	264	269	270	272	269	263
36	Poles & Fixtures	355	223	228	234	237	243	247	250	268	280	287	291	295	311	318
37	Overhead Conductors & Devices	356	259	279	268	267	270	259	289	363	360	354	346	369	339	395
38	Underground Conduit	357	210	217	223	227	231	238	243	252	260	265	263	266	265	265
39	Underground Conductors & Devices	358	250	253	249	242	267	271	268	293	283	306	333	360	386	408
40																
41	**Distribution Plant**															
42	Total Distribution Plant		224	229	232	235	238	240	244	255	265	267	271	277	277	282
43	Station Equipment	362	234	236	235	239	242	250	256	276	290	301	304	325	327	325
44	Poles, Towers & Fixtures	364	228	232	236	240	245	248	249	258	261	265	270	275	281	286
45	Overhead Conductors & Devices	365	231	244	246	247	249	248	263	301	305	304	301	311	300	326
46	Underground Conduit	366	197	210	218	221	225	232	238	246	264	272	268	269	265	261
47	Underground Conductors & Devices	367	211	213	212	218	229	234	241	233	248	252	266	264	268	273
48	Line Transformers	368	207	210	212	214	215	214	216	212	225	222	229	227	228	227
49	Pad Mounted Transformers	368	186	188	205	207	215	238	252	264	268	279	279	280	288	293
50	Services-Overhead	369	205	210	224	223	225	231	236	250	262	265	262	265	266	268
51	Services-Underground	369	181	199	203	187	181	194	213	191	235	221	218	234	221	214
52	Meters Installed	370	190	203	204	206	211	211	201	199	191	185	191	186	191	208
53	Street Lighting-Overhead	373	261	262	273	283	283	271	270	274	279	284	287	292	296	301
54	Mast Arms & Luminaires Installed	373	263	268	286	298	290	280	276	280	289	297	301	306	309	317
55	Street Lighting-Underground	373	265	265	275	285	287	273	272	276	280	284	288	293	296	301
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1992		1993		1994		1995		1996		1997		1998	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		296	301	308	309	316	323	332	335	340	341	345	349	353	357
2	Total Plant-All Steam & Nuclear Gen.		295	301	307	308	316	322	331	334	339	340	344	348	352	356
3	Total Plant-All Steam & Hydro Gen.		295	300	307	308	316	322	331	334	339	341	344	348	352	356
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		307	312	318	322	331	336	345	347	352	356	362	365	368	373
7	Structures & Improvements-Indoor	311	263	270	276	281	287	295	302	303	308	311	315	319	319	324
8	Structures & Improvements-Semi-Outdoor	311	249	256	264	270	274	290	294	294	305	307	311	316	315	322
9	Boiler Plant Equipment-Coal Fired	312	332	337	343	346	354	358	366	368	373	377	382	385	388	393
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		287	288	290	292	298	300	307	311	314	318	323	325	325	331
12	Turbogenerator Units	314	302	303	310	311	327	327	341	343	344	347	359	359	366	368
13	Accessory Electrical Equipment	315	323	329	337	341	345	349	359	369	375	379	383	388	392	397
14	Misc. Power Plant Equipment	316	321	326	332	337	347	357	364	366	367	372	375	385	386	392
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		291	295	300	302	313	315	324	327	330	332	339	342	345	348
18	Structures & Improvements	321	253	260	265	270	280	285	291	291	296	299	306	309	310	314
19	Reactor Plant Equipment	322	298	301	304	307	316	316	324	330	331	333	338	340	343	346
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		271	276	281	287	292	298	304	306	310	315	320	324	326	331
23	Structures & Improvements	331	263	270	276	281	287	295	302	303	308	311	315	319	319	324
24	Reservoirs, Dams & Waterways	332	250	257	261	268	271	280	284	285	291	295	299	304	303	311
25	Water Wheels, Turbines & Generators	333	328	326	334	334	346	343	352	358	357	362	372	372	383	382
26																
27	**Other Production Plant**															
28	Total Other Production Plant		349	352	363	359	354	350	349	356	360	371	369	371	381	382
29	Fuel Holders, Producers & Accessories	342	298	302	305	309	312	316	321	323	330	334	337	343	347	352
30	Gas Turbogenerators	344	356	360	371	366	359	355	352	360	363	375	373	374	385	386
31																
32	**Transmission Plant**															
33	Total Transmission Plant		300	309	318	317	324	334	348	350	355	356	360	362	371	374
34	Station Equipment	353	299	310	320	319	325	337	348	350	353	351	354	355	365	368
35	Towers & Fixtures	354	263	268	276	281	287	300	306	306	318	319	324	328	331	338
36	Poles & Fixtures	355	325	340	333	341	354	362	375	374	380	395	399	407	412	414
37	Overhead Conductors & Devices	356	335	339	364	349	359	362	397	403	411	408	414	409	428	430
38	Underground Conduit	357	264	269	272	276	280	286	290	290	300	298	300	307	309	316
39	Underground Conductors & Devices	358	410	412	414	416	418	419	423	432	435	437	439	442	443	445
40																
41	**Distribution Plant**															
42	Total Distribution Plant		277	283	288	287	292	298	305	309	314	313	312	318	322	325
43	Station Equipment	362	310	326	326	326	323	337	348	358	354	351	354	355	371	374
44	Poles, Towers & Fixtures	364	292	304	305	308	320	332	337	342	355	351	358	365	366	369
45	Overhead Conductors & Devices	365	299	301	319	312	322	326	347	355	361	361	367	368	378	381
46	Underground Conduit	366	261	265	266	271	277	284	291	290	298	297	300	308	309	316
47	Underground Conductors & Devices	367	272	274	278	277	278	280	285	295	297	301	300	303	304	308
48	Line Transformers	368	228	233	234	232	235	239	238	231	237	233	217	222	223	224
49	Pad Mounted Transformers	368	290	291	292	300	301	302	293	304	306	317	318	320	321	323
50	Services-Overhead	369	264	264	273	270	277	282	293	298	305	303	298	308	311	313
51	Services-Underground	369	222	213	216	214	219	226	230	233	234	233	231	239	236	232
52	Meters Installed	370	204	199	207	207	199	193	194	189	196	196	197	215	215	216
53	Street Lighting-Overhead	373	309	311	320	324	334	343	347	358	367	377	386	386	388	388
54	Mast Arms & Luminaires Installed	373	328	330	334	338	348	362	368	372	381	400	410	407	408	404
55	Street Lighting-Underground	373	308	310	321	325	333	341	345	356	366	374	382	384	386	387
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		358	360	364	378	381	390	395	402	411	410	418	434	453	460
2	Total Plant-All Steam & Nuclear Gen.		357	359	363	376	380	389	393	401	409	409	417	433	452	459
3	Total Plant-All Steam & Hydro Gen.		357	359	363	377	380	389	393	401	409	409	417	433	452	459
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		374	380	386	401	404	414	417	428	438	436	446	456	477	481
7	Structures & Improvements-Indoor	311	330	333	338	354	357	371	371	383	389	386	398	413	435	438
8	Structures & Improvements-Semi-Outdoor	311	323	329	338	346	348	358	360	364	369	369	396	404	418	425
9	Boiler Plant Equipment-Coal Fired	312	397	401	405	423	426	440	442	453	458	454	459	475	495	499
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		336	336	335	348	350	359	360	367	373	370	381	394	439	443
12	Turbogenerator Units	314	366	372	381	393	396	394	400	410	433	434	438	441	464	461
13	Accessory Electrical Equipment	315	398	409	414	435	446	463	472	493	505	504	513	522	562	572
14	Misc. Power Plant Equipment	316	397	404	410	425	427	439	441	452	457	453	465	479	511	513
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		349	354	359	371	374	382	386	395	404	405	410	422	447	449
18	Structures & Improvements	321	314	321	326	338	338	353	354	364	370	367	378	388	406	410
19	Reactor Plant Equipment	322	348	351	355	366	368	376	379	387	391	393	396	413	439	441
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		331	338	342	349	350	356	357	363	367	368	382	384	397	400
23	Structures & Improvements	331	330	333	338	354	357	371	371	383	389	386	398	413	435	438
24	Reservoirs, Dams & Waterways	332	311	319	322	329	328	338	337	346	348	348	364	370	384	388
25	Water Wheels, Turbines & Generators	333	378	384	392	393	398	385	395	390	396	402	410	393	399	397
26																
27	**Other Production Plant**															
28	Total Other Production Plant		394	399	405	434	441	412	417	429	436	439	430	437	428	435
29	Fuel Holders, Producers & Accessories	342	359	359	360	371	373	382	383	392	397	397	402	427	454	460
30	Gas Turbogenerators	344	399	403	410	395	402	413	418	430	437	439	428	434	420	427
31															471	
32	**Transmission Plant**															
33	Total Transmission Plant		372	369	371	393	396	406	410	413	418	417	427	454	471	485
34	Station Equipment	353	368	373	377	398	401	414	417	423	428	424	427	466	483	495
35	Towers & Fixtures	354	341	344	355	361	366	372	381	382	389	390	417	424	436	439
36	Poles & Fixtures	355	401	406	399	408	412	427	432	436	442	444	453	457	476	493
37	Overhead Conductors & Devices	356	424	382	384	436	438	448	451	442	447	448	455	487	511	542
38	Underground Conduit	357	328	325	326	336	338	350	354	367	377	376	388	404	436	436
39	Underground Conductors & Devices	358	446	459	448	452	464	447	451	460	467	469	473	523	529	547
40																
41	**Distribution Plant**															
42	Total Distribution Plant		326	325	326	335	339	346	352	359	367	369	373	391	408	417
43	Station Equipment	362	374	377	378	380	383	387	388	383	387	386	391	441	457	464
44	Poles, Towers & Fixtures	364	368	374	373	381	384	395	399	411	419	423	425	434	453	457
45	Overhead Conductors & Devices	365	379	365	369	400	404	416	422	427	439	442	449	468	489	512
46	Underground Conduit	366	317	326	332	338	342	352	356	374	383	380	393	395	420	422
47	Underground Conductors & Devices	367	310	316	314	322	330	319	324	329	333	335	337	354	382	393
48	Line Transformers	368	230	225	226	227	230	237	241	247	248	253	244	264	275	283
49	Pad Mounted Transformers	368	323	325	326	328	328	350	351	362	359	359	387	457	492	541
50	Services-Overhead	369	312	315	318	326	330	338	344	349	362	362	371	378	395	402
51	Services-Underground	369	229	230	236	245	247	246	249	260	264	264	268	269	279	292
52	Meters Installed	370	220	207	203	204	216	235	256	270	282	282	319	319	306	306
53	Street Lighting-Overhead	373	391	394	397	402	407	416	423	442	467	471	474	480	499	508
54	Mast Arms & Luminaires Installed	373	404	406	406	412	417	421	427	433	438	444	447	453	482	496
55	Street Lighting-Underground	373	391	394	398	404	409	419	426	450	481	484	488	492	510	517
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1	Total Plant-All Steam Generation		11	10	10	11	13	16	18	19	21	20	18	19	19	19
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		11	11	11	11	14	17	19	21	23	22	20	20	20	20
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		9	9	9	10	12	16	18	19	21	20	18	18	19	19
7	Structures & Improvements-Indoor	311	-	-	-	10	13	17	18	20	23	20	19	20	20	19
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	8	8	8	9	10	16	19	17	18	16	14	16	17	16
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		11	11	11	9	11	19	21	21	20	19	18	19	19	20
12	Turbogenerator Units	314	9	9	9	9	13	14	17	19	22	23	20	19	19	19
13	Accessory Electrical Equipment	315	14	14	14	15	16	17	21	24	27	28	25	26	26	26
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		-	-	-	9	11	14	16	18	19	18	17	17	17	17
23	Structures & Improvements	331	-	-	-	10	13	17	18	20	23	20	19	20	20	19
24	Reservoirs, Dams & Waterways	332	-	-	-	9	12	15	17	20	21	20	19	18	19	18
25	Water Wheels, Turbines & Generators	333	-	-	-	7	9	11	12	13	14	13	12	12	12	12
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		11	11	11	11	14	16	18	21	23	21	19	19	20	20
34	Station Equipment	353	16	16	16	16	17	20	25	28	32	32	28	29	30	31
35	Towers & Fixtures	354	9	9	10	10	14	17	17	19	19	18	16	16	17	16
36	Poles & Fixtures	355	7	7	7	8	9	10	12	13	15	15	13	12	13	12
37	Overhead Conductors & Devices	356	16	15	14	15	22	25	28	29	31	23	21	22	22	22
38	Underground Conduit	357	7	7	7	8	9	11	14	14	16	17	15	14	14	13
39	Underground Conductors & Devices	358	13	12	11	12	16	18	20	22	23	19	19	22	20	20
40																
41	**Distribution Plant**															
42	Total Distribution Plant		13	13	13	13	15	17	20	23	25	24	22	21	22	22
43	Station Equipment	362	16	16	16	17	17	20	25	26	30	30	28	29	29	29
44	Poles, Towers & Fixtures	364	7	7	7	7	8	9	10	13	15	16	14	13	14	13
45	Overhead Conductors & Devices	365	12	12	11	12	17	20	22	23	24	18	17	18	17	17
46	Underground Conduit	366	9	9	9	10	11	13	17	17	19	21	18	17	17	16
47	Underground Conductors & Devices	367	13	12	11	12	17	19	21	23	24	20	20	23	21	21
48	Line Transformers	368	42	42	42	42	42	46	62	64	68	70	62	61	62	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	11	11	10	11	16	17	20	20	21	16	15	16	16	16
51	Services-Underground	369	9	9	9	11	13	14	17	18	19	17	14	15	15	15
52	Meters Installed	370	31	31	31	31	31	35	40	44	46	49	46	44	43	42
53	Street Lighting-Overhead	373	-	-	-	-	-	-	-	-	-	-	-	-	21	21
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	-	-	-	-	-	-	-	-	-	-	-	-	22	22
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	Total Plant-All Steam Generation		18	18	19	20	19	18	17	18	20	20	20	22	22	22
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		20	19	19	20	20	19	18	18	20	20	20	22	22	22
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		19	18	18	19	19	18	17	18	20	20	20	22	23	23
7	Structures & Improvements-Indoor	311	19	19	18	18	18	16	15	15	16	16	17	18	17	17
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	16	17	16	16	16	16	14	14	16	17	17	19	19	20
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		20	20	20	21	21	20	19	17	17	17	17	20	20	20
12	Turbogenerator Units	314	19	19	19	22	23	22	21	22	25	26	26	29	30	30
13	Accessory Electrical Equipment	315	26	26	27	29	29	28	26	28	29	29	29	31	32	32
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		17	17	17	17	17	16	15	15	16	16	16	17	17	17
23	Structures & Improvements	331	19	19	18	18	18	16	15	15	16	16	17	18	17	17
24	Reservoirs, Dams & Waterways	332	18	18	18	19	18	16	15	16	16	16	16	17	17	17
25	Water Wheels, Turbines & Generators	333	12	12	13	14	14	14	13	13	14	16	16	17	18	19
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		19	19	19	20	19	18	17	17	19	19	20	21	21	21
34	Station Equipment	353	31	29	29	31	30	29	28	29	33	33	33	36	36	36
35	Towers & Fixtures	354	17	16	15	15	15	14	14	13	14	14	15	16	16	16
36	Poles & Fixtures	355	12	12	11	11	11	11	10	10	11	13	14	14	14	14
37	Overhead Conductors & Devices	356	22	22	24	26	23	21	19	20	22	21	22	24	23	23
38	Underground Conduit	357	13	13	13	13	13	12	11	11	12	14	15	15	15	15
39	Underground Conductors & Devices	358	20	19	21	24	19	19	18	19	21	20	22	24	22	22
40																
41	**Distribution Plant**															
42	Total Distribution Plant		21	20	21	21	21	20	19	19	20	21	21	22	22	23
43	Station Equipment	362	28	28	28	29	30	30	28	29	31	30	31	34	35	35
44	Poles, Towers & Fixtures	364	13	13	13	13	13	12	11	11	12	12	12	13	14	14
45	Overhead Conductors & Devices	365	17	17	19	21	18	16	15	16	17	17	18	19	18	18
46	Underground Conduit	366	16	16	16	16	16	15	14	14	15	17	18	18	19	18
47	Underground Conductors & Devices	367	21	20	22	25	20	20	19	20	22	21	23	26	23	23
48	Line Transformers	368	57	54	53	56	55	54	52	53	55	55	55	60	61	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	16	16	17	19	16	16	14	15	16	16	16	18	17	17
51	Services-Underground	369	15	15	15	16	15	15	14	14	15	14	15	17	16	16
52	Meters Installed	370	42	42	42	43	43	43	43	43	47	48	48	48	48	48
53	Street Lighting-Overhead	373	21	20	22	22	22	22	21	21	23	23	23	24	24	24
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	22	21	23	23	24	24	24	24	25	25	25	25	26	26
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1	Total Plant-All Steam Generation		23	24	25	25	25	25	29	33	37	39	41	45	47	49
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Total Plant-All Steam & Hydro Gen.		22	23	25	25	26	26	29	35	38	39	41	45	46	49
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		23	24	25	25	25	25	29	33	38	40	41	45	46	48
7	Structures & Improvements-Indoor	311	18	19	21	21	21	22	25	29	34	36	37	39	40	42
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	39	39	39	40	43
9	Boiler Plant Equipment-Coal Fired	312	20	21	22	22	22	22	24	28	33	36	38	42	42	44
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	35	37	41	41	43
11	Boiler Plant Piping Installed		20	21	22	22	22	22	25	28	30	31	34	37	39	40
12	Turbogenerator Units	314	30	30	30	30	30	31	35	43	45	47	48	52	52	56
13	Accessory Electrical Equipment	315	33	34	34	34	33	32	37	42	45	47	50	57	58	62
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	38	39	42	44	46
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		18	19	21	22	22	22	25	30	33	35	37	39	40	43
23	Structures & Improvements	331	18	19	21	21	21	22	25	29	34	36	37	39	40	42
24	Reservoirs, Dams & Waterways	332	18	19	21	22	22	22	25	29	33	35	36	39	40	42
25	Water Wheels, Turbines & Generators	333	20	21	22	23	23	23	26	31	34	35	37	41	43	46
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		22	22	24	25	25	26	29	34	36	38	40	44	46	49
34	Station Equipment	353	36	37	38	38	36	35	40	48	51	54	57	65	66	70
35	Towers & Fixtures	354	16	18	20	21	21	21	24	28	30	32	35	38	39	42
36	Poles & Fixtures	355	14	16	19	20	22	23	25	30	33	34	35	38	39	41
37	Overhead Conductors & Devices	356	24	25	27	27	28	28	32	37	41	41	43	48	50	53
38	Underground Conduit	357	15	17	19	20	20	21	24	27	30	31	33	34	36	38
39	Underground Conductors & Devices	358	23	26	28	27	26	27	31	36	44	48	52	63	65	64
40																
41	**Distribution Plant**															
42	Total Distribution Plant		23	24	26	26	27	28	31	37	39	41	42	46	47	50
43	Station Equipment	362	35	37	37	37	36	36	39	45	48	51	53	57	58	62
44	Poles, Towers & Fixtures	364	15	16	18	20	22	23	24	29	31	33	34	37	38	40
45	Overhead Conductors & Devices	365	19	20	21	22	22	22	25	30	32	33	34	38	40	42
46	Underground Conduit	366	18	21	22	23	23	23	27	30	33	35	37	39	40	42
47	Underground Conductors & Devices	367	24	28	29	29	28	28	33	38	46	51	55	67	68	68
48	Line Transformers	368	61	63	62	59	59	59	66	82	84	88	91	104	104	111
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	103	103	103	103	103
50	Services-Overhead	369	18	19	20	20	21	21	24	28	30	31	33	36	38	40
51	Services-Underground	369	18	20	21	21	21	21	24	27	31	33	36	44	44	44
52	Meters Installed	370	48	48	48	48	48	48	54	62	65	71	71	72	70	73
53	Street Lighting-Overhead	373	24	26	26	26	26	26	29	36	39	43	45	49	50	52
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	26	27	28	28	30	29	31	37	41	43	42	46	47	47
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1	Total Plant-All Steam Generation		50	52	57	60	62	63	63	61	61	61	63	65	67	70
2	Total Plant-All Steam & Nuclear Gen.		-	-	-	-	-	-	-	-	-	-	-	65	67	70
3	Total Plant-All Steam & Hydro Gen.		50	52	56	60	61	62	62	61	61	61	63	64	67	70
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		50	52	58	64	66	68	67	64	64	64	66	67	68	71
7	Structures & Improvements-Indoor	311	43	45	49	52	54	55	56	57	57	59	60	61	63	65
8	Structures & Improvements-Semi-Outdoor	311	44	45	51	56	57	59	59	58	58	59	60	61	63	65
9	Boiler Plant Equipment-Coal Fired	312	46	48	55	61	63	65	66	65	65	66	67	69	70	72
10	Boiler Plant Equipment-Gas Fired	312	45	47	54	60	61	64	65	65	65	65	66	68	70	72
11	Boiler Plant Piping Installed		43	45	51	55	57	60	62	63	63	64	65	66	68	71
12	Turbogenerator Units	314	57	59	68	76	80	79	75	70	68	68	69	70	71	72
13	Accessory Electrical Equipment	315	63	64	68	72	75	74	69	61	61	59	62	66	68	72
14	Misc. Power Plant Equipment	316	47	49	52	55	57	58	60	61	62	62	63	65	66	70
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	67	69	71
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	64	66	68
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	68	70	72
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		45	46	50	54	56	58	59	59	60	61	62	64	66	69
23	Structures & Improvements	331	43	45	49	52	54	55	56	57	57	59	60	61	63	65
24	Reservoirs, Dams & Waterways	332	44	46	49	52	54	56	57	58	59	60	62	63	66	69
25	Water Wheels, Turbines & Generators	333	47	49	56	62	65	66	66	65	64	65	66	67	69	71
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	72	73	75	83
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	64	64	66	68
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	74	74	77	85
31																
32	**Transmission Plant**															
33	Total Transmission Plant		50	52	56	58	59	60	59	58	58	58	60	63	66	70
34	Station Equipment	353	72	73	79	84	87	85	79	71	70	65	69	73	75	79
35	Towers & Fixtures	354	43	44	46	49	51	53	54	56	56	58	60	62	65	68
36	Poles & Fixtures	355	42	44	47	49	50	51	53	54	55	56	58	60	62	65
37	Overhead Conductors & Devices	356	55	58	64	67	66	64	65	65	65	61	64	67	70	72
38	Underground Conduit	357	40	41	43	46	48	49	50	52	53	54	56	58	60	63
39	Underground Conductors & Devices	358	66	69	68	60	59	61	62	62	62	62	66	72	73	75
40																
41	**Distribution Plant**															
42	Total Distribution Plant		51	53	56	58	59	60	60	60	60	60	62	64	66	69
43	Station Equipment	362	64	66	71	75	78	78	76	71	71	69	70	72	74	77
44	Poles, Towers & Fixtures	364	41	43	46	49	50	50	52	53	54	55	57	59	61	64
45	Overhead Conductors & Devices	365	43	47	51	50	50	51	53	53	54	55	57	60	62	66
46	Underground Conduit	366	44	45	47	49	51	53	55	56	57	59	61	62	63	65
47	Underground Conductors & Devices	367	70	73	71	63	62	64	66	65	65	65	70	76	77	79
48	Line Transformers	368	112	112	116	123	118	115	113	110	100	94	94	96	96	99
49	Pad Mounted Transformers	368	103	103	103	103	103	103	101	96	95	96	92	91	94	97
50	Services-Overhead	369	41	44	47	45	45	47	49	49	50	51	52	55	58	61
51	Services-Underground	369	44	45	47	46	44	45	44	44	46	47	48	52	57	59
52	Meters Installed	370	75	72	75	79	81	84	84	83	84	83	83	82	83	84
53	Street Lighting-Overhead	373	55	55	58	62	66	66	66	65	65	65	67	67	69	73
54	Mast Arms & Luminaires Installed	373	-	59	65	71	71	67	68	67	67	67	68	69	73	72
55	Street Lighting-Underground	373	52	54	55	59	62	62	63	61	61	61	62	62	67	74
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
1	Total Plant-All Steam Generation		73	77	83	88	93	100	121	141	151	161	170	187	204	222
2	Total Plant-All Steam & Nuclear Gen.		72	77	83	88	91	100	120	141	151	160	170	187	204	223
3	Total Plant-All Steam & Hydro Gen.		73	77	83	88	93	100	121	141	151	160	170	187	204	223
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		73	76	82	88	95	100	118	136	147	158	171	189	207	227
7	Structures & Improvements-Indoor	311	69	73	79	85	92	100	119	131	137	148	166	186	203	215
8	Structures & Improvements-Semi-Outdoor	311	68	72	78	84	91	100	126	141	143	150	164	184	206	217
9	Boiler Plant Equipment-Coal Fired	312	74	78	83	89	95	100	121	142	153	163	177	195	213	233
10	Boiler Plant Equipment-Gas Fired	312	74	77	82	88	94	100	120	140	151	162	177	193	212	232
11	Boiler Plant Piping Installed		73	76	83	90	97	100	114	127	139	151	168	186	202	220
12	Turbogenerator Units	314	72	75	80	89	96	100	111	129	142	155	167	185	202	224
13	Accessory Electrical Equipment	315	75	79	85	90	94	100	118	136	148	161	170	185	202	221
14	Misc. Power Plant Equipment	316	73	77	83	89	94	100	115	129	138	151	164	180	197	221
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		73	77	83	90	95	100	114	130	141	151	163	180	197	217
18	Structures & Improvements	321	71	76	82	88	94	100	115	127	135	143	158	176	196	214
19	Reactor Plant Equipment	322	75	79	85	91	96	100	114	131	143	152	163	178	196	214
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		72	77	81	86	92	100	118	132	139	147	162	181	204	221
23	Structures & Improvements	331	69	73	79	85	92	100	119	131	137	148	166	186	203	215
24	Reservoirs, Dams & Waterways	332	74	77	81	86	92	100	118	131	138	144	158	177	203	220
25	Water Wheels, Turbines & Generators	333	73	78	83	88	95	100	114	130	144	158	172	190	210	235
26																
27	**Other Production Plant**															
28	Total Other Production Plant		87	90	94	97	99	100	108	133	147	161	167	181	195	214
29	Fuel Holders, Producers & Accessories	342	72	77	84	89	95	100	116	131	145	156	172	189	209	228
30	Gas Turbogenerators	344	89	92	95	98	99	100	107	133	147	162	168	182	195	213
31																
32	**Transmission Plant**															
33	Total Transmission Plant		73	77	84	89	92	100	124	147	157	165	170	186	206	221
34	Station Equipment	353	82	85	89	91	93	100	126	149	155	167	178	192	210	226
35	Towers & Fixtures	354	72	76	80	86	92	100	126	144	147	154	168	187	209	223
36	Poles & Fixtures	355	69	72	76	81	85	100	129	146	148	153	163	181	199	217
37	Overhead Conductors & Devices	356	72	80	90	98	98	100	118	148	172	184	175	189	213	229
38	Underground Conduit	357	67	71	81	88	96	100	114	127	140	150	164	180	196	212
39	Underground Conductors & Devices	358	72	78	83	82	91	100	136	137	142	153	154	183	221	240
40																
41	**Distribution Plant**															
42	Total Distribution Plant		73	77	83	88	92	100	121	142	151	160	168	185	198	217
43	Station Equipment	362	79	84	89	90	93	100	123	141	146	160	171	182	197	213
44	Poles, Towers & Fixtures	364	68	71	76	82	86	100	128	147	150	157	169	191	209	227
45	Overhead Conductors & Devices	365	69	77	88	95	97	100	116	144	166	177	174	188	210	225
46	Underground Conduit	366	68	73	81	87	93	100	113	124	134	144	158	173	187	202
47	Underground Conductors & Devices	367	76	83	88	87	97	100	126	130	136	145	154	189	216	218
48	Line Transformers	368	103	101	101	102	99	100	110	130	135	146	157	166	167	194
49	Pad Mounted Transformers	368	99	96	96	98	99	100	104	106	109	121	134	142	163	191
50	Services-Overhead	369	65	73	84	91	95	100	109	121	132	143	156	171	192	202
51	Services-Underground	369	64	69	75	78	85	100	116	107	113	118	127	139	166	182
52	Meters Installed	370	86	90	94	99	100	100	108	124	135	141	146	150	150	166
53	Street Lighting-Overhead	373	74	80	88	93	96	100	122	148	159	170	187	209	228	247
54	Mast Arms & Luminaires Installed	373	72	77	90	94	97	100	118	138	154	169	184	202	226	251
55	Street Lighting-Underground	373	71	76	88	93	97	100	121	148	161	173	191	213	231	250
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
									1988		1989		1990		1991	
			1982	1983	1984	1985	1986	1987	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		235	242	246	248	249	252	257	269	274	276	282	285	286	289
2	Total Plant-All Steam & Nuclear Gen.		235	242	247	249	249	252	257	269	274	276	281	285	286	290
3	Total Plant-All Steam & Hydro Gen.		234	241	246	248	249	251	256	268	273	277	280	284	285	289
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		237	246	253	257	257	263	272	281	284	286	291	293	296	296
7	Structures & Improvements-Indoor	311	217	224	229	229	229	230	229	234	234	240	244	245	241	238
8	Structures & Improvements-Semi-Outdoor	311	213	218	226	229	231	233	232	241	241	244	247	248	243	243
9	Boiler Plant Equipment-Coal Fired	312	244	250	259	265	269	278	290	294	298	300	306	310	314	315
10	Boiler Plant Equipment-Gas Fired	312	244	250	258	263	268	276	286	295	301	305	311	316	321	323
11	Boiler Plant Piping Installed		236	233	233	233	235	245	261	269	271	274	275	274	271	275
12	Turbogenerator Units	314	237	249	257	259	256	262	271	278	284	285	291	290	296	295
13	Accessory Electrical Equipment	315	248	256	253	253	253	253	255	286	292	292	294	300	300	301
14	Misc. Power Plant Equipment	316	240	252	260	269	273	280	286	290	297	302	306	308	311	315
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		231	240	244	246	247	252	259	265	269	275	279	281	282	282
18	Structures & Improvements	321	222	228	232	232	229	229	230	232	232	237	239	243	242	242
19	Reactor Plant Equipment	322	230	238	244	247	250	260	270	271	277	285	288	290	292	293
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		225	231	235	236	236	236	236	240	242	245	247	246	245	240
23	Structures & Improvements	331	217	224	229	229	229	230	229	234	234	240	244	245	241	238
24	Reservoirs, Dams & Waterways	332	224	229	233	233	233	232	231	234	237	238	237	237	235	229
25	Water Wheels, Turbines & Generators	333	249	259	268	272	272	277	286	298	301	304	325	304	327	327
26																
27	**Other Production Plant**															
28	Total Other Production Plant		230	236	239	241	244	262	271	317	319	332	336	338	336	344
29	Fuel Holders, Producers & Accessories	342	242	242	245	248	252	257	263	271	273	282	290	288	292	293
30	Gas Turbogenerators	344	230	236	239	242	245	266	275	326	327	341	345	347	346	355
31																
32	**Transmission Plant**															
33	Total Transmission Plant		231	237	239	241	241	240	244	267	273	275	278	288	286	294
34	Station Equipment	353	239	240	245	247	247	252	256	260	268	274	279	294	296	291
35	Towers & Fixtures	354	221	228	238	239	240	244	245	252	253	256	257	258	254	246
36	Poles & Fixtures	355	230	235	240	241	243	244	246	262	276	281	287	288	304	311
37	Overhead Conductors & Devices	356	235	252	244	242	243	232	256	316	314	309	304	322	297	343
38	Underground Conduit	357	228	233	233	231	229	231	233	239	250	254	253	252	251	249
39	Underground Conductors & Devices	358	254	257	253	244	267	269	266	289	279	301	328	354	380	401
40																
41	**Distribution Plant**															
42	Total Distribution Plant		232	238	240	241	241	241	243	253	262	263	268	272	272	277
43	Station Equipment	362	231	233	235	237	238	244	249	266	279	287	290	308	310	308
44	Poles, Towers & Fixtures	364	239	241	244	245	245	245	244	250	255	257	263	266	272	277
45	Overhead Conductors & Devices	365	236	248	250	250	249	244	258	293	297	294	292	300	289	314
46	Underground Conduit	366	211	225	228	224	222	224	226	229	249	255	254	252	248	243
47	Underground Conductors & Devices	367	215	217	216	221	230	233	238	229	244	246	261	258	261	266
48	Line Transformers	368	209	212	214	215	216	214	215	211	223	220	228	225	226	224
49	Pad Mounted Transformers	368	190	192	208	209	215	236	249	259	263	274	275	275	283	288
50	Services-Overhead	369	211	215	229	225	223	226	230	242	256	256	255	255	255	256
51	Services-Underground	369	182	201	204	185	178	189	208	184	230	215	212	227	214	206
52	Meters Installed	370	192	205	206	207	212	210	199	197	188	182	188	183	187	204
53	Street Lighting-Overhead	373	264	265	276	284	282	267	265	267	272	276	281	284	288	293
54	Mast Arms & Luminaires Installed	373	264	270	288	298	289	277	273	275	284	291	296	299	303	310
55	Street Lighting-Underground	373	269	270	279	286	284	268	266	267	272	275	279	283	287	291
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1992		1993		1994		1995		1996		1997		1998	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		287	289	294	295	304	308	316	318	321	324	326	327	332	334
2	Total Plant-All Steam & Nuclear Gen.		287	290	295	295	304	308	317	318	321	324	327	328	333	335
3	Total Plant-All Steam & Hydro Gen.		286	289	294	295	303	308	316	317	321	323	326	327	332	334
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		299	300	304	308	319	320	329	332	333	337	347	347	351	353
7	Structures & Improvements-Indoor	311	237	241	250	253	260	266	273	270	277	281	286	294	294	300
8	Structures & Improvements-Semi-Outdoor	311	241	246	249	253	262	268	273	275	276	280	286	286	287	289
9	Boiler Plant Equipment-Coal Fired	312	317	320	324	328	336	337	343	347	349	354	362	363	366	368
10	Boiler Plant Equipment-Gas Fired	312	323	329	335	339	343	348	354	358	363	368	373	377	380	383
11	Boiler Plant Piping Installed		274	274	274	276	279	278	285	290	292	296	301	299	299	302
12	Turbogenerator Units	314	298	297	302	304	321	319	333	336	335	338	352	350	358	358
13	Accessory Electrical Equipment	315	309	309	315	320	324	327	335	344	347	355	356	359	362	366
14	Misc. Power Plant Equipment	316	316	319	323	328	337	346	353	354	354	360	361	370	372	376
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		284	286	289	292	303	303	311	315	317	320	328	328	331	333
18	Structures & Improvements	321	240	247	250	253	265	267	270	272	277	283	292	292	293	294
19	Reactor Plant Equipment	322	295	296	298	301	310	308	316	322	322	324	330	330	332	335
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		239	245	250	254	261	266	271	276	279	284	291	293	294	297
23	Structures & Improvements	331	237	241	250	253	260	266	273	270	277	281	286	294	294	300
24	Reservoirs, Dams & Waterways	332	227	235	238	242	250	255	259	267	269	274	282	281	281	284
25	Water Wheels, Turbines & Generators	333	326	323	331	331	343	340	349	354	353	357	367	366	377	376
26																
27	**Other Production Plant**															
28	Total Other Production Plant		344	347	357	353	348	344	342	349	352	363	362	362	372	373
29	Fuel Holders, Producers & Accessories	342	291	294	296	299	302	304	308	311	316	322	325	328	332	335
30	Gas Turbogenerators	344	355	357	368	363	356	351	348	356	358	371	369	369	380	381
31																
32	**Transmission Plant**															
33	Total Transmission Plant		283	290	298	296	305	313	326	326	331	335	337	336	345	347
34	Station Equipment	353	289	299	307	306	313	324	334	335	336	336	339	339	349	351
35	Towers & Fixtures	354	243	249	257	258	264	275	278	279	290	296	300	302	302	305
36	Poles & Fixtures	355	319	329	321	328	343	351	363	357	361	380	378	382	387	390
37	Overhead Conductors & Devices	356	295	295	316	303	313	315	343	345	352	351	353	347	362	365
38	Underground Conduit	357	246	246	247	248	254	254	257	255	258	263	260	261	261	265
39	Underground Conductors & Devices	358	404	402	404	405	409	410	412	418	420	424	422	422	423	425
40																
41	**Distribution Plant**															
42	Total Distribution Plant		272	274	279	277	283	289	295	295	299	299	294	296	301	303
43	Station Equipment	362	294	306	306	305	305	318	326	331	328	327	326	326	339	342
44	Poles, Towers & Fixtures	364	282	290	290	292	306	316	319	322	330	331	333	335	335	338
45	Overhead Conductors & Devices	365	289	284	301	293	306	309	328	330	335	339	337	334	343	348
46	Underground Conduit	366	241	240	240	242	249	250	255	253	256	261	260	262	262	266
47	Underground Conductors & Devices	367	267	264	268	266	269	270	274	280	282	287	283	282	283	288
48	Line Transformers	368	227	229	230	228	231	235	234	226	232	228	210	214	215	217
49	Pad Mounted Transformers	368	284	284	284	291	294	294	284	293	295	308	306	307	307	308
50	Services-Overhead	369	253	244	255	249	259	264	273	273	279	278	265	272	274	277
51	Services-Underground	369	214	201	204	202	207	214	217	218	218	218	213	218	214	211
52	Meters Installed	370	200	194	201	200	194	187	188	181	188	189	187	204	204	205
53	Street Lighting-Overhead	373	300	299	308	311	322	330	333	339	350	362	365	364	365	366
54	Mast Arms & Luminaires Installed	373	322	319	324	327	339	352	357	358	367	387	393	387	388	385
55	Street Lighting-Underground	373	297	296	306	309	318	324	326	334	344	356	358	359	359	361
56																

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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

SOUTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		336	334	339	354	360	362	368	370	377	375	381	397	415	421
2	Total Plant-All Steam & Nuclear Gen.		336	335	340	355	360	362	368	371	377	376	381	398	416	422
3	Total Plant-All Steam & Hydro Gen.		336	334	339	354	360	361	367	370	376	375	380	397	415	420
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		355	358	365	385	391	389	395	402	412	409	415	425	447	447
7	Structures & Improvements-Indoor	311	298	305	311	313	318	321	325	328	330	331	351	357	365	369
8	Structures & Improvements-Semi-Outdoor	311	296	294	300	319	325	328	330	335	339	333	345	362	382	385
9	Boiler Plant Equipment-Coal Fired	312	373	375	379	402	407	411	415	422	425	420	423	439	457	459
10	Boiler Plant Equipment-Gas Fired	312	388	389	395	400	406	408	412	416	418	422	431	449	471	481
11	Boiler Plant Piping Installed		310	306	306	318	324	325	331	335	339	336	343	357	404	407
12	Turbogenerator Units	314	357	360	371	386	391	380	389	396	418	418	421	424	448	443
13	Accessory Electrical Equipment	315	368	374	383	410	425	429	440	452	458	455	466	476	514	523
14	Misc. Power Plant Equipment	316	382	386	394	412	417	420	425	430	433	427	438	454	486	487
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		335	338	344	359	364	365	370	376	383	382	387	400	424	426
18	Structures & Improvements	321	295	301	305	321	324	330	330	337	339	335	344	356	370	374
19	Reactor Plant Equipment	322	338	338	343	355	359	361	366	369	372	374	376	394	420	421
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		296	301	306	309	313	316	320	322	323	324	343	347	356	362
23	Structures & Improvements	331	298	305	311	313	318	321	325	328	330	331	351	357	365	369
24	Reservoirs, Dams & Waterways	332	284	288	293	296	300	306	308	311	311	311	331	338	347	355
25	Water Wheels, Turbines & Generators	333	372	377	386	386	391	376	387	380	386	392	400	382	388	385
26																
27	**Other Production Plant**															
28	Total Other Production Plant		386	389	396	426	434	402	407	417	423	425	417	424	414	421
29	Fuel Holders, Producers & Accessories	342	345	341	343	356	359	363	365	371	374	373	376	403	429	435
30	Gas Turbogenerators	344	394	398	405	391	400	407	413	423	429	432	420	426	412	419
31																
32	**Transmission Plant**															
33	Total Transmission Plant		345	339	342	364	369	375	379	376	377	375	384	410	424	438
34	Station Equipment	353	351	355	359	386	390	396	399	400	402	396	400	441	455	466
35	Towers & Fixtures	354	309	312	322	325	329	336	340	341	343	344	368	376	381	385
36	Poles & Fixtures	355	376	377	373	378	385	394	400	395	395	397	407	411	427	445
37	Overhead Conductors & Devices	356	360	324	327	368	372	378	381	368	369	370	376	404	422	449
38	Underground Conduit	357	281	270	274	278	283	286	293	296	298	297	308	328	358	358
39	Underground Conductors & Devices	358	427	438	428	431	444	423	428	431	435	436	440	490	495	512
40																
41	**Distribution Plant**															
42	Total Distribution Plant		305	301	304	310	316	320	326	326	329	331	335	355	368	377
43	Station Equipment	362	343	344	347	347	351	352	354	346	348	346	351	395	409	415
44	Poles, Towers & Fixtures	364	337	339	340	344	349	354	359	363	364	368	368	378	395	399
45	Overhead Conductors & Devices	365	346	329	336	364	371	376	383	378	384	387	394	413	432	454
46	Underground Conduit	366	269	272	280	281	288	291	298	307	308	305	316	319	339	340
47	Underground Conductors & Devices	367	291	294	294	300	309	295	300	299	299	301	303	320	346	358
48	Line Transformers	368	222	216	218	219	222	228	232	236	235	241	231	251	262	269
49	Pad Mounted Transformers	368	309	310	312	312	314	333	335	342	336	336	365	435	467	516
50	Services-Overhead	369	276	274	281	285	292	293	298	293	298	298	308	316	329	337
51	Services-Underground	369	208	206	214	221	225	220	223	229	229	229	233	234	242	256
52	Meters Installed	370	209	195	192	192	205	222	243	254	264	264	300	300	287	287
53	Street Lighting-Overhead	373	370	371	376	379	385	391	398	412	432	436	439	445	461	469
54	Mast Arms & Luminaires Installed	373	386	386	387	392	398	399	405	406	408	415	417	423	450	465
55	Street Lighting-Underground	373	366	367	373	376	383	390	397	415	441	444	448	452	466	473
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1	Total Plant-All Steam Generation		11	10	10	10	13	16	19	19	21	20	18	19	19	19
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		-	-	-	11	14	17	20	21	22	21	20	20	20	20
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		9	9	9	9	12	16	19	19	21	20	18	18	19	19
7	Structures & Improvements-Indoor	311	-	-	-	11	14	19	20	22	25	22	21	22	22	21
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	8	8	8	9	10	16	19	17	18	16	14	16	17	16
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		10	10	10	9	11	19	21	21	20	19	18	18	19	20
12	Turbogenerator Units	314	9	9	9	9	13	14	18	19	22	23	20	19	19	19
13	Accessory Electrical Equipment	315	15	15	14	14	16	18	21	25	27	27	25	26	27	27
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		-	-	-	10	12	16	19	19	20	19	18	18	18	18
23	Structures & Improvements	331	-	-	-	11	14	19	20	22	25	22	21	22	22	21
24	Reservoirs, Dams & Waterways	332	-	-	-	11	13	18	20	21	22	21	20	20	20	20
25	Water Wheels, Turbines & Generators	333	-	-	-	7	9	11	12	13	13	13	12	12	12	12
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		11	11	11	11	14	17	19	20	22	20	19	19	19	19
34	Station Equipment	353	15	15	15	15	17	21	25	28	31	31	28	29	30	30
35	Towers & Fixtures	354	10	10	10	10	14	18	19	19	19	18	16	16	17	17
36	Poles & Fixtures	355	8	8	8	8	9	11	12	13	14	15	14	13	14	14
37	Overhead Conductors & Devices	356	17	16	14	15	23	26	30	30	31	23	21	23	23	25
38	Underground Conduit	357	10	10	10	10	11	15	18	18	19	22	20	18	19	19
39	Underground Conductors & Devices	358	12	11	11	11	16	18	21	22	23	19	18	21	20	21
40																
41	**Distribution Plant**															
42	Total Distribution Plant		14	13	13	13	16	18	22	24	25	24	22	22	22	23
43	Station Equipment	362	17	17	17	17	18	21	26	27	30	30	29	30	31	31
44	Poles, Towers & Fixtures	364	8	8	8	8	8	11	12	13	14	15	14	14	14	15
45	Overhead Conductors & Devices	365	13	11	11	12	18	21	24	24	25	18	17	18	18	19
46	Underground Conduit	366	10	10	10	11	11	16	18	19	20	23	21	19	20	20
47	Underground Conductors & Devices	367	13	12	11	12	17	19	22	23	24	20	19	22	21	22
48	Line Transformers	368	43	43	43	43	43	45	62	64	68	70	62	60	62	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	12	11	10	11	16	18	21	21	22	16	15	16	17	18
51	Services-Underground	369	13	13	13	15	17	19	23	24	25	21	18	20	20	22
52	Meters Installed	370	31	31	31	31	31	35	40	44	46	49	46	44	43	42
53	Street Lighting-Overhead	373	-	-	-	-	-	-	-	-	-	-	-	-	22	22
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	-	-	-	-	-	-	-	-	-	-	-	-	23	23
56																

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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	Total Plant-All Steam Generation		19	19	19	20	19	19	17	18	20	20	21	23	23	23
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		19	19	19	20	20	19	18	19	20	20	20	22	22	22
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		19	18	18	20	20	19	18	18	20	20	21	23	24	24
7	Structures & Improvements-Indoor	311	21	20	20	20	19	18	17	17	19	18	19	20	20	20
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Boiler Plant Equipment-Coal Fired	312	16	16	16	16	16	16	14	14	16	17	17	19	19	20
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		20	20	20	21	21	20	18	17	17	17	17	20	20	20
12	Turbogenerator Units	314	19	19	19	21	22	22	21	22	25	26	26	29	30	30
13	Accessory Electrical Equipment	315	27	27	27	29	28	28	26	28	30	30	30	32	32	33
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		18	18	18	19	18	17	16	17	18	18	19	20	20	20
23	Structures & Improvements	331	21	20	20	20	19	18	17	17	19	18	19	20	20	20
24	Reservoirs, Dams & Waterways	332	20	20	20	20	20	18	18	18	19	19	19	21	21	20
25	Water Wheels, Turbines & Generators	333	12	12	13	14	14	14	13	13	14	16	16	17	18	19
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		19	18	19	20	19	18	17	17	19	19	20	22	21	21
34	Station Equipment	353	30	29	29	31	30	30	28	30	32	33	33	36	36	36
35	Towers & Fixtures	354	16	16	16	16	16	15	15	15	16	16	17	18	18	18
36	Poles & Fixtures	355	14	13	13	13	13	13	13	13	13	13	14	16	16	16
37	Overhead Conductors & Devices	356	24	23	25	27	23	21	19	21	23	23	23	25	24	24
38	Underground Conduit	357	18	19	19	19	18	18	18	17	18	18	19	20	21	21
39	Underground Conductors & Devices	358	21	19	21	24	19	18	18	19	21	20	22	24	22	22
40																
41	**Distribution Plant**															
42	Total Distribution Plant		22	21	21	22	22	21	20	20	22	22	23	24	24	24
43	Station Equipment	362	30	29	29	30	30	30	29	30	32	32	32	35	35	36
44	Poles, Towers & Fixtures	364	14	13	13	13	14	13	13	13	14	14	14	16	16	17
45	Overhead Conductors & Devices	365	19	18	19	21	18	16	15	16	18	18	18	20	19	19
46	Underground Conduit	366	19	20	20	20	19	18	18	18	19	19	20	21	22	22
47	Underground Conductors & Devices	367	22	20	22	25	20	19	19	20	22	21	23	25	23	23
48	Line Transformers	368	58	53	52	56	55	53	51	53	55	56	56	59	61	61
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Services-Overhead	369	17	17	18	19	16	15	14	15	17	16	17	19	17	18
51	Services-Underground	369	22	21	20	21	20	18	18	18	20	20	20	23	22	21
52	Meters Installed	370	42	42	42	42	42	42	42	44	47	48	48	48	48	48
53	Street Lighting-Overhead	373	22	21	22	22	22	22	21	22	23	23	23	25	25	24
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	23	21	23	23	24	24	24	24	25	25	25	26	26	26
56																

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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1	Total Plant-All Steam Generation		23	24	24	24	24	25	28	33	37	39	41	45	47	49
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		23	24	25	25	25	26	29	34	37	39	41	44	46	48
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		24	25	25	25	25	26	30	34	38	41	42	46	47	49
7	Structures & Improvements-Indoor	311	20	22	23	23	23	24	28	33	37	39	41	43	45	46
8	Structures & Improvements-Semi-Outdoor	311	-	-	-	-	-	-	-	-	-	40	40	40	41	43
9	Boiler Plant Equipment-Coal Fired	312	20	21	22	22	22	22	25	28	30	36	38	42	43	44
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		20	21	22	22	22	22	24	27	30	31	34	37	38	40
12	Turbogenerator Units	314	30	30	30	30	30	31	36	43	46	47	48	52	52	56
13	Accessory Electrical Equipment	315	33	33	33	33	31	32	36	42	44	46	49	56	57	61
14	Misc. Power Plant Equipment	316	-	-	-	-	-	-	-	-	-	38	39	42	44	46
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		21	22	23	23	23	24	27	32	35	36	38	41	42	44
23	Structures & Improvements	331	20	22	23	23	23	24	28	33	37	39	41	43	45	46
24	Reservoirs, Dams & Waterways	332	21	23	23	24	24	24	27	32	35	36	38	40	42	43
25	Water Wheels, Turbines & Generators	333	20	21	22	23	23	23	26	31	34	35	37	41	43	46
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																
32	**Transmission Plant**															
33	Total Transmission Plant		22	22	24	24	24	25	28	33	35	36	38	42	43	46
34	Station Equipment	353	36	37	37	37	35	35	40	47	50	53	56	64	65	69
35	Towers & Fixtures	354	18	20	20	20	20	21	24	27	30	31	34	37	38	40
36	Poles & Fixtures	355	16	17	19	20	21	23	26	31	34	34	35	37	39	40
37	Overhead Conductors & Devices	356	25	25	26	26	26	27	31	37	40	40	42	47	50	53
38	Underground Conduit	357	21	22	23	23	23	25	29	33	36	37	38	40	42	44
39	Underground Conductors & Devices	358	23	25	26	26	25	25	30	36	43	47	50	62	64	64
40																
41	**Distribution Plant**															
42	Total Distribution Plant		25	26	27	27	28	28	31	37	40	41	42	46	48	50
43	Station Equipment	362	36	36	36	36	35	35	39	45	47	50	52	58	59	63
44	Poles, Towers & Fixtures	364	17	18	19	20	22	23	25	30	33	33	35	37	39	40
45	Overhead Conductors & Devices	365	19	19	20	21	21	21	25	30	32	32	33	37	39	42
46	Underground Conduit	366	22	23	23	23	24	24	27	31	34	35	37	39	41	43
47	Underground Conductors & Devices	367	24	27	28	27	26	27	32	38	45	50	53	66	68	67
48	Line Transformers	368	61	63	62	58	58	58	66	82	84	87	92	103	104	110
49	Pad Mounted Transformers	368	-	-	-	-	-	-	-	-	-	103	103	103	103	103
50	Services-Overhead	369	18	18	19	19	19	20	23	28	30	30	32	35	37	40
51	Services-Underground	369	23	26	26	26	26	27	31	36	40	42	42	44	44	44
52	Meters Installed	370	48	48	48	48	48	49	54	62	65	71	71	72	70	74
53	Street Lighting-Overhead	373	25	25	26	26	26	26	29	36	39	42	44	49	50	51
54	Mast Arms & Luminaires Installed	373	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Street Lighting-Underground	373	26	27	28	28	29	29	31	38	41	43	42	46	47	47
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
1	Total Plant-All Steam Generation		50	52	57	61	62	63	63	62	63	63	64	66	67	70
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		49	51	55	58	59	61	61	61	61	62	63	65	67	70
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		51	53	59	65	67	69	68	66	65	66	66	68	69	71
7	Structures & Improvements-Indoor	311	47	49	53	56	55	57	59	59	60	61	62	64	64	66
8	Structures & Improvements-Semi-Outdoor	311	45	46	52	57	57	59	59	58	59	59	61	62	63	65
9	Boiler Plant Equipment-Coal Fired	312	46	48	55	61	63	65	66	65	66	66	67	69	70	72
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		43	45	50	55	56	59	62	62	63	64	64	66	67	70
12	Turbogenerator Units	314	57	59	68	76	81	80	75	70	68	68	69	70	71	73
13	Accessory Electrical Equipment	315	62	62	65	70	72	72	67	59	60	58	61	65	66	71
14	Misc. Power Plant Equipment	316	47	48	51	54	56	59	60	61	61	62	63	65	66	69
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		-	-	-	-	-	-	-	-	-	-	-	67	68	71
18	Structures & Improvements	321	-	-	-	-	-	-	-	-	-	-	-	64	66	67
19	Reactor Plant Equipment	322	-	-	-	-	-	-	-	-	-	-	-	68	70	73
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		46	48	52	56	57	59	60	61	62	62	64	65	67	69
23	Structures & Improvements	331	47	49	53	56	55	57	59	59	60	61	62	64	64	66
24	Reservoirs, Dams & Waterways	332	45	47	51	53	55	57	57	59	61	62	64	65	66	69
25	Water Wheels, Turbines & Generators	333	47	49	56	62	65	66	66	65	64	65	66	67	69	71
26																
27	**Other Production Plant**															
28	Total Other Production Plant		-	-	-	-	-	-	-	-	-	-	71	72	74	81
29	Fuel Holders, Producers & Accessories	342	-	-	-	-	-	-	-	-	-	-	64	65	66	68
30	Gas Turbogenerators	344	-	-	-	-	-	-	-	-	-	-	74	74	77	85
31																
32	**Transmission Plant**															
33	Total Transmission Plant		47	49	52	54	55	56	57	57	58	58	60	63	65	69
34	Station Equipment	353	70	71	77	82	85	84	77	70	69	65	69	72	74	79
35	Towers & Fixtures	354	41	42	45	48	50	52	52	54	55	57	59	61	64	68
36	Poles & Fixtures	355	42	43	47	49	50	51	52	54	56	57	58	61	62	65
37	Overhead Conductors & Devices	356	54	56	61	65	64	63	64	64	65	60	63	67	69	72
38	Underground Conduit	357	46	48	51	53	55	57	58	61	63	64	66	68	69	72
39	Underground Conductors & Devices	358	65	68	66	58	58	60	61	61	61	61	66	71	72	74
40																
41	**Distribution Plant**															
42	Total Distribution Plant		52	52	56	58	59	59	60	60	61	61	62	64	66	70
43	Station Equipment	362	64	65	69	74	77	78	76	70	71	69	71	73	74	78
44	Poles, Towers & Fixtures	364	41	43	46	49	50	51	52	54	55	56	58	60	62	65
45	Overhead Conductors & Devices	365	42	45	49	48	48	50	52	52	54	54	56	59	62	66
46	Underground Conduit	366	44	46	48	50	52	54	55	58	60	61	62	64	65	67
47	Underground Conductors & Devices	367	69	72	69	62	61	63	65	64	64	64	69	75	76	78
48	Line Transformers	368	112	112	115	122	118	114	112	109	99	93	93	95	96	99
49	Pad Mounted Transformers	368	103	103	103	103	103	103	101	96	96	96	92	92	94	97
50	Services-Overhead	369	40	43	44	43	43	46	47	48	49	50	52	55	57	61
51	Services-Underground	369	44	44	44	44	42	43	42	43	45	46	47	52	56	59
52	Meters Installed	370	74	72	74	79	80	83	84	83	84	83	83	82	82	84
53	Street Lighting-Overhead	373	54	54	56	61	64	64	64	64	64	65	66	66	69	72
54	Mast Arms & Luminaires Installed	373	-	58	64	70	70	67	67	67	66	66	67	68	72	72
55	Street Lighting-Underground	373	52	53	54	58	60	61	62	61	61	61	61	62	67	74
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
1	Total Plant-All Steam Generation		73	77	82	89	94	100	120	141	151	162	171	188	204	223
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		72	77	82	89	93	100	120	140	150	161	171	188	204	223
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		73	77	82	89	95	100	118	138	148	160	174	191	209	228
7	Structures & Improvements-Indoor	311	69	73	79	87	93	100	121	136	140	149	164	182	207	220
8	Structures & Improvements-Semi-Outdoor	311	69	73	79	86	92	100	125	142	143	150	165	183	205	214
9	Boiler Plant Equipment-Coal Fired	312	75	78	83	89	94	100	121	143	154	165	180	198	215	234
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		72	75	82	90	97	100	115	130	140	153	170	190	204	220
12	Turbogenerator Units	314	73	75	81	89	98	100	111	129	143	156	168	186	202	223
13	Accessory Electrical Equipment	315	75	77	82	89	95	100	118	137	148	163	171	185	200	221
14	Misc. Power Plant Equipment	316	73	76	82	88	93	100	116	130	139	152	165	182	197	221
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		74	77	82	89	95	100	115	132	143	154	167	183	197	215
18	Structures & Improvements	321	71	75	80	88	94	100	116	130	139	149	165	182	196	210
19	Reactor Plant Equipment	322	75	79	85	91	95	100	115	132	144	154	165	181	196	214
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		72	76	82	88	94	100	119	134	142	153	170	190	208	223
23	Structures & Improvements	331	69	73	79	87	93	100	121	136	140	149	164	182	207	220
24	Reservoirs, Dams & Waterways	332	73	77	81	88	93	100	120	134	140	151	170	190	206	215
25	Water Wheels, Turbines & Generators	333	73	78	83	88	95	100	114	130	144	158	172	190	210	235
26																
27	**Other Production Plant**															
28	Total Other Production Plant		85	88	92	96	98	100	110	134	148	162	169	183	197	216
29	Fuel Holders, Producers & Accessories	342	72	76	82	89	95	100	117	134	147	159	176	193	209	226
30	Gas Turbogenerators	344	89	92	95	98	100	100	107	133	147	162	168	182	195	214
31																
32	**Transmission Plant**															
33	Total Transmission Plant		72	76	83	90	93	100	122	145	156	166	171	185	203	220
34	Station Equipment	353	82	84	87	91	93	100	125	150	155	167	179	192	208	225
35	Towers & Fixtures	354	71	75	80	88	93	100	124	145	148	155	171	187	208	221
36	Poles & Fixtures	355	67	71	75	80	85	100	128	146	148	155	164	181	196	215
37	Overhead Conductors & Devices	356	72	78	88	98	98	100	118	148	171	184	175	188	211	228
38	Underground Conduit	357	75	79	84	90	95	100	112	126	138	151	163	178	192	206
39	Underground Conductors & Devices	358	71	77	81	82	91	100	136	138	142	154	155	183	219	240
40																
41	**Distribution Plant**															
42	Total Distribution Plant		72	76	82	89	92	100	120	143	151	161	169	185	199	218
43	Station Equipment	362	81	84	88	90	93	100	123	143	149	162	173	184	198	214
44	Poles, Towers & Fixtures	364	67	70	75	81	87	100	127	148	149	157	169	191	206	224
45	Overhead Conductors & Devices	365	69	75	85	94	97	100	116	145	165	179	175	188	206	224
46	Underground Conduit	366	69	74	80	88	94	100	112	125	132	145	157	172	184	197
47	Underground Conductors & Devices	367	75	81	85	86	97	100	126	131	136	146	155	188	213	217
48	Line Transformers	368	103	100	100	101	99	100	110	130	135	146	157	165	165	193
49	Pad Mounted Transformers	368	99	96	96	98	100	100	104	106	109	121	134	142	162	190
50	Services-Overhead	369	64	71	81	90	95	100	109	123	133	145	157	171	189	202
51	Services-Underground	369	64	68	72	77	85	100	116	108	114	120	128	139	165	183
52	Meters Installed	370	86	90	93	98	100	100	108	125	135	141	146	151	148	165
53	Street Lighting-Overhead	373	74	79	86	92	96	100	122	149	159	171	187	208	226	248
54	Mast Arms & Luminaires Installed	373	72	76	89	94	97	100	118	139	154	170	185	202	224	251
55	Street Lighting-Underground	373	71	75	87	93	97	100	121	149	160	174	191	212	229	249
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
									1988		1989		1990		1991	
			1982	1983	1984	1985	1986	1987	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		236	244	247	247	248	251	258	270	272	277	282	287	286	291
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		234	242	246	246	247	250	256	267	270	274	279	283	283	287
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		240	249	256	259	261	267	277	286	285	295	300	302	303	305
7	Structures & Improvements-Indoor	311	226	233	238	241	246	249	249	255	253	250	259	262	260	262
8	Structures & Improvements-Semi-Outdoor	311	208	212	225	231	235	239	240	248	245	248	250	253	248	241
9	Boiler Plant Equipment-Coal Fired	312	247	253	263	268	271	280	293	300	298	308	314	318	321	324
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		242	240	240	238	238	248	265	273	275	281	282	279	275	283
12	Turbogenerator Units	314	238	251	258	259	256	262	272	279	284	286	292	290	296	298
13	Accessory Electrical Equipment	315	251	260	252	245	243	242	246	277	277	282	290	297	289	299
14	Misc. Power Plant Equipment	316	243	255	263	268	270	277	284	288	293	299	304	307	310	315
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		231	240	244	245	246	252	259	265	267	273	277	279	280	283
18	Structures & Improvements	321	217	227	231	233	236	237	239	240	238	242	243	248	247	249
19	Reactor Plant Equipment	322	231	239	244	246	249	258	269	270	276	284	288	289	291	293
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		227	234	242	246	250	253	256	264	264	264	267	267	271	271
23	Structures & Improvements	331	226	233	238	241	246	249	249	255	253	250	259	262	260	262
24	Reservoirs, Dams & Waterways	332	216	221	228	232	238	240	241	248	247	246	242	248	245	244
25	Water Wheels, Turbines & Generators	333	248	258	267	271	272	276	285	297	299	302	323	302	325	325
26																
27	**Other Production Plant**															
28	Total Other Production Plant		233	239	241	242	244	261	269	311	311	323	328	329	328	336
29	Fuel Holders, Producers & Accessories	342	241	241	244	246	252	258	265	272	272	281	289	288	292	295
30	Gas Turbogenerators	344	231	237	240	241	244	265	274	325	326	340	344	344	342	352
31																
32	**Transmission Plant**															
33	Total Transmission Plant		231	238	238	238	238	237	242	267	269	272	274	285	281	291
34	Station Equipment	353	241	243	245	247	248	253	258	261	267	273	279	293	296	292
35	Towers & Fixtures	354	222	228	240	245	251	254	256	262	259	262	266	267	262	253
36	Poles & Fixtures	355	231	237	239	234	234	235	239	255	263	270	276	278	293	301
37	Overhead Conductors & Devices	356	237	254	243	238	237	226	252	309	304	299	295	313	288	334
38	Underground Conduit	357	222	227	228	223	224	227	232	237	239	243	244	245	247	246
39	Underground Conductors & Devices	358	255	259	252	240	260	262	260	283	270	292	320	345	370	392
40																
41	**Distribution Plant**															
42	Total Distribution Plant		233	239	239	236	235	235	239	246	253	254	260	264	264	269
43	Station Equipment	362	232	235	236	235	236	242	249	262	272	282	286	304	307	304
44	Poles, Towers & Fixtures	364	238	242	241	237	237	237	238	244	243	246	253	257	264	269
45	Overhead Conductors & Devices	365	239	253	250	242	238	233	249	284	282	281	280	287	276	301
46	Underground Conduit	366	206	220	224	219	221	223	227	230	243	249	249	248	247	242
47	Underground Conductors & Devices	367	217	220	216	216	223	227	233	224	235	238	254	250	253	258
48	Line Transformers	368	210	213	214	213	213	211	213	208	220	217	225	222	222	221
49	Pad Mounted Transformers	368	190	193	208	207	213	235	249	258	260	271	272	273	280	285
50	Services-Overhead	369	215	220	230	219	213	216	222	234	242	243	243	243	242	244
51	Services-Underground	369	184	203	205	183	174	186	205	181	224	209	207	222	208	201
52	Meters Installed	370	193	206	206	204	208	206	196	194	184	178	184	179	183	200
53	Street Lighting-Overhead	373	266	269	277	281	277	262	261	263	265	268	274	277	280	285
54	Mast Arms & Luminaires Installed	373	266	272	288	294	283	271	268	271	277	284	290	292	296	303
55	Street Lighting-Underground	373	270	271	279	283	281	265	264	265	265	268	274	278	281	285
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

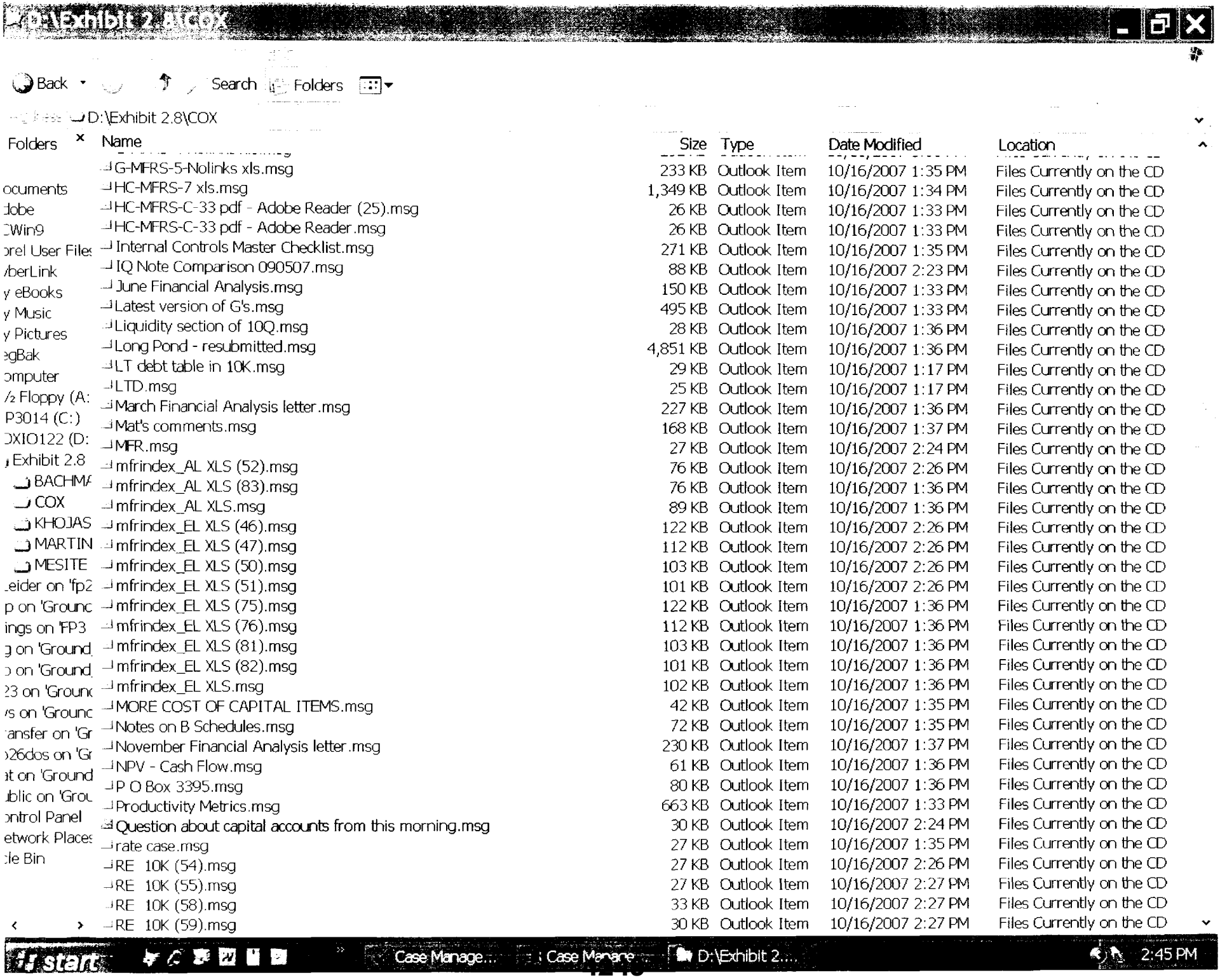
Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1992		1993		1994		1995		1996		1997		1998	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		288	293	301	301	308	312	321	323	329	331	333	335	341	343
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		284	289	297	297	304	308	317	319	325	327	328	331	337	339
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		306	309	317	320	331	333	340	342	346	351	357	360	365	366
7	Structures & Improvements-Indoor	311	259	266	274	277	286	290	295	297	302	307	309	312	315	317
8	Structures & Improvements-Semi-Outdoor	311	236	242	251	254	264	272	275	276	285	290	293	296	294	299
9	Boiler Plant Equipment-Coal Fired	312	325	329	335	340	349	351	356	357	361	367	372	376	380	381
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		280	280	282	284	290	293	298	298	299	307	311	311	313	312
12	Turbogenerator Units	314	300	300	307	309	326	324	338	339	340	344	355	356	364	364
13	Accessory Electrical Equipment	315	307	313	323	326	326	328	339	349	358	362	360	366	371	376
14	Misc. Power Plant Equipment	316	316	320	329	333	342	351	358	358	359	366	367	376	379	382
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		284	288	294	297	307	307	314	317	321	325	329	332	336	339
18	Structures & Improvements	321	246	253	261	265	276	278	281	279	286	294	297	302	303	310
19	Reactor Plant Equipment	322	295	297	301	303	312	311	319	323	325	327	331	333	336	338
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		267	272	278	282	290	294	299	301	306	312	316	319	324	326
23	Structures & Improvements	331	259	266	274	277	286	290	295	297	302	307	309	312	315	317
24	Reservoirs, Dams & Waterways	332	239	246	252	258	263	272	274	274	281	288	291	296	298	301
25	Water Wheels, Turbines & Generators	333	324	323	330	330	341	338	348	354	353	357	367	366	377	377
26																
27	**Other Production Plant**															
28	Total Other Production Plant		336	340	351	347	343	340	339	346	350	361	359	361	370	372
29	Fuel Holders, Producers & Accessories	342	293	297	300	304	308	310	313	314	321	327	329	334	338	341
30	Gas Turbogenerators	344	352	356	367	361	354	350	347	354	357	370	367	368	379	380
31																
32	**Transmission Plant**															
33	Total Transmission Plant		278	287	298	295	302	309	323	325	332	334	335	335	344	348
34	Station Equipment	353	290	302	313	311	317	328	338	339	343	341	342	344	355	357
35	Towers & Fixtures	354	251	255	265	266	277	284	288	289	298	301	306	308	307	314
36	Poles & Fixtures	355	308	325	318	323	332	339	355	354	361	377	375	378	386	388
37	Overhead Conductors & Devices	356	286	291	313	299	303	306	337	342	352	349	350	344	361	364
38	Underground Conduit	357	245	250	253	252	262	253	258	259	264	267	264	265	267	271
39	Underground Conductors & Devices	358	395	398	400	401	399	400	405	415	420	422	419	419	422	425
40																
41	**Distribution Plant**															
42	Total Distribution Plant		266	272	278	275	276	282	290	294	301	300	293	296	301	305
43	Station Equipment	362	294	310	311	310	305	318	330	338	337	334	334	333	349	353
44	Poles, Towers & Fixtures	364	274	288	290	289	300	306	313	320	332	330	331	333	336	338
45	Overhead Conductors & Devices	365	276	279	298	288	291	296	320	327	336	337	334	332	344	349
46	Underground Conduit	366	242	246	248	249	260	253	261	260	265	269	267	270	271	276
47	Underground Conductors & Devices	367	258	262	266	263	260	262	269	279	284	287	282	281	284	289
48	Line Transformers	368	223	228	229	226	228	232	232	225	232	228	210	214	215	217
49	Pad Mounted Transformers	368	282	284	285	292	293	292	284	295	298	310	308	308	309	312
50	Services-Overhead	369	241	241	252	245	245	252	266	271	282	279	265	271	276	280
51	Services-Underground	369	209	200	204	201	202	209	214	218	220	219	213	219	216	213
52	Meters Installed	370	196	193	201	199	190	183	186	181	189	189	187	203	205	206
53	Street Lighting-Overhead	373	292	296	306	309	313	323	329	339	351	361	363	363	365	368
54	Mast Arms & Luminaires Installed	373	315	317	323	324	331	345	352	356	367	386	391	386	388	386
55	Street Lighting-Underground	373	292	295	307	309	315	320	325	336	347	357	358	359	360	365
56																

E-5

COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

PLATEAU REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		346	345	349	358	366	368	373	380	386	386	393	409	427	434
2	Total Plant-All Steam & Nuclear Gen.															
3	Total Plant-All Steam & Hydro Gen.		342	341	345	353	362	363	368	374	379	379	387	402	419	426
4																
5	**Steam Production Plant**															
6	Total Steam Production Plant		369	373	379	387	394	394	400	414	423	421	428	438	460	463
7	Structures & Improvements-Indoor	311	324	323	328	337	347	349	352	365	367	364	376	392	415	419
8	Structures & Improvements-Semi-Outdoor	311	301	302	312	316	321	325	328	328	330	330	356	365	376	383
9	Boiler Plant Equipment-Coal Fired	312	386	389	393	402	408	412	416	433	437	433	436	452	472	476
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		320	319	318	325	330	333	337	346	351	347	353	367	414	418
12	Turbogenerator Units	314	362	367	377	383	389	378	387	400	422	422	426	429	452	449
13	Accessory Electrical Equipment	315	380	388	393	404	424	427	437	459	465	464	476	486	525	536
14	Misc. Power Plant Equipment	316	389	395	402	410	416	420	424	436	439	434	445	460	493	495
15																
16	**Nuclear Production Plant**															
17	Total Nuclear Production Plant		340	343	348	354	361	362	367	379	384	385	391	404	429	432
18	Structures & Improvements	321	305	308	312	319	325	328	329	343	344	342	353	365	384	387
19	Reactor Plant Equipment	322	342	343	347	352	357	359	363	371	374	377	379	397	423	425
20																
21	**Hydro Production Plant**															
22	Total Hydraulic Production Plant		328	330	337	340	344	343	347	349	350	352	366	368	380	383
23	Structures & Improvements	331	324	323	328	337	347	349	352	365	367	364	376	392	415	419
24	Reservoirs, Dams & Waterways	332	305	306	312	315	317	321	322	326	324	326	342	350	363	368
25	Water Wheels, Turbines & Generators	333	373	378	387	387	392	378	388	382	387	394	402	384	390	388
26																
27	**Other Production Plant**															
28	Total Other Production Plant		384	387	393	416	425	397	402	415	421	423	417	426	423	430
29	Fuel Holders, Producers & Accessories	342	351	348	349	355	360	363	364	374	378	378	381	407	435	441
30	Gas Turbogenerators	344	394	398	405	387	396	403	409	421	427	430	419	425	410	418
31																
32	**Transmission Plant**															
33	Total Transmission Plant		347	339	342	358	368	372	375	374	377	376	386	411	426	440
34	Station Equipment	353	358	362	365	380	387	391	394	401	403	399	404	445	461	473
35	Towers & Fixtures	354	319	318	328	330	339	343	349	347	354	356	379	387	398	402
36	Poles & Fixtures	355	378	381	373	378	392	399	403	400	400	402	413	417	434	451
37	Overhead Conductors & Devices	356	362	327	328	368	377	381	384	372	373	374	382	409	428	453
38	Underground Conduit	357	288	279	280	283	296	295	301	305	307	306	315	334	363	363
39	Underground Conductors & Devices	358	428	440	429	430	448	427	430	434	438	439	445	495	500	517
40																
41	**Distribution Plant**															
42	Total Distribution Plant		309	306	307	312	323	325	330	332	335	338	343	361	377	386
43	Station Equipment	362	355	357	358	359	368	369	371	364	367	367	374	423	440	447
44	Poles, Towers & Fixtures	364	342	345	343	345	358	361	365	369	371	375	376	386	403	407
45	Overhead Conductors & Devices	365	351	335	338	364	380	383	389	385	391	394	405	422	441	464
46	Underground Conduit	366	280	283	288	289	303	301	307	317	319	316	326	329	350	351
47	Underground Conductors & Devices	367	294	299	296	301	316	301	304	304	305	307	310	327	354	365
48	Line Transformers	368	223	218	219	219	225	230	234	237	237	242	234	253	264	271
49	Pad Mounted Transformers	368	313	314	314	314	319	337	338	346	340	340	369	440	473	522
50	Services-Overhead	369	283	283	285	289	304	303	307	303	309	309	321	328	342	350
51	Services-Underground	369	212	211	217	224	231	226	228	234	235	235	240	241	250	263
52	Meters Installed	370	211	198	193	193	209	225	246	257	267	267	304	304	291	291
53	Street Lighting-Overhead	373	373	375	376	379	391	395	401	415	436	440	445	451	468	476
54	Mast Arms & Luminaires Installed	373	388	389	388	392	403	403	409	410	412	418	423	428	456	470
55	Street Lighting-Underground	373	370	372	375	377	390	394	400	419	446	449	454	458	474	480
56																



Wednesday, Apr 02, 2008 02:45 PM

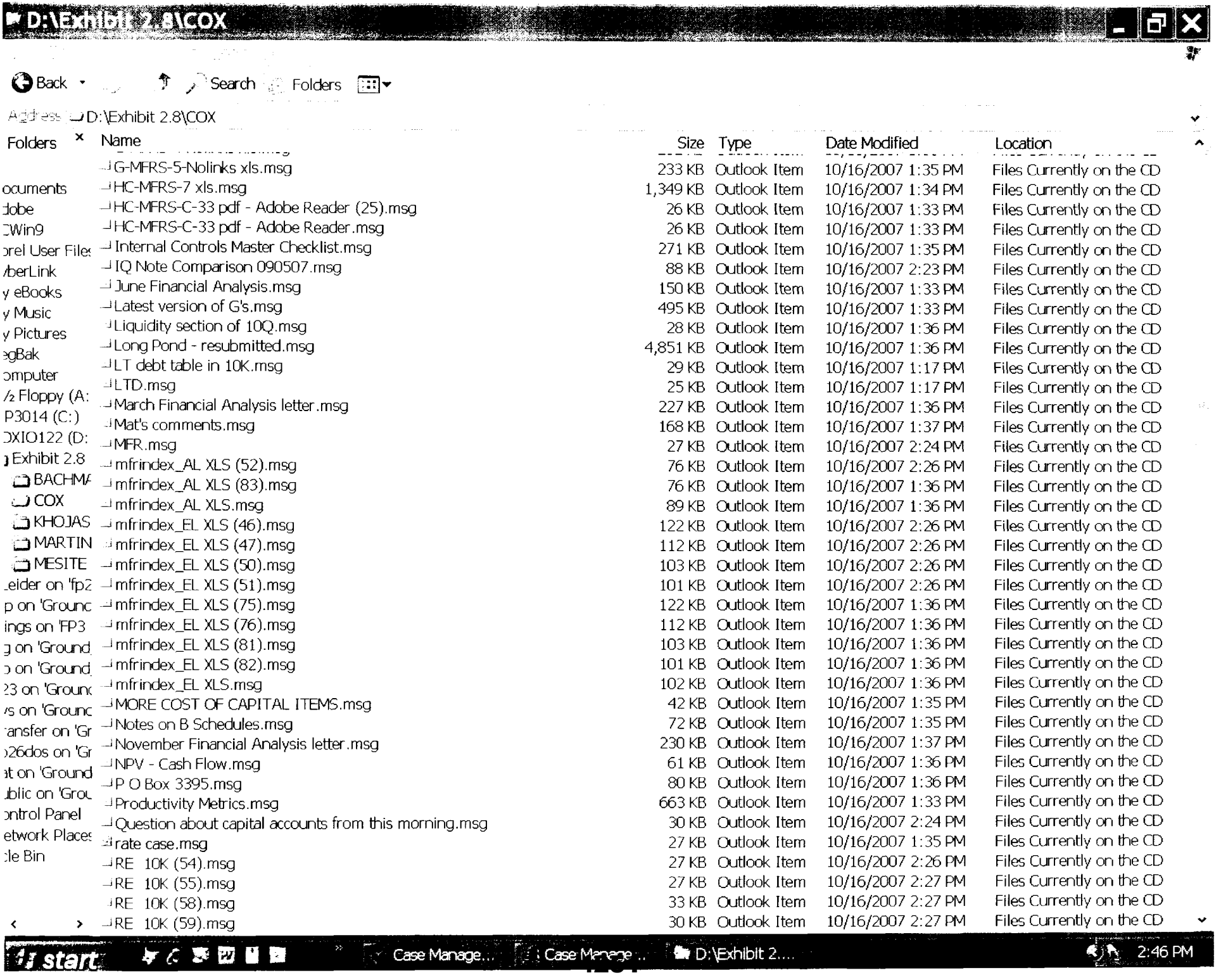
Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 12:44 PM
To: Cox Doreen
Subject: Question about capital accounts from this morning

Doreen:

I think I have figured out what needs to be done. The balance sheet items Jim sent me match up with the totals you report in your D-schedules. I am guessing that these totals get allocated to electric according to the "jurisdictional factor" in cell J40 of the appropriate year's D1-a Sheet. For December 2005 and January 2006 and a jurisdictional factor of 31.3258% (a draft number) I get the following results. Does this approach and the resulting values for the electric division look about right to you?

1810, 1890	NET UNAMORTIZED DEBT DISCOUNT	2,107,065	2,098,682
	PROPRIETARY CAPITAL		
2010.1	COMMON STOCK ISSUED	(2,891,222)	(2,893,017)
2040.1	PREFERRED STOCK ISSUED-$1	(187,955)	(187,955)
2070.1	PREM ON CAPITAL STOCK	(1,683,281)	(1,697,821)
2110.1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	(329,786)	(302,495)
2140.1	CAPITAL STOCK EXPENSE	134,213	134,213
2160.1	UNAPPROPRIATED RETAINED EARNINGS	(9,835,085)	(10,076,959)
2170.1	COMMON STOCK REACQUIRED	1,049,140	979,559
	LONG TERM DEBT		
2210.1	BONDS	(16,446,063)	(16,446,063)



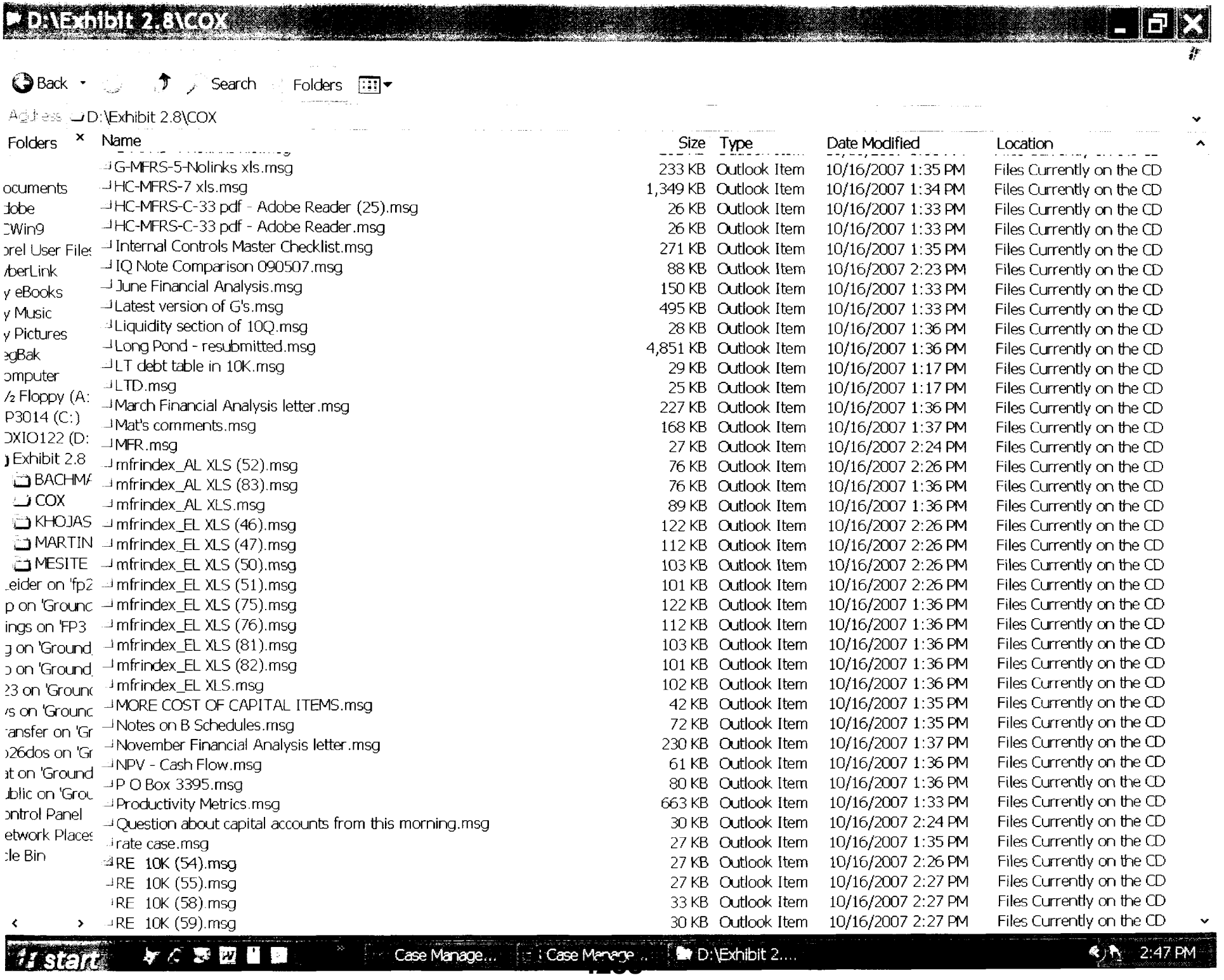
Wednesday, Apr 02, 2008 02:46 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case
Categories: Elec 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


D:\Exhibit 2.8\COX
Back
Search
Folders
Address D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
Location
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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
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MORE COST OF CAPITAL ITEMS.msg 42 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
Notes on B Schedules.msg 72 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
November Financial Analysis letter.msg 230 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
NPV - Cash Flow.msg 61 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
P O Box 3395.msg 80 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Productivity Metrics.msg 663 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
Question about capital accounts from this morning.msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
rate case.msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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RE 10K (59).msg 30 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
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Case Manage...
D:\Exhibit 2....
2:47 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, March 01, 2007 8:50 AM
To: Cox Doreen
Subject: RE: 10K

thanks

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Thursday, March 01, 2007 8:49 AM
To: Martin Cheryl
Subject: RE: 10K

Completed.

-----Original Message-----
From: Martin Cheryl
Sent: Thursday, March 01, 2007 8:37 AM
To: Cox Doreen
Subject: 10K

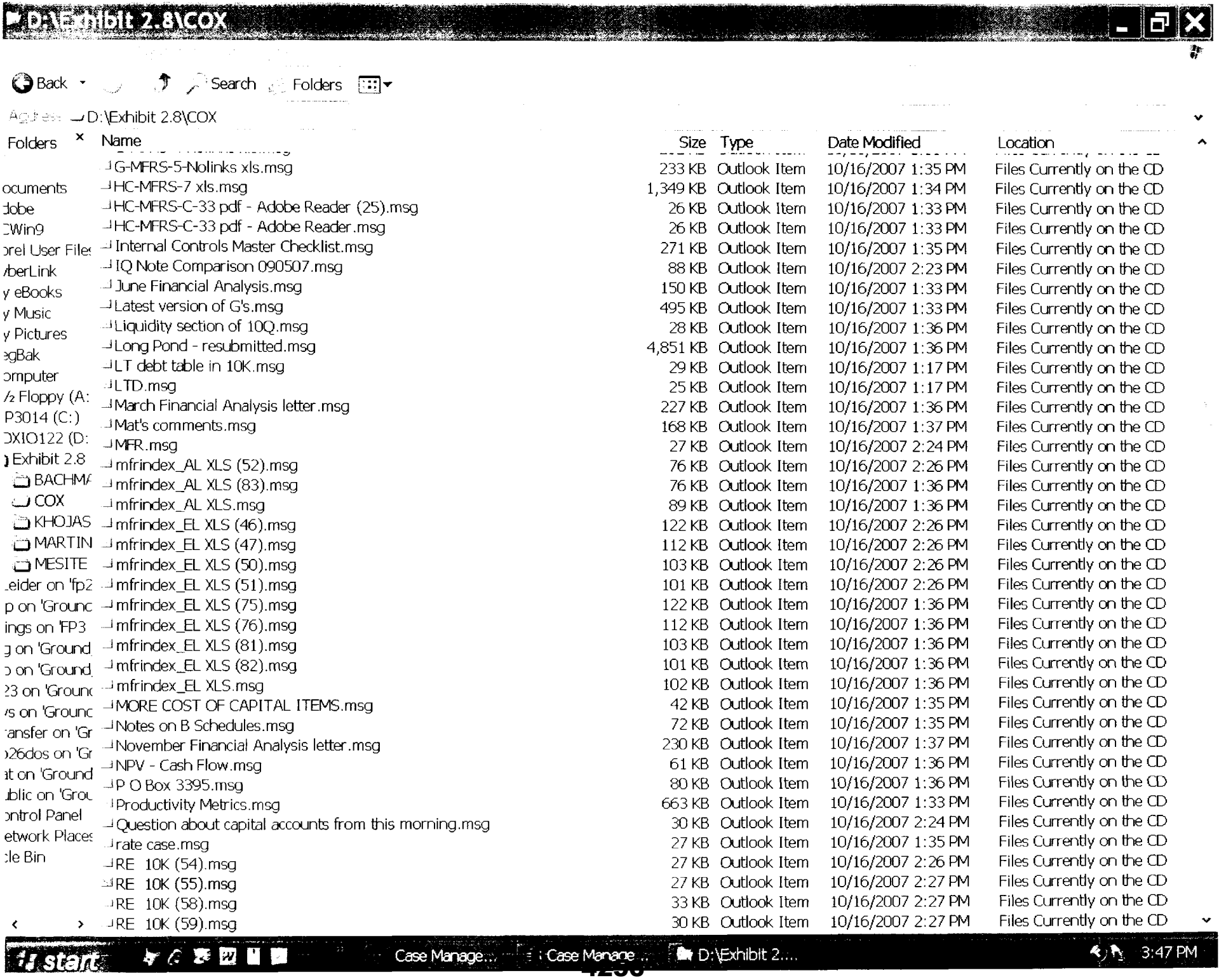
Please update if necessary this number in the 10K and turn to black once complete. Thanks

Capital Resources

We currently have a $12 million line of credit (LOC), which expires on July 1, 2008. Upon 30 days notice by us we can increase the LOC to a maximum of $20 million. The LOC contains affirmative and negative covenants that, if violated, would give the bank the right to accelerate the due date of the loan to be immediately payable. The covenants include certain financial ratios. All ratios are currently met and management believes we are in full compliance with all covenants and anticipates continued compliance. We reserve $1 million of the LOC to cover expenses for any major storm repairs in our electric segment and an additional $250,000 for a letter of credit insuring propane gas facilities. As of December 31, 2006, the amount borrowed from the LOC was $3.5 million. The LOC, long-term debt and preferred stock as of December 31, 2006 comprised 53% of total capitalization and debt.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725


D:\Exhibit 2.8\COX
Back
Search
Folders
Address D:\Exhibit 2.8\COX
Folders
Name
Size
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Date Modified
Location
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HC-MFRS-7 xls.msg 1,349 KB Outlook Item 10/16/2007 1:34 PM Files Currently on the CD
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RE 10K (54).msg 27 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
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Case Manage...
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3:47 PM

Clara Leider

From: Martin Cheryl
Sent: Friday, February 23, 2007 4:04 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad
Subject: RE: 10K

ok

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Friday, February 23, 2007 4:02 PM
To: Martin Cheryl
Cc: Khojasteh Mehrdad
Subject: RE: 10K

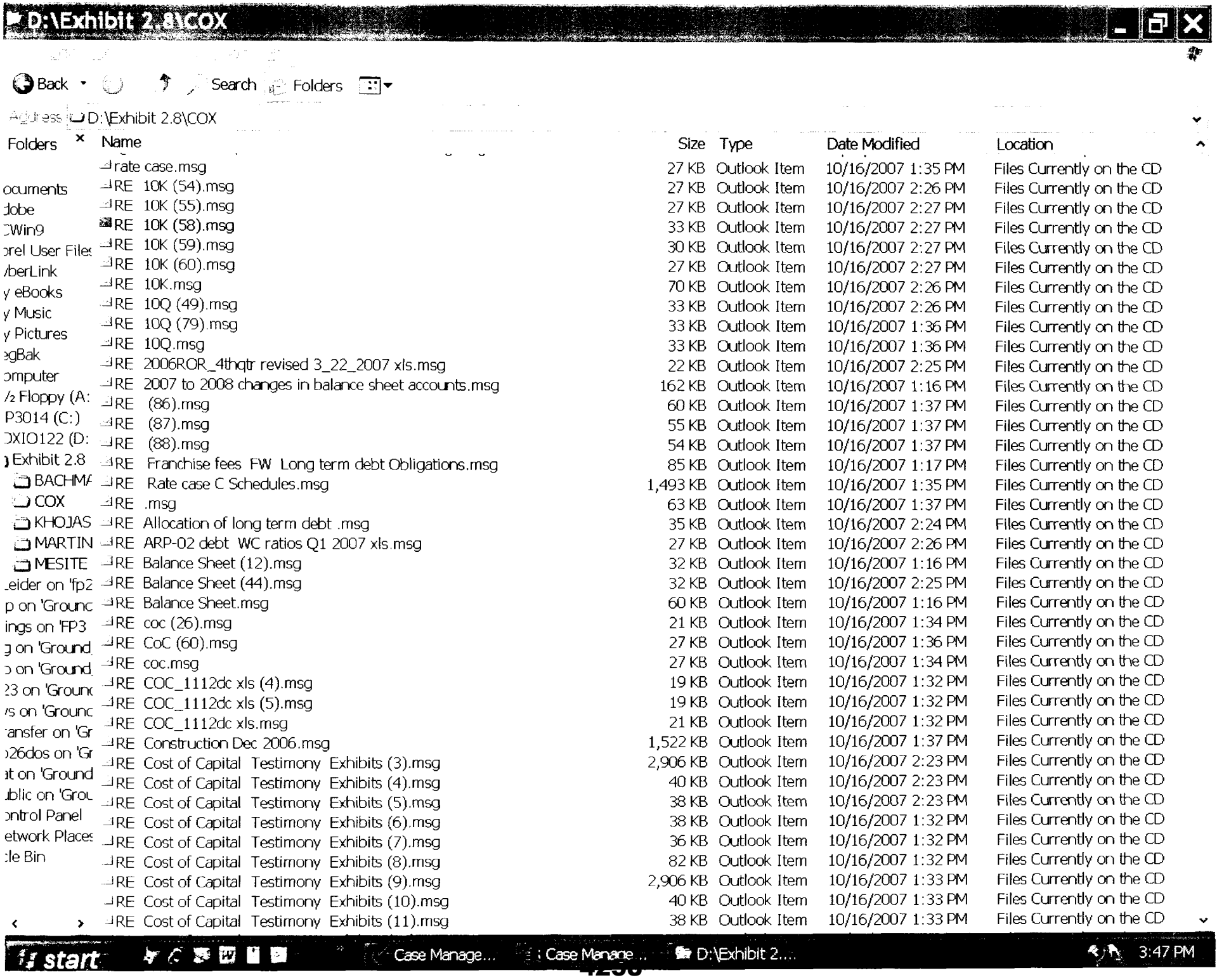
Yes the Debt / Equity Ratio mentioned on page 26 under Capital Resources may change.

-----Original Message-----
From: Martin Cheryl
Sent: Friday, February 23, 2007 3:37 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad
Subject: 10K

Do we have a % of equity to debt or something along those lines in the 10K that may change as a result of FASB 158 JE. CE changed. I will be reading it again this weekend, just thought you may remember off hand.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725


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Search
Folders
Address D:\Exhibit 2.8\COX
Folders
Name
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Case Manage...
D:\Exhibit 2....
3:47 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, February 12, 2007 2:09 PM
To: Cox Doreen
Subject: RE: 10K

ok

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 2:08 PM
To: Martin Cheryl
Subject: RE: 10K

Out cash projection has the equity offering in 2008.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 1:59 PM
To: Cox Doreen
Subject: RE: 10K

Yes, but until we know that the equity or financing is 2007? No

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 1:58 PM
To: Martin Cheryl
Subject: RE: 10K

2007 for the Bond re-fi which would possible delay the equity offering is what I thought.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 1:57 PM
To: Cox Doreen
Subject: RE: 10K

I thought he said 2007 but if the rates were favorable we may be able to delay, no?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 1:54 PM
To: Martin Cheryl
Subject: RE: 10K

It was 2007, but remember in this mornings discussion with GB we said we would leave the equity offering as projected in 2008. The bond re-financing is what we said would be 2007 if interest rate are favorable. We may want to say 2007 in the second to last sentence.

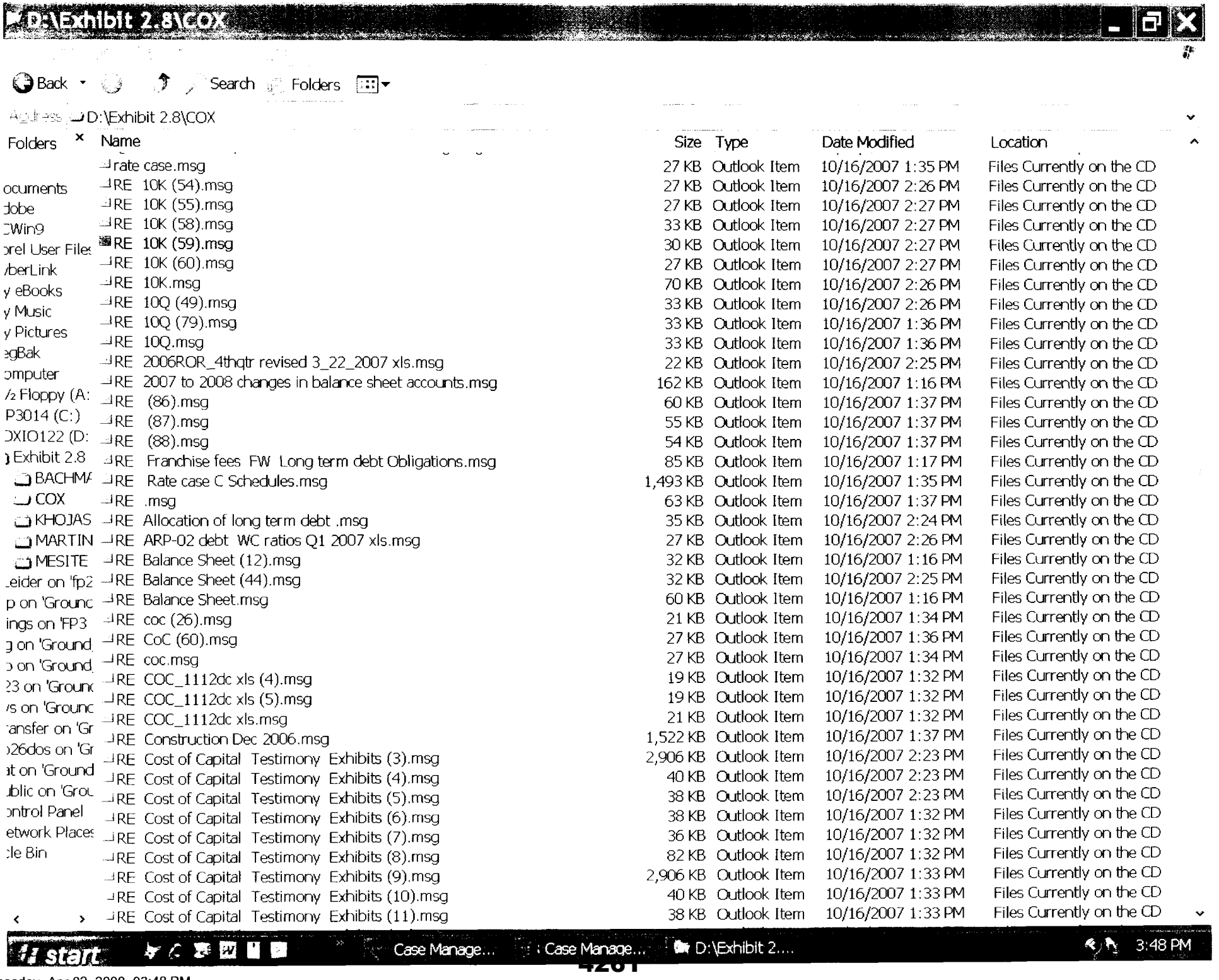
-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 1:52 PM
To: Cox Doreen
Subject: 10K

Was this suppose to be 2007?

Based on our current expectations for cash needs, including the possible land purchase and related construction, we may choose to consider an equity or debt financing in 2008 of $12 million to $15 million to address those cash needs. The need and timing will depend upon operational requirements, environmental expenditures, pension contributions and construction expenditures and cannot be precisely predicted at this time. In addition, if we experience significant environmental expenditures in the next two or three years it is possible we may need to raise additional funds earlier. If interest rates remain favorable we may consider re-financing of one of our mortgage bonds if this allows us to defer a possible equity offering. There can be no assurance, however, that equity or debt financing will be available on favorable terms when the company is seeking such financings.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725



Wednesday, Apr 02, 2008 03:48 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, February 12, 2007 1:59 PM
To: Cox Doreen
Subject: RE: 10K

Yes, but until we know that the equity or financing is 2007? No

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 1:58 PM
To: Martin Cheryl
Subject: RE: 10K

2007 for the Bond re-fi which would possible delay the equity offering is what I thought.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 1:57 PM
To: Cox Doreen
Subject: RE: 10K

I thought he said 2007 but if the rates were favorable we may be able to delay, no?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 1:54 PM
To: Martin Cheryl
Subject: RE: 10K

It was 2007, but remember in this mornings discussion with GB we said we would leave the equity offering as projected in 2008. The bond re-financing is what we said would be 2007 if interest rate are favorable. We may want to say 2007 in the second to last sentence.

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Sent: Monday, February 12, 2007 1:52 PM

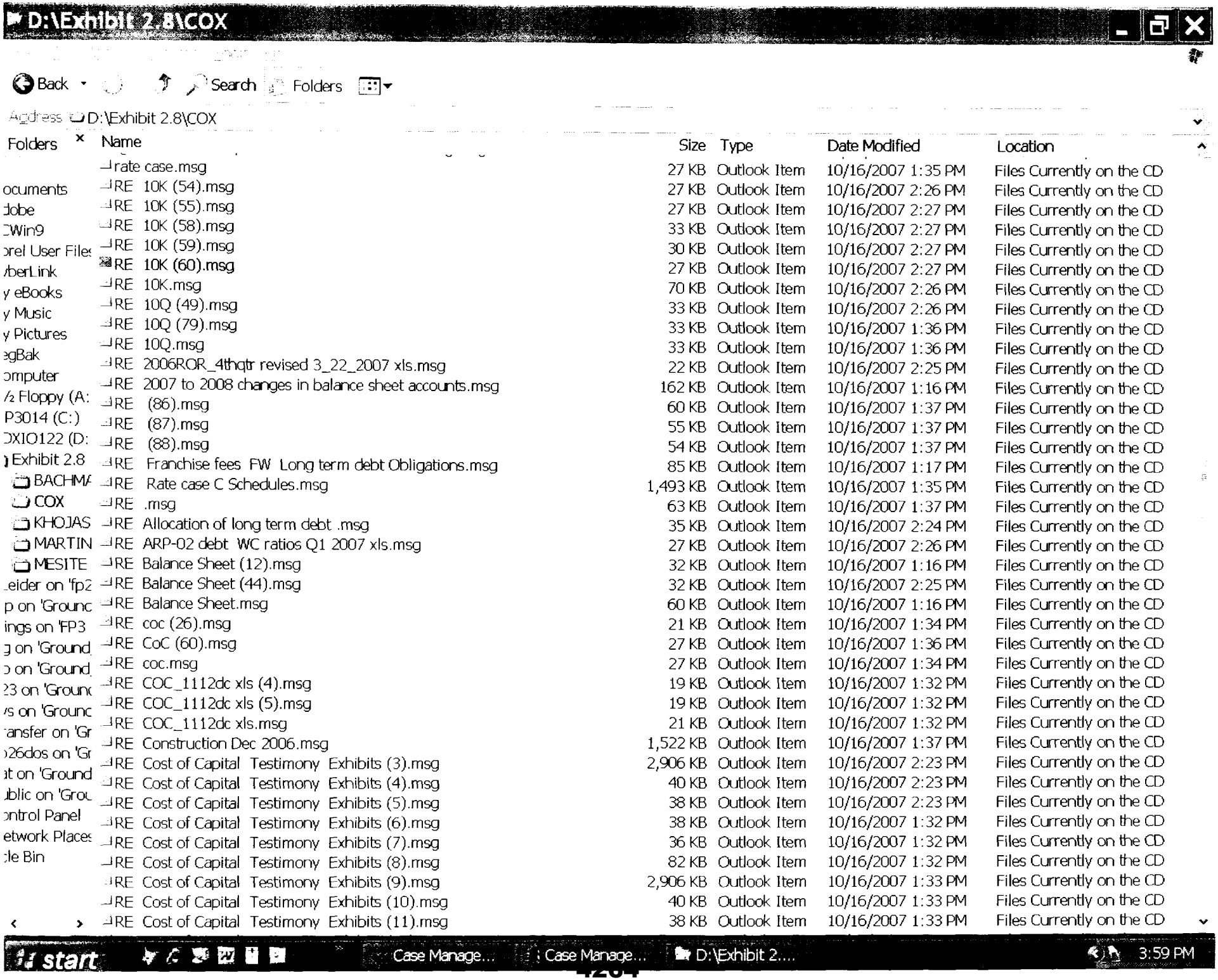
To: Cox Doreen
Subject: 10K

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Thanks,

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Controller, FPUC
561-838-1725


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Clara Leider

From: Martin Cheryl
Sent: Monday, February 12, 2007 1:57 PM
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561-838-1725

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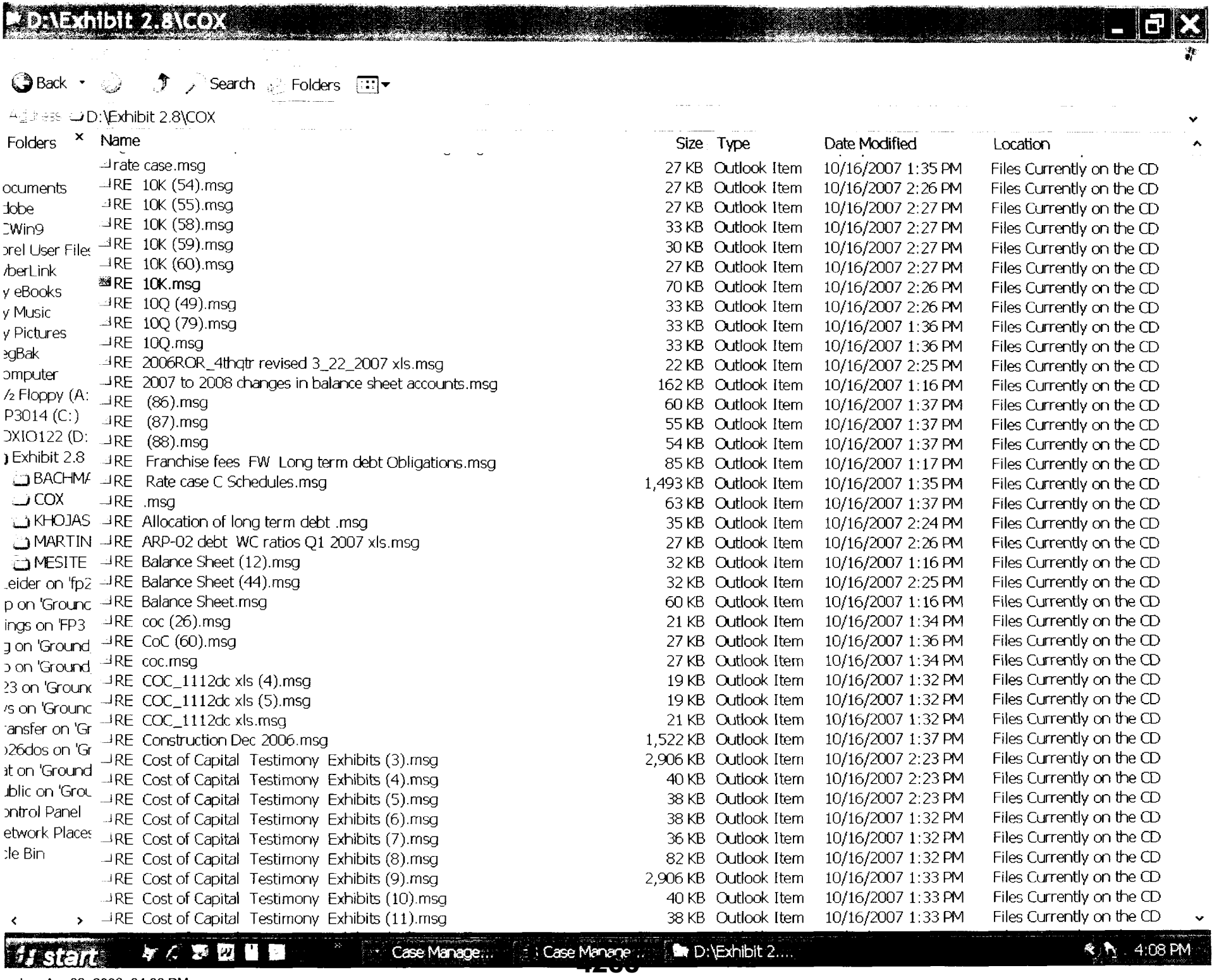
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Clara Leider

From: Ray [bajanray@bellsouth.net]
Sent: Saturday, March 10, 2007 5:02 PM
To: Khojasteh Mehrdad; Bhatia Nadira; Lundgren April; Cox Doreen
Subject: RE: 10K

Please look at the ones assigned to you and update as necessary. Nadira, there are quite a few related to the pension. You will need to get a hold of Brian. We need to update by Tuesday, but tell him ASAP Monday. Thanks Cheryl Martin

From: Dale Buschmann [mailto:dbuschmann@bdo.com]
Sent: Saturday, March 10, 2007 9:27 AM
To: Martin Cheryl
Cc: Ray Martin (E-mail)
Subject: RE: 10K

Okay – he had more comments than I had hoped for and he's still working on wording but here are the ones that he's sent so far:

1. I think the under recoveries from the electric division have to be shown as under recoveries. His comment was that how could you have deferred taxes on under recoveries when you don't have any under recoveries. Obviously you have them in the electric division. Since the under recoveries are being collected from different customers then the over recoveries are being paid to we probably need to split them on the balance sheet.

Are you sure about this one. They really do not impact the income statement, and even though they are different customers, not sure why we would have to break out. We recover over the same period.

CM-

2. On the income statement, I think the caption "additional retirement plan liabilities" should be changed to something like "retirement plans adjustment."

OK, although I think we did use the example from acctg research manager. I do not really have any issue what we use as title.

CM- Update.

3. Note 1.J. says that the company "has no material uncertain tax positions," yet in Note 5.E. they disclose that the most recent audit resulted in payment of $361,000 and also discloses that "the Company may incur related interest expense and income tax liabilities as a result of this [upcoming] audit." That sounds like they do have material uncertain tax positions. Would it be more accurate to say that the company believes that the accruals for uncertain tax positions under FASB Interpretation No. 48 are not expected to be materially different from the accruals under FASB Statement No. 5? Dale's thought - maybe what you should also say is something to the effect that although we feel that we have recorded all liabilities for those years there's a risk....

Tbe most recent audit was primarily water related, so that would not be applicable. Since they reviewed everything so recently, nothing new has occurred, however we will take a look at reword a bit.

MK please look at this one.

4. Note 1.J. says that the IRS concluded an audit of 2002 and 2003 in September 2005 and in February 2007 selected 2003 and 2004 for examination. I think the company should explain here,

not in Note 5.E., that 2003 is being reaudited because of an NOL carryback.
OK,

MK Please look at this one.

5. Note 1.J. says that Interpretation 48 "will not have a material impact on our financial condition." Financial condition is usually understood as a reference to the balance sheet. This wording implies that maybe the impact will be material to the income statement. If the company believes that the impact will be immaterial to both statements, they should add "or results of operations."

OK,

MK Please look at this one.

6. Note 1.J. says that the company uses September 30 as the measurement date for retirement plans and will change in accordance with Statement 158 in 2008. Note 12 says that they already use December 31 as the measurement date. Dale's note – the pension plan disclosure summary says it's measured as of Dec 31, 2006 so it looks like you are measured then and need to get rid of the comment on Sept but you'd better check with Brian.

Ok,

NB- Please check with Brian.

7. Note 1.J. should indicate that Statement 154 didn't have any effect on the financial statements.

Ok

MK

8. Notes 6.F. and G. The total shares issued for the employee stock purchase plan and dividend reinvestment plan don't match the number of shares and treasury shares shown as issued on the statement of shareholders' equity. - Dale – They don't for any of the years - I don't think we need this table

I will look at this one.

CM

9. Note 7. The table of debt maturities should ignore the debt discount. This table is supposed to show future cash outflows, which will total $52,500. The debt discount doesn't reduce future cash outflows.

Ok,,

AL- Please update this one.

10. Note 9. I'm surprised that there is absolutely no change in the fair value of debt. The discount rate on retirement plans changed slightly. Why wouldn't the discount rate used to estimate fair value also change slightly?

We will look at this one.\

DC- Please take a look at this one.

11. Note 9. In the first sentence, what do "notes payable" and "older bonds" refer to? The fair value of the long-term debt does not approximate its carrying amount. – Dale's thought – either remove the older bonds reference or specifically state which ones – I'd remove it since it doesn't add anything that I can see.

Ok

CM will update

12. Note 12. Section 10 under Net Periodic Pension cost should include the FAS 158 charge to other comprehensive income.

Will look at this one.

NB- Please see what needs to be updated here.

13. Note 12 shows the entire FAS 158 adjustment going to other comprehensive income, which is inconsistent with the earlier note saying that a majority of the effect was debited to a regulatory asset.

Ok

CM- will Udpate

14. Note 12. The health care cost trend rates on pages 66 and 67 are inconsistent. I understand that one is next year and one is current year, but the 9.0% assumed for next year in 2005 is not equal to the 12.5% that was assumed in 2006

Will look at this one.

NB- Please look at this one.

15. Note 12. They are using a 24-year old mortality table. Why? Does this really represent the best estimate of mortality in 2006?

NB?

16. Note 12. When did the pension curtailment occur in 2006? Usually a curtailment causes additional amortization of prior service cost, but they don't have any. 2006 amortization is exactly the same as 2005.

NB?

17. Note 12. The retirement plan tables have lots of blank lines and redundant information. Please delete them.

CM

18. Note 10. Pensacola and Key West. The table discloses an accrual of $85,000. The narrative says the estimate for Key West is $83,000. That implies that they only accrued $2,000 for Pensacola, which has an annual sampling cost of almost $2,000. In other words, they only accrued for one year's worth of sampling costs. Since it's an ongoing obligation, it seems like they should have accrued more for Pensacola. – Dale's note – I may have misread this because I was thinking that the amount was for Key West only and suggested that you change it to the $83K so I may have made it worse – sorry

CM- I think the letter says the costs will be 2000.00 at most for Pensacola? I will look at this on MOdnay.

19. Note 12 – Need to add a note on the fact that the actuarial value of the plan assets changed from a five year average to market value

NB please update

20. Note 12. When did the pension curtailment occur in 2006? Usually a curtailment causes additional amortization of prior service cost, but they don't have any. 2006 amortization is exactly the same as 2005.

NB- Pleaser answer and update if necessary.

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Friday, March 09, 2007 3:48 PM
To: Dale Buschmann
Cc: Ray Martin (E-mail)
Subject: 10K

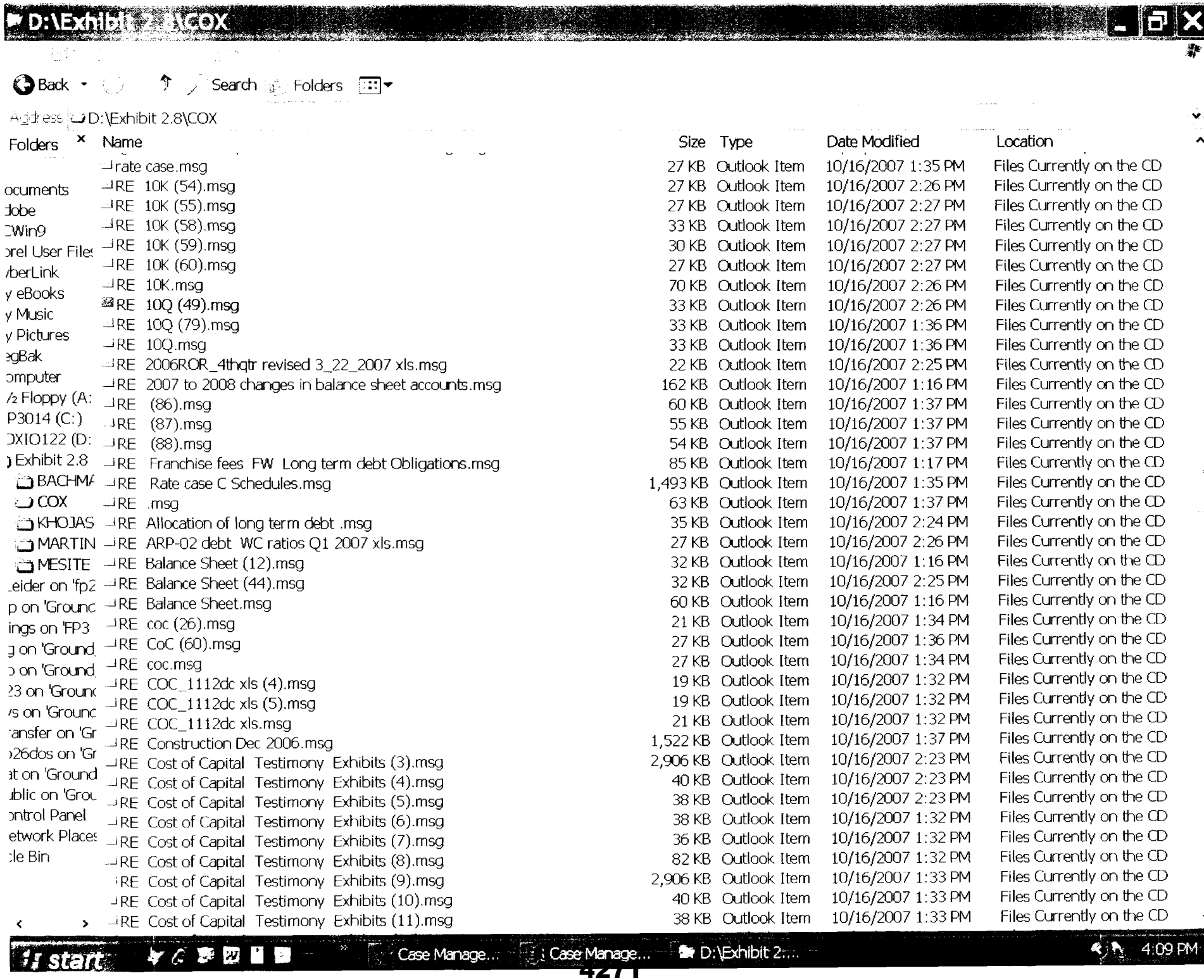
Clean copy of the 10K with LaDawn's changes. Thanks Cheryl Martin

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.

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Wednesday, Apr 02, 2008 04:09 PM

Clara Leider

From: Lundgren April
Sent: Thursday, May 10, 2007 8:11 AM
To: Martin Cheryl; Cox Doreen
Subject: RE: 10Q

I'll ask Doreen for the support from the attorneys to include in our reference copy.

Doreen, can you please forward me the correspondence?

Thanks,
April Lundgren
x 1788

-----Original Message-----
From: Martin Cheryl
Sent: Thursday, May 10, 2007 8:02 AM
To: Lundgren April
Subject: RE: 10Q

This is ok, it is our best estimate correct?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Lundgren April
Sent: Thursday, May 10, 2007 7:53 AM
To: Martin Cheryl
Subject: RE: 10Q

The projection from 4/9/07 did not have a time period associated with the range. The best info I have projects payments through 2011 with the last payment amount for "After 2011". We'll use 2021...

Revision below...

Thanks,
April Lundgren
x 1788

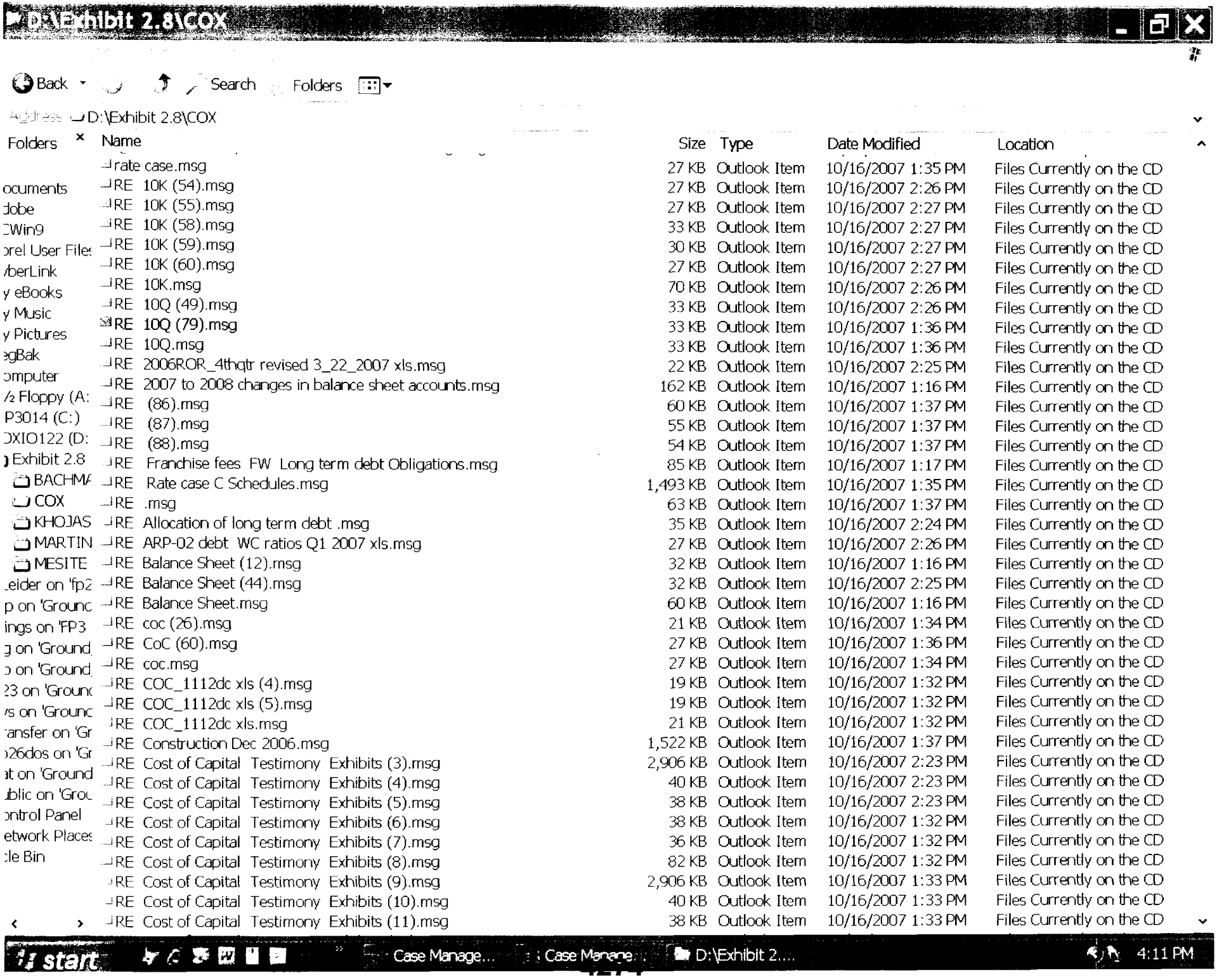
-----Original Message-----
From: Martin Cheryl
Sent: Wednesday, May 09, 2007 6:12 PM
To: Cox Doreen
Cc: Lundgren April
Subject: 10Q

See question below for capital requirements section of 10Q?

Cash requirements are anticipated to increase significantly in the future due to additional environmental clean up costs, sinking fund payments on long-term debt and pension contributions. Environmental clean up costs are forecasted to be approximately $600,000 through 2007, with remaining payments which could total approximately $13.1 million, beginning in 2008 ***[alundgren]*** and ending in 2021. AND FOR HOW LONG?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725


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Clara Leider

From: Lundgren April
Sent: Thursday, May 10, 2007 8:11 AM
To: Martin Cheryl; Cox Doreen
Subject: RE: 10Q

I'll ask Doreen for the support from the attorneys to include in our reference copy.

Doreen, can you please forward me the correspondence?

Thanks,
April Lundgren
x 1788

-----Original Message-----
From: Martin Cheryl
Sent: Thursday, May 10, 2007 8:02 AM
To: Lundgren April
Subject: RE: 10Q

This is ok, it is our best estimate correct?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Lundgren April
Sent: Thursday, May 10, 2007 7:53 AM
To: Martin Cheryl
Subject: RE: 10Q

The projection from 4/9/07 did not have a time period associated with the range. The best info I have projects payments through 2011 with the last payment amount for "After 2011". We'll use 2021...

Revision below...

Thanks,
April Lundgren
x 1788

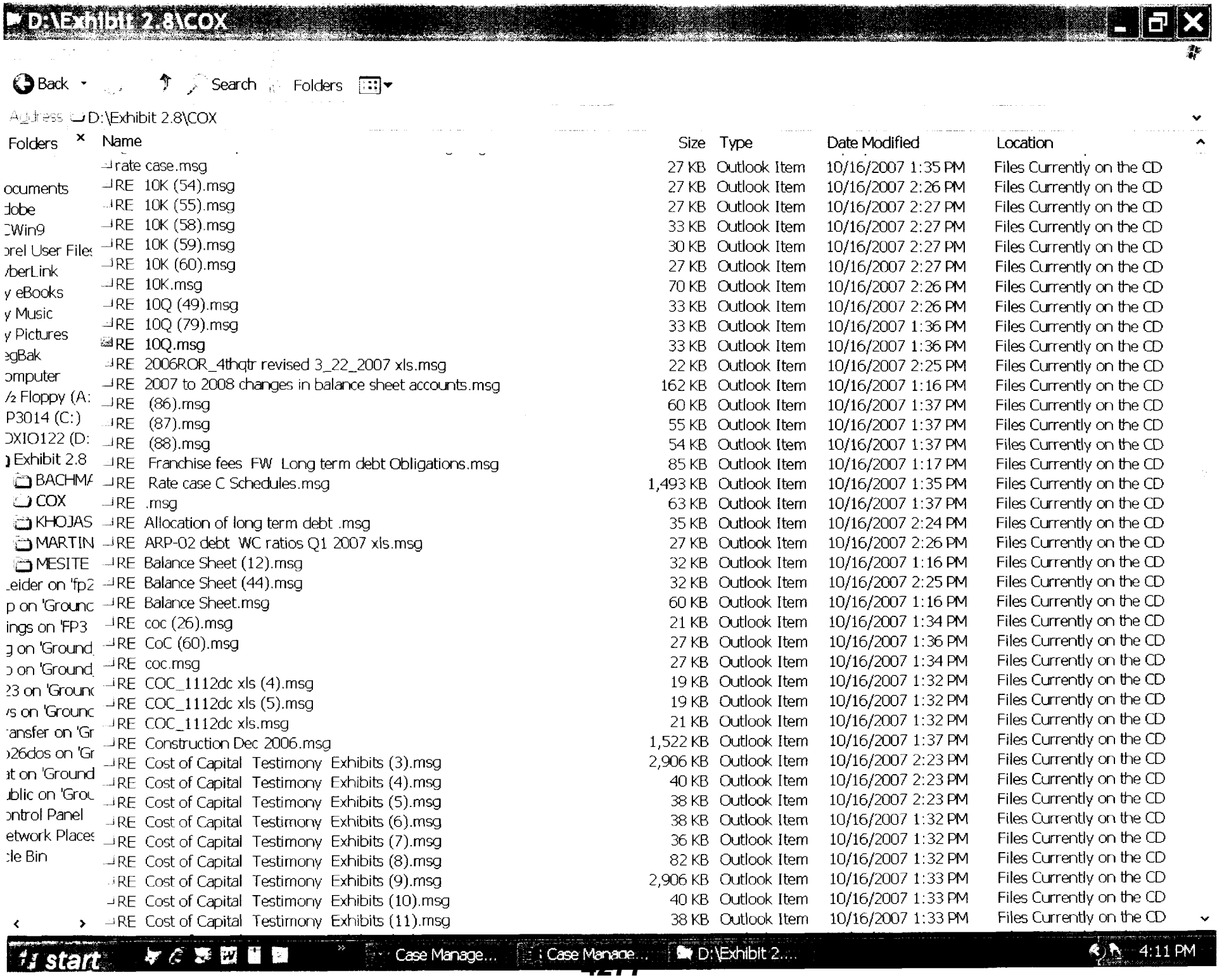
-----Original Message-----
From: Martin Cheryl
Sent: Wednesday, May 09, 2007 6:12 PM
To: Cox Doreen
Cc: Lundgren April
Subject: 10Q

See question below for capital requirements section of 10Q?

Cash requirements are anticipated to increase significantly in the future due to additional environmental clean up costs, sinking fund payments on long-term debt and pension contributions. Environmental clean up costs are forecasted to be approximately $600,000 through 2007, with remaining payments which could total approximately $13.1 million, beginning in 2008 ***[alundgren]*** and ending in 2021. AND FOR HOW LONG?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725


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Clara Leider

From: Lundgren April
Sent: Thursday, May 10, 2007 8:22 AM
To: Cox Doreen
Subject: RE: 10Q

I only copied the top page (spreadsheet) not the underlying support. I can make the copy if you do not have the email –I was just hoping to get the original email forwarded to me. I'll stop by in a few!

Thanks,
April Lundgren
x 1788

-----Original Message-----
From: Cox Doreen
Sent: Thursday, May 10, 2007 8:19 AM
To: Lundgren April
Subject: RE: 10Q

April
Didn't you already take a copy of the support I had? If not let me know.
Thanks
Doreen

-----Original Message-----
From: Lundgren April
Sent: Thursday, May 10, 2007 8:11 AM
To: Martin Cheryl; Cox Doreen
Subject: RE: 10Q

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April Lundgren
x 1788

-----Original Message-----
From: Martin Cheryl
Sent: Thursday, May 10, 2007 8:02 AM
To: Lundgren April
Subject: RE: 10Q

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Cheryl Martin
Controller, FPUC
561-838-1725

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

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Sent: Thursday, May 10, 2007 7:53 AM
To: Martin Cheryl
Subject: RE: 10Q

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April Lundgren
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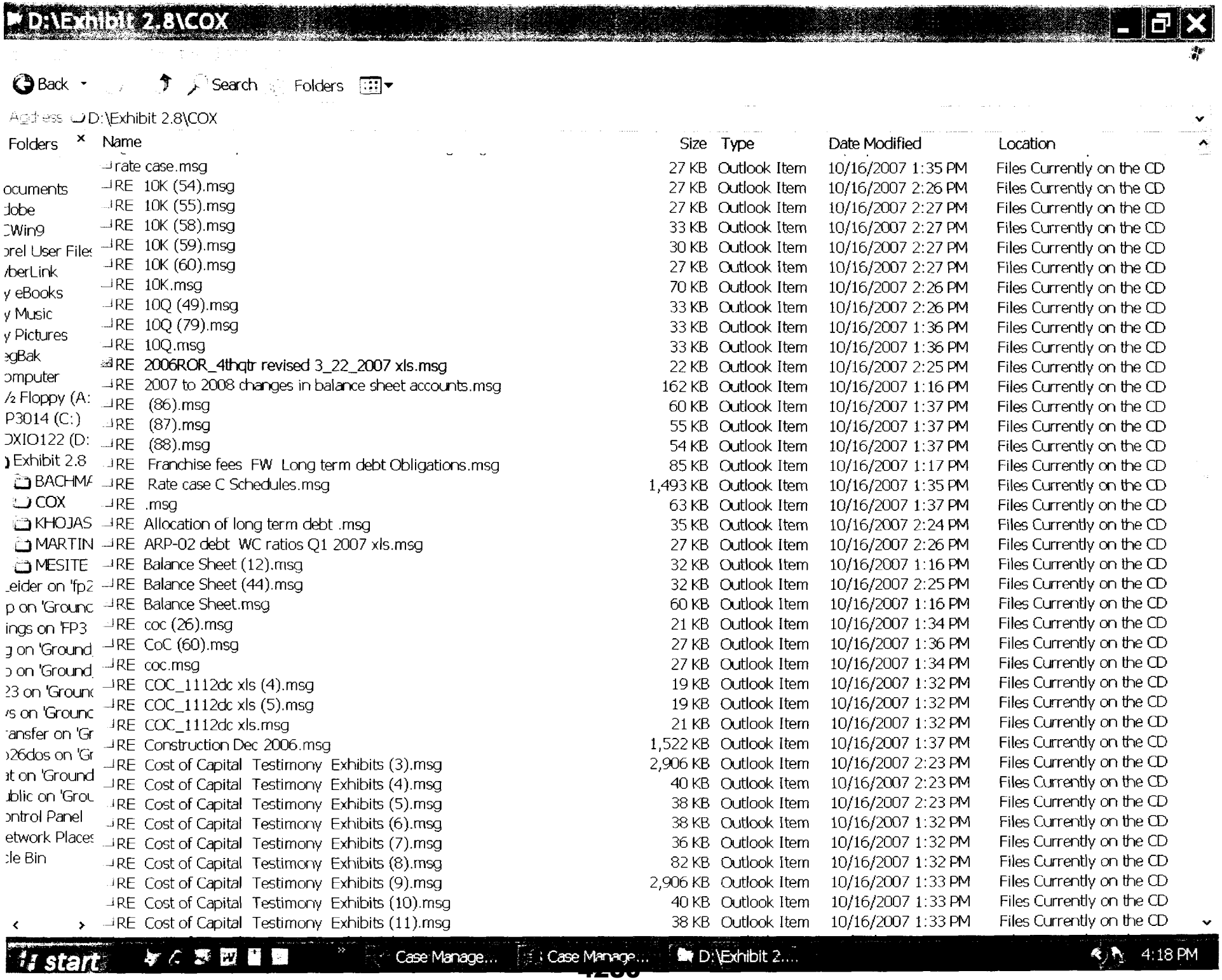
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To: Cox Doreen
Cc: Lundgren April
Subject: 10Q

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Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725


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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, June 14, 2007 1:43 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: 2006ROR_4thqtr revised 3_22_2007.xls

Got it...This I think is the better way...Thanks, Doreen. Robert

---

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/14/2007 11:07 AM
To: Robert Camfield
Cc: Martin Cheryl
Subject: 2006ROR_4thqtr revised 3_22_2007.xls

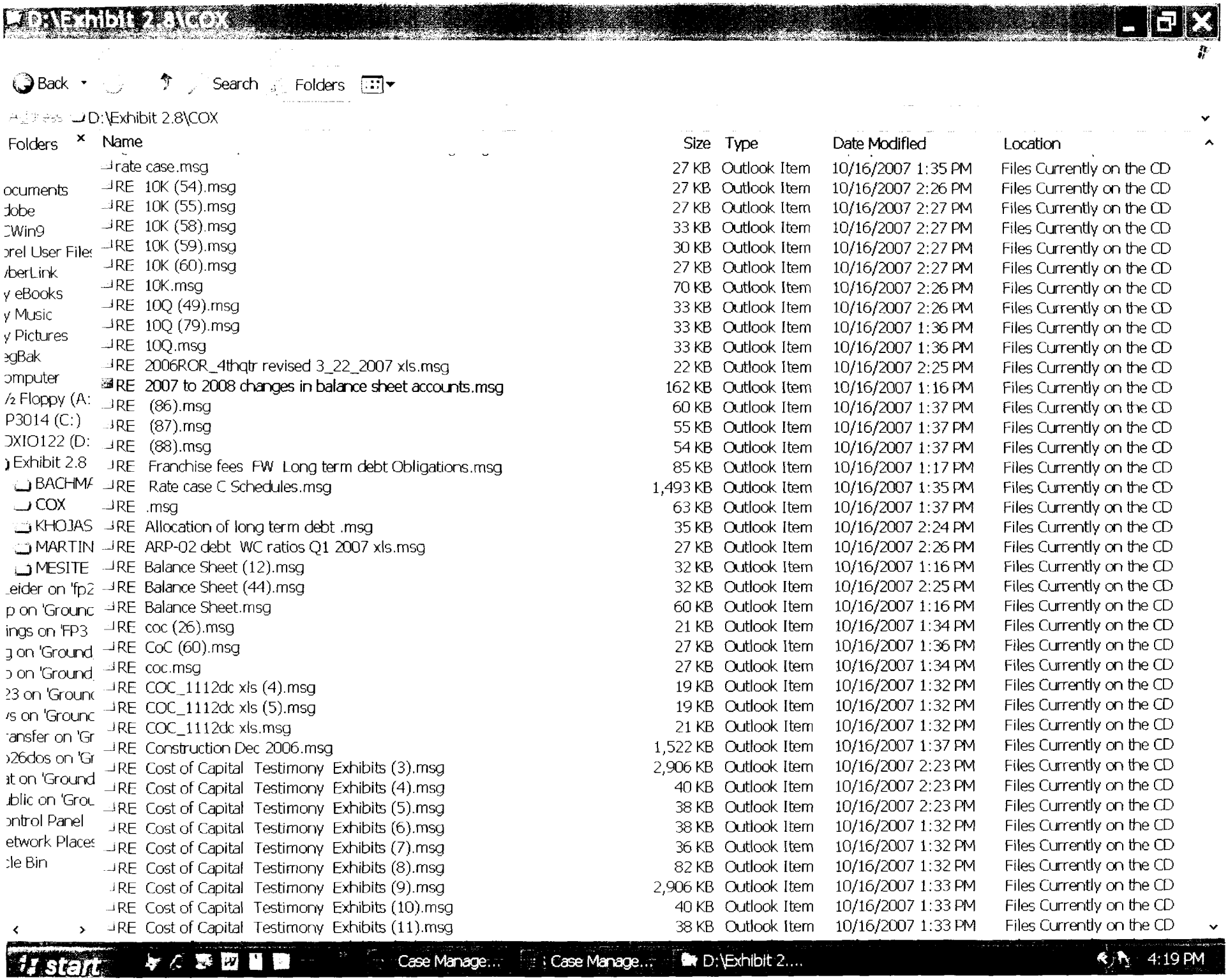
Robert:

Please see tab ROR-DEBT for the interest expense for 2006. In November there is a credit balance due to an adjustment for an over-accrual for $4,067.86. The interest expense for that month was $1,586.98.

Thanks

Doreen

(561) 838-1797


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Clara Leider

From: Mesite Jim
Sent: Saturday, July 28, 2007 11:40 AM
To: Cox Doreen
Subject: RE: 2007 to 2008 changes in balance sheet accounts
Attachments: 2007 2008 CASH.xlsx

The attached file is what I put together for the consolidated cash balance. The common working cash was allocated @ 31% to electric.

Thanks,
Jim
tel.561.838.1733
fax.561.366.1533

From: Cox Doreen
Sent: Friday, July 27, 2007 5:31 PM
To: Bhatia Nadira; Mesite Jim
Subject: RE: 2007 to 2008 changes in balance sheet accounts

Yeah he surely has a way to make us feel like big winners..... Jim you'll have to show me where you are getting the figures

From: Bhatia Nadira
Sent: Friday, July 27, 2007 5:05 PM
To: Mesite Jim; Cox Doreen
Subject: RE: 2007 to 2008 changes in balance sheet accounts

Well, THANK you for such a lovely project ☺ !
Thanks,
Nadira

From: Mesite Jim
Sent: Friday, July 27, 2007 4:58 PM
To: Cox Doreen; Bhatia Nadira
Subject: 2007 to 2008 changes in balance sheet accounts

Doreen and Nadira:

Y'all and I are in luck, there are 14 items that fall into the below explanation for Schedule B-5. Doreen is in third place with one for account 1310, Cash & Deposits. Nadira is next with 2; for 2280.31, Pension Reserve; and 2280.201, Accrued Liability Insurance. I win with the rest!!

It is the change in 13-month average that we are looking at.

Nadira, you provided the info I used so you know where the data came from and why.

Doreen. unfortunately, yours is for all combined cash (exclusive of the $42K divisional working accounts) that I garnered from your cash pages.

A short single sentence is all I am looking for; maybe two – but short! Believe it or not, I could really use the answer sometime Monday morning.

"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."

Account Number	Account Name	Test Year Ended 12/31/2008	Prior Year Ended 12/31/2007	Increase Amount (3)-(4)
1070	Electric CWIP	74,000	514,250	(440,150)
1070	Allocated Common CWIP		92,160	(92,160)
1080	Allocated Common Plant	1,850,396	1,582,636	268,560
1080	Allocated Common Reserve	(684,914)	(560,372)	(124,542)
1310	Cash and Deposits	70,678	210,108	(139,430)
1730	Unbilled Revenues	548,394	444,044	104,350
1820	Reg Asset-Ret Plans	450,155	103,267	346,888
1860	Deferred Debits - Rate Case	508,296	282,256	226,040
2280	Electric Storm Reserve	(2,918,351)	(1,681,542)	(336,809)
2283	Pensions Reserve	(1,500,273)	(922,354)	(577,919)
2300	Accrued Liability Ins	(63,110)	(40,839)	(22,271)
2301	Accounts Payable - Fuel	(3,524,452)	(2,586,972)	(937,480)
2530	Over Recovery-Conservation	(927)	(25,573)	24,646
1420, 1430	Accounts Receivable	5,042,458	4,270,514	771,944

Thank You,

Jim Mesite

Senior Project Accountant, Corporate Accounting
jmesite@fpuc.com
tel.561.838.1733
fax.561.366.1533

FLORIDA PUBLIC UTILITIES COMPANY
CASH PROJECTION
BUDGET 2007

		12/31/06	1/31/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07	7/31/07	8/31/07	9/30/07	10/31/07	11/30/07	12/31/07	13-MONTH AVE
COMMON CASH:															
CONSOLIDATED CASH - FROM DC CAPITAL WORKSHEET		83,638	1,216,905	1,325,247	2,072,830	830,053	1,446,857	356,359	425,945	298,397	275,919	315,414	340,946	303,078	714,737
LESS DIVISIONAL WORKING CASH INCLUDED		36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970
COMMON CASH, INCLUDES BOA-MONEY MKT		46,668	1,179,935	1,288,277	2,035,860	793,083	1,409,887	319,389	388,975	261,427	238,949	278,444	303,976	266,108	677,767
															-
BOA-MONEY MKT (INCREASE @ ICG)	1310.8	7,888	7,910	7,932	7,954	7,977	8,000	8,023	8,046	8,069	8,092	8,115	8,138	8,161	8,023
COMMON-WORKING CASH (BAL)	1310.13	38,780	1,172,025	1,280,345	2,027,906	785,106	1,401,887	311,366	380,929	253,358	230,857	270,329	295,838	257,947	669,744
															-
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		12/31/07	1/31/08	2/28/08	3/31/08	4/30/08	5/31/08	6/30/08	7/31/08	8/31/08	9/30/08	10/31/08	11/30/08	12/31/08	13-MONTH AVE
COMMON CASH:															
CONSOLIDATED CASH - FROM DC CAPITAL WORKSHEET		303,078	278,463	212,877	288,503	277,600	182,897	341,389	331,944	230,287	266,483	277,805	232,149	221,044	264,963
LESS DIVISIONAL WORKING CASH INCLUDED IN 12/31/06 BALANCE		36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970	36,970
COMMON CASH, INCLUDES BOA-MONEY MKT		266,108	241,493	175,907	251,533	240,630	145,927	304,419	294,974	193,317	229,513	240,835	195,179	184,074	227,993
															-
BOA-MONEY MKT (INCREASE @ ICG)	1310.8	8,161	8,185	8,209	8,233	8,257	8,281	8,305	8,329	8,353	8,377	8,401	8,426	8,451	8,305
COMMON-WORKING CASH (BAL)	1310.13	257,947	233,308	167,698	243,300	232,373	137,646	296,114	286,645	184,964	221,136	232,434	186,753	175,623	219,688
															-

FLORIDA PUBLIC UTILITIES COMPANY
CASH PROJECTION
BUDGET 2007

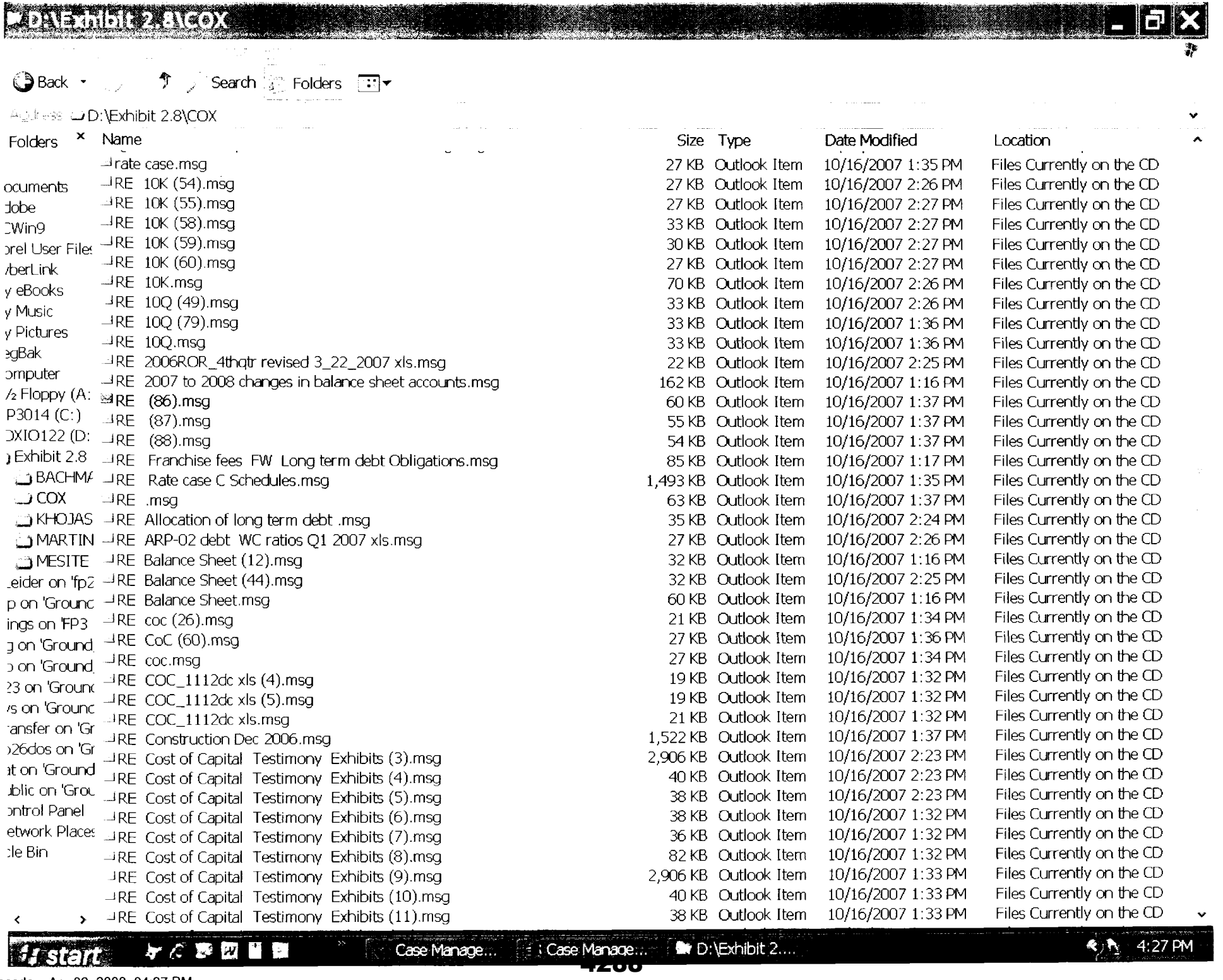
TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,270,727	11,299,427	10,709,681	9,613,007	8,877,741	9,044,084	8,995,390	9,149,132	8,636,294	9,008,161	10,271,120	12,857,014	121,731,777
Fuel Revenue & Pass-thrus		(7,647,827)	(6,472,462)	(6,298,915)	(5,587,359)	(5,008,843)	(5,238,967)	(5,259,459)	(5,365,636)	(4,865,770)	(5,337,092)	(6,299,524)	(8,071,397)	(71,453,252)
Gross Profit		5,622,899	4,826,965	4,410,766	4,025,648	3,868,898	3,805,117	3,735,931	3,783,496	3,770,524	3,671,069	3,971,596	4,785,616	**50,278,525**
Other Income - Net (excl. taxes & int cap)		66,933	118,318	87,606	112,397	31,032	98,607	53,810	98,969	67,107	32,112	84,436	70,674	922,000
Total		5,689,832	4,945,282	4,498,372	4,138,045	3,899,930	3,903,724	3,789,741	3,882,465	3,837,631	3,703,180	4,056,032	4,856,291	51,200,525
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,237,377	2,779,119	2,539,493	2,317,762	2,227,513	2,190,791	2,150,957	2,178,343	2,170,874	2,113,613	2,286,641	2,755,312	28,947,794
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					525,757		525,757			525,757		0	525,757	2,103,026
Taxes Paid - Other		166,468	9,084	102,957	60,867	42,828	55,440	168,786	62,365	34,343	151,359	2,470,581	7,690	3,332,766
Interest On Long - Term Debt						754,325	383,200					754,325	383,200	2,235,050
Interest on Additional LT Debt	6.85%			256,800			256,800			256,800			256,800	1,027,200
Interest on Environmental Expenditure		1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	16,925
Interest on Private Activity Bond	4.90%					343,000						343,000		686,000
Interest on LOC		20,479	17,343	12,009	15,662	13,091	12,055	27,468	40,727	41,755	44,706	54,774	63,821	363,890
Other Interest Payments		0	0	0	216,300	216,300	0	0	0	0	0	0	0	432,600
Payment Of Environmental Clean Up		0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid - Preferred		7,125	0	0	7,125	0	0	7,125	0	0	7,125	0	0	28,500
Dividends Paid - Common		645,677	0	0	648,000	0	0	696,000	0	0	696,000	0	0	2,685,677
Proceeds Form Sale - Common Stock		(152,432)	0	0	(80,892)	0	0	(158,160)	0	0	(77,796)	0	0	(469,280)
Pension Contributions							250,000							250,000
TOTAL DEDUCTIONS		3,917,771	2,798,623	2,904,335	3,703,657	3,590,134	3,647,119	2,885,252	2,274,512	3,022,606	2,928,083	5,902,398	3,965,657	41,540,148
BALANCE		1,772,062	2,146,659	1,594,036	434,387	309,796	256,605	904,488	1,607,953	815,025	775,097	(1,846,365)	890,634	9,660,377
Increase (Decrease) in Cash Due to														
Fluctuation in Certain Assets & Liab		(37,286)	622,414	(12,141)	(1,515,021)	3,070,888	(500,000)	(100,000)	-	-	-	-	-	1,528,854
Construction Requirements (including AEP)		985,678	831,627	1,113,046	952,894	989,431	1,432,853	6,120,653	1,421,253	1,323,253	1,221,353	1,213,853	1,114,253	**18,720,145**
Construction Adj Bare Steel Amort & Cost of Removal		82,916	77,189	37,350	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	947,455
														0
Net Const. Cash Refunds/(Contributions)		30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	30,916	370,991
BALANCE		835,268	1,829,341	400,583	(2,147,777)	2,276,804	(1,790,498)	(5,430,414)	72,451	(622,477)	(560,506)	(3,174,468)	(337,868)	(8,849,560)
Add Proceeds From Financing -SunTrust LOC														
(See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		498,000	(1,721,000)	(28,000)	905,000	(1,660,000)	700,000	5,500,000	(200,000)	600,000	600,000	3,200,000	300,000	8,694,000
Add Proceeds From Financing (LT Debt)														0
Less Loan Expenses (LT Debt)														0
Refunding $15M Bond	$0										0			0
Less Loan Expenses (Bonds)											0	0	0	0
Add Proceeds from Equity Issue														0
Less Equity Issue Expenses														0
Less ST Investments														0
Cash Balance - Beginning Of Period		83,638	1,216,905	1,325,247	2,072,830	830,053	1,446,857	356,359	425,945	298,307	275,919	315,414	340,946	83,638
Cash Balance - End of Period		1,216,905	1,325,247	2,072,830	830,053	1,446,857	356,359	425,945	298,307	275,919	315,414	340,946	303,078	303,078
Actual Cash Balance		1,216,905	1,325,247	2,072,830	830,053	1,446,857								
Customer Deposit - Annual Payments	432,600													
Line of Credit - Bank of America	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	15,000,000	15,000,000	15,000,000
Interest on LOC	0.10%	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,300	1,300	12,600
Notes Payable Balance - BOA	**3,466,000**	**3,964,000**	**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**	**12,160,000**
Interest on Borrowings	6.22%	19,300	10,100	11,800	13,800	11,900	9,400	25,500	39,200	40,200	43,300	53,200	62,300	345,800
Unused Portion of LOC	8,534,000	8,036,000	9,757,000	9,785,000	8,880,000	10,540,000	9,840,000	4,340,000	4,540,000	3,940,000	3,340,000	3,140,000	2,840,000	2,840,000
Interest on Unused Portion of LOC	0.25%	1,700	1,900	2,000	1,900	2,000	2,100	1,500	900	900	800	700	600	17,000
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Refended Bond	$0	0	0	0	0	0	0	0	0	0	0	0	0	
Intererst on Refunded Bond	5.50%		0	0	0	0	0	0	0	0	0	0	0	0
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400
Private Activity Bonds - Trust	0													
Net Interest Expense	2.60%	0	0	0	0	0	0	0	0	0	0	0	0	0
		Copy & paste value to avoid circular reference - has to be recalculated												
Interest Income	1.50%	1,521	1,657	2,591	1,038	1,809	445	532	373	345	394	428	379	11,510

FLORIDA PUBLIC UTILITIES COMPANY
CASH PROJECTION
BUDGET 2008

TOTAL CONSOLIDATED

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Operating Revenues		13,920,760	11,853,753	11,231,515	10,082,848	9,314,922	9,486,502	9,434,371	9,595,263	9,061,732	9,446,244	10,765,983	13,472,436	127,666,329
Fuel Revenue & Pass-thrus		(7,952,211)	(6,730,066)	(6,549,612)	(5,809,736)	(5,208,195)	(5,447,478)	(5,468,786)	(5,579,188)	(5,059,428)	(5,549,509)	(6,550,245)	(8,392,639)	(74,297,091)
Gross Profit		5,968,549	5,123,687	4,681,904	4,273,112	4,106,726	4,039,024	3,965,585	4,016,075	4,002,305	3,896,736	4,215,738	5,079,797	**53,369,237**
Other Income - Net (excl. taxes & int cap)		69,276	122,459	90,672	116,330	32,118	102,058	55,694	102,433	69,456	33,236	87,391	73,148	954,270
Total		6,037,825	5,246,146	4,772,576	4,389,443	4,138,845	4,141,083	4,021,279	4,118,507	4,071,761	3,929,971	4,303,129	5,152,945	54,323,507
DEDUCTIONS:														
Operation & Mtnce Excl Fuel etc		3,417,028	2,933,340	2,680,417	2,446,381	2,351,124	2,312,364	2,270,320	2,299,226	2,291,342	2,230,903	2,413,534	2,908,213	30,554,192
Non-Cash O&M (Storm Resv)		(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(100,000)
Income Taxes Paid					**607,205**		**607,205**			**607,205**		**0**	**607,205**	**2,428,820**
Taxes Paid - Other		**171,462**	**9,357**	**106,045**	**62,693**	**44,113**	**57,103**	**173,849**	**64,236**	**35,374**	**155,899**	**2,769,675**	**7,921**	**3,657,726**
Interest On Long - Term Debt						**754,325**	**363,200**					**685,754**	**363,200**	**2,166,479**
Interest on Additional LT Debt	6.85%	**256,800**			**256,800**			**256,800**			**256,800**			**1,027,200**
Interest on Environmental Expenditure		**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**	**16,925**
Interest on Private Activity Bond	4.90%					**343,000**						**343,000**		**686,000**
Interest on LOC		**71,052**	**66,334**	**60,939**	**62,353**	**72,272**	**41,374**	**5,686**	**5,813**	**5,768**	**11,053**	**24,910**	**35,324**	**462,878**
Other Interest Payments		**0**	**0**	**0**	**222,800**	**222,800**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**445,600**
Payment Of Environmental Clean Up		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dividends Paid - Preferred		**7,125**	**0**	**0**	**7,125**	**0**	**0**	**7,125**	**0**	**0**	**7,125**	**0**	**0**	**28,500**
Dividends Paid - Common		**696,000**	**0**	**0**	**719,000**	**0**	**0**	**868,000**	**0**	**0**	**870,000**	**0**	**0**	**3,153,000**
Proceeds Form Sale - Common Stock		**(158,499)**	**0**	**0**	**(84,111)**	**0**	**0**	**(164,455)**	**0**	**0**	**(80,892)**	**0**	**0**	**(487,957)**
Pension Contributions							**500,000**							**500,000**
TOTAL DEDUCTIONS		4,454,045	3,002,108	2,840,478	4,293,323	3,780,711	3,874,324	3,410,402	2,362,351	2,932,766	3,443,966	6,229,950	3,914,939	44,539,363
BALANCE		1,583,779	2,244,038	1,932,097	96,120	358,134	266,759	610,876	1,756,156	1,138,995	486,005	(1,926,821)	1,238,005	9,784,145
Construction Requirements (including AEP)		1,010,002	1,011,157	1,407,039	1,196,405	1,230,953	1,103,728	927,351	1,337,914	1,380,131	1,822,970	1,395,180	1,423,591	**15,246,422**
Construction Adj Bare Steel Amort & Cost of Removal		66,245	66,321	92,287	78,471	80,737	72,393	60,824	87,753	90,522	119,567	91,509	93,372	1,000,000
0		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Const Cash Refunds/(Contributions)		32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	385,756
BALANCE		475,386	1,134,414	400,625	(1,210,902)	(985,703)	(941,508)	(409,445)	298,343	(363,804)	(1,488,678)	(3,445,656)	(311,104)	(6,848,033)
Add Proceeds From Financing -SunTrust LOC (See Detail Below)														0
Proceeds from Water Sale & LWG				375,000										375,000
Less Tax on Gain of Sale Water & LWG														0
Add Proceeds from Financing - BOA LOC		(500,000)	(1,200,000)	(700,000)	1,200,000	2,300,000	(13,000,000)	400,000	(400,000)	400,000	1,500,000	3,400,000	300,000	(6,300,000)
Less LT Debt Principal Repayments						(1,409,000)								(1,409,000)
Less Loan Expenses (LT Debt)														0
Add Proceeds from Bond Issue														0
Less Loan Expenses (Bonds)		0	0	0	0	0	0	0	0	0	0	0	0	0
Add Proceeds from Equity Issue							15,000,000							15,000,000
Less Equity Issue Expenses							(900,000)							(900,000)
Less ST Investments														0
Cash Balance - Beginning Of Period		303,078	278,463	212,877	288,503	277,600	182,897	341,389	331,944	230,287	266,483	277,805	232,149	303,078
Cash Balance - End of Period		278,463	212,877	288,503	277,600	182,897	341,389	331,944	230,287	266,483	277,805	232,149	221,044	221,044
Actual Cash Balance														
Customer Deposit - Annual Payments	445,578													
Line of Credit - Bank of America	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Interest on LOC	0.10%	1,300	1,300	1,300	1,300	1,300	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,500
Notes Payable Balance - BOA	**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**	**5,860,000**
Interest on Borrowings	7.00%	69,500	64,500	59,000	60,400	70,600	39,400	2,700	2,700	2,700	8,200	22,500	33,300	435,500
Unused Portion of LOC	2,840,000	3,340,000	4,540,000	5,240,000	4,040,000	1,740,000	11,740,000	11,340,000	11,740,000	11,340,000	9,840,000	6,440,000	6,140,000	6,140,000
Interest on Unused Portion of LOC	0.25%	600	800	1,000	1,000	600	1,400	2,400	2,400	2,400	2,200	1,700	1,300	17,800
Additional LT Debt Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
Interest On additional LT Debt	6.85%	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	85,600	1,027,200
Refended Bond	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Refunded Bond	5.50%	0	0	0	0	0	0	0	0	0	0	0	0	0
Private Activity Bond - Used	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	
Interest On Private Activity Bond	4.90%	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	57,200	686,400
Private Activity Bonds - Trust	0													
Net Interest Expense	2.60%	0	0	0	0	0	0	0	0	0	0	0	0	0
		Copy & paste value to avoid circular reference - has to be recalculated												
Interest Income	1.50%	348	266	361	347	228	426	414	287	332	347	290	276	3,922


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RE Balance Sheet (44).msg 32 KB Outlook Item 10/16/2007 2:25 PM Files Currently on the CD
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RE Cost of Capital Testimony Exhibits (4).msg 40 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
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4:27 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, February 19, 2007 3:39 PM
To: Cox Doreen; Bhatia Nadira
Subject: RE:

I sent her 2 and 3 already.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 19, 2007 3:37 PM
To: Bhatia Nadira
Cc: Martin Cheryl
Subject: RE:

Nadira:

1. Please see R41 in the support documentation that I gave you on Friday for $100,000 in 2007.
2. I didn't update this section, you may need to check with Marc Seagrave if no one in accounting has support.

> We have begun construction in the Indiantown area to install natural gas mains in the first phase of this development, for approximately 100 homes. The next two developments are slated to break ground in 2007 for construction of approximately 1,000 homes.

3. I'll provide you with support for the approximately $700,000 of storm hardening expense.

Doreen

-----Original Message-----
From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:25 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE:

Doreen:

Do you have anything to support the following?

> ***Natural Gas Customers***
> Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

Indiantown Gas Agreement
The FPSC approved our joint transportation and territorial agreements with Indiantown in October 2006. We have begun construction in the Indiantown area to install natural gas mains in the first phase of this development, for approximately 100 homes. The next two developments are slated to break ground in 2007 for construction of approximately 1,000 homes.

Storm Preparedness Expenses
Regulators continue to focus on hurricane preparedness and storm recovery issues for utility companies. Newly mandated storm preparedness initiatives could impact our operating expenses and capital expenditures beginning in 2007. The initial forecasts of these annual expenditures are approximately $700,000. It is possible that additional regulation and rules will be mandated regarding storm related expenditures over the next several years. We requested with the FPSC to recover the cost of the newly mandated storm preparedness initiatives and to defer these storm related expenditures until we receive recovery through a rate increase. If approved, both the recovery and expenditures may occur by mid-2007. If the FPSC does not approve our request, we plan to file a rate proceeding in 2007 as an alternative option for recovery of these expenditures.
In the 10K, Page 26

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 19, 2007 3:20 PM
To: Bhatia Nadira
Subject: RE:

I think Doreen does.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:19 PM
To: Martin Cheryl
Subject:

Natural Gas Customers
Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

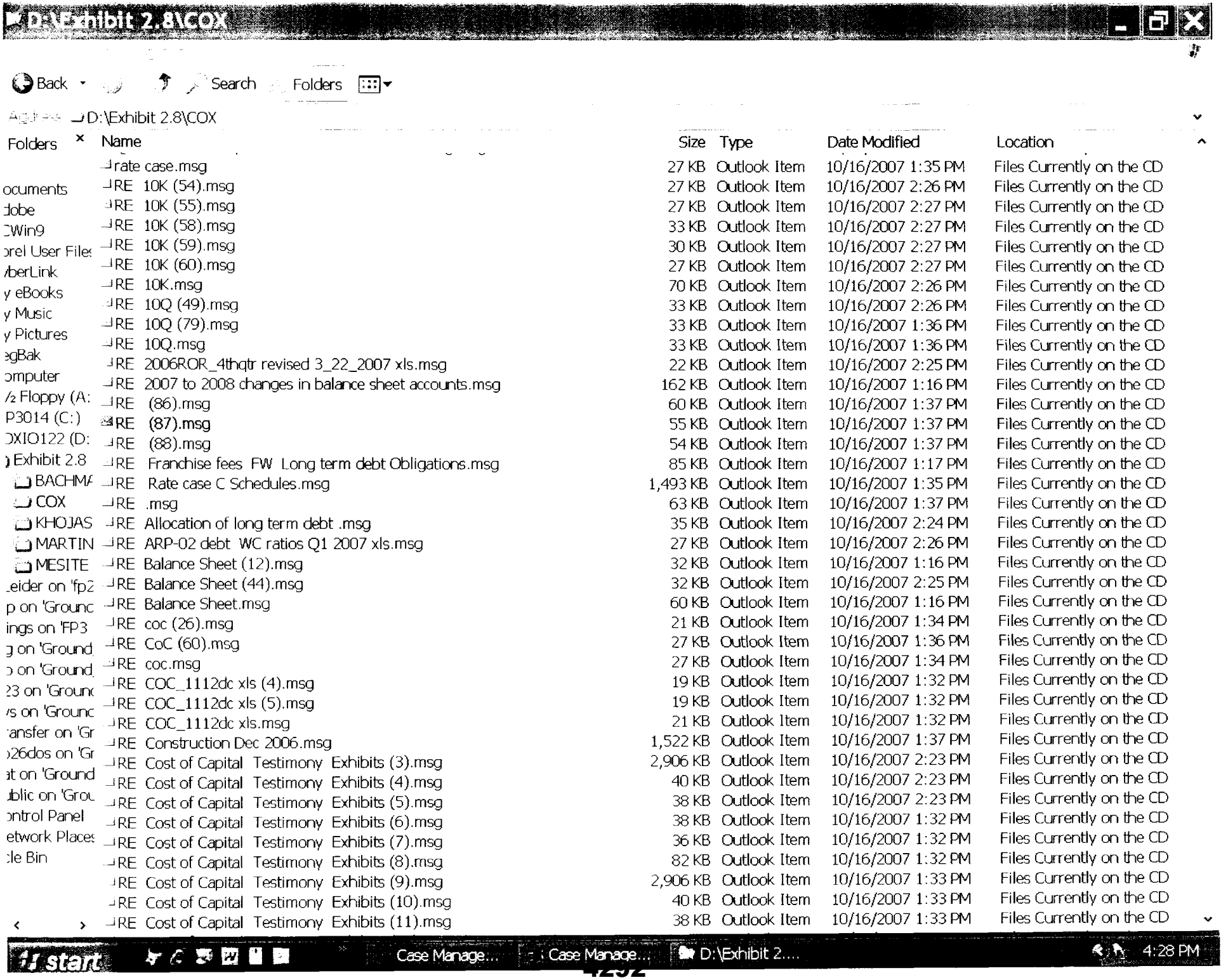
In the 10K, Page 26

Cheryl:

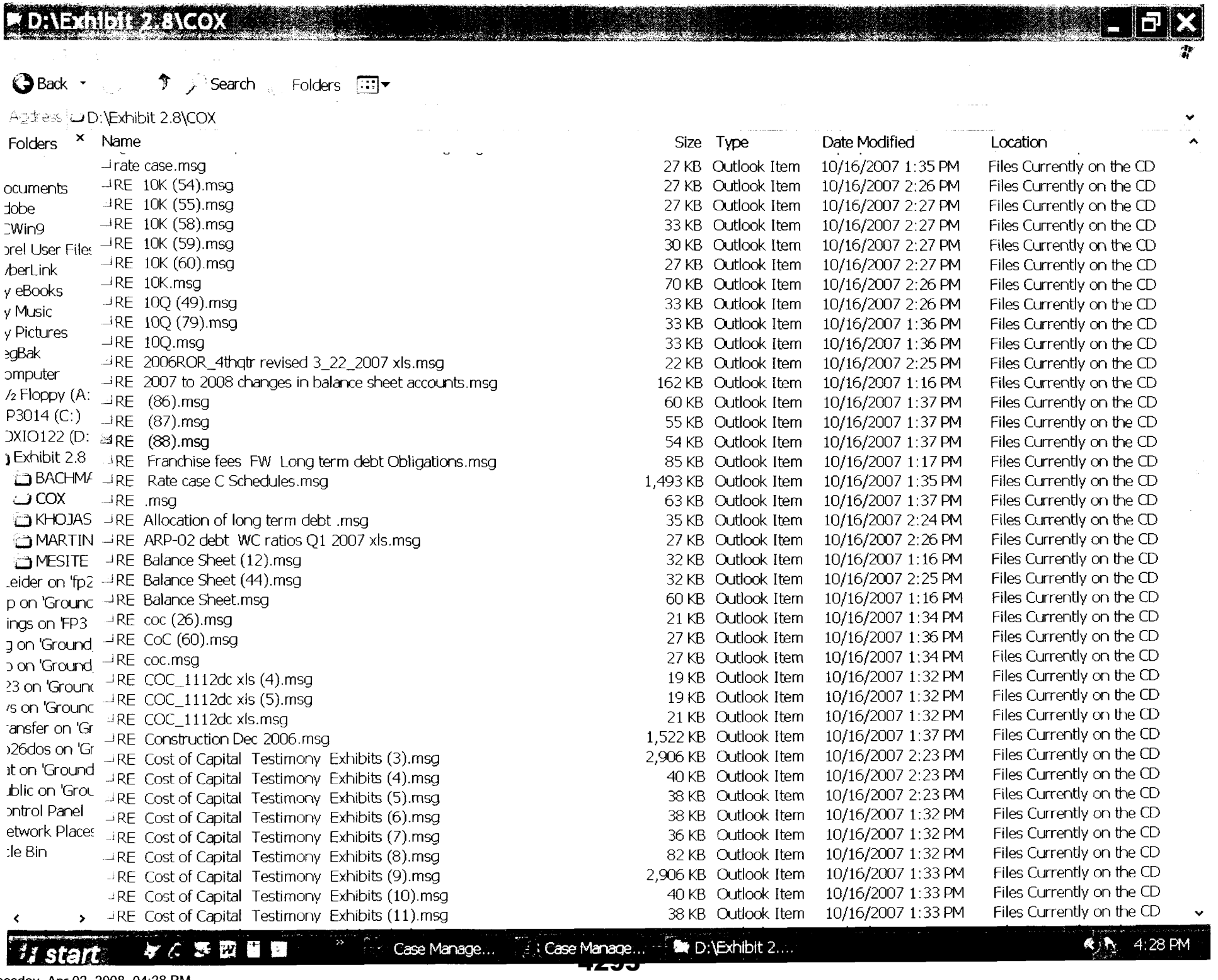
Do you have a reference for the $100K mentioned above?

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776



Wednesday, Apr 02, 2008 04:28 PM



Wednesday, Apr 02, 2008 04:28 PM

Clara Leider

From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:25 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE:

Doreen:

Do you have anything to support the following?

> ***Natural Gas Customers***
> Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

Indiantown Gas Agreement
The FPSC approved our joint transportation and territorial agreements with Indiantown in October 2006. We have begun construction in the Indiantown area to install natural gas mains in the first phase of this development, for approximately 100 homes. The next two developments are slated to break ground in 2007 for construction of approximately 1,000 homes.

Storm Preparedness Expenses
Regulators continue to focus on hurricane preparedness and storm recovery issues for utility companies. Newly mandated storm preparedness initiatives could impact our operating expenses and capital expenditures beginning in 2007. The initial forecasts of these annual expenditures are approximately $700,000. It is possible that additional regulation and rules will be mandated regarding storm related expenditures over the next several years. We requested with the FPSC to recover the cost of the newly mandated storm preparedness initiatives and to defer these storm related expenditures until we receive recovery through a rate increase. If approved, both the recovery and expenditures may occur by mid-2007. If the FPSC does not approve our request, we plan to file a rate proceeding in 2007 as an alternative option for recovery of these expenditures.

In the 10K, Page 26

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Martin Cheryl

Sent: Monday, February 19, 2007 3:20 PM
To: Bhatia Nadira
Subject: RE:

I think Doreen does.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:19 PM
To: Martin Cheryl
Subject:

> ***Natural Gas Customers***
> Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

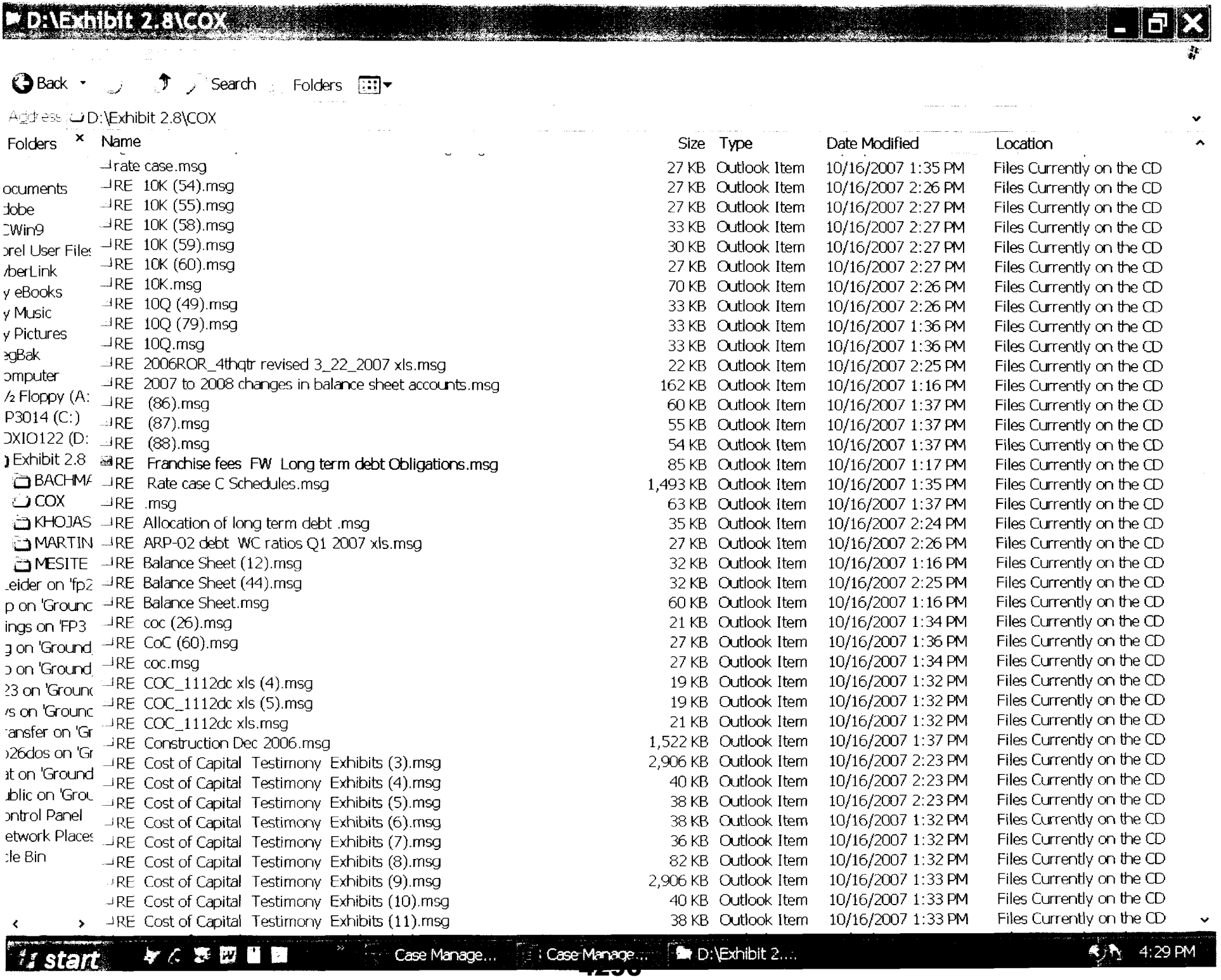
In the 10K, Page 26

Cheryl:

Do you have a reference for the $100K mentioned above?

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776


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Clara Leider

From: Martin Cheryl
Sent: Friday, March 16, 2007 8:26 AM
To: Cox Doreen; Bhatia Nadira
Cc: Khojasteh Mehrdad
Subject: RE: Franchise fees FW: Long term debt Obligations

so does approx 500,000

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Friday, March 16, 2007 8:23 AM
To: Bhatia Nadira; Martin Cheryl
Cc: Khojasteh Mehrdad
Subject: RE: Franchise fees FW: Long term debt Obligations

The exact amount is the $509,604, so approximately $510,000 works fine.

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:24 PM
To: Martin Cheryl
Cc: Khojasteh Mehrdad; Cox Doreen
Subject: Franchise fees FW: Long term debt Obligations

Cheryl, this is my last addition to the 10K for today – please approve since there was no tracking on. Doreen, please see the auditor's question below and verify that this information is true.

Thanks,
Nadira

Natural Gas
Natural gas revenues increased $2.0 million, or 3% in 2006 over 2005 primarily due to increased revenue collected for taxes passed directly through to customers. A change in legislature regarding the calculation of Gross Receipts tax became effective January 1, 2006, and along with an increase to overall revenues, increased these taxes paid by our customers by approximately $500,000. Franchise fee revenues also increased by approximately $500,000 due to increased rates and area expansion.

Natural gas gross profit increased by $951,000, or 4% in 2006 over 2005. We had higher revenue and gross profit in 2006 compared to 2005 primarily due to billed revenue not exceeding the FPSC allowable earnings as much as in the prior year. In 2006 we reduced billed revenues and gross profit by our estimate of over-earnings of $72,000 for the year. Our estimate for 2005 was recorded at $700,000 in 2005 and we reduced that estimate in 2006 by $50,000 to $650,000. The combined effect of this was to increase our revenues and gross profit over the prior year by approximately $678,000. Other factors contributing to the increase in revenues and gross profit were 2% customer growth and storm surcharge revenues, which became effective November 2005. The revenues and gross profit increases were slightly offset by the loss of approximately $100,000 of revenue from two customers who went off-line for several months to do maintenance work.

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:17 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad; Martin Cheryl; Cox Doreen; Lundgren April
Subject: RE: Long term debt Obligations

Joanah,

Doreen is not here to answer your question. Her support shows R34 as $509,604 … and in the 10K, it is referred to as **approximately** $500,000. Please let me know if you need further information on this and we can provide them tomorrow when Doreen returns.

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:05 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad; Martin Cheryl
Subject: FW: Long term debt Obligations

Doreen,

What is the correct amount that should be in the 10K?

$500,000
Approximately $500,000?

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]
Sent: Thursday, March 15, 2007 4:41 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

In the referenced copy dated 2/26/07 page 21 referenced to R34 – 500,000 franchise fee revenues. The support is 509,604. Rounded as 510,000?

Thanks,

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208
Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Thursday, March 15, 2007 4:26 PM
To: Joanah Ayroso
Cc: Lundgren April; Khojasteh Mehrdad; Martin Cheryl
Subject: RE: Long term debt Obligations

Hi Joanah,

Attached is a copy of the most recent 4thQ.xls worksheet per your request.

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]

Sent: Thursday, March 15, 2007 4:14 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

Can I have a copy of the new 4thQ.xls worksheet.

Thanks

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208
Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Tuesday, March 13, 2007 5:47 PM
To: Joanah Ayroso
Subject: FW: Long term debt Obligations

Look at the 4th tab on this attachment for:

Hi Nadira,

Thank you.

I cant find the support for the $63,904 Long-term Debt Interest

Thanks

JOWI
Joanah Marie Ayroso

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Tuesday, March 13, 2007 3:24 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad
Subject: Long term debt Obligations

Here are the support for LT debt Obligations you requested - see the 4th tab.

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

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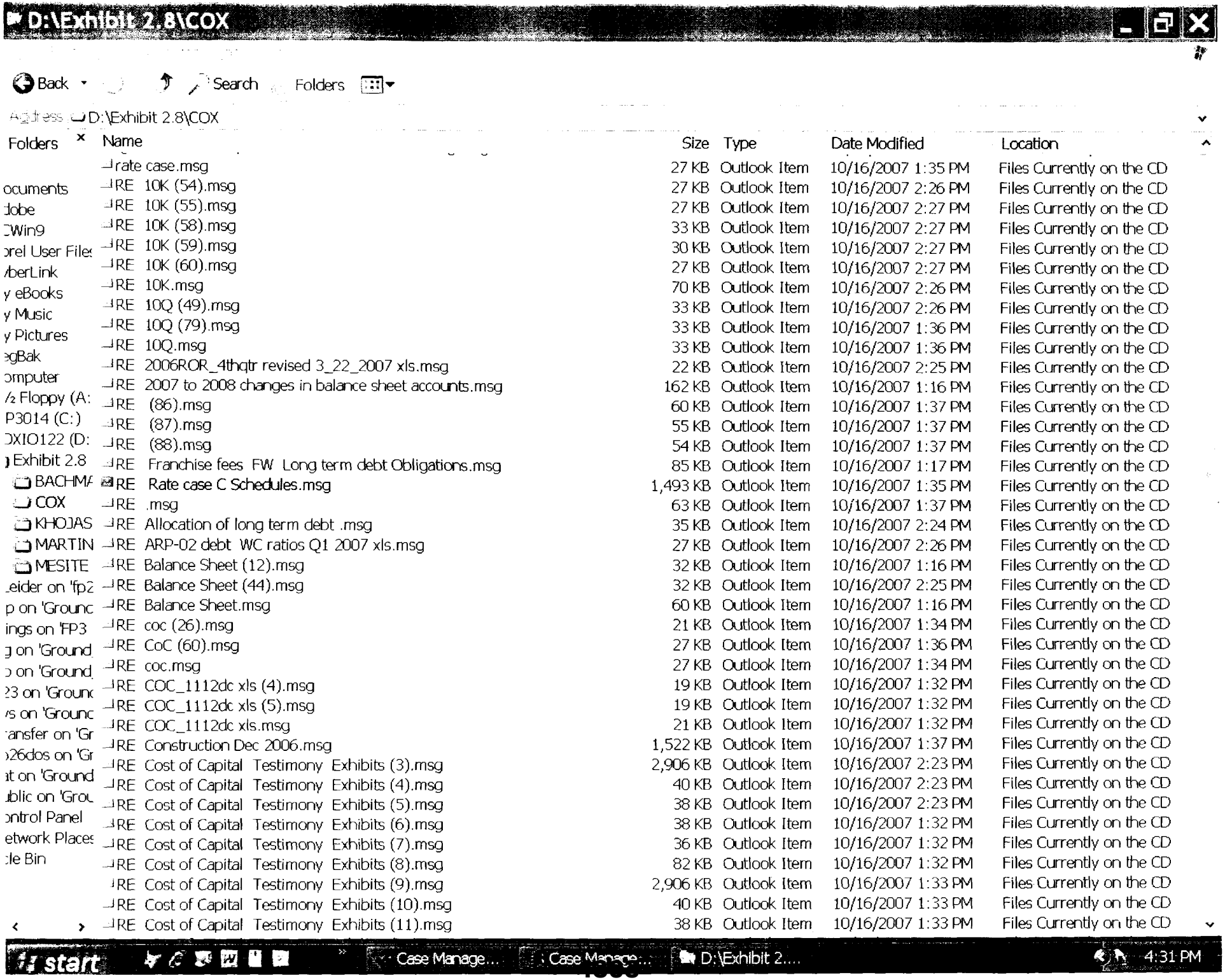
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Clara Leider

From: Martin Cheryl
Sent: Monday, July 30, 2007 11:41 AM
To: Mike Welsh
Cc: Khojasteh Mehrdad; Robert Camfield; Cox Doreen
Subject: RE: Rate case C Schedules
Attachments: C-10.xls

Here is C10. Yes, C23 should have data for all three years. I believe Doreen had computed this elsewhere. Doreen?

From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]
Sent: Monday, July 30, 2007 11:17 AM
To: Martin Cheryl
Cc: Khojasteh Mehrdad; Robert Camfield
Subject: Rate case C Schedules

Known issues outstanding at this time

C-8 Mehrdad and I need to discuss some need for documentation for changes.

C-10 (Detail of rate case expenses for 2008): I do not have data for 2008 but suspect we may not need to file this form for 2008.

C-16: I believe I still need data for this or direction on where to pull it from our projections.

C-23: Do we need to show data for all three years? If so shall we put them all on one sheet?

C-38 for 2007 and 2008: I have pulled data that I need except for the adjustment to remove economic development expense. Could use guidance on where to find this number.

C-41: Mehrdad has provided data for 2006 but I think we still need data for 2008.

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, July 30, 2007 8:38 AM
To: Mike Welsh
Cc: Robert Camfield
Subject: Rate case

Mike, do you have everything you need for the B, C, D, G schedules?

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION

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

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
Projected Prior Year Ended 12/31/2007
Historical Year Ended 12/31/2006
Witness: Cheryl Martin

(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							241,000	
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES							150,000	
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							337,000	
					TOTAL RATE CASE COSTS		$ 728,000	

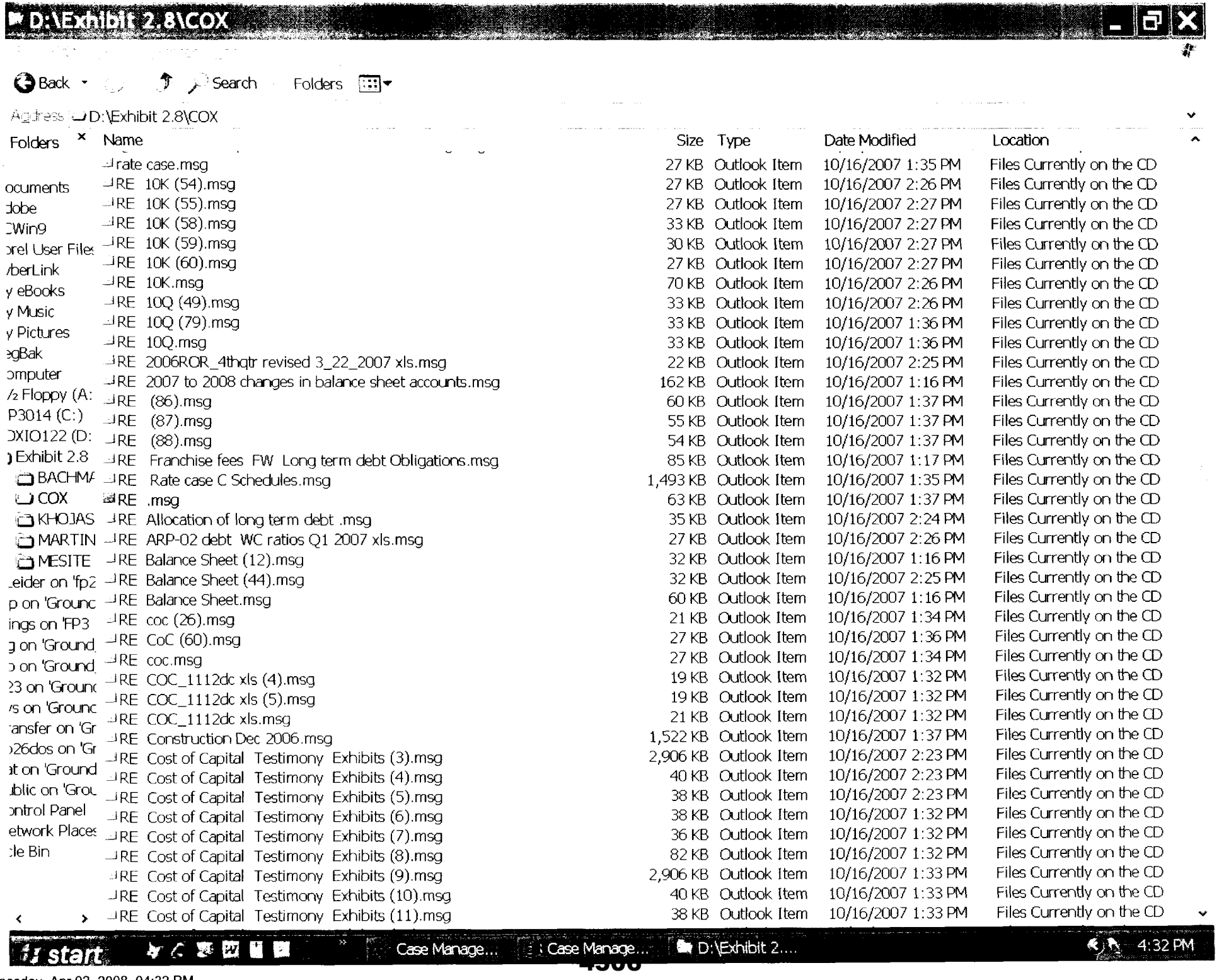
(a) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)
A = ACCOUNTING
B = COST OF CAPITAL
C = ENGINEERING
L = LEGAL
O = OTHER
R = RATE DESIGN
S = COST OF SERVICE

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		$ 182,000

Supporting Schedules:

Recap Schedules: C12, C7



Wednesday, Apr 02, 2008 04:32 PM

Clara Leider

From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:42 PM
To: Martin Cheryl; Cox Doreen
Subject: RE:

Thanks

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 19, 2007 3:39 PM
To: Cox Doreen; Bhatia Nadira
Subject: RE:

I sent her 2 and 3 already.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 19, 2007 3:37 PM
To: Bhatia Nadira
Cc: Martin Cheryl
Subject: RE:

Nadira:

1. Please see R41 in the support documentation that I gave you on Friday for $100,000 in 2007.
2. I didn't update this section, you may need to check with Marc Seagrave if no one in accounting has support.

   We have begun construction in the Indiantown area to install natural gas mains in the first phase of this development, for approximately 100 homes. The next two developments are slated to break ground in 2007 for construction of approximately 1,000 homes.

3. I'll provide you with support for the approximately $700,000 of storm hardening expense.

Doreen

-----Original Message-----
From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:25 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE:

Doreen:

Do you have anything to support the following?

> ***Natural Gas Customers***
> Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

Indiantown Gas Agreement
The FPSC approved our joint transportation and territorial agreements with Indiantown in October 2006. We have begun construction in the Indiantown area to install natural gas mains in the first phase of this development, for approximately 100 homes. The next two developments are slated to break ground in 2007 for construction of approximately 1,000 homes.

Storm Preparedness Expenses
Regulators continue to focus on hurricane preparedness and storm recovery issues for utility companies. Newly mandated storm preparedness initiatives could impact our operating expenses and capital expenditures beginning in 2007. The initial forecasts of these annual expenditures are approximately $700,000. It is possible that additional regulation and rules will be mandated regarding storm related expenditures over the next several years. We requested with the FPSC to recover the cost of the newly mandated storm preparedness initiatives and to defer these storm related expenditures until we receive recovery through a rate increase. If approved, both the recovery and expenditures may occur by mid-2007. If the FPSC does not approve our request, we plan to file a rate proceeding in 2007 as an alternative option for recovery of these expenditures.

In the 10K, Page 26

Thanks.
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 19, 2007 3:20 PM
To: Bhatia Nadira
Subject: RE:

I think Doreen does.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Bhatia Nadira
Sent: Monday, February 19, 2007 3:19 PM
To: Martin Cheryl
Subject:

Natural Gas Customers
Two transportation customers in our Central Florida division performed maintenance work and as a result were off-line for approximately six months in 2006. We anticipate that they will not be fully operational until mid-2007. The decreased revenue and gross profit is estimated to be $100,000 in 2007.

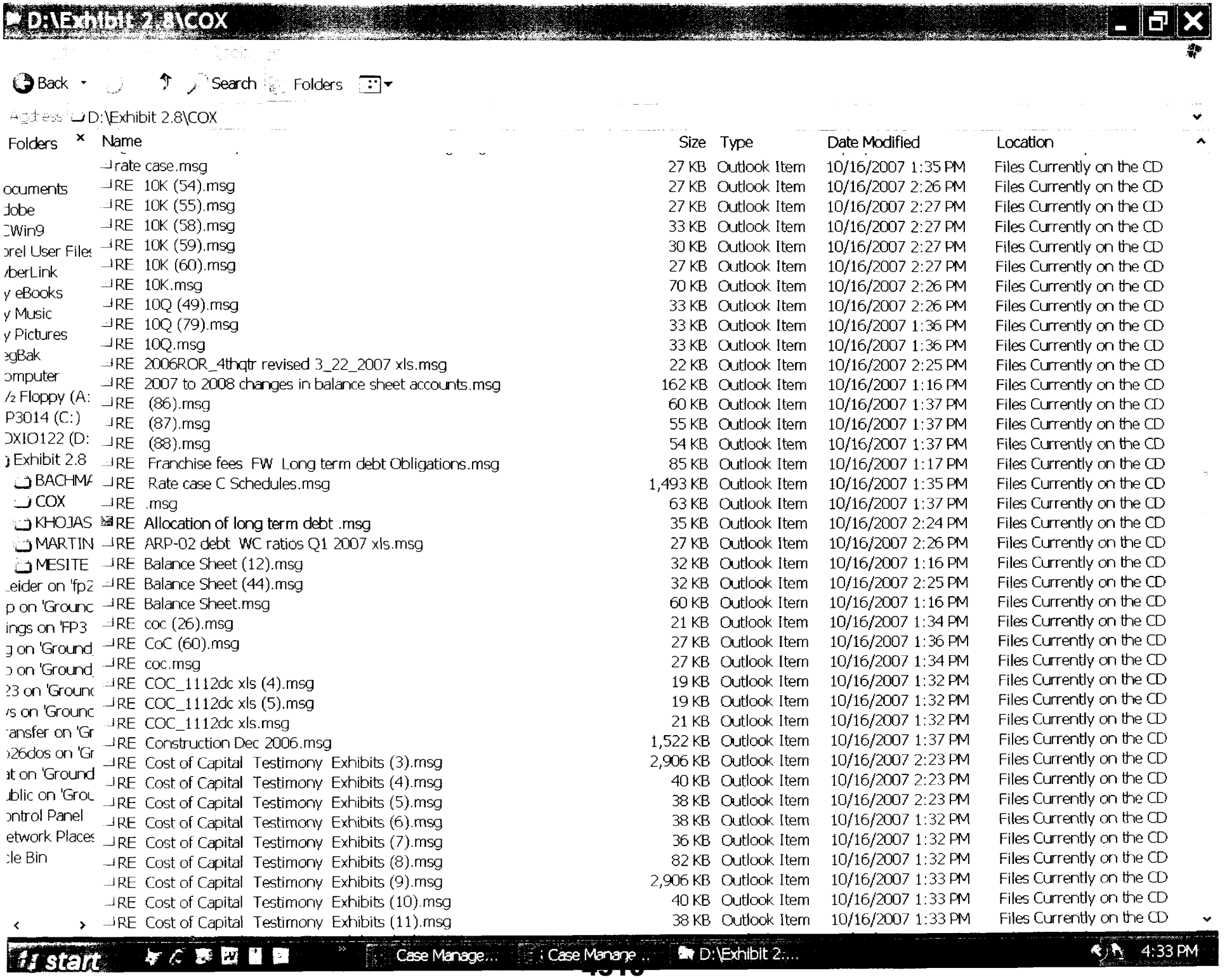
In the 10K, Page 26

Cheryl:

Do you have a reference for the $100K mentioned above?

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776


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Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 10:12 AM
To: Cox Doreen
Subject: RE: Allocation of long term debt

Doreen: I am a bit delayed, I am looking at some additional info that may address my questions.

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thursday, July 12, 2007 8:16 AM
To: Mike Welsh
Subject: RE: Allocation of long term debt

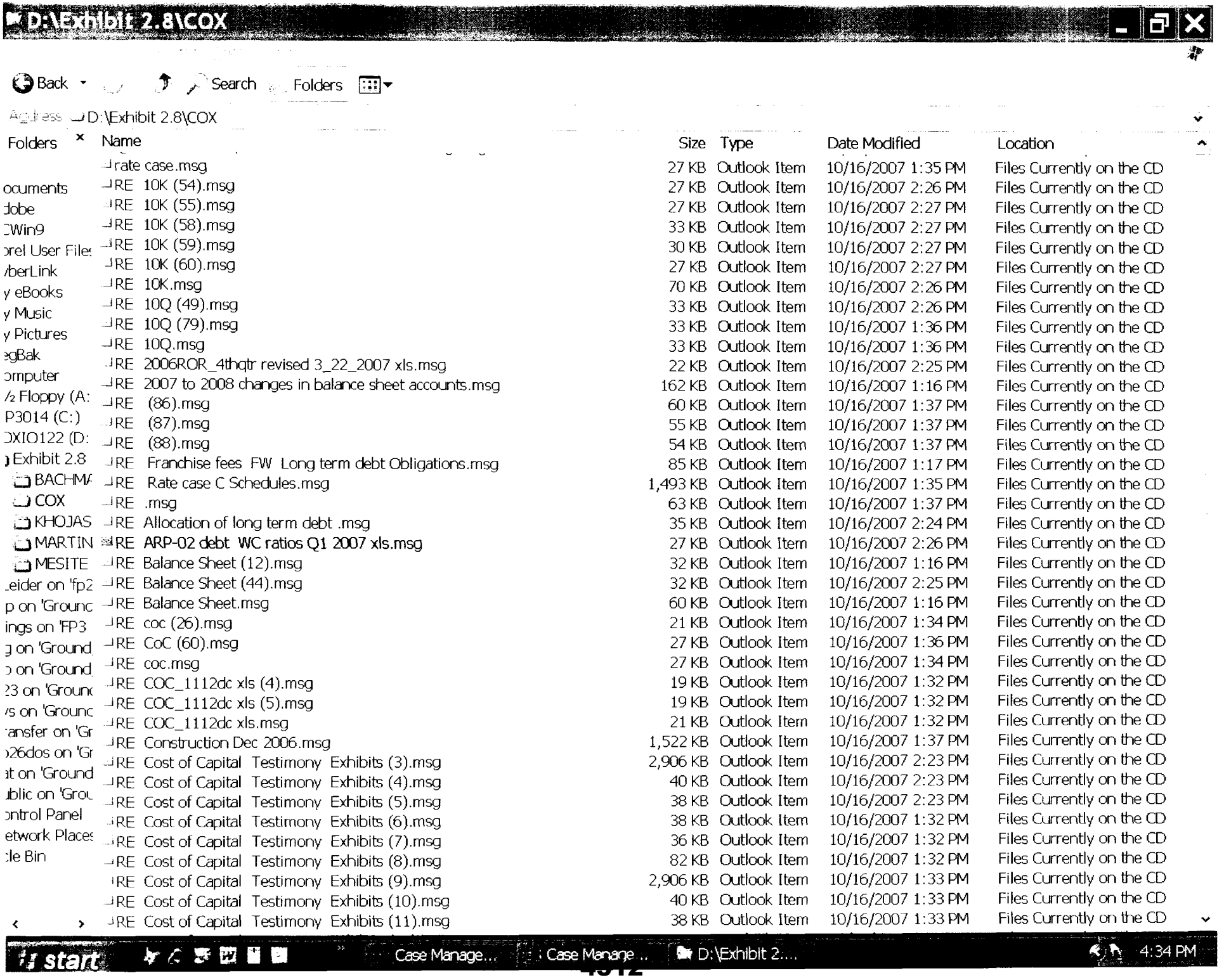
Mike
Please feel free to call me any time.
Doreen
(561) 838-1797

From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 9:10 AM
To: Cox Doreen
Subject: Allocation of long term debt

Good morning Doreen.

I was wondering if I could call you later this morning to discuss the allocation of various capital items to the electric division. For example I note that in the balance sheet provided by Jim the long term debt is about 50,500,000. I find that this corresponds to the amount you have listed for FPU long term debt in the D schedules, but then as we discussed earlier this week in the context of long term debt expenses) only a portion of the long term debt is attributable to the electric division. I am thinking a very short call will clear this up for me. I need to get this resolved as this will have a noticeable impact on the rate base if as I expect a significant portion of long term debt (and some other capital items) is not attributable to electric.

I am tied up for about the next 35 to 45 minutes but would be available to call you any time after that.


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Clara Leider

From: Jacqueline Gibbons [JGibbons@bdo.com]
Sent: Tuesday, May 01, 2007 5:04 PM
To: Cox Doreen
Subject: RE: ARP-02 debt WC ratios Q1 2007.xls

Thanks Doreen.

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, May 01, 2007 5:03 PM
To: Jacqueline Gibbons
Cc: Lundgren April; Martin Cheryl
Subject: ARP-02 debt WC ratios Q1 2007.xls

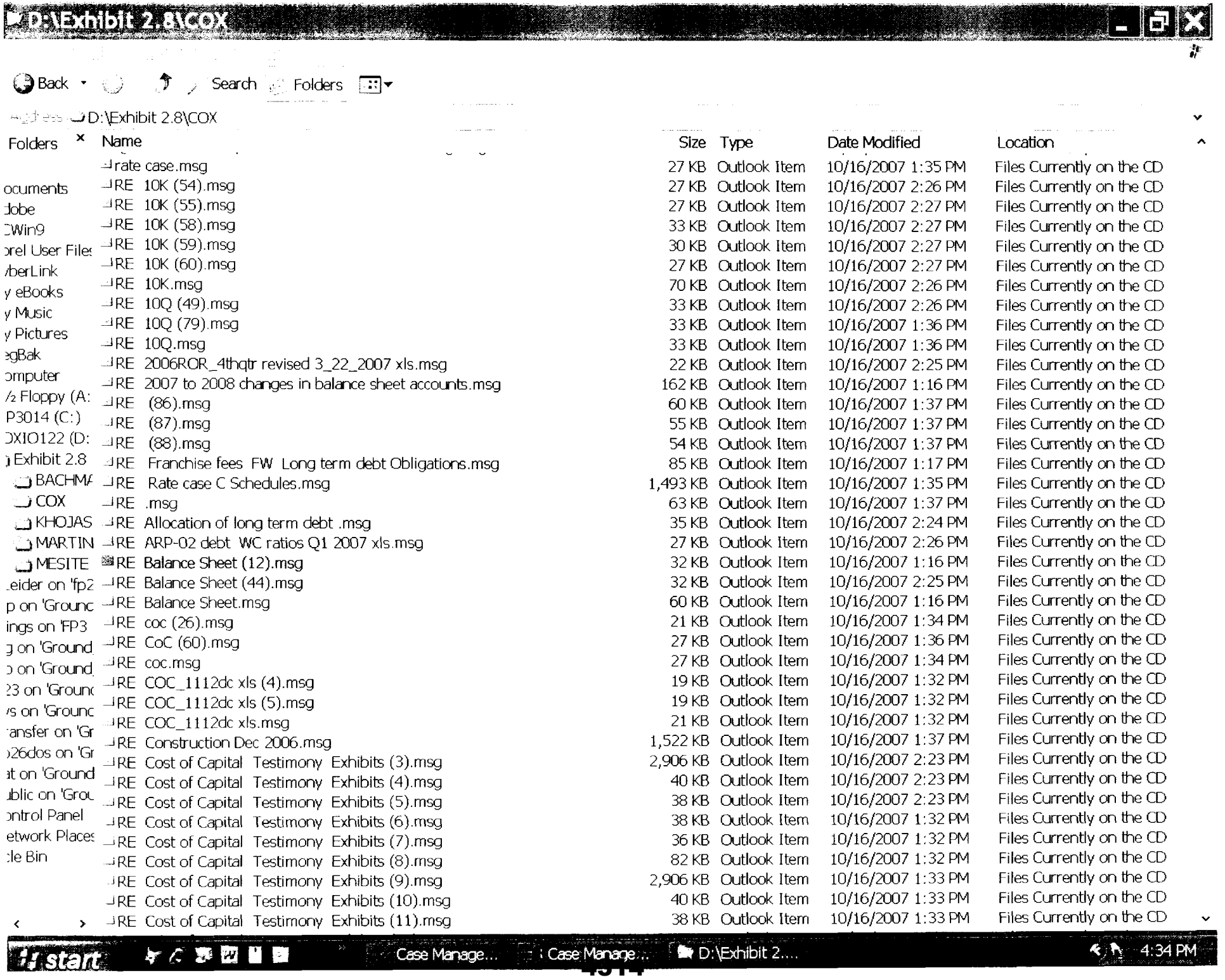
Jackie
Debt to Equity and Working Capital Ratio Analyses as requested.
Thanks
Doreen

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Wednesday, Apr 02, 2008 04:34 PM

Clara Leider

From: Hawn, Dan [Dan.Hawn@rsmi.com]
Sent: Monday, June 11, 2007 3:16 PM
To: Cox Doreen
Subject: RE: Balance Sheet

Doreen,

Thanks for the update. I will incorporate into the valuation analysis and send an updated draft report to you.

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

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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Monday, June 11, 2007 12:32 PM
To: Hawn, Dan
Cc: Bachman George; Khojasteh Mehrdad; Lundgren April; Martin Cheryl
Subject: RE: Balance Sheet

Dan
Attached is the revised Balance Sheet Allocation worksheet. As we discussed the revisions made are as follows:

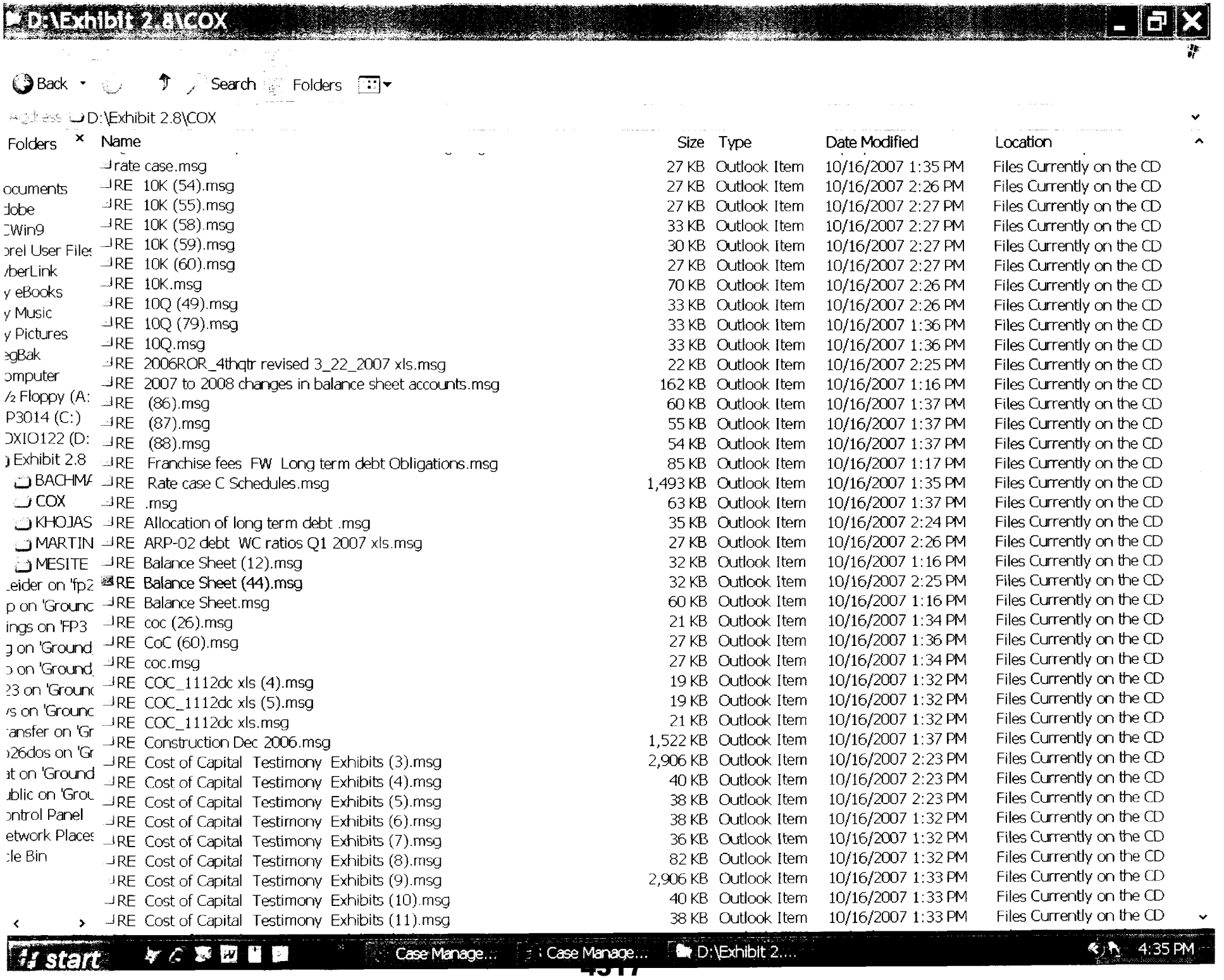
1. Re-allocation of Special LT Deposits 1340.1 entirely to Electric. This deposit relates to our Electric Fuel Contracts.
2. Re-classification of the net fuel over/under recoveries to capital in order to eliminate the associated timing differences, which are refunded or collected from our customers in the next period. These over/under recoveries directly affect our Notes Payable Balance and have therefore been re-classified to our ST Debt Capital Component.

This approach has been discussed with our external auditors – the auditor agrees with the concept, but she will also discuss and get the opinion of their valuation expert.

Please review and let us know if the re-classifications are not appropriate from a business valuation perspective.
Thanks
Doreen
(561) 838-1797

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Clara Leider

From: Hawn, Dan [Dan.Hawn@rsmi.com]
Sent: Monday, June 11, 2007 3:16 PM
To: Cox Doreen
Subject: RE: Balance Sheet

Doreen,

Thanks for the update. I will incorporate into the valuation analysis and send an updated draft report to you.

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

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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Monday, June 11, 2007 12:32 PM
To: Hawn, Dan
Cc: Bachman George; Khojasteh Mehrdad; Lundgren April; Martin Cheryl
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Dan
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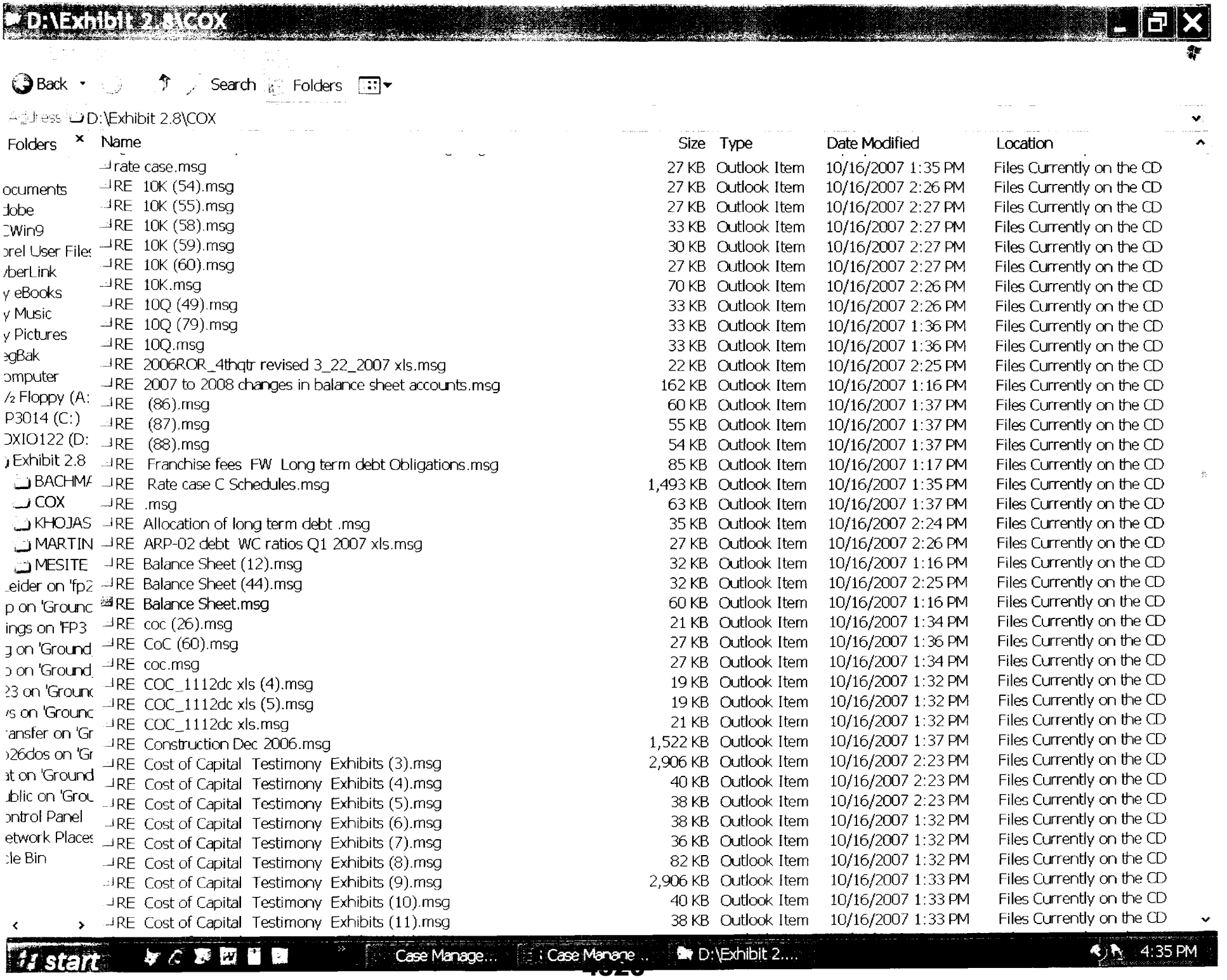
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2. Re-classification of the net fuel over/under recoveries to capital in order to eliminate the associated timing differences, which are refunded or collected from our customers in the next period. These over/under recoveries directly affect our Notes Payable Balance and have therefore been re-classified to our ST Debt Capital Component.

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Please review and let us know if the re-classifications are not appropriate from a business valuation perspective.
Thanks
Doreen
(561) 838-1797

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Clara Leider

From: Hawn, Dan [Dan.Hawn@rsmi.com]
Sent: Monday, June 11, 2007 7:07 PM
To: Cox Doreen
Subject: RE: Balance Sheet
Attachments: Natural Gas Balance Sheet.pdf

Doreen,

The adjustments seem appropriate. Should I use the balance sheet as is was sent over? It appears that you left in other investments. Last year we adjusted as a non-operating asset (and reduced the carrying value). I can do the same this year, but would rather leave it in current assets. If it is removed, a working capital short-fall is created. I then would have to make an adjustment and discuss in the report. I can do that if you want, but it is a much cleaner presentation to leave the other investments as a component of other current assets. Attached is the balance sheet for the Natural Gas Reporting Unit. Please let me know your thoughts.

Thanks,
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.

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Monday, June 11, 2007 12:32 PM
To: Hawn, Dan
Cc: Bachman George; Khojasteh Mehrdad; Lundgren April; Martin Cheryl
Subject: RE: Balance Sheet

Dan
Attached is the revised Balance Sheet Allocation worksheet. As we discussed the revisions made are as follows:

1. Re-allocation of Special LT Deposits 1340.1 entirely to Electric. This deposit relates to our Electric Fuel

Contracts.

2. Re-classification of the net fuel over/under recoveries to capital in order to eliminate the associated timing differences, which are refunded or collected from our customers in the next period. These over/under recoveries directly affect our Notes Payable Balance and have therefore been re-classified to our ST Debt Capital Component.

This approach has been discussed with our external auditors – the auditor agrees with the concept, but she will also discuss and get the opinion of their valuation expert.

Please review and let us know if the re-classifications are not appropriate from a business valuation perspective.
Thanks
Doreen
(561) 838-1797

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.

	As of December 31,				
	2002	**2003**	**2004**	**2005**	**2006**
Assets					
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	8,358,495
Total Current Assets	6,628,926	6,795,599	12,678,437	16,160,704	14,922,607
Long Term Assets:					
Misc. Deferred Debits	4,965,075	5,383,959	6,523,028	6,098,646	5,713,930
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	11,279,598
Net Property and Equipment	51,133,801	53,452,371	62,774,190	65,967,989	70,197,987
Total Assets	$ 69,254,125	$ 71,864,928	$ 86,703,264	$ 93,557,156	$ 96,400,192
Liabilities and Stockholders' Equity					
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	2,269,102
Total Current Liabilities	7,178,101	8,783,648	12,358,277	15,586,616	14,048,816
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	11,174,700
Other Liabilities	1,054,940	951,616	2,055,701	1,013,519	814,407
Total Long Term Liabilities	14,179,826	14,681,826	21,217,552	20,803,294	23,483,257
Total Liabilities	21,357,927	23,465,474	33,575,829	36,389,910	37,532,073
Total Stockholders' Equity	47,896,198	48,399,454	53,127,435	57,167,246	58,868,119
Total Liabilities and Shareholders' Equity	$ 69,254,125	$ 71,864,928	$ 86,703,264	$ 93,557,156	$ 96,400,192

Notes:

(1) In preparing our business valuation report, we have relied upon historical financial informatio 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

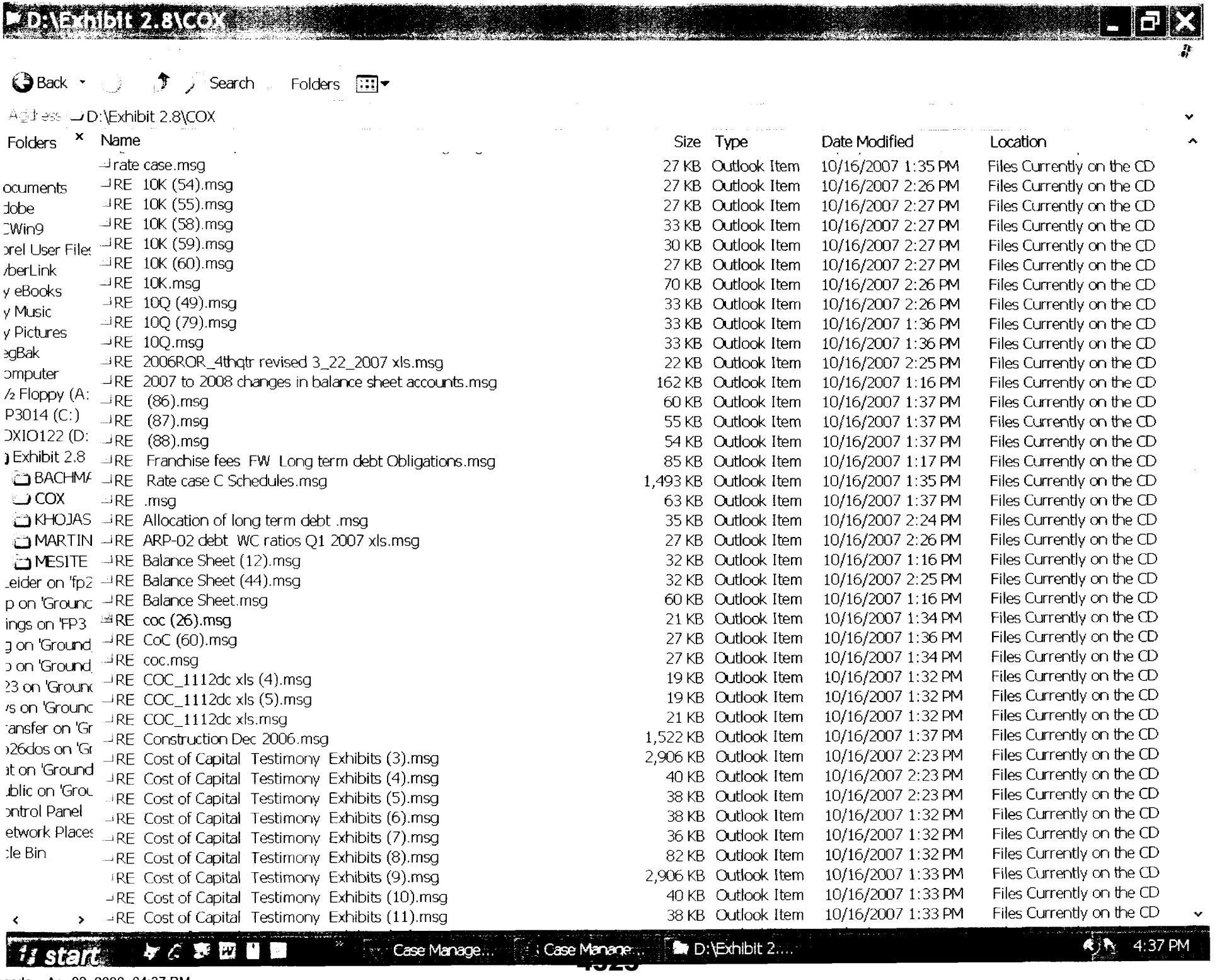
Source: Florida Public Utilities Company Internally Prepared Balance Sheets

	As of December 31,				
	2002	2003	2004	2005	2006
Assets					
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%	8.7%
Total Current Assets	9.6%	9.5%	14.6%	17.3%	15.5%
Long Term Assets:					
Misc. Deferred Debits	7.2%	7.5%	7.5%	6.5%	5.9%
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%	11.7%
Net Property and Equipment	73.8%	74.4%	72.4%	70.5%	72.8%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities and Stockholders' Equity					
Current Liabilities:					
Customer Deposits	5.0%	5.4%	5.0%	5.7%	5.9%
Accounts Payable					
Taxes Accrued	0.1%	0.1%	0.2%	0.1%	0.2%
Interest Accrued	0.2%	0.2%	0.6%	0.6%	0.5%
Other	0.0%	0.0%	2.6%	2.7%	2.4%
Total Current Liabilities	10.4%	12.2%	14.3%	16.7%	14.6%
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%	11.6%
Other Liabilities	1.5%			1.1%	0.8%
Total Long Term Liabilities	20.5%	20.4%	24.5%	22.2%	24.4%
Total Liabilities	30.8%	32.7%	38.7%	38.9%	38.9%
Total Stockholders' Equity	69.2%	67.3%	61.3%	61.1%	61.1%
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 informatio 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



Wednesday, Apr 02, 2008 04:37 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 07, 2007 7:27 AM
To: Martin Cheryl
Cc: Cox Doreen
Subject: RE: coc

I will no by about 2pm whether the 11.50% return on equity holds or not. Robert

---

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/6/2007 1:18 PM
To: Robert Camfield
Cc: Cox Doreen
Subject: coc

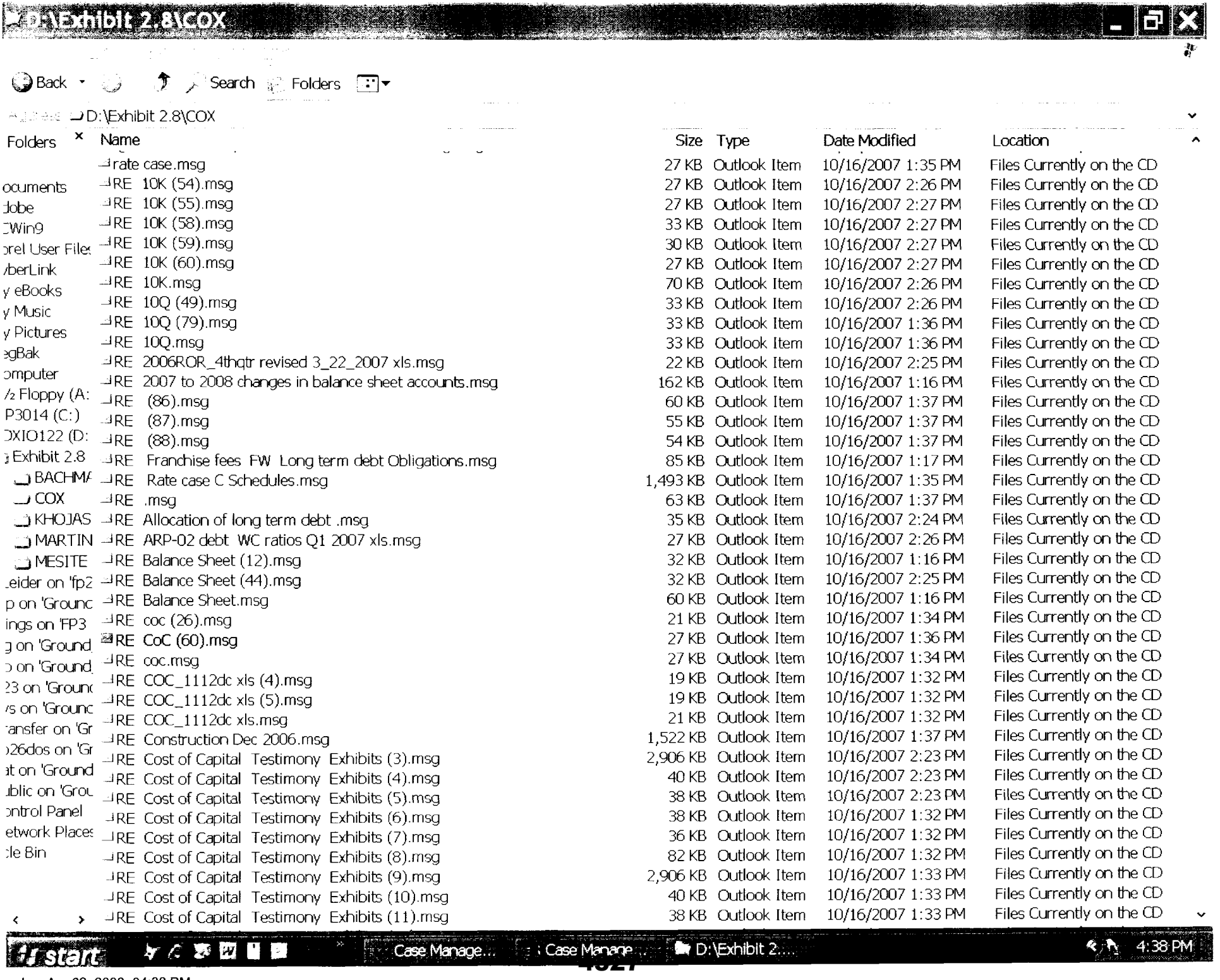
Robert, we are done correct with cost of capital rates? At this point that should be final.

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725


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Clara Leider

From: Martin Cheryl
Sent: Thursday, June 14, 2007 11:36 AM
To: Cox Doreen
Subject: RE: CoC
Categories: Elec Rate Case

For interim rate relief we make Common equity rate the bottom of the allowable. Nothing to do with equity offering. We compute interest on the D schedule based on our cost of capital for use in income taxes. Cheryl

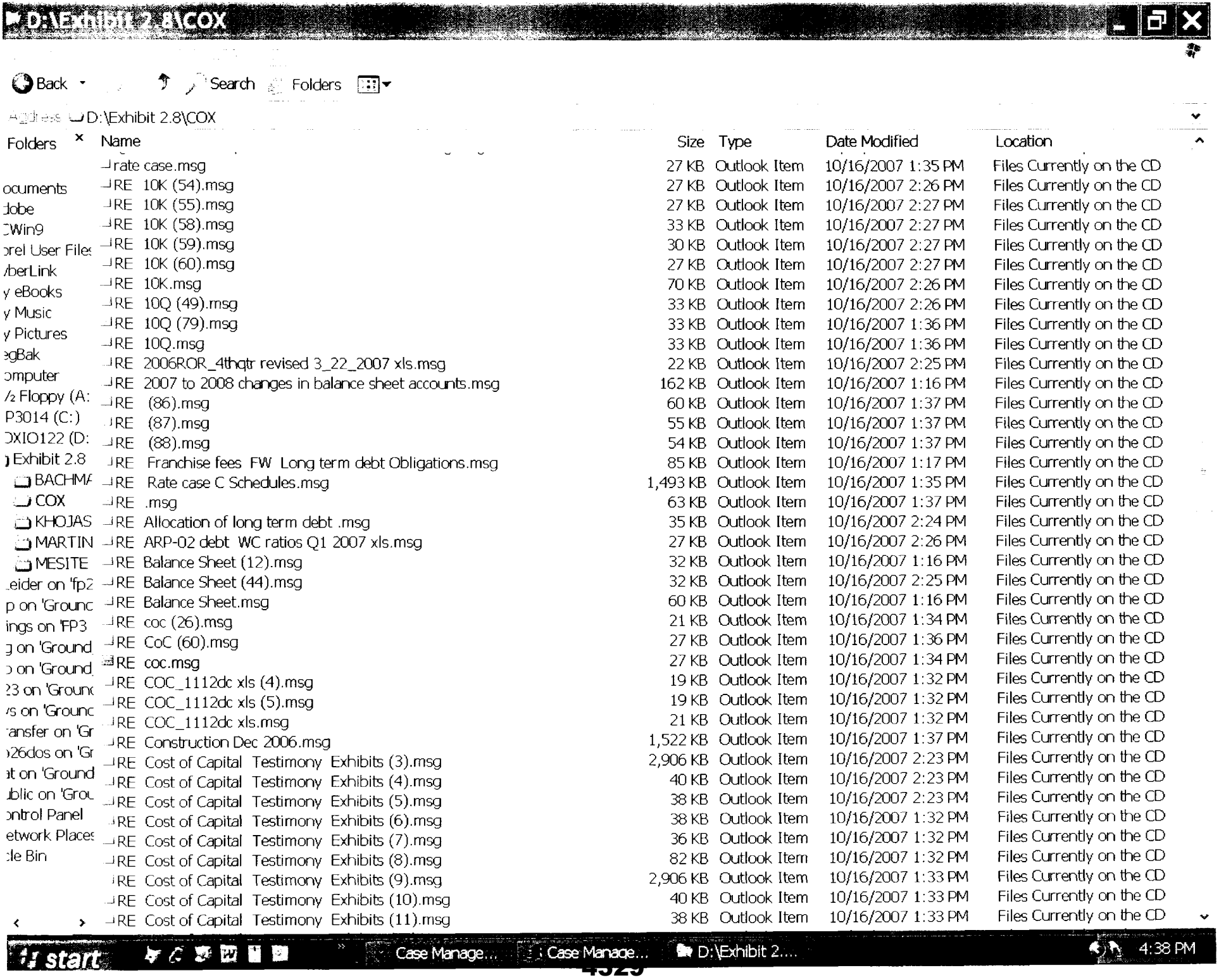
From: Cox Doreen
Sent: Thursday, June 14, 2007 10:14 AM
To: Martin Cheryl
Subject: RE: CoC

The interest expense would decrease as a result of an equity offering as we would use the proceeds to pay down the LOC. The equity offering is projected for June 2008 so it would should not affect interim.

From: Martin Cheryl
Sent: Thursday, June 14, 2007 9:15 AM
To: Cox Doreen
Subject: CoC

The interest expense does not change with Common equity, does it? I am thinking for interim that would be the same, but I wanted to double check with you.

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Wednesday, Apr 02, 2008 04:39 PM

Clara Leider

From: Martin Cheryl
Sent: Tuesday, August 07, 2007 8:15 AM
To: Robert Camfield
Cc: Cox Doreen
Subject: RE: coc

I would hope it will not change. You are able to cut off your testimony at a given point due to the nature of the filing. They will ask you for updates thru interrogatories, but we should not be changing at this point. Just make your testimony at the point you could support the 11.50. Thanks Cheryl

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, August 07, 2007 7:27 AM
To: Martin Cheryl
Cc: Cox Doreen
Subject: RE: coc

I will no by about 2pm whether the 11.50% return on equity holds or not. Robert

---

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/6/2007 1:18 PM
To: Robert Camfield
Cc: Cox Doreen
Subject: coc

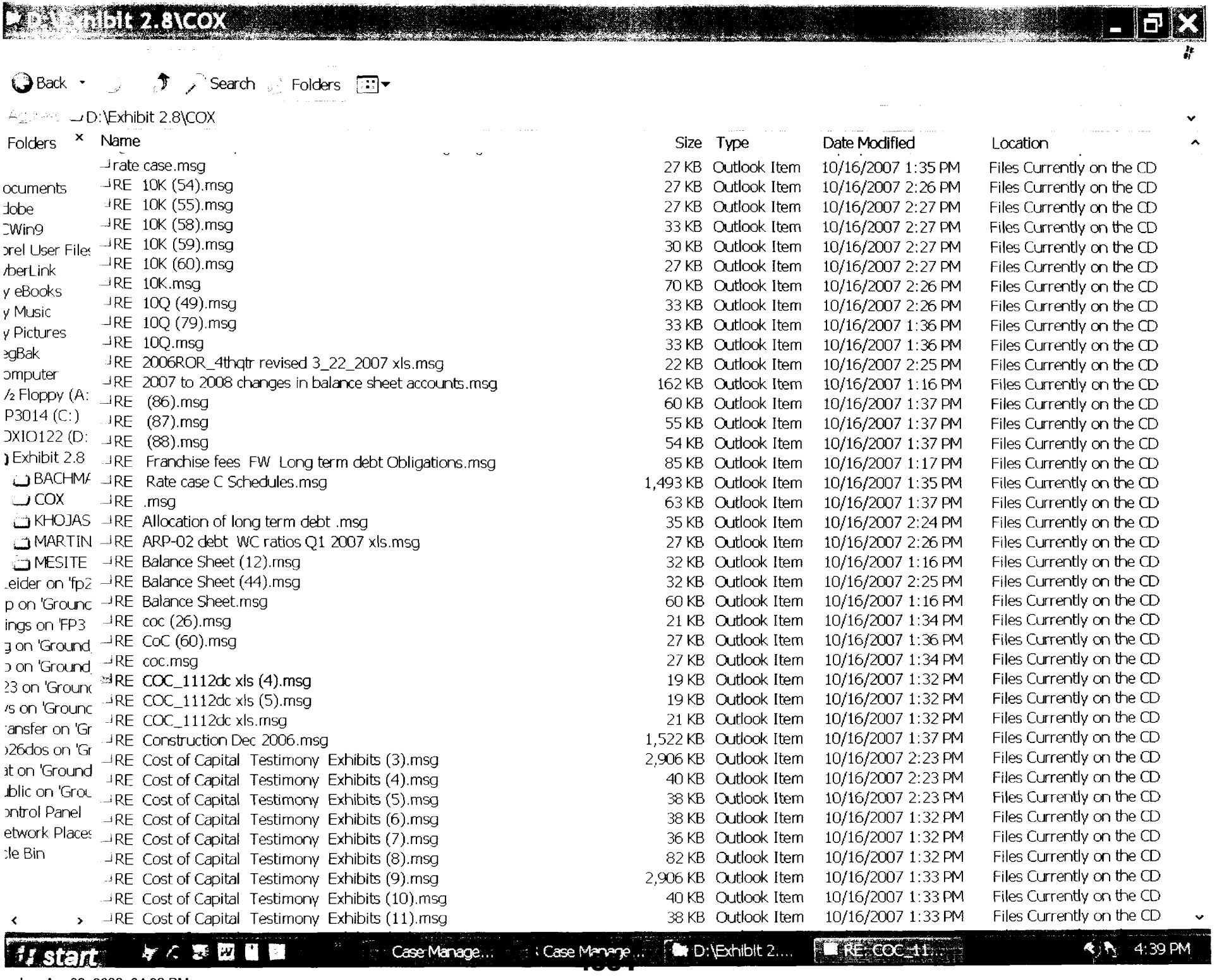
Robert, we are done correct with cost of capital rates? At this point that should be final.

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Wednesday, Apr 02, 2008 04:39 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 6:05 AM
To: Cox Doreen
Subject: RE: COC_1112dc.xls

Doreen,

As I mentioned, please confirm that the exhibit page and numeric references shown within our testimony are align with the exhibits and are correct.

Thanks, Robert

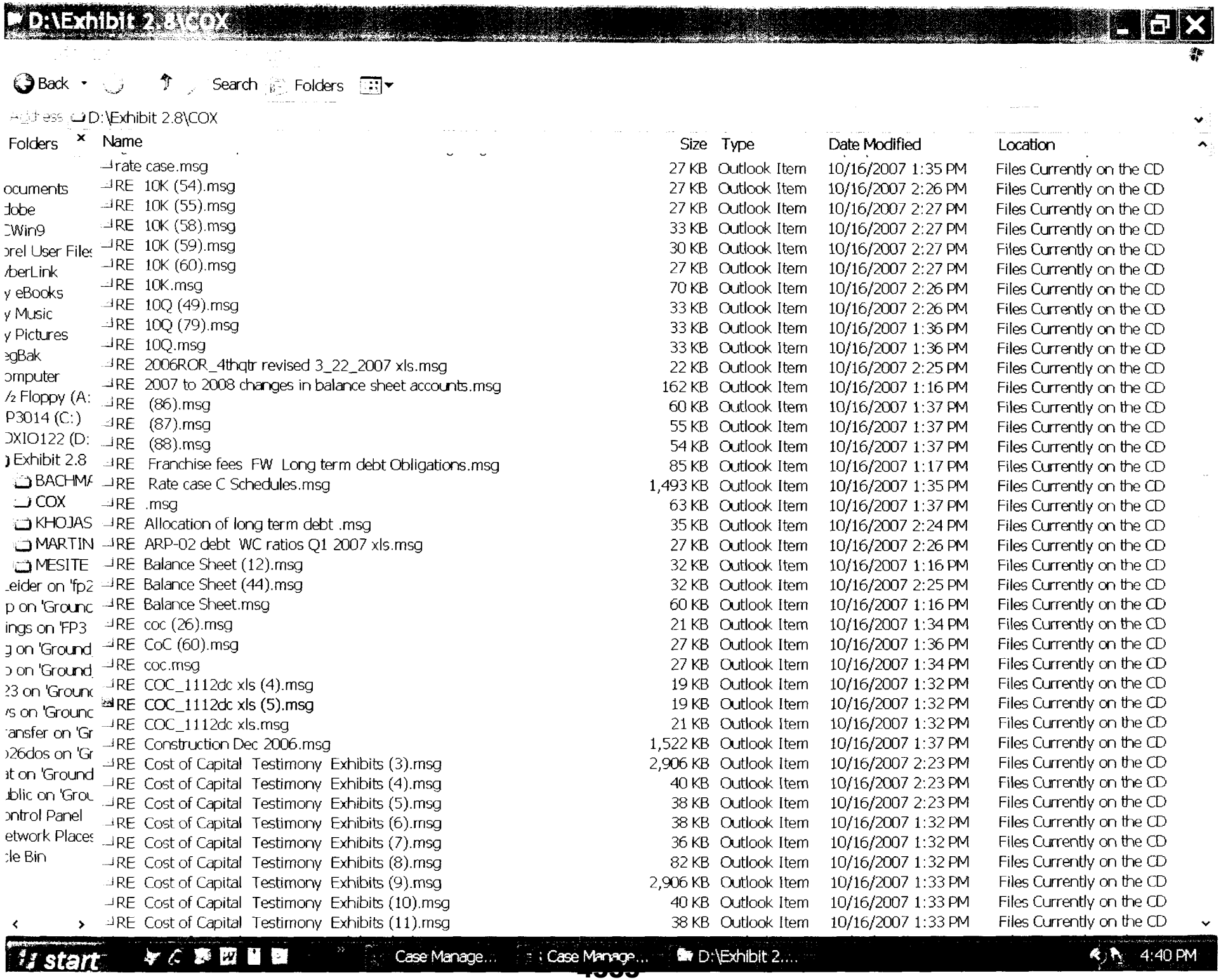
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 4:23 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: COC_1112dc.xls

Robert

Please see attached. Updated for Historical Capital Structure, Interest Coverage and Year-end Cost of Capital. I did one including Flo-Gas and one without Flo-Gas.

Thanks

Doreen


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RE Cost of Capital Testimony Exhibits (11).msg 38 KB Outlook Item 10/16/2007 1:33 PM Files Currently on the CD
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Case Manage...
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4:40 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 7:31 PM
To: Cox Doreen
Subject: RE: COC_1112dc.xls

Got it....Thanks, Doreen. Robert

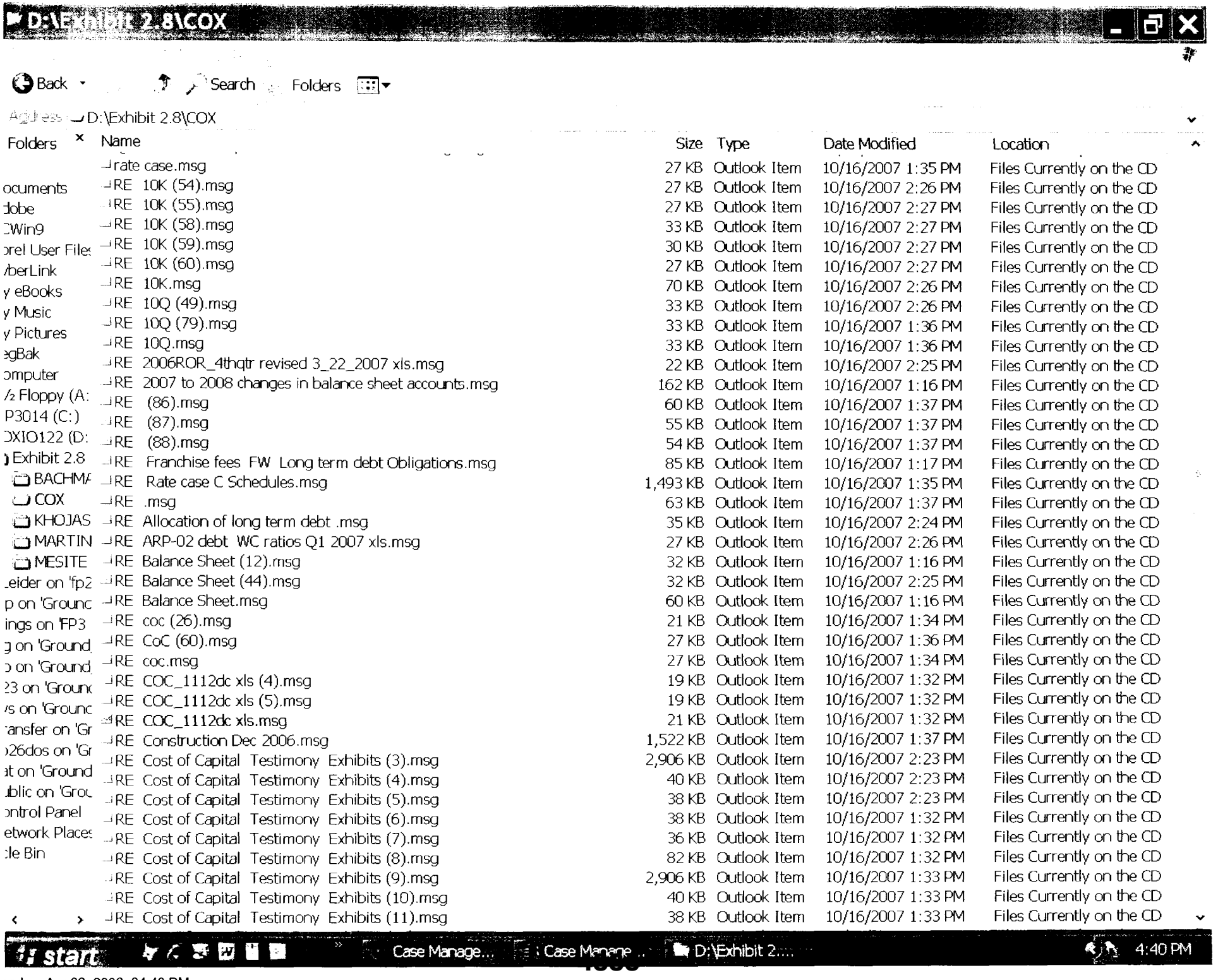
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 4:23 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: COC_1112dc.xls

Robert

Please see attached. Updated for Historical Capital Structure, Interest Coverage and Year-end Cost of Capital. I did one including Flo-Gas and one without Flo-Gas.

Thanks

Doreen


D:\Exhibit 2.8\COX
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rate case.msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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RE 10Q (79).msg 33 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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RE .msg 63 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
RE Allocation of long term debt .msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
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4:40 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 10:55 AM
To: Cox Doreen
Subject: RE: COC_1112dc.xls

Doreen,

I suggest "Exhibit 1, Page 2".

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 6:08 AM
To: Robert Camfield
Subject: RE: COC_1112dc.xls

I will do that right now. What numbers will the Year end Capital Structure Exhibits be?

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 6:05 AM
To: Cox Doreen
Subject: RE: COC_1112dc.xls

Doreen,

As I mentioned, please confirm that the exhibit page and numeric references shown within our testimony are align with the exhibits and are correct.

Thanks, Robert

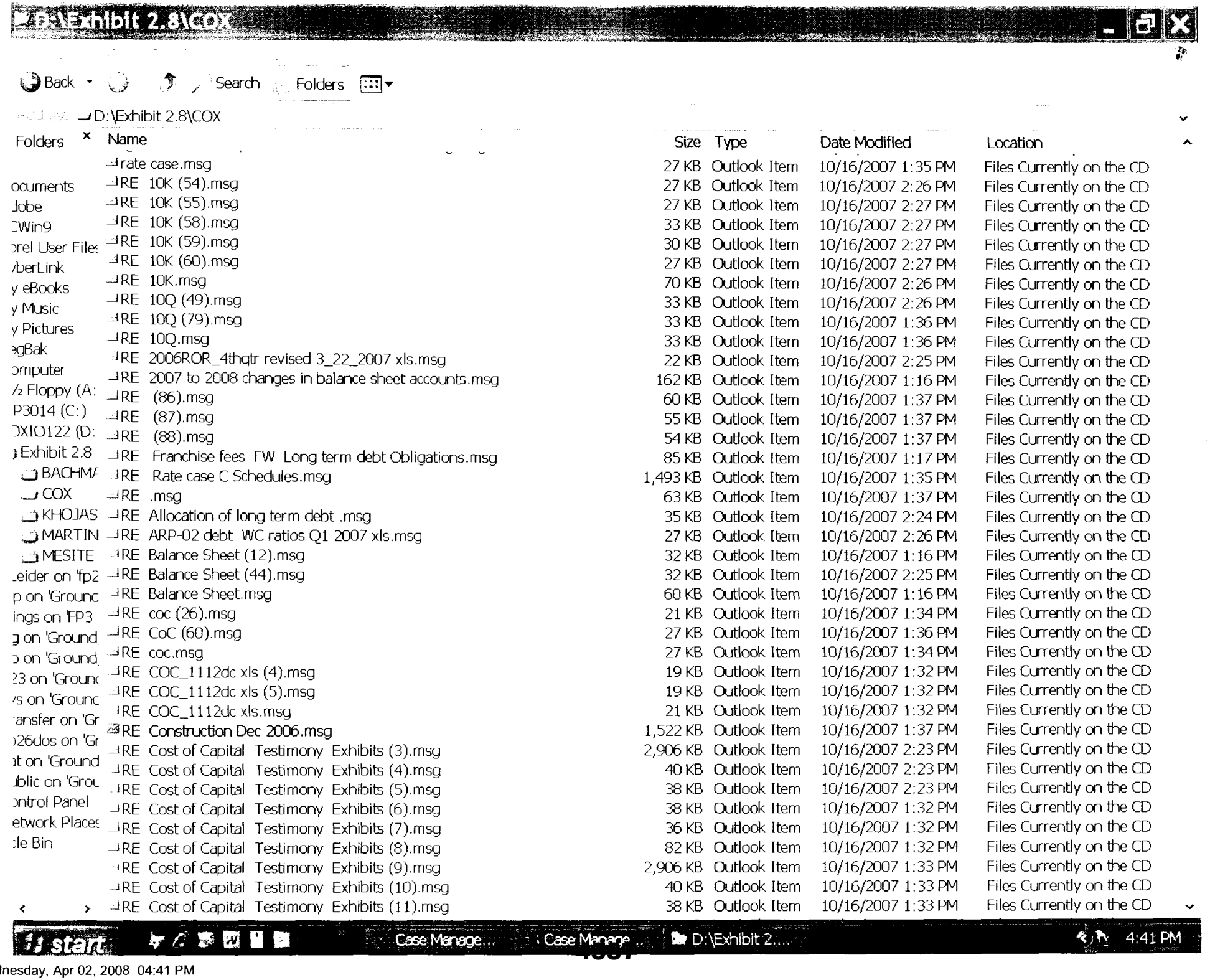
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 4:23 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: COC_1112dc.xls

Robert

Please see attached. Updated for Historical Capital Structure, Interest Coverage and Year-end Cost of Capital. I did one including Flo-Gas and one without Flo-Gas.

Thanks

Doreen


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Clara Leider

From: Grimeson Bill
Sent: Monday, January 29, 2007 8:38 AM
To: Cox Doreen
Subject: RE: Construction Dec 2006
Attachments: DEC06CON.XLS

I'll send you the file. The only thing that may change is some IR's may close.

From: Cox Doreen
Sent: Monday, January 29, 2007 8:25 AM
To: Grimeson Bill
Subject: RE: Construction Dec 2006

Okay thanks. What's the total construction for Dec 06 so far?

> -----Original Message-----
> **From:** Grimeson Bill
> **Sent:** Monday, January 29, 2007 8:16 AM
> **To:** Cox Doreen
> **Subject:** RE: Construction Dec 2006
>
> There may be some changes today to them. Will let you know.
>
> **From:** Cox Doreen
> **Sent:** Friday, January 26, 2007 4:13 PM
> **To:** Grimeson Bill
> **Subject:** Construction Dec 2006
>
> Bill
> Are these available?

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

Prepared By:
Approved By:

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Overhead Conductors & Devices	356				
DISTRIBUTION PLANT					
Land	360				
Station Equipment	362	212	22,244		NO BUDGET
Storage Battery Equip.	363	(212)	(212)		
Poles Towers and Fixtures	364	20,647	271,489	237,600	114%
Overhead Conductors and Devices	365	11,856	211,779	138,000	153%
Underground Conduit	366	970	5,037	2,400	210%
Underground Conductors & Devices	367	5,962	56,319	64,800	87%
Line Transformers	368	3,826	254,641	228,900	111%
Services	369	21,139	202,318	170,400	119%
Meters	370	1,194	83,791	84,000	100%
Installations on Customers' Premises	371	16,188	107,942	76,800	141%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems	373	677	20,630	14,400	143%
GENERAL PLANT					
Structures and Improvements	390		2,400	2,100	114%
Office Furniture and Equipment	391		13,744	8,000	172%
Transportation Equipment-Cars	392		184,276	226,000	82%
Stores Equipment	393				
Tools, Shop and Garage Equipment- Fixed Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL CONSTRUCTION		**82,459**	**1,436,398**	**1,253,400**	**115%**

Northwest
1

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Overhead Conductors & Devices	356				
DISTRIBUTION PLANT					
Station Equipment	362				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	8,773	130,309	84,000	155%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647	1,941	54,885	52,800	104%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648	7,726	69,658	56,400	124%
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656	6,827	87,310	56,400	155%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657	5,029	61,561	49,200	125%
O/H Conduct. & Dev. - Decayed Pole Replacement	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	970	4,904	2,400	204%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	8,671	39,877	21,600	185%
Line Transformers - Overhead	3681	3,187	151,463	162,900	93%
Line Transformers - Duct	3682				
Line Transformers - Buried	3683	639	59,131	66,000	90%
Overhead Services	3691	10,287	91,044	84,000	108%
Underground Services - Duct	3692				
Underground Services - Buried	3693	10,852	111,274	86,400	129%
Meters	370	1,194	83,791	84,000	100%
Installations on Customers' Premises - Aboveground	3711	15,850	96,023	73,200	131%
Installations on Customers' Premises - Underground	3713		249	3,600	7%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731	677	20,630	14,400	143%
Street Lighting and Signal Systems - Underground	3733				
GENERAL PLANT					
Structures and Improvements	390		2,400	2,100	114%
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913				
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922				
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools/Shop/Garage Equipment - Fixed Equipment	3941				
Tools/Shop/Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**82,623**	**1,064,509**	**899,400**	**118%**

2

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3601				
Station Equipment	362	212	22,244		NO BUDGET
Storage Battery Equip.	363	(212)	(212)		
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	2,207	16,638	44,400	37%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647				
Poles/Towers/Fixtures - Decayed Pole Replacement	3648				
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656		62,908	32,400	194%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657				
O/H Conduct. & Dev. - Decayed Pole Replacement	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662		132		NO BUDGET
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	(2,709)	16,442	43,200	38%
Line Transformers - Overhead	3681		44,047		NO BUDGET
Line Transformers - Duct	3682				
Line Transformers - Buried	3683				
Overhead Services	3691				
Underground Services - Duct	3692				
Underground Services - Buried	3693				
Meters	370				
Installations on Customers' Premises - Aboveground	3711				
Installations on Customers' Premises - Underground	3713	338	11,670		NO BUDGET
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731				
Street Lighting and Signal Systems - Underground	3733				
GENERAL PLANT					
Structures and Improvements	390				
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913		28,400	8,000	355%
EDP Equipment-Software	391305		(14,655)		
Transportation Equipment - Cars	3921			25,000	0%
Transportation Equipment - Light Trucks & Vans	3922		21,019	23,500	89%
Transportation Equipment - Heavy Trucks	3923		155,148	170,000	91%
Transportation Equipment - Trailers	3924		8,108	7,500	108%
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools/Shop/Garage Equipment - Fixed Equipment	3941				
Tools/Shop/Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Laboratory Equipment - Meter Testing Equipment	3858				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL SPECIFIC I.R. CONSTRUCTION		**(164)**	**371,889**	**354,000**	**105%**

3

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH.	I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
10/03	#	21224	Mapping System-C	3913		14,655	14,655		
				391305		(14,655)	146,658		
			TOTAL FOR THIS I.R.NUMBER		0	0	161,313		150,000
11/03	O	21247	Scada Equip. for Altha Substation	362		6,675	103,908		
				3913		8,842	8,842		
				391305			70,376		
			TOTAL FOR THIS I.R.NUMBER		0	15,517	183,126		200,000
11/03	#	21248	Mapping System-C	391305			145,537		
			TOTAL FOR THIS I.R.NUMBER		0	0	145,537		150,000
12/03	#	21251	Family Dollar-C	3646			20,014		
				3647			289		
				3656			31,478		
				3657			1,033		
			TOTAL FOR THIS I.R.NUMBER		0	0	52,814		68,536
02/04	O	21298	Purchase Scada Equip	362	212	15,569	354,182	YR 2004	
				363	(212)	(212)	0		
			TOTAL FOR THIS I.R.NUMBER		0	15,357	354,182	200,000	200,000
03/04	#	21323	Lowes-C	3646			629		
				3656			946		
				3662			170		
				3672		(1,832)	1,587		
			TOTAL FOR THIS I.R.NUMBER		0	(1,832)	3,332		2,726
07/04	#	21374	167 KVA Voltage Regulator-C	3681			4,103		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,103		4,500
06/04	#	21445	Outage Mgt. & Mapping Software-C	391305			68,549		
			TOTAL FOR THIS I.R.NUMBER		0	0	68,549		80,000
01/05	#	21485	Bucket Truck-C	3923		155,148	155,148	YR 2005	
			TOTAL FOR THIS I.R.NUMBER		0	155,148	155,148	140,000	140,000
05/05	#	21576	New Spray Field-C	3646		5,915	44,452		
				3647			1,752		
				3656		58,630	61,331		
				3672	1,585	2,231	2,231		
			TOTAL FOR THIS I.R.NUMBER		1,585	66,776	109,766		99,633
05/05	O	21578	Pineview II Subdiv.	3646					
				3656					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		7,375
10/05	#	21706	Arizona Chemical-C	3656			107		
				3662			532		
				3672			13,143		
			TOTAL FOR THIS I.R.NUMBER		0	0	13,782		12,357
10/05	#	21707	Greefield Sub Phase I-C	3646		120	120		
				3662		132	132		
				3672		16,171	16,171		
			TOTAL FOR THIS I.R.NUMBER		0	16,423	16,423		17,553

Northwest
1

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH.	I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
12/05	#	21730	Purchase 3 Line Regulators-C	3681		35,939	35,939		
			TOTAL FOR THIS I.R.NUMBER		0	35,939	35,939		40,000
01/06	#	21765	Engineering Manager's truck-C	3922		21,019	21,020	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	21,019	21,020	23,500	23,500
01/06	#	21766	Purchase Voltage Regulator-C	3681		8,108	8,108		
			TOTAL FOR THIS I.R.NUMBER		0	8,108	8,108		8,000
01/06	#	21767	Trailer-C	3924		8,108	8,108	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	8,108	8,108	7,500	7,500
02/06	O	21794	Greefield Sub Phase II	3646					
				3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		23,629
02/06	O	21846	Hidden Village Subdiv.	3646					
				3656					
				3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		38,235
06/06	O	21878	Meter Reading Equip.	3913					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		15,000
07/06	#	21891	PC's for 5 Year Replacement-C	3913		4,903	4,902		
			TOTAL FOR THIS I.R.NUMBER		0	4,903	4,902		4,901
07/06	O	21893	Chestnut Lane	3646					
				3656					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,604
07/06	#	21898	Plantation Circle-C	3646		7,445	7,445		
				3656		4,152	4,152		
			TOTAL FOR THIS I.R.NUMBER		0	11,597	11,597		8,030
08/06	#	21905	Marianna Lime Products-C	3646		783	783		
				3656		126	126		
				3662					
				3672		3,996	3,996		
			TOTAL FOR THIS I.R.NUMBER		0	4,905	4,905		3,456
09/06	O	21925	Comfort/Faifield Inns	3646	2,375	2,375	2,375		
				3656					
				3662					
				3672	(2,133)	(2,133)	(2,133)		
			TOTAL FOR THIS I.R.NUMBER		242	242	242		3,456
10/06	#	21928	Greenfield UG Lighting Ph. 1-C	3713	338	11,670	11,670		
				3646	(168)	0	0		
				3672	(170)	0	0		
			TOTAL FOR THIS I.R.NUMBER		0	11,670	11,670		11,154
11/06	O	21946	Cypress Trail Subdiv.	3646					
				3662					
				3672	(1,991)	(1,991)	(1,991)		
			TOTAL FOR THIS I.R.NUMBER		(1,991)	(1,991)	(1,991)		12,876

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH.	I = In-Serv. # = Compl.	I.R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
12/06	O	21972	Printer	3913					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,900
			TOTAL CHARGES FOR SPECIFIC I.R.s		(164)	371,889	1,372,575	371,000	1,345,921

TOTAL OF ALL OPEN REQUISITIONS ("O")	535,559
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	837,016

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Land	350				
Structures & Improvements	352				
Station Equipment	353	11,400	11,400	6,000	190%
Towers & Fixtures	354				
Poles & Fixtures	355		12,582		NO BUDGET
Overhead Conductors & Devices	356		16,727		NO BUDGET
Roads & Trails	359				
DISTRIBUTION PLANT					
Land	360		5,431		
Structures & Improvements	361				
Station Equipment	362		48,994		NO BUDGET
Storage Batteries	363				
Poles Towers and Fixtures	364	2,112	88,737	210,800	42%
Overhead Conductors and Devices	365	2,966	82,517	144,600	57%
Underground Conduit	366	18,801	278,401	157,200	177%
Underground Conductors & Devices	367	18,634	393,437	287,400	137%
Line Transformers	368	76,960	168,424	300,000	56%
Services	369	26,317	192,994	253,700	76%
Meters	370	5,342	118,769	114,000	104%
Installations on Customers' Premises	371	14,317	78,754	32,400	243%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems	373	1,787	47,487	34,800	136%
GENERAL PLANT					
Structures and Improvements	390	2,500	8,950	3,000	298%
Office Furniture and Equipment	391		9,200	4,700	196%
Transportation Equipment-Cars	392		222,008	200,000	111%
Stores Equipment	393				
Tools, Shop and Garage Equipment- Fixed Equipment	394		4,897	9,000	54%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398		3,235		NO BUDGET
Miscellaneous Tangible Assets	399				
TOTAL CONSTRUCTION		**181,136**	**1,792,944**	**1,757,600**	**102%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Nunber	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Land	350				
Structures & Improvements	352				
Station Equipment	353			6,000	0%
Towers & Fixtures	354				
Poles & Fixtures	355				
Overhead Conductors & Devices	356				
Roads & Trails	359				
DISTRIBUTION PLANT					
Structures & Improvements	361				
Station Equipment	362				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	1,478	17,477	13,200	132%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647	634	39,190	41,400	95%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648		31,797	49,200	65%
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656	1,609	20,105	9,600	209%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657	1,357	48,013	24,000	200%
O/H Conduct. & Dev. - Upgrades	3658		14,150	18,000	79%
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	3,035	37,552	7,200	522%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	11,369	70,363	30,400	231%
Line Transformers - Overhead	3681	53,550	66,462	50,000	133%
Line Transformers - Duct	3682				
Line Transformers - Buried	3683	23,410	101,962	250,000	41%
Overhead Services	3691	5,246	39,572	73,200	54%
Underground Services - Duct	3692				
Underground Services - Buried	3693	21,071	153,423	180,500	85%
Meters	370	5,341	118,769	114,000	104%
Installations on Customers' Premises - Aboveground	3711	8,676	28,720	13,200	218%
Installations on Customers' Premises - Underground	3713	5,641	20,739	19,200	108%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731	1,664	16,412	15,600	105%
Street Lighting and Signal Systems - Underground	3733	123	20,607	19,200	107%
GENERAL PLANT					
Structures and Improvements	390	2,500	2,500	3,000	83%
Office Furniture and Equipment	3911			2,000	0%
Office Machines	3912			1,200	0%
EDP Equipment	3913		2,565	1,500	171%
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922				
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools, Shop and Garage Equipment - Fixed Equipment	3941				
Tools, Shop and Garage Equipment - Portable Equipment	3942		1,172	9,000	13%
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**146,704**	**851,550**	**950,600**	**90%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Structures & Improvements	352				
Station Equipment	353	11,400	11,400		NO BUDGET
Towers & Fixtures	354				
Poles & Fixtures	355		12,582		NO BUDGET
Overhead Conductors & Devices	356		16,727		NO BUDGET
Roads & Trails	359				
DISTRIBUTION PLANT					
Land	360		5,431		
Structures & Improvements	361				
Station Equipment	362		48,994		NO BUDGET
Storage Batteries	363				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646		273	107,000	0%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647				
Poles/Towers/Fixtures - Decayed Pole Replacement	3648				
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656			93,000	0%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657		249		NO BUDGET
O/H Conduct. & Dev. - Upgrades	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	15,767	240,849	150,000	161%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	7,265	323,075	257,000	126%
Line Transformers - Overhead	3681				
Line Transformers - Duct	3682				
Line Transformers - Buried	3683				
Overhead Services	3691				
Underground Services - Duct	3692				
Underground Services - Buried	3693				
Meters	370				
Installations on Customers' Premises - Aboveground	3711				
Installations on Customers' Premises - Underground	3713		29,294		NO BUDGET
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731				
Street Lighting and Signal Systems - Underground	3733		10,468		NO BUDGET
GENERAL PLANT					
Structures and Improvements	390		6,450		NO BUDGET
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913		6,635		NO BUDGET
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922		22,731		NO BUDGET
Transportation Equipment - Heavy Trucks	3923		199,277	200,000	100%
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools, Shop and Garage Equipment - Fixed Equipment	3941				
Tools, Shop and Garage Equipment - Portable Equipment	3942		3,725		NO BUDGET
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398		3,234		NO BUDGET
Miscellaneous Tangible Assets	399				
TOTAL SPECIFIC I.R. CONSTRUCTION		**34,432**	**941,394**	**807,000**	**117%**

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
07/02	#	20902	Summer Beach Villas-C	3662			19,750		
				3672			25,024		
			TOTAL FOR THIS I.R.NUMBER		0	0	44,774	0	47,358
11/02	#	20996	Summer Beach Vilias Ph II-Y	3662		8,335	25,920		
				3672			19,446		
			TOTAL FOR THIS I.R.NUMBER		0	8,335	45,366	0	37,912
05/03	#	21131	Office & Warehouse Feasibility Study-C	390		6,450	20,170		
			TOTAL FOR THIS I.R.NUMBER		0	6,450	20,170	0	21,500
08/03	O	21178	Ocean Place-Outdoor Lights	3713					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	6,302
09/03	#	21203	Amelia Park-Y	3662		2,145	12,699		
				3672		2,145	19,387		
			TOTAL FOR THIS I.R.NUMBER		0	4,290	32,086	0	32,086
05/04	#	21339	Harrison Cove-C	3662		5,170	5,755		
				3672			5,594		
			TOTAL FOR THIS I.R.NUMBER		0	5,170	11,349	0	16,172
06/04	O	21351	Keystone Place	3662		0	0		
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	28,725
07/04	#	21380	Amelia Green-C	3662		173	11,067		
				3672		11,775	12,290		
			TOTAL FOR THIS I.R.NUMBER		0	11,948	23,357	0	30,484
11/04	#	21462	Dunes Club Bldg 3-C	3662			2,783		
				3672			5,037		
			TOTAL FOR THIS I.R.NUMBER		0	0	7,820	0	10,611
12/04	#	21476	Courtyard Villas-C	3662			1,881		
				3672			3,819		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,700	0	5,796
12/04	#	21477	Soccer Field-C	3646		273	271		
				3656			298		
				3662			585		
				3672			2,006		
			TOTAL FOR THIS I.R.NUMBER		0	273	3,160	0	3,544

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# ■ Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
12/04	■	21478	Tennis Villas-C	3662			273		
				3672		6,036	6,589		
				3646					
			TOTAL FOR THIS I.R.NUMBER		0	6,036	6,862	0	9,999
02/05	■	21518	138kv Insulators-C	356			34,373		
			TOTAL FOR THIS I.R.NUMBER		0	0	34,373	0	24,000
02/05	■	21527	The Preserve II-C	3662		25,956	14,339		
				362		(278)	0		
				3672		19,408	8,297		
			TOTAL FOR THIS I.R.NUMBER		0	45,086	22,636	0	21,022
02/05	■	21528	Amelia Baptist Church-Canc.	3662					
				3672		(193)	0		
			TOTAL FOR THIS I.R.NUMBER		0	(193)	0	0	2,106
02/05	■	21537	Reconductor Feeder # 311-C	3647			58,468		
				3656			970		
				3657		279	107,518		
			TOTAL FOR THIS I.R.NUMBER		0	279	166,956	0	173,060
04/05	■	21564	Cell Site-Y	3662		80	805		
				3672		81	531		
					0	161	1,336	0	1,336
04/05	■	21568	Transformer at AIP Substation-C	362		(3,280)	625,922		
			TOTAL FOR THIS I.R.NUMBER		0	(3,280)	625,922	0	587,816
05/05	■	21575	Preserve Phase I-C	3713		5,191	32,662		
			TOTAL FOR THIS I.R.NUMBER		0	5,191	32,662	0	45,207
05/05	■	21577	Reserve at Old Bluff-C	3713			3,300		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,300	0	2,717
05/05	■	21581	Advance Auto Parts-C	3662			1,333		
				3672		5,346	7,664		
			TOTAL FOR THIS I.R.NUMBER		0	5,346	8,997	0	7,068
05/05	■	21591	Amelia Park Ph I Unit 8-C	3713		4,721	53,730		
			TOTAL FOR THIS I.R.NUMBER		0	4,721	53,730	0	43,659
05/05	■	21593	Ocean Club III-C	3713			4,097		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,097	0	2,880
06/05	■	21594	Barrington Subdiv.-C	3662		1,054	7,426		
				3672		1,333	3,349		
			TOTAL FOR THIS I.R.NUMBER		0	2,387	10,775	0	10,775
07/05	■	21627	Fault Locator-Y	3662		0	0		
				3942			3,597		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,597	0	4,170
07/05	■	21638	Comfort Inn-C	3646			1,891		
				3656			265		
				3658			104		
				3672		238	3,600		
				3662			1,955		
			TOTAL FOR THIS I.R.NUMBER		0	238	7,815	0	4,129
08/05	■	21646	Amelia Park Town Center-C	3662			1,019		
				3672		15,469	16,560		
			TOTAL FOR THIS I.R.NUMBER		0	15,469	17,579	0	10,056
08/05	O	21648	Spyglass II	3662			3,275		
				3672		6,163	18,014		
			TOTAL FOR THIS I.R.NUMBER		0	6,163	21,289	0	22,313

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
08/05	#	21652	Ocean View Villas-C	3662			1,944		
				3672		107	5,189		
			TOTAL FOR THIS I.R.NUMBER		0	107	7,133	0	8,316
08/05	#	21668	Dunes Club Entrance-C	3672		(1,104)	67,273		
				3657		(30)	0		
				3662		(27)	0		
			TOTAL FOR THIS I.R.NUMBER		0	(1,161)	67,273	0	33,120
08/05	#	21670	Hurricane Ophelia Capital Costs	3647					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	5,000
09/05	#	21672	AIP Outdoor Lights-C	3713		97	9,182		
				3672		(97)	0		
			TOTAL FOR THIS I.R.NUMBER		0	0	9,182	0	8,082
09/05	#	21675	Amelia Park Ph. II Unit 9-C	3662		14,879	7,140		
				3672		12,607	6,064		
			TOTAL FOR THIS I.R.NUMBER		0	27,486	13,204	0	1,854
09/05	#	21689	KK Marketing-C	3662			1,914		
				3672		1,901	855		
			TOTAL FOR THIS I.R.NUMBER		0	1,901	2,769	0	3,558
09/05	#	21691	Amelia Park Condo's-C	3662		2,025	2,352		
				3672		2,619	3,071		
			TOTAL FOR THIS I.R.NUMBER		0	4,644	5,423	0	7,633
10/05	#	21697	Isle de Mai II-C	3662		1,511	8,888		
				3672		44,145	35,900		
			TOTAL FOR THIS I.R.NUMBER		0	45,656	44,788	0	47,544
10/05	O	21700	Cape Sound Outdoor Lights	3713		219	480		
			TOTAL FOR THIS I.R.NUMBER		0	219	480	0	31,366
10/05	O	21702	Cape Sound	3662		12,218	5,765		
				3672	646	31,642	25,591		
			TOTAL FOR THIS I.R.NUMBER		646	43,860	31,356	0	32,260

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
11/05	#	21711	Harrison Cove-C	3713		5,314	13,755		
			TOTAL FOR THIS I.R.NUMBER		0	5,314	13,755	0	12,906
11/05	O	21719	Sadler Crossing	3662					
				3672	1,087	6,942	7,686		
			TOTAL FOR THIS I.R.NUMBER		1,087	6,942	7,686	0	5,707
01/06	#	21746	Tennis Villas-C	3713		12,762	12,762		
			TOTAL FOR THIS I.R.NUMBER		0	12,762	12,762	0	11,047
01/06	#	21747	Isle de Mai Ph. II-C	3733		6,405	6,405		
			TOTAL FOR THIS I.R.NUMBER		0	6,405	6,405	0	7,374
01/06	#	21748	First Coast Pediatrics-C	3662		301	301		
				3672		8,599	8,599		
			TOTAL FOR THIS I.R.NUMBER		0	8,900	8,900	0	8,900
01/06	#	21755	Lifehook Safety Harness-C	398		3,235	3,234		
			TOTAL FOR THIS I.R.NUMBER		0	3,235	3,234	0	3,465
02/06	O	21763	Dunes Club-Bldg 4	3662		421	421		
				3672		562	562		
			TOTAL FOR THIS I.R.NUMBER		0	983	983	0	16,798
02/06	O	21768	Summer Woods Condos	3662		22,238	22,238		
				3672		8,560	8,560		
			TOTAL FOR THIS I.R.NUMBER		0	30,798	30,798	0	167,783
02/06	#	21769	AIP Tennis Center-Cable-C	3662		17,369	17,369		
				3672		25,861	25,861		
			TOTAL FOR THIS I.R.NUMBER		0	43,230	43,230	0	32,883
02/06	O	21770	Amelia Woods-Cable	3662		66,757	66,757		
				362		245	245		
				3672		41,722	41,722		
			TOTAL FOR THIS I.R.NUMBER		0	108,724	108,724	0	76,292
02/06	#	21771	General Mgr's Vehicle-C	3922		22,731	22,731		
			TOTAL FOR THIS I.R.NUMBER		0	22,731	22,731	0	25,000
03/06	#	21798	Myers Home-C	3662		68	68		
				3672		3,697	3,697		
			TOTAL FOR THIS I.R.NUMBER		0	3,765	3,765	0	2,265
03/06	#	21799	Tennis Center-C	3662		1,622	1,622		
				3672		2,664	2,665		
			TOTAL FOR THIS I.R.NUMBER		0	4,286	4,287	0	2,434
03/06	#	21804	Ritz's Spa and Pool Addition-C	3662		2,276	2,276		
				3672		7,498	7,498		
			TOTAL FOR THIS I.R.NUMBER		0	9,774	9,774	0	4,483
04/06	#	21824	Vacuum Breaker-C	362		32,495	32,495		
			TOTAL FOR THIS I.R.NUMBER		0	32,495	32,495	0	33,000
04/06	#	21825	Purchase Tripod-C	3942		3,725	3,725		
			TOTAL FOR THIS I.R.NUMBER		0	3,725	3,725	0	3,800
04/06	#	21829	Transmission Pole-C	355		12,582	12,582		
			TOTAL FOR THIS I.R.NUMBER		0	12,582	12,582	0	11,160
04/06	#	21830	69 KV Insulators @ 5 Points-C	356		16,727	16,727		
			TOTAL FOR THIS I.R.NUMBER		0	16,727	16,727	0	21,800
05/06	#	21840	Manucy Pointe-C	3662		2,376	2,376		
				3672		140	140		
			TOTAL FOR THIS I.R.NUMBER		0	2,516	2,516	0	5,763
05/06	#	21841	City of Fernandina Street Lighting-C	3733		4,063	4,063		
			TOTAL FOR THIS I.R.NUMBER		0	4,063	4,063	0	3,474

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH.	I = In-Serv. # = Compl.	I.R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
05/06	O	21847	Derrick Truck	3923		199,277	199,277		
			TOTAL FOR THIS I.R.NUMBER		0	199,277	199,277	0	201,110
05/06	#	21852	2660 Mystic Lane-C	360		5,431	5,431		
				3662		2,226	2,226		
				3672		1,311	1,311		
			TOTAL FOR THIS I.R.NUMBER		0	8,968	8,968	0	8,789
05/06	O	21858	Landings on Amelia River	3662	9,758	11,164	11,164		
				3672		1,135	1,135		
			TOTAL FOR THIS I.R.NUMBER		9,758	12,299	12,299	0	26,393
05/06	#	21861	1401 S. Fletcher Ave.-C	3662		938	938		
				3672		1,349	1,349		
			TOTAL FOR THIS I.R.NUMBER		0	2,287	2,287	0	1,398
06/06	#	21875	Golf Course Pumping Station-C	3662		509	509		
				3672		5,984	5,984		
			TOTAL FOR THIS I.R.NUMBER		0	6,493	6,493	0	5,694
06/06	O	21876	The Chauney Property	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	3,114
06/06	O	21877	T-Mobile	3662	4,796	2,735	2,735		
				3672	4,169	2,356	2,356		
			TOTAL FOR THIS I.R.NUMBER		8,965	5,091	5,091	0	3,255
06/06	#	21880	AIP_Willow Pond-C	3662		32,282	32,282		
				3672		21,362	21,362		
			TOTAL FOR THIS I.R.NUMBER		0	53,644	53,644	0	104,050
07/06	#	21890	PC's 5 Year Replacement-C	3913		6,634	6,635		
			TOTAL FOR THIS I.R.NUMBER		0	6,634	6,635	0	6,632
07/06	#	21894	A1 Industrial Park-C	3662		10,960	10,960		
				3672		13,963	13,963		
			TOTAL FOR THIS I.R.NUMBER		0	24,923	24,923	0	49,366
08/06	O	21901	Summer Woods	3662		122	122		
				3713		990	990		
			TOTAL FOR THIS I.R.NUMBER		0	1,112	1,112	0	14,346
08/06	#	21906	Digital Meters for AIP Substation-C	362		11,062	11,062		
			TOTAL FOR THIS I.R.NUMBER		0	11,062	11,062	0	11,000
08/06	O	21912	Roof for Swithgear at AIP Substation	362					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	73,300
08/06	O	21916	Tropical Storm Ernesto	3646					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	5,000
08/06	O	21918	Eng'r for Purchase of 40 MVA Transf.	362		8,000	8,000		
			TOTAL FOR THIS I.R.NUMBER		0	8,000	8,000	0	9,500
09/06	O	21922	Purchase Transformer for AIP Substation	362		750	750		
			TOTAL FOR THIS I.R.NUMBER		0	750	750	0	766,364
11/06	O	21944	The Enclave	3662		89	89		
				3672	866	916	916		
			TOTAL FOR THIS I.R.NUMBER		866	1,005	1,005	0	50,746
11/06	O	21948	JL Terry BKR 202	353	5,700	5,700	5,700		
			TOTAL FOR THIS I.R.NUMBER		5,700	5,700	5,700	0	9,300
11/06	O	21949	Differential Relay Settings	353	5,700	5,700	5,700		
			TOTAL FOR THIS I.R.NUMBER		5,700	5,700	5,700	0	9,300
11/06	O	21959	Parkview II	3662	1,213	1,213	1,213		
				3672	497	497	497		

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
			TOTAL FOR THIS I.R.NUMBER		1,710	1,710	1,710	0	32,544
01/07	O	21976	Highland Dunes	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	33,822
12/06	O	21977	GIS-Mapping	3913					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	190,000
12/06	O	21981	Lift Truck	3931					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	8,550
01/07	O	21982	Vehicle for Safety Coordinator	3922					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	20,000
			TOTAL CHARGES FOR I.R.s		34,432	941,394	2,101,114	0	3,491,443

TOTAL OF ALL OPEN REQUISITIONS ("O")	441,960
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	1,589,555

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3741				
Structures and Improvements	375				
Mains	376	134,678	1,737,294	2,940,000	59%
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379		240	10,000	2%
Services	380	112,774	1,194,353	1,111,300	107%
Meters	381	6,806	673,880	300,000	225%
Meter Installations	382	16,201	212,410	96,000	221%
House Regulators	383		194,350	100,000	194%
House Regulator Installations	384	40,370	64,967	50,000	130%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	7,558	17,622		NO BUDGET
GENERAL PLANT					
Land and Land Rights	389		0	4,980,000	0%
Structures and Improvements	390		3,489	3,500	100%
Office Furniture & Equipment	391	8,597	159,240	11,600	1373%
Transportation Equipment	392		445,528	185,000	241%
Stores Equipment	393				
Tools, Shop and Garage Equipment	394	8,269	12,290	1,500	819%
Laboratory Equipment	395				
Power Operated Equipment	396	2,302	44,448	11,000	404%
Communication Equipment	397	677	10,393		NO BUDGET
Miscellaneous Equipment	398		48,484	43,100	112%
TOTAL CONSTRUCTION		**338,232**	**4,818,988**	**9,843,000**	**49%**

WPB NG

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Structures and Improvements	375				
Mains - Plastic - 1/2"	376105	0	0		
Mains - Plastic - 1 1/4"	376112	3,280	37,276		NO BUDGET
Mains - Plastic - 2"	376120	12,624	368,888	254,500	145%
Mains - Plastic - 3"	376130	0	0		
Mains - Plastic - 4"	376140	10,666	147,537		NO BUDGET
Mains - Plastic - 6"	376160	0	13,141		NO BUDGET
Sub-Total		26,570	566,842		
Mains - Other - 1/2"	376205	0	0		
Mains - Other - 3/4"	376207	0	0		
Mains - Other - 1"	376210	0	0		
Mains - Other - 1 1/4"	376212	(4,663)	(4,663)		NO BUDGET
Mains - Other - 1 1/2"	376215	0	0		
Mains - Other - 2"	376220	227	6,618		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0		
Mains - Other - 3"	376230	0	0		
Mains - Other - 4"	376240	(145,723)	(145,175)		NO BUDGET
Mains - Other - 6"	376260	423	16,187	25,000	65%
Mains - Other - 8"	376280	(8,260)	(7,753)		NO BUDGET
Mains - Other - 10"	376288	0	0		
Mains - Other - 12"	376299	0	0		
Sub-Total		(157,996)	(134,786)		
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379			10,000	0%
Services-Plastic-1/2"	380105	1,711	44,190		NO BUDGET
Services-Plastic-3/4"	380107	93,245	1,031,039	850,800	121%
Services-Plastic-1"	380110	0	809		NO BUDGET
Services-Plastic-1 1/4"	380112	17,725	76,140		NO BUDGET
Services-Plastic-1 1/2"	380115	0	0		
Services-Plastic-2"	380120	4,654	42,532		NO BUDGET
Services-Plastic-4"	380140	259	339		NO BUDGET
Sub-Total		117,594	1,195,049		
Services-Other -1/2"	380205	0	0		
Services-Other -3/4"	380207	0	0	12,000	0%
Services-Other -1"	380210	0	0		
Services-Other -1 1/4"	380212	0	0		
Services-Other -2"	380220	0	0		
	380260	0	0		
Sub-Total		0	0		
Meters	381	6,806	673,881	300,000	225%
Meter Installations	382	16,201	212,410	96,000	221%
House Regulators	383		194,349	100,000	194%
House Regulator Installations	384	40,370	64,967	50,000	130%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	7,558	17,622		NO BUDGET
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390		3,489	3,500	100%
Office Furniture	3911		2,577		NO BUDGET
Office Machines	3912				
EDP Equipment	3913		8,397	3,500	240%
EDP Equipment-Software	391305		4,388		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922		2,137		NO BUDGET
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools, Shop and Garage Equipment	394	8,269	8,269	1,500	551%
Laboratory Equipment	395				
Power Operated Equipment	396	2,302	9,329	3,000	311%
Communication Equipment	397	677	677		NO BUDGET
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**68,351**	**2,829,597**	**1,709,800**	165%

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3741				
Structures and Improvements	375				
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	0	153,450		NO BUDGET
Mains - Plastic - 2"	376120	15,237	359,375	1,767,600	20%
Mains - Plastic - 3"	376130	0	0		
Mains - Plastic - 4"	376140	67,816	452,816		NO BUDGET
Mains - Plastic - 6"	376160	101,039	217,776		NO BUDGET
Sub-Total		184,092	1,183,417	1,767,600	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210	16	16	0	NO BUDGET
Mains - Other - 1 1/4"	376212	0	0	0	
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220	758	19,320		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0		
Mains - Other - 3"	376230	0	22,000		NO BUDGET
Mains - Other - 4"	376240	31,140	75,002		NO BUDGET
Mains - Other - 6"	376260	50,099	5,484	1,141,400	0%
Mains - Other - 8"	376280	0	0		
Mains - Other - 10"	376288	0	0		
Mains - Other - 14"	376298	0	0		
Mains - Other - 12"	376299	0	0		
Sub-Total		82,013	121,822	1,141,400	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378		0		
Measure/Regulator Equipment-City Gate Station	379		240		NO BUDGET
Services-Plastic-1/2"	380105	0	0		
Services-Plastic-3/4"	380107	(5,309)	(63,853)	0	NO BUDGET
Services-Plastic-1 1/4"	380112	3,237	23,851	0	NO BUDGET
Services-Plastic-2"	380120	(2,823)	31,297	0	NO BUDGET
Services-Plastic-4"	380140	3,578	11,512	0	NO BUDGET
Sub-Total		(1,317)	2,807	0	
Services-Other -3/4"	380207	0	0	0	
Services-Other -2"	380220	(3,504)	(3,504)	0	
Services-Other -6"	380260	0	0	0	
Sub-Total		(3,504)	(3,504)	0	
Meters	381		0		
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387				
GENERAL PLANT					
Land	389		0	4,980,000	0%
Land and Land Rights	3892				
Structures and Improvements	390				
Office Furniture	3911		4,947		NO BUDGET
Office Machines	3912	7,348	7,349	5,600	131%
EDP Equipment	3913	1,249	32,602	2,500	1304%
EDP Equipment-Software	391305		98,980		
Transportation Equipment - Cars	3921			40,000	0%
Transportation Equipment - Light Trucks & Vans	3922		432,828	131,500	329%
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924		10,565	13,500	78%
Stores Equipment	393				
Tools, Shop and Garage Equipment	394		4,020		NO BUDGET
Laboratory Equipment	395				
Power Operated Equipment	396		35,118	8,000	439%
Communication Equipment	397		9,716		NO BUDGET
Miscellaneous Equipment	398		48,484	43,100	112%
TOTAL SPECIFIC I.R. CONSTRUCTION		**269,881**	**1,989,391**	**8,133,200**	**24%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Comp.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
03/00	#	20348	AEP-CO#24076-Westward Expansion-Y	376120	950	950	(5,991)			
				376140	10,457	10,457	44,028			
				376220	951	951	951			
				376240			4,502			
				376260	19,330	19,330	301,401			
			TOTAL FOR THIS I.R.NUMBER		31,688	31,688	344,891		261,085	
10/01	#	20694	CO#28450-Mizner Falls Subdiv.-Y	376120			7,947			
				376130			689			
				376140			1,657			
				376220			1,256			
				376230		22,000	279,537			
				376240			2,491			
				378			77,196			
				379			146,697			
			TOTAL FOR THIS I.R.NUMBER		0	22,000	517,470		17,857	
05/00	#	20722	CO#24650-Broward Co. Main Ext.-Y	376140		188	69,430			
			TOTAL FOR THIS I.R.NUMBER		0	188	69,430		59,710	
06/02	#	20998	CO#34202-Downtown Gas Light District-C	376112			39,564			105,936
				376120			56,376			
				376140			5,112			
				376160			1,832			
				376260			2,722			
				380120			303			
				380112			27			
			TOTAL FOR THIS I.R.NUMBER		0	0	105,936		31,188	
03/03	#	21067	CO#36035-Publix 6820 Jog Rd.-C	380112	4,588	4,588	5,565			5,565
				380120	(1,084)	(1,084)	0			
				380220	(3,504)	(3,504)	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	5,565		2,485	
04/03	#	21087	CO#36286- Chop Chop Grill-C	376120			266			4,143
				380107			275			
				380112			3,602			
			TOTAL FOR THIS I.R.NUMBER		0	0	4,143		6,635	
06/03	#	21134	CO#37201-Buca de Beppo-Y	376120		651	15,009			
				376140			77,008			
				380112			1,505			
				380120			690			
				380140			988			
			TOTAL FOR THIS I.R.NUMBER		0	651	95,200		10,325	
08/03	#	21162	CO#38186-Lantana Elementary School-C	376120	(11)	(11)	593			593
				380112	11	11	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	593		3,320	
08/03	#	21166	CO#38177-Vincent Church-C	376120			0			4,109
				380107			4,109			
				380112			0			
			TOTAL FOR THIS I.R.NUMBER		0	0	4,109		3,715	
09/03	O	21201	CO#38610-Clint Moore Rd.	376260			335			335
			TOTAL FOR THIS I.R.NUMBER		0	0	335		40,715	
10/03	#	21210	CO#38562-Zoological Society-C	376120			(9,867)			(9,743)
				376140			124			
			TOTAL FOR THIS I.R.NUMBER		0	0	(9,743)		(1,980)	
09/03	#	21211	AEP-CO#38550-Equus Subdiv.-Y	376120		1,140	57,081			
				376140		1,654	86,102			
				376160		2,908	153,744			
				376112	0	0	1,140			
			TOTAL FOR THIS I.R.NUMBER		0	5,702	298,067		197,235	
10/03	#	21219	CO#39019 Glades Rd., New Student Apts.-C	376120			3,368			3,368
			TOTAL FOR THIS I.R.NUMBER		0	0	3,368		0	
11/03	#	21231	CO#39094-Delray Grande ACLF-C	380112			2,837			2,837
			TOTAL FOR THIS I.R.NUMBER		0	0	2,837		5,405	
11/03	#	21241	AEP-CO#39390-Casa Bella Subdiv.-C	376120			43,428			107,744
				376140	8	2,207	64,316			
				380140	(8)	(8)	0			
			TOTAL FOR THIS I.R.NUMBER		0	2,199	107,744		109,570	
12/03	#	21243	CO#39517-Morse Geriatric Center-C	376140			130			10,758
				376120			649			
				380112			18			
				380120			9,961			
			TOTAL FOR THIS I.R.NUMBER		0	0	10,758		10,040	
12/03	#	21245	CO#39525-Intown Suites-C	376120			211			5,408
				380112			5,197			
			TOTAL FOR THIS I.R.NUMBER		0	0	5,408		4,265	
12/03	#	21246	CO#39511-Boca Area Middle School-C	380112			6,222			6,501
				380107			273			
				376112			6			
			TOTAL FOR THIS I.R.NUMBER		0	0	6,501		7,405	
12/03	#	21250	CO#39488-Flamingo Plaza-C	380112			3,704			4,261
				376112			191			
				376120			366			
			TOTAL FOR THIS I.R.NUMBER		0	0	4,261		4,135	
12/03	#	21277	CO#39973-700-720 Ocean Drive-C	376120			873			873
			TOTAL FOR THIS I.R.NUMBER		0	0	873		7,515	
01/04	#	21278	CO#40173-Blue Heron Blvd for DOT-C	376120			61	YR 2004		25,215
				376220			37			
				376260			25,117			
			TOTAL FOR THIS I.R.NUMBER		0	0	25,215	10,000	32,100	
02/04	#	21286	CO#40271-WalMart Belvedere/Military-C	376120			337			60,453

WPB NG Track
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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Comp.	I R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
				376140			54,148			
				380120			5,988			
			TOTAL FOR THIS I.R.NUMBER		0	0	60,453		41,605	
02/04	#	21288	CO#40222-123-127 SR 7-C	376120	223	223	6,309			6,309
				376220	(192)	(192)	0			
				376260	(31)	(31)	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	6,309		6,825	
02/04	#	21289	CO#40394-Military Trail for FDOT Project-C	376260		370	77,079			102,793
				376120			176			
				376140			25,130			
				376160			408			
			TOTAL FOR THIS I.R.NUMBER		0	370	102,793		59,260	
02/04	#	21291	CO#40487-3000 S Ocean Bl.-C	376160	5,420	5,420	0			4,075
				376260	(5,420)	(5,420)	4,075			
			TOTAL FOR THIS I.R.NUMBER		0	0	4,075		0	
02/04	#	21292	CO#40407-439 Pine Tree Ct.-C	376120			4,015			4,126
				380120			111			
			TOTAL FOR THIS I.R.NUMBER		0	0	4,126		3,320	
02/04	#	21293	CO#40441-131 Cortez Rd.-C	376112			5,357			5,831
				376120			474			
			TOTAL FOR THIS I.R.NUMBER		0	0	5,831		5,585	
03/04	#	21300	CO#40601-Krispy Kreme 1371 W Palmetto-C	380112			1,374			1,374
			TOTAL FOR THIS I.R.NUMBER		0	0	1,374		7,000	
02/04	#	21301	CO#40306-FAU-777 Glades Rd.-C	376120			3,722			3,782
				376112			60			
			TOTAL FOR THIS I.R.NUMBER		0	0	3,782		1,408	
03/04	#	21302	CO#40584-Olive 8th to 5th-C	376120			22,226			27,843
				376140			5,617			
			TOTAL FOR THIS I.R.NUMBER		0	0	27,843		48,550	

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Comp.	I R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
03/04	#	21308	CO#40650-Christinas Restaurant-C	376120			(2,096)			(1,417)
				380120			679			
			TOTAL FOR THIS I.R.NUMBER		0	0	(1,417)		(1,893)	
03/04	#	21311	CO#40827-Beef O'Grady's Restaurant-C	376120			4,072			4,072
			TOTAL FOR THIS I.R.NUMBER		0	0	4,072		5,410	
03/04	O	21312	AEP-CO#40809-Mizner Falls Way	376120			89			89
			TOTAL FOR THIS I.R.NUMBER		0	0	89		3,615	
03/04	#	21320	CO#40893-St. Andrews School-C	376120			115			(419)
				380112			(534)			
			TOTAL FOR THIS I.R.NUMBER		0	0	(419)		(294)	
06/04	#	21343	AEP-CO#39594-Talavera Sub.-C	376120		24,655	31,273			44,784
				376140		4,780	8,085			
				376180		(144)	0			
				376240		2,715	5,426			
			TOTAL FOR THIS I.R.NUMBER		0	32,006	44,784		39,663	
06/04	#	21345	CO#41669-SR& N/O Lk. Worth Rd.-C	376260			17,593			17,593
				376120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	17,593		9,950	
06/04	#	21349	CO#41691-Olive Ave FDOT-C	376112			2,778			40,802
				376120			37,563			
				380120			461			
			TOTAL FOR THIS I.R.NUMBER		0	0	40,802		33,035	
06/04	#	21377	Miranda Condos-Y	376112		245	4,216			
			TOTAL FOR THIS I.R.NUMBER		0	245	4,216		2,740	
07/04	#	21390	AEP-CO42204-441 from Belv. To Okee.-C	376120			15,059			290,937
				376160			0			
				376260			275,757			
				380112			121			
			TOTAL FOR THIS I.R.NUMBER		0	0	290,937		89,006	
07/04	#	21393	Replace Valve in Lake Park-C	376260		3,850	3,850			3,850
			TOTAL FOR THIS I.R.NUMBER		0	3,850	3,850		6,188	
08/04	O	21400	Electrofusion Equip.	394						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	6,000	6,000	

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FLORIDA PUBLIC UTILITIES COMPANY

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GAS PLANT - SOUTH FLORIDA

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DATE AUTH		I R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
08/04	#	21403	Critical Valve A-1-A at Golf Course-C	376260		10,419	10,419			14,903
				376120		4,484	4,484			
			TOTAL FOR THIS I.R.NUMBER		0	14,903	14,903		6,200	
08/04	#	21404	Calibration Station for Sensit Detectors-C	387			4,318			4,318
			TOTAL FOR THIS I.R.NUMBER		0	0	4,318		4,293	
08/04	O	21405	Hammerhead Mole	396						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
08/04	#	21409	I-95 at Blue Heron-Y	376260		(52,750)	0			
			TOTAL FOR THIS I.R.NUMBER		0	(52,750)	0		0	
08/04	O	21422	Mapping System	391305			138,202			138,202
			TOTAL FOR THIS I.R.NUMBER		0	0	138,202	370,000	370,000	
09/04	#	21423	CO#42910-Orchid Beach Condos-Y	376120		(75)	6,676			
			TOTAL FOR THIS I.R.NUMBER		0	(75)	6,676		2,895	
09/04	O	21427	Powerline Rd Broward to Glades	376260						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	20,000	20,000	
09/04	O	21428	Roebuck Rd PB County Rd. Proj.	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21429	Lawrence Rd. Boyton to Gateway	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21430	Forest Hill at Heverhill	376140						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21433	SR 80 W. OF sr 7 TO w. OF Tpke	376260						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	10,000	10,000	
09/04	O	21435	AEP-CO#42192-Wellington Town Sq.	376120						
				376140		0	0			0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		11,243	
11/04	O	21458	Purchase Scanner	3912						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	9,000	10,000	
11/04	#	21461	SO#433282-Dixie Hwy @ 4th St -C	376260		(7,273)	(4,615)			(4,615)
			TOTAL FOR THIS I.R.NUMBER		0	(7,273)	(4,615)		0	
11/04	#	21463	SO#437430-Thatch Palm Dr.-Y	376120						
				376140		359	7,372			
			TOTAL FOR THIS I.R.NUMBER		0	359	7,372		5,664	
08/04	O	21467	Scott Respirator Equipment	387						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	17,000	6,500	
01/05	#	21494	Ops Office Building GeneratorC	396			20,467			20,467
			TOTAL FOR THIS I.R.NUMBER		0	0	20,467		21,800	
01/05	#	21503	SO#441531-1801 Royal Palm Way-C	376120		0	25,042			25,042
			TOTAL FOR THIS I.R.NUMBER		0	0	25,042		24,534	

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01/05	#	21507	Pickup Truck-Engr Tech-C	3922		15,980	15,980	YR 2005		15,980
			TOTAL FOR THIS I.R.NUMBER		0	15,980	15,980	16,000	16,000	
01/05	#	21508	Meter Reader Vehicles-C	3922		26,197	26,197	YR 2005		27,509
				397		1,312	1,312			
			TOTAL FOR THIS I.R.NUMBER		0	27,509	27,509	32,000	32,000	
01/05	#	21509	Service Vehicles-C	3922		171,516	171,516	YR 2005		174,741
				397		3,225	3,225			
				376120		(1)	0			
			TOTAL FOR THIS I.R.NUMBER		0	174,740	174,741	187,000	187,000	
02/05	O	21512	SO#462625-The Oaks at Boca	376120		48,128	94,223			100,353
				376140		4,865	5,151			
				376240			611			
				380107		112	112			
				380120			256			
			TOTAL FOR THIS I.R.NUMBER		0	53,105	100,353		36,454	
02/05	#	21515	SO#461685-6870 Okeechobee Blvd-Y	376120		197	197			
				376260			663			
				380120			9,460			
			TOTAL FOR THIS I.R.NUMBER		0	197	10,320		6,549	
02/05	O	21525	SO#465537-Inlet Harbor Marina	376120		39	213			41,991
				376140	2,444	8,561	8,561			
				376260			29,365			
				380107		85	85			
				380120		399	399			
				380140		3,348	3,348			
			TOTAL FOR THIS I.R.NUMBER		2,444	12,432	41,991		32,410	
02/05	#	21526	SO#459171-Worthington Place-Y	376140	181	181	181			
				376120			(2,318)			
			TOTAL FOR THIS I.R.NUMBER		181	181	(2,137)		0	
02/05	O	21530	SO#435005-Lantana Rd. to EEE School	376140			171,316			171,710
				380140			394			
			TOTAL FOR THIS I.R.NUMBER		0	0	171,710		135,933	
03/05	O	21538	SO#471362-JC Michell Elem. School	376120			2,125			7,350
				376220			5,001			
				380120			224			
			TOTAL FOR THIS I.R.NUMBER		0	0	7,350		5,424	
03/05	O	21541	SO#475009-Palm Springs Plaza	376120			7,551			8,107
				380107			556			
			TOTAL FOR THIS I.R.NUMBER		0	0	8,107		5,884	
03/05	O	21544	SO#475497-6650 NE 7th Av.	376120			8,165			8,165
			TOTAL FOR THIS I.R.NUMBER		0	0	8,165		6,590	
03/05	#	21549	SO#476446-4550 Jog Rd.-C	380112		11,114	7,669			7,669
				376120		(65)	0			
			TOTAL FOR THIS I.R.NUMBER		0	11,049	7,669		0	
03/05	#	21551	Tern Point Circle-Y	376112		122	18,233			
			TOTAL FOR THIS I.R.NUMBER		0	122	18,233		8,534	
04/05	#	21554	Vehicle for Director-Trans. To Div. 100	3922		(23,665)	0			0
			TOTAL FOR THIS I.R.NUMBER		0	(23,665)	0	25,000	25,000	
04/05	#	21555	Vehicles for Supervisors-C	3922		42,930	42,930			44,315
				397		1,385	1,385			
			TOTAL FOR THIS I.R.NUMBER		0	44,315	44,315	43,000	43,000	
04/05	#	21569	Install. And Maint Trucks-C	3922		51,970	150,723			152,659
				397		1,936	1,936			
			TOTAL FOR THIS I.R.NUMBER		0	53,906	152,659	124,500	124,500	
04/05	#	21571	SO#487125-Powerline Rd.-C	376260		4,013	18,963			18,963
			TOTAL FOR THIS I.R.NUMBER		0	4,013	18,963		9,689	
04/05	#	21572	Operations Storage Shed-C	375			5,813			5,813
			TOTAL FOR THIS I.R.NUMBER		0	0	5,813		5,458	
04/05	#	21573	AEP-SO#453163-Wyndsong Isles-C	376120		23,033	23,292			23,292
				376220		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	23,033	23,292		15,661	
05/05	#	21589	SO#488724-AEP-Kobosko's Plaza-C	376120		3,547	10,860			
				376140		367	14,413			
				376220		(506)	0			59,819
				376240		10,236	33,652			
				376260			894			
			TOTAL FOR THIS I.R.NUMBER		0	13,644	59,819		50,535	
06/05	O	21609	SO#508407-Whispering Winds	376120			950			950
			TOTAL FOR THIS I.R.NUMBER		0	0	950		6,970	
06/05	O	21610	SO#508036-J. Davis Middle School	376220			(6,454)			(6,162)
				376120			292			
			TOTAL FOR THIS I.R.NUMBER		0	0	(6,162)		1	
06/05	#	21614	SO#508927-5860 Glades Rd.-Y	380112		115	2,984			2,984
			TOTAL FOR THIS I.R.NUMBER		0	115	2,984		2,536	
07/05	#	21625	SO#512732-3212 S. Ocean Blvd.-Y	380112		474	197			197
			TOTAL FOR THIS I.R.NUMBER		0	474	197		(779)	
07/05	O	21630	Operator Qualifications Software	391305			2,460			2,460
			TOTAL FOR THIS I.R.NUMBER		0	0	2,460		6,400	
07/05	O	21636	SO#502380-Frenchmans Creek Club	376120			3,325			3,376
				380107			51			
			TOTAL FOR THIS I.R.NUMBER		0	0	3,376		3,786	

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07/05	#	21637	SO#514554-10201 Hagen Ranch Rd.-C	376120		24,204	25,192			44,665
				376112		0	0			
				376220		19,173	19,173			
				376240			300			
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	43,377	44,665		11,356	
07/05	O	21640	Emergency Generator	390						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		15,554	
07/05	#	21642	RTU for Gate Station-C	379		240	33,877			33,877
			TOTAL FOR THIS I.R.NUMBER		0	240	33,877		33,200	
07/05	#	21643	SO#507039-South Shore Blvd-C	376120		5,871	6,250			94,844
				376140		88,595	88,594			
			TOTAL FOR THIS I.R.NUMBER		0	94,466	94,844		6,933	
08/05	#	21659	SO#520190-Metropolitan Bldg-C	376120		0	0			4,884
				380120		4,884	4,884			
			TOTAL FOR THIS I.R.NUMBER		0	4,884	4,884		3,699	
08/05	#	21663	SO#527006-John I. Leonard HS-Y	380107			4,049			21,669
				380112		1,167	7,460			
				380140			10,160			
			TOTAL FOR THIS I.R.NUMBER		0	1,167	21,669		(1,417)	
09/05	#	21673	SO#531231-Marina at Boyton Beach-C	376120		928	2,112			2,112
			TOTAL FOR THIS I.R.NUMBER		0	928	2,112		3,116	
09/05	#	21674	SO#529404-1035 SR 7 Bld C&G-C	376120		(2,408)	0			(1,746)
				380112			78			
				380120		2,416	(1,824)			
			TOTAL FOR THIS I.R.NUMBER		0	8	(1,746)		(1,417)	
09/05	#	21676	Gasoline Tank Leak Detector-C	398		2,915	2,915			2,915
			TOTAL FOR THIS I.R.NUMBER		0	2,915	2,915		2,915	
09/05	#	21678	SO#532130-540 Woodlands Circle-C	376120		554	5,766			5,766
				376140		(546)	0			
			TOTAL FOR THIS I.R.NUMBER		0	8	5,766		3,174	
09/05	O	21682	SO#534480-The Place at Via Clematis	376140			327			552
				376120			117			
				376220			108			
			TOTAL FOR THIS I.R.NUMBER		0	0	552		(705)	
09/05	#	21683	SO#534921-188 W. Coconut Rd.-Y	376120		(691)	46,527			
			TOTAL FOR THIS I.R.NUMBER		0	(691)	46,527		40,062	
09/05	O	21690	SO#536660-One Park Place	376120		3,531	4,989			4,989
			TOTAL FOR THIS I.R.NUMBER		0	3,531	4,989		5,340	
09/05	#	21694	SO#536679-5335(38) Military Trail-C	376120		3,457	4,625			4,625
			TOTAL FOR THIS I.R.NUMBER		0	3,457	4,625		3,295	
09/05	#	21695	SO#536609-5335(29) Military Trail-C	376120		19,538	20,386			20,386
			TOTAL FOR THIS I.R.NUMBER		0	19,538	20,386		3,295	
09/05	O	21699	SO#496013-Cypress Key Town Center	376120		882	882			4,843
				376112		37	37			
				376140	3,135	3,924	3,924			
			TOTAL FOR THIS I.R.NUMBER		3,135	4,843	4,843		95,822	
10/05	#	21701	SO#542790-314 Inlet Way-C	376120		5,723	7,431			7,431
			TOTAL FOR THIS I.R.NUMBER		0	5,723	7,431		4,496	
10/05	#	21703	SO#535567-800 W. Boyton Bch Blvd-C	376120		3,250	3,560			3,560
			TOTAL FOR THIS I.R.NUMBER		0	3,250	3,560		3,140	
11/05	#	21709	Nomex Fire Suits-C	398		45,569	63,724			63,724
			TOTAL FOR THIS I.R.NUMBER		0	45,569	63,724		70,000	
11/05	O	21712	AM/FM System Ph. II	3913	1,249	12,104	40,225			150,011
				391305		98,980	109,786			
			TOTAL FOR THIS I.R.NUMBER		1,249	111,084	150,011		135,024	
11/05	#	21713	SO#548927-1486 N. lake Way-C	380107			24			(3,886)
				380112			(3,910)			
			TOTAL FOR THIS I.R.NUMBER		0	0	(3,886)		(578)	
11/05	O	21714	Customer Service Booth	3911		4,946	22,110			22,110
			TOTAL FOR THIS I.R.NUMBER		0	4,946	22,110		19,000	
11/05	#	21715	SO#551264-2124 W. Maya Palm Drive-C	376120			(185)			(185)
			TOTAL FOR THIS I.R.NUMBER		0	0	(185)		(744)	
11/05	#	21717	SO#543305-Valencia Drive-C	376120		56,437	56,826			75,547
				376140		18,721	18,721			
			TOTAL FOR THIS I.R.NUMBER		0	75,158	75,547		62,842	
12/05	#	21722	SO#559147-1832 S. Federal Hwy-C	376120		0	0			2,072
				380107		2,072	2,072			
			TOTAL FOR THIS I.R.NUMBER		0	2,072	2,072		3,014	
12/05	#	21723	SO#558297-Breakers Hotel-C	376120		11,910	12,781			43,264
				376140		28,518	28,518			
				380140		1,965	1,965			
			TOTAL FOR THIS I.R.NUMBER		0	42,393	43,264		7,496	
12/05	#	21724	SO#547594-Childrens Place-C	376120		9,518	9,802			9,802
			TOTAL FOR THIS I.R.NUMBER		0	9,518	9,802		4,648	
12/05	#	21725	SO#557471-136 N.E. 1st Ave -C	376120		4,860	5,193			5,193
			TOTAL FOR THIS I.R.NUMBER		0	4,860	5,193		3,929	
12/05	#	21726	SO#554134-21439-Linwood Ct-Y	376120		459	7,069			7,069
			TOTAL FOR THIS I.R.NUMBER		0	459	7,069		4,898	

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12/05	#	21732	SO#559374-506 M Street-C	376120		5,885	5,885			5,885
				376220		(105)	0			
			TOTAL FOR THIS I.R.NUMBER		0	5,780	5,885		3,020	

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12/05	#	21734	SO#563077-Comfort Inn Oceanside-C	380120		3,421	3,421			3,421
			TOTAL FOR THIS I.R.NUMBER		0	3,421	3,421		2,954	
12/05	#	21735	SO#559877-Boca Raton Middle School-C	376120		0	0			4,589
				380120		4,589	4,589			
			TOTAL FOR THIS I.R.NUMBER		0	4,589	4,589		(116)	
12/05	#	21736	SO#559391-10 E. Boca Raton Rd.-C	376120		6,330	6,330			6,330
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	6,330	6,330		5,841	
12/05	O	21737	SO#561489-3425 S. Ocean Blvd.	376112						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		7,238	
12/05	#	21738	SO#563554-1706 N. Lakeside Dr.-C	376120		10,079	10,079			10,079
			TOTAL FOR THIS I.R.NUMBER		0	10,079	10,079		4,094	
12/05	O	21739	SO#560387-1860 S. Ocean Blvd	380120		8,844	(230)			594
				376120		824	824			
			TOTAL FOR THIS I.R.NUMBER		0	9,668	594		(2,697)	
12/05	#	21749	SO#566743-Wellington Green Sq.-C	376120		11,901	11,901			11,901
				376140		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	11,901	11,901		4,693	
12/05	O	21752	Compact Pickup Truck	3922		16,447	16,447	Yr 2006		16,447
			TOTAL FOR THIS I.R.NUMBER		0	16,447	16,447	15,000	15,000	
11/05	#	21754	AEP-SO#529085-Target Corp.-Lantana-C	376120		0	0			111,897
				376140		18,821	18,821			
				376160		0	0			
				376220		0	0			
				376240		7,168	7,168			
				376260		85,908	85,908			
			TOTAL FOR THIS I.R.NUMBER		0	111,897	111,897		46,637	
02/06	#	21772	SO#585010-SRD Builders-C	376120		12,230	12,230			12,230
			TOTAL FOR THIS I.R.NUMBER		0	12,230	12,230		9,380	
02/06	#	21773	SO#584862-5800 N. Federal Hwy.-C	376112		0	0			1,055
				376120		0	0			
				380112		1,055	1,055			
			TOTAL FOR THIS I.R.NUMBER		0	1,055	1,055		3,102	
02/06	#	21774	SO#579575-10182 Boca Woods-C	376120		4,503	4,503			4,503
			TOTAL FOR THIS I.R.NUMBER		0	4,503	4,503		4,807	
02/06	#	21775	SO#57741-ACME @ 6687 42nd Terr.-C	376120		3,594	3,594			3,594
				380112						
			TOTAL FOR THIS I.R.NUMBER		0	3,594	3,594		7,543	
02/06	#	21776	SO#583409-1323 Fan Palm Rd.-C	376120		4,921	4,921			4,921
			TOTAL FOR THIS I.R.NUMBER		0	4,921	4,921		4,216	
02/06	#	21778	SO#586261-Congress Middle School-C	376120		0	0			9,965
				380120		9,965	9,965			
			TOTAL FOR THIS I.R.NUMBER		0	9,965	9,965		6,849	
02/06	#	21780	SO#586921-SRD Builders/Bloomfield-C	376120		13,551	13,551			13,551
			TOTAL FOR THIS I.R.NUMBER		0	13,551	13,551		12,163	
02/06	O	21781	SO#587802-Sandy Oaks Subdiv	376120		35,365	35,365			43,806
				376140		8,441	8,441			
			TOTAL FOR THIS I.R.NUMBER		0	43,806	43,806		36,662	
01/06	O	21784	Pickup Truck-Engr Tech	3922		16,310	16,310	YR 2006		16,310
			TOTAL FOR THIS I.R.NUMBER		0	16,310	16,310	15,000	15,000	
01/06	#	21785	Truck-Meter Shop-C	3922		46,881	46,881	YR 2006		47,507
				397		626	626			
			TOTAL FOR THIS I.R.NUMBER		0	47,507	47,507	37,500	37,500	
01/06	#	21786	Pickup Truck-Engr Mgr-C	3922		21,019	21,019	YR 2006		21,635
				397		616	616			
			TOTAL FOR THIS I.R.NUMBER		0	21,635	21,635	23,500	23,500	
01/06	O	21787	Pickup Truck-Sr. Engr	3922		16,576	16,576	YR 2006		16,576
			TOTAL FOR THIS I.R.NUMBER		0	16,576	16,576	16,500	16,500	
01/06	#	21788	Trailer-Meter Shop-C	3924		3,383	3,383	YR 2006		3,383
			TOTAL FOR THIS I.R.NUMBER		0	3,383	3,383	4,500	4,500	
01/06	#	21789	Trailer-Trenchers-C	3924		7,182	7,182	YR 2006		7,182
			TOTAL FOR THIS I.R.NUMBER		0	7,182	7,182	9,000	9,000	
03/06	#	21790	SO#588643-303 35th Street-C	376120		7,266	7,266			7,266
			TOTAL FOR THIS I.R.NUMBER		0	7,266	7,266		5,354	
01/06	#	21791	Fleet Mgr. Pickup-C	3922		21,019	21,019	YR 2006		21,635
				397		616	616			
			TOTAL FOR THIS I.R.NUMBER		0	21,635	21,635	23,500	23,500	
01/06	#	21796	PC's for Customer Service-C	3913		7,562	7,562			7,562
			TOTAL FOR THIS I.R.NUMBER		0	7,562	7,562		7,540	
03/06	#	21797	SO#589695-Plastridge Agency-C	376120		(376)	(376)			(376)
			TOTAL FOR THIS I.R.NUMBER		0	(376)	(376)		(1,041)	
03/06	#	21800	SO#591787-450 NE 47th St.-C	376120		2,974	2,974			2,974
			TOTAL FOR THIS I.R.NUMBER		0	2,974	2,974		3,119	
10/05	#	21801	SO#539504-Woods Walk Plaza-C	376120		0	0			172,058
				376140	(195)	148,650	148,650			
				376240		23,408	23,408			
			TOTAL FOR THIS I.R.NUMBER		(195)	172,058	172,058		110,796	
03/06	O	21802	SO#592407-Sunterra Subdiv.	376120		2,111	2,111			2,624

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				376140		513	513			
			TOTAL FOR THIS I.R.NUMBER		0	2,624	2,624		34,362	
03/06	#	21803	SO#592666-2040 NW 25th St.-C	376120		12,852	12,852			12,852
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	12,852	12,852		12,929	
03/06	O	21805	Transmission for Vehicle 496	3922		2,937	2,937			2,937
			TOTAL FOR THIS I.R.NUMBER		0	2,937	2,937		2,937	
03/06	#	21806	SO#594483-257 NE 17th St.-C	376120		6,483	6,483			6,483
			TOTAL FOR THIS I.R.NUMBER		0	6,483	6,483		3,307	
03/06	O	21808	SO#595695-Atlantica Subdiv.	376120		574	574			574
			TOTAL FOR THIS I.R.NUMBER		0	574	574		3,615	
03/06	#	21809	SO#596558-1300 Spanish River Rd.-C	376120		(646)	(646)			(646)
			TOTAL FOR THIS I.R.NUMBER		0	(646)	(646)		(875)	
03/06	#	21810	SO#596102-2230 W. Silver Palm Rd.-C	376120		7,121	7,121			7,121
			TOTAL FOR THIS I.R.NUMBER		0	7,121	7,121		7,555	
03/06	O	21811	SO#589171-Feinrose Plaza	376120		823	823			16,659
				376140		15,836	15,836			
			TOTAL FOR THIS I.R.NUMBER		0	16,659	16,659		25,780	
04/06	O	21816	SF Operations Center Property-Canceled	389		0	0	Yr 2006		0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	4,860,000	5,000,000	
03/06	#	21817	SO#597075-Renaissance Commons Ph II-C	376120	639	14,846	14,846			14,846
			TOTAL FOR THIS I.R.NUMBER		639	14,846	14,846		18,757	
03/06	#	21818	SO#598252-781 NE 37th St.-C	376112		(9)	(9)			315
				376120		324	324			
				380107		0	0			
				381		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	315	315		3,453	
03/06	#	21819	SO#596162-Martin Bloom-C	376120		7,990	7,990			7,990
			TOTAL FOR THIS I.R.NUMBER		0	7,990	7,990		(1,161)	
03/06	#	21820	SO#596130-3920 Hypoluxo Rd.-C	376120		16,023	16,023			16,023
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	16,023	16,023		6,806	
03/06	#	21821	SO#599058-One Clear Lake Center-C	380120		4,215	4,215			4,215
				376120		0	0			
				381		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	4,215	4,215		6,411	
03/06	#	21822	SO#596154-Renaissance Commons Ph III-C	376120		8,863	8,863			10,906
				380112		2,043	2,043			
			TOTAL FOR THIS I.R.NUMBER		0	10,906	10,906		10,767	
03/06	#	21823	SO#597186-166 W. Alexander Palm Rd.-C	376120		20,951	20,951			20,951
			TOTAL FOR THIS I.R.NUMBER		0	20,951	20,951		19,507	
04/06	#	21826	SO#601947-474 NE 7th St.-C	376120		3,803	3,803			3,803
			TOTAL FOR THIS I.R.NUMBER		0	3,803	3,803		3,269	
04/06	O	21827	SO#601198-The Atrium @ Broken Sound	376120	751	(7,132)	(7,132)			(29,636)
				376140	75	(19,661)	(19,661)			
				380120		(2,842)	(2,843)			
			TOTAL FOR THIS I.R.NUMBER		826	(29,635)	(29,636)		(5,663)	
04/06	#	21828	SO#599923-4598 NW 25th Way-C	376120		9,931	9,931			9,931
			TOTAL FOR THIS I.R.NUMBER		0	9,931	9,931		7,458	
04/06	#	21831	SO#596466-125 Seagrape Circle-C	380112		3,592	3,592			3,592
			TOTAL FOR THIS I.R.NUMBER		0	3,592	3,592		2,762	
04/06	#	21832	SO#601317-224&260 W. Key Palm Rd.-C	376120		3,000	3,000			3,000
			TOTAL FOR THIS I.R.NUMBER		0	3,000	3,000		8,747	
04/06	#	21835	Laptop for Sys. Improve. Spec.-C	3913		2,998	2,998			2,998
			TOTAL FOR THIS I.R.NUMBER		0	2,998	2,998		2,998	
04/06	#	21836	Trifusion Processor-C	398		2,876	2,876			2,876
			TOTAL FOR THIS I.R.NUMBER		0	2,876	2,876		3,000	
04/06	#	21837	Mini Excavator-C	398		32,243	32,243	Yr 2006		32,243
			TOTAL FOR THIS I.R.NUMBER		0	32,243	32,243	35,000	35,000	
04/06	#	21838	SO#604405-263 Sabal Palm Terr-C	376120		4,582	4,582			4,582
			TOTAL FOR THIS I.R.NUMBER		0	4,582	4,582		5,876	
04/06	O	21839	SO#596004-8440 S. Military Trail	376120		1,300	1,300			1,644
				376140		344	344			
			TOTAL FOR THIS I.R.NUMBER		0	1,644	1,644		27,423	
05/06	#	21842	SO#607322-4281 10th Ave. North-C	376120		10,357	10,357			10,357
			TOTAL FOR THIS I.R.NUMBER		0	10,357	10,357		12,085	
05/06	#	21843	SO#596060-226 NE 1st Ave.-C	376120		4,937	4,937			4,937
			TOTAL FOR THIS I.R.NUMBER		0	4,937	4,937		4,056	
05/06	#	21844	SO#608464-5898 Windsor Terr.-C	376120		(874)	(874)			(1,539)
				380107		(665)	(665)			
			TOTAL FOR THIS I.R.NUMBER		0	(1,539)	(1,539)		0	
05/06	O	21845	SO#610254-Azura Subdiv.	376120	573	13,739	13,739			26,368
				376140	9,282	9,387	9,387			
				376240		335	335			
				380120		286	286			
				380140		2,621	2,621			
			TOTAL FOR THIS I.R.NUMBER		9,855	26,368	26,368		55,377	
05/06	#	21848	SO#604756-777 Glades Rd.-C	376120		(1,123)	(1,124)			(1,124)

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			TOTAL FOR THIS I.R.NUMBER		0	(1,123)	(1,124)		0	
05/06	O	21849	Dump Truck Body	3922		6,709	6,709			6,709
			TOTAL FOR THIS I.R.NUMBER		0	6,709	6,709		6,750	
05/06	#	*21850*	*Tire Changer-C*	394		4,020	4,020			4,020
			TOTAL FOR THIS I.R.NUMBER		0	4,020	4,020		4,525	
05/06	#	21851	SO#611371-S. Maya Palm Drive-C	376120		10,765	10,765			10,765
			TOTAL FOR THIS I.R.NUMBER		0	10,765	10,765		5,196	
05/06	O	21853	CO#612803-Vista Lago	376120		95	95			239
				376140		144	144			
			TOTAL FOR THIS I.R.NUMBER		0	239	239		79,221	
05/06	#	21856	SO#613700-Coconut Palm Rd.-C	376120		13,204	13,204			13,204
			TOTAL FOR THIS I.R.NUMBER		0	13,204	13,204		13,426	
05/06	O	21857	SO#614434-SR7 N. of Lanatana Rd.	376260		(11,564)	(11,564)			(11,564)
			TOTAL FOR THIS I.R.NUMBER		*0*	*(11,564)*	*(11,564)*		*0*	
05/06	O	21859	SO#614261-Boca Delray Laser Pathology	380120		29	29			29
			TOTAL FOR THIS I.R.NUMBER		0	29	29		0	
06/06	O	21860	Leak Detector	387						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		3,700	
06/06	#	21862	SO#616343-1500 Cocoanut Rd.-C	376120		6,950	6,950			6,950
			TOTAL FOR THIS I.R.NUMBER		0	6,950	6,950		6,379	
06/06	#	21863	SO#615316-2150 E. Maya Palm Dr.-C	376120		4,612	4,612			4,612
			TOTAL FOR THIS I.R.NUMBER		0	4,612	4,612		4,632	
06/06	#	*21864*	*SO#617292-6900 Congress Ave.-C*	376120		4,527	4,527			4,527
			TOTAL FOR THIS I.R.NUMBER		0	4,527	4,527		2,626	
06/06	O	21865	SO#618458-4600 N. Ocean	380107		521	521			1,332
				376120		38	38			
				380112		773	773			
			TOTAL FOR THIS I.R.NUMBER		0	1,332	1,332		5,401	
08/06	#	21866	Tropical Storm Ernesto	381						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		0	
06/06	#	21867	SO#621025-749 Dogwood Rd.-C	376120		3,885	3,885			3,885
			TOTAL FOR THIS I.R.NUMBER		0	3,885	3,885		2,876	
06/06	O	*21870*	*SO#622006-137 Bowsprit Dr.*	376120		1,092	1,092			1,092
			TOTAL FOR THIS I.R.NUMBER		0	1,092	1,092		0	
06/06	#	21871	CO#621848-220 Sabal palm Ter.-C	376120		1,763	1,763			1,763
			TOTAL FOR THIS I.R.NUMBER		0	1,763	1,763		6,905	
06/06	O	21872	CO#620460-The Villas	380120		(3,231)	(3,231)			(2,821)
				380107		410	410			
			TOTAL FOR THIS I.R.NUMBER		0	(2,821)	(2,821)		0	
06/06	#	21873	CO#615817-740 NE Lakeview Ter.-C	376120		6,975	6,975			
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	6,975	6,975		0	
06/06	#	*21879*	*SO#625130-9005 Ibis Blvd.-C*	376120		8,318	8,318			
			TOTAL FOR THIS I.R.NUMBER		0	8,318	8,318		0	
06/06	#	21881	SO#622134-3370 Shadow Wood Drive-C	376112		0	0			
				380112		281	281			
			TOTAL FOR THIS I.R.NUMBER		0	281	281		3,221	
07/06	#	21883	SO#621882-640 NW 15th Court-C	376120		7,686	7,686			
			TOTAL FOR THIS I.R.NUMBER		0	7,686	7,686		7,761	
06/06	#	21884	SO#625907-1102 NW 6th Ave.-C	376112		6,113	6,113			
				376120		0	0			
			TOTAL FOR THIS I.R.NUMBER		0	6,113	6,113		6,260	
06/06	#	*21885*	*SO#622705-3800 N. Ocean Blvd.-C*	376120		39	39			
				380120	3,139	3,304	3,304			
			TOTAL FOR THIS I.R.NUMBER		3,139	3,343	3,343		3,988	
06/06	#	21886	SO#621037-7076 Mandarin Drive-C	376120		3,036	3,036			
			TOTAL FOR THIS I.R.NUMBER		0	3,036	3,036		1	
07/06	#	21887	AEP-SO#629067-Equus Ph. 3-C	376120		42,978	42,978			
			TOTAL FOR THIS I.R.NUMBER		0	42,978	42,978		42,825	
07/06	#	21892	PC's for 5 Year Replacement-C	3913		9,939	9,939			
			TOTAL FOR THIS I.R.NUMBER		0	9,939	9,939		10,398	
07/06	#	21895	SO#631090-455/475 NW 10th-C	376120		15,736	15,736			
			TOTAL FOR THIS I.R.NUMBER		*0*	*15,736*	*15,736*		*12,801*	
07/06	O	21896	CO#622831-Boca Raton Bath & Tennis	376112		155	155			
				376120	1,891	36,314	36,314			
			TOTAL FOR THIS I.R.NUMBER		1,891	36,469	36,469		13,439	
07/06	O	21897	SO#630555-7150 Addison Reserve	376120	12,215	2,272	2,272			
				380120	1,000	1,000	1,000			
			TOTAL FOR THIS I.R.NUMBER		13,215	3,272	3,272		0	
07/06	#	21899	SO#633017-3516 NW 61st Circle-C	376120		9,071	9,071			
			TOTAL FOR THIS I.R.NUMBER		0	9,071	9,071		6,289	
07/06	#	21900	SO#629831-370 Mercury Road-C	376120		7,928	7,928			
			TOTAL FOR THIS I.R.NUMBER		*0*	*7,928*	*7,928*		*6,544*	
07/06	#	21903	SO#632588-Southern Palm Crossing-C	376120	3,840	33,823	33,823			
				376140	18,223	72,714	72,714			
				380140	354	354	354			

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			TOTAL FOR THIS I.R.NUMBER		22,217	106,891	106,891		106,730	
08/06	#	21904	SO#631543-Old School Square Parking-C	376120		1,540	1,540			
			TOTAL FOR THIS I.R.NUMBER		0	1,540	1,540		0	
08/06	#	21907	SO#635878-Our Lady of Fla.-C	380120		3,929	3,929			
			TOTAL FOR THIS I.R.NUMBER		0	3,929	3,929		5,770	
08/06	#	21909	SO#635451-132 Cortez Rd.-C	376120	135	7,893	7,893			
			TOTAL FOR THIS I.R.NUMBER		135	7,893	7,893		5,790	
08/06	O	21910	SO#637361-6045 S. Verde Trail	376140		312	312			
				380120						
			TOTAL FOR THIS I.R.NUMBER		0	312	312		12,268	
07/06	O	21911	SO#632500-Coventry St Project	376120	934	2,161	2,161			
			TOTAL FOR THIS I.R.NUMBER		934	2,161	2,161		19,130	
08/06	#	21913	SO#641074-Carstar-C	376120		8,239	8,239			
			TOTAL FOR THIS I.R.NUMBER		0	8,239	8,239		8,019	
08/06	O	21915	Fuel Management System	394						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		18,720	
09/06	O	21919	SO#644673-Mizner Lakes/Tuscany	376120		250	250			
			TOTAL FOR THIS I.R.NUMBER		0	250	250		9,418	
09/06	O	21923	SO#644903-City Place Office Towers	376260		(9,690)	(9,690)			
			TOTAL FOR THIS I.R.NUMBER		0	(9,690)	(9,690)		0	
09/06	O	21924	SO#646529-Sunset Isles Sub.	376120	138	201	201			
				376140		128	128			
			TOTAL FOR THIS I.R.NUMBER		138	329	329		23,025	
09/06	O	21926	SO#642301-2601 Martin Luther King	376140	16,812	21,452	21,452			
				376120	744	744	744			
				376160	94,732	132,533	132,533			
				376260	2,009	2,009	2,009			
				380140	3,232	3,232	3,232			
			TOTAL FOR THIS I.R.NUMBER		117,529	159,970	159,970		101,894	
10/06	O	21927	SO#530939-3418 NW 51st Pl	376120	133	(12,341)	(12,341)			
			TOTAL FOR THIS I.R.NUMBER		133	(12,341)	(12,341)		0	
10/06	O	21930	SO#650676-Boca Marina Yacht Club	376120	142	(33,298)	(33,298)			
			TOTAL FOR THIS I.R.NUMBER		142	(33,298)	(33,298)		0	
10/06	O	21931	SO#654591-2728 Lake Worth Rd.	376120	2,220	2,220	2,220			
			TOTAL FOR THIS I.R.NUMBER		2,220	2,220	2,220		12,286	
10/06	O	21934	SO#620084-Wellington Middle School	376140	5,315	5,315	5,315			
				376210	16	16	16			
				376240	30,684	30,684	30,684			
			TOTAL FOR THIS I.R.NUMBER		36,015	36,015	36,015		14,140	
10/06	O	21935	SO#654627-2348 E. Maya Palm Dr	376120						
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		9,100	
10/06	O	21936	SO#657513-312 SW 11th Ave.	376120						
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		7,321	
10/06	#	21937	SO#653781-418 South 'H' Street-C	376120	8,826	8,826	8,826			
				380107						
			TOTAL FOR THIS I.R.NUMBER		8,826	8,826	8,826		8,581	
10/06	O	21939	SO#660510-1779 Sabal Palm Dr.	376120		(6,083)	(6,083)			
				380107		(476)	(476)			
			TOTAL FOR THIS I.R.NUMBER		0	(6,559)	(6,559)		0	
10/06	O	21940	SO#661661-Boca Town Ctr. Reloc.	376260	34,210	(33,686)	(33,686)			
				376240	233	233	233			
				376160	887	12,674	12,674			
			TOTAL FOR THIS I.R.NUMBER		35,330	(20,779)	(20,779)		0	
11/06	O	21941	SO#649445-741 E. Palmetto Park Rd.	376120	6,629	1,148	1,148			
				380107		(691)	(691)			
			TOTAL FOR THIS I.R.NUMBER		6,629	457	457		0	
10/06	O	21942	SO#661225-3612 S. Ocean Blvd.	380120		(2,949)	(2,949)			
			TOTAL FOR THIS I.R.NUMBER		0	(2,949)	(2,949)		0	
11/06	O	21943	SO#659001-2128 Acorn Palm Rd.	376120		(3,758)	(3,758)			
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	(3,758)	(3,758)		6,920	
11/06	O	21945	SO#664715-832 S. Blvd.-Publix	380120	1,278	1,278	1,278			
			TOTAL FOR THIS I.R.NUMBER		1,278	1,278	1,278		0	
11/06	O	21950	SO#649670-Gun Club to Military	376120						
				376140	1,500	1,512	1,512			
				380107						
				380112						
				380120						
			TOTAL FOR THIS I.R.NUMBER		1,500	1,512	1,512		0	
11/06	O	21951	SO#661427-Mediterrania Subdiv	376120		(32,807)	(32,807)			
			TOTAL FOR THIS I.R.NUMBER		0	(32,807)	(32,807)		75	
11/06	O	21952	SO#666180-Blue Coral Cove HOA	376120						
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		36,094	
11/06	O	21953	SO#666426-1107 3rd Ave	376120	8,013	8,013	8,013			
				380120	69	68	69			
			TOTAL FOR THIS I.R.NUMBER		8,082	8,081	8,082		9,092	

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Comp.

DATE AUTH	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
11/06	21954	SO#667037-2700 Ocean Blvd	376140	131	131	131			
			380120						
			380140						
		TOTAL FOR THIS I.R.NUMBER		131	131	131		20,331	
11/06	21955	SO#667668-465 Executive Center	380112						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		13,188	
11/06	21956	SO#668505-260 N. Federal Hwy	376120	66	(15,976)	(15,976)			
			380107	66	(718)	(718)			
		TOTAL FOR THIS I.R.NUMBER		132	(16,694)	(16,694)		0	
12/06	21960	SO#673062-PBI Airport	376240	223	223	223			
		TOTAL FOR THIS I.R.NUMBER		223	223	223		0	
12/06	21961	Ricoh Copier	3912	7,349	7,349	7,349			
		TOTAL FOR THIS I.R.NUMBER		7,349	7,349	7,349		9,318	
12/06	21962	SO#673007-Coventry in the Grove	376120		(3,080)	(3,080)			
			376140		(10,920)	(10,920)			
		TOTAL FOR THIS I.R.NUMBER		0	(14,000)	(14,000)		4,371	
11/06	21963	SO#670657-2582 NW Clubside Circle	376120						
			380107						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		7,712	
11/06	21964	SO#669562-819 Bailey St.	376120						
			376140						
			380107						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		18,633	
11/06	21965	SO#650255-3525 S. Congress Ave	380112						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		17,381	
12/06	21967	SO#674408-541 NE Spanish Trail	376120	224	224	224			
			380107						
		TOTAL FOR THIS I.R.NUMBER		224	224	224		11,579	
12/06	21968	SO#674001-6340 W. Boyton Bch Blvd	380112						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		6,272	
12/06	21969	SO#669004-Sunrise Senior Living	380120	(7,224)	(7,224)	(7,224)			
		TOTAL FOR THIS I.R.NUMBER		(7,224)	(7,224)	(7,224)		0	
12/06	21970	SO#674243-Fdot#229815 SR 710	376260						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		13,301	
12/06	21971	SO#678018-2400 Centerpark Drive	376120	(5,376)	(5,376)	(5,376)			
			380112	(3,581)	(3,581)	(3,581)			
		TOTAL FOR THIS I.R.NUMBER		(8,957)	(8,957)	(8,957)		0	
12/06	21973	SO#679638-3090 S. Ocean Blvd	376140						
			380112						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		10,083	
12/06	21974	SO#674344-West Boca Plaza	376120						
			380107						
			380112						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		26,580	
01/07	21978	SO#679158-5050 N. Ocean Blvd	380120						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		10,453	
01/07	21979	SO#672909-The Estates Subdiv.	376120						
			376140						
			380107						
		TOTAL FOR THIS I.R.NUMBER		0	0	0		14,443	
02/05	28000	Amortization of Bare Steel Repl.-Y	376120	(26,244)	(314,924)	(629,848)			(758,852)
			380107	(5,375)	(64,502)	(129,004)			
		TOTAL FOR THIS I.R.NUMBER		(31,619)	(379,426)	(758,852)		0	
11/04	28004	SO#438442-Olive Ave.-Y	376120			18,307			78,892
			376112			50			
			376140			6,041			
			376180			54,494			
		TOTAL FOR THIS I.R.NUMBER		0	0	78,892		45,036	
02/05	28005	SO#470343-Garden Summit to Forest Hill	376120			17,136			18,119
			376112			983			
		TOTAL FOR THIS I.R.NUMBER		0	0	18,119		10,278	
03/05	28006	SO#470842-Between Banyan & Clematis	376120			133			133
		TOTAL FOR THIS I.R.NUMBER		0	0	133		14,895	
03/05	28007	SO#470818-Between Evernia & Datura	376112			8,136			8,136
			376120			0			
			380112			0			
		TOTAL FOR THIS I.R.NUMBER		0	0	8,136		8,299	
03/05	28008	CO#42321-1519 N. Dixie Hwy-Y	376160		15,931	44,176			44,190
			376120			14			
			376140			0			
		TOTAL FOR THIS I.R.NUMBER		0	15,931	44,190		26,563	
03/05	28009	SO#463550-WPB Fire Station #3-Y	376120			1,845			1,845
			380107			0			
		TOTAL FOR THIS I.R.NUMBER		0	0	1,845		0	
04/05	28010	SO#484350-Madeira Ct. and Spruce Av.	376112			183			10,503
			376120			9,993			
			380107			347			
		TOTAL FOR THIS I.R.NUMBER		0	0	10,503		3,755	
04/05	28011	SO#485210-Washington, Monroe-Y	376120			43,344			43,344
		TOTAL FOR THIS I.R.NUMBER		0	0	43,344		12,629	
04/05	28012	SO#484454-Olive-Fern-Banyan-Y	376120			13,087			13,087

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLORIDA

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Comp.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
			TOTAL FOR THIS I.R.NUMBER		0	0	13,087		6,780	
07/05	O	28015	SO#515046-Hammon and Worth	376120			345			345
			TOTAL FOR THIS I.R.NUMBER		0	0	345		7,104	
07/05	O	28016	SO#515220-Brazilian and Australian	376120			262			262
			TOTAL FOR THIS I.R.NUMBER		0	0	262		9,339	
07/05	O	28017	SO#515208-Royal Palm Way&Brazilian	376120			174			174
			TOTAL FOR THIS I.R.NUMBER		0	0	174		7,796	
08/05	O	28018	SO#518373-Between Australian&Chilian	376120			175			202
				376130			27			
			TOTAL FOR THIS I.R.NUMBER		0	0	202		8,597	
08/05	#	28019	SO#527265-Via Viscaya Subdiv.-C	376120			21,340			21,340
			TOTAL FOR THIS I.R.NUMBER		0	0	21,340		3,947	
09/05	O	28020	SO#520600-Between Royal Palm&Brazilian	376120			225			225
			TOTAL FOR THIS I.R.NUMBER		0	0	225		9,745	
10/05	O	28023	SO#544720-Spruce Ave. @ 44th St	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		4,605	
10/05	O	28025	SO#524894-Australian & Chilian	376120			99			99
			TOTAL FOR THIS I.R.NUMBER		0	0	99		10,305	
10/05	O	28026	SO#531918-J Street from 3rd Ave	376120		215	624			(14,162)
				376140		16	(14,786)			
			TOTAL FOR THIS I.R.NUMBER		0	231	(14,162)		0	
10/05	O	28027	SO#531918-J Street from 3rd Ave.	376112		145,647	146,851			146,851
			TOTAL FOR THIS I.R.NUMBER		0	145,647	146,851		164,880	
12/05	O	28028	SO#560767-Rosemary Ave. 3rd to 7th	376120		622	622			50,620
				376140		1,544	1,544			
				376160		48,454	48,454			
			TOTAL FOR THIS I.R.NUMBER		0	50,620	50,620		16,785	
03/06	#	28030	SO#580484-Flagler Ln.-C	376120		11,954	11,953			11,953
			TOTAL FOR THIS I.R.NUMBER		0	11,954	11,953		8,320	
08/06	O	28034	SO#840176-N. Ocean Blvd	376140		4,206	4,207			
				376120		870	870			
			TOTAL FOR THIS I.R.NUMBER		0	5,076	5,077		12,580	
12/06	O	28036	SO#676122-Coconu to Chukkers	376120						
				376140	447	447	447			
				380107						
			TOTAL FOR THIS I.R.NUMBER		447	447	447		65,109	
			TOTAL CHARGES FOR SPECIFIC I.R.s		269,881	1,989,391	4,875,550	5,929,000	10,054,470	

TOTAL OF ALL OPEN REQUISITIONS ("O")	1,087,579
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	2,563,818
COSTS TRANSFERRED FROM CONSTRUCTION TO AEP (1860.4) 2006	37,012

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land					
Structures and Improvements	374				
Mains	375				
Compressor Station Equipment	376	14,214	725,170	1,040,400	70%
Measure/Regulator Equipment-General	377				
Measure/Regulator Equipment-City Gate Station	378				
Services	379	1,869	1,869		NO BUDGET
Meters	380	30,584	428,798	423,800	101%
Meter Installations	381		(3,449)		NO BUDGET
House Regulators	382	1,788	54,022	70,800	76%
House Regulator Installations	383		853		NO BUDGET
Ind. Measuring/Reg. Station Equipment	384	(402)	14,626	15,600	94%
Other Property on Customer Premises - Rent	385				
Other Equipment	386				
	387		11,834	21,800	54%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390		27,337		NO BUDGET
Office Furniture & Equipment	391	2,394	152,605	15,000	1017%
Transportation Equipment	392		304,912	121,500	251%
Stores Equipment	393				
Tools, Shop and Garage Equipment	394		5,473	1,000	547%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398		28,436		NO BUDGET
TOTAL CONSTRUCTION		**50,447**	**1,752,486**	**1,709,900**	**102%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Structures and Improvements	375	0	0		
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	3,436	37,315	54,000	69%
Mains - Plastic - 2"	376120	2,599	17,065		NO BUDGET
Mains - Plastic - 3"	376130	0	0		
Mains - Plastic - 4"	376140	5,201	13,118		NO BUDGET
Mains - Plastic - 6"	376160	0	0		
Sub-Total		11,236	67,498	54,000	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210	0	0	0	
Mains - Other - 1 1/4"	376212	0	671	0	NO BUDGET
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220		380	0	NO BUDGET
Mains - Other - 2 1/2"	376225	0	0	0	
Mains - Other - 3"	376230	0	0	0	
Mains - Other - 4"	376240	0	0	0	
Mains - Other - 6"	376260	0	0	6,000	0%
Mains - Other - 8"	376280	0	0	0	
Mains - Other - 10"	376288	0	0	0	
Mains - Other - 12"	376299	0	0	0	
Sub-Total		0	1,051	6,000	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379	1,869	1,869		NO BUDGET
Services-Plastic-1/2"	380105	5,361	55,777	417,800	13%
Services-Plastic-3/4"	380107	28,462	385,129		NO BUDGET
Services-Plastic-1"	380110	0	105		NO BUDGET
Services-Plastic-1 1/4"	380112	(1,231)	6,050		NO BUDGET
Services-Plastic-1 1/2"	380115		105		NO BUDGET
Services-Plastic-2"	380120	0	116		NO BUDGET
Services-Plastic-4"	380140	0	0		
Sub-Total		32,592	447,282	417,800	
Services-Other-1/2" or 5/8"	380205	0	0	0	
Services-Other- 3/4"	380207	0	1,828	6,000	
	380210	0	0		
Services-Other-1 1/4"	380212	0	0	0	
Services-Other-2"	380220	0	0		
Sub-Total		0	1,828	6,000	
Meters	381		(3,450)		NO BUDGET
Meter Installations	382	1,787	54,022	70,800	76%
House Regulators	383		853		NO BUDGET
House Regulator Installations	384	(402)	14,626	15,600	94%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387		5,281	19,000	28%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390				
Office Furniture	3911				
Office Machines	3912				
EDP Equipment	3913		5,209		NO BUDGET
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922		1,610		NO BUDGET
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools, Shop and Garage Equipment	394		5,473	1,000	547%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**47,082**	**603,152**	**590,200**	**102%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land	374	0	0		
Structures and Improvements	375				
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	1,440	399,076	851,400	47%
Mains - Plastic - 2"	376120	(1,028)	141,007		NO BUDGET
Mains - Plastic - 3"	376130	0	0	0	
Mains - Plastic - 4"	376140	2,350	106,176	0	NO BUDGET
Mains - Plastic - 6"	376160	0	0	0	
Sub-Total		2,762	646,259	851,400	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210	0	0	0	
Mains - Other - 1 1/4"	376212	0	0	0	
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220	0	4,218		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0	0	
Mains - Other - 3"	376230	0	0	0	
Mains - Other - 4"	376240	217	6,407		NO BUDGET
Mains - Other - 6"	376260	0	(263)	129,000	0%
Mains - Other - 8"	376280	0	0	0	
Mains - Other - 10"	376288	0	0	0	
Mains - Other - 12"	376299	0	0	0	
Sub-Total		217	10,362	129,000	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379				
Services-Plastic - 1/2"	380105	(2,180)	(26,163)		
Services-Plastic - 3/4"	380107	0	6,752	0	NO BUDGET
Services-Plastic - 1"	380110	0	0		
Services-Plastic - 1 1/4"	380112	0	(1,073)	0	NO BUDGET
Services-Plastic	380115	0	0	0	
Services-Plastic - 2"	380120	172	172	0	
Services-Plastic - 4"	380140	0	0		
Sub-Total		(2,008)	(20,312)	0	
Services-Other - 1/2"	380205	0	0		
Services-Other - 3/4"	380207	0	0	0	
Services-Other - 1 1/4"	380212	0	0	0	
Services-Other - 2"	380220	0	0	0	
Services-Other - 6"	380260	0	0	0	
Sub-Total		0	0	0	
Meters	381				
Meter Installations	382		0		
House Regulators	383				
House Regulator Installations	384				
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387		6,553	2,800	234%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390		27,337		NO BUDGET
Office Furniture	3911				
Office Machines	3912		13,420	15,000	89%
EDP Equipment	3913		9,457		NO BUDGET
EDP Equipment-Software	391305	2,394	124,520		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922		303,023	121,500	249%
Transportation Equipment - Heavy Trucks	3923		279		NO BUDGET
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398		28,436		NO BUDGET
TOTAL SPECIFIC I.R. CONSTRUCTION		**3,365**	**1,149,334**	**1,119,700**	**103%**

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - CENTRAL FLORIDA

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

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DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
03/00	#	20346	AEP-Crystal Cove-Y	376112			3,503		
				376120		128	16,889		
			TOTAL FOR THIS I.R.NUMBER		0	128	20,392		26,607
04/01	#	20590	AEP-Fawn Ridge-Y	376112		786	5,752		
				376120		2,515	19,267		
				376140		1,939	15,028		
			TOTAL FOR THIS I.R.NUMBER		0	5,240	40,047		38,241
12/02	#	21013	Boston Whaler-Y	376112		0	0		
				376120		0	27,279		
			TOTAL FOR THIS I.R.NUMBER		0	0	27,279		19,259
02/03	#	21047	Relocation of Rectifier-Y	376120		487	487		
				376260			3,557		
			TOTAL FOR THIS I.R.NUMBER		0	487	4,044		4,500
08/03	I	21159	AEP-38118-03-Riverside at DeBary-C	376112		4,323	20,174		
				376120		3,971	26,105		
				376140			71,730		
				376240			4,000		
				380107		(64)	(64)		
			TOTAL FOR THIS I.R.NUMBER		0	8,230	121,945		186,252
02/04	#	21314	AEP-Arbor Ridge-Y	376112		1,602	3,734		
				376120		8,010	18,613		
				376140		17,089	39,968		
				380105			5,811		
				380120			3,406		
			TOTAL FOR THIS I.R.NUMBER		0	26,701	71,532		193,621
05/04	I	21348	AEP-CO#41387-04-Victoria Park Ph.II-Y	376120	63	533	70,047		
				376112			48,990		
				376140			38,250		
				380112					
			TOTAL FOR THIS I.R.NUMBER		63	533	157,287		173,034
06/04	O	21361	CO#41894-04-Best Produce	376112			3,863		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,863		2,877
06/04	O	21362	CO#41892-04-Swamp House Grill	376112			3,802		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,802		3,290
06/04	#	21363	Paving for Drive Thru/Warehouse-C	390			15,304	YR 2004	
			TOTAL FOR THIS I.R.NUMBER		0	0	15,304	12,000	16,737
06/04	#	21365	Install Electronic Gates-C	390		27,337	27,337	YR 2004	
			TOTAL FOR THIS I.R.NUMBER		0	27,337	27,337	16,600	22,803
08/04	O	21408	CO38247-03-501 S. Atlantic Ave.	380107			2,625		
			TOTAL FOR THIS I.R.NUMBER		0	0	2,625		2,979
08/04	O	21412	CO42891-04-N. Adelle & West Church Av	376112			3,000		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,000		2,574
09/04	I	21417	CO42985-100 Block of N. Woodland Blvd.-Y	376112			4,560		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,560		3,493
09/04	I	21418	CO42987-E. Rich Ave. & N. Alabama-Y	376112			17,331		
				376120			640		
			TOTAL FOR THIS I.R.NUMBER		0	0	17,971		12,405
09/04	O	21419	CO42992-E. Georgia Ave.	376112		506	5,877		

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - CENTRAL FLORIDA

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

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I = In-Serv.
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DATE AUTH	I R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
			376120			662		
		TOTAL FOR THIS I.R.NUMBER		0	506	6,539		3,304

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
08/04	#	21421	Mapping System-Y	3913			86,341		
			TOTAL FOR THIS I.R.NUMBER		0	0	86,341	200,000	200,000
09/04	O	21425	CO43023-Ernest Metal Fabricators	376120			11,714		
				380112			1,985		
			TOTAL FOR THIS I.R.NUMBER		0	0	13,699		12,399
10/04	#	21434	Regulators for NSB Gate Station-C	379			5,498		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,498	25,000	4,494
09/04	O	21440	CO#42326-Mellonville Ave.	376112			8,959		
			TOTAL FOR THIS I.R.NUMBER		0	0	8,959		5,366
07/04	O	21460	CO#41973-Villaggio Plaza	376112			5,639		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,639		5,620
01/05	O	21486	SO#452030-NSB Replacement High School	376112			2,366		
				380112			4,640		
			TOTAL FOR THIS I.R.NUMBER		0	0	7,006		7,090
01/05	#	21488	Pick-up Trucks-C	3922		29,441	29,441	YR 2005	
			TOTAL FOR THIS I.R.NUMBER		0	29,441	29,441	32,000	32,000
01/05	#	21498	Purchase Service Vans-C	3922		76,573	76,573	YR 2005	
			TOTAL FOR THIS I.R.NUMBER		0	76,573	76,573	73,500	73,500
01/05	#	21499	Purchase Pick-up Trucks-C	3922		67,419	67,419	YR 2005	
			TOTAL FOR THIS I.R.NUMBER		0	67,419	67,419	66,000	66,000
02/05	O	21533	SO#469610-176 Corbin Park Rd.	380107			1,018		
				376112			307		
			TOTAL FOR THIS I.R.NUMBER		0	0	1,325		3,314
03/05	I	21546	SO#47597-Northern System Loop-Y	376140			29,896		
				376260			0		
				376280			0		
			TOTAL FOR THIS I.R.NUMBER		0	0	29,896		34,985
04/05	O	21562	SO#478144-1378 Bailey Ct.	376112			3,550		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,550		2,765
04/05	I	21563	AEP-SO#484895-Lakes of Deland-Y	376112			5,453		
				376120			14,148		
			TOTAL FOR THIS I.R.NUMBER		0	0	19,601		23,068
05/05	#	21583	SO#499404-Discovery Elementary School-Y	376112		(87)	2,970		
				380112		118	5,243		
			TOTAL FOR THIS I.R.NUMBER		0	31	8,213		10,440
03/05	O	21586	Construct New NSB Gate Station	379					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		363,000
03/05	O	21587	Purchase 4" SCW Lateral from FGT	376240	217	4,598	5,078		
			TOTAL FOR THIS I.R.NUMBER		217	4,598	5,078		210,000
06/05	I	21597	SO#505087-AEP-Victoria Pk. Incr 3 Unit 2-Y	376112		14,962	36,052		
				376120	63	15,243	19,902		
				380112			0		
			TOTAL FOR THIS I.R.NUMBER		63	30,205	55,954	30,000	45,389
06/05	O	21599	SO#501707-Compac Company	380112			3,045		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,045		3,916

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
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DATE AUTH		IR Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
06/05	I	21600	SO#505577-Lake Emma Road-Y	376260		341	10,238		
				376140			1,609		
			TOTAL FOR THIS I.R.NUMBER		0	341	11,847		3,985
06/05	I	21604	SO#47750-Lake Heathrow Park-Y	376260		(306)	(5,033)		
			TOTAL FOR THIS I.R.NUMBER		0	(306)	(5,033)		3,985
07/05	I	21619	SO#512963-Blue Lake Elementary-Y	376112			14,386		
			TOTAL FOR THIS I.R.NUMBER		0	0	14,386	18,000	16,373
07/05	O	21620	SO#513048-Deltona High School	380112			6,609		
			TOTAL FOR THIS I.R.NUMBER		0	0	6,609		5,680
07/05	I	21629	SO#513575-10th Street-Y	376112			(3)		
				376120		1,251	1,251		
				376140		121	26,131		
			TOTAL FOR THIS I.R.NUMBER		0	1,372	27,379		17,237
07/05	#	21635	CO#487972-Buttercup Bakery-Y	376112		379	3,563		
			TOTAL FOR THIS I.R.NUMBER		0	379	3,563		4,026
07/05	I	21639	SO#517231-Carriage Homes-Y	376112	958	958	5,935		
				376120		(449)	337		
			TOTAL FOR THIS I.R.NUMBER		958	509	6,272	18,000	39,104
08/05	I	21647	SO#521930-Joy Luck Restaurant-C	376120		4,129	4,341		
			TOTAL FOR THIS I.R.NUMBER		0	4,129	4,341	18,000	3,684
08/05	I	21649	CO#523118-Island Club-C	376112		16,400	16,400		
			TOTAL FOR THIS I.R.NUMBER		0	16,400	16,400	18,000	12,980
08/05	#	21650	401 Summerlin Ave.-Y	376112		(39)	4,225		
			TOTAL FOR THIS I.R.NUMBER		0	(39)	4,225		3,139
08/05	O	21651	SO#515382-West Volusia YMCA	380112			5,648		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,648		5,199
08/05	I	21654	SO#521027-AEP-Victoria Park Incr. 3-Y	376112	(220)	45,942	76,788		
				376120		30,641	77,357		
			TOTAL FOR THIS I.R.NUMBER		(220)	76,583	154,145	30,000	140,054
08/05	O	21664	Purchase AM/FM System Phase II	3913		(6,009)	21,731		
				391305	2,394	117,604	128,410		
			TOTAL FOR THIS I.R.NUMBER		2,394	111,595	150,141	67,000	180,659
08/05	O	21666	Install Cabinets for Ready Room	375			4,793		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,793		4,800
09/05	I	21685	CO#534627-AEP-Deltona Woods-C	376112	626	156	5,013		
				376120		(42)	13,644		
			TOTAL FOR THIS I.R.NUMBER		626	114	18,657		20,738
09/05	#	21687	SO#524053-News Journal-Y	376112		130	2,741		
			TOTAL FOR THIS I.R.NUMBER		0	130	2,741		2,949
10/05	O	21692	SO#540367-Sicily Pizza Buffet	380107			1,918		
			TOTAL FOR THIS I.R.NUMBER		0	0	1,918		3,709
11/05	#	21710	Nomex Fire Suits-C	398		28,436	37,514		
			TOTAL FOR THIS I.R.NUMBER		0	28,436	37,514		46,000
11/05	#	21716	Respirator Equipment-C	387		4,029	4,029		
			TOTAL FOR THIS I.R.NUMBER		0	4,029	4,029		6,000

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
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DATE AUTH		I R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
11/05	I	21718	SO#554037-Marina Villas-C	376112		2,090	2,532		
				380107		4,077	4,307		
			TOTAL FOR THIS I.R.NUMBER		0	6,167	6,839	18,000	9,530
12/05	I	21727	SO#526663-Myrtle Ave.-C	376120	(799)	8,505	8,505		
				376140		55	55		
			TOTAL FOR THIS I.R.NUMBER		(799)	8,560	8,560		6,645
12/05	#	21729	AEP-CO#561612-Glen Abby Unit 5-C	376112		13,561	13,562		
				376120		0	0		
				376140		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	13,561	13,562		13,077
12/05	#	21733	Deland High School-Canc	380107		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	0	0		0
11/05	I	21740	SO#557300-Winter Springs Fire Dept.-C	376112		6,063	6,063		
			TOTAL FOR THIS I.R.NUMBER		0	6,063	6,063		3,670
01/06	I	21742	AEP-CO#538807-Bella Foresta Subdiv.-C	376112		4,709	4,709		
				376140		36,066	36,066		
				380140		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	40,775	40,775		38,634
01/06	O	21744	SO#565877-Recovery Room	380112		3,980	3,980		
			TOTAL FOR THIS I.R.NUMBER		0	3,980	3,980		4,936
01/06	O	21750	SO#517387-Qudoba Mexican Restaurant	380107		2,740	2,740		
			TOTAL FOR THIS I.R.NUMBER		0	2,740	2,740		3,198
01/06	#	21756	Service Van-C	3922		24,288	24,288	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	24,288	24,288	22,500	22,500
01/06	#	21757	Field Coordinator Vehicle-Canc. Per Div.	3922				YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	0	0	13,500	13,500
01/06	#	21758	Line Locator Pickups-C	3922		30,526	30,526	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	30,526	30,526	27,000	27,000
01/06	O	21762	I & M TRUCK	3922		74,774	74,774	YR 2006	
				3923		279	279		
			TOTAL FOR THIS I.R.NUMBER		0	75,053	75,053	58,500	58,500
02/06	#	21779	AEP-585435-Arbor Ridge Ph. 4-C	376112		21,426	21,425		
				376120	24	21,361	21,361		
			TOTAL FOR THIS I.R.NUMBER		24	42,787	42,786		36,450
03/06	#	21792	Pipe Locator-C	387		2,524	2,524	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	2,524	2,524	2,800	2,800
03/06	I	21795	SO#588618-Big Boys Restaurant-C	376120		13,176	13,176	YR 2006	
			TOTAL FOR THIS I.R.NUMBER		0	13,176	13,176	21,000	11,131
03/06	O	21812	SO#594624-Howland Blvd.	376140		564	564		
			TOTAL FOR THIS I.R.NUMBER		0	564	564		14,817
03/06	I	21813	SO#593203-Viginia Ave.-C	376112		9,276	9,276		
			TOTAL FOR THIS I.R.NUMBER		0	9,276	9,276		6,051
06/06	O	21869	SO#61897-Moes Southwest Grill	376112		8,729	8,728		
			TOTAL FOR THIS I.R.NUMBER		0	8,729	8,728		5,504
06/06	O	21874	SO#619051-Crystal Lake Elem.	380112		(5,171)	(5,171)		
			TOTAL FOR THIS I.R.NUMBER		0	(5,171)	(5,171)		(531)

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
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DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
06/06	O	21882	Purchase Copy Machine	3912		13,420	13,420		
			TOTAL FOR THIS I.R.NUMBER		0	13,420	13,420		15,000
07/06	#	21889	PC's for 5 Year Replacement-C	3913		15,465	15,465		
			TOTAL FOR THIS I.R.NUMBER		0	15,465	15,465		18,306
07/06	#	21908	Autocadd Upgrades-C	391305		6,916	6,916		
			TOTAL FOR THIS I.R.NUMBER		0	6,916	6,916		6,905
08/06	O	21914	SO#641791-Stetson Mansion	376112		5,554	5,554		
			TOTAL FOR THIS I.R.NUMBER		0	5,554	5,554		6,007
09/06	I	21921	SO#646939-AEP-Victoria Pk. 4-C	376112	(112)	37,213	37,213		
				376120	6,454	14,909	14,909		
				376140	2,349	50,343	50,343		
				376220		4,218	4,218		
				376240		1,809	1,809		
				380120	172	172	172		
			TOTAL FOR THIS I.R.NUMBER		8,863	108,664	108,664	135,000	219,404
10/06	O	21932	CO#656340-AEP-Longwood Hills	376112					
				376120	(136)	124	124		
				380107					
			TOTAL FOR THIS I.R.NUMBER		(136)	124	124	63,000	24,263
11/06	O	21947	SO#667794-Mrytle Ave.	376120	(1,420)	5,475	5,475		
			TOTAL FOR THIS I.R.NUMBER		(1,420)	5,475	5,475		10,113
11/06	O	21957	CO#648722-Parkmore Manor	376112					
				376120					
				380107					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	36,000	27,909
01/07	O	21975	SO#680475-Massey Road	376120					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,711
01/07	O	21980	Purchase Meter Reader Truck	3922					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		14,500
02/05	#	28000	Amortization of Bare Steel Repl.-Y	376120	(13,393)	(160,719)	(321,438)		
				380105	(2,180)	(26,163)	(52,326)		
			TOTAL FOR THIS I.R.NUMBER		(15,573)	(186,882)	(373,764)		0
11/04	O	28001	SO#435520-Central/Oak/University Ave's	376112		946	15,266		
			TOTAL FOR THIS I.R.NUMBER		0	946	15,266	25,000	14,190
11/04	O	28002	SO#426526-West May Street	376112			12,759		
				376140			114		
			TOTAL FOR THIS I.R.NUMBER		0	0	12,873		9,742
06/05	U	28013	West University Ave.-C	376112		38,934	39,029		
				376120		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	38,934	39,029	25,000	25,277
07/05	U	28014	West Georgia Ave.-C	376112		17,623	17,734		
			TOTAL FOR THIS I.R.NUMBER		0	17,623	17,734	25,000	13,708
09/05	U	28021	West Minnesota Ave.-C	376120		22,751	75,726		
				376112		21,499	21,499		
				376260		(298)	0		
			TOTAL FOR THIS I.R.NUMBER		0	43,952	97,225		64,289

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
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DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
10/05	I	28022	East University Ave.-C	376112	29	32,122	32,122		
			TOTAL FOR THIS I.R.NUMBER		29	32,122	32,122	25,000	22,010
10/05	I	28024	East Pennsylvania Ave.-C	376112		23,884	23,884		
				376120		66,845	68,519		
			TOTAL FOR THIS I.R.NUMBER		0	90,729	92,403		86,996
02/06	O	28029	West Michigan Ave.	376112	63	27,758	27,758		
				376120				Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		63	27,758	27,758	32,613	32,613
03/06	O	28031	SO#594903-West University Ave.	376120		249	249	Yr 2006	
				376112		6,982	6,982		
			TOTAL FOR THIS I.R.NUMBER		0	7,231	7,231	12,000	11,311
05/06	O	28032	North Adelle Ave.	376112	97	22,619	22,618		
				376120		2,171	2,171		
			TOTAL FOR THIS I.R.NUMBER		97	24,790	24,789		22,912
05/06	I	28033	East Rich Ave.-C	376112		8,123	8,123		
				376120	29	31,035	31,035	Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		29	39,158	39,158	39,700	37,017
08/06	O	28035	North Clara Ave.	376112		3,949	3,948		
				376120	8,087	48,707	48,707	Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		8,087	52,656	52,655	58,000	60,152
01/07	O	28037	SO#679908-17-92	376112					
				376120					
				376140				Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		0	0	0	160,700	176,814
			TOTAL CHARGES FOR SPECIFIC I.R.s		3,365	1,149,334	1,948,705	1,424,413	3,539,184

Total of All Open I.R.s ("O")	488,278
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	1,026,961
COSTS TRANSFERRED FROM CONSTRUCTION TO AEP (1860.4) 2006	(5,577)

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS

TOTAL CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2003 Budget	Y-T-D / Budget %
Land & Land Rights	Source of Supply & Pumping Plant					
Land & Land Rights	Transmission and Distribution Plant			0		
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	Transmission and Distribution Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Office Furniture and Equipment	General Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
Miscellaneous Equipment	General Plant					
TOTAL CONSTRUCTION			**0**	**0**	**0**	

NON-SPECIFIC I.R. CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2002 Budget	Y-T-D / Budget %
Land & Land Rights	Source of Supply & Pumping Plant					
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Office Furniture and Equipment	General Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
Miscellaneous Equipment	General Plant					
TOTAL NON-SPECIF I.R. CONSTRUCTION			**0**	**0**	**0**	

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
WATER PLANT - FERNANDINA BEACH
MARCH 2003

SPECIFIC I.R. CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2002 Budget	Y-T-D / Budget %
Land & Land Rights	Transmission and Distribution Plant			0		
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	Transmission and Distribution Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
TOTAL SPECIFIC I.R. CONSTRUCTION			**0**	**0**	**0**	

Fern Water

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
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# = Compl.

DATE AUTH	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2001 Budget	Amount Authorized
		TOTAL FOR THIS I.R.NUMBER		0	0	0	0	18,276
		TOTAL FOR THIS I.R.NUMBER		0	0	0	0	98,825
		TOTAL FOR THIS I.R.NUMBER		0	0	0	0	63,739
		TOTAL CHARGES FOR SPECIFIC I.R.s		0	0	0	0	180,840

NOTE: ALL COSTS TRANSFERRED DUE TO WATER SALE

Total of All Open I.R.s ("O")	#REF!
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	0

Fern Water Track

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
COMMON PLANT
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
Misc. Intangible Plant	303				
Accruals	376	(24,232)	(106,216)		NO BUDGET
Structures & Improvements	390	13,126	87,272	165,000	53%
Office Furniture & Equipment	391	23,366	326,662	365,900	89%
Transportation Equipment	392		77,686	30,100	258%
Communication Equipment	397				
Miscellaneous Equipment	398	4,586	4,586		NO BUDGET
Miscellaneous Tangible Assets	399		5,086	20,000	25%
TOTAL CONSTRUCTION		**16,846**	**395,076**	581,000	68%

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
Misc. Intangible Plant	303				
Structures & Improvements	390				
Office Furniture & Equipment	3911			5,000	0%
Office Machines	3912				
EDP Equipment	3913	309	10,740	5,000	215%
EDP Equipment-Software	391305	1,716	5,479		
Transportation Equipment - Cars	3921		2,477		NO BUDGET
Communication Equipment	397				
Miscellaneous Equipment	398	4,586	4,586		
TOTAL NON-SPECIF I.R. CONSTRUCTION		6,611	23,282	10,000	233%

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
Accruals	376	(24,232)	(106,216)		
Structures & Improvements	390	13,125	87,272	165,000	53%
Office Furniture & Equipment	3911				
Office Machines	3912			12,000	0%
EDP Equipment	3913	4,568	224,138	343,900	65%
EDP Equipment-Software	391305	16,774	86,305		
Transportation Equipment - Cars	3921		30,076		NO BUDGET
Transportation Equipment - Light Trucks	3922		45,133	30,100	
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399		5,086	20,000	
TOTAL SPECIFIC I.R. CONSTRUCTION		**10,235**	**371,794**	**571,000**	**65%**

Common

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
COMMON PLANT
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH	I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
01/05	#	21490	Vehicle for Safety Coordinator-C	3922		21,468	21,468	YR 2005	
			TOTAL FOR THIS I.R. NUMBER		0	21,468	21,468	19,600	19,600
03/05	#	21548	Main Office Renovations-Ph I	390					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		11,425
04/05	#	21554	Vehicle for Dir. of Corp Serv.-C	3922		23,665	23,665	YR 2005	
			TOTAL FOR THIS I.R. NUMBER		0	23,665	23,665	25,000	25,000
07/05	#	21660	Customer Relations Training Manual-C	399			5,094		
			TOTAL FOR THIS I.R. NUMBER		0	0	5,094	5,000	5,300
08/05	#	21661	Vehicle for Senior VP-C	3922			30,100		
			TOTAL FOR THIS I.R. NUMBER		0	0	30,100	30,100	30,100
10/05	#	21704	PC's for 5 Year Replacement-C	3913			30,349		
			TOTAL FOR THIS I.R. NUMBER		0	0	30,349	33,397	29,909
10/05	#	21708	IT Workstations-C	3911			4,599		
			TOTAL FOR THIS I.R. NUMBER		0	0	4,599	30,000	4,500
10/05	O	21728	AS/400 Upgrade	391305		15,644	131,806	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	15,644	131,806	140,000	140,000
12/05	#	21731	Tape Drive-C	3913		(1)	9,893		
			TOTAL FOR THIS I.R. NUMBER		0	(1)	9,893	9,892	9,892
01/06	#	21782	Vehicle for CFO-C	3921		30,076	30,076	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	30,076	30,076	30,100	30,100
02/06	#	21783	Swipe Card System-C	390		13,319	13,319	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	13,319	13,319	10,000	13,075
03/06	#	21807	PC's for 5 Year Replacement-C	3913		48,196	48,196	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	48,196	48,196	52,500	49,579
03/06	#	21814	Main Office A/C Improvements-C	390		60,636	60,636	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	60,636	60,636	125,000	83,000
03/06	#	21815	Elevator Power Unit-Canc.	390					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		12,000
04/06	#	21834	Servers for Disaster Recovery-C	3913		50,542	50,542		
				391305		27,603	27,603	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	78,145	78,145	80,000	79,298
04/06	O	21868	AS/400 for Disaster Recovery	3913	4,567	100,652	100,652		
				391305		17,858	17,858		
			TOTAL FOR THIS I.R. NUMBER		4,567	118,510	118,510		105,000
07/06	#	21888	PC's for 5 Year Replacement-C	3913		9,106	9,106	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	9,106	9,106	50,000	8,224
07/06	O	21902	Merch. Bill Print Programming Change	391305	16,774	16,774	16,774		
			TOTAL FOR THIS I.R. NUMBER		16,774	16,774	16,774		17,500
08/06	O	21917	Customer Relations Training Manual	399		5,086	5,086	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	5,086	5,086	10,000	5,000
09/06	O	21920	Creditron Web Inquire Software	391305				YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	8,000	6,525
10/06	O	21938	Documentation Mgt. System	391305		24,069	24,069	REF. IR	
			TOTAL FOR THIS I.R. NUMBER		0	24,069	24,069		58,000
11/06	O	21958	Corporate Office Renovation	390	13,125	13,317	13,317	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		13,125	13,317	13,317	30,000	70,000
04/06	O	29998	Non-Refundable Costs Awaiting IR's	376	(295)	(82,280)	(82,280)		
			TOTAL FOR THIS I.R. NUMBER		(295)	(82,280)	(82,280)		0
12/04	O	29999	Accruals Capital Items	376	(23,936)	(23,936)	(2,791)		
			TOTAL FOR THIS I.R. NUMBER		(23,936)	(23,936)	(2,791)		0
			TOTAL CHARGES FOR SPECIFIC I.R.s		10,235	371,794	589,137	688,589	813,027

Total of All Open I.R.s ("O")	224,491
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	364,646

Common Track

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - COMMON
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2005 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Equipment and Equip	391	7,436	9,966		
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL CONSTRUCTION		**7,436**	**9,966**	**0**	**NO BUDGET**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2005 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**0**	**0**	**0**	

Common FG
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FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - COMMON
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2005 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Equipment	3912				
Computer Equipment	3913	226	2,756		
Computer Equipment-Software	391305	7,210	7,210		
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL SPECIFIC I.R. CONSTRUCTION		**7,436**	**9,966**	**0**	**NO BUDGET**

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FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - COMMON

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2005 BUDGET	Amount Authorized
09/05	#	21693	Propane Delivery System-Y	3913			7,296		
				391305			93,643		
			TOTAL FOR THIS I.R. NUMBER		0	0	100,939		50,000
04/06	#	21833	Remote Tank Monitoring Server-C	3913	226	2,756	2,756		
				391305	7,210	7,210	7,210		
			TOTAL FOR THIS I.R. NUMBER		7,436	9,966	9,966		6,671
			TOTAL FOR THIS I.R. NUMBER						
			TOTAL CHARGES FOR I.R.s		7,436	9,966	110,905		56,671

Total of All Open I.R.s ("O") 0

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 9,966

Comm. Flogas Track

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLA.
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312		302	24,000	
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	27,410	260,010	96,000	271%
Mains	376	6,638	32,672	118,000	28%
Services	380	233	771	6,000	13%
Meters	381			12,000	0%
Meter Installations	382	371	2,950	6,000	49%
House Regulators	383	4,959	52,326	24,000	218%
House Regulator Installations	384	907	13,859	12,000	115%
Consumers' System Installations - Aboveground	385	6,635	36,347	36,000	101%
Consumers' System Installations - Underground	386	9,606	331,912	240,000	138%
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Equipment and Equip	391				
Transportation Equipment	392	12,006	99,526		NO BUDGET
Tools, Shop and Garage Equipment	394		737	37,500	2%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397		3,095		
TOTAL CONSTRUCTION		**68,765**	**834,507**	**611,500**	**136%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312		301	24,000	
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	27,410	260,010	96,000	271%
Mains	376			18,000	0%
Services	380	233	771	6,000	13%
Meters	381			12,000	0%
Meter Installations	382	371	2,950	6,000	49%
House Regulators	383	4,959	52,326	24,000	218%
House Regulator Installations	384	907	13,859	12,000	115%
Consumers' System Installations - Aboveground	385	6,635	36,347	36,000	101%
Consumers' System Installations - Underground	386	9,606	331,912	240,000	138%
Other Equipment	387				
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392		6,404		NO BUDGET
Tools, Shop and Garage Equipment	394		737	37,500	2%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397		677		
TOTAL NON-SPECIF I.R. CONSTRUCTION		**50,121**	**706,294**	**511,500**	**138%**

WPB FG

Pg. 1 of 2

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLA.
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376	6,638	32,672	100,000	33%
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Equipment	3912				
Computer Equipment	3913				
Computer Equipment-Software	391305				
Transportation Equipment	392	12,006	93,122		NO BUDGET
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397		2,419		NO BUDGET
TOTAL SPECIFIC I.R. CONSTRUCTION		**18,644**	**128,213**	**100,000**	**128%**

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FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLA.
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2004 BUDGET	Amount Authorized
06/01	#	20750	Purchase Itron Unit-Canceled	3913					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		3,700
05/03	#	21103	CO#35331-Fla. Med. Ctr.-C	376			45,196		
				385			0		
				380			2,449		
				381			0		
				382			0		
				384			0		
			TOTAL FOR THIS I.R. NUMBER		0	0	47,645		52,830
12/03	#	21297	Purchase Vehicle for I&M Dept-C	392		43,047	67,777	YR 2004	
				397		661	660		
			TOTAL FOR THIS I.R. NUMBER		0	43,708	68,437	52,000	52,000
08/04	O	21414	CO#42908-2325 SW Martin Hwy	376			1,118		
			TOTAL FOR THIS I.R. NUMBER		0	0	1,118		11,972
10/04	#	21447	Propane Delivery System-Y	3913			39,492		
				391305			2,601		
				392			18,779		
			TOTAL FOR THIS I.R. NUMBER		0	0	60,872	127,500	96,966
03/05	O	21553	Containment Tubs for Bulk Diesel	394					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		3,528
04/05	#	21558	Vehicle for District Mgr.-C	392	194	24,438	24,438		
				397		616	616		
			TOTAL FOR THIS I.R. NUMBER		194	25,054	25,054		20,000
04/05	#	21559	Propane Installation Truck-C (canc)	392		(32,918)	0		
				397		0	0		
			TOTAL FOR THIS I.R. NUMBER		0	(32,918)	0		70,000
04/05	#	21560	Propane Delivery Truck-C	392		108	99,368		
				397		493	493		
			TOTAL FOR THIS I.R. NUMBER		0	601	99,861		94,000
04/05	#	21561	Propane Delivery Truck-Orig. in W. Fla.-C	392		46,635	99,235		
				397		649	649		
			TOTAL FOR THIS I.R. NUMBER		0	47,284	99,884		94,000
08/05	#	21662	Rebuild Lantana Plant-C	311			82,143		
			TOTAL FOR THIS I.R. NUMBER		0	0	82,143		82,500
12/05	#	21741	Transmission Clutch for Veh. # 36-C	392			5,765		
			TOTAL FOR THIS I.R. NUMBER		0	0	5,765		5,763
01/06	O	21777	SO#515056-Village at Ocean Walk	380					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		16,217
09/05	O	21793	SO#529484-Casa Del Sol	376	6,638	32,672	32,672		
			TOTAL FOR THIS I.R. NUMBER		6,638	32,672	32,672		34,797
09/05	O	21929	Engine for Vehicle 36	392	11,812	11,812	11,812		
			TOTAL FOR THIS I.R. NUMBER		11,812	11,812	11,812		11,750
			TOTAL FOR THIS I.R. NUMBER						650,023
			TOTAL CHARGES FOR I.R.s		18,644	128,213	535,263		1,300,046

Total of All Open I.R.s ("O") 45,602

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 428,789

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312	312	8,614	35,000	
Remote Tank Monitors Installation	313	146	1,812		
Propane Dispensers	364	788	788		
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	872	104,589	125,000	84%
Mains	376	(18,366)	(18,169)	120,800	-15%
Services	380		5,661	13,100	43%
Meters	381				
Meter Installations	382	335	10,248	5,800	177%
House Regulators	383	198	491		NO BUDGET
House Regulator Installations	384	265	5,504	7,000	79%
Consumers' System Installations - Aboveground	385	1,427	29,265	31,200	94%
Consumers' System Installations - Underground	386	1,612	93,835	156,000	60%
Other Equipment	387				
GENERAL PLANT					
Office Furniture and Equipment	391		2,503		
Transportation Equipment	392		12,831	95,000	14%
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397				
TOTAL CONSTRUCTION		**(12,411)**	**257,972**	**588,900**	**44%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312	312	8,614	35,000	25%
Remote Tank Monitors-Installation	313	146	1,812		
Propane Dispensers	364	788	788		NO BUDGET
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	872	104,589	125,000	84%
Mains	376				
Services	380		5,661	13,100	43%
Meters	381				
Meter Installations	382	335	10,248	5,800	177%
House Regulators	383	198	491		NO BUDGET
House Regulator Installations	384	265	5,505	7,000	79%
Consumers' System Installations - Aboveground	385	1,427	29,265	31,200	94%
Consumers' System Installations - Underground	386	1,612	93,835	156,000	60%
Other Equipment	387				
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**5,955**	**260,808**	**373,100**	**70%**

Sanford FG
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FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2005 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376	(18,366)	(18,169)	120,800	-15%
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Office Furniture and Equipment	3911		2,503		
Computer Equipment	3913				
Computer Equipment-Software	391305				
Transportation Equipment	392		12,830	95,000	14%
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397				
TOTAL SPECIFIC I.R. CONSTRUCTION		**(18,366)**	**(2,836)**	**215,800**	**-1%**

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - CENTRAL FLORIDA

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2,004 Budget	MEMO - Approved Amount Of I.R.
01/02	#	20748	Purchase Itron Units-C	3913			7,903		
			TOTAL FOR THIS I.R. NUMBER		0	0	7,903		7,400
03/02	#	20808	Jacks Lake-Block System	376			0		
			TOTAL FOR THIS I.R. NUMBER		0	0	0		188,905
08/03	#	21317	Hideaway Cove-Block System-Canc.	374					
				376	(18,502)	(18,502)	0		
				386					
			TOTAL FOR THIS I.R. NUMBER		(18,502)	(18,502)	0		30,182
10/04	#	21448	Propane Delivery System-Y	3913			16,735		
				391305			1,115		
				392			10,975		
			TOTAL FOR THIS I.R. NUMBER		0	0	28,825	46,500	53,870
02/05	#	21519	Toscana Subdiv.-Block Sytem-C	376			73,925		
				386		0	0		
			TOTAL FOR THIS I.R. NUMBER		0	0	73,925		78,675
08/05	#	21669	Veranda Park-Block System-C	376	136	333	2,966		
			TOTAL FOR THIS I.R. NUMBER		136	333	2,966		4,249
08/05	#	21696	Furniture for Propane Manager-C	3911		2,503	2,503		
			TOTAL FOR THIS I.R. NUMBER		0	2,503	2,503		3,200
11/05	#	21721	Meter for Propane Delivery Truck-C	392			2,523		
			TOTAL FOR THIS I.R. NUMBER		0	0	2,523		2,550
01/06	#	21745	Engine for Vehicle 114-C	392		12,425	12,425		
			TOTAL FOR THIS I.R. NUMBER		0	12,425	12,425		11,500
01/06	O	21761	Propane Bobtail	392		405	406	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	405	406	95,000	95,000
			TOTAL FOR THIS I.R. NUMBER						475,531
			TOTAL CHARGES FOR I.R.s		(18,366)	(2,836)	131,476		

Total of All Open I.R.s ("O") 406

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 102,245

San FG Track

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - NORTHEAST
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Structures and Equip.	305				
Propane Storage Plant	310				
Propane Storage Tanks	311				
Remote Tank Monitors	312		294	6,000	
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374	1,121	69,688	48,000	145%
Mains	376		(3,242)	50,000	-6%
Services	380	7,245	69,149	12,000	576%
Meters	381			6,000	0%
Meter Installations	382	790	12,301	6,000	205%
House Regulators	383	2,711	14,090	2,400	587%
House Regulator Installations	384	158	2,767	2,400	115%
Consumers' System Installations - Aboveground	385	1,520	17,703	36,000	49%
Consumers' System Installations - Underground	386	5,583	70,499	48,000	147%
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390		237		
EDP Equipment	391				
Transportation Equipment	392		99,280	90,000	110%
Tools, Shop and Garage Equipment	394		2,959	3,000	99%
Laboratory Equipment	395				
Power Operated Equipment	396		534	3,000	
Communication Equipment	397		2,616		
TOTAL CONSTRUCTION		**19,128**	**358,875**	**312,800**	**115%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312		294	6,000	
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	1,121	69,688	48,000	145%
Mains	376		(90)		NO BUDGET
Services	380	7,245	69,149	12,000	576%
Meters	381			6,000	0%
Meter Installations	382	790	12,301	6,000	205%
House Regulators	383	2,711	14,090	2,400	587%
House Regulator Installations	384	158	2,768	2,400	115%
Consumers' System Installations - Aboveground	385	1,520	17,703	36,000	49%
Consumers' System Installations - Underground	386	5,583	70,499	48,000	147%
Other Equipment	387				
GENERAL PLANT					
EDP Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394		2,958	3,000	99%
Laboratory Equipment	395				
Power Operated Equipment	396		534	3,000	
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**19,128**	**259,894**	**172,800**	**150%**

Form FG
Pg. 1 of 2

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - NORTHEAST
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Structures and Equip.	305		0		
Propane Storage Plant	310				
Propane Storage Tanks	311				
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374				
Mains	376		(3,152)	50,000	-6%
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390		237		
EDP Equipment	3913				
EDP Equipment-Software	391305				
Transportation Equipment	392		99,280	90,000	110%
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397		2,616		
TOTAL SPECIFIC I.R. CONSTRUCTION		**0**	**98,981**	**140,000**	**71%**

Pg. 2 of 2

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - NORTHEAST

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2004 Budget	MEMO - Approved Amount Of I.R.
11/01	#	20723	Creekside Subdiv. Block System-Canc.	376		(152)	0		
			TOTAL FOR THIS I.R. NUMBER		0	(152)	0		46,335
08/02	#	20953	Seascape Block System-Y	376		(3,000)	25,360		
			TOTAL FOR THIS I.R. NUMBER		0	(3,000)	25,360		46,335
12/02	#	21012	Gateway to Amelia-Block System-Canc.	376			0		
			TOTAL FOR THIS I.R. NUMBER		0	0	0		10,475
02/05	O	21582	Preserve at Summer Beach-Block Sys.	374					
				380			77,402		
				386			10		
			TOTAL FOR THIS I.R. NUMBER		0	0	77,412		106,260
10/05	#	21705	Bulk Facility Ritz Carlton-C	311			4,352		
			TOTAL FOR THIS I.R. NUMBER		0	0	4,352		4,351
01/06	#	21751	Propane Manager's Truck-C	392		22,079	22,079	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	22,079	22,079	20,000	23,500
01/06	#	21753	Propane I&M Truck-C	392		72,466	72,466	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	72,466	72,466	70,000	70,000
01/06	O	21764	Boom for Truck	392		4,735	4,735		
			TOTAL FOR THIS I.R. NUMBER		0	4,735	4,735		2,782
05/06	O	21855	Conduit for DSL Service	390		237	237		
				397		2,616	2,616		
			TOTAL FOR THIS I.R. NUMBER		0	2,853	2,853		3,500
									313,538
			TOTAL CHARGES FOR I.R.s		0	98,981	209,257	90,000	
			Total of All Open I.R.s ("O")				85,000		
			TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")				95,897		

Fern FG Track

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - WEST FLA.
DECEMBER 2006

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Plant Yard Site	306				
Propane Storage Plant	310				
Propane Storage Tanks	311		5,119		NO BUDGET
Remote Tank Monitors	312		300	3,000	
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374	519	18,962	18,000	105%
Mains	376	4,728	62,531		NO BUDGET
Services	380	2,758	70,980	12,000	592%
Meters	381			1,200	0%
Meter Installations	382	1,829	16,205	6,000	270%
House Regulators	383		9,740	12,000	81%
House Regulator Installations	384	73	3,432	12,000	29%
Consumers' System Installations - Aboveground	385	2,599	26,048	24,000	109%
Consumers' System Installations - Underground	386	12	1,910	8,400	23%
Other Equipment	387				
GENERAL PLANT					
Land and Land Rights	389				
Structures & Improvements	390		16,719	1,200	1393%
EDP Equipment	391				
Transportation Equipment	392	87,552	160,425	150,000	107%
Tools, Shop and Garage Equipment	394		4,557	6,000	76%
Laboratory Equipment	395				
Power Operated Equipment	396			21,000	
Communication Equipment	397				
TOTAL CONSTRUCTION		**100,070**	**396,928**	**274,800**	**144%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312		300	3,000	
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	519	18,962	18,000	105%
Mains	376		0		
Services	380	2,777	69,794	12,000	582%
Meters	381			1,200	0%
Meter Installations	382	1,830	16,205	6,000	270%
House Regulators	383		9,740	12,000	81%
House Regulator Installations	384	73	3,432	12,000	29%
Consumers' System Installations - Aboveground	385	2,599	26,048	24,000	109%
Consumers' System Installations - Underground	386	12	1,910	8,400	23%
Other Equipment	387				
GENERAL PLANT					
Land and Land Rights	389				
Structures & Improvements	390			1,200	
EDP Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394		4,557	6,000	76%
Laboratory Equipment	395				
Power Operated Equipment	396			6,000	
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**7,810**	**150,948**	**109,800**	**137%**

Nature
Pg. 1 of 2

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - WEST FLA.
DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2005 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Plant Yard Site	306				
Propane Storage Plant	310				
Propane Storage Tanks	311		5,119		NO BUDGET
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374				
Mains	376	4,728	62,531		NO BUDGET
Services	380	(20)	1,186		NO BUDGET
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures & Improvements	390		16,719		NO BUDGET
EDP Equipment	3913				
EDP Equipment-Software	391305				
Transportation Equipment	392	87,552	160,425	150,000	107%
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equip.	396			15,000	
TOTAL SPECIFIC I.R. CONSTRUCTION		**92,260**	**245,980**	**165,000**	**149%**

Pg. 2 of 2

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - WEST FLA.

DECEMBER 2006

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2004 Budget	Amount Authorized
05/03	O	21115	Build New Showroom Area	390		0	6,764		
			TOTAL FOR THIS I.R. NUMBER		0	0	6,764		18,000
12/04	#	21263	Rechassis Bobtail # 26-C	392			81,641	YR 2004	
			TOTAL FOR THIS I.R. NUMBER		0	0	81,641	80,000	80,000
03/04	O	21319	Summerglen-Block System	311		5,119	16,317		
				376	4,728	62,420	595,139		
				380	(19)	(19)	62,910		
				382			12,255		
				385			0		
				386			0		
				387			0		
			TOTAL FOR THIS I.R. NUMBER		4,709	67,520	686,621		892,546
06/04	O	21354	Habitat for Humanity-Block Sys.	374			6,300		
				376		110	21,706		
				380		1,205	1,205		
				385			107		
			TOTAL FOR THIS I.R. NUMBER		0	1,315	29,318		31,740
10/04	#	21450	Propane Delivery System-Y	3913			16,772		
				391305			1,115		
				392			10,978		
			TOTAL FOR THIS I.R. NUMBER		0	0	28,865	46,500	21,548
10/04	O	21479	Hydraulic Liftgate	392			2,444		
			TOTAL FOR THIS I.R. NUMBER		0	0	2,444	2,500	2,722
10/04	O	21505	Engine for Vehicle #122	392			7,505		
			TOTAL FOR THIS I.R. NUMBER		0	0	7,505		7,505
06/05	O	21632	Rear-End for Vehicle #103	392			3,291		
			TOTAL FOR THIS I.R. NUMBER		0	0	3,291		3,291
01/06	O	21759	Propane Bobtail	392	87,551	87,958	87,958	Yr 2006	
			TOTAL FOR THIS I.R. NUMBER		87,551	87,958	87,958	80,000	95,000
01/06	O	21760	I & M Truck	392		72,468	72,468	Yr 2006	
			TOTAL FOR THIS I.R. NUMBER		0	72,468	72,468	70,000	70,000
05/06	O	21854	45KW Generator	390		16,719	16,719		
			TOTAL FOR THIS I.R. NUMBER		0	16,719	16,719		15,000
12/06	O	21966	Purchase LR Trailer	392					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		5,500
					92,260	245,980	1,023,594		

Total of All Open I.R.s ("O") 913,088

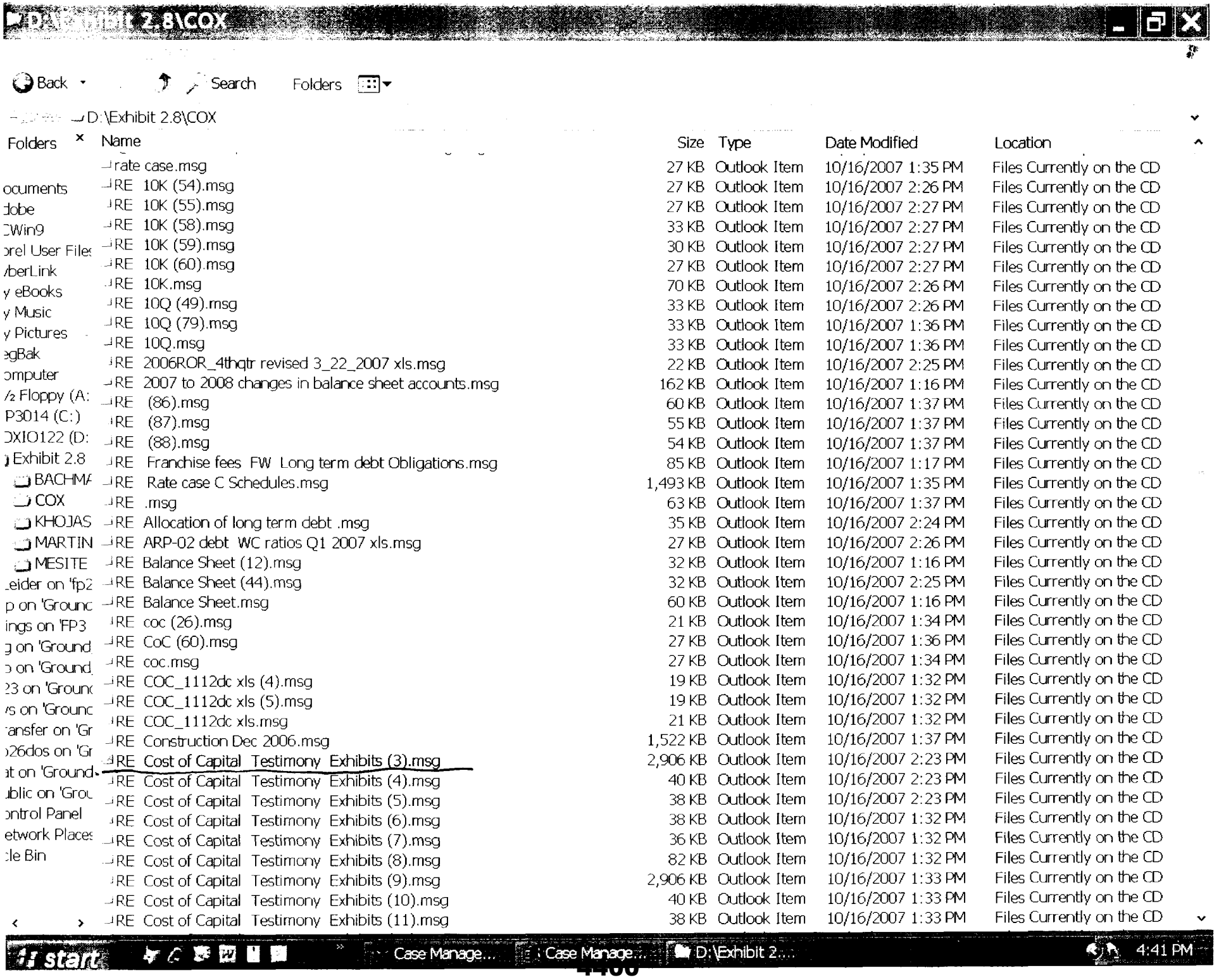
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 81,641

Nature FG Track

SUMMARY OF Y-T-D CONSTRUCTION COSTS BY DIVISION

	ELECTRIC	FLO-GAS
MARIANNA		
BLANKET IR'S	1,064,509	
SPECIFIC IR'S	371,889	
TOTAL CONST.	1,436,398	
FERNANDINA		
BLANKET IR'S	851,550	259,894
SPECIFIC IR'S	941,394	98,981
TOTAL CONST.	1,792,944	358,875
WEST PALM BCH.		
BLANKET IR'S	2,829,597	706,294
SPECIFIC IR'S	1,989,391	128,213
TOTAL CONST.	4,818,988	834,507
CENTRAL FLA.		
BLANKET IR'S	603,152	260,808
SPECIFIC IR'S	1,149,334	-2,836
TOTAL CONST.	1,752,486	257,972
COMMON		
BLANKET IR'S	23,282	0
SPECIFIC IR'S	371,794	9,966
TOTAL CONST.	395,076	9,966
NATURE COAST		
BLANKET IR'S		150,948
SPECIFIC IR'S		245,980
TOTAL CONST.		396,928
GRAND TOTAL	10,195,892	1,858,248

Summary



Wednesday, Apr 02, 2008 04:41 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 4:21 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Attachments: COC_11,12.xls



COC_11,12.x
ls

Here's Exhibits 11 and 12. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 3:18 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
Please send me Exhibits 11 and 12 as I did not receive any Exhibits.
Would you like me to do the Year-end Capital Structure Exhibit?
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 4:09 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

We have a ways to go yet, as follows:

1) the testimony needs to be finessed a little, aside from editorial corrections.
2) I am still fiddling with the cost of capital numbers, as regards to the Size Premia.
3) the discussion on size premia needs further clarification and support.
4) the exhibits regarding historical interest coverage and other things are concerned, needs to be completed. Can you please complete Exhibits 11 and 12?
5) corporate performance should be included.
6) I need to check the numbers (recalculate) regarding risk premia. I inadvertently wrote over code containing a bunch of parameters as "values" within the Exhibits. Last night, I wasn't paying attention, and thought that I was working within a supporting worksheet with code; I was actually working in the Exhibits worksheet.
7) a year-end 2008 capital structure needs to be included. Do not think the year-end should be shown as a second page of Exhibit 1, or toward the back?

I will turn to these things tonight or tomorrow morning.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 12:44 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
Sure - please have Mike revise.
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 1:34 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

I noticed that on one of the D schedules, perhaps D-7 or D-8, a comment states that we expect interest rates to rise. This is not true - should I say, the statement conflicts strongly with the current concensus view of capital markets and the future level of interest rates. I suggest that the language be changed to read something akin to "...we anticipate that interest rates will remain at or very near current levels".

Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:27 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Here's Part 2. Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:20 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Part 1 of the Exhibits...Robert

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/20/2007 8:51 AM
To: Robert Camfield; Cox Doreen; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

You probably have to send in two batches if you do not mind. Cheryl

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

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 9:47 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

There is also a set of exhibits? Did you not receive it? It is large and perhaps needs to be broken into two files.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 6:45 AM
To: Robert Camfield; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
I received two messages - one with the testimony (COC Testimony) and another with two Exhibits (Appendix_DCF and Appendix_CAPM). Was that everything sent?
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 7:36 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Our system has notified me that you did not received the attachment because of the size of the file.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 9:06 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: Cost of Capital, Testimony, Exhibits

Doreen,
Cheryl,

Attached are the exhibits to accompany our testimony regarding cost of capital. Robert

---

From: Robert Camfield
Sent: Sun 8/19/2007 8:59 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 8:48 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

EXHIBIT GB-DC-RC-12

HISTORICAL YEAR-END CAPITAL STRUCTURE

Florida Public Utilities Company

Capital Item	1994 Amount ($000's)	1994 Share (%)	1995 Amount ($000's)	1995 Share (%)	1996 Amount ($000's)	1996 Share (%)	1997 Amount ($000's)	1997 Share (%)	1998 Amount ($000's)	1998 Share (%)
Common Equity	22,334	44.3%	23,302	44.0%	24,511	43.4%	26,189	45.2%	27,622	46.1%
Preferred Stock	600	1.2%	600	1.1%	600	1.1%	600	1.0%	600	1.0%
Long Term Debt	23,500	46.6%	23,500	44.3%	23,500	41.6%	23,500	40.6%	23,500	39.2%
Short Term Debt	4,000	7.9%	5,600	10.6%	7,900	14.0%	7,600	13.1%	8,200	13.7%
Total Capitalization	50,434	100.0%	53,002	100.0%	56,511	100.0%	57,889	100.0%	59,922	100.0%

Capital Item	1999 Amount ($000's)	1999 Share (%)	2000 Amount ($000's)	2000 Share (%)	2001 Amount ($000's)	2001 Share (%)	2002 Amount ($000's)	2002 Share (%)
Common Equity	25,866	41.1%	27,510	39.6%	29,329	28.5%	30,883	29.9%
Preferred Stock	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	37.3%	23,500	33.8%	52,500	51.0%	52,500	50.9%
Short Term Debt	13,000	20.6%	17,900	25.8%	20,430	19.9%	19,183	18.6%
Total Capitalization	62,966	100.0%	69,510	100.0%	102,859	100.0%	103,166	100.0%

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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:

EXHIBIT GB-DC-RC-13

HISTORICAL INTEREST COVERAGE

Florida Public Utilities Company

Item	Historical 1994 ($000's)	1995 ($000's)	1996 ($000's)	1997 ($000's)	1998 ($000's)	1999 ($000's)	2000 ($000's)	2001 ($000's)	2002* ($000's)	Average
Operating Income After Tax	4,347	5,164	5,628	5,518	5,896	6,170	6,528	6,267	6,367	
Income Taxes	943	1,356	1,396	1,286	1,568	1,628	1,473	1,249	1,402	
Operating Income Before Taxes	5,290	6,520	7,024	6,804	7,464	7,798	8,001	7,516	7,769	
Interest Charges	2,669	2,767	2,858	2,895	2,840	2,968	3,487	3,591	4,513	
Before-Tax Interest Coverage	1.98	2.36	2.46	2.35	2.63	2.63	2.29	2.09	1.72	2.28
After-tax Interest Coverage	1.63	1.87	1.97	1.91	2.08	2.08	1.87	1.75	1.41	1.84

* Excludes the Inpact of the
Sale of the Water Division

FLORIDA PUBLIC UTILITIES COMPANY

Capital Structure Objectives	Percent of Total
Long-term Debt	43 - 44%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

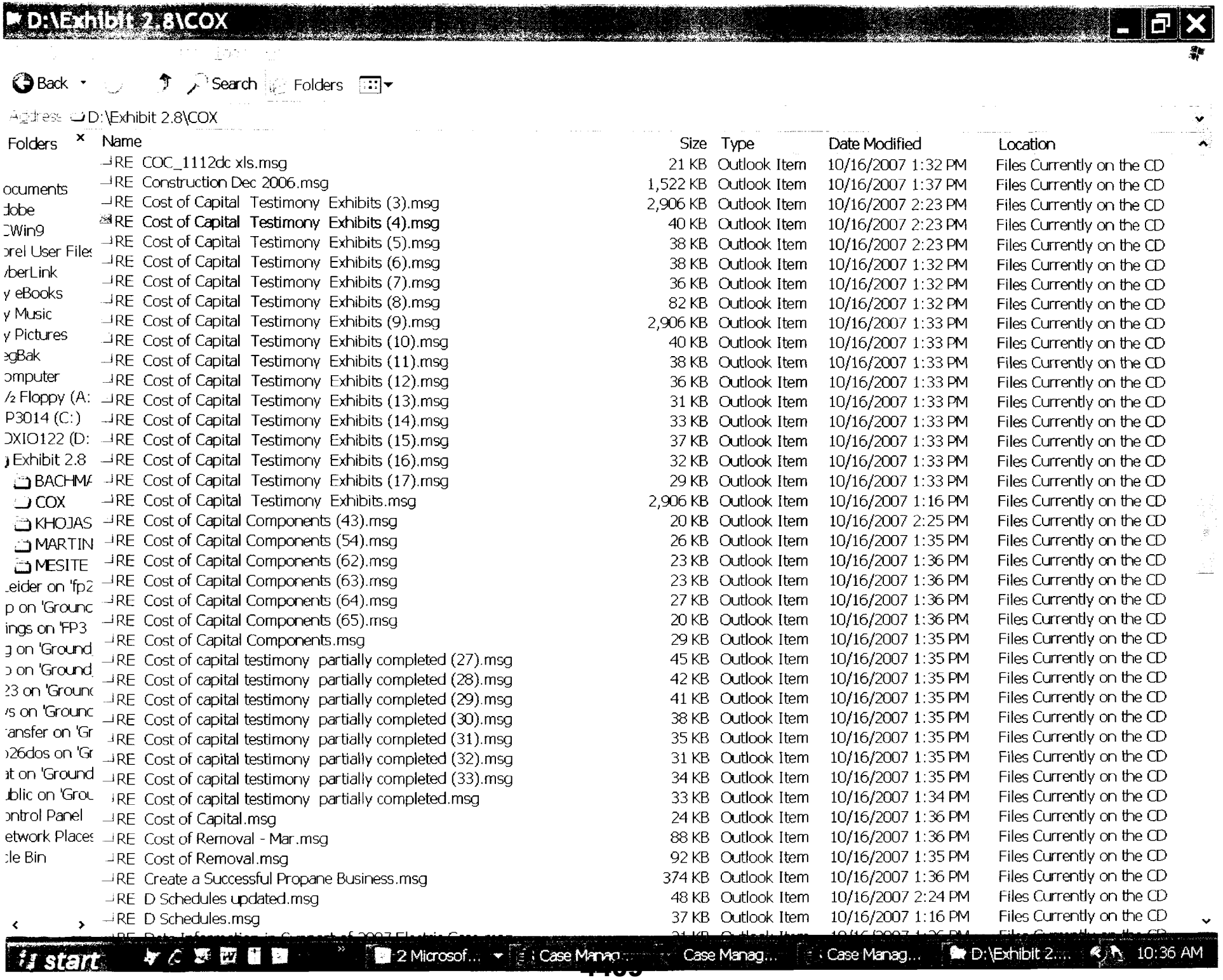
Financing Plans for 2008

June 2008 issuance of 1,250,000 of common stock, priced at $12.00 per share, thus obtaining net 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.


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Back
Search
Folders
Address D:\Exhibit 2.8\COX
Folders
Name
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Date Modified
Location
RE COC_1112dc xls.msg 21 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
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2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2....
10:36 AM

Clara Leider

From: Martin Cheryl
Sent: Monday, August 20, 2007 4:23 PM
To: Robert Camfield; Cox Doreen
Subject: RE: Cost of Capital, Testimony, Exhibits

As long as we are done by tomorrow 9am we are good to go. Change what you need to, but we need to be print ready tomorrow early morning. Thanks Cheryl Martin

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From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
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I will turn to these things tonight or tomorrow morning.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 12:44 PM
To: Robert Camfield
Cc: Martin Cheryl
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Sure - please have Mike revise.
Thanks
Doreen

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Doreen,

Part 1 of the Exhibits...Robert

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/20/2007 8:51 AM
To: Robert Camfield; Cox Doreen; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

You probably have to send in two batches if you do not mind. Cheryl

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I received two messages - one with the testimony (COC Testimony) and another with two

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Doreen

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Robert

From: Robert Camfield
Sent: Sun 8/19/2007 9:06 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: Cost of Capital, Testimony, Exhibits

Doreen,
Cheryl,

Attached are the exhibits to accompany our testimony regarding cost of capital. Robert

---

From: Robert Camfield
Sent: Sun 8/19/2007 8:59 PM
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Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

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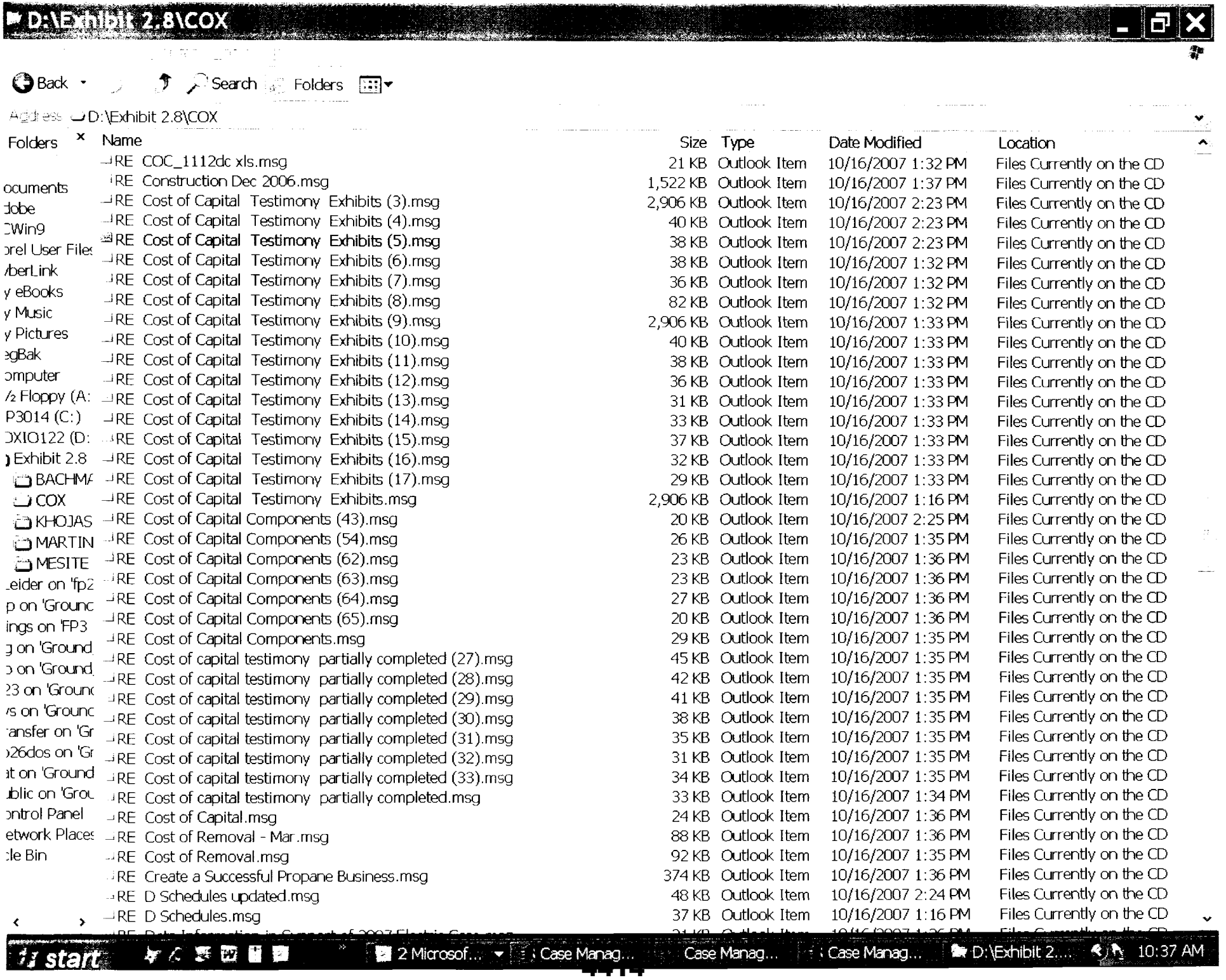
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Robert

Please see Pages 31 and 34.



Thursday, Apr 03, 2008 10:37 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 4:18 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Will do...Also, I resent the exhibits as two batches when you indicated that they did not come through; Cheryl has received them.

Robert

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Subject: RE: Cost of Capital, Testimony, Exhibits

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Please send me Exhibits 11 and 12 as I did not receive any Exhibits.
Would you like me to do the Year-end Capital Structure Exhibit?
Thanks
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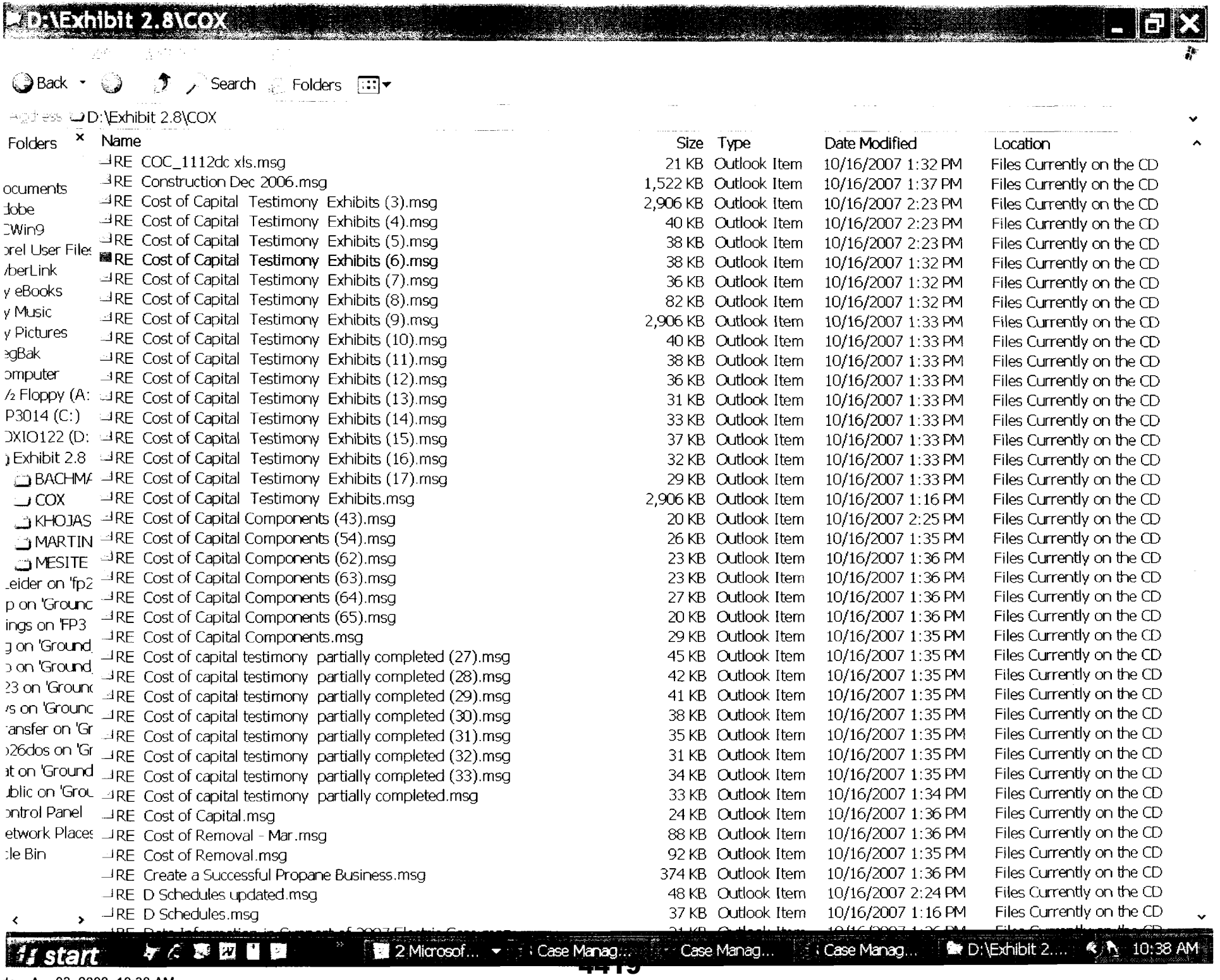
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From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 7:36 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

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Cheryl,

Attached are the exhibits to accompany our testimony regarding cost of capital. Robert

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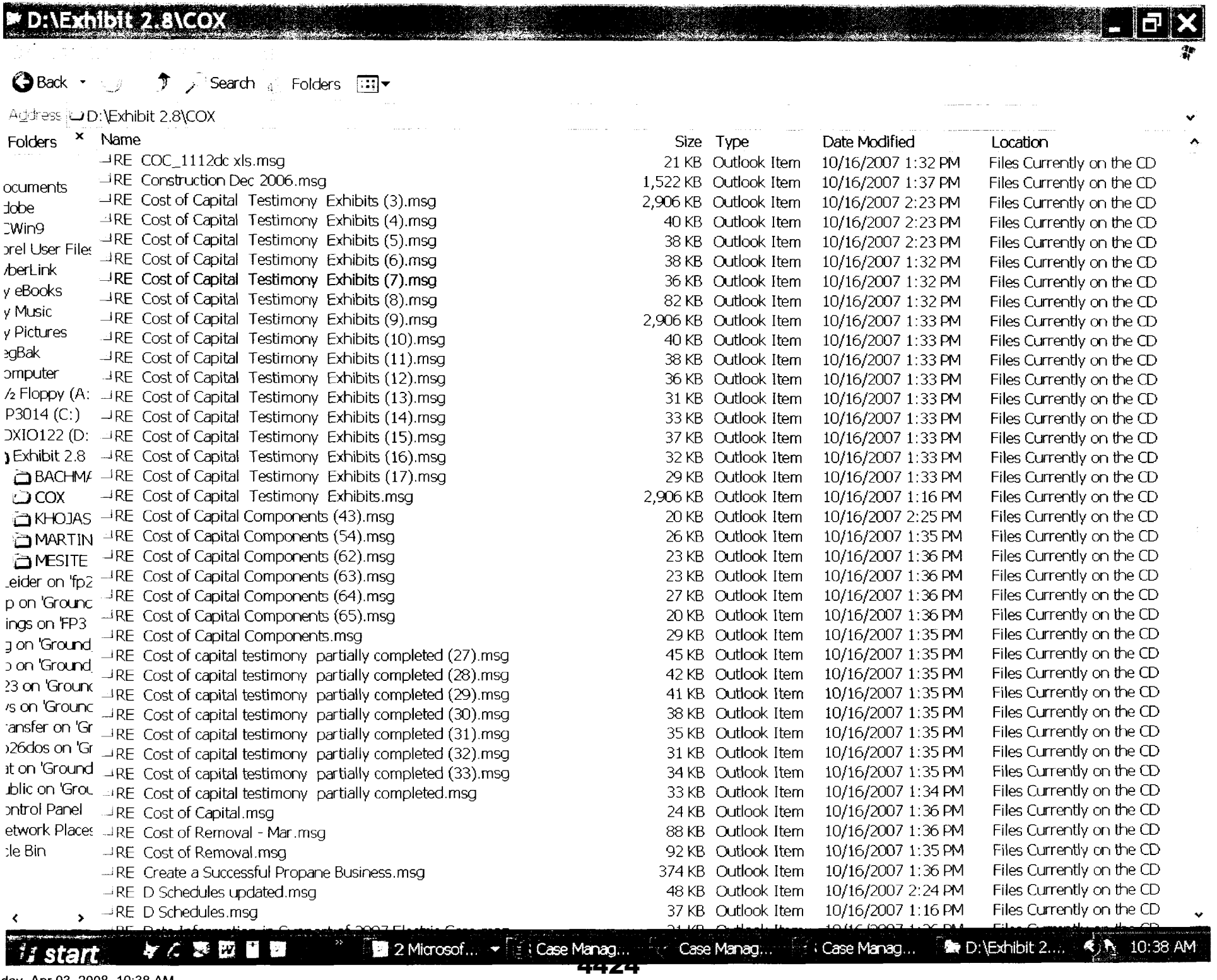
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Please see Pages 31 and 34.



Thursday, Apr 03, 2008 10:38 AM

Clara Leider

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Please develop the year-end structure....Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
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Got them. Would you like me to do the Year-end Capital Structure, or is it already done?

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From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/20/2007 8:51 AM
To: Robert Camfield; Cox Doreen; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

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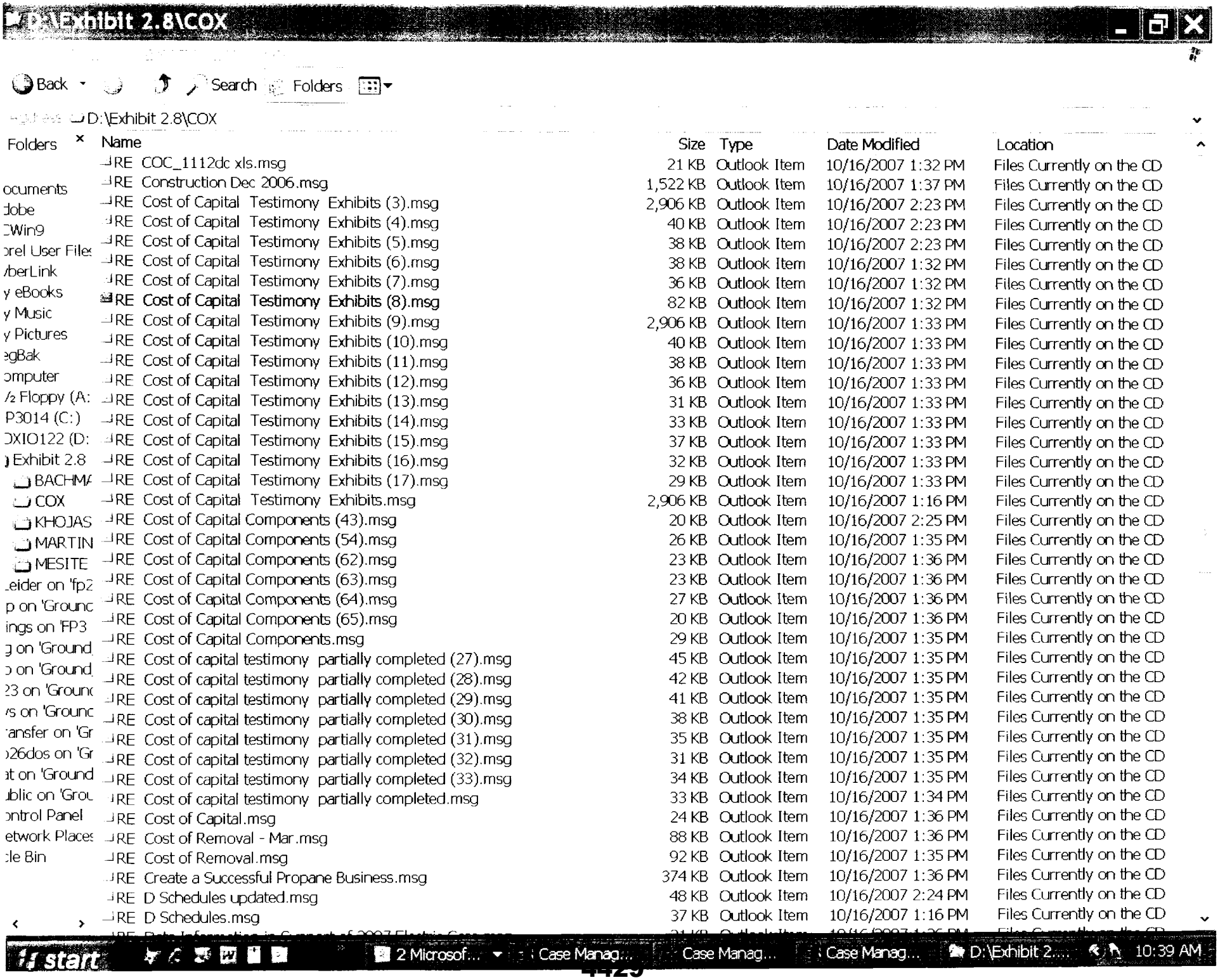
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D:\Exhibit 2.8\COX
Back
Search
Folders
D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
Location
RE COC_1112dc xls.msg 21 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Construction Dec 2006.msg 1,522 KB Outlook Item 10/16/2007 1:37 PM Files Currently on the CD
RE Cost of Capital Testimony Exhibits (3).msg 2,906 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
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RE Cost of capital testimony partially completed (29).msg 41 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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RE Cost of Removal - Mar.msg 88 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Cost of Removal.msg 92 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Create a Successful Propane Business.msg 374 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE D Schedules updated.msg 48 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE D Schedules.msg 37 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
start
2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2....
10:39 AM

Clara Leider

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To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Attachments: COC_11,12a.xls



COC_11,12a.
xls

Doreen,

Attached are exhibits 11 and 12, recopied to another file, now with a mere 39 KB, rather than 2.8 MB size - funny. For some reason the file is very large, despite small content.

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HISTORICAL YEAR-END CAPITAL STRUCTURE

Florida Public Utilities Company

Capital Item	1994 Amount ($000's)	1994 Share (%)	1995 Amount ($000's)	1995 Share (%)	1996 Amount ($000's)	1996 Share (%)	1997 Amount ($000's)	1997 Share (%)	1998 Amount ($000's)	1998 Share (%)
Common Equity	22,334	44.3%	23,302	44.0%	24,511	43.4%	26,189	45.2%	27,622	46.1%
Preferred Stock	600	1.2%	600	1.1%	600	1.1%	600	1.0%	600	1.0%
Long Term Debt	23,500	46.6%	23,500	44.3%	23,500	41.6%	23,500	40.6%	23,500	39.2%
Short Term Debt	4,000	7.9%	5,600	10.6%	7,900	14.0%	7,600	13.1%	8,200	13.7%
Total Capitalization	50,434	100.0%	53,002	100.0%	56,511	100.0%	57,889	100.0%	59,922	100.0%

Capital Item	1999 Amount ($000's)	1999 Share (%)	2000 Amount ($000's)	2000 Share (%)	2001 Amount ($000's)	2001 Share (%)	2002 Amount ($000's)	2002 Share (%)
Common Equity	25,866	41.1%	27,510	39.6%	29,329	28.5%	30,883	29.9%
Preferred Stock	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	37.3%	23,500	33.8%	52,500	51.0%	52,500	50.9%
Short Term Debt	13,000	20.6%	17,900	25.8%	20,430	19.9%	19,183	18.6%
Total Capitalization	62,966	100.0%	69,510	100.0%	102,859	100.0%	103,166	100.0%

FLORIDA PUBLIC SERVICE COI

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANAT 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 0(
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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:

HISTORICAL INTEREST COVERAGE

FLORIDA PUBLIC UTILITIES COMPANY

Item	Historical 1994 ($000's)	1995 ($000's)	1996 ($000's)	1997 ($000's)	1998 ($000's)	1999 ($000's)	2000 ($000's)	2001 ($000's)	2002* ($000's)	Average
Operating Income After Tax	4,347	5,164	5,628	5,518	5,896	6,170	6,528	6,267	6,367	
Income Taxes	943	1,356	1,396	1,286	1,568	1,628	1,473	1,249	1,402	
Operating Income Before Taxes	5,290	6,520	7,024	6,804	7,464	7,798	8,001	7,516	7,769	
Interest Charges	2,669	2,767	2,858	2,895	2,840	2,968	3,487	3,591	4,513	
Before-Tax Interest Coverage	1.98	2.36	2.46	2.35	2.63	2.63	2.29	2.09	1.72	2.28
After-tax Interest Coverage	1.63	1.87	1.97	1.91	2.08	2.08	1.87	1.75	1.41	1.84

* Excludes the Inpact of the
Sale of the Water Division

FLORIDA PUBLIC UTILITIES COMPANY

Capital Structure Objectives	Percent of Total
Long-term Debt	43 - 44%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

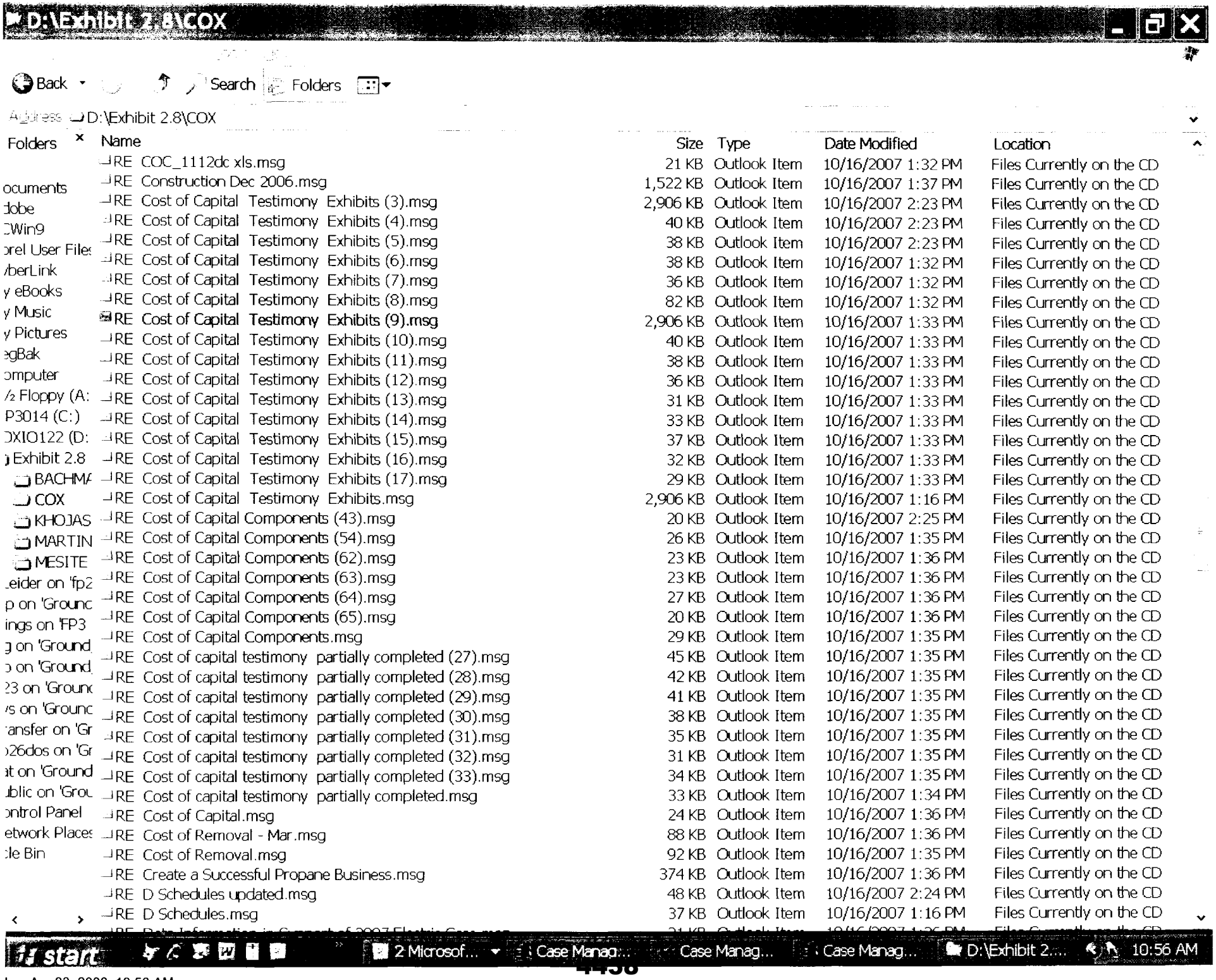
Financing Plans for 2008

June 2008 issuance of 1,250,000 of common stock, priced at $12.00 per share, thus obtaining net 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.



Thursday, Apr 03, 2008 10:56 AM

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Robert

Please see Pages 31 and 34.

EXHIBIT GB-DC-RC-12

HISTORICAL YEAR-END CAPITAL STRUCTURE

Florida Public Utilities Company

	1994		1995		1996		1997		1998	
Capital Item	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)
Common Equity	22,334	44.3%	23,302	44.0%	24,511	43.4%	26,189	45.2%	27,622	46.1%
Preferred Stock	600	1.2%	600	1.1%	600	1.1%	600	1.0%	600	1.0%
Long Term Debt	23,500	46.6%	23,500	44.3%	23,500	41.6%	23,500	40.6%	23,500	39.2%
Short Term Debt	4,000	7.9%	5,600	10.6%	7,900	14.0%	7,600	13.1%	8,200	13.7%
Total Capitalization	50,434	100.0%	53,002	100.0%	56,511	100.0%	57,889	100.0%	59,922	100.0%

	1999		2000		2001		2002	
Capital Item	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)	Amount ($000's)	Share (%)
Common Equity	25,866	41.1%	27,510	39.6%	29,329	28.5%	30,883	29.9%
Preferred Stock	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	37.3%	23,500	33.8%	52,500	51.0%	52,500	50.9%
Short Term Debt	13,000	20.6%	17,900	25.8%	20,430	19.9%	19,183	18.6%
Total Capitalization	62,966	100.0%	69,510	100.0%	102,859	100.0%	103,166	100.0%

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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:

EXHIBIT GB-DC-RC-13

HISTORICAL INTEREST COVERAGE

Florida Public Utilities Company

Item	Historical 1994 ($000's)	1995 ($000's)	1996 ($000's)	1997 ($000's)	1998 ($000's)	1999 ($000's)	2000 ($000's)	2001 ($000's)	2002* ($000's)	Average
Operating Income After Tax	4,347	5,164	5,628	5,518	5,896	6,170	6,528	6,267	6,367	
Income Taxes	943	1,356	1,396	1,286	1,568	1,628	1,473	1,249	1,402	
Operating Income Before Taxes	5,290	6,520	7,024	6,804	7,464	7,798	8,001	7,516	7,769	
Interest Charges	2,669	2,767	2,858	2,895	2,840	2,968	3,487	3,591	4,513	
Before-Tax Interest Coverage	1.98	2.36	2.46	2.35	2.63	2.63	2.29	2.09	1.72	2.28
After-tax Interest Coverage	1.63	1.87	1.97	1.91	2.08	2.08	1.87	1.75	1.41	1.84

* Excludes the Inpact of the
Sale of the Water Division

FLORIDA PUBLIC UTILITIES COMPANY

Capital Structure Objectives	Percent of Total
Long-term Debt	43 - 44%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

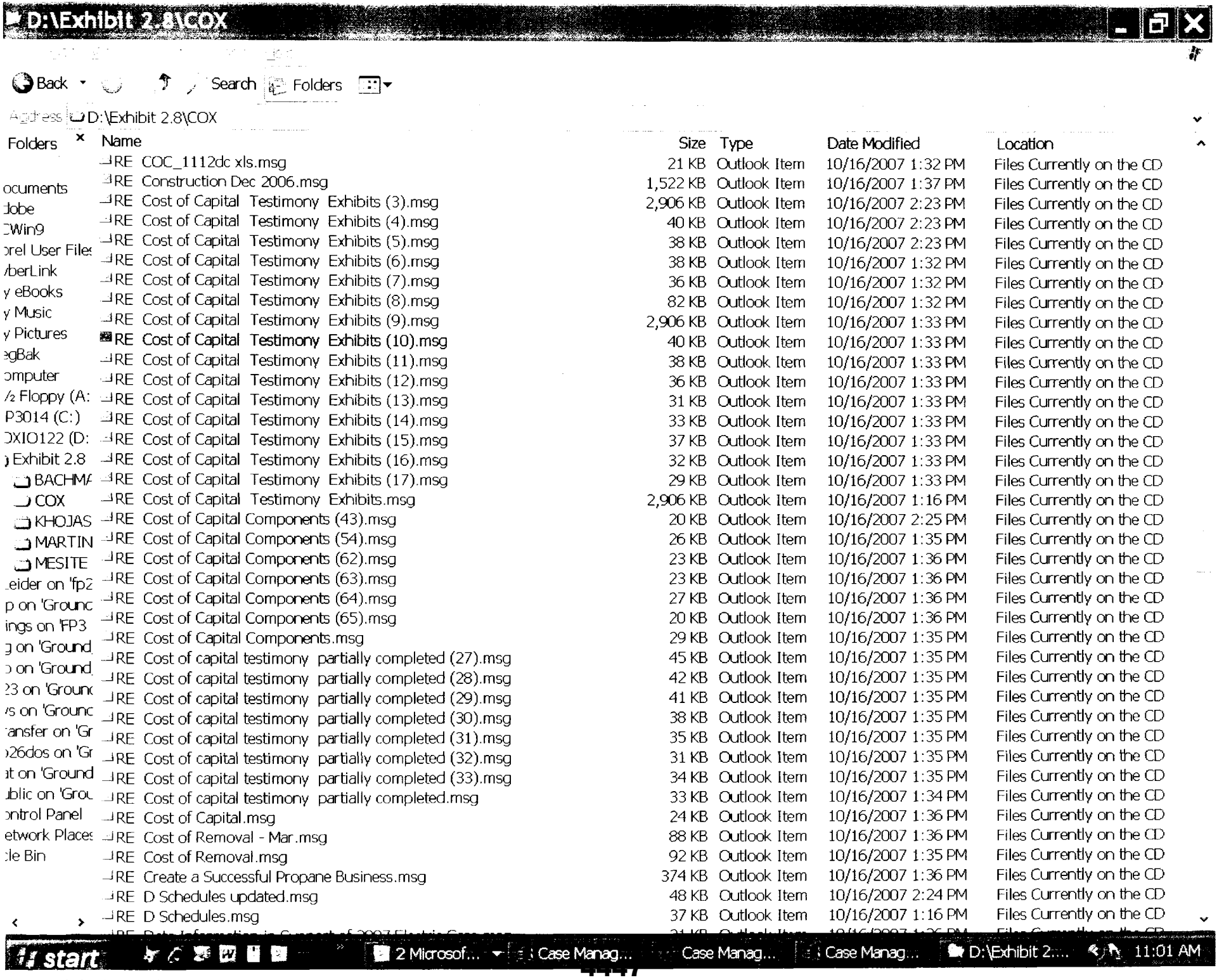
Financing Plans for 2008

June 2008 issuance of 1,250,000 of common stock, priced at $12.00 per share, thus obtaining net 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.



Thursday, Apr 03, 2008 11:01 AM

Clara Leider

From: Martin Cheryl
Sent: Monday, August 20, 2007 4:23 PM
To: Robert Camfield; Cox Doreen
Subject: RE: Cost of Capital, Testimony, Exhibits

As long as we are done by tomorrow 9am we are good to go. Change what you need to, but we need to be print ready tomorrow early morning. Thanks Cheryl Martin

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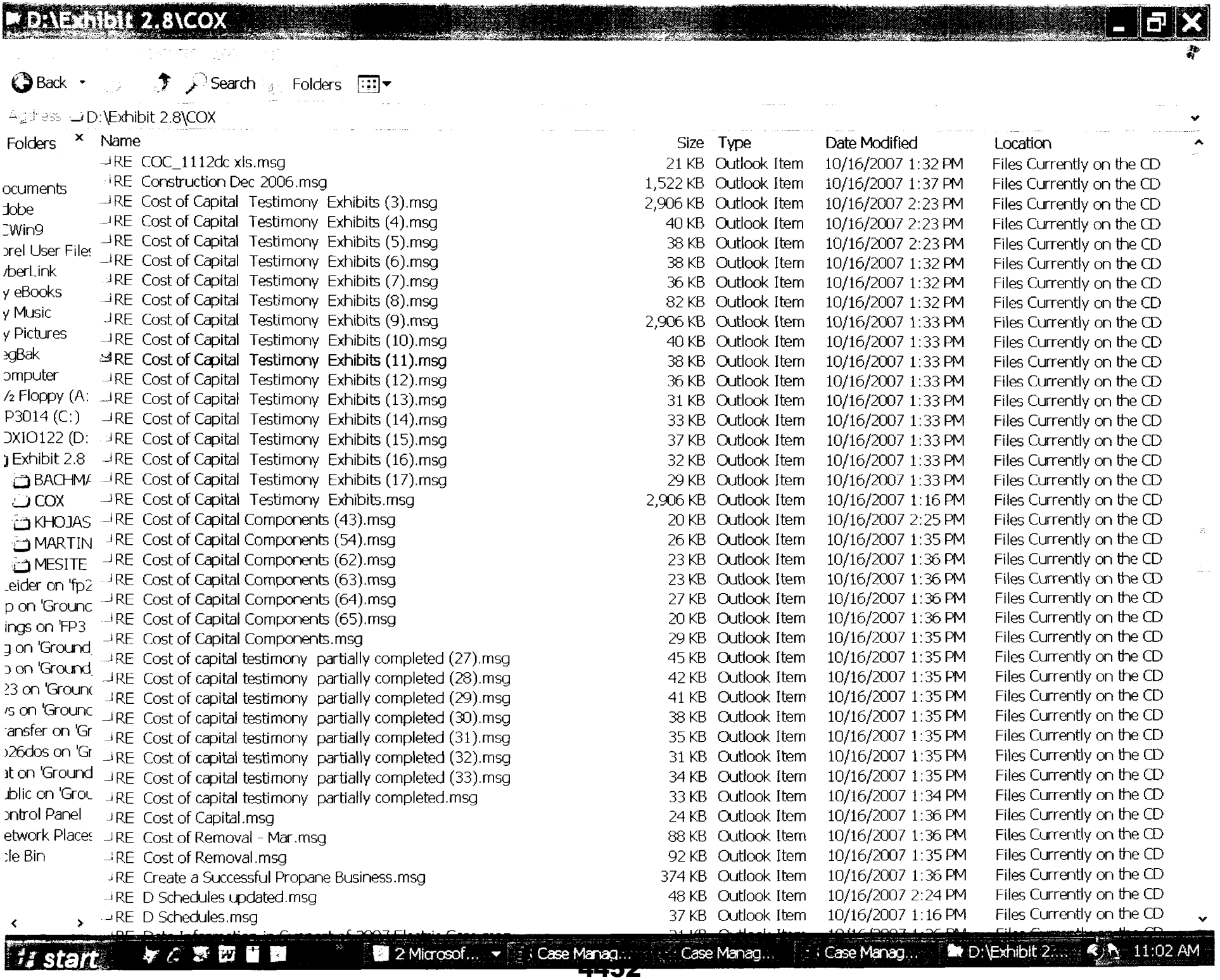
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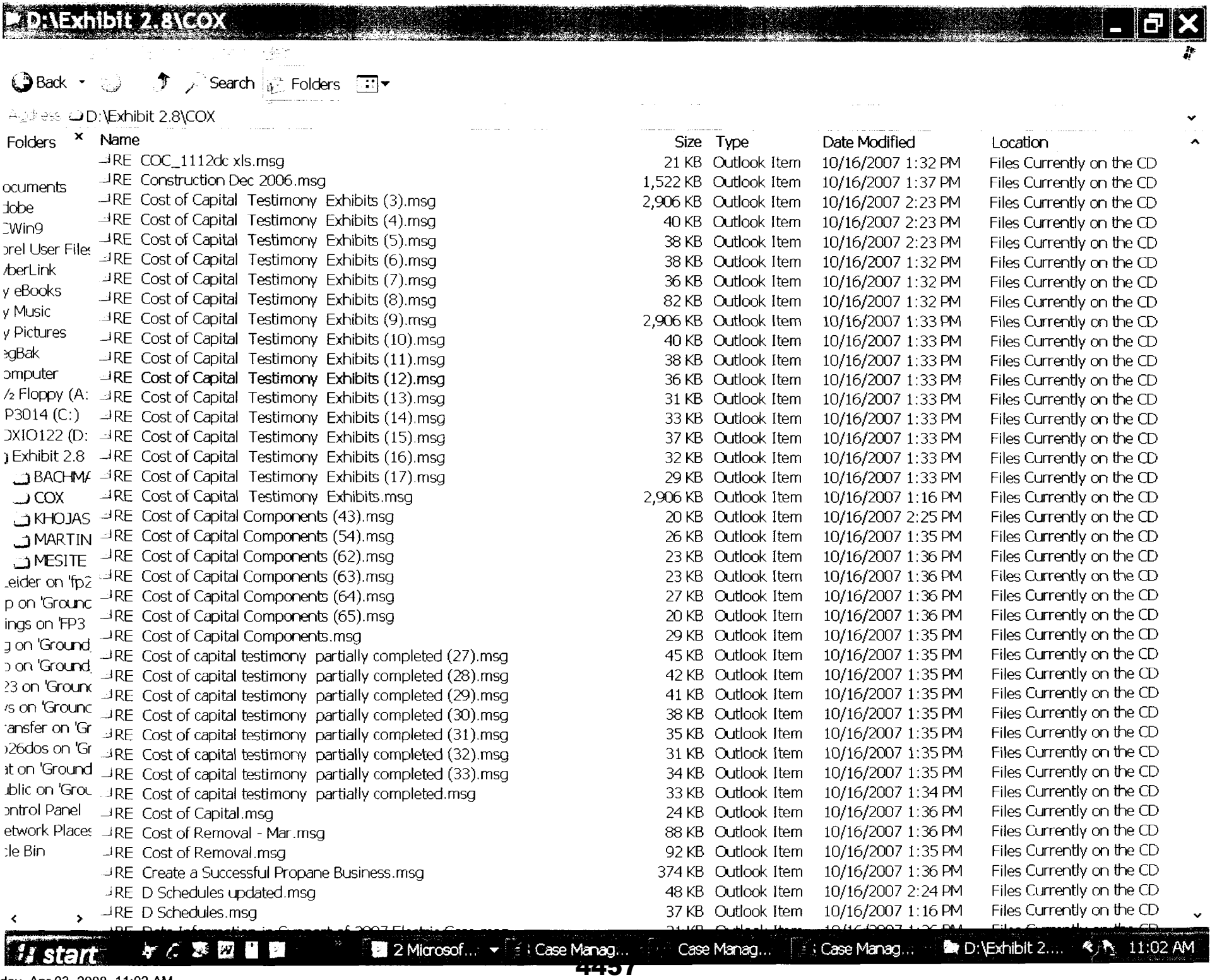
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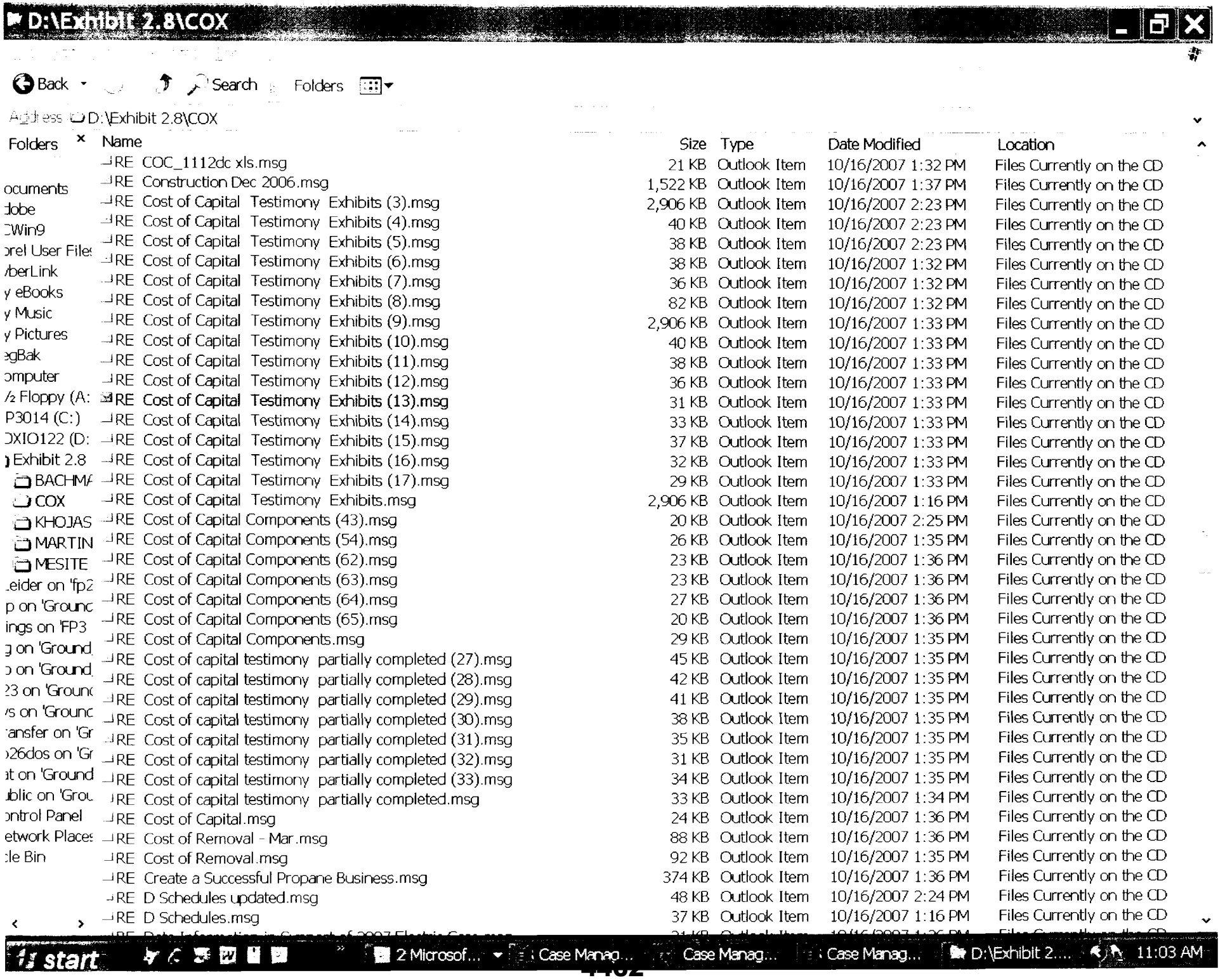
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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.


D:\Exhibit 2.8\COX
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Search
Folders
Address D:\Exhibit 2.8\COX
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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 1:34 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

I noticed that on one of the D schedules, perhaps D-7 or D-8, a comment states that we expect interest rates to rise. This is not true - should I say, the statement conflicts strongly with the current concensus view of capital markets and the future level of interest rates. I suggest that the language be changed to read something akin to "...we anticipate that interest rates will remain at or very near current levels".

Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:27 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Here's Part 2. Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:20 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Part 1 of the Exhibits...Robert

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/20/2007 8:51 AM
To: Robert Camfield; Cox Doreen; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

You probably have to send in two batches if you do not mind. Cheryl

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Cheryl,

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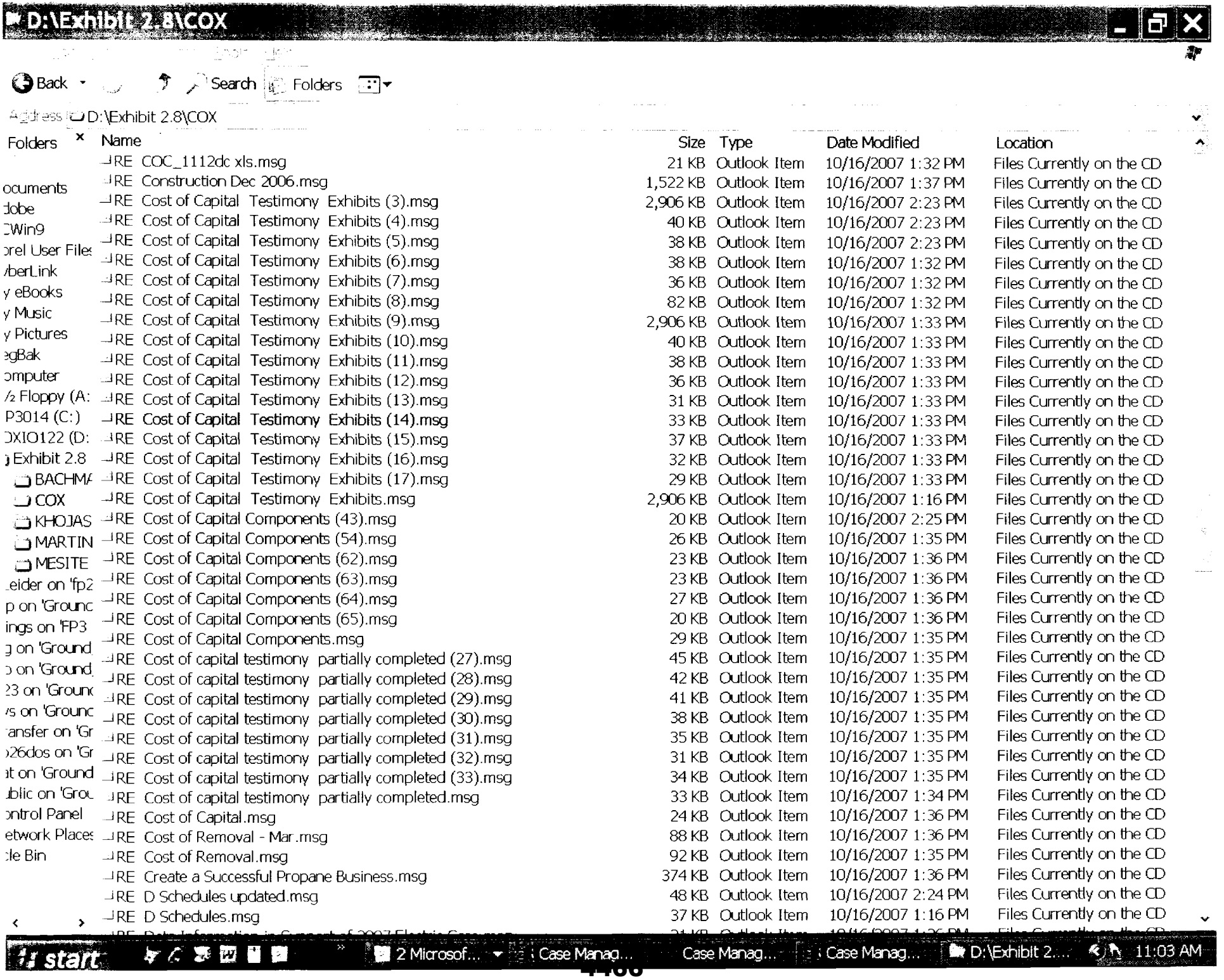
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Thursday, Apr 03, 2008 11:03 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 10:01 AM
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Cc: Mike Welsh
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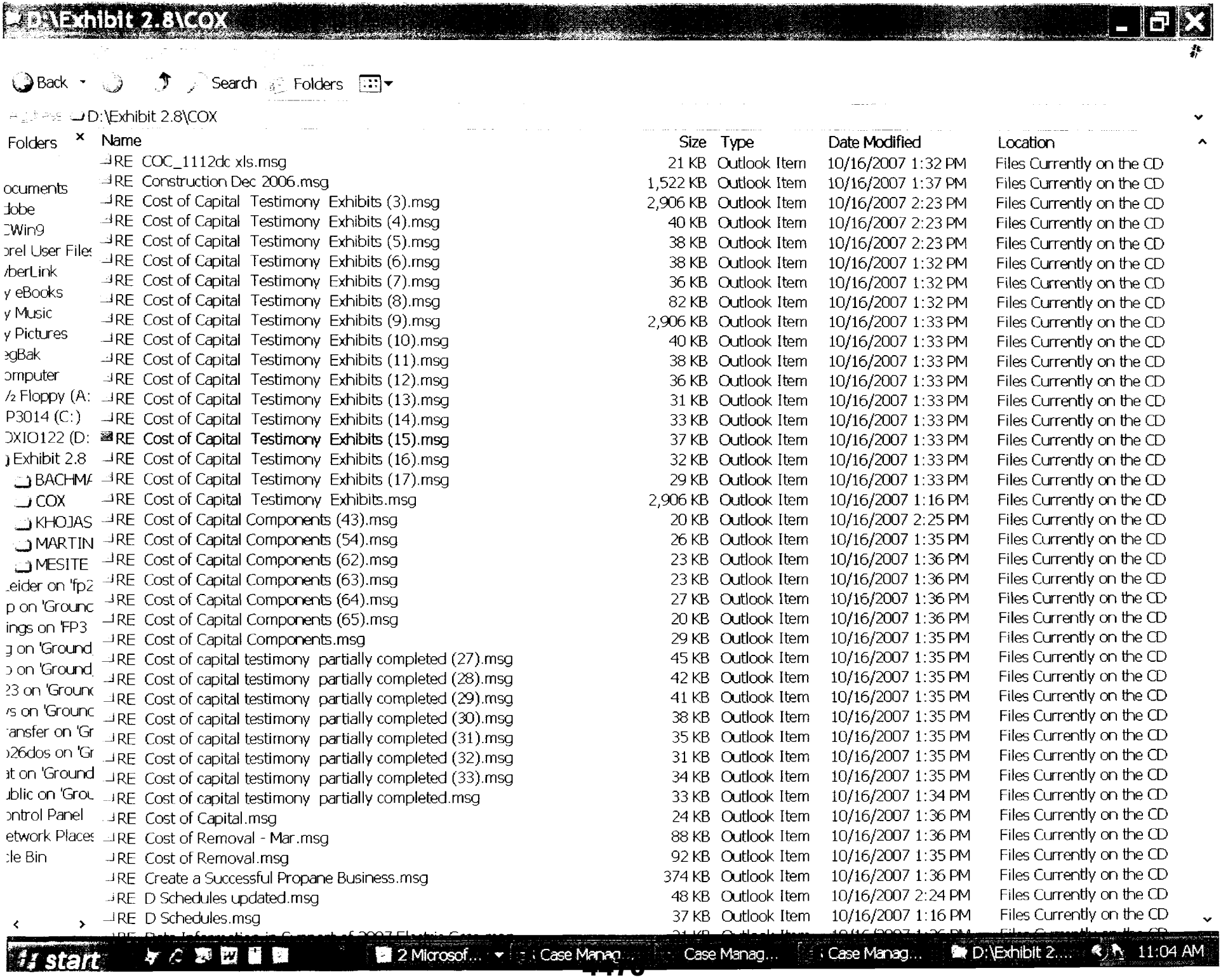
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Clara Leider

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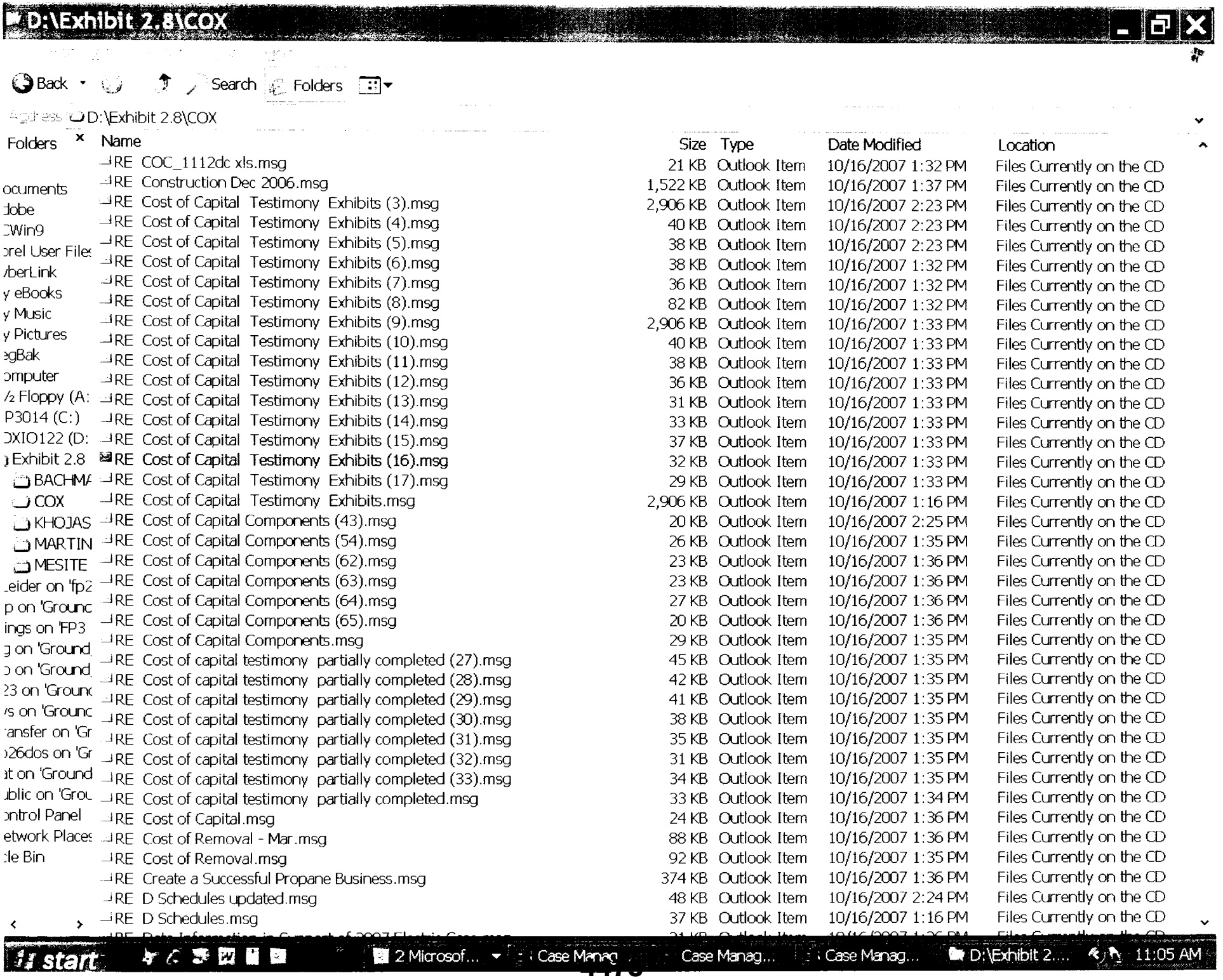
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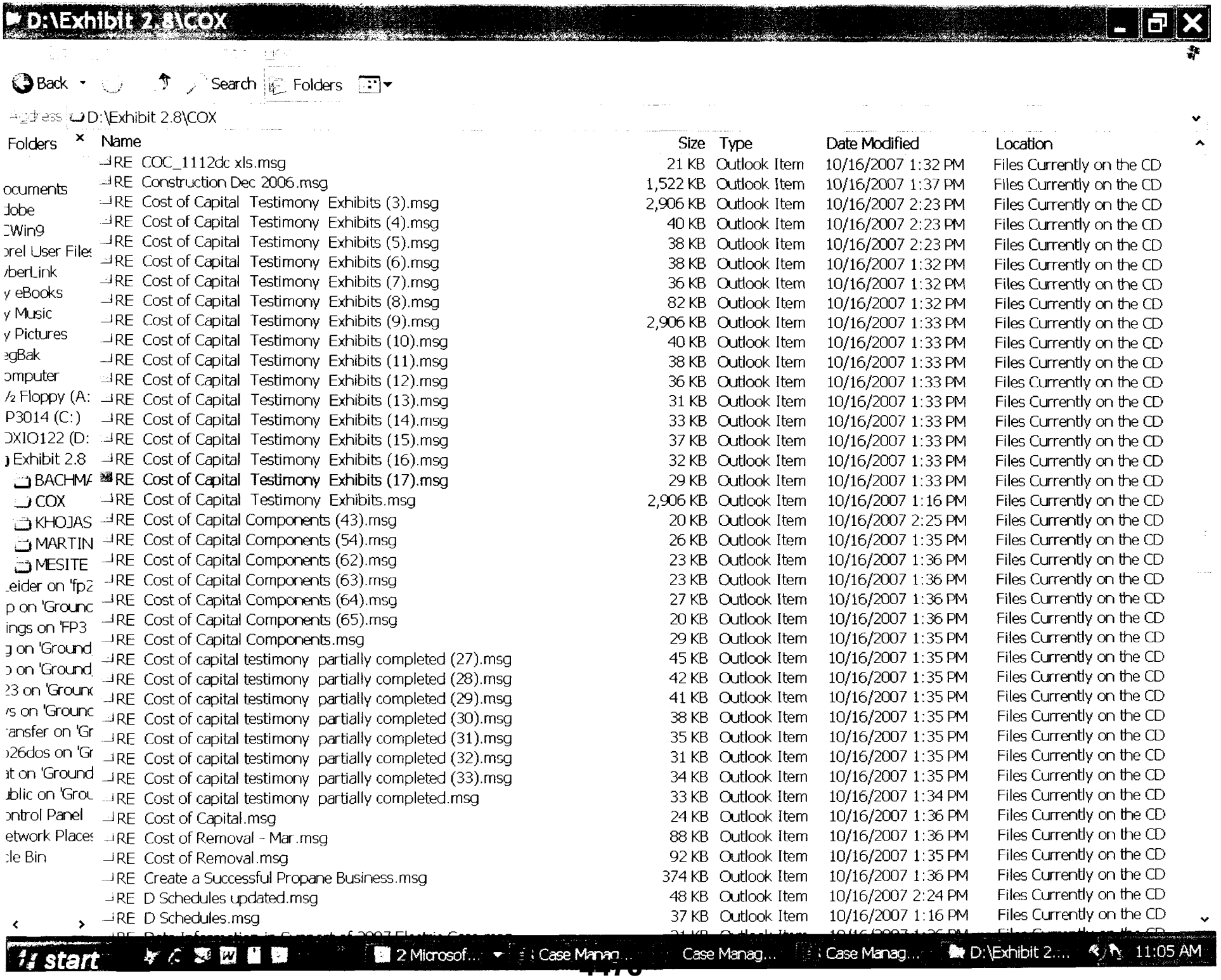
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2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2....
11:05 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 7:36 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Our system has notified me that you did not received the attachment because of the size of the file.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 9:06 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: Cost of Capital, Testimony, Exhibits

Doreen,
Cheryl,

Attached are the exhibits to accompany our testimony regarding cost of capital. Robert

---

From: Robert Camfield
Sent: Sun 8/19/2007 8:59 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 8:48 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

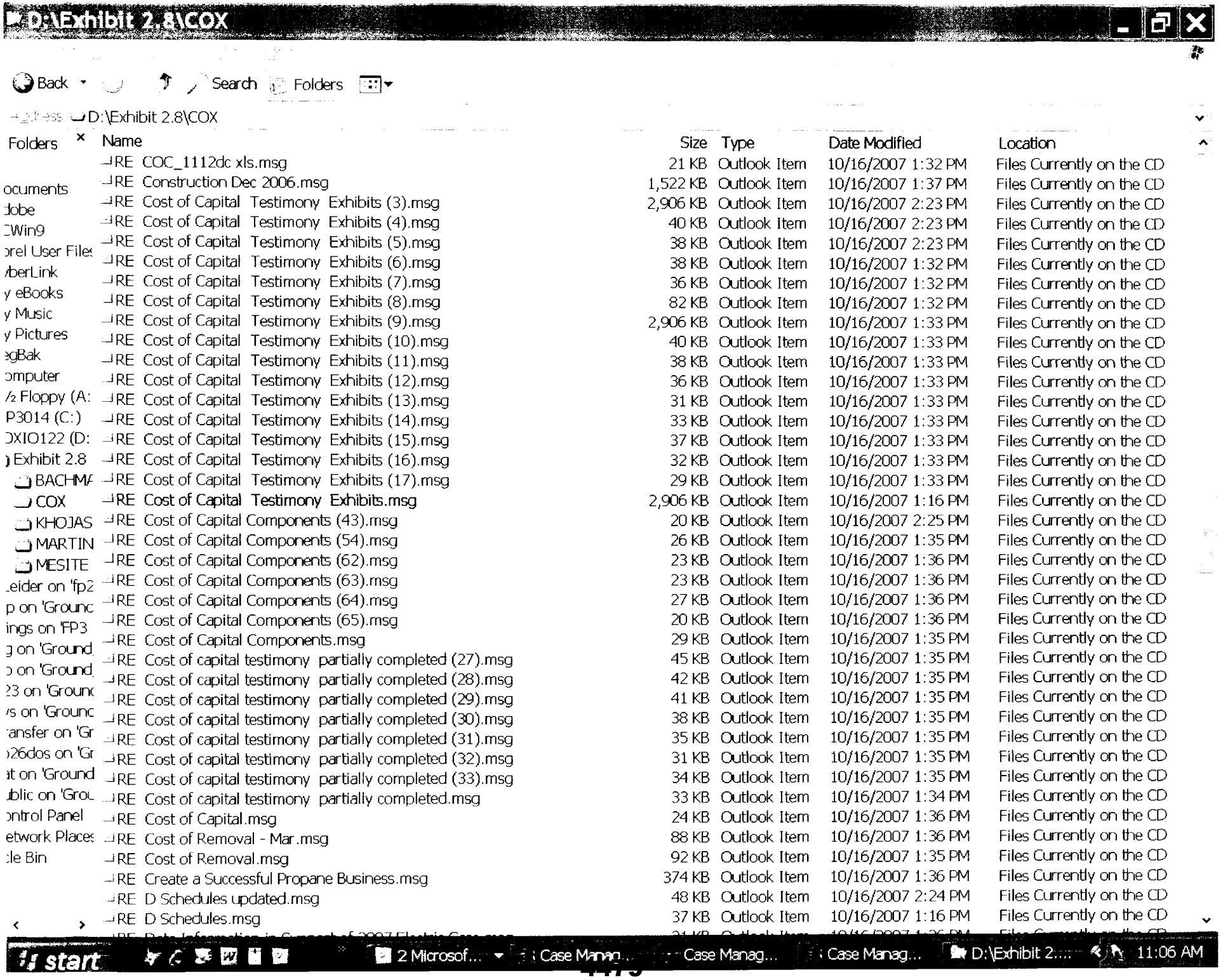
Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.


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Search
Folders
D:\Exhibit 2.8\COX
Folders
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start
2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2....
11:06 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 4:21 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Attachments: COC_11,12.xls



COC_11,12.x
ls

Here's Exhibits 11 and 12. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 3:18 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
Please send me Exhibits 11 and 12 as I did not receive any Exhibits.
Would you like me to do the Year-end Capital Structure Exhibit?
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 4:09 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

We have a ways to go yet, as follows:

1) the testimony needs to be finessed a little, aside from editorial corrections.
2) I am still fiddling with the cost of capital numbers, as regards to the Size Premia.
3) the discussion on size premia needs further clarification and support.
4) the exhibits regarding historical interest coverage and other things are concerned, needs to be completed. Can you please complete Exhibits 11 and 12?
5) corporate performance should be included.
6) I need to check the numbers (recalculate) regarding risk premia. I inadvertently wrote over code containing a bunch of parameters as "values" within the Exhibits. Last night, I wasn't paying attention, and thought that I was working within a supporting worksheet with code; I was actually working in the Exhibits worksheet.
7) a year-end 2008 capital structure needs to be included. Do not think the year-end should be shown as a second page of Exhibit 1, or toward the back?

I will turn to these things tonight or tomorrow morning.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 12:44 PM
To: Robert Camfield
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
Sure - please have Mike revise.
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 1:34 PM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

I noticed that on one of the D schedules, perhaps D-7 or D-8, a comment states that we expect interest rates to rise. This is not true - should I say, the statement conflicts strongly with the current concensus view of capital markets and the future level of interest rates. I suggest that the language be changed to read something akin to "...we anticipate that interest rates will remain at or very near current levels".

Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:27 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Here's Part 2. Robert

From: Robert Camfield
Sent: Mon 8/20/2007 9:20 AM
To: Cox Doreen
Cc: Cheryl Martin
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Part 1 of the Exhibits...Robert

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Mon 8/20/2007 8:51 AM
To: Robert Camfield; Cox Doreen; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

You probably have to send in two batches if you do not mind. Cheryl

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

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 9:47 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

There is also a set of exhibits? Did you not receive it? It is large and perhaps needs to be broken into two files.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/20/2007 6:45 AM
To: Robert Camfield; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

Robert
I received two messages - one with the testimony (COC Testimony) and another with two Exhibits (Appendix_DCF and Appendix_CAPM). Was that everything sent?
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Monday, August 20, 2007 7:36 AM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: Cost of Capital, Testimony, Exhibits

Doreen,

Our system has notified me that you did not received the attachment because of the size of the file.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 9:06 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: Cost of Capital, Testimony, Exhibits

Doreen,
Cheryl,

Attached are the exhibits to accompany our testimony regarding cost of capital. Robert

---

From: Robert Camfield
Sent: Sun 8/19/2007 8:59 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 8:48 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

EXHIBIT GB-DC-RC-12

HISTORICAL YEAR-END CAPITAL STRUCTURE

Florida Public Utilities Company

Capital Item	1994 Amount ($000's)	1994 Share (%)	1995 Amount ($000's)	1995 Share (%)	1996 Amount ($000's)	1996 Share (%)	1997 Amount ($000's)	1997 Share (%)	1998 Amount ($000's)	1998 Share (%)
Common Equity	22,334	44.3%	23,302	44.0%	24,511	43.4%	26,189	45.2%	27,622	46.1%
Preferred Stock	600	1.2%	600	1.1%	600	1.1%	600	1.0%	600	1.0%
Long Term Debt	23,500	46.6%	23,500	44.3%	23,500	41.6%	23,500	40.6%	23,500	39.2%
Short Term Debt	4,000	7.9%	5,600	10.6%	7,900	14.0%	7,600	13.1%	8,200	13.7%
Total Capitalization	50,434	100.0%	53,002	100.0%	56,511	100.0%	57,889	100.0%	59,922	100.0%

Capital Item	1999 Amount ($000's)	1999 Share (%)	2000 Amount ($000's)	2000 Share (%)	2001 Amount ($000's)	2001 Share (%)	2002 Amount ($000's)	2002 Share (%)
Common Equity	25,866	41.1%	27,510	39.6%	29,329	28.5%	30,883	29.9%
Preferred Stock	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	37.3%	23,500	33.8%	52,500	51.0%	52,500	50.9%
Short Term Debt	13,000	20.6%	17,900	25.8%	20,430	19.9%	19,183	18.6%
Total Capitalization	62,966	100.0%	69,510	100.0%	102,859	100.0%	103,166	100.0%

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 and
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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:

EXHIBIT GB-DC-RC-13

HISTORICAL INTEREST COVERAGE

Florida Public Utilities Company

Item	Historical 1994 ($000's)	1995 ($000's)	1996 ($000's)	1997 ($000's)	1998 ($000's)	1999 ($000's)	2000 ($000's)	2001 ($000's)	2002* ($000's)	Average
Operating Income After Tax	4,347	5,164	5,628	5,518	5,896	6,170	6,528	6,267	6,367	
Income Taxes	943	1,356	1,396	1,286	1,568	1,628	1,473	1,249	1,402	
Operating Income Before Taxes	5,290	6,520	7,024	6,804	7,464	7,798	8,001	7,516	7,769	
Interest Charges	2,669	2,767	2,858	2,895	2,840	2,968	3,487	3,591	4,513	
Before-Tax Interest Coverage	1.98	2.36	2.46	2.35	2.63	2.63	2.29	2.09	1.72	2.28
After-tax Interest Coverage	1.63	1.87	1.97	1.91	2.08	2.08	1.87	1.75	1.41	1.84

* Excludes the Inpact of the
Sale of the Water Division

FLORIDA PUBLIC UTILITIES COMPANY

Capital Structure Objectives	Percent of Total
Long-term Debt	43 - 44%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

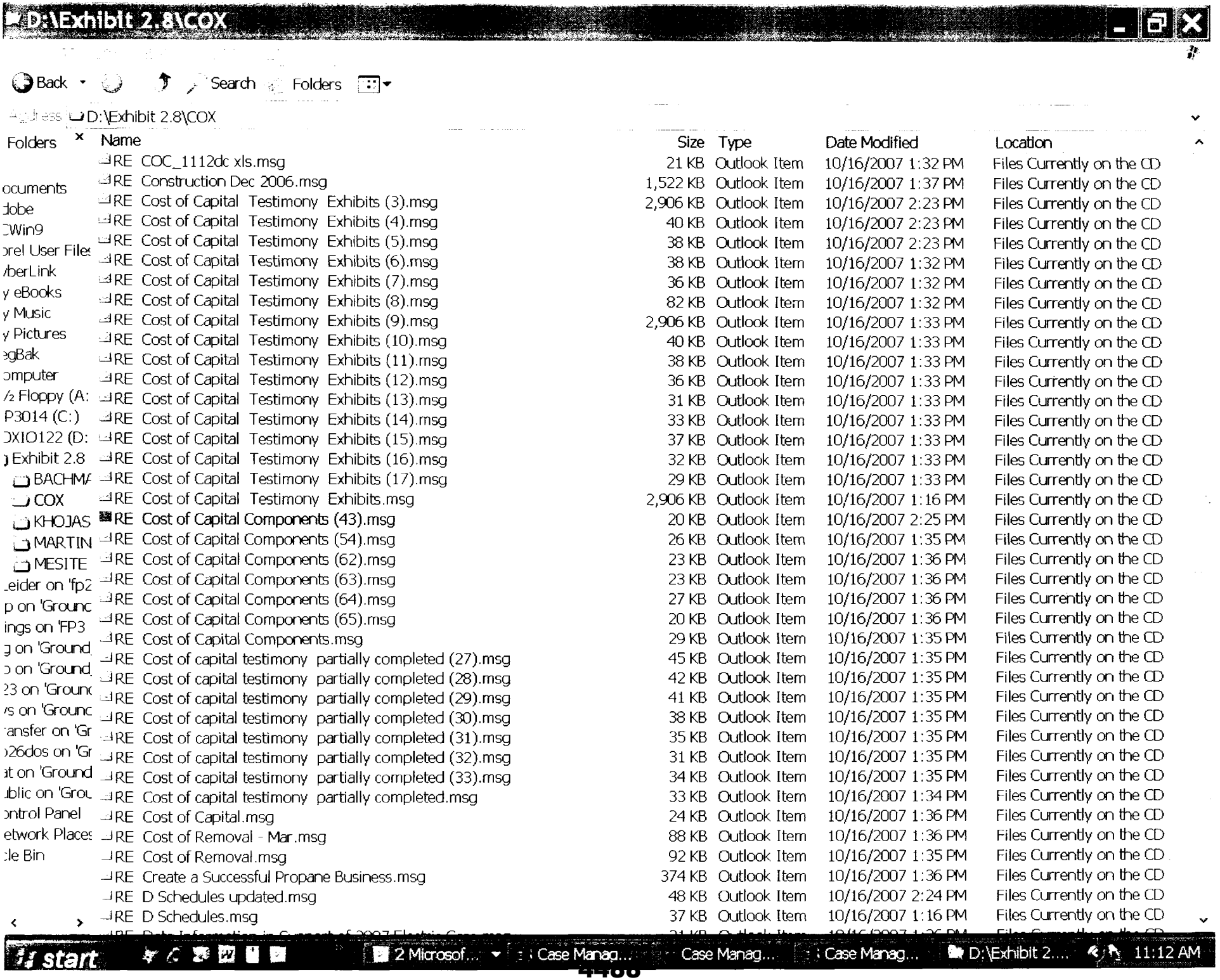
Financing Plans for 2008

June 2008 issuance of 1,250,000 of common stock, priced at $12.00 per share, thus obtaining net 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.



Thursday, Apr 03, 2008 11:13 AM

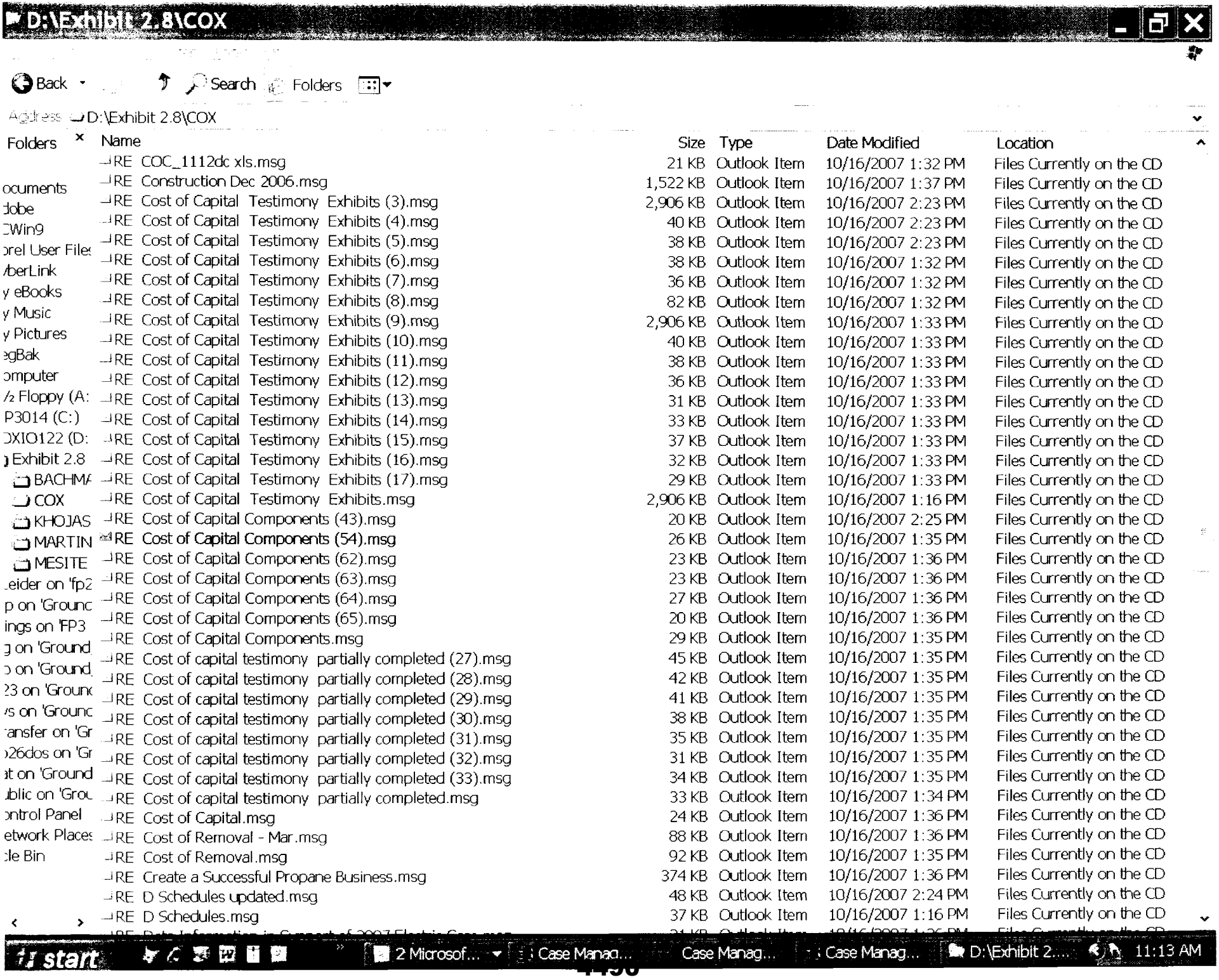
Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Tuesday, June 12, 2007 9:54 AM
To: Cox Doreen
Subject: RE: Cost of Capital Components

Thanks Doreen. What should we use as the bad debt rate in the revenue expansion sheet. Last time around it was .183%

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, June 12, 2007 8:16 AM
To: Robert Camfield; Martin Cheryl
Cc: Mike Welsh
Subject: Cost of Capital Components

Robert:
Cost of Capital Components for 2006 - 2008 attached. Please review and let me know if you have any questions or need any additional information. Please let me know if all the COC Schedules will be done by your team, or if there are any that I need to prepare.
Thanks
Doreen
(561) 838-1797


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Folders
Address D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
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11:13 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Friday, June 22, 2007 3:41 PM
To: Cox Doreen
Cc: Robert Camfield
Subject: RE: Cost of Capital Components

Follow Up Flag: Follow up
Flag Status: Red

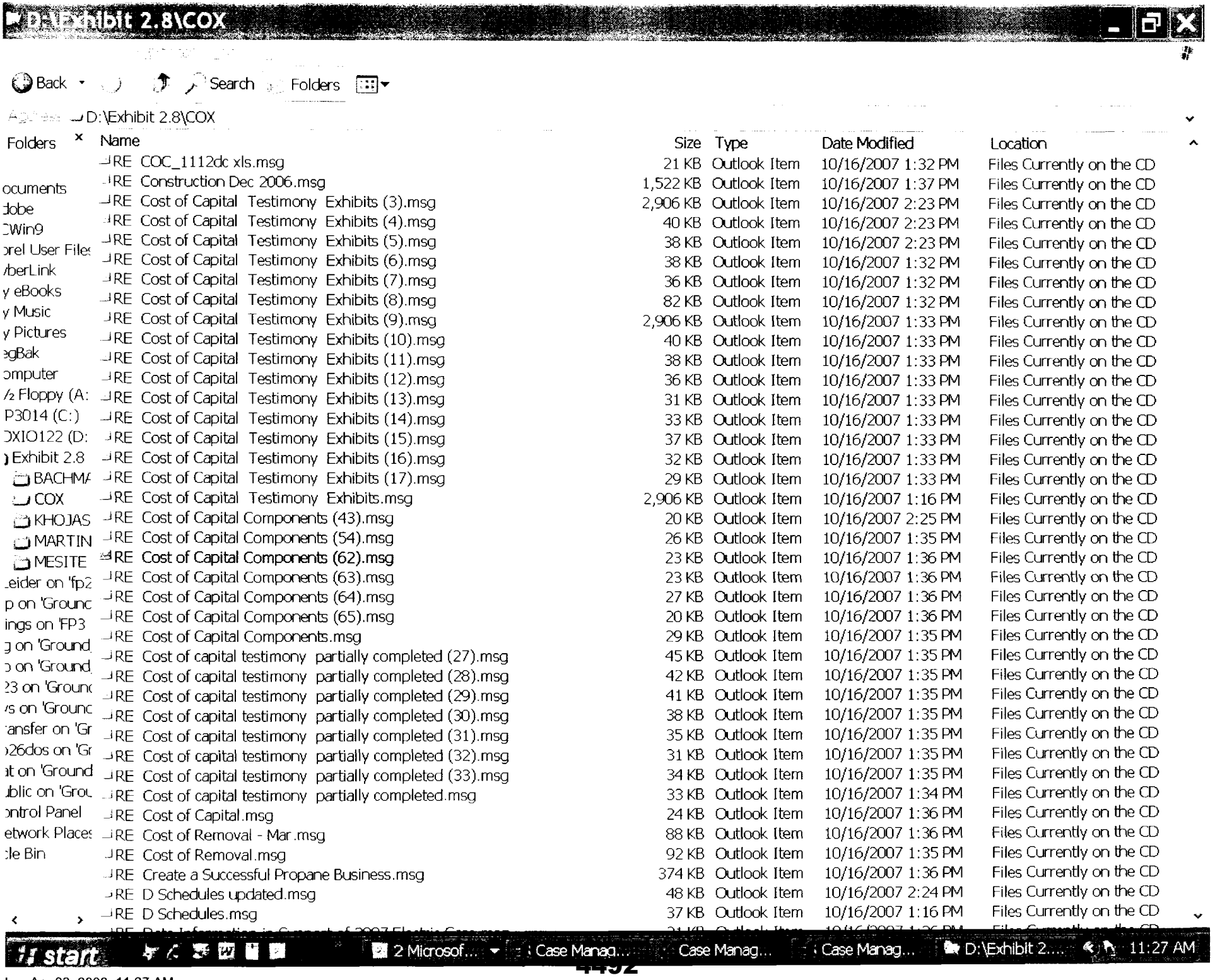
Categories: Elec Rate Case

Thank you Doreen

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Friday, June 22, 2007 2:22 PM
To: Robert Camfield
Cc: Mike Welsh; Bachman George; Martin Cheryl
Subject: Cost of Capital Components

Robert
Attached are the updated Cost of Capital Components worksheet. The change is due to the revision to the Capital Expenditure for removal of the NE Building, which changed the LOC balances. The Capital Expenditures for 2008 were also updated.

Copies of the Projected Cash Flows for 2007 and 2008 have also been added to the Workbook. Please let me know if you have any questions.
Thanks
Doreen
(561) 838-1797



Thursday, Apr 03, 2008 11:27 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Wednesday, June 13, 2007 9:35 AM
To: Cox Doreen
Subject: RE: Cost of Capital Components

Thank you Doreen. I will use the rate as calculated to 4 decimal places.

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wednesday, June 13, 2007 8:36 AM
To: Mike Welsh
Cc: Robert Camfield; Martin Cheryl
Subject: RE: Cost of Capital Components

Mike
I'm re-sending C-44 with the Bad Debt rate at 4 decimals places.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Tuesday, June 12, 2007 3:30 PM
To: 'Mike Welsh'
Cc: 'Robert Camfield'; Martin Cheryl
Subject: RE: Cost of Capital Components

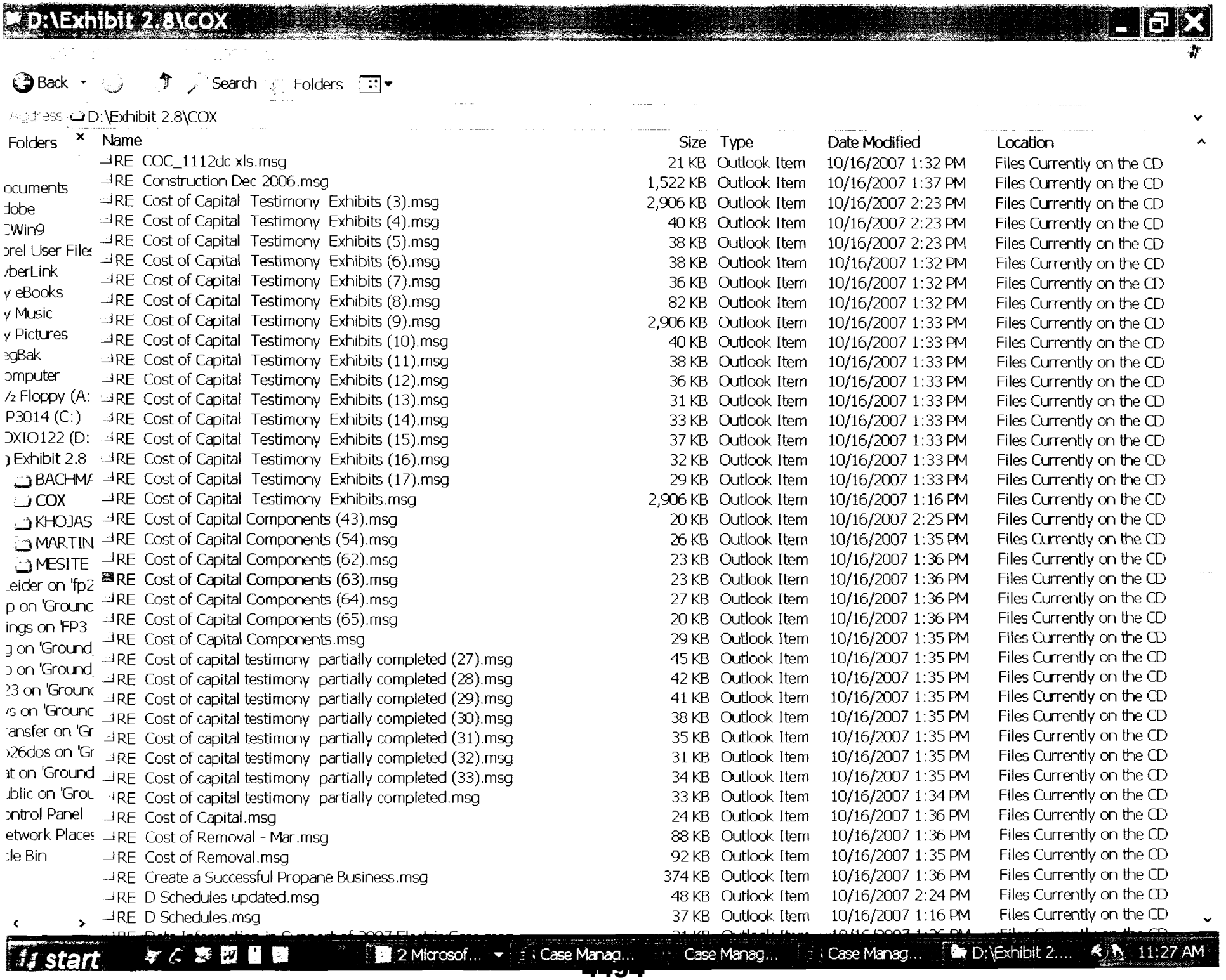
Mike
Attached is a copy of Sch-C44 for the historical Revenue Expansion Factor which shows the Bad Debt Rate.
Doreen

-----Original Message-----
From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]
Sent: Tuesday, June 12, 2007 9:54 AM
To: Cox Doreen
Subject: RE: Cost of Capital Components

Thanks Doreen. What should we use as the bad debt rate in the revenue expansion sheet. Last time around it was .183%

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, June 12, 2007 8:16 AM
To: Robert Camfield; Martin Cheryl
Cc: Mike Welsh
Subject: Cost of Capital Components

Robert:
Cost of Capital Components for 2006 - 2008 attached. Please review and let me know if you have any questions or need any additional information. Please let me know if all the COC Schedules will be done by your team, or if there are any that I need to prepare.
Thanks
Doreen
(561) 838-1797



Thursday, Apr 03, 2008 11:27 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, June 12, 2007 1:35 PM
To: Cox Doreen
Subject: RE: Cost of Capital Components

OK...I will call then.
Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 6/12/2007 12:24 PM
To: Robert Camfield
Subject: RE: Cost of Capital Components

Robert
I will be in a meeting at 1:30pm, but should be available at 2:30pm EST.
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, June 12, 2007 1:14 PM
To: Cox Doreen; Martin Cheryl
Cc: Mike Welsh
Subject: RE: Cost of Capital Components

Doreen,

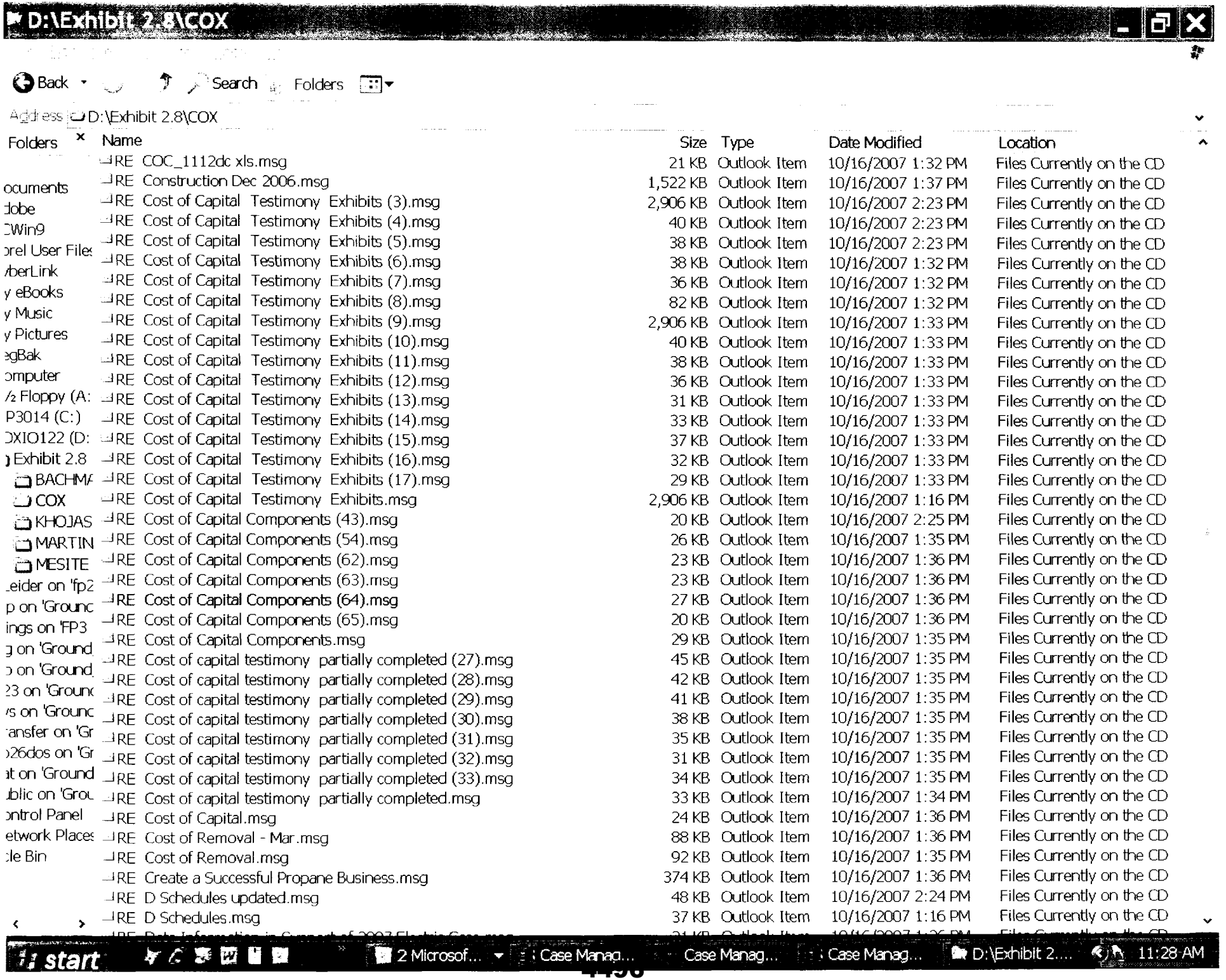
As mentioned in my v-mail message, I intend to check in with you in about 25-30 minutes to discuss. However, we can't figure out how one could determine 2007 - 2008 capital components. It seems to us that this requires estimates of key information, such as capital expenditures, expense levels, interim relief, and forecast sales levels including suppression (i.e., prices response manifest through some sort of electricity demand model) for these years. I trust that we can take this up in discussion in a few minutes.

Yes, I anticipate that the D schedules can be prepared by us.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 6/12/2007 8:16 AM
To: Robert Camfield; Martin Cheryl
Cc: Mike Welsh
Subject: Cost of Capital Components

Robert:
Cost of Capital Components for 2006 - 2008 attached. Please review and let me know if you have any questions or need any additional information. Please let me know if all the COC Schedules will be done by your team, or if there are any that I need to prepare.
Thanks
Doreen
(561) 838-1797


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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, June 12, 2007 1:14 PM
To: Cox Doreen; Martin Cheryl
Cc: Mike Welsh
Subject: RE: Cost of Capital Components

Doreen,

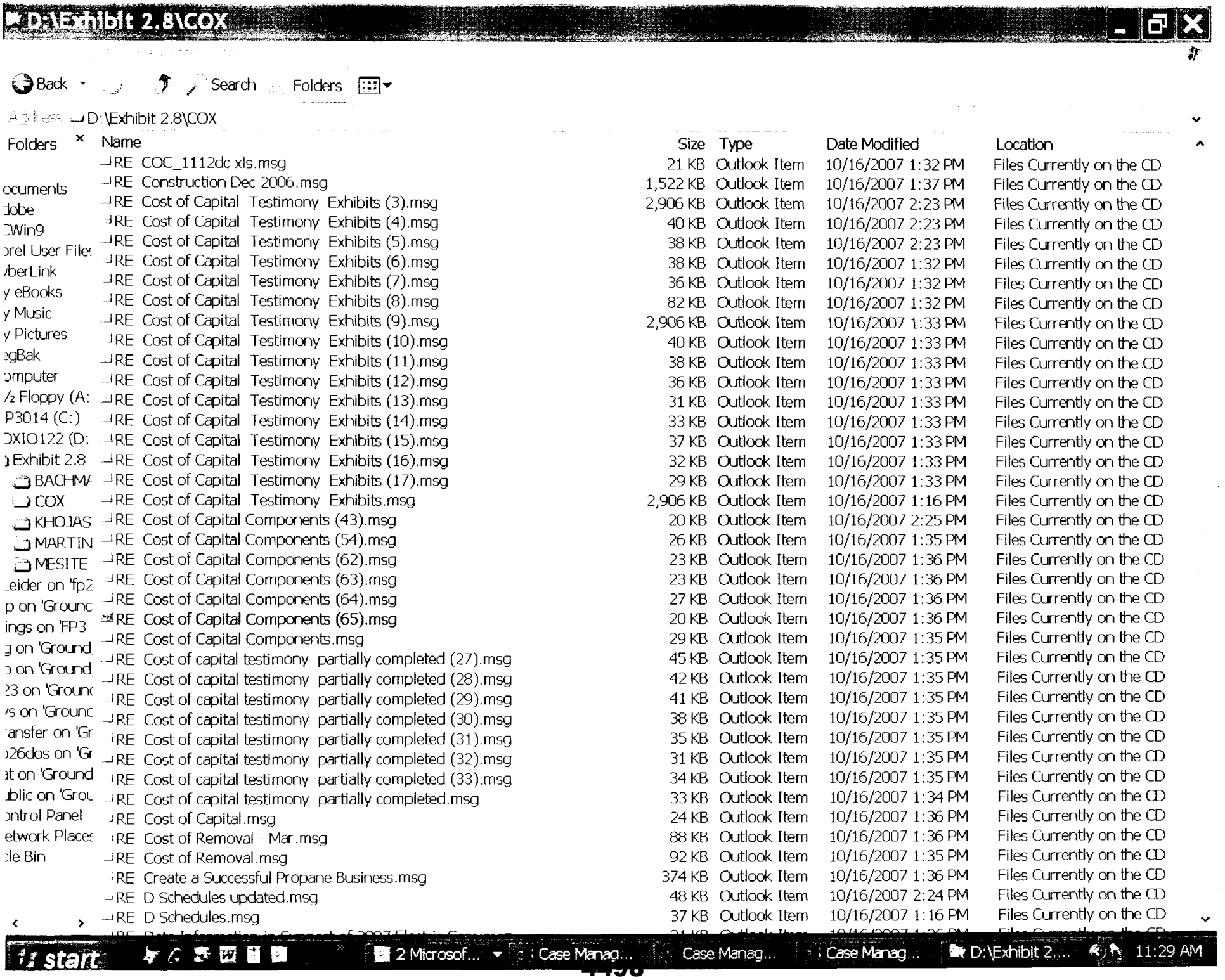
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Yes, I anticipate that the D schedules can be prepared by us.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 6/12/2007 8:16 AM
To: Robert Camfield; Martin Cheryl
Cc: Mike Welsh
Subject: Cost of Capital Components

Robert:
Cost of Capital Components for 2006 - 2008 attached. Please review and let me know if you have any questions or need any additional information. Please let me know if all the COC Schedules will be done by your team, or if there are any that I need to prepare.
Thanks
Doreen
(561) 838-1797


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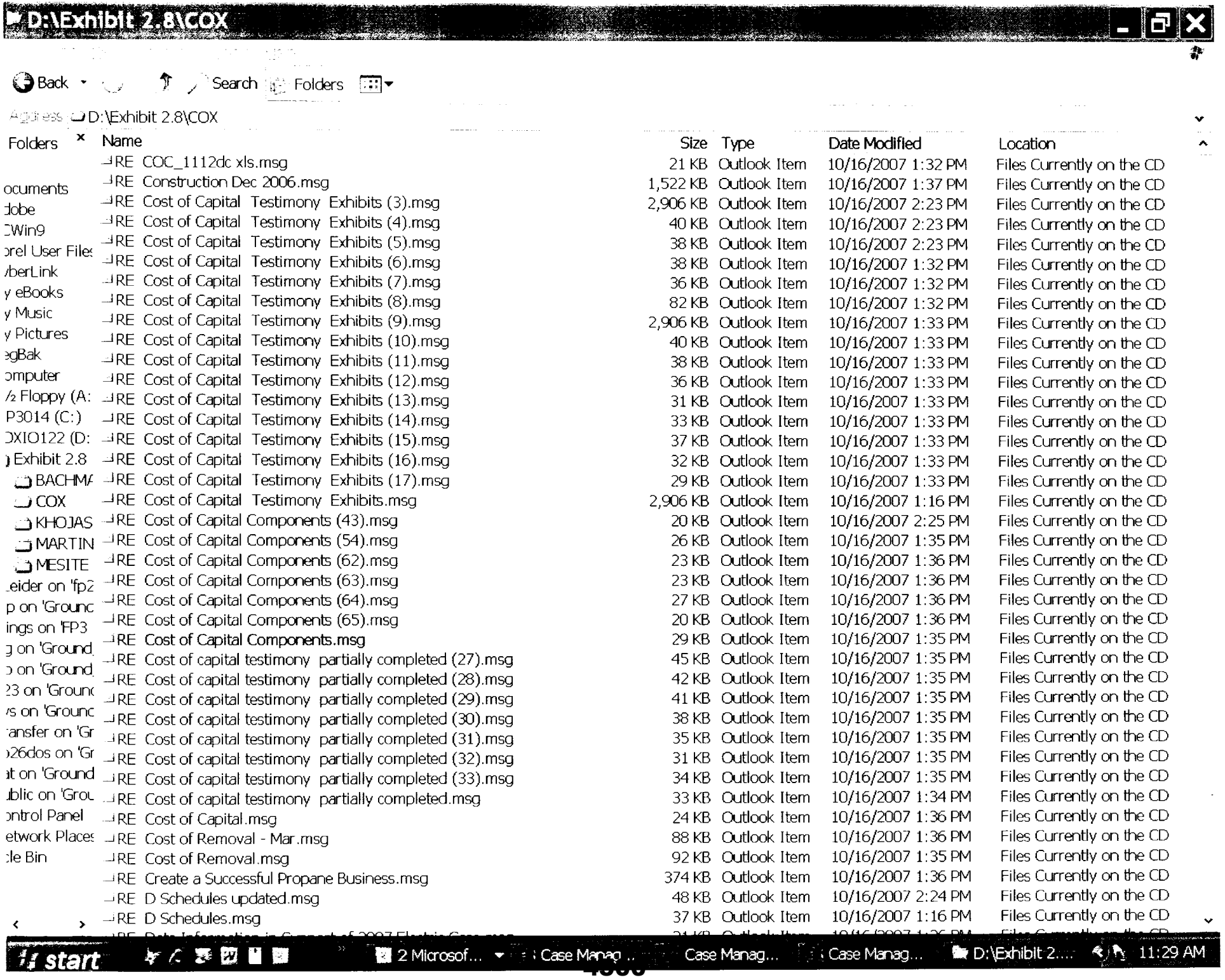
Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Tuesday, June 12, 2007 9:54 AM
To: Cox Doreen
Subject: RE: Cost of Capital Components

Thanks Doreen. What should we use as the bad debt rate in the revenue expansion sheet. Last time around it was .183%

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, June 12, 2007 8:16 AM
To: Robert Camfield; Martin Cheryl
Cc: Mike Welsh
Subject: Cost of Capital Components

Robert:
Cost of Capital Components for 2006 - 2008 attached. Please review and let me know if you have any questions or need any additional information. Please let me know if all the COC Schedules will be done by your team, or if there are any that I need to prepare.
Thanks
Doreen
(561) 838-1797


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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, June 26, 2007 3:16 PM
To: Cox Doreen
Cc: Mike Welsh; Bachman George; Martin Cheryl
Subject: RE: Cost of Capital Components

Categories: Elec Rate Case

Doreen,

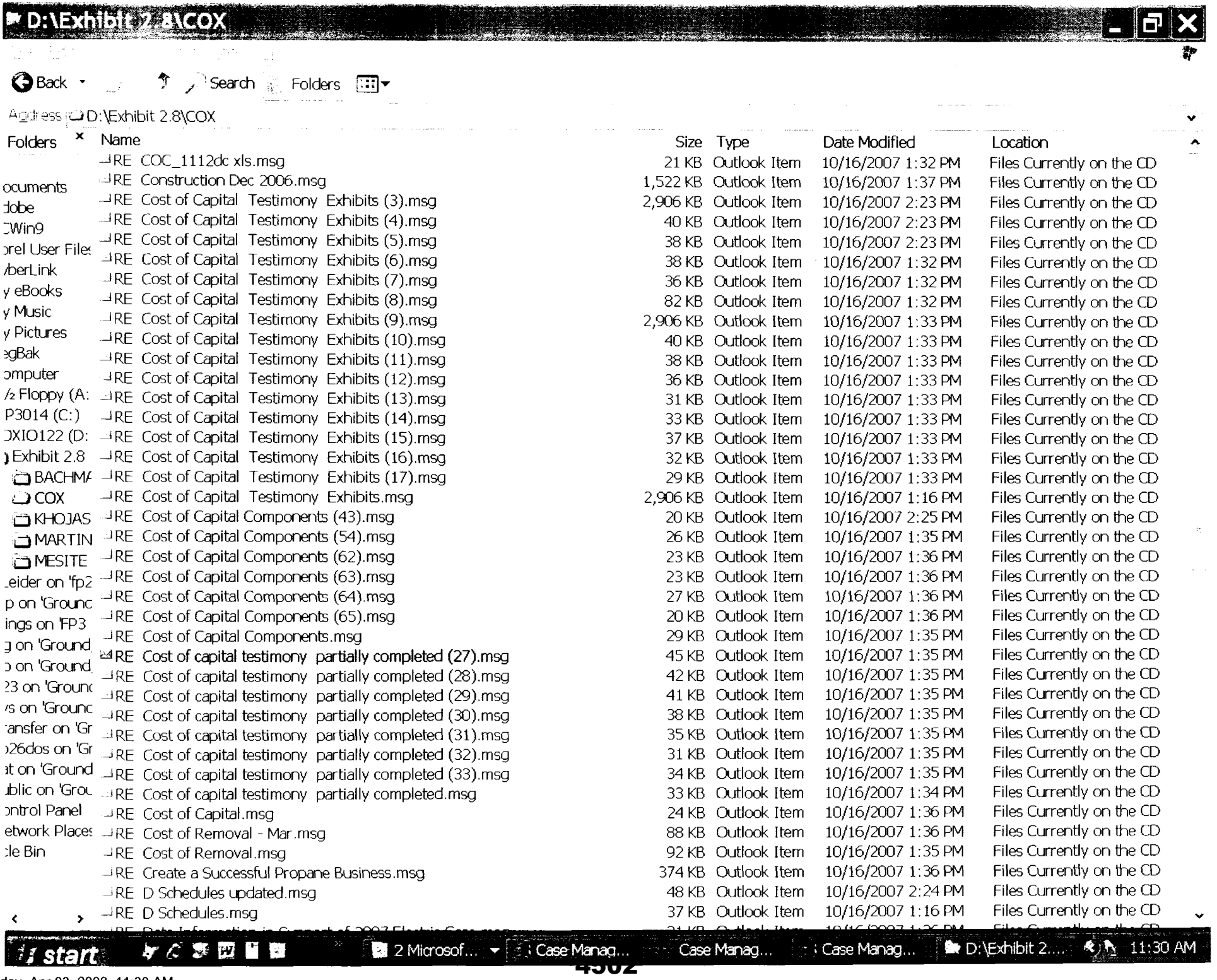
Got it...Thank you. I will proceed today as quickly as I can.

Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, June 26, 2007 2:06 PM
To: Robert Camfield
Cc: Mike Welsh; Bachman George; Martin Cheryl
Subject: Cost of Capital Components

Robert
Please see attached COC revised worksheet. As we discussed the revision made is the transfer of Comprehensive Income (Account 2190.1) from FPU to Flo-Gas.

Please call if you have any questions.
Thanks
Doreen
561-838-1797



Thursday, Apr 03, 2008 11:30 AM

Clara Leider

From: Bachman George
Sent: Monday, August 06, 2007 9:29 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Good points! ☺

From: Cox Doreen
Sent: Monday, August 06, 2007 9:20 AM
To: Bachman George
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Just being considerate – didn't want you to miss out on the chance of responding to the Commissioners on the classical or non-classical DCF model.

Doreen Cox
Financial Analyst
(561) 838-1797

From: Bachman George
Sent: Monday, August 06, 2007 9:18 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Now you're playing dirty!

From: Cox Doreen
Sent: Monday, August 06, 2007 9:13 AM
To: Bachman George
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Actually, one of those points that we want to include is – shouldn't George be added to the Testimony as he will be a witness on some of the schedules?

Doreen Cox
Financial Analyst
(561) 838-1797

From: Bachman George

Sent: Monday, August 06, 2007 8:55 AM
To: Cox Doreen
Cc: Martin Cheryl
Subject: RE: Cost of capital testimony, partially completed

Yes, I don't know about Cheryl, but the family wants to go and set by the pool next week on our cruise. I just may log into the computer and re-read this in more depth and from the perspective of those additional points we may want to include! ☺

From: Cox Doreen
Sent: Monday, August 06, 2007 8:51 AM
To: Martin Cheryl; Bachman George
Subject: RE: Cost of capital testimony, partially completed

Robert will be so impressed with how much we appreciate his analysis of the capital markets, especially those classical models and their various stages.

Doreen Cox
Financial Analyst
(561) 838-1797

From: Martin Cheryl
Sent: Monday, August 06, 2007 8:49 AM
To: Bachman George
Cc: Cox Doreen
Subject: RE: Cost of capital testimony, partially completed

Last night I could not put it down, the economic pressures on the capital markets as well as the downward trends on the interest rates were just so fascinating. Cheryl

From: Bachman George
Sent: Monday, August 06, 2007 8:46 AM
To: Martin Cheryl
Cc: Cox Doreen
Subject: RE: Cost of capital testimony, partially completed

Cheryl,

I don't know about you, but I particularly enjoyed the testimony on page 34 regarding the classical (one-stage) DCF model definition of ke, j = D0, j(1+E(gj))/P0, j + E(gj). Any discussions you enjoyed while relaxing at the beach this weekend?

☺

From: Cox Doreen
Sent: Friday, August 03, 2007 6:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; 'Mike Welsh'
Subject: RE: Cost of capital testimony, partially completed

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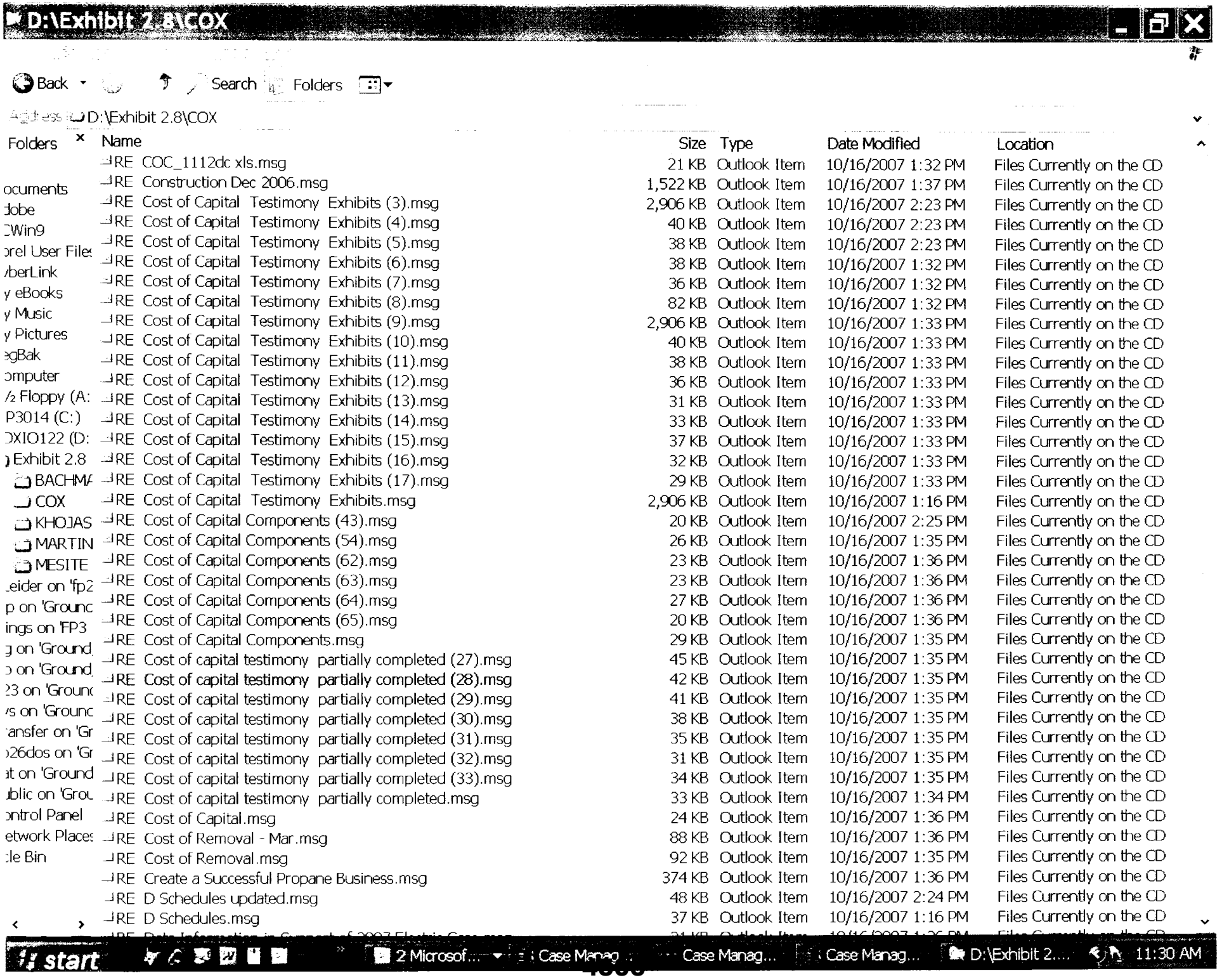
Doreen Cox
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(561) 838-1797

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Thursday, Apr 03, 2008 11:30 AM

Clara Leider

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Now you're playing dirty!

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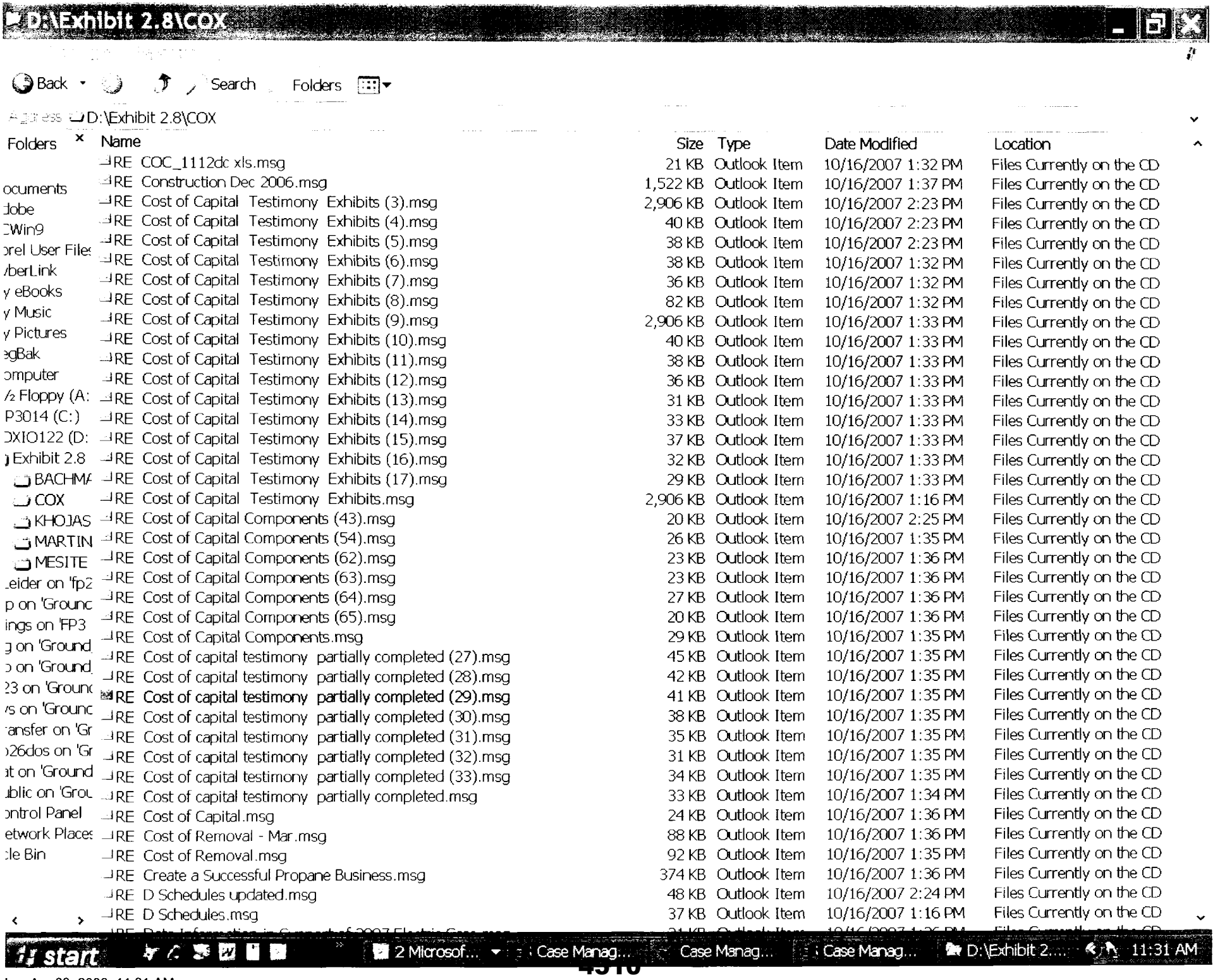
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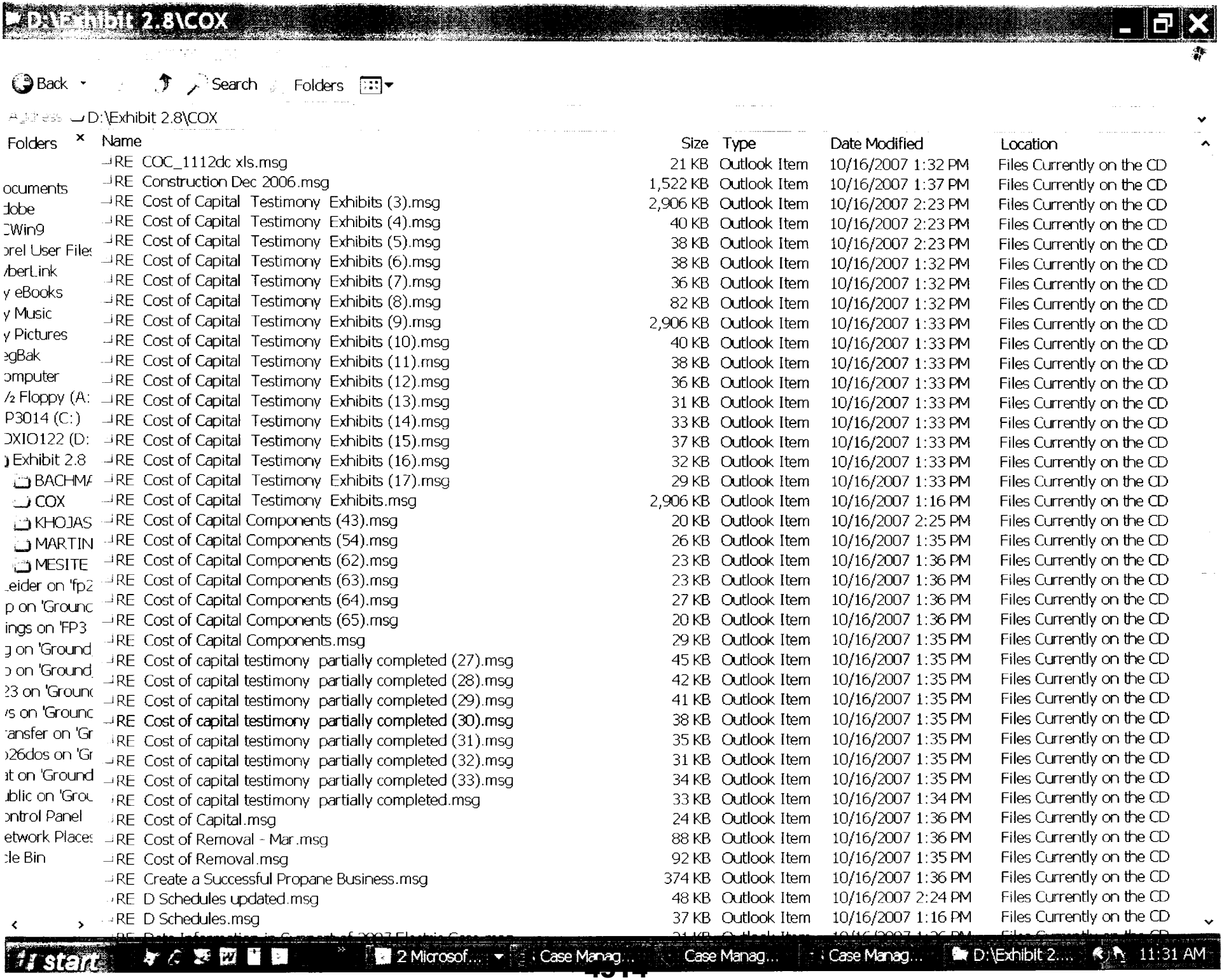
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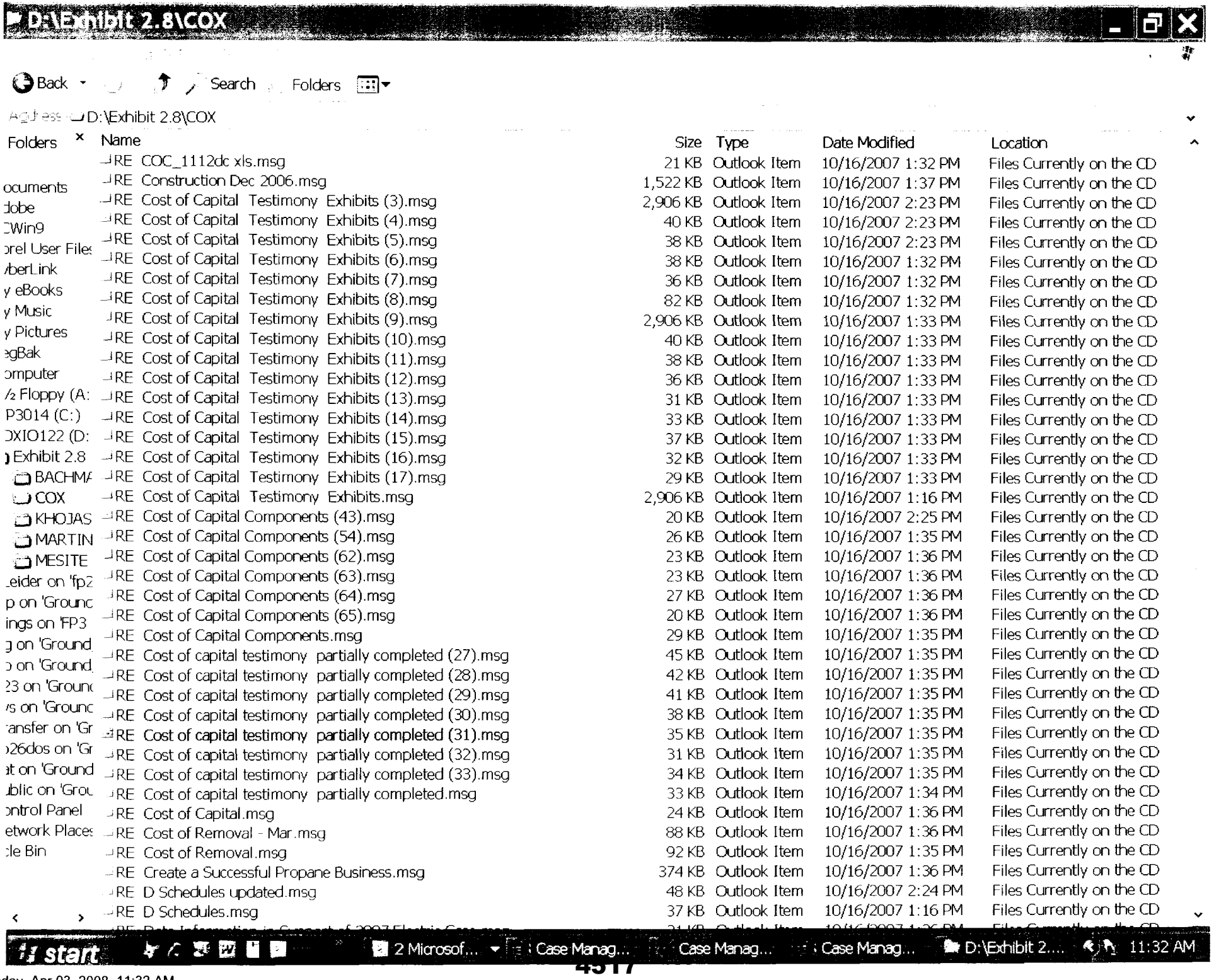
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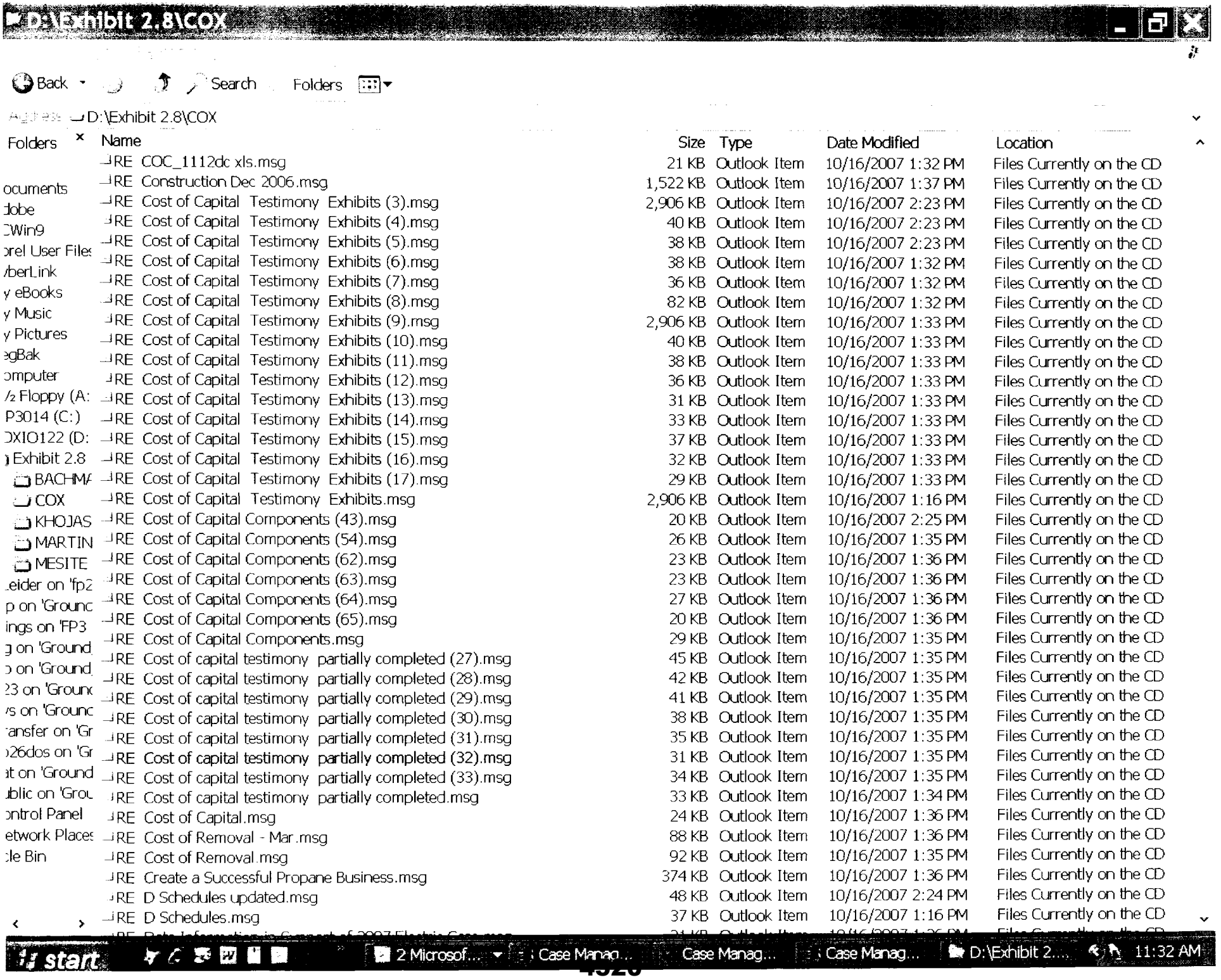
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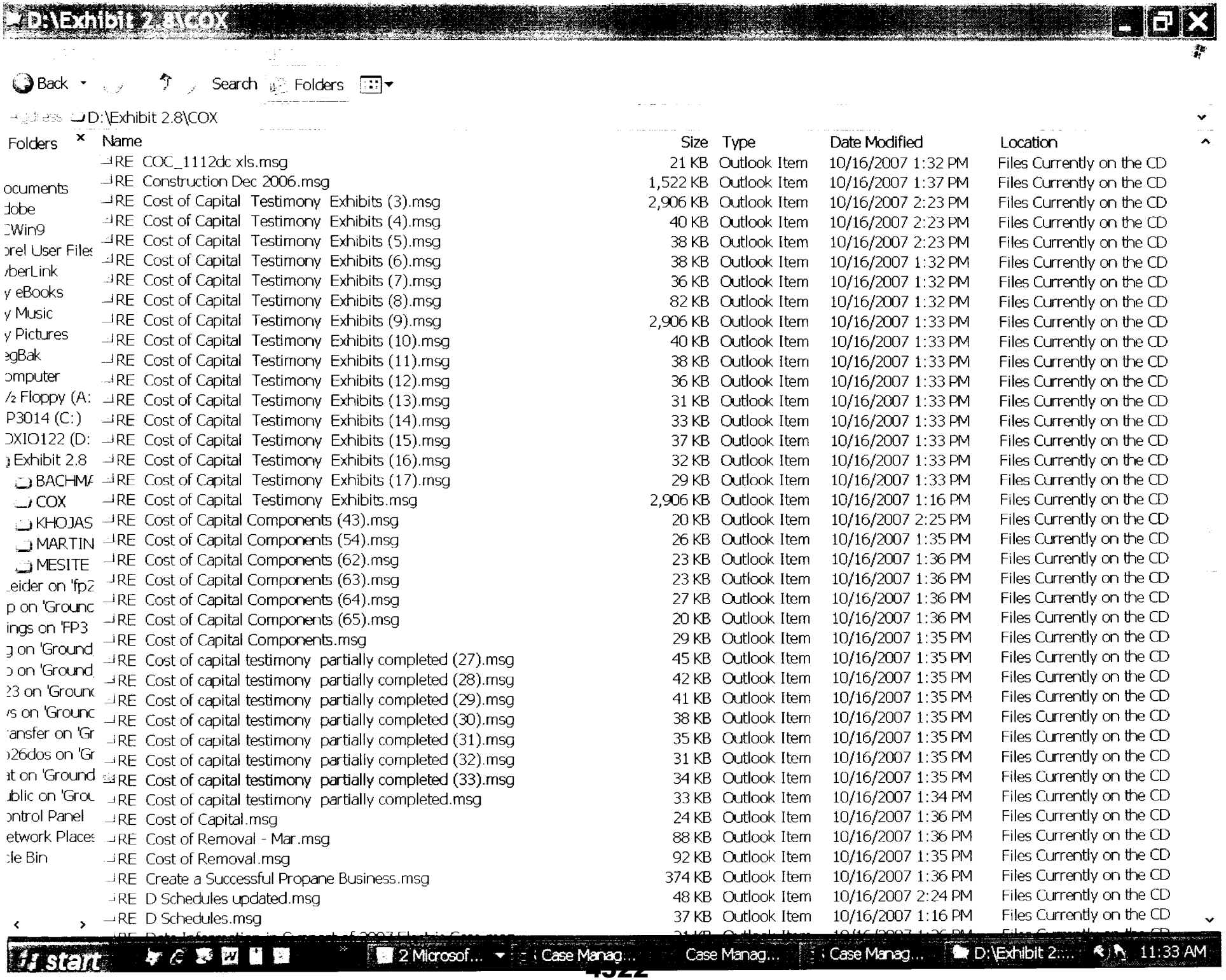
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RE Cost of Removal.msg 92 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Create a Successful Propane Business.msg 374 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE D Schedules updated.msg 48 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE D Schedules.msg 37 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
start
2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2:...
11:33 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 6:56 PM
To: Cox Doreen
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Got it...Thanks, Doreen. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Friday, August 03, 2007 5:14 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Robert
I did a quick read of the draft testimony and made some suggestions for minor changes. It looks good and I particularly like the discussion on page 28 regarding equity participation and the importance of remaining competitive and maintaining adequate interest coverage.

I will however re-read in more depth and from the perspective of any additional points that we may want to include, not yet covered.

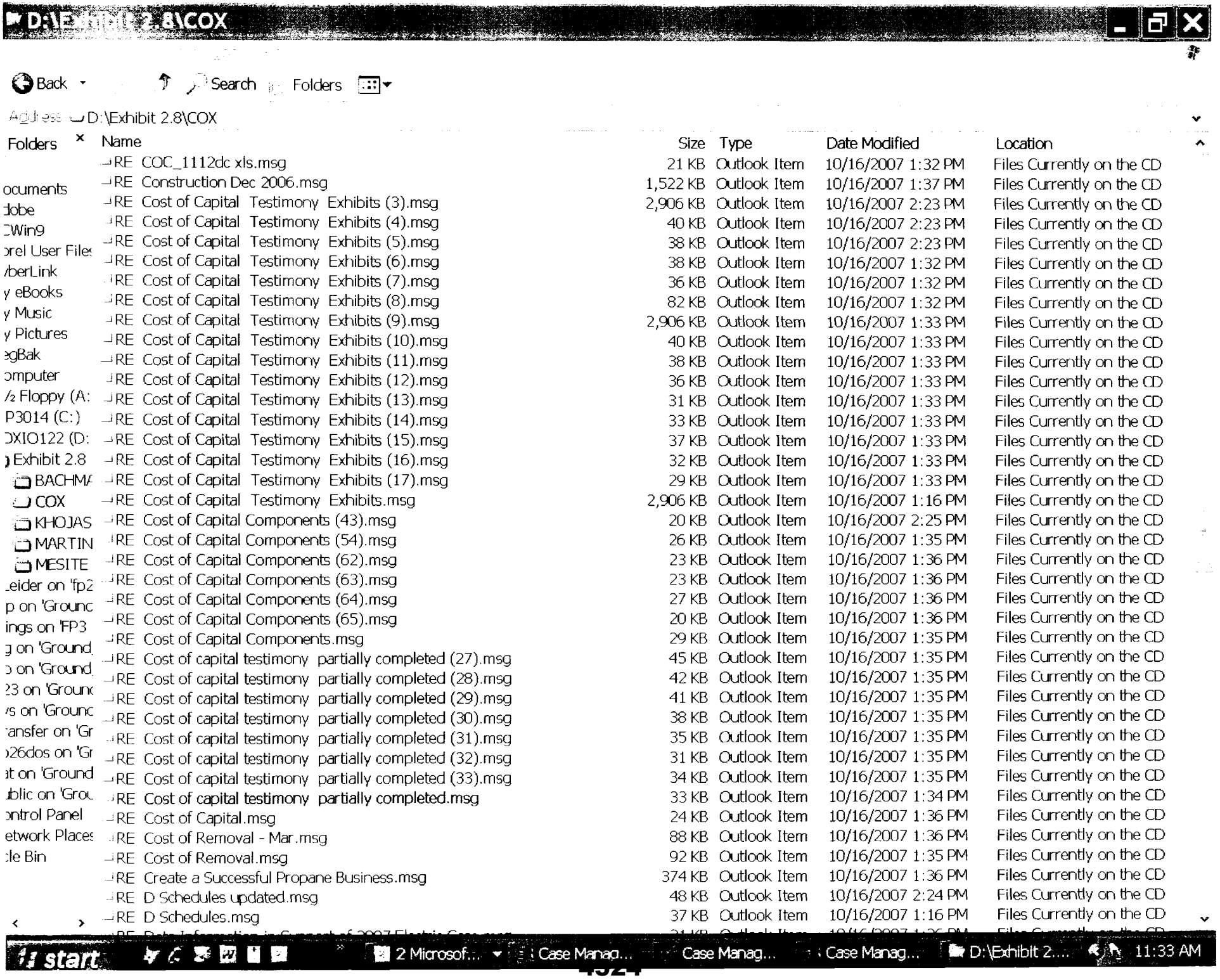
Doreen Cox
Financial Analyst
(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 12:41 PM
To: Cox Doreen; Martin Cheryl
Cc: Bachman George; English Jack; Mike Welsh
Subject: Cost of capital testimony, partially completed

Doreen,
Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert



Thursday, Apr 03, 2008 11:33 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 07, 2007 6:45 AM
To: Cox Doreen
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Will do...Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 8/6/2007 12:45 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Robert:

Please remember to include some discussion surrounding the calculation of the ST Interest rate based on the average daily balance versus the month-end balances.

Also on page 28 should the references be to electric and not gas?

Doreen Cox

Financial Analyst

(561) 838-1797

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, August 03, 2007 6:56 PM
To: Cox Doreen
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

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To: Robert Camfield
Cc: Bachman George; Martin Cheryl; Mike Welsh
Subject: RE: Cost of capital testimony, partially completed

Robert

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I will however re-read in more depth and from the perspective of any additional points that we may want to include, not yet covered.

Doreen Cox

Financial Analyst

(561) 838-1797

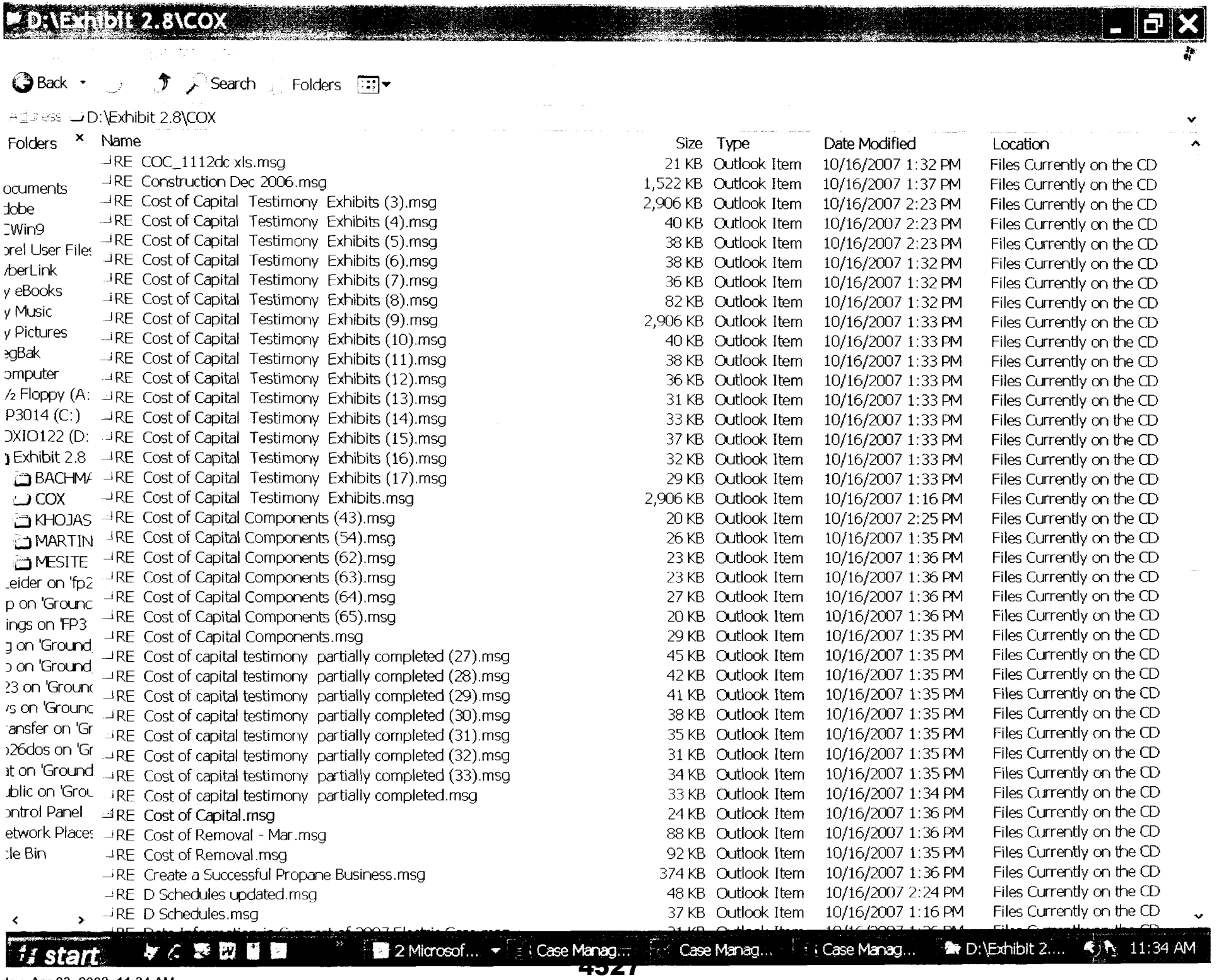
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Subject: Cost of capital testimony, partially completed

Doreen,

Cheryl,

Please check this over and see how it reads to you. More material coming shortly.

Robert



Thursday, Apr 03, 2008 11:34 AM

Clara Leider

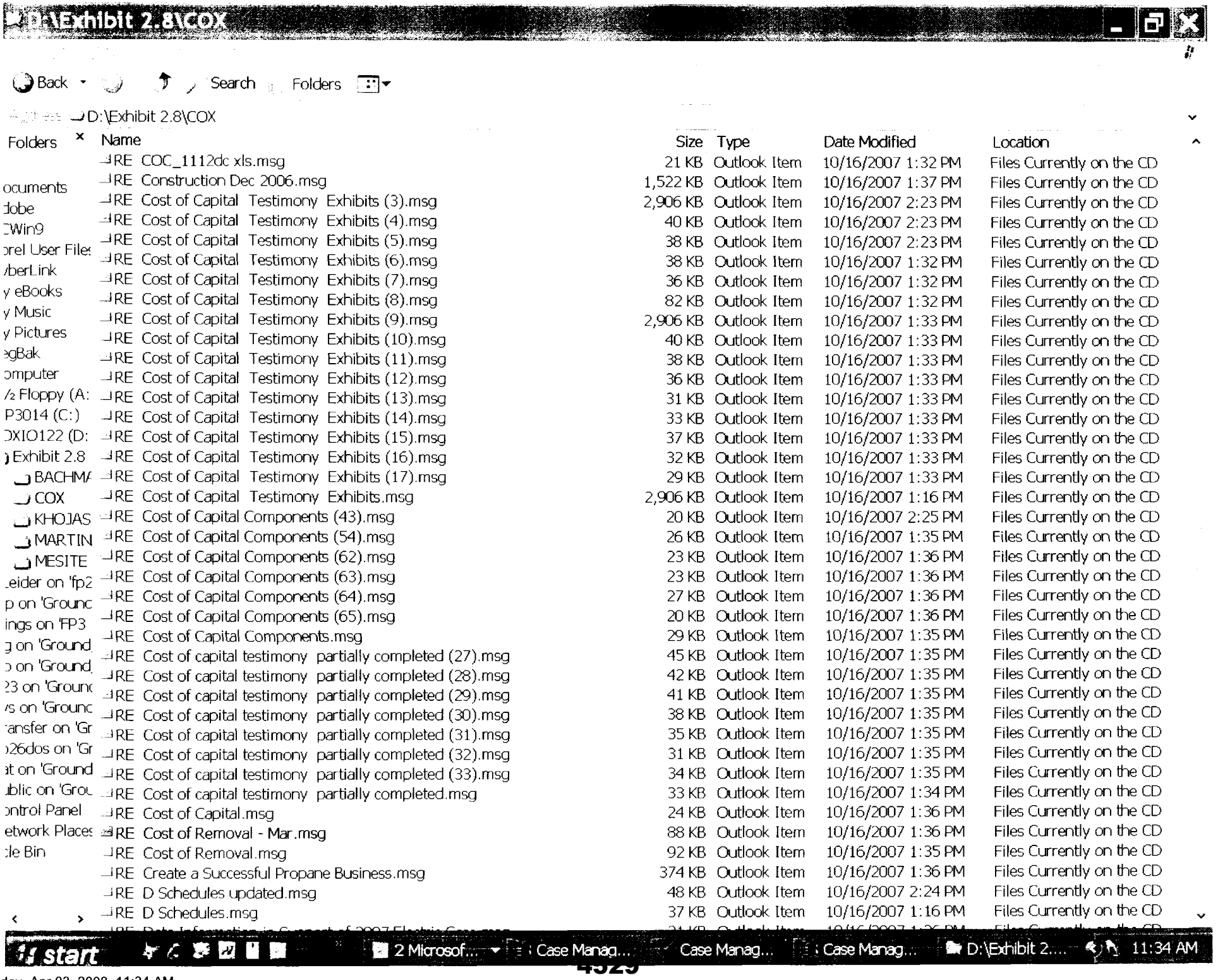
From: Young Curtis
Sent: Thursday, May 10, 2007 11:24 AM
To: Cox Doreen
Subject: RE: Cost of Capital

Not yet. I'm going to look now.

Curtis D. Young
Senior Regulatory Accountant
Florida Public Utilities
Phone: 561-838-1735
Fax: 561-833-0151
Alternate Fax: 561-366-1535

From: Cox Doreen
Sent: Thursday, May 10, 2007 10:28 AM
To: Young Curtis
Subject: Cost of Capital

Curtis
Were you able to find out anything regarding the treatment of Other Investments?



Thursday, Apr 03, 2008 11:34 AM

Clara Leider

From: Grimeson Bill
Sent: Tuesday, May 01, 2007 9:38 AM
To: Cox Doreen
Subject: RE: Cost of Removal - Mar
Attachments: NGPLTCTL.xls; FLOPLCTL.xls

Here you go.

From: Cox Doreen
Sent: Monday, April 30, 2007 4:36 PM
To: Grimeson Bill
Subject: Cost of Removal - Mar

Bill
Could you please send me a copy of the Summary of Utility Plant Schedule for March?
Thanks
Doreen

FLORIDA PUBLIC UTILITIES COMPANY
SUMMARY OF UTILITY PLANT
MARCH 2007

	NET ADDITIONS		
	TOTALS		FISCAL YEAR
UTILITY PLANT	TO DATE	MONTH	TO DATE
In Service	192,266,830	535,231	1,888,186
Water Sale Journal (1010) In Service	(17,745,160)		
In Process of Reclassification			
Water Sale Journal (1070) CWIP	(322,349)		
Non-Utility Plant (acct. 1210.1)	8,435		
Completed Construction Not Classified			
Construction Work in Progress	2,786,014	332,543	511,780
Acquisition Adjustments (ACCT 1140.)	1,820,269		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	178,814,039	867,774	2,399,966

		FISCAL YEAR
NET CHANGE IN TOTAL UTILITY PLANT	MONTH	TO DATE
Total Improvement Requisitions	1,034,569	2,566,761
Total Retirement Requisitions	(160,688)	(160,688)
Transfers-(Debit) Meters Transferred from Flo-Gas Corporation		
Transfers-(Credit) Meters Transferred to Flo-Gas Corporation	(6,107)	(6,107)
Transfers-(Credit) Regulators Transferred to Flo-Gas Corp.		
Transfers-(Debit) Regulators Transferred from Flo-Gas Corp.		
Transp. Equip. to Flo-Gas		
Transp. Equip. from Flo-Gas		
Computer Equip. to Flo-Gas		
NET INCREASE (DECREASE) IN UTILITY PLANT	867,774	2,399,966
Total Improvement Requisitions	1,034,569	2,566,761
Retirement Requisitions-Cost of Removal	21,249	85,282
TOTAL	1,055,818	2,652,043
Retirement Requisitions-Salvage	36,137	40,865
Less-Interest Capitalized		
Net Proceeds/Sale of Deland Office Property		
CASH EXPENDED ON UTILITY CONSTRUCTION	1,019,681	2,611,178

COSTS TRANSFERRED FROM CONST. TO AEP (1860.4) 2007 Y-T-D (54,030)

Clara Leider

From: Grimeson Bill
Sent: Tuesday, May 01, 2007 9:38 AM
To: Cox Doreen
Subject: RE: Cost of Removal - Mar
Attachments: NGPLTCTL.xls; FLOPLCTL.xls

Here you go.

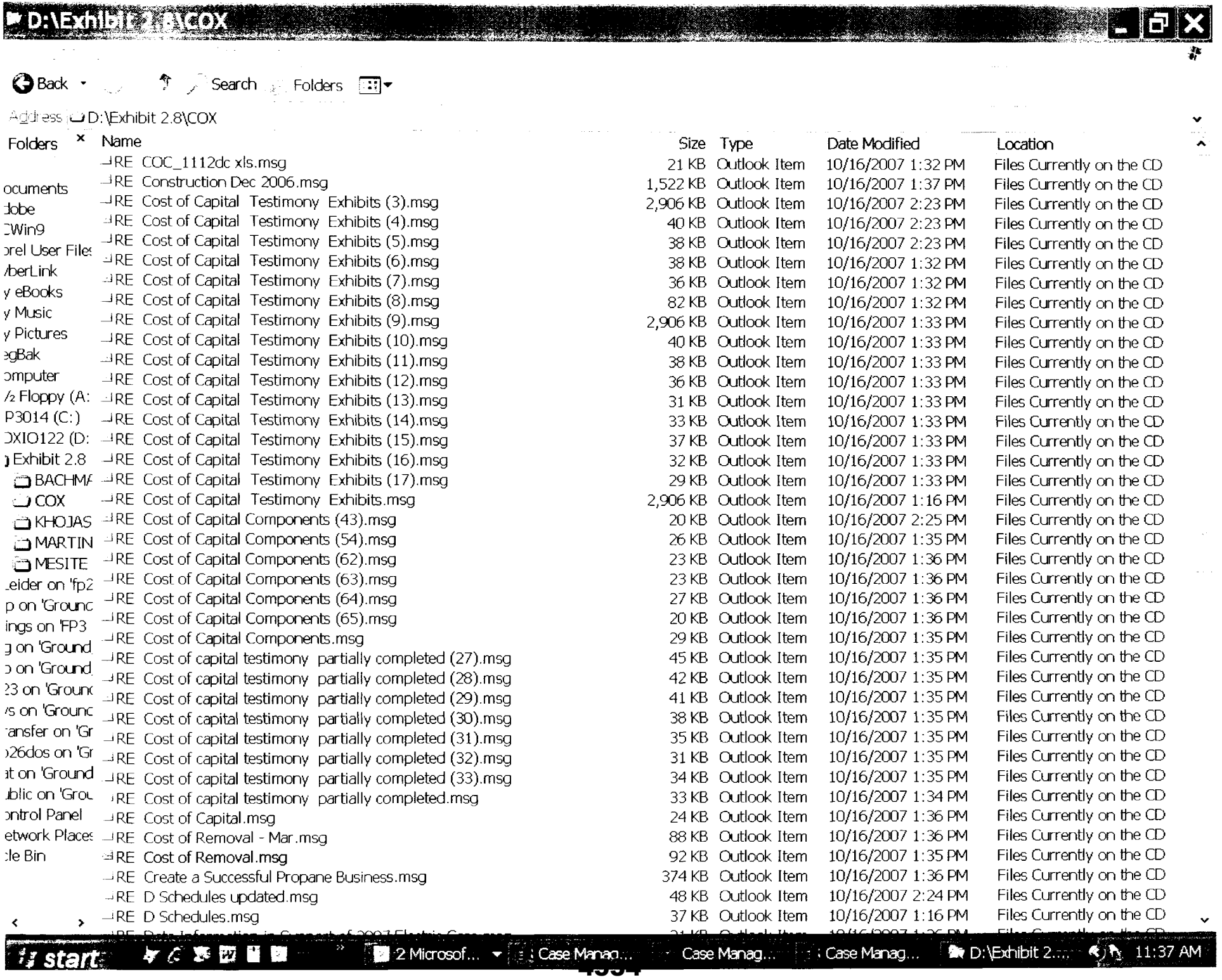
From: Cox Doreen
Sent: Monday, April 30, 2007 4:36 PM
To: Grimeson Bill
Subject: Cost of Removal - Mar

Bill
Could you please send me a copy of the Summary of Utility Plant Schedule for March?
Thanks
Doreen

FLO-GAS CORPORATION
SUMMARY OF UTILITY PLANT
MARCH 2007

		NET ADDITIONS	
	TOTALS		FISCAL YEAR
UTILITY PLANT	TO DATE	MONTH	TO DATE
In Service	17,613,081	150,749	499,864
Purchased (Sold)			
In Process of Reclassification			
Leased to Others			
Held For Future Use			
Completed Construction Not Classified			
Construction Work in Progress	857,683	(125,342)	(189,346)
Acquisition Adjustments (acct 1140)	1,852,435		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	20,323,199	25,407	310,518

		FISCAL YEAR
NET CHANGE IN TOTAL UTILITY PLANT	MONTH	TO DATE
Total Improvement Requisitions	78,477	363,588
Total Retirement Requisitions	(59,177)	(59,177)
Transfers-(CREDIT) Meters Transferred To Florida Public Utilities Company		
Transfers-(DEBIT) Meters Transferred From Florida Public Utilities Company	6,107	6,107
Transfers-(DEBIT) Regulators Transferred From Florida Public Utilities Company		
Transfers-(CREDIT) Regulators Transferred To Florida Public Utilities Company		
Transp. Equip. from FPUC		
Transp. Equip. to FPUC		
Computer Equip. from FPUC		
NET INCREASE (DECREASE) IN UTILITY PLANT	25,407	310,518
CASH EXPENDED ON UTILITY CONSTRUCTION		
Total Improvement Requisitions	78,477	363,588
Retirement Requisitions-Cost of Removal	10,113	18,529
TOTAL	88,590	382,117
Less-Interest Capitalized		
-Retirement Requisitions-Salvage	5,067	7,067
CASH EXPENDED ON UTILITY CONSTRUCTION	83,523	375,050



Thursday, Apr 03, 2008 11:37 AM

Clara Leider

From: Grimeson Bill
Sent: Tuesday, July 24, 2007 9:54 AM
To: Cox Doreen
Subject: RE: Cost of Removal
Attachments: NGPLTCTL.xls; FLOPLCTL.xls

Here you go.

From: Cox Doreen
Sent: Tuesday, July 24, 2007 9:07 AM
To: Grimeson Bill
Subject: Cost of Removal

Bill
What's the Cost of Removal & Salvage as at June?

FLORIDA PUBLIC UTILITIES COMPANY
SUMMARY OF UTILITY PLANT
JUNE 2007

UTILITY PLANT	NET ADDITIONS TOTALS TO DATE	NET ADDITIONS MONTH	NET ADDITIONS FISCAL YEAR TO DATE
In Service	195,034,441	1,177,463	4,655,797
Water Sale Journal (1010) In Service	(17,745,160)		
In Process of Reclassification			
Water Sale Journal (1070) CWIP	(322,349)		
Non-Utility Plant (acct. 1210.1)	8,435		
Completed Construction Not Classified			
Construction Work in Progress	2,364,834	(222,933)	90,600
Acquisition Adjustments (ACCT 1140.)	1,820,269		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	181,160,470	954,530	4,746,397

NET CHANGE IN TOTAL UTILITY PLANT	MONTH	FISCAL YEAR TO DATE
Total Improvement Requisitions	1,046,285	5,387,695
Total Retirement Requisitions	(58,857)	(590,202)
Transfers-(Debit) Meters Transferred from Flo-Gas Corporation		
Transfers-(Credit) Meters Transferred to Flo-Gas Corporation	(10,055)	(33,945)
Transfers-(Credit) Regulators Transferred to Flo-Gas Corp.		
Transfers-(Debit) Regulators Transferred from Flo-Gas Corp.		
Computer Equip. to Flo-Gas	(2,673)	(2,673)
Transp. Equip. from Flo-Gas		757
Computer Equip. from Flo-Gas		4,935
Plt. Costs (115.1010.390) Trans. To Expense (115.4010.5882)	(20,170)	(20,170)
NET INCREASE (DECREASE) IN UTILITY PLANT	954,530	4,746,397
Total Improvement Requisitions	1,046,285	5,387,695
Retirement Requisitions-Cost of Removal	29,452	174,941
TOTAL	1,075,737	5,562,636
Retirement Requisitions-Salvage	501	48,728
Less-Interest Capitalized		
Net Proceeds/Sale of Deland Office Property		
CASH EXPENDED ON UTILITY CONSTRUCTION	1,075,236	5,513,908

COSTS TRANSFERRED FROM CONST. TO AEP (1860.4) 2007 Y-T-D (54,030)

Clara Leider

From: Grimeson Bill
Sent: Tuesday, July 24, 2007 9:54 AM
To: Cox Doreen
Subject: RE: Cost of Removal
Attachments: NGPLTCTL.xls; FLOPLCTL.xls

Here you go.

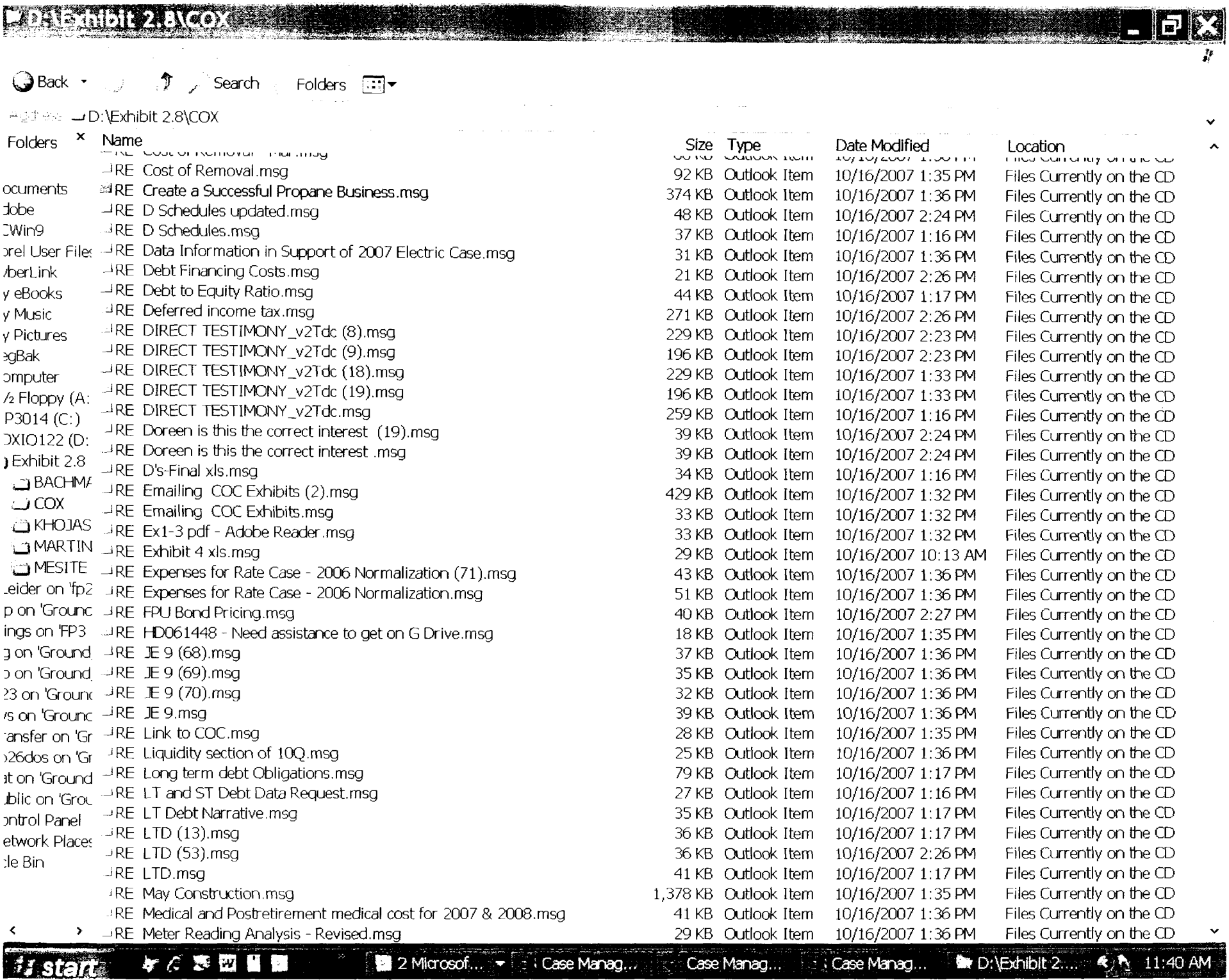
From: Cox Doreen
Sent: Tuesday, July 24, 2007 9:07 AM
To: Grimeson Bill
Subject: Cost of Removal

Bill
What's the Cost of Removal & Salvage as at June?

FLO-GAS CORPORATION
SUMMARY OF UTILITY PLANT
JUNE 2007

		NET ADDITIONS	
	TOTALS		FISCAL YEAR
UTILITY PLANT	TO DATE	MONTH	TO DATE
In Service	17,800,788	81,848	687,571
Purchased (Sold)			
In Process of Reclassification			
Leased to Others			
Held For Future Use			
Completed Construction Not Classified			
Construction Work in Progress	818,708	42,100	(228,321)
Acquisition Adjustments (acct 1140)	1,852,435		
Other Adjustments			
Gas Stored Underground-Noncurrent			
TOTAL UTILITY PLANT	20,471,931	123,948	459,250

		FISCAL YEAR
NET CHANGE IN TOTAL UTILITY PLANT	MONTH	TO DATE
Total Improvement Requisitions	150,252	681,513
Total Retirement Requisitions	(39,032)	(253,189)
Transfers-(CREDIT) Meters Transferred To Florida Public Utilities Company		
Transfers-(DEBIT) Meters Transferred From Florida Public Utilities Company	10,055	33,945
Transfers-(DEBIT) Regulators Transferred From Florida Public Utilities Company		
Transfers-(CREDIT) Regulators Transferred To Florida Public Utilities Company		
Computer Equip. from FPUC	2,673	2,673
Transp. Equip. to FPUC		(757)
Computer Equip. to FPUC		(4,935)
NET INCREASE (DECREASE) IN UTILITY PLANT	123,948	459,250
CASH EXPENDED ON UTILITY CONSTRUCTION		
Total Improvement Requisitions	150,252	681,513
Retirement Requisitions-Cost of Removal	5,955	32,512
TOTAL	156,207	714,025
Less-Interest Capitalized		
-Retirement Requisitions-Salvage	900	12,504
CASH EXPENDED ON UTILITY CONSTRUCTION	155,307	701,521


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Search
Folders
D:\Exhibit 2.8\COX
Folders
Name
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Date Modified
Location
RE Cost of Removal.msg 92 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Create a Successful Propane Business.msg 374 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE D Schedules updated.msg 48 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE D Schedules.msg 37 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE Data Information in Support of 2007 Electric Case.msg 31 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Debt Financing Costs.msg 21 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE Debt to Equity Ratio.msg 44 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
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RE JE 9 (70).msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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RE Long term debt Obligations.msg 79 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LT and ST Debt Data Request.msg 27 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE LT Debt Narrative.msg 35 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (13).msg 36 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
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RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
Documents
Adobe
CWin9
Corel User File
FiberLink
My eBooks
My Music
My Pictures
NegBak
Computer
3½ Floppy (A:
HP3014 (C:)
DOXIO122 (D:
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BACHMA
COX
KHOJAS
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11:40 AM

Clara Leider

From: Saylor Chaundra
Sent: Monday, March 12, 2007 10:21 AM
To: Bonn Wayne; Cox Doreen; Cutshaw Mark; Kennedy Barry; Kitner Don; Knowles Terry; Martin Cheryl; Petty Julie; Schneidermann Marc; Schaak Clifford; Seagrave Marc; Stein Chuck; Erdek Bonnie; Blazina Greg; Pomeroy Keith; Becker Michael
Cc: English Jack; Bachman George
Subject: RE: Create a Successful Propane Business

Attachments: Create a Successful Propane Business -3-10-06 minutes.pdf

Here are minutes from last meeting:



Create a
ssful Propane

-----Original Appointment-----
From: Saylor Chaundra
Sent: Monday, March 12, 2007 10:19 AM
To: Bonn Wayne; Cox Doreen; Cutshaw Mark; Kennedy Barry; Kitner Don; Knowles Terry; Martin Cheryl; Petty Julie; Schneidermann Marc; Schaak Clifford; Seagrave Marc; Stein Chuck; Erdek Bonnie; Blazina Greg; Pomeroy Keith; Becker Michael
Cc: English Jack; Bachman George
Subject: Create a Successful Propane Business
When: Monday, March 26, 2007 11:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Conference Corp 3rd Floor

FLORIDA PUBLIC UTILITIES

Confidential

MEMORANDUM

TO:	G. Bachman [GB]	D. Kitner [DK]
	W. Bonn [WB]	T. Knowles [TK]
	D. Cox [DC]	C. Martin [CM]
	M. Cutshaw	J. Petty [JP]
	J. English [JTE]	C. Schaak [CS]
	G. Hartman [GH]	M. Schneidermann [MLS]
	B. Kennedy [BK]	M. Seagrave [MSS]
		C. Stein [CSL]

FR: Bonnie Erdek (BE)

SUBJECT: *"Create a Successful Propane Business" – 10th March 2006*

DATE: *22nd March 2006*

Participants absent from the meeting: G. Hartman and W. Bonn
M. Cutshaw, C. Schaak and W. Bonn participated telephonically.
C. Saylor kept the record in my absence.

CLS facilitated. CARE comments were shared at the outset of the meeting.
During this session short-term projects were revisited; previously assigned dates for each entry were reviewed and modified as necessary. Mid-term and long-term project forecasts were evaluated and updates were furnished; where applicable completion dates were modified. Where appropriate, time-line and other adjustments are reflected on the following table.

At the next session, please be prepared to: 1] report further progress and successes for incomplete short-term projects and 2] if not previously stated, establish and/or reevaluate completion dates for mid-term projects and report advancements; 3] determine long-term goals, ownership where required and establish elements necessary to accomplish defined goals.

Next meeting date: Thursday, April 13th at 11:00 AM, 3rd floor conference room
DK & WB will be called by South Florida, DK will then conference MC & CS; K.Oakes will attend in place of JP

Short-Term: Dec '04 - June '05		Mid-Term: July '05 - Dec '05		Long-Term: 2006 +	
Project	Team Leader	Project	Team Leader	Project	Team Leader
► Eliminate field sup [$77K] ✓ *To be completed 4/1/05*	BK	► Remote tank monitoring ✓ 100 units expected w/b tested ✓ Develop monthly cost & guarantee • *Training completed 9/15/05* • *Roll-Out - 3/1/06* • *Tie-in to AS-400 - 4/1/06*	MLS TK	► Sell or trade unprofitable divisons	MLS
► Eliminate Development Mgr [$85K] ✓ *To be completed 4/1/05* [+ $15K - Central FL]	BK			► Relocate propane operations ► Separate natural/LP ops w/ new bldg	BK, MLS
► Reassign [2] Mktg positions [$66K] ✓ *1st postion moved to natural;* ✓ *2nd position complete 5/3/105* Effective 6/1/05	MSS	► Increase regulatory compliance fee [$55K] • Will go up 25¢ 8/1/05 [to $2.22] ✓ *To be evaluated 4/1/06*	MLS *ongoing*	► Keep propane ops in FB office [forfeit lease]	MC
► Propane delivery system - Phase I • Meter reads tied to FMS ✓ *Prototype failure: 3/10/05* ✓ *Demo: 7/15/05* ✓ *Clerical roll-out 8/31/05* ✓ *Complete training by 10/8/05* ✓ *Research contractor assistance* • Monthly conf call [MLS] • Need timeframes for Phases II & III ✓ ORCOM tied to inventory - Phase II ✓ Include on-site bill generation - Phase III	TK	► Change organization structure ✓ Improve plant productivity ✓ Dedicated dispatch & Cust Svs ✓ TECO Partners market LP ✓ Outsourcing back office ✓ More shared responsibility ✓ Dedicated propane collections ✓ Reduce staff ✓ Propane call center ► Direct-Charge non-propane employees • Review all allocations ✓ *To be completed 4/1/06*	MLS Team: DK, MC, A/C'g BK & MSS *ongoing*	► Sell Rainbow Lakes property ✓ *Appraisals by 3/31/06*	DK
				► Eliminate all non-diesel & small bobtails MLS will determine completion date	MLS
				► Seasonal drivers ✓ Commissioned bobtail drivers ✓ Driver - base amt + ¢ per gal	MLS
				► Implement forklift cylinder exchange in SF	BK
► Rate management • Margin control [$200K] ✓ + 4¢ *effective 2/1/05* • Step rates *[in process]* ✓ Separate mtg scheduled 3-4/06	MLS *ongoing*	► Zone pricing based on distance [surcharge] • Up-size tanks installed outside defined service area • No meters outside defined area ✓ *To be completed 12/31/05*	DK	► Incentive district managers	MLS
				► Low load factor customers ✓ *To be completed 3/31/06*	MLS
► Reduce bill to one-page ✓ *Test file 4/20/05;* ✓ *To be completed 9/30/05*	JP	► Grow forklift cylinder exchange program ✓ *Phase I - 9/30/05-enhance NE & CF* ✓ *Phase II - 2/15/06 - SF* • *other divisions - 6/30/06*	MSS	► Explore value-added services ✓ *To be completed 3/31/06*	MSS, BK & GH
				► Lower benefits for propane employees • Cost benefit analysis	WB

Short-Term: Dec '04 - June '05

Project	Team Leader
► Gas supply management • Financial, physical, weather hedging • Gas Logistics - buy/schedule LP [to date $35K] [$150K] • New supply contact 4/1/06	MLS
► Close NSB office [3/31/05] [$5K]	DK
► Contractors • Removals/installations NOTE: *no economic impact now*	BK *ongoing*
► Direct-charge repairs	MLS
► Re-light policy [$10K]	BK
► Direct-charge fleet mgr	MLS
► No DOT cylinder installations NOTE: *no immediate impact*	BK
► Depreciation	GB

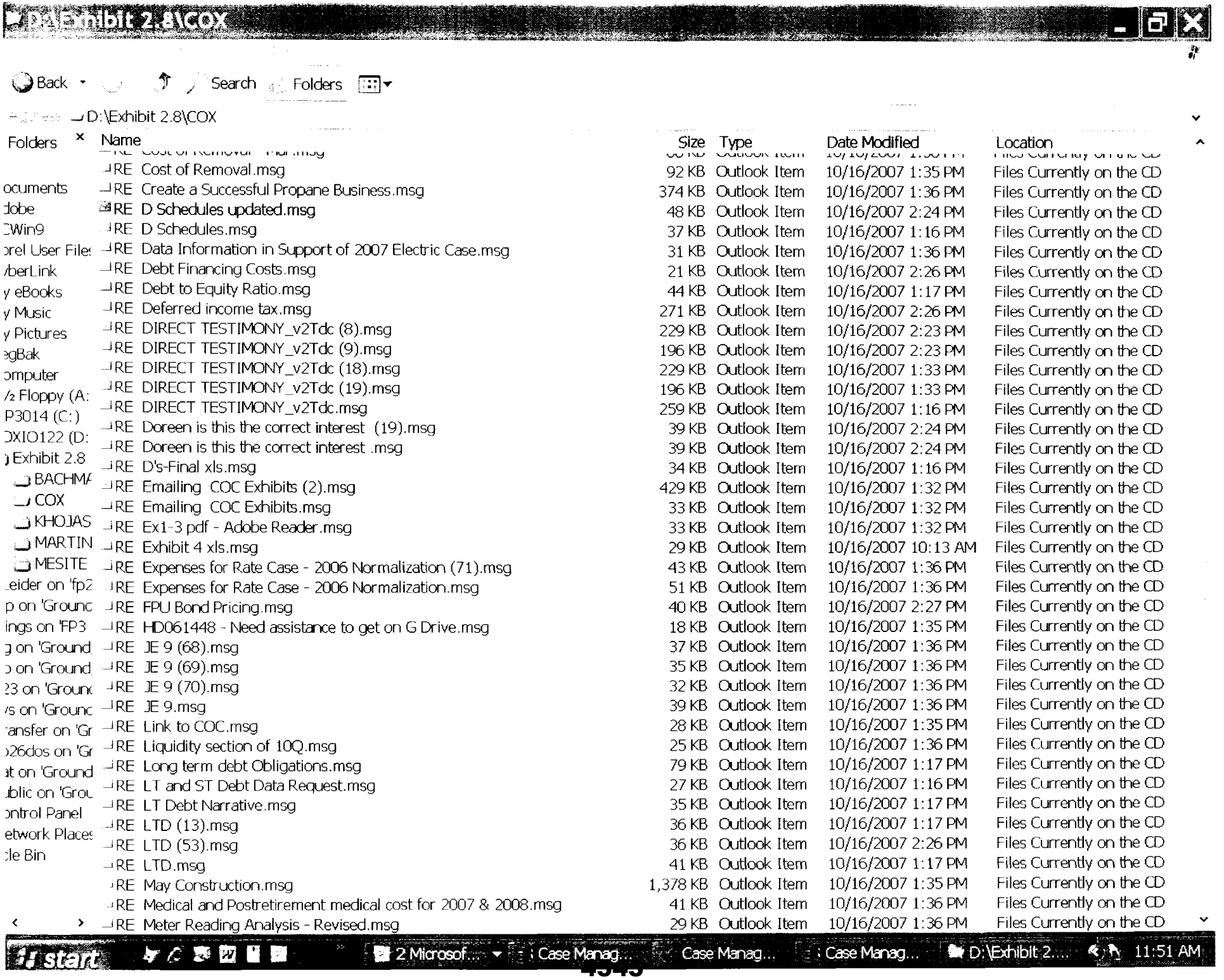
Mid-Term: July '05 - Dec '05

Project	Team Leader
► Review profitability of Lauderhill ✓ *Meet by 5/1/06*	MSS, Team: BK, MLS, DC
► Recapture capital equipment • Recover inactive tank assets ✓ *To be completed 6/1/06*	MLS *ongoing*
► Car allowance ✓ *Analysis proves negligible*	DC
► Customer-owned tanks ✓ *Analysis completed 11/30/05* ✓ *Roll-out 1/31/06*	MSS
► Reduce meter reading expenses • Dedicated meter reader • Outside contractor ✓ *RFP by 3/1/06*	MLS
► Improve new customer ROI [$33K]	MSS
► Third party tank refurbishment ✓ *To be completed 5/1/06*	MLS
► Focus on community gas systems • Considering agreement w/ FPL • Build existing customer load • Joint-trenching standards	MSS *ongoing* DK
► Reevaluate & analyze existing community gas systems ✓ *Presentation by 2/15/06*	MSS *ongoing*
► Build existing customer load	MSS *ongoing*

Long-Term: 2006 +

Project	Team Leader
► Budget billing • [4] formats w/be presented to directors w/o 6/15/05 ✓ *To be completed 7/30/05*	JP
► On-site bill generation [Phase II - delivery system] • Inventory mechanism [illegible] ✓ *To be completed 5/31/06*	TK & JP

Short-Term: Dec '04 - June '05		Mid-Term: July '05 - Dec '05		Long-Term: 2006 +	
Project	Team Leader	Project	Team Leader	Project	Team Leader
		► Expanded payment options • Check-by-phone by 2/15/06 • Web-based access • Related Cust. Svs. Training ✓ *To be completed 2/15/06*	JP		
		► Review misc. serv. fee [$44K] *(moved from short-term)* ✓ *To be completed 12/31/05* ✓ *Jobbing Fees - 1/31/05*	DK		
Completed					



Thursday, Apr 03, 2008 11:51 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, July 13, 2007 3:51 PM
To: Cox Doreen
Cc: Mike Welsh; Martin Cheryl
Subject: RE: D Schedules updated

Doreen,

Got it...Thanks, Doreen.

The ST Debt balances look good to me.
I will be continuing to develop the testimony this weekend, continuing into next week.

Doreen: Can you please provide me with your cell phone, as I may need to check in with you next week.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thursday, July 12, 2007 1:39 PM
To: Robert Camfield
Cc: Mike Welsh; Martin Cheryl
Subject: D Schedules updated

Robert:
Attached is file D's 071207 updated for the following:

1. Revised Rate Base for 2007 & 2008
2. Inserted Schedule D-8
3. Updated D-7 stock price for 2005 & 2006 and added note about stock split

D-9 still has some cells to be updated when the information becomes available.

Robert, please be sure that you are happy with the ST Debt Cost Rate and balances shown, both on the Sch 1a and the supporting schedules.

Also, please review Cost of Equity rate – not sure if this should remain at 11.50% for all years.

Please review and let me know if you are in agreement or if any changes are required.
Thanks
Doreen
(561) 838-1797

From: Cox Doreen
Sent: Thursday, July 12, 2007 7:37 AM
To: 'Robert Camfield'

Cc: Mike Welsh; Martin Cheryl
Subject: RE: 2008 RATE BASE

Robert
There will be a change to Rate Base – once I get that update I will forward you a copy of the D Schedules.
Doreen

From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Wednesday, July 11, 2007 5:31 PM
To: Cox Doreen
Cc: Mike Welsh; Martin Cheryl
Subject: RE: 2008 RATE BASE

Doreen,

Apologies for not calling...Unexpected events came up down here (our study program, downtown Madison) that I have had to deal with. I will be in touch real soon. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wed 7/11/2007 7:11 AM
To: Robert Camfield
Cc: Mike Welsh; Martin Cheryl
Subject: FW: 2008 RATE BASE

Robert
Average Rate Base for 2008.
Thanks
Doreen

From: Mesite Jim
Sent: Tuesday, July 10, 2007 5:36 PM
To: Cox Doreen
Cc: Martin Cheryl; Khojasteh Mehrdad
Subject: 2008 RATE BASE

The 2008 Projected Rate Base is $40,482,282.

Thank You,
Jim Mesite
Senior Project Accountant, Corporate Accounting

jmesite@fpuc.com
tel.561.838.1733
fax.561.366.1533



Thursday, Apr 03, 2008 11:52 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, June 18, 2007 10:13 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: RE: D Schedules

Doreen,

Thanks for the comments. I will incorporate the appropriate changes that you suggest.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Mon 6/18/2007 9:07 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: RE: D Schedules

Robert:
Please see my comments regarding the 1st Draft of the D Schedules submitted. Some of the items we already discussed over the telephone.

Sch D-1a 2006
- All Cost Rates should reflect rates filed on our Dec 2006 Surveillance Report average mid-point rate. (Interim MFRs would reflect the Low-Point Rate).
- Total Col D System Adjusted.

Sch D-1a 2007
- Customer Deposits - should the cost rate be 6.842% as per the Customer Deposit tab in the CAPITAL file?
- Tax Credit - not sure how we computed 9.42% for cost rate.
- Total Col D System Adjusted.
- LT Debt 8.00% - should this be 8.01% (4049160/50543842)?

Sch D-1b - okay

Sch D-2 - not yet completed. Would you like me to do this one?

Sch D-3 - for the historical Interest Expense we need to show the actual 13 mth avg of $108,590 and actual interest rate and Weighted Average Cost of ST Debt.

Sch D-4a 2006 & 2007 - update columns 8, 10 & 14 based on the Unamortized Schedule sent last Friday. We should show the 13 month average issuance expense for each of the loans and then show the Loss on Reacquired Debt below as one amount as that balance does not relate to any of the loans detailed.

Sch D-4b - Seems ok to me, but Cheryl &/ George can confirm.

Sch D-5 - looks good

I know you may have already updated some of the above. Also please note that the short term debt balances may change due to the removal of the FB Building and the final projected capital expenditures projections for 2008.

Please call me at (561) 838-1797 if you have any questions.
Thanks
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Friday, June 15, 2007 5:37 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Dan Hansen; Bachman George
Subject: D Schedules

Doreen,

Attached please find the D Schedules for '06, '07 though the historical financial information is not yet completed. Please review and check this over at your convenience. Rate base amounts are needed in order to obtain accurate jurisdictional factors. Also, you, Cheryl, and perhaps George should review the policy statement regarding gains/losses shown on 4-b.

Let's talk later.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/14/2007 10:36 AM
To: Robert Camfield
Subject: FW: Schedule H(D-3)

From: Martin Cheryl
Sent: Thursday, June 14, 2007 11:33 AM
To: Cox Doreen
Subject: RE: Schedule H(D-3)

Whatever makes sense. There are some schedules that do not make sense to keep projected separate from historic as they are comparisons to historic. IF that is the case, remove the projection schedule with the same name and complete as necessary in the historic. Cheryl

From: Cox Doreen
Sent: Thursday, June 14, 2007 10:41 AM
To: Martin Cheryl
Cc: Robert Camfield
Subject: Schedule H(D-3)

Cheryl:

In the prior electric rate case there were certain schedules such as Sch D-3a where data for the Historical, Projected Prior Year and Projected Test Year were all presented on one Schedule.

In this filing should we show the historical (2006) only on Sch D-3 and the Projected

Prior Year (2007) and Projected Test Year (2008) together on the H(D-3)?

This is what I suggested to Robert, but please confirm.

Thanks

Doreen



Thursday, Apr 03, 2008 11:53 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, May 17, 2007 2:14 PM
To: Cox Doreen
Cc: Bachman George; Martin Cheryl
Subject: RE: Data/Information in Support of 2007 Electric Case

Doreen,

Got it...Thank you. I am on the West Coast through the remainder of the week. Let's talk early next week.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wed 5/16/2007 5:22 PM
To: Robert Camfield
Cc: Bachman George; Martin Cheryl
Subject: RE: Data/Information in Support of 2007 Electric Case

Robert:
Please find attached the Cost of Capital components for 2006. Please note that the report does not indicate whether the balance is a Debit or Credit and therefore some are offsetting some of the components. The report is in the same format as the prior rate cases and the line references should assist in identifying how the balances are summarized. I'm working on the projected schedules for 2007 and 2008 and as soon as they have been finalized and approved, I'll forward to you.

Please review and if you have any questions, or suggestions, please let me know.
Thanks
Doreen
(561) 838-1797

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Thursday, May 10, 2007 2:27 PM
To: Mesite Jim; Martin Cheryl; Khojasteh Mehrdad; Cox Doreen
Cc: Bachman George; Mike Welsh; Dan Hansen
Subject: Data/Information in Support of 2007 Electric Case

Colleagues,

Attached please find our data and information request in support of FPU's 2007 rate case. Accompanying the Data/Information List is a excel file containing billing determinants. We would like to obtain, if possible, updated billing determinants beyond 2002 in this format.

We believe that this information list identifies much of the core information that is needed at the outset. Undoubtedly, additional information will be needed as we get further into the development of the filing. Jim Mesite may have provided some of these data to Mike last week.

Do not hesitate to call Mike, Dan, or me at anytime. Doreen: I will check in with you a little later.

Regards,
Robert Camfield
CA Energy Consulting

Madison, Wisconsin 53705
Ph: 608-231-2266
Fx: 608-231-1365



Thursday, Apr 03, 2008 11:53 AM

Clara Leider

From: Napier Michelle
Sent: Friday, March 09, 2007 3:23 PM
To: Cox Doreen
Subject: RE: Debt Financing Costs

yes

Michelle Napier
General Accounting Manager
561-838-1712

From: Cox Doreen
Sent: Friday, March 09, 2007 3:17 PM
To: Napier Michelle
Subject: Debt Financing Costs

Michelle
When we issue Bonds are the associated costs amortized over the life of the debt on a simple straight line basis?


D:\Exhibit 2.8\COX
Back
Search
Folders
D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
Location
RE Cost of Removal.msg 92 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Create a Successful Propane Business.msg 374 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE D Schedules updated.msg 48 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE D Schedules.msg 37 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE Data Information in Support of 2007 Electric Case.msg 31 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Debt Financing Costs.msg 21 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE Debt to Equity Ratio.msg 44 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE Deferred income tax.msg 271 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE DIRECT TESTIMONY_v2Tdc (8).msg 229 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
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RE Doreen is this the correct interest (19).msg 39 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE Doreen is this the correct interest .msg 39 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE D's-Final xls.msg 34 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE Emailing COC Exhibits (2).msg 429 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Emailing COC Exhibits.msg 33 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Ex1-3 pdf - Adobe Reader.msg 33 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Exhibit 4 xls.msg 29 KB Outlook Item 10/16/2007 10:13 AM Files Currently on the CD
RE Expenses for Rate Case - 2006 Normalization (71).msg 43 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Expenses for Rate Case - 2006 Normalization.msg 51 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE FPU Bond Pricing.msg 40 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
RE HD061448 - Need assistance to get on G Drive.msg 18 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE JE 9 (68).msg 37 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9 (69).msg 35 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9 (70).msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Link to COC.msg 28 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Liquidity section of 10Q.msg 25 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Long term debt Obligations.msg 79 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LT and ST Debt Data Request.msg 27 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE LT Debt Narrative.msg 35 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (13).msg 36 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (53).msg 36 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE LTD.msg 41 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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COX
KHOJAS
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MESITE
Exhibit 2.8
start
2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2...
11:54 AM

Clara Leider

From: Dale Buschmann [dbuschmann@bdo.com]
Sent: Tuesday, February 06, 2007 8:21 AM
To: Cox Doreen
Cc: Bachman George; Khojasteh Mehrdad; Martin Cheryl
Subject: RE: Debt to Equity Ratio

That's fine

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, February 06, 2007 8:02 AM
To: Dale Buschmann
Cc: Bachman George; Khojasteh Mehrdad; Martin Cheryl
Subject: RE: Debt to Equity Ratio

Okay, but we would have to put a note on the schedule to say that it excludes the Unamortized Debt Discount as the 10K Balance Sheet shows the LT Debt net of the discount.

> -----Original Message-----
> **From:** Dale Buschmann [mailto:dbuschmann@bdo.com]
> **Sent:** Tuesday, February 06, 2007 7:58 AM
> **To:** Cox Doreen
> **Cc:** Bachman George; Khojasteh Mehrdad; Martin Cheryl
> **Subject:** RE: Debt to Equity Ratio
>
> I think it probably is best to use the $52.5M because otherwise you'll just end up explaining that you amortize the debt discount. Good thinking. Thanks Dale
>
> **From:** Cox Doreen [mailto:dorcox@fpuc.com]
> **Sent:** Tuesday, February 06, 2007 7:51 AM
> **To:** Dale Buschmann
> **Cc:** Bachman George; Khojasteh Mehrdad; Martin Cheryl
> **Subject:** Debt to Equity Ratio
>
> Dale:
> On the template that BDO provided for the Debt Equity Ratio the figures for the prior periods show LT Debt as $52.5M without the Unamortized Debt Discount netted. Is this how you would like it for 12/20006, or should we go back and re-state the prior quarters on the schedule?
> Thanks
> Doreen

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Thursday, Apr 03, 2008 11:54 AM

Clara Leider

From: Young Curtis
Sent: Friday, May 04, 2007 8:10 AM
To: Cox Doreen
Subject: RE: Deferred income tax
Attachments: 1900 accum dfrd taxes 2003.xls; 1900 accum dfrd taxes.xls

Am I getting warmer?

Curtis D. Young
Senior Regulatory Accountant
Florida Public Utilities
Phone: 561-838-1735
Fax: 561-366-1535

From: Cox Doreen
Sent: Friday, May 04, 2007 8:03 AM
To: Young Curtis
Subject: RE: Deferred income tax

No – I'll take another look in my folder also. I can picture it.

> -----Original Message-----
> **From:** Young Curtis
> **Sent:** Friday, May 04, 2007 7:55 AM
> **To:** Cox Doreen
> **Subject:** Deferred income tax
>
> Good morning Joy,
>
> Does this schedule look familiar? I found it in my folder but it's not one that I created. I'll continue to look for other schedules.
>
> Curtis D. Young
> Senior Regulatory Accountant
> Florida Public Utilities
> Phone: 561-838-1735
> Fax: 561-366-1535

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
December 31 2003

ELECTRIC

C/U/D	Acct #	Sub-Acct#	Amount	(**2) Self Insurance	(**3) Conservation Program	(**3) Audit Fees	(**1) Uncollectible	(**6) Vacation Pay	(**5) General Liability	(**5 Miscellaneous Accrual	(**0) Rate Refund
114	1900	112		0.00							
114	1900	115							0.00		
114	1900	116						0.00			
114	1900	131					0.00				
114	1900	133				0.00					
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114	1900	222		0.00							
114	1900	225							0.00		
114	1900	226						0.00			
114	1900	240									0.00
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114	1900	245								0.00	
115	1900	112		0.00							
115	1900	115							0.00		
115	1900	116						0.00			
115	1900	131					0.00				
115	1900	133				0.00					
115	1900	135								0.00	
115	1900	222		0.00							
115	1900	225							0.00		
115	1900	226						0.00			
115	1900	240									0.00
115	1900	241					0.00				
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115	1900	245								0.00	
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Pg. 1 of 2

Florida Public Utilities Company
Schedule of Accumulated Deferred Inc
December 31, 2003

C/U/D	Acct #	Sub-Acct#	Amount	GAS (**2) Self Insurance	(**3) Conservation Program	(**3) Audit Fees	(**1) Uncollectible	(**1) Deferred Gain	(**6) Vacation Pay	(**9) Environmental	(**4) Pension	(**5) General Liability	(**5) Hurricane Misc	WATER (**1) Uncollectibles	(**2) Self Insurance	(**3) Audit Fees	(**6) Vacation Pay	(**5) General Liability	(**5) Hurricane Misc
114	1900	112																	
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137	1900	243														0.00			
137	1900	245																	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Pg. 2 of 2

Florida Public Utilities
Breakdown of Accumulated Deferred Income Taxes
Account # 1900.*
December 2003

1900 Category	Electric	Consolidated
Self Insurance		
Audit Fees		
Uncollectible		
Vacation Pay		
General Liability		
Miscellaneous Accrual		
Environmental		
Pension		
Hurricane Misc.		
Deferred Gain		
Total		
2820		
Property	(3,237,733.00)	(7,655,304.00)
2821		
Regulatory Liability	(316,217.00)	(1,412,522.00)
2830		
Unbundled		(24,124.00)
Underrecovered Purchase	(174,163.00)	(174,163.00)
Conservation Cost	16,409.00	(42,637.00)
Pension	(259,496.00)	(785,027.00)
Rate Case		(7,430.00)
Loss on Reacquired Debt	(46,672.00)	(106,070.00)
AEP		(72,844.00)
Refurbished		(6,355.00)
Sub Total	(463,922.00)	(1,218,650.00)
Total	(4,017,872.00)	(10,286,476.00)

Clara Leider

From: Young Curtis
Sent: Friday, May 04, 2007 8:10 AM
To: Cox Doreen
Subject: RE: Deferred income tax
Attachments: 1900 accum dfrd taxes 2003.xls; 1900 accum dfrd taxes.xls

Am I getting warmer?

Curtis D. Young
Senior Regulatory Accountant
Florida Public Utilities
Phone: 561-838-1735
Fax: 561-366-1535

From: Cox Doreen
Sent: Friday, May 04, 2007 8:03 AM
To: Young Curtis
Subject: RE: Deferred income tax

No – I'll take another look in my folder also. I can picture it.

> -----Original Message-----
> **From:** Young Curtis
> **Sent:** Friday, May 04, 2007 7:55 AM
> **To:** Cox Doreen
> **Subject:** Deferred income tax
>
> Good morning Joy,
>
> Does this schedule look familiar? I found it in my folder but it's not one that I created. I'll continue to look for other schedules.
>
> Curtis D. Young
> Senior Regulatory Accountant
> Florida Public Utilities
> Phone: 561-838-1735
> Fax: 561-366-1535

Florida Public Utilities Company
Schedule of Accumulated Deferred Income Tax
December 31 2002

ELECTRIC

C/U/D	Acct #	Sub-Acct#	Amount	(**2) Self Insurance	(**3) Conservation Program	(**3) Audit Fees	(**1) Uncollectible	(**6) Vacation Pay	(**5) General Liability	(**5 Miscellaneous Accrual	(**0) Rate Refund
114	1900	112	85,028.00	85,028.00							
114	1900	115	(10,658.00)						(10,658.00)		
114	1900	116	30,695.00					30,695.00			
114	1900	131	9,995.00				9,995.00				
114	1900	133	4,975.00			4,975.00					
114	1900	135	(1,838.00)							(1,838.00)	
114	1900	222	14,555.00	14,555.00							
114	1900	225	(1,825.00)						(1,825.00)		
114	1900	226	5,254.00					5,254.00			
114	1900	240									0.00
114	1900	241	1,711.00				1,711.00				
114	1900	243	852.00			852.00					
114	1900	245	(315.00)							(315.00)	
115	1900	112	90,697.00	90,697.00							
115	1900	115	(14,024.00)						(14,024.00)		
115	1900	116	33,056.00					33,056.00			
115	1900	131	3,784.00				3,784.00				
115	1900	133	6,546.00			6,546.00					
115	1900	135	(1,960.00)							(1,960.00)	
115	1900	222	15,525.00	15,525.00							
115	1900	225	(2,401.00)						(2,401.00)		
115	1900	226	5,659.00					5,659.00			
115	1900	240									0.00
115	1900	241	648.00				648.00				
115	1900	243	1,121.00			1,121.00					
115	1900	245	(336.00)							(336.00)	
121	1900	111	121,220.00								
121	1900	112	277,758.00								
121	1900	115	(19,634.00)								
121	1900	116	103,891.00								
121	1900	131	66,325.00								
121	1900	133	9,165.00								
121	1900	135	(6,004.00)								
121	1900	139	2,129,618.00								
121	1900	221	20,750.00								
121	1900	222	47,546.00								
121	1900	224	1.00								
121	1900	225	(3,361.00)								
121	1900	226	17,784.00								
121	1900	241	11,353.00								
121	1900	243	1,569.00								
121	1900	245	(1,028.00)								
121	1900	249	364,547.00								
121	1900	111	46,591.00								
123	1900	112	85,028.00								
123	1900	115	(6,731.00)								
123	1900	116	30,695.00								
123	1900	131	9,628.00								
123	1900	133	3,142.00								
123	1900	135	(1,838.00)								
123	1900	139	(326,242.00)								
123	1900	221	7,975.00								
123	1900	222									
123	1900	225	(1,152.00)								
123	1900	226	5,254.00								
123	1900	241	1,648.00								
123	1900	243	538.00								
123	1900	245	(315.00)								
123	1900	249	(55,846.00)								
137	1900	112	28,343.00								
137	1900	115	(5,049.00)								
137	1900	116	9,445.00								
137	1900	131	2,055.00								
137	1900	133	2,357.00								
137	1900	135	(613.00)								
137	1900	222	4,852.00								
137	1900	225	(864.00)								
137	1900	226	1,617.00								
137	1900	241	352.00								
137	1900	243	403.00								
137	1900	245	(105.00)								
			3,259,412.00	205,805.00	0.00	13,494.00	16,138.00	74,664.00	(28,908.00)	(4,449.00)	0.00

Pg. 1 of 2

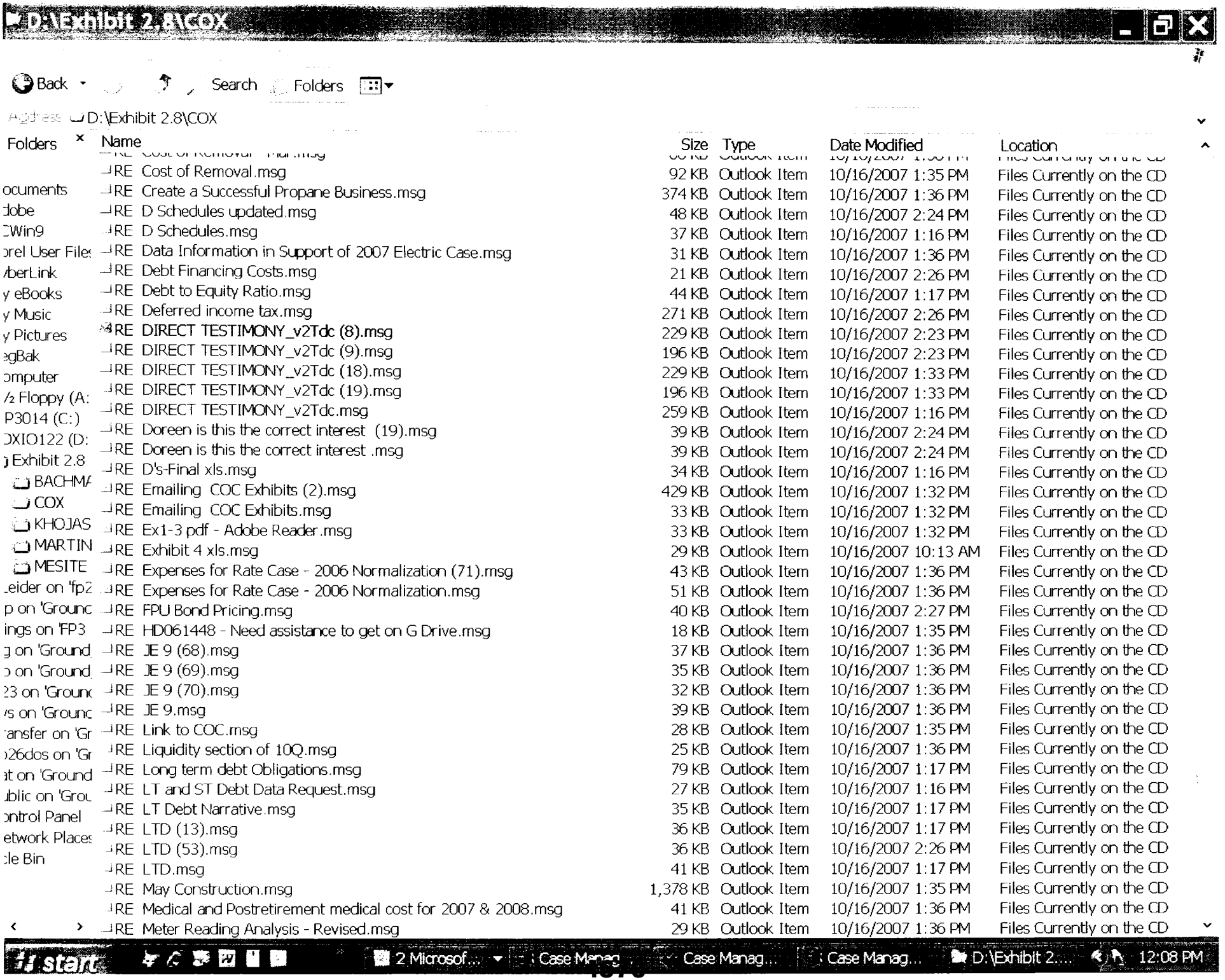
Florida Public Utilities Company
Schedule of Accumulated Deferred Inc
December 31 2002

C/U/D	Acct #	Sub-Acct#	Amount	GAS (**2) Self Insurance	(**3) Conservation Program	(**3) Audit Fees	(**1) Uncollectible	(**1) Deferred Gain	(**6) Vacation Pay	(**9) Environmental	(**4) Pension	(**5) General Liability	(**5) Hurricane Misc	WATER (**1) Uncollectibles	(**2) Self Insurance	(**3) Audit Fees	(**6) Vacation Pay	(**5) General Liability	(**5) Hurricane Misc
114	1900	112	85.028.00																
114	1900	115	(10.658.00)																
114	1900	116	30.695.00																
114	1900	131	9.995.00																
114	1900	133	4.975.00																
114	1900	135	(1.838.00)																
114	1900	222	14.555.00																
114	1900	225	(1.825.00)																
114	1900	226	5.254.00																
114	1900	240																	
114	1900	241	1.711.00																
114	1900	243	852.00																
114	1900	245	(315.00)																
115	1900	112	90.697.00																
115	1900	115	(14.024.00)																
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115	1900	131	3.784.00																
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115	1900	135	(1.960.00)																
115	1900	222	15.525.00																
115	1900	225	(2.401.00)																
115	1900	226	5.659.00																
115	1900	240																	
115	1900	241	648.00																
115	1900	243	1.121.00																
115	1900	245	(336.00)																
121	1900	111	121.220.00					121.220.00											
121	1900	112	277.758.00	277.758.00															
121	1900	115	(19.634.00)									(19.634.00)							
121	1900	116	103.891.00						103.891.00										
121	1900	131	66.325.00				66.325.00												
121	1900	133	9.165.00			9.165.00													
121	1900	135	(6.004.00)										(6.004.00)						
121	1900	139	2.129.618.00							2.129.618.00									
121	1900	221	20.750.00					20.750.00											
121	1900	222	47.546.00	47.546.00															
121	1900	224	1.00								1.00								
121	1900	225	(3.361.00)									(3.361.00)							
121	1900	226	17.784.00						17.784.00										
121	1900	241	11.353.00				11.353.00												
121	1900	243	1.569.00			1.569.00													
121	1900	245	(1.028.00)										(1.028.00)						
121	1900	249	364.547.00							364.547.00									
121	1900	111	46.591.00					46.591.00											
123	1900	112	85.028.00	85.028.00															
123	1900	115	(6.731.00)									(6.731.00)							
123	1900	116	30.695.00						30.695.00										
123	1900	131	9.628.00				9.628.00												
123	1900	133	3.142.00			3.142.00													
123	1900	135	(1.838.00)										(1.838.00)						
123	1900	139	(326.242.00)							(326.242.00)									
123	1900	221	7.975.00					7.975.00											
123	1900	222	14.555.00	14.555.00															
123	1900	225	(1.152.00)									(1.152.00)							
123	1900	226	5.254.00						5.254.00										
123	1900	241	1.648.00				1.648.00												
123	1900	243	538.00			538.00													
123	1900	245	(315.00)										(315.00)						
123	1900	249	(55.846.00)							(55.846.00)									
137	1900	112	28.343.00												28.343.00			########	
137	1900	115	(5.049.00)																
137	1900	116	9.445.00														9.445.00		
137	1900	131	2.055.00											2.055.00					
137	1900	133	2.357.00													2.357.00			
137	1900	135	(613.00)																(613.00)
137	1900	222	4.852.00												4.852.00				
137	1900	225	(864.00)															(864.00)	
137	1900	226	1.617.00														1.617.00		
137	1900	241	352.00											352.00					
137	1900	243	403.00													403.00			
137	1900	245	(105.00)																(105.00)
			3.259.412.00	424.887.00	0.00	14.414.00	88.954.00	196.536.00	157.624.00	2.112.077.00	1.00	(30.878.00)	(9.185.00)	2.407.00	33.195.00	2.760.00	11.062.00	########	(718.00)

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Florida Public Utilities
Breakdown of Accumulated Deferred Income Taxes
Account # 1900.*
December 2002

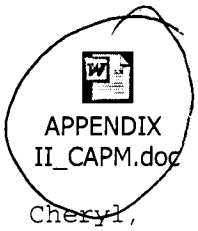
1900 Category	Electric	Consolidated
Self Insurance	205,805.00	663,887.00
Audit Fees	13,494.00	30,668.00
Uncollectible	16,138.00	107,499.00
Vacation Pay	74,664.00	243,350.00
General Liability	(28,908.00)	(65,699.00)
Miscellaneous Accrual	(4,449.00)	(4,449.00)
Environmental		2,112,077.00
Pension		1.00
Hurricane Misc.		(9,903.00)
Deferred Gain		196,536.00
Total	276,744.00	3,273,967.00
2820		
Property	(3,237,733.00)	(7,655,304.00)
2821		
Regulatory Liability	(316,217.00)	(1,412,522.00)
2830		
Unbundled		(24,124.00)
Underrecovered Purchase	(174,163.00)	(174,163.00)
Conservation Cost	16,409.00	(42,637.00)
Pension	(259,496.00)	(785,027.00)
Rate Case		(7,430.00)
Loss on Reacquired Debt	(46,672.00)	(106,070.00)
AEP		(72,844.00)
Refurbished		(6,355.00)
Sub Total	(463,922.00)	(1,218,650.00)
Total	(4,017,872.00)	(10,286,476.00)


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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Sunday, August 19, 2007 10:00 PM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Attachments: APPENDIX II_CAPM.doc; APPENDIX I_DCF.doc



Doreen,
Cheryl,

Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

Robert

From: Robert Camfield
Sent: Sun 8/19/2007 8:48 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

APPENDIX II

Derivation of Capital Asset Pricing Model[1]

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,

$$\beta_{jm} = \sigma_{jm}/\sigma^2_m \tag{1}$$

Start with an investment amount, *I*, where the share, α, 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,

$$R_\alpha = \alpha R_j + (1 - \alpha)R_m \tag{2}$$

The measure of variation I the portfolio returns is defined as,

$$\sigma_\alpha = [\alpha^2\sigma_j^2 + 2\alpha(1 - \alpha)\sigma_{jm} + (1 - \alpha)^2\sigma_m^2]^{(1/2)} \tag{3}$$

If the portfolio share coefficient, α, 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,

$$dR_\alpha/d\alpha = R_j - R_m \tag{4}$$

$$d\sigma_\alpha/d\alpha = [\alpha\sigma_j^2 + (1 - 2\alpha)\sigma_{jm} + (\alpha - 1)\sigma_m^2] / \sigma_\alpha \tag{5}$$

For $\alpha=0$, the solution to (5) is,

$$d\sigma_\alpha/d\alpha = (\sigma_{jm} - \sigma_m^2) / \sigma_m \tag{6}$$

Defining a key relationship:

$$dR_\alpha/d\sigma_\alpha = (dR_\alpha/d\alpha) / (d\sigma_\alpha/d\alpha) \tag{7}$$

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 σ_α, 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,

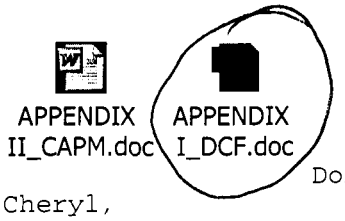
$$R_j = R_f + [(R_m - R_j) / \sigma_m^2]\sigma_{jm} = R_f + \beta_{jm}(R_m - R_f) \quad (10)$$

where β_{jm} is defined as above.

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Sunday, August 19, 2007 10:00 PM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Attachments: APPENDIX II_CAPM.doc; APPENDIX I_DCF.doc



Doreen,
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Attached are the two appendices that generally attend cost of capital testimony. I can think of reasons not to include them in the filing, however.

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From: Robert Camfield
Sent: Sun 8/19/2007 8:48 PM
To: Cox Doreen; Cheryl Martin ; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

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 lows.

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:

$$PV = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \quad (1)$$

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:

$$NPV = CF_o + \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \tag{3}$$

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:

$$NPV = -CF_o + \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{4}$$

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:

$$CF_o = \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{5}$$

In market equilibrium, then:

$$P_o = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \tag{6}$$

$$P_o = \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{7}$$

where,

P_o = 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_o, 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:

$$E_t = (1+g)E_{t-1} \qquad (8)$$

$$E_1 = (1+g)E_o$$

$$E_2 = (1+g)E_1 = (1+g)^2 E_o$$

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$$En = (1+g)^n E_o$$

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:

$$D_t = (1+g)D_{t-1} \qquad (9)$$

i.e., $D_1 = (1+g)D_o$

$$D_2 = (1+g)D_1 = (1+g)^2 D_o$$

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$$D_n(1+g)^n D_o$$

Further, assume that dividends, D_t, are a fixed share, m, of earnings, E_t, such that:

$$D_t = mE_t \quad \text{and,} \quad D_t / E_t = m \qquad (10)$$

From equation (8), then:

$$D_t = m(1+g)E_{t-1} \qquad (11)$$

and, $D_n = m(1+g)^n E_o$

Restating equation (7) to represent dividends as a fixed share of earnings which are paid out, provides:

$$P_o = \sum_{t=1}^{n} \frac{mE_t}{(1+k)^t} \qquad (12)$$
$$= \frac{mE_1}{(1+k)^1} + \frac{mE_2}{(1+k)^2} + \frac{mE_3}{(1+k)^3} + \cdots + \frac{mE_n}{(1+k)^n}$$

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:

$$P_o = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \frac{D_3}{(1+k)^3} + \cdots + \frac{D_n}{(1+k)^n} \qquad (13)$$
$$= \sum_{t=1}^{n} \frac{D_t}{(1+k)^t}$$

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:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \cdots + \frac{D_o(1+g)^n}{(1+k)^n} \qquad (14)$$
$$= \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t}$$

Now, assume an infinite time horizon:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \cdots + \frac{D_o(1+g)^\infty}{(1+k)^\infty} \qquad (15)$$

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.[1] Therefore, (15) may be expressed as:

$$P_o = \frac{D_o(1+g)}{(1+k)}\left[\frac{1-[(1+g)/(1+k)]^\infty}{1-(1+g)/(1+k)}\right] \qquad (16)$$

[1] With $(1+g) = d$, and $(1+k) = r$, a series of the form:

$$\sum_{t=1}^{n} a(d/r)^t = a\sum_{t=1}^{n}(d/r)^t$$

This may be alternately expressed as:

$$a\frac{d}{r}[(1-(d/r)^n)/(1-(d/r))]$$

And since $((1+g)/(1+k))^{oo}$ is zero,[2] and $(1-(1+g)/(1+k))$ is equal to $(k-g)/(1+k)$, the following form can be obtained:

$$P_o = D_o(1+g)/(k-g) \tag{17}$$

Multiplying through by $(k-g)$ and $1/P_o$, and rearranging gives:

$$k = D_o(1+g)/P_o + g \tag{18}$$

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:

$$P_o = \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_n}{(1+k)^n} \tag{19}$$

Since $P_o/E_o = P_n/E_n$, $P_n = P_o(1+g)^n$. Thus, (19) can be restated as:

$$P_o = \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_o(1+g)^n}{(1+k)^n} \tag{20}$$

The first term on the right may be restated as described above, and incorporated into (21), shown below:

$$P_o = \frac{D_o(1+g)}{(k-g)}\left[1-(1+g)^n/(1+k)^n\right] + P_o(1+g)^n/(1+k)^n \tag{21}$$

Rearranging and simplifying terms obtains:

$$P_o - P_o(1+g)^n/(1+k)^n = \frac{D_o(1+g)}{(k-g)}[1-(1+g)^n/(1+k)^n] \tag{22}$$

or,

$$P_o[1-(1+g)^n/(1+k)^n] = \frac{D_o(1+g)}{(k-g)}[1-(1+g)^n/(1+k)^n]$$

Now, dividing both sides by $[1-(1+g)^n/(1+k)^n]$ gives an equivalent result to (17):

$$P_o = D_o(1+g)/(k-g) \tag{23}$$

Rearranging terms provides:

$$k = D_o(1+g)/P_o + g \tag{24}$$

Thus, the constant growth form of Discounted Cash Flow is derived for a finite time horizon.

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[2] 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_0, 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, $S_1 = D_o \sum_{t}^{5} F^t$.

The sum can then be expanded as follows:

$$S_1 = D_o\left(F^1 + F^2 + \cdots + F^5\right). \quad (27)$$

Defining a new term equal to unity, $\frac{(1-F)}{(1-F)}$, and including the term into the rhs of Equation 27:

$$S_1 = D_o\left(F^1 + F^2 + \cdots + F^5\right)\left(\frac{(1-F)}{(1-F)}\right), \text{ and then expanding,}$$

$$S_1 = D_o\left((F^1 + F^2 + \cdots + F^5) - (F^2 + F^3 + \cdots + F^6)\right)/(1-F). \quad (28)$$

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,

$$S_1 = D_o(1+g_1)\left(1-\left(\frac{(1+g_1)}{(1+k)}\right)^5\right)/(k-g_1) \tag{30}$$

The above result for Stage 1 can be stated as follows,

$$S_1 = D_o\left(\frac{(1+g_1)}{(k-g_1)}\right)\left(1-\left(\frac{(1+g_1)}{(1+k)}\right)^5\right) \tag{31}$$

Note that this outcome for Stage 1 is identical to Equation 22, above.

Stage 2 of Equation 25 is:

$$S_2 = \sum_{t=1}^{5}\frac{D_5(1+g_2)^t}{(1+k)^t}(1/(1+k)^5)$$

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:

$$S_2 = D_5\left(\frac{(1+g_2)}{(k-g_2)}\right)\left(1-\left(\frac{(1+g_2)}{(1+k)}\right)^5\right)(1/(1+k)^5) \tag{32}$$

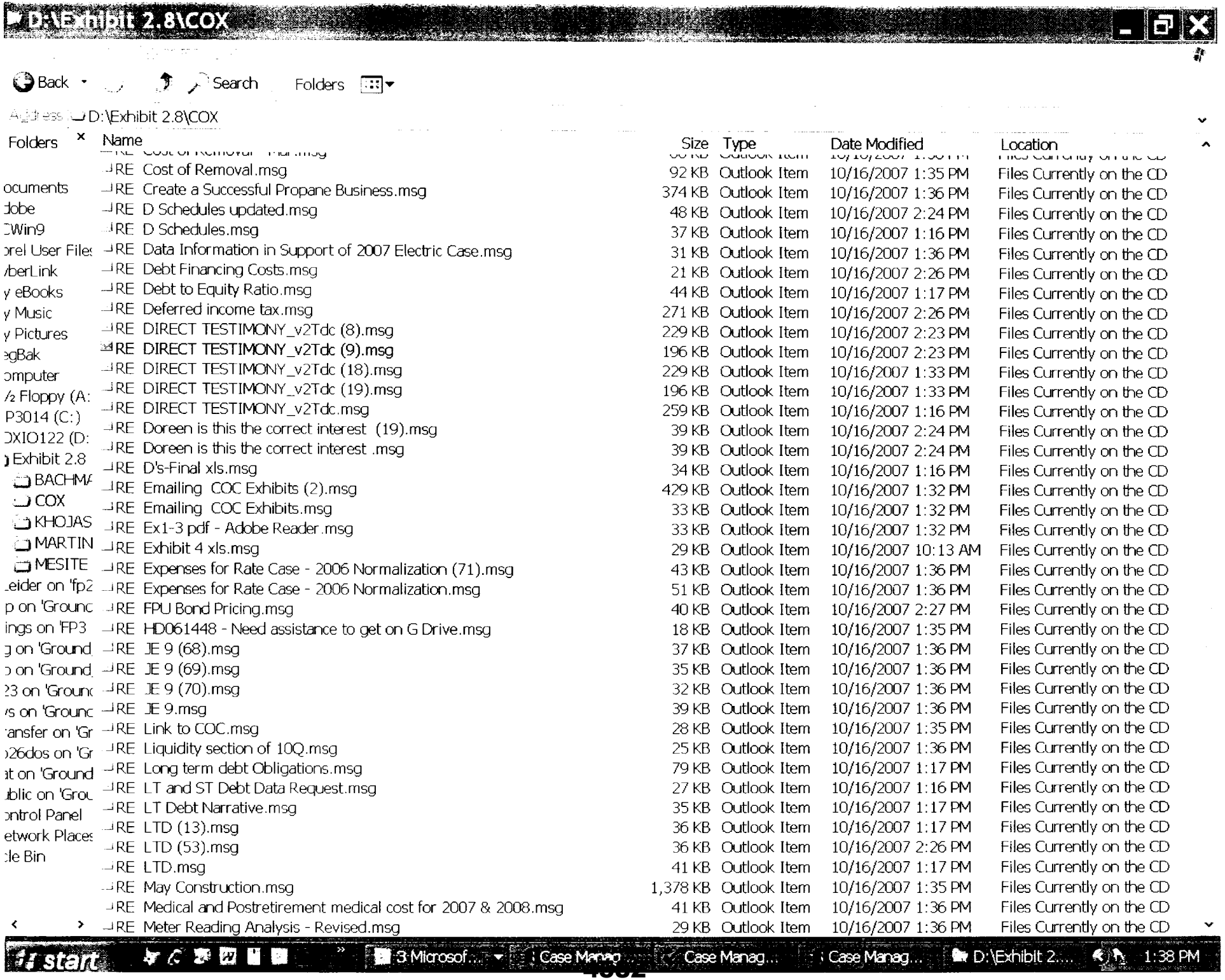
Stage 3 of Equation 25 is:

$$S_3 = \sum_{t=1}^{\infty}\frac{D_{10}(1+g_3)^t}{(1+k)^t}(1/(1+k)^{10})$$

Similarly, the derived form of Stage 3 is:

$$S_3 = D_{10}\left(\frac{(1+g_3)}{(k-g_3)}\right)\left(1-\left(\frac{(1+g_3)}{(1+k)}\right)^{\infty}\right)(1/(1+k)^{10}) \tag{33}$$

Note that in Stage 3, the second term in the second bracket of the rhs vanishes as a result of, by assumption, $k>g$.


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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Sunday, August 19, 2007 9:48 PM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
Cc: Mike Welsh
Subject: RE: DIRECT TESTIMONY_v2Tdc

Attachments: COC Testimony.doc



COC Testimony.doc

Doreen,
Cheryl,

Attached please find our testimony, in draft form.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff

design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products,

marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the

proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates

customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analysis methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, is undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of

various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry

and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur at a time when electricity service providers including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention

that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that

provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loads include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

The underlying cost of capital is determined by investors and, in the large, individuals and entities (including government entities) that provide savings and

thus the accumulation of capital within the macro economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the

discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the

company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If

investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as

held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.,* purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate,

typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.,* mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt. However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to

reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm. For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and

debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at

any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles

can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact. There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities.

This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These

debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Inter Bank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest

rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtains an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates though money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, with the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher or lower interest rates. At this writing, short-term interest rates, with fed funds residing at 5.25%, are expected to hold over the

foreseeable future barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% fed funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above, this interest rate level appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflects the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative investments of comparable risks available to shareholders – *i.e.,* the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be

inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred. In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz

(1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely

though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized.* Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.
- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value

financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.,* the Risk Premium – can thus serve as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. As mentioned, the key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover, as mentioned, some 7000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, ValueLine reports a

wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest levels yet significant market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criteria; line of business appears to have only a modest level of relevance to cost of capital, once comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measures by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce

variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to that employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns as well as the statistical variation in cash flows. As observed, these companies though of comparatively modest scale are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies resides slightly outside one standard deviation of the statistical distribution of the sample, or where low equity participation does not appear to result in particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. . The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, please elaborate.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth when coupled with the growth in the aggregate pool of capital and labor resources translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is significant element within overall economic and social well being.

The current outlook for macro economic growth calls for prospective long-term productivity to range between 2.00 – 2.60%. This is a more-or-less consensus view held by well-known macro economists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, productivity

appears to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity of the previous two decades..

Productivity slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity appears to have accelerated to pre-recession levels. Indeed, overall productivity of 2003-2005 observed a return of high productivity, which has and continues to contribute significantly to on-going earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial if not high rates of growth in productivity and real output along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida

Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect that U.S. and world demand for capital to remain at high levels thus placing steady pressure on interest rates which are likely to remain at current levels, which approach long-term trend in interest rate levels, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, which are significantly larger than Florida Public Utilities

Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of equity to for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to highly similar to that of historical experience. The

study replies on long-term historical experience as the basis for expected growth in the future. The immediately study utilized historical cash flow and earnings per share growth are measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large is captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970-forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns vary greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns are not unusual, and demonstrates the order of magnitude greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity markets returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-

long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates but is arguably somewhat above expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from that of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average mid point of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a mid point value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premia* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns, prospectively are somewhat less (12.25%) on average across scenarios.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, *ex post* risk premia tends to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tends to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s

reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point for purposes of assessing capital costs prospectively is that risk premia must be developed from historical timeframes where underlying inflation that matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses thus draws risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis including the risk-free holding period return, the risk premia between equity and debt, and adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses uses the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost

rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provides an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities" (adjustments are shown for small and very small-sized companies. The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2 including the Mid-Sized Electric Utilities and Gas Utilities, respectively are below that of the composite market. This is reflected as CAPM Betas of 0.75. As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges..

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five year Returns" for consecutive 5 year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple and weighted average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized on Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5%, or higher.

Q. Does this conclude your testimony?

A. It does.

APPENDIX II

Derivation of Capital Asset Pricing Model[1]

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,

$$\beta_{jm} = \sigma_{jm}/\sigma^2_m \tag{1}$$

Start with an investment amount, I, where the share, α, 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,

$$R_\alpha = \alpha R_j + (1 - \alpha)R_m \tag{2}$$

The measure of variation I the portfolio returns is defined as,

$$\sigma_\alpha = [\alpha^2\sigma_j^2 + 2\alpha(1 - \alpha)\sigma_{jm} + (1 - \alpha)^2\sigma_m^2]^{(1/2)} \tag{3}$$

If the portfolio share coefficient, α, 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,

$$dR_\alpha/d\alpha = R_j - R_m \tag{4}$$

$$d\sigma_\alpha/d\alpha = [\alpha\sigma_j^2 + (1 - 2\alpha)\sigma_{jm} + (\alpha - 1)\sigma_m^2] / \sigma_\alpha \tag{5}$$

For $\alpha=0$, the solution to (5) is,

$$d\sigma_\alpha/d\alpha = (\sigma_{jm} - \sigma_m^2) / \sigma_m \tag{6}$$

Defining a key relationship:

$$dR_\alpha/d\sigma_\alpha = (dR_\alpha/d\alpha) / (d\sigma_\alpha/d\alpha) \tag{7}$$

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 σ_α, 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,

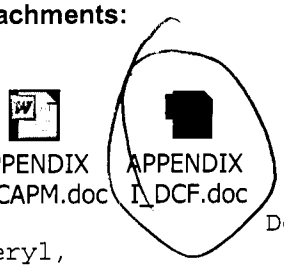
$$R_j = R_f + [(R_m - R_j) / \sigma_m^2]\sigma_{jm} = R_f + \beta_{jm}(R_m - R_f) \quad (10)$$

where β_{jm} is defined as above.

Clara Leider

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Sent: Sunday, August 19, 2007 10:00 PM
To: Cox Doreen; Martin Cheryl; Teresa Sholts
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Attachments: APPENDIX II_CAPM.doc; APPENDIX I_DCF.doc



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Robert

Please see Pages 31 and 34.

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 lows.

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:

$$PV = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \quad (1)$$

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:

$$NPV = CF_o + \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \tag{3}$$

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:

$$NPV = -CF_o + \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{4}$$

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:

$$CF_o = \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{5}$$

In market equilibrium, then:

$$P_o = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \cdots + \frac{CF_n}{(1+k)^n} \tag{6}$$

$$P_o = \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{7}$$

where,

P_o = 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_o, 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:

$$E_t = (1+g)E_{t-1} \tag{8}$$

$$E_1 = (1+g)E_o$$

$$E_2 = (1+g)E_1 = (1+g)^2 E_o$$

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--

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$$En = (1+g)^n E_o$$

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:

$$D_t = (1+g)D_{t-1} \tag{9}$$

i.e., $D_1 = (1+g)D_o$

$$D_2 = (1+g)D_1 = (1+g)^2 D_o$$

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$$D_n(1+g)^n D_o$$

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:

$$D_t = m(1+g)E_{t-1} \tag{11}$$

and, $D_n = m(1+g)^n E_o$

Restating equation (7) to represent dividends as a fixed share of earnings which are paid out, provides:

$$P_o = \sum_{t=1}^{n} \frac{mE_t}{(1+k)^t} \qquad (12)$$
$$= \frac{mE_1}{(1+k)^1} + \frac{mE_2}{(1+k)^2} + \frac{mE_3}{(1+k)^3} + \cdots + \frac{mE_n}{(1+k)^n}$$

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:

$$P_o = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \frac{D_3}{(1+k)^3} + \cdots + \frac{D_n}{(1+k)^n} \qquad (13)$$
$$= \sum_{t=1}^{n} \frac{D_t}{(1+k)^t}$$

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:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \cdots + \frac{D_o(1+g)^n}{(1+k)^n} \qquad (14)$$
$$= \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t}$$

Now, assume an infinite time horizon:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \cdots + \frac{D_o(1+g)^\infty}{(1+k)^\infty} \qquad (15)$$

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.[1] Therefore, (15) may be expressed as:

$$P_o = \frac{D_o(1+g)}{(1+k)}\left[\frac{1-[(1+g)/(1+k)]^\infty}{1-(1+g)/(1+k)}\right] \qquad (16)$$

[1] With $(1+g) = d$, and $(1+k) = r$, a series of the form:

$$\sum_{t=1}^{n} a(d/r)^t = a\sum_{t=1}^{n}(d/r)^t$$

This may be alternately expressed as:

$$a\frac{d}{r}[(1-(d/r)^n)/(1-(d/r))]$$

And since $((1+g)/(1+k))^{oo}$ is zero,[2] and $(1-(1+g)/(1+k))$ is equal to $(k-g)/(1+k)$, the following form can be obtained:

$$P_o = D_o(1+g)/(k-g) \tag{17}$$

Multiplying through by $(k-g)$ and $1/P_o$, and rearranging gives:

$$k = D_o(1+g)/P_o + g \tag{18}$$

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:

$$P_o = \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_n}{(1+k)^n} \tag{19}$$

Since $P_o/E_o = P_n/E_n$, $P_n = P_o(1+g)^n$. Thus, (19) can be restated as:

$$P_o = \sum_{t=1}^{n} \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_o(1+g)^n}{(1+k)^n} \tag{20}$$

The first term on the right may be restated as described above, and incorporated into (21), shown below:

$$P_o = \frac{D_o(1+g)}{(k-g)}\left[1-(1+g)^n/(1+k)^n\right] + P_o(1+g)^n/(1+k)^n \tag{21}$$

Rearranging and simplifying terms obtains:

$$P_o - P_o(1+g)^n/(1+k)^n = \frac{D_o(1+g)}{(k-g)}[1-(1+g)^n/(1+k)^n] \tag{22}$$

or,

$$P_o[1-(1+g)^n/(1+k)^n] = \frac{D_o(1+g)}{(k-g)}[1-(1+g)^n/(1+k)^n]$$

Now, dividing both sides by $[1-(1+g)^n/(1+k)^n]$ gives an equivalent result to (17):

$$P_o = D_o(1+g)/(k-g) \tag{23}$$

Rearranging terms provides:

$$k = D_o(1+g)/P_o + g \tag{24}$$

Thus, the constant growth form of Discounted Cash Flow is derived for a finite time horizon.

---

[2] 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_0, 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, $S_1 = D_o \sum_{t}^{5} F^t$.

The sum can then be expanded as follows:

$$S_1 = D_o\left(F^1 + F^2 + \cdots + F^5\right). \quad (27)$$

Defining a new term equal to unity, $\frac{(1-F)}{(1-F)}$, and including the term into the rhs of Equation 27:

$$S_1 = D_o\left(F^1 + F^2 + \cdots + F^5\right)\left(\frac{(1-F)}{(1-F)}\right), \text{ and then expanding,}$$

$$S_1 = D_o\left((F^1 + F^2 + \cdots + F^5) - (F^2 + F^3 + \cdots + F^6)\right)/(1-F). \quad (28)$$

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,

$$S_1 = D_o(1+g_1)\left(1-\left(\frac{(1+g_1)}{(1+k)}\right)^5\right)/(k-g_1) \tag{30}$$

The above result for Stage 1 can be stated as follows,

$$S_1 = D_o\left(\frac{(1+g_1)}{(k-g_1)}\right)\left(1-\left(\frac{(1+g_1)}{(1+k)}\right)^5\right) \tag{31}$$

Note that this outcome for Stage 1 is identical to Equation 22, above.

Stage 2 of Equation 25 is:

$$S_2 = \sum_{t=1}^{5}\frac{D_5(1+g_2)^t}{(1+k)^t}(1/(1+k)^5)$$

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:

$$S_2 = D_5\left(\frac{(1+g_2)}{(k-g_2)}\right)\left(1-\left(\frac{(1+g_2)}{(1+k)}\right)^5\right)(1/(1+k)^5) \tag{32}$$

Stage 3 of Equation 25 is:

$$S_3 = \sum_{t=1}^{\infty}\frac{D_{10}(1+g_3)^t}{(1+k)^t}(1/(1+k)^{10})$$

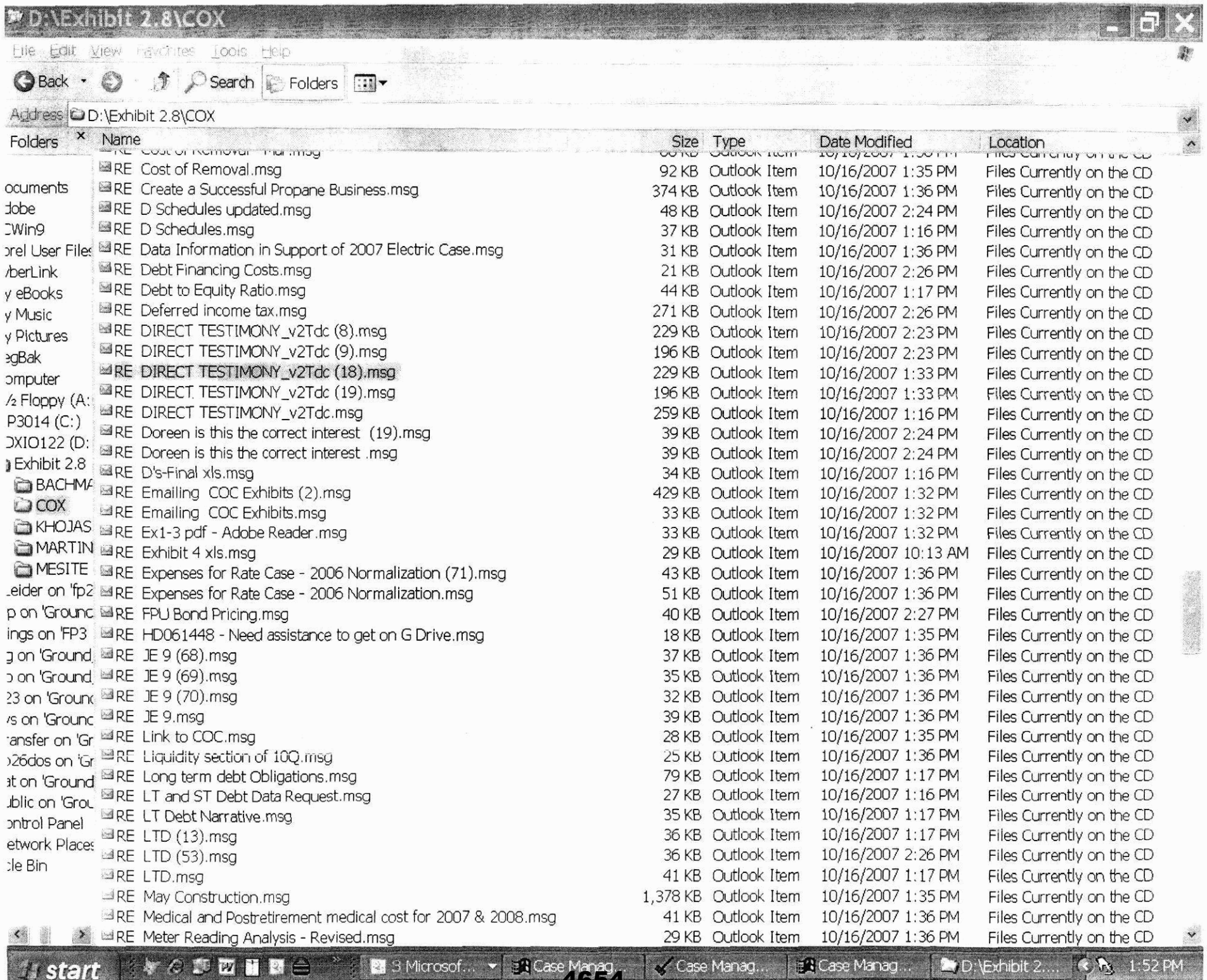
Similarly, the derived form of Stage 3 is:

$$S_3 = D_{10}\left(\frac{(1+g_3)}{(k-g_3)}\right)\left(1-\left(\frac{(1+g_3)}{(1+k)}\right)^{\infty}\right)(1/(1+k)^{10}) \tag{33}$$

Note that in Stage 3, the second term in the second bracket of the rhs vanishes as a result of, by assumption, $k>g$.



Thursday, Apr 03, 2008 01:56 PM



Thursday, Apr 03, 2008 01:52 PM

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DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff

design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products,

marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the

proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates

customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analysis methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, is undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of

various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry

and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur at a time when electricity service providers including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention

that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that

provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loads include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

The underlying cost of capital is determined by investors and, in the large, individuals and entities (including government entities) that provide savings and

thus the accumulation of capital within the macro economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the

discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the

company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If

investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as

held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.*, purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate,

typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.,* mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt. However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to

reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm. For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and

debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at

any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles

can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact. There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities.

This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These

debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Inter Bank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest

rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtains an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates though money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, with the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher or lower interest rates. At this writing, short-term interest rates, with fed funds residing at 5.25%, are expected to hold over the

foreseeable future barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% fed funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above, this interest rate level appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflects the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative investments of comparable risks available to shareholders – *i.e.,* the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be

inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred. In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz

(1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely

though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized.* Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.
- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value

financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.,* the Risk Premium – can thus serve as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. As mentioned, the key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover, as mentioned, some 7000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, ValueLine reports a

wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest levels yet significant market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criteria; line of business appears to have only a modest level of relevance to cost of capital, once comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measures by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce

variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to that employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns as well as the statistical variation in cash flows. As observed, these companies though of comparatively modest scale are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies resides slightly outside one standard deviation of the statistical distribution of the sample, or where low equity participation does not appear to result in particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. . The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, please elaborate.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth when coupled with the growth in the aggregate pool of capital and labor resources translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is significant element within overall economic and social well being.

The current outlook for macro economic growth calls for prospective long-term productivity to range between 2.00 – 2.60%. This is a more-or-less consensus view held by well-known macro economists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, productivity

appears to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity of the previous two decades..

Productivity slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity appears to have accelerated to pre-recession levels. Indeed, overall productivity of 2003-2005 observed a return of high productivity, which has and continues to contribute significantly to on-going earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial if not high rates of growth in productivity and real output along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida

Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect that U.S. and world demand for capital to remain at high levels thus placing steady pressure on interest rates which are likely to remain at current levels, which approach long-term trend in interest rate levels, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, which are significantly larger than Florida Public Utilities

Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of equity to for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to highly similar to that of historical experience. The

study replies on long-term historical experience as the basis for expected growth in the future. The immediately study utilized historical cash flow and earnings per share growth are measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large is captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970-forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns vary greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns are not unusual, and demonstrates the order of magnitude greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity markets returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-

long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates but is arguably somewhat above expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from that of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average mid point of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a mid point value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premia* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns, prospectively are somewhat less (12.25%) on average across scenarios.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, *ex post* risk premia tends to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tends to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s

reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point for purposes of assessing capital costs prospectively is that risk premia must be developed from historical timeframes where underlying inflation that matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses thus draws risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis including the risk-free holding period return, the risk premia between equity and debt, and adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses uses the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost

rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provides an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities" (adjustments are shown for small and very small-sized companies. The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2 including the Mid-Sized Electric Utilities and Gas Utilities, respectively are below that of the composite market. This is reflected as CAPM Betas of 0.75. As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges..

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five year Returns" for consecutive 5 year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple and weighted average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

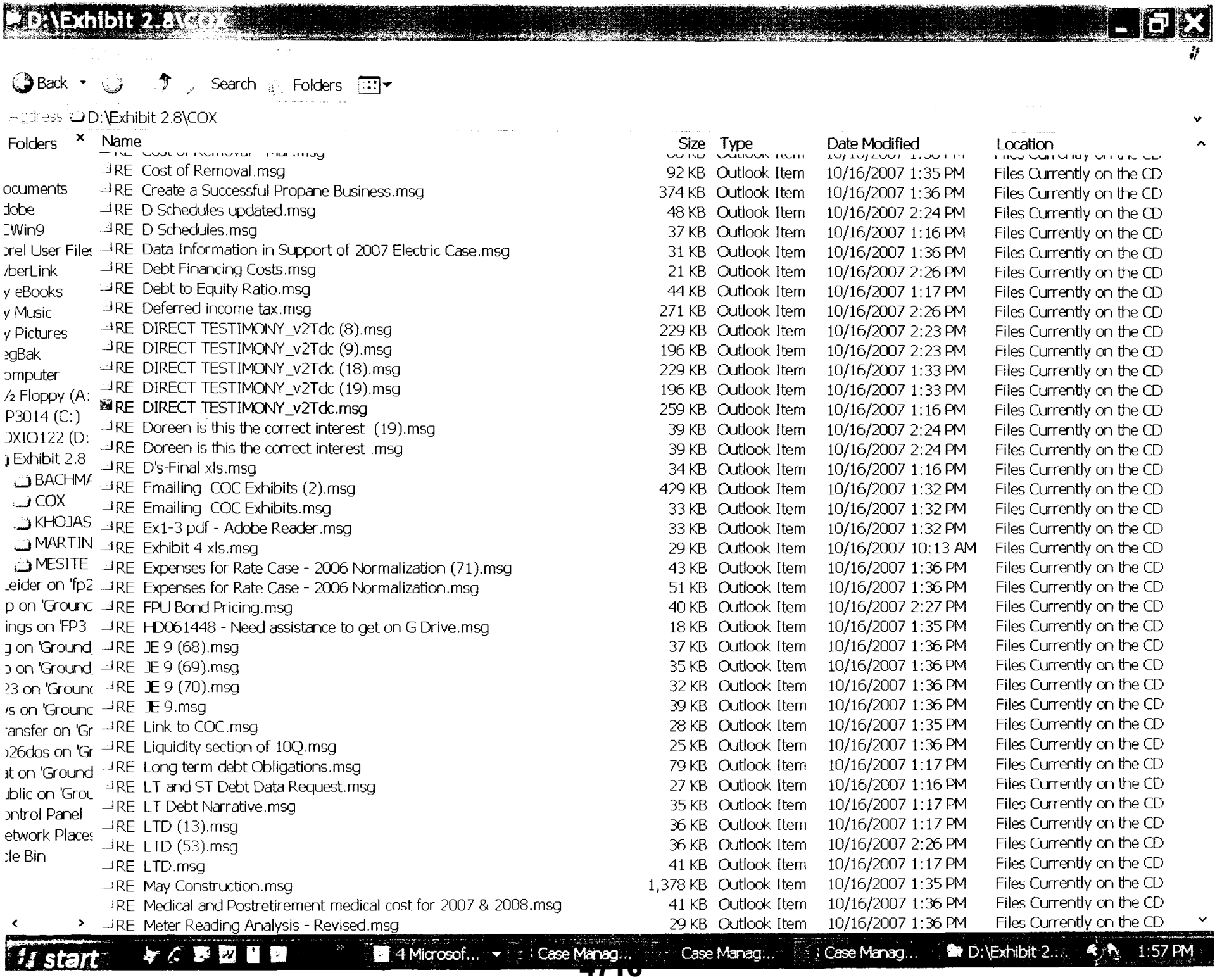
obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized on Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5%, or higher.

Q. Does this conclude your testimony?

A. It does.

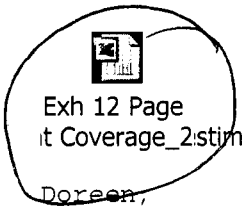


Thursday, Apr 03, 2008 01:57 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 7:18 PM
To: Cox Doreen; Mike Welsh
Cc: Martin Cheryl; Bruce Chapman
Subject: RE: DIRECT TESTIMONY_v2Tdc

Attachments: Exh 12 Page 2 Int Coverage_2.xls; COC Testimony_v6.doc



Mike,

Doreen,

Attached is the Testimony, Final, as well as a revised version of Exhibit 12, Page 2 (Interest Coverage).

Also: I was wrong as regards to the interest coverage, Testimony page 5. Doreen had incorporated the information within file Testimony v4_dc; I missed it.

Thanks,
Robert

From: Robert Camfield
Sent: Thu 8/16/2007 2:33 PM
To: Cox Doreen
Subject: RE: DIRECT TESTIMONY_v2Tdc

Got it...Thanks, Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 8/16/2007 12:08 PM
To: Robert Camfield
Subject: DIRECT TESTIMONY_v2Tdc

Robert

Please see Pages 31 and 34.

EXHIBIT DC-RC-12
Page 2 of 3
CONSOLIDATED ELECTRIC INTEREST COVERAGE

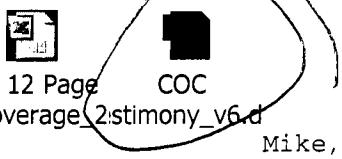
FLORIDA PUBLIC UTILITIES COMPANY

	Historical	Projected		
			2008	
	2006	2007	Current Rates	Proposed Rates
Interest Coverage Ratios	4.52	4.01	2.50	4.06
Interest Charges	$1,473,580	$1,567,647	$1,489,405	$1,489,405

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Robert

Please see Pages 31 and 34.

DIRECT TESTIMONY

DOREEN COX

ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS

of

FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. In 1990, I earned a Master of Science Degree in Accounting, also from the University of the 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 (CFO). In this position, I support the CFO as well as the Accounting and Finance Divisions of Florida Public Utilities Company. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds. In was a witness in the Natural Gas rate relief proceedings before the FPSC, Docket Number 040216-GU.

Witness Camfield. 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 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. 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 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 relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair

rate of return on the capital provided by investors. Though they reach back many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs

unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by

the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity

structures 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 including the expected returns to capital and financial risks, is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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. The cumulative level of investment over time, covering decades, 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, durable 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—*i.e.*, investors including lenders and holders of common and preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is

determined by investor expectations in the underlying price of a financial asset or commodity.

Q. What factors contribute to the underlying cost of capital regarding financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk. Arguably, risk is the key contributing factor for the estimation of the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to

maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that

investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor

is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as

dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used in 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 Interbank 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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to those of firm B and other firms. If the share prices of firm A suggest a market return of 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience –

literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company to the benefit of retail consumers by providing a sustained regulatory environment that facilitates a steady flow of revenue that closely adheres to the costs of electricity services.

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. Interest coverage under the recommended capital structure and rate of return for the Company's consolidated electricity services business unit is estimated to be 4.06, compared to 2.5 times using current rates Please reference Exhibit 12, Page 2

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition and soundness of the Company, a salient point of concern continues to

be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. Two fundamental issues are present. First, should the Commission utilize a consolidated capital structure for setting retail electricity prices and under what conditions should the Commission depart from a consolidated capital structure? Second, should an average or year-end capital structure be utilized?

Issue 1: Conditions to Justify Departures from the Consolidated Capital Structure. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such

approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Issue 2: Average or Year-End Capital Structure. This second issue implies two subsidiary questions: is the average or year-end capital structure the most representative on a forward-looking basis beyond 2008. As shown on Exhibit 1, page 1, the average capital structure for 2008 for Florida Public Utilities Company contains equity participation of 40% and 50%, respectively, under regulatory and traditional methods of stating the underlying invested capital. As a result of the issuance of common equity shares at mid-year 2008, the average balances approach inherently does not take account of the level of equity

participation beyond 2008, the period over which the retail prices will be in effect.

The appropriate correction for this understatement of the overall cost of capital for the Company, which is inherent with the use of average capital balances in the face of the pending issuance of new shares, is to use a year-end capital structure. The result of such approach is shown on pages 2 and 3 of Exhibit 1, where the year-end based weighted average cost of capital is presented, shown with and without Flo-Gas balances. Specifically, year-end balances reflect equity participation of 42% and 54% for the regulatory and traditional capital structure. This higher equity participation level translates into weighted average cost of capital results of 8.13%, stated for regulatory purposes. In short, the average capital structure for 2008 leaves Florida Public Utilities Company short by 6 basis points, which implies an unrecognized revenue shortfall of about $40,000, stated on a going-forward basis.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher-cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with

Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe.

The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule,

reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also, and as mentioned above, it appears that this interest rate level is likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility are based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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 variants 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 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

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

$F_j = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz (1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk-free returns and an *adjusted risk-based return.* Surrogates for risk-free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad with,\ B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above. The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked 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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably 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.,* risk premia – can thus serve as a surrogate for the compensation for risk over future timeframes. Risk premia, when combined with the expected cost of short-term 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 sensitive to the demand for and supply of capital;
- risk premia among debt and equity instruments are also quite sensitive to expected inflation. Thus, 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 premia are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with

equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, 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, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size-related capital risks, are of comparable risk to that of Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company, from an initial list of over 30 mid-sized entities from across the electric utility industry. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005 range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial

metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample (sample 1). That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from

$219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

A. As mentioned above, future returns to capital and thus estimation of cost of capital are inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years previous, long-term productivity appeared to be capable of upwards of 2.75% over the extended future. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the analysis results obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, Value Line Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2

of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of common equity capital.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and

earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings per share growth, which is measured in two ways for single-stage DCF. Specifically, historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis over ten years.

We should mention that while the immediate study utilizes historical growth experience, other studies by Christensen Associates Energy Consulting, depending on timeframe, have also drawn on and applied analyst expectations of future growth within the DCF formulation of the cost of capital. Historical growth and analyst expectations of growth are positively correlated and, not surprisingly, our studies suggests that, other factors held constant, differences among the dividend yields and other metrics for companies actively traded on equity markets are explained by historical growth analyst expectations of future growth. Generally speaking, analyst expectations are above those of historical experience and, were analyst expectations incorporated within the current analyses, it is likely that the DCF model would obtain higher estimates of the cost of common equity than those obtained via historical growth alone.

As mentioned above, the DCF analyses, as with CAPM and Risk Premium methods incorporate an adjustment for issuance costs of 6%, which translates into about 33 basis points. However, the cost of capital studies presented herein incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic

performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s,

1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premium* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for

timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, risk premia tend to decline as inflation rises. This is because inflation risk – *i.e.*, uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying

inflation matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of

equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". (Adjustments are shown for small and very small-sized companies.) The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities respectively, are below those of the composite market (CAPM Betas of 0.75). As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the

cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

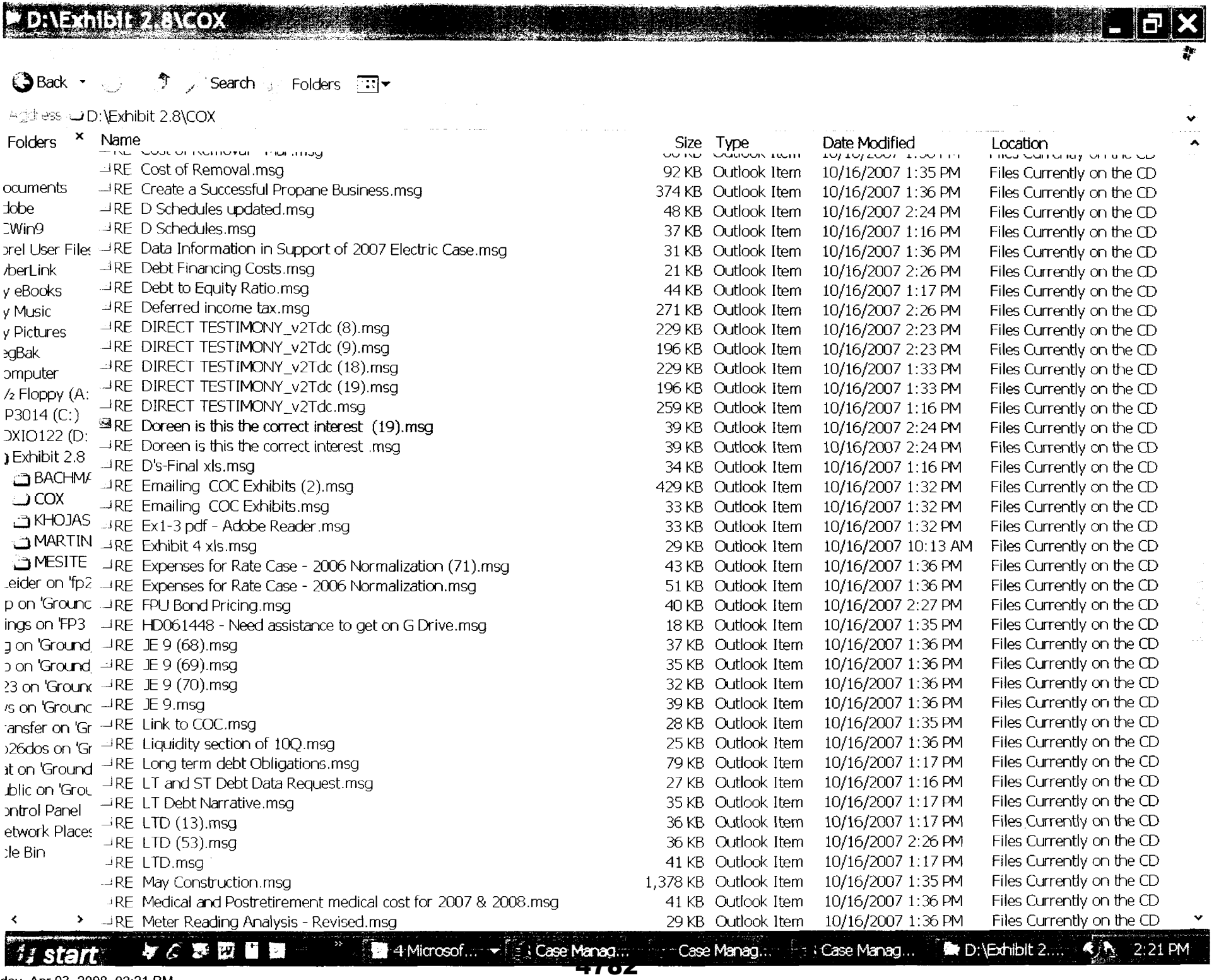
The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. Exhibit 2 compiles the results of the four analysis methods including the DCF, CAPM, Risk Premium, and Historical Returns methods. Mid-point values are shown with this summary, though ranges of values are presented within the exhibits presenting the detailed results for each approach. The ranges for the cost of equity estimates are based on statistics drawn from the analyses themselves and could be presented as either larger (wider) or smaller (narrower) ranges of plausible values. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

Q. Does this conclude your testimony?

A. It does.



Thursday, Apr 03, 2008 02:21 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, August 02, 2007 3:04 PM
To: Cox Doreen
Subject: RE: Doreen is this the correct interest?

Where did 1,505,287
For 2006 come from? He has that on another schedule. Was this changed recently? Cheryl

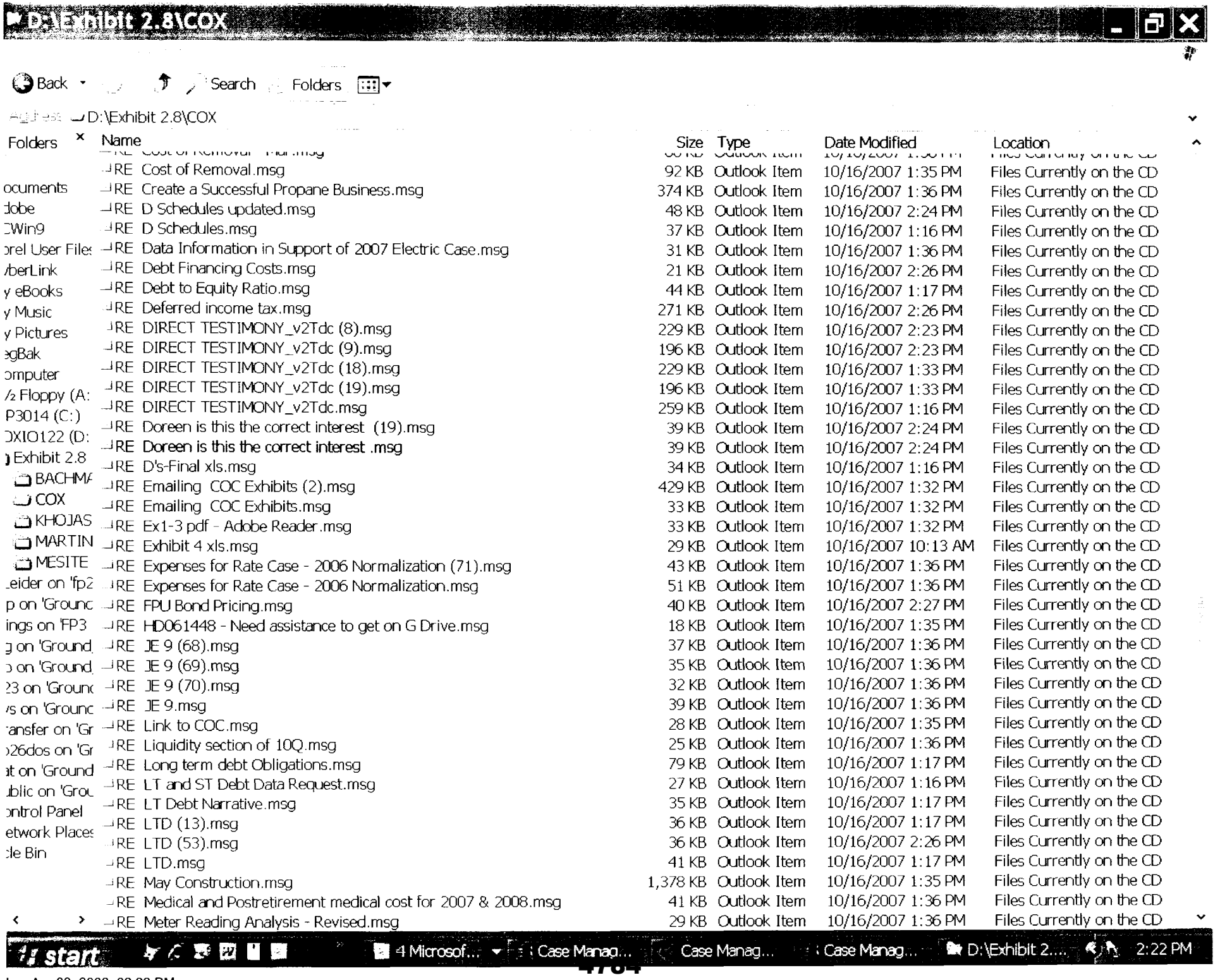
From: Cox Doreen
Sent: Thursday, August 02, 2007 3:03 PM
To: Martin Cheryl
Subject: RE: Doreen is this the correct interest?

Yes

From: Martin Cheryl
Sent: Thursday, August 02, 2007 3:01 PM
To: Cox Doreen
Subject: Doreen is this the correct interest?

Description	Historical Base Year Ended 2006	Prior Year Ended 2007
Interest on Long Term Debt (1)	1,268,418	1,277,132
Amortization of Debt Discount, Premium, Issuing Expense & Loss on Reacquired Debt (1)	-	-
Interest on Short Term Debt	75,536	123,947
Interest on Customer Deposits	129,626	166,567
Other Interest Expense	-	-
Less Allowance for Funds Used During Construction	-	-
Total Interest Expense	1,473,580	1,567,647

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Thursday, Apr 03, 2008 02:22 PM

Clara Leider

From: Martin Cheryl
Sent: Thursday, August 02, 2007 3:07 PM
To: Cox Doreen
Subject: RE: Doreen is this the correct interest?

1473593

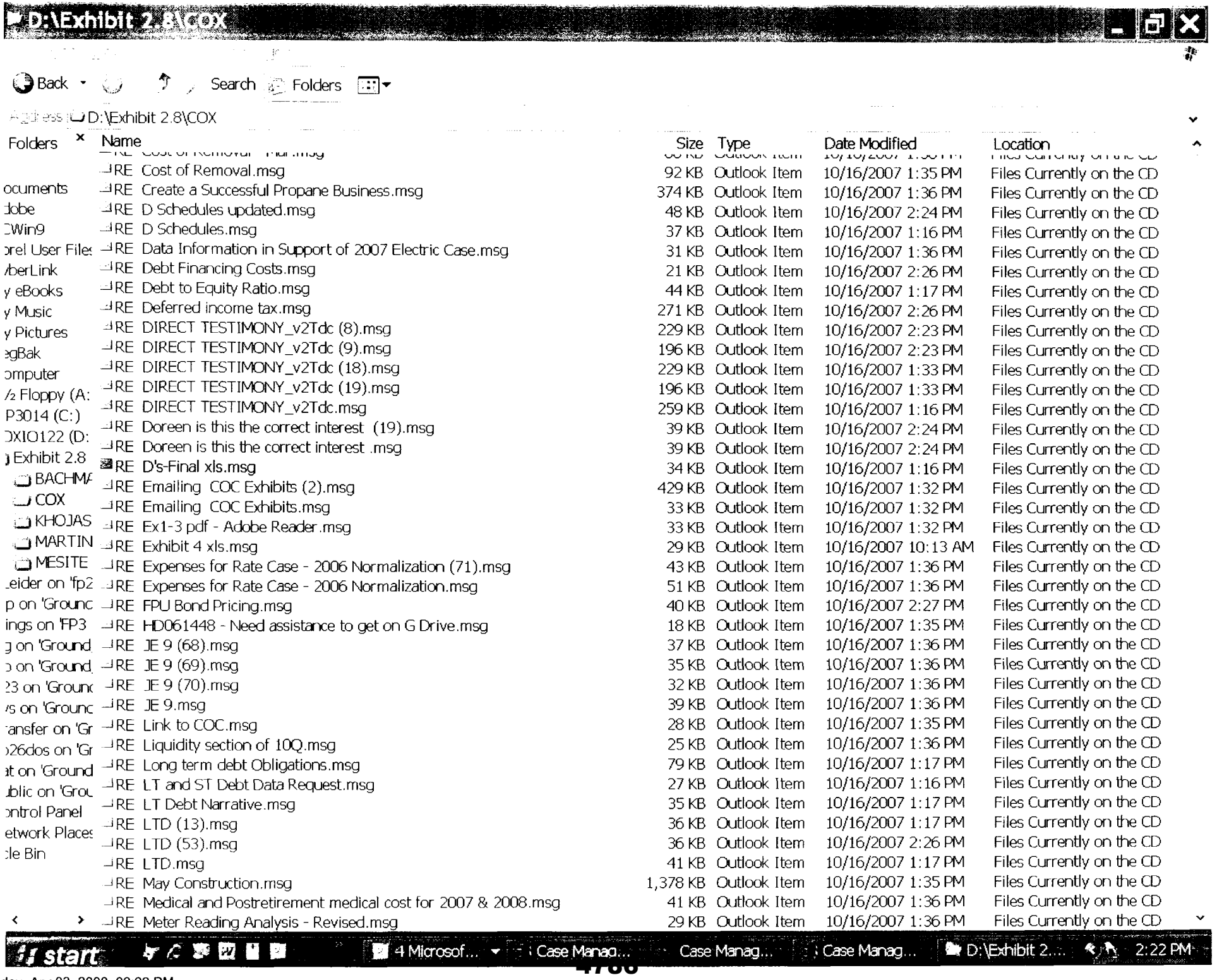
From: Cox Doreen
Sent: Thursday, August 02, 2007 3:03 PM
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Yes

From: Martin Cheryl
Sent: Thursday, August 02, 2007 3:01 PM
To: Cox Doreen
Subject: Doreen is this the correct interest?

Description	Historical Base Year Ended 2006	Prior Year Ended 2007
Interest on Long Term Debt (1)	1,268,418	1,277,132
Amortization of Debt Discount, Premium, Issuing Expense & Loss on Reacquired Debt (1)	-	-
Interest on Short Term Debt	75,536	123,947
Interest on Customer Deposits	129,626	166,567
Other Interest Expense	-	-
Less Allowance for Funds Used During Construction	-	-
Total Interest Expense	1,473,580	1,567,647

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725



Thursday, Apr 03, 2008 02:22 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 24, 2007 3:44 PM
To: Cox Doreen; Mike Welsh
Cc: Martin Cheryl
Subject: RE: D's-Final.xls

Doreen,

Looking forward beyond 2008, the year-end capital structure of '08 is likely to be more reflective of 2009 forward. Thus, should we use a year capital structure for '08? I had mentioned this to George; if we use a 13-month average for '08, we could show the effects of the year-end look within my testimony.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Monday, July 23, 2007 3:58 PM
To: Mike Welsh
Cc: Robert Camfield; Martin Cheryl
Subject: RE: D's-Final.xls

Mike
The following modifications have been made to the D's-Final attached:

Sch D-1a 2006 – Rounded the percentages in the "Column I" so that the column sums correctly. Please note that the WACC changed from 8.19% to 8.18%.

Sch D-1a 2006 Interim – We can remove this Interim Schedule from the Ds once finalized?

Sch D-4a 2007 - Added a line for Rounding Adjustment so that Col 14 ties to the back-up COC component schedule.

Sch D-4a 2008 - Added a line for Rounding Adjustment so that Col 14 ties to the back-up COC component schedule, also re-referenced Loss on Reacquired cell which was inadvertently referencing 2007 and not 2008 on the back-up. This changed the Embedded Cost of LT Debt from 7.9679% to 7.9650%.

Sch D-6 2006 – There were two sheets for 2006 – deleted the one that we were not using as support for the cost rate. Modified the Customer Deposit Support Schedule for 2006 to reflect the calculation used to arrive at the cost rate and referenced the Col 9 to the back-up schedule.

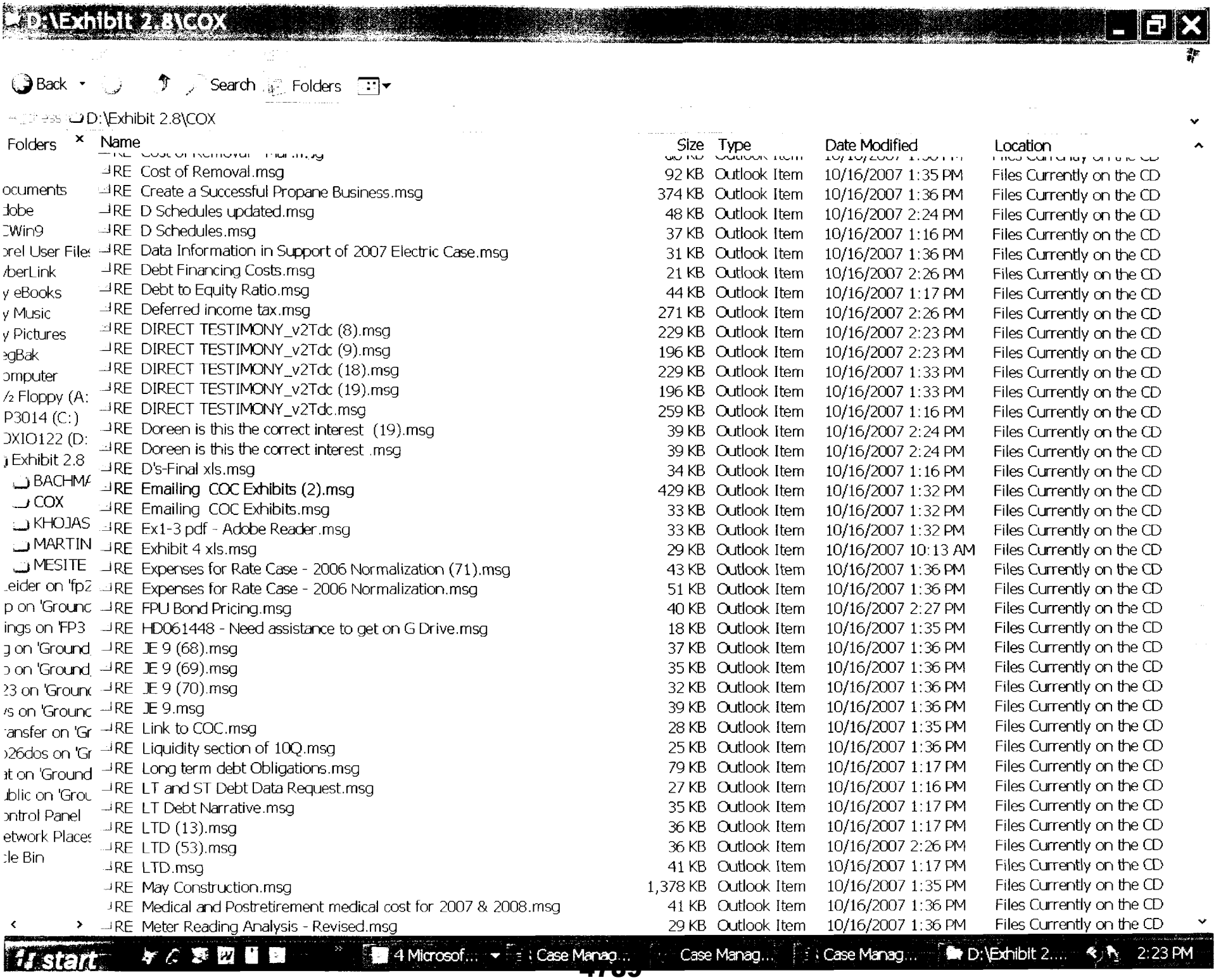
I have highlighted the cells where changed were made. Please let me know if you have any questions.
Thanks
Doreen
(561) 838-1797

From: Martin Cheryl
Sent: Friday, July 20, 2007 10:29 AM
To: Cox Doreen
Subject: FW: 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)



Thursday, Apr 03, 2008 02:23 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 2:51 PM
To: Cox Doreen
Cc: Martin Cheryl; Bruce Chapman; Mike Welsh
Subject: RE: Emailing: COC Exhibits

Attachments: COC Testimony_v4.doc; COC Testimony_v4UT.doc




COC Testimony_v4.doc COC Testimony_v4UT.doc

Doreen,

Attached is the latest draft testimony version4 in tracked and untracked forms.

Doreen: Please review and make additions. Specifically, I do not know what to say about the interest coverage.
Bruce: Please edit.
Mike: I will send the exhibits in final form momentarily.

Thanks,
Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 12:45 PM
To: Robert Camfield
Subject: Emailing: COC Exhibits

<<COC Exhibits.xls>>
Your message is ready to be sent with the following file or link attachments:

COC Exhibits

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. In 1990, I earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer (CFO). In this position, I support the CFO as well as the Accounting and Finance Divisions of Florida Public Utilities Company. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds. In was a witness in the Natural Gas rate relief proceedings before the FPSC, Docket Number 040216-GU.

Witness Camfield. 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 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. 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 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 relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair

rate of return on the capital provided by investors. Though they reach back many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs

unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by

the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity

structures 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 including the expected returns to capital and financial risks is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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. The cumulative level of investment over time, covering decades, 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, durable 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—*i.e.*, investors including lenders and holders of common and preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is

determined by investor expectations in the underlying price of a financial asset or commodity.

Q. What factors contribute to the underlying cost of capital regarding financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk. Arguably, risk is the key contributing factor for the estimation of the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to

maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that

investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor

is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as

dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used in 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 Interbank 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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to those of firm B and other firms. If the share prices of firm A suggest a market return of 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience –

literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company to the benefit of retail consumers by providing a market environment and regulatory governance structure that facilities a steady and consistent flow of revenue that closely adheres to the inherent costs of electricity services.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest

coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. Two fundamental issues are present. First, should the Commission utilize a consolidated capital structure for setting retail electricity prices and under what conditions should the Commission depart from a consolidated capital structure? Second, should an average or year-end capital structure be utilized?

Issue 1: Conditions to Justify Departures from the Consolidated Capital Structure. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best

interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.
2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the

accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt

and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Issue 2: Average or Year-End Capital Structure. This second issue implies two subsidiary questions: is the average or year-end capital structure the most representative on a forward-looking basis beyond 2008. As shown on Exhibit 1, page 1, the average capital structure for 2008 for Florida Public Utilities Company contains equity participation of 40% and 50%, respectively, under regulatory and traditional methods of stating the underlying invested capital. As a result of the issuance of common equity shares at mid-year 2008, the average balances approach inherently does not take account of the level of equity participation beyond 2008, the period over which the retail prices will be in effect.

The appropriate correction for this understatement of the overall cost of capital for the Company, which is inherent with the use of average capital balances in the face of the pending issuance of new shares, is to use a year end capital structure. The result of such approach is shown on pages 2 and 3 of Exhibit 1, where the year-end based weighted average cost of capital is presented, shown with and without Flo-Gas balances. Specifically, year balances reflect equity participation of 42% and 54% for the regulatory and traditional capital structure. This higher equity participation level translates into weighted average cost of capital results of 8.13%, stated for regulatory purposes. In short, the average capital structure for 2008 leaves Florida Public Utilities Company short by 6 basis points, which implies a unrecognized revenue shortfall of about $40,000, stated on a going-forward basis.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher-cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of

the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing

the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of

short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves,

results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above this interest rate level or a level near to it appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility are based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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 variants 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 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

non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first-order approximation to stochastic processes, multiple-step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two or three stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz (1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk-free returns and an *adjusted risk-based return.* Surrogates for risk-free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm} * (r_m - r_f) \qquad \text{with,} \quad B_{jm} = \sigma_{jm} / \sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above. The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked 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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably 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.,* risk premia – can thus serve as a surrogate for the compensation for risk over future timeframes. Risk premia,when combined with the expected cost of short-term 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 sensitive to the demand for and supply of capital;
- risk premia among debt and equity instruments are also quite sensitive to expected inflation. Thus, 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 premia are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with

equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, 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, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size-related capital risks, are of comparable risk to that of Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company, from an initial list of over 30 mid-sized entities from across the electric utility industry. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005 range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial

metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample (sample 1). That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from

$219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

A. As mentioned above, future returns to capital and thus estimation of cost of capital are inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, long-term productivity appeared to be capable of upwards of 2.75% over the extended future. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, Value Line Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2

of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of common equity capital.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and

earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings per share growth, which is measured in two ways for single-stage DCF. Specifically, historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis over ten years.

We should mention that while the immediate study utilizes historical growth experience, other studies of Christensen Associates, depending on timeframe, have also drawn on and applied analyst expectations of future growth within the DCF formulation of the cost of capital. Historical growth and analyst expectations of growth are positively correlated and, not surprising, our studies suggests that, other factors held constant, differences among the dividend yields and other metrics for companies actively traded on equity markets are explained by historical growth analyst expectations of future growth. Generally speaking, analyst expectations are above that of historical experience and, were analyst expectations incorporated within the current analyses, it is likely that the DCF model would obtain higher estimates of the cost of common equity than those obtained via historical growth alone.

As mentioned above, the DCF analyses, as with CAPM and Risk Premium methods incorporate an adjustment for issuance costs of 6%, which translates into about 33 basis points. However, the cost of capital studies presented herein incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic

performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s,

1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premium* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for

timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, risk premia tend to decline as inflation rises. This is because inflation risk – *i.e.*, uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying

inflation matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of

equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". (Adjustments are shown for small and very small-sized companies.) The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities respectively, are below that of the composite market (CAPM Betas of 0.75). As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the

cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

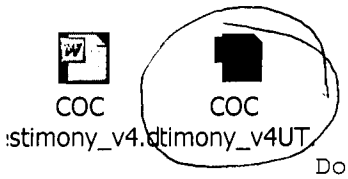
Q. Does this conclude your testimony?

A. It does.

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 2:51 PM
To: Cox Doreen
Cc: Martin Cheryl; Bruce Chapman; Mike Welsh
Subject: RE: Emailing: COC Exhibits

Attachments: COC Testimony_v4.doc; COC Testimony_v4UT.doc



Doreen,

Attached is the latest draft testimony version4 in tracked and untracked forms.

Doreen: Please review and make additions. Specifically, I do not know what to say about the interest coverage.
Bruce: Please edit.
Mike: I will send the exhibits in final form momentarily.

Thanks,
Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 12:45 PM
To: Robert Camfield
Subject: Emailing: COC Exhibits

<<COC Exhibits.xls>>
Your message is ready to be sent with the following file or link attachments:

COC Exhibits

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. In 1990, I earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer (CFO). In this position, I support the CFO as well as the Accounting and Finance Divisions of Florida Public Utilities Company. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds. In was a witness in the Natural Gas rate relief proceedings before the FPSC, Docket Number 040216-GU.

Witness Camfield. 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 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. 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 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 relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair

rate of return on the capital provided by investors. Though they reach back many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs

unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by

the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity

structures 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 including the expected returns to capital and financial risks is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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. The cumulative level of investment over time, covering decades, 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, durable 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—*i.e.*, investors including lenders and holders of common and preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is

determined by investor expectations in the underlying price of a financial asset or commodity.

Q. What factors contribute to the underlying cost of capital regarding financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk. Arguably, risk is the key contributing factor for the estimation of the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to

maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that

investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor

is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as

dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used in 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 Interbank 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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to those of firm B and other firms. If the share prices of firm A suggest a market return of 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience –

literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company to the benefit of retail consumers by providing a market environment and regulatory governance structure that facilities a steady and consistent flow of revenue that closely adheres to the inherent costs of electricity services.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest

coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. Two fundamental issues are present. First, should the Commission utilize a consolidated capital structure for setting retail electricity prices and under what conditions should the Commission depart from a consolidated capital structure? Second, should an average or year-end capital structure be utilized?

Issue 1: Conditions to Justify Departures from the Consolidated Capital Structure. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best

interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.
2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the

accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt

and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Issue 2: Average or Year-End Capital Structure. This second issue implies two subsidiary questions: is the average or year-end capital structure the most representative on a forward-looking basis beyond 2008. As shown on Exhibit 1, page 1, the average capital structure for 2008 for Florida Public Utilities Company contains equity participation of 40% and 50%, respectively, under regulatory and traditional methods of stating the underlying invested capital. As a result of the issuance of common equity shares at mid-year 2008, the average balances approach inherently does not take account of the level of equity participation beyond 2008, the period over which the retail prices will be in effect.

The appropriate correction for this understatement of the overall cost of capital for the Company, which is inherent with the use of average capital balances in the face of the pending issuance of new shares, is to use a year end capital structure. The result of such approach is shown on pages 2 and 3 of Exhibit 1, where the year-end based weighted average cost of capital is presented, shown with and without Flo-Gas balances. Specifically, year balances reflect equity participation of 42% and 54% for the regulatory and traditional capital structure. This higher equity participation level translates into weighted average cost of capital results of 8.13%, stated for regulatory purposes. In short, the average capital structure for 2008 leaves Florida Public Utilities Company short by 6 basis points, which implies a unrecognized revenue shortfall of about $40,000, stated on a going-forward basis.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher-cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of

the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing

the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of

short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves,

results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above this interest rate level or a level near to it appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility are based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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 variants 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 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

non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first-order approximation to stochastic processes, multiple-step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two or three stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz (1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk-free returns and an *adjusted risk-based return.* Surrogates for risk-free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above. The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked 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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably 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.,* risk premia – can thus serve as a surrogate for the compensation for risk over future timeframes. Risk premia,when combined with the expected cost of short-term 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 sensitive to the demand for and supply of capital;
- risk premia among debt and equity instruments are also quite sensitive to expected inflation. Thus, 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 premia are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with

equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, 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, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size-related capital risks, are of comparable risk to that of Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company, from an initial list of over 30 mid-sized entities from across the electric utility industry. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005 range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial

metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample (sample 1). That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from

$219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

A. As mentioned above, future returns to capital and thus estimation of cost of capital are inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, long-term productivity appeared to be capable of upwards of 2.75% over the extended future. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, Value Line Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2

of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of common equity capital.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and

earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings per share growth, which is measured in two ways for single-stage DCF. Specifically, historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis over ten years.

We should mention that while the immediate study utilizes historical growth experience, other studies of Christensen Associates, depending on timeframe, have also drawn on and applied analyst expectations of future growth within the DCF formulation of the cost of capital. Historical growth and analyst expectations of growth are positively correlated and, not surprising, our studies suggests that, other factors held constant, differences among the dividend yields and other metrics for companies actively traded on equity markets are explained by historical growth analyst expectations of future growth. Generally speaking, analyst expectations are above that of historical experience and, were analyst expectations incorporated within the current analyses, it is likely that the DCF model would obtain higher estimates of the cost of common equity than those obtained via historical growth alone.

As mentioned above, the DCF analyses, as with CAPM and Risk Premium methods incorporate an adjustment for issuance costs of 6%, which translates into about 33 basis points. However, the cost of capital studies presented herein incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic

performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s,

1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premium* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for

timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, risk premia tend to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying

inflation matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of

equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". (Adjustments are shown for small and very small-sized companies.) The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities respectively, are below that of the composite market (CAPM Betas of 0.75). As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the

cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

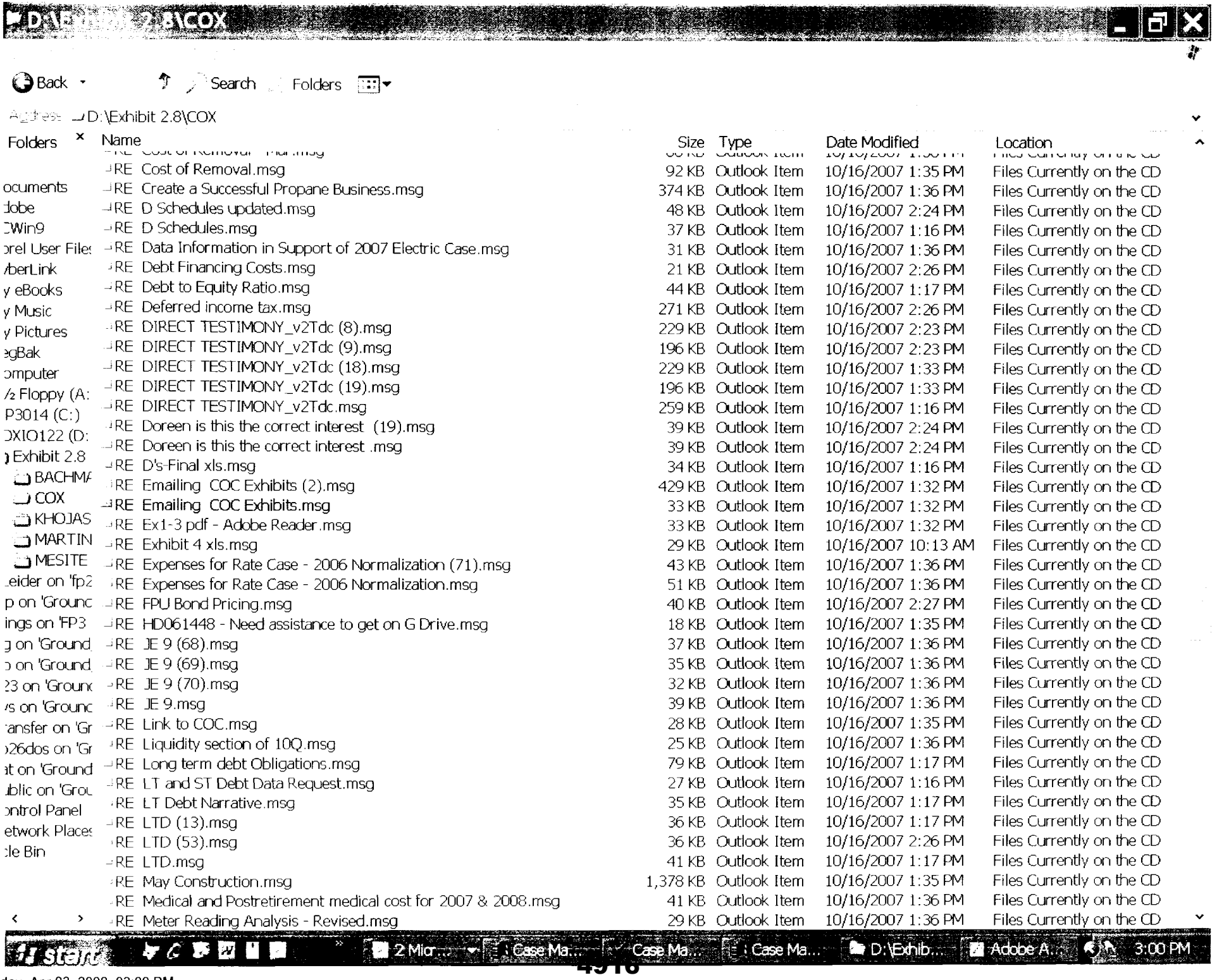
The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

Q. Does this conclude your testimony?

A. It does.



Thursday, Apr 03, 2008 03:00 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 3:43 PM
To: Cox Doreen; Bruce Chapman
Cc: Martin Cheryl; Bruce Chapman; Mike Welsh
Subject: RE: Emailing: COC Exhibits

Bruce,

Within the v4 of the testimony, please incorporate the following sentence at the bottom of the first paragraph of the answer to following the question "Would you please review the capital structure, interest coverage requirements, and ....coverage? This question can be found at the bottom of page 25 of the testimony. The first paragraph of the answer to the question begins with "Interest coverage refers to..." The sentence is:

" Interest coverage under the recommended capital structure and rate of return for the Consolidated Electric segment of the business is estimated to be 4.06, compared to 2.5 times using current rates Please reference Exhibit 12 Page 2."

Thanks, Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 2:27 PM
To: Robert Camfield
Cc: Martin Cheryl; Bruce Chapman; Mike Welsh
Subject: RE: Emailing: COC Exhibits

Robert
Please see changes made to Page 25 of the testimony on Interest Coverage. The discussion focuses on the Electric segment and we would therefore have to remove the Company based historic Exhibit 12 Page 2 and substitute it with a copy of Schedule D-9. Do you agree with this approach?
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 2:51 PM
To: Cox Doreen
Cc: Martin Cheryl; Bruce Chapman; Mike Welsh
Subject: RE: Emailing: COC Exhibits

Doreen,

Attached is the latest draft testimony version4 in tracked and untracked forms.

Doreen: Please review and make additions. Specifically, I do not know what to say about the interest coverage.
Bruce: Please edit.
Mike: I will send the exhibits in final form momentarily.

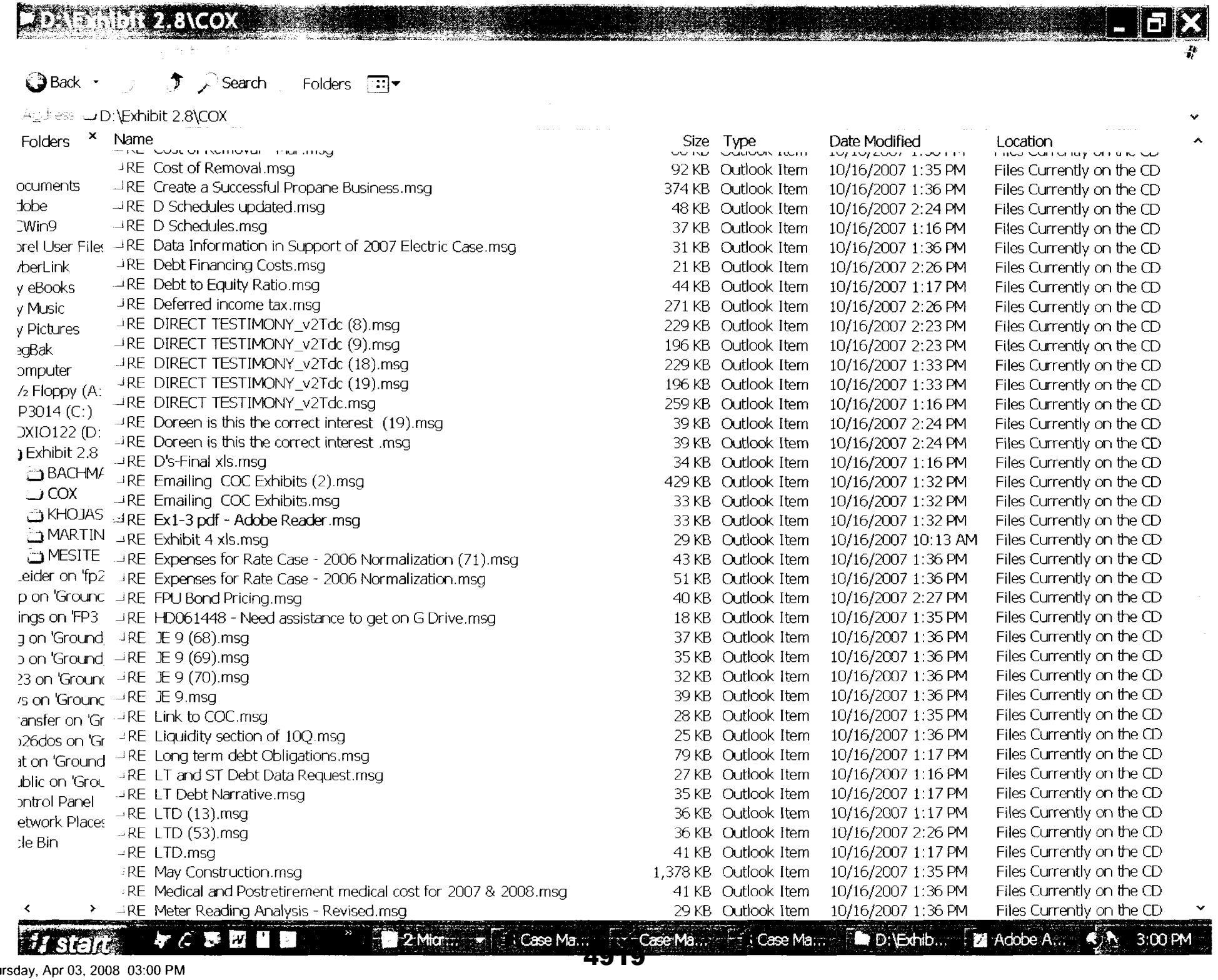
Thanks,
Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 12:45 PM
To: Robert Camfield
Subject: Emailing: COC Exhibits

<<COC Exhibits.xls>>
Your message is ready to be sent with the following file or link attachments:

COC Exhibits

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.



Thursday, Apr 03, 2008 03:00 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Tuesday, August 21, 2007 4:15 PM
To: Cox Doreen
Subject: RE: Ex1-3.pdf - Adobe Reader
Attachments: Ex1-3.pdf

How is this?

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, August 21, 2007 3:16 PM
To: Mike Welsh; Robert Camfield
Subject: RE: Ex1-3.pdf - Adobe Reader

If you have already scanned into PDF, no need to change. Please advise when all testimony, exhibits and appendixes have been finalized and in Mike's hands.

From: Cox Doreen
Sent: Tuesday, August 21, 2007 4:12 PM
To: 'Mike Welsh'; Robert Camfield
Subject: RE: Ex1-3.pdf - Adobe Reader

Mike in the caption please correct spelling of "Consolidated"

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

Revised page 3 of exhibit 1

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

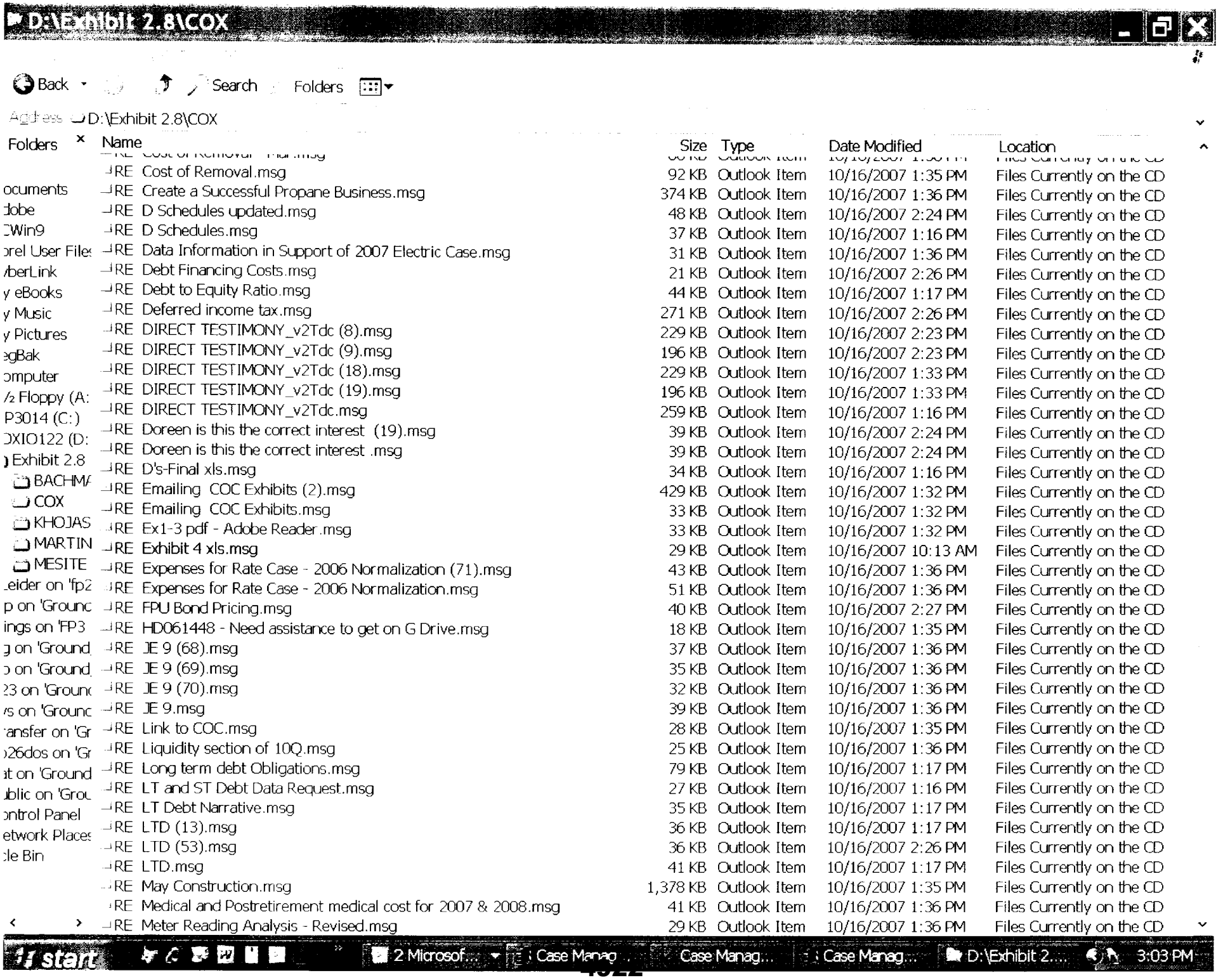
FLORIDA PUBLIC UTILITIES COMPANY

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

Capital Component	Amounts Balances	Capitalization Share	Cost Rate	Weighted Cost Rate
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, CONSOLDIATED BASIS)

Capital Component	Amounts Balances	Capitalization Share	Cost Rate	Weighted Cost Rate
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%


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RE Link to COC.msg 28 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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RE Long term debt Obligations.msg 79 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LT and ST Debt Data Request.msg 27 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
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3:03 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, October 16, 2007 10:41 AM
To: Cox Doreen
Subject: RE: Exhibit 4.xls

OK.

One thing: we should establish a format convention for the labels within the spreadsheet as well as the tabs. Specifically, is it upper case 1st letter followed by lower case as in "Projected Cash Flow for 2008", or is it to be upper case, as in "PROJECTED CASH FLOW FOR 2008". Either way is fine, but let's get it consistent in all of the materials.

Robert

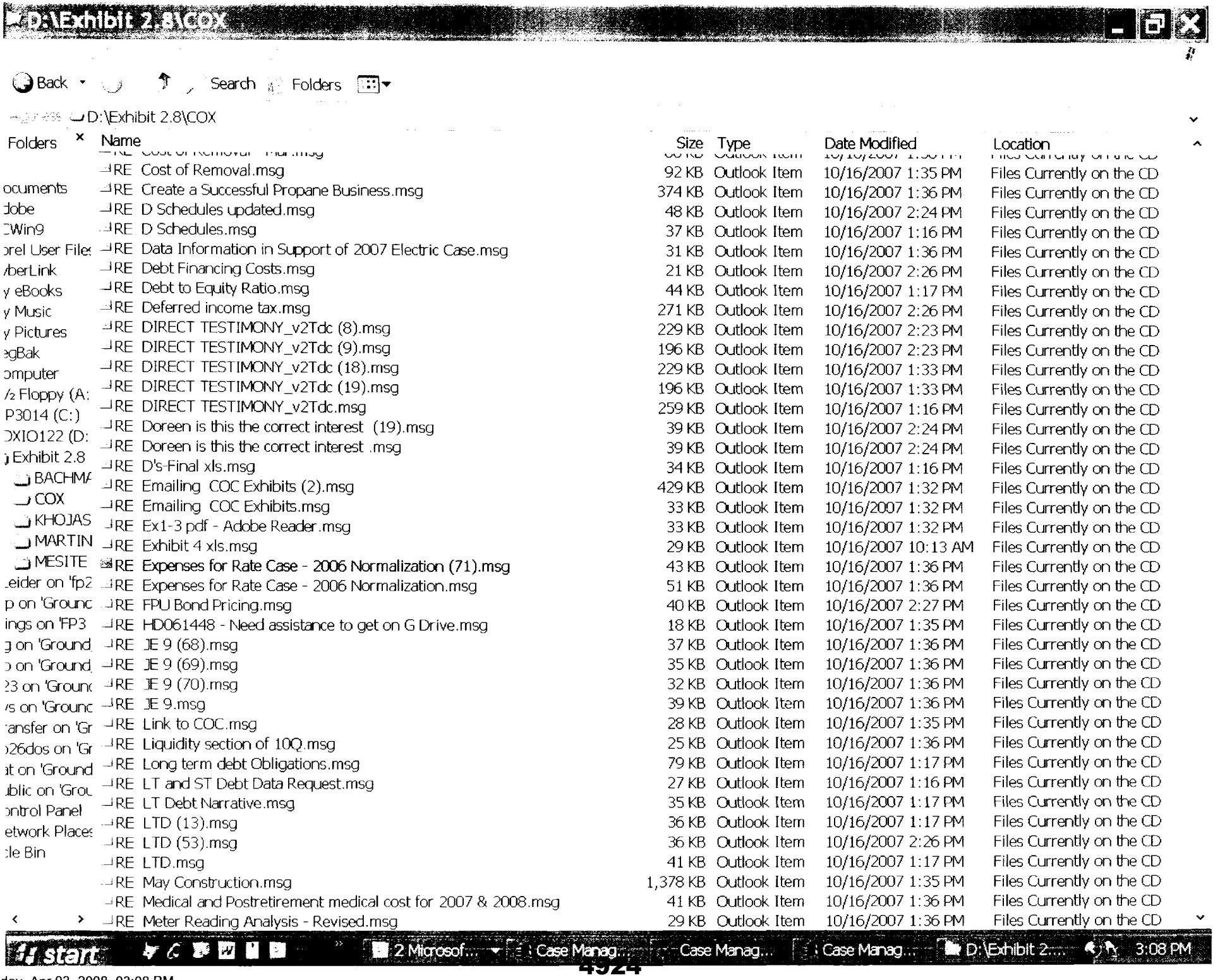
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, October 16, 2007 9:37 AM
To: Robert Camfield
Subject: Exhibit 4.xls

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



Thursday, Apr 03, 2008 03:08 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 8:00 AM
To: Cox Doreen
Cc: Cutshaw Mark
Subject: RE: Expenses for Rate Case - 2006 Normalization

If they are extra we will want to include them with the storm hardening, just show an audit trail. Thanks Cheryl

From: Cox Doreen
Sent: Wednesday, May 30, 2007 7:44 AM
To: Martin Cheryl
Cc: Cutshaw Mark
Subject: RE: Expenses for Rate Case - 2006 Normalization

I don't think so – I got the impression from Mark's e-mail that these were costs over and beyond what was in the storm hardening filing. Mark please confirm.

From: Martin Cheryl
Sent: Tuesday, May 29, 2007 6:01 PM
To: Cox Doreen
Subject: FW: Expenses for Rate Case - 2006 Normalization

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



Thursday, Apr 03, 2008 03:08 PM

Clara Leider

From: Cutshaw Mark
Sent: Saturday, June 02, 2007 1:47 PM
To: Martin Cheryl; Cox Doreen
Subject: RE: Expenses for Rate Case - 2006 Normalization

All the cost I submitted were that same as what were included in our storm hardening surcharge filing. I was just documenting them on the newer spreadsheet.

Mark Cutshaw, General Manager
Florida Public Utilities Company
911 South 8th Street
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(904)753-1272 cell

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Any comments?

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Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, Florida 32034
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(904)753-1272 cell


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RE JE 9 (70).msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Link to COC.msg 28 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Liquidity section of 10Q.msg 25 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Long term debt Obligations.msg 79 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LT and ST Debt Data Request.msg 27 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE LT Debt Narrative.msg 35 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (13).msg 36 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (53).msg 36 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE LTD.msg 41 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
start
2 Microsof...
Case Manag...
Case Manag...
Case Manag...
D:\Exhibit 2...
3:09 PM

Clara Leider

From: Strobel, Jeffrey [strobeljw@AGEDWARDS.com]
Sent: Tuesday, February 27, 2007 12:49 PM
To: Bachman George
Cc: Cox Doreen
Subject: RE: FPU Bond Pricing

Hi George,

good questions all. Answers are attached to the questions below.

From: Bachman George [mailto:gbachman@fpuc.com]
Sent: Tue 2/27/2007 9:33 AM
To: Strobel, Jeffrey
Cc: Cox Doreen
Subject: RE: FPU Bond Pricing

Jeff,

To make sure we understand this correctly:

1. The 30 year coupon rate would be estimated at the treasury rate + 100 basis points - yes, based on current markets we estimate that a 30-year insured private FMB bullet maturity would price in the +100 basis point area
2. Insurance fee would be an initial 120 basis points on the amount financed, then 20 basis points/year annual fee - no, the insurance premium would be 120 basis points on the entire principal and interest over the life of the debt. It's paid upfront with no on-going annual fee. That 120 bps translates to about a 20 bp cost per annum - I think when we spoke a few weeks ago we had mentioned a 125 bp insurance cost and you let me know that you thought you could get it for less. I am ball-parking 120 bp - it could be a little less depending on to whom you have talked and what they are telling you.
3. The gross spread is 150 basis points paid at issuance and includes Edwards' underwriting fee - yes, that 150 bp includes agents fee. It is important to note that we will be acting as agent and not underwriter on the issue. The fee is a little higher than usual based on the fact that even with insurance this will be a story credit, and because of insurance the audience will actually be a bit more limited to those who can buy highly rated paper.
4. Your other issuance costs would be estimated at 75 basis points - that is a reasonable assumption. Maybe a little on the high side. Other issuance costs include company counsel, purchasers counsel and incidental travel for diligence etc.
5. Our costs (legal, etc) is in addition to this - the 75 bps should cover this.

Please let us know if you need anything else.

Best Regards,

Jeff

Please let us know if any of these assumptions need to be updated. Thanks!

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Strobel, Jeffrey [mailto:strobeljw@AGEDWARDS.com]
Sent: Monday, February 26, 2007 4:06 PM
To: Bachman George
Cc: Donovan, William; Gipson, Derek
Subject: FPU Bond Pricing

George,

Good afternoon. Attached is an update of pricing for Florida Public Utilities' proposed financing. We have updated spreads for an insured private offering. As you know, Treasuries have rallied significantly since we met earlier this month, and spreads have not moved much at all, resulting in nicely lowered coupons. We estimate that in today's market a 30 year insured private first mortgage bond can be priced in the 5.75% area.

If you have any questions regarding this or any uninsured pricing please feel free to give us a call. Hope all is well with you and Jack.

Best regards,

Jeff

Jeffrey W. Strobel
Vice President, Investment Banking
A.G. Edwards & Sons, Inc.
One North Jefferson
St. Louis, MO 63103
314-955-6707
314-955-7387 (fax)
strobeljw@agedwards.com

<<Bond Pricing 2.26.07.pdf>>

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.



Thursday, Apr 03, 2008 03:10 PM

Clara Leider

From: Adam Comeaux [acomeaux@fpuc.com]
Sent: Tuesday, July 24, 2007 9:30 AM
To: Cox Doreen
Subject: RE: HD061448 - Need assistance to get on G:Drive

****
IT HELP DESK TICKET UPDATE
****

Ticket: HD061448
Desc: Need assistance to get on G:Drive

Your request has been assigned to Adam Comeaux .

We appreciate your patience while this issue is being resolved.

Thank You,

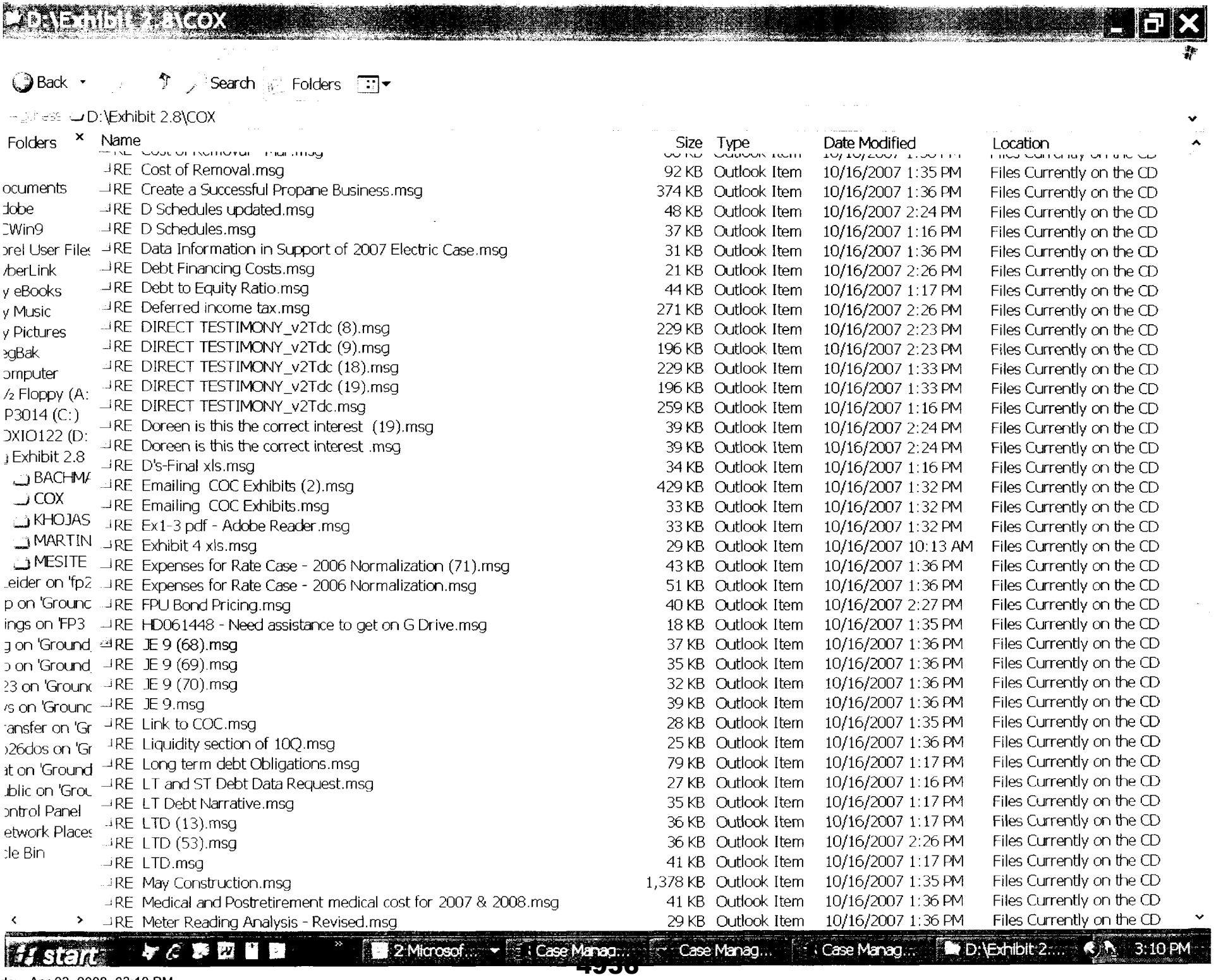
Your IT Team

Ticket Details:

On Monday July 23, 2007 at 18:05:17, COX wrote:

Need access to G:Drive - incorrect password message comes up.

Resolution:



Thursday, Apr 03, 2008 03:10 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 2:30 PM
To: Cox Doreen
Subject: RE: JE 9

Right, but what are we changing? 20% is just for medical and pension, the other % is for payroll taxes, etc.

From: Cox Doreen
Sent: Wednesday, May 30, 2007 12:10 PM
To: Martin Cheryl
Subject: RE: JE 9

We had calculated 20% based on 2006 Pension & Medical per employee.

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 11:52 AM
To: Cox Doreen
Subject: RE: JE 9

? from what

From: Cox Doreen
Sent: Wednesday, May 30, 2007 11:47 AM
To: Martin Cheryl
Subject: FW: JE 9

Should our overhead for the RC be increased also?

From: Bachman George
Sent: Wednesday, May 30, 2007 11:31 AM
To: Cox Doreen
Subject: RE: JE 9

40% is the estimated overhead associated with a dollar of payroll. It would include Pension, Health, FUTA, SUTA, FICA, Post retirement, vacations, sick time, holidays, etc. The estimate would be inclusive of all added costs.

George

From: Cox Doreen
Sent: Wednesday, May 30, 2007 11:21 AM
To: Bachman George
Subject: RE: JE 9

George
We were using 20% based on a calculation of 2006 Health, Pension & Post-Retirement Gross Expense per employee – accounts 9262, 9261 & 9263. Does the 40% include some other overhead that we may not be

picking up?
Thanks
Doreen

From: Bachman George
Sent: Wednesday, May 30, 2007 11:13 AM
To: English Jack; Cox Doreen
Subject: FW: JE 9

Jack and Doreen,

Ok, I stand corrected: the amount charged on JE 9 (payroll) to the meter reading expense does NOT include the overhead allocation. 40% should be added.

Thanks.

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

From: Napier Michelle
Sent: Wednesday, May 30, 2007 8:00 AM
To: Bachman George
Cc: Wilson Audra; Jaeger Melanie
Subject: RE: JE 9

Overheads are added to capital and propane expense accounts, 4010.9252, 4010.9261, 4010.9262, since the expense is charged to 1840 for those accounts on other JE's like 6 and 19, so 4010 (except conservation accts) and 4020 does not include overheads. On JE 9, 1840 is credited for the amount charged to propane. Thanks.

Michelle Napier
General Accounting Manager
561-838-1712

From: Bachman George
Sent: Tuesday, May 29, 2007 6:44 PM
To: Napier Michelle
Cc: Wilson Audra; Jaeger Melanie
Subject: RE: JE 9

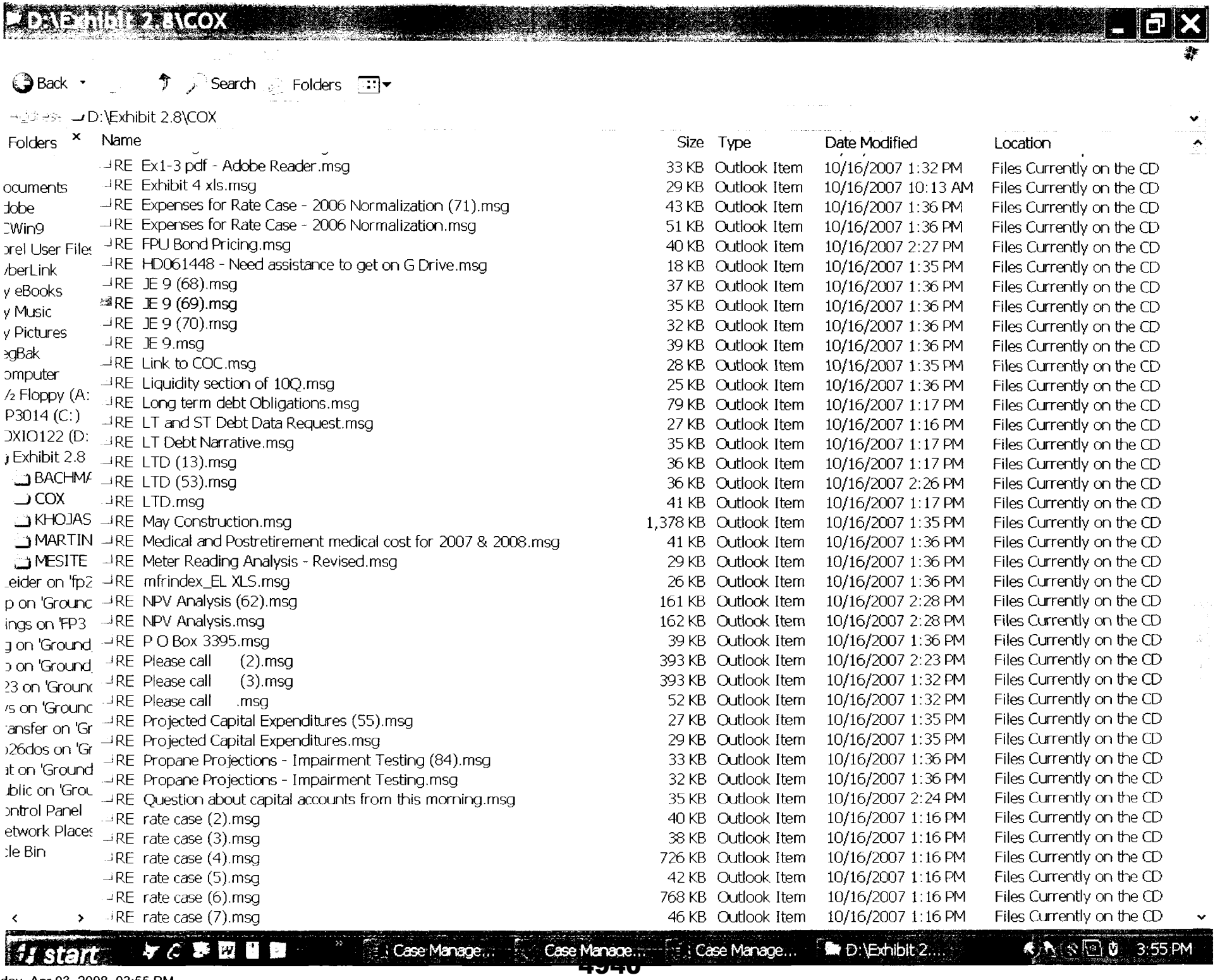
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Sent: Tuesday, May 29, 2007 12:17 PM
To: Bachman George

Cc: Wilson Audra; Jaeger Melanie
Subject: JE 9

George,
JE 9 allocates pension, medical and payroll taxes to capital accounts, 1070, 1430 and conservation. It also allocates these expenses to propane and reduces the regulated expenses. I hope this answers your voicemail. If not, let me know. Thanks.

Michelle Napier
General Accounting Manager
561-838-1712



Thursday, Apr 03, 2008 03:55 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 11:52 AM
To: Cox Doreen
Subject: RE: JE 9

? from what

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Sent: Wednesday, May 30, 2007 11:47 AM
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Thanks
Doreen

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Chief Financial Officer, Secretary and Treasurer
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561.838.1731

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General Accounting Manager
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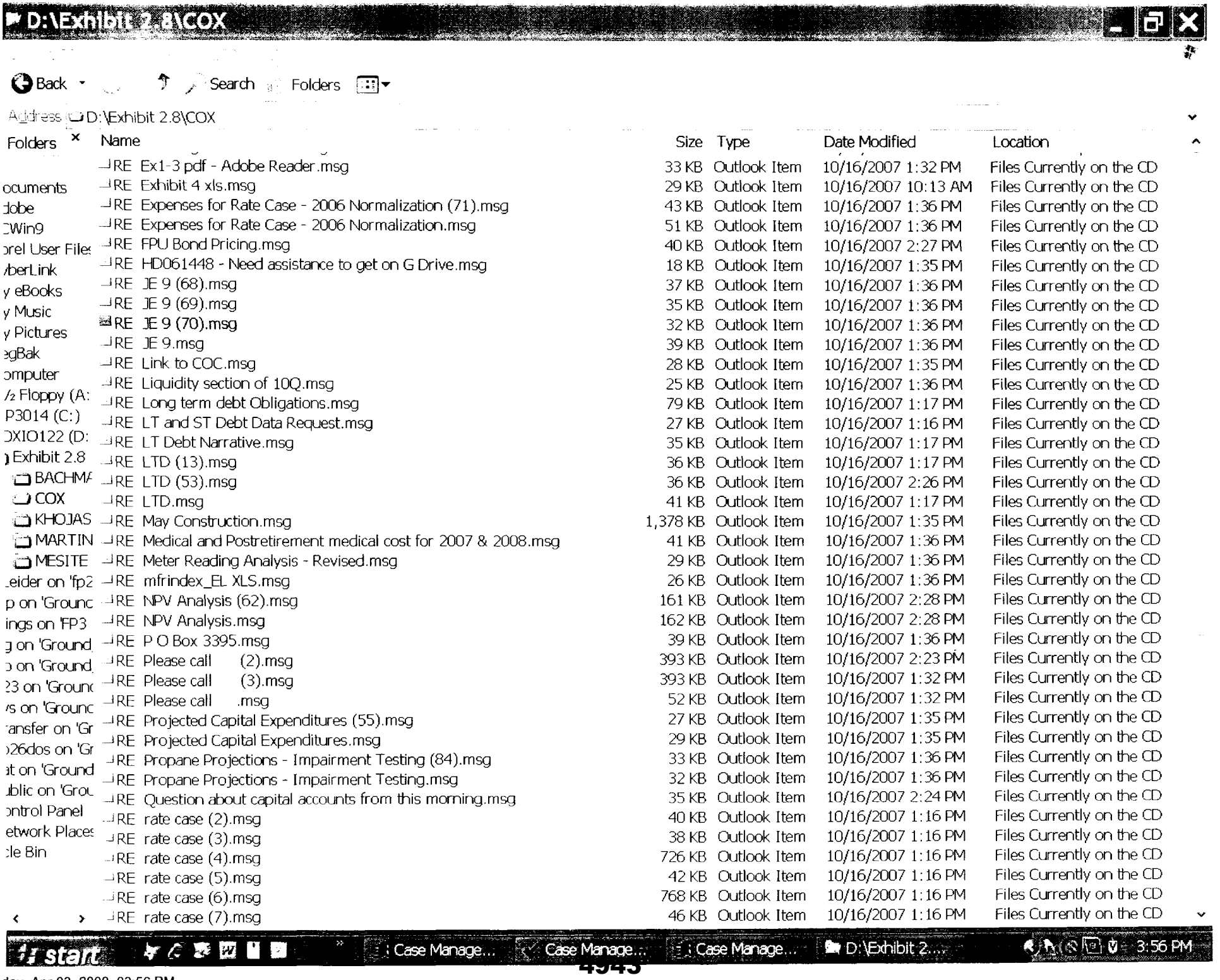
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Michelle Napier
General Accounting Manager
561-838-1712



Thursday, Apr 03, 2008 03:56 PM

Clara Leider

From: Bachman George
Sent: Wednesday, May 30, 2007 11:31 AM
To: Cox Doreen
Subject: RE: JE 9

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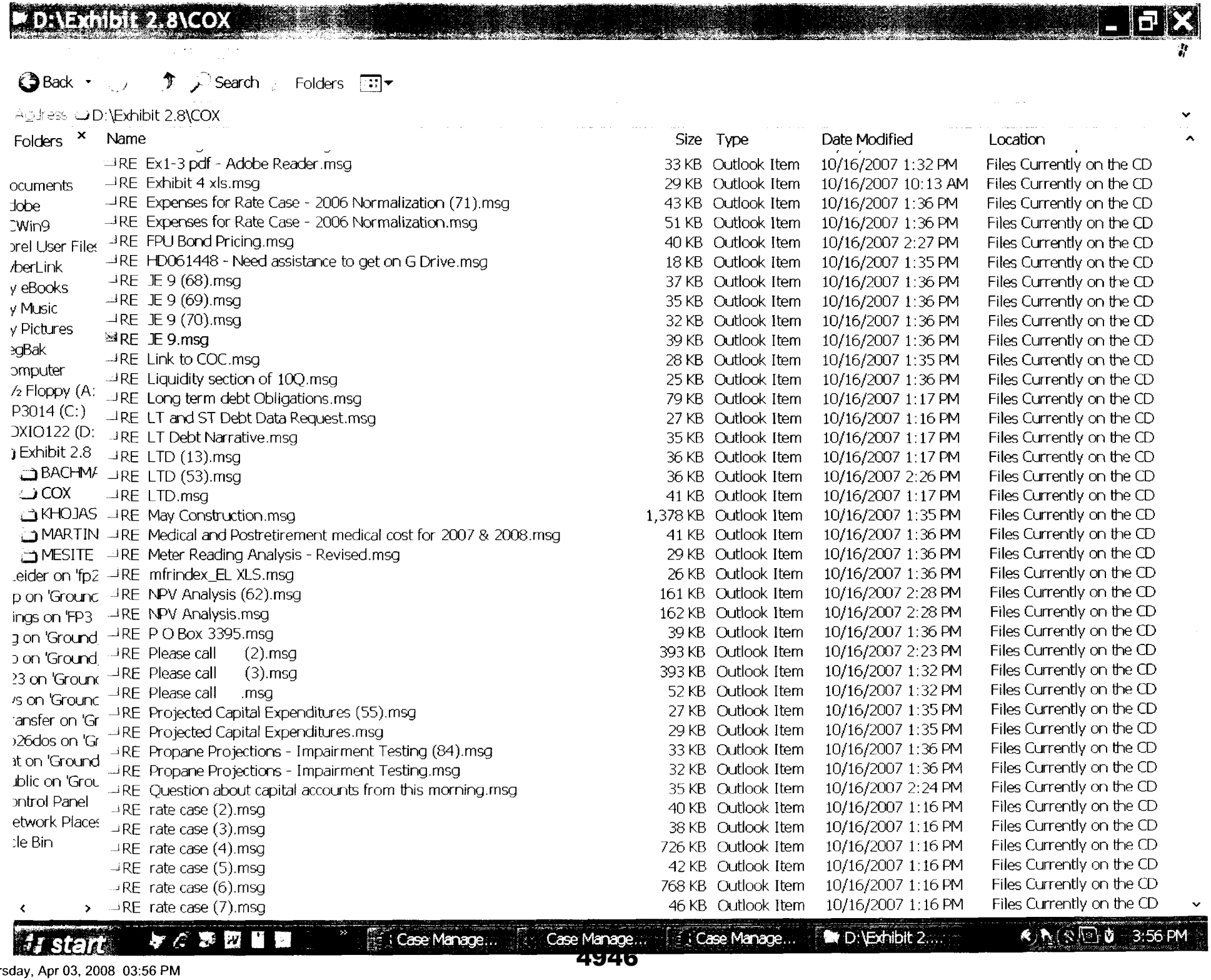
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Michelle Napier
General Accounting Manager
561-838-1712



Thursday, Apr 03, 2008 03:56 PM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 5:47 PM
To: Cox Doreen
Subject: RE: JE 9

Depends on what purpose. If we are adding a new position we need the 40%. Cheryl

From: Cox Doreen
Sent: Wednesday, May 30, 2007 2:41 PM
To: Martin Cheryl
Subject: RE: JE 9

Is the 20% for Medical & Pension all that's needed for the RC?

From: Martin Cheryl
Sent: Wednesday, May 30, 2007 2:30 PM
To: Cox Doreen
Subject: RE: JE 9

Right, but what are we changing? 20% is just for medical and pension, the other % is for payroll taxes, etc.

From: Cox Doreen
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George Bachman
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Florida Public Utilities Company
561.838.1731

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Michelle Napier
General Accounting Manager
561-838-1712

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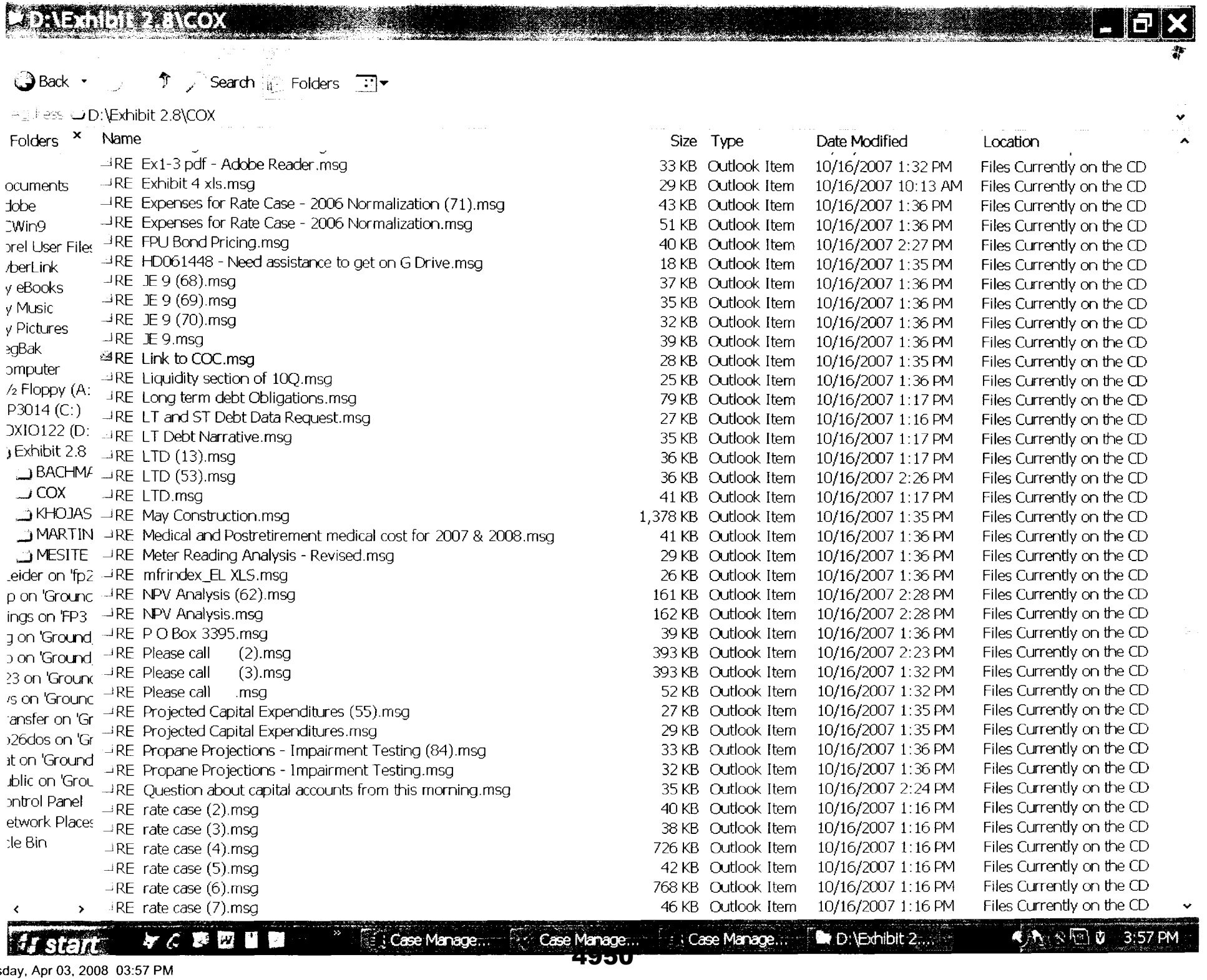
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Michelle Napier
General Accounting Manager
561-838-1712



Thursday, Apr 03, 2008 03:57 PM

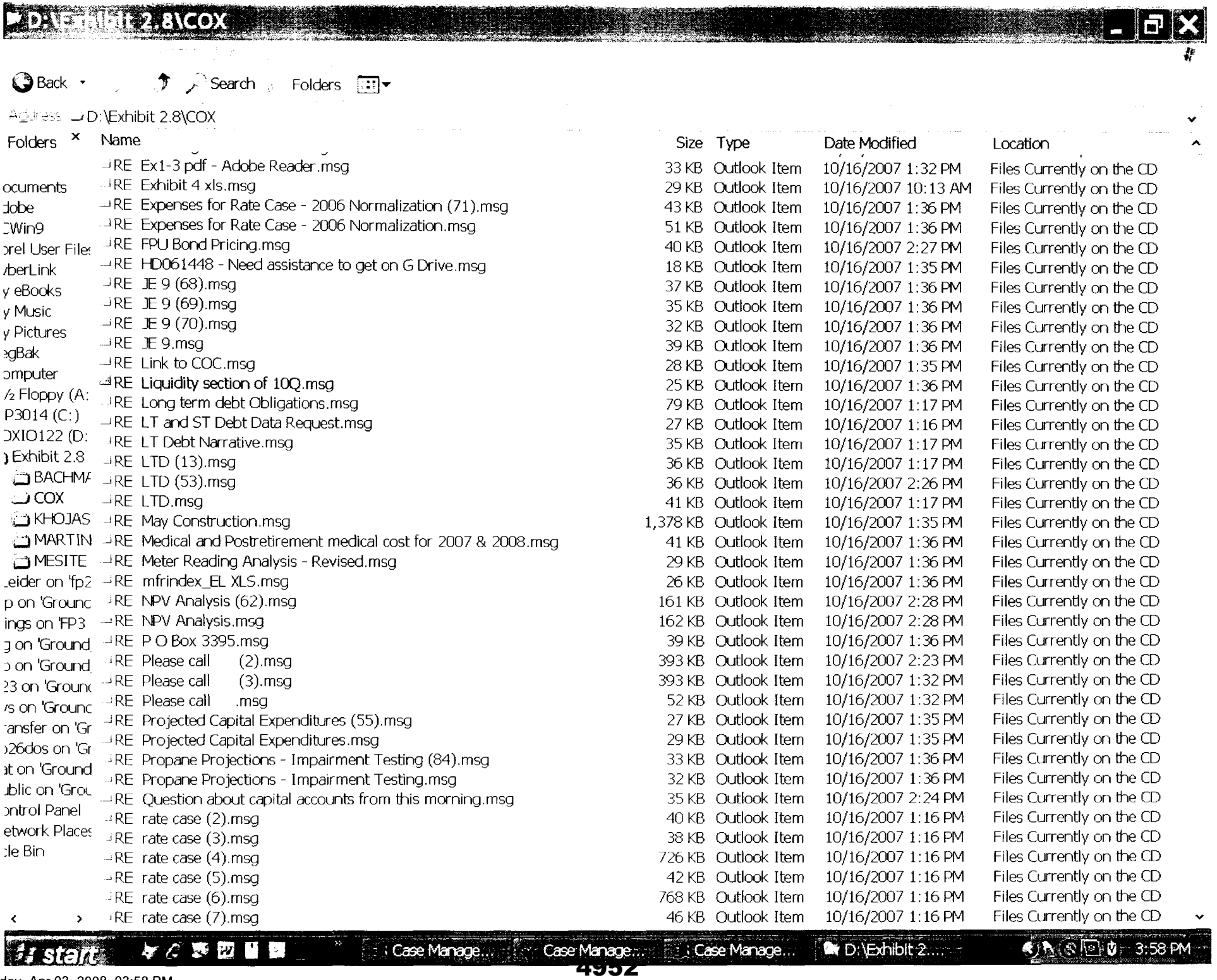
Clara Leider

From: Cox Doreen
Sent: Monday, July 02, 2007 10:12 AM
To: Cox Doreen; Mesite Jim
Subject: RE: Link to COC
Categories: Elec Rate Case

P:\Departments & Divisions\Accounting Departments\Rate Proceedings\2007 Electric Rate Case\MFR Schedules\Backup schedules\Cost of Capital\CAPITAL 6 26 07 totals.xls

From: Cox Doreen
Sent: Monday, July 02, 2007 9:30 AM
To: Mesite Jim
Subject: Link to COC

P:\Departments & Divisions\Accounting Departments\Rate Proceedings\2007 Electric Rate Case\MFR Schedules\Backup schedules\Cost of Capital\CAPITAL 6 26 07.xls



Thursday, Apr 03, 2008 03:58 PM

Clara Leider

From: Mesite Jim
Sent: Tuesday, May 01, 2007 3:26 PM
To: Cox Doreen
Subject: RE: Liquidity section of 10Q

Only that I have too many. No other perspective at this time!

Thank you,

Jim
Senior Project Accountant
jmesite@fpuc.com
phone (561) 838-1733
fax (561) 366-1533

-----Original Message-----
From: Cox Doreen
Sent: Tuesday, May 1, 2007 14:34
To: Mesite Jim
Subject: RE: Liquidity section of 10Q

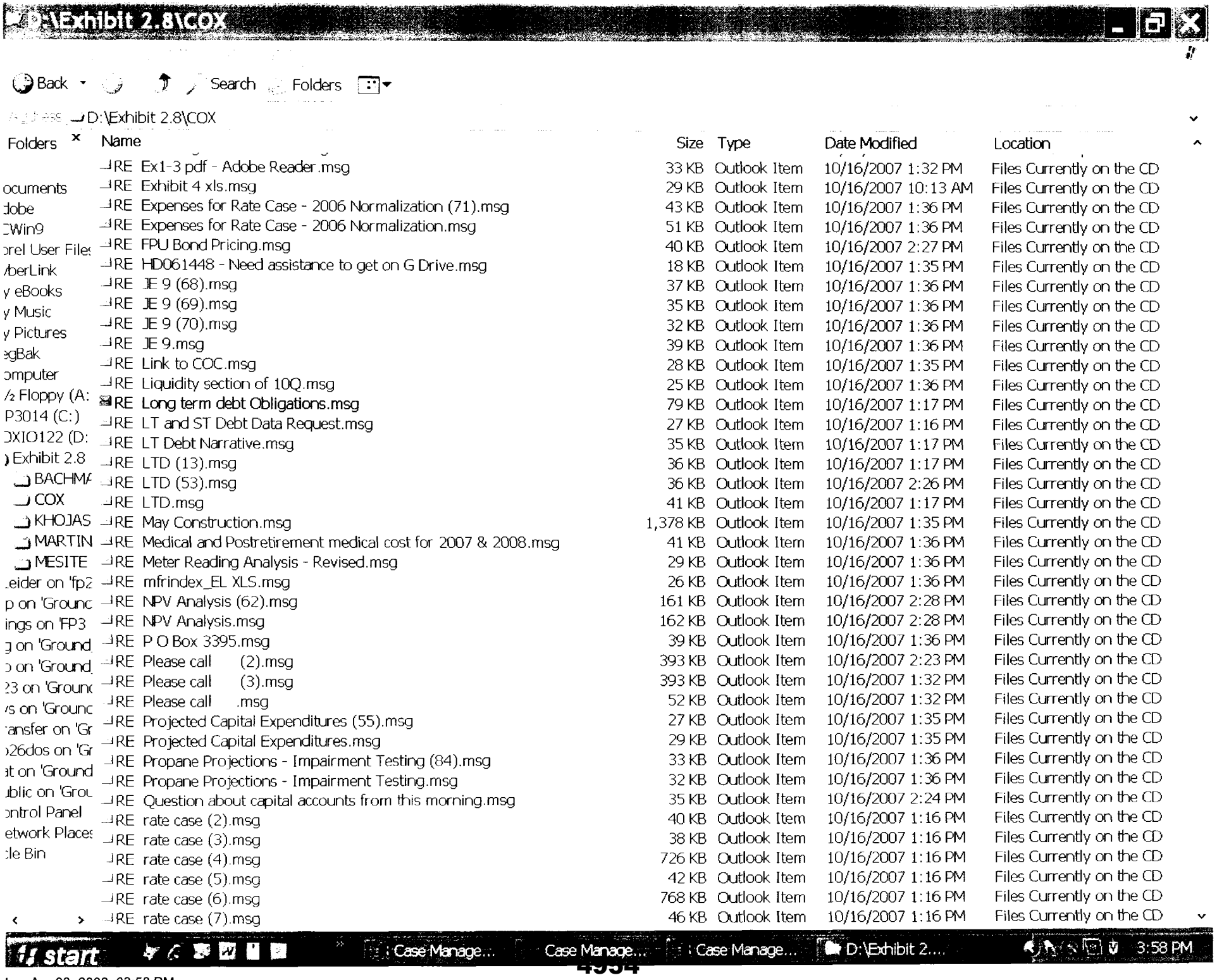
Jim
From a cash flow perspective, do you have any details for cash outflows?

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



Thursday, Apr 03, 2008 03:58 PM

Clara Leider

From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:17 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad; Martin Cheryl; Cox Doreen; Lundgren April
Subject: RE: Long term debt Obligations

Joanah,

Doreen is not here to answer your question. Her support shows R34 as $509,604 … and in the 10K, it is referred to as **approximately** $500,000. Please let me know if you need further information on this and we can provide them tomorrow when Doreen returns.

Thanks.
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Thursday, March 15, 2007 5:05 PM
To: Cox Doreen
Cc: Khojasteh Mehrdad; Martin Cheryl
Subject: FW: Long term debt Obligations

Doreen,

What is the correct amount that should be in the 10K?

$500,000
Approximately $500,000?

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]
Sent: Thursday, March 15, 2007 4:41 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

In the referenced copy dated 2/26/07 page 21 referenced to R34 – 500,000 franchise fee revenues. The support is 509,604. Rounded as 510,000?

Thanks,

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208
Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Thursday, March 15, 2007 4:26 PM
To: Joanah Ayroso
Cc: Lundgren April; Khojasteh Mehrdad; Martin Cheryl
Subject: RE: Long term debt Obligations

Hi Joanah,

Attached is a copy of the most recent 4thQ.xls worksheet per your request.

Thanks,
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Joanah Ayroso [mailto:jayroso@bdo.com]
Sent: Thursday, March 15, 2007 4:14 PM
To: Bhatia Nadira
Subject: RE: Long term debt Obligations

Hi Nadira,

Can I have a copy of the new 4thQ.xls worksheet.

Thanks

JOWI
Joanah Marie Ayroso
Senior Associate
BDO Seidman, LLP
1601 Forum Place #904
West Palm Beach, FL 33401
Direct Line: (561) 207-3208
Office: (561) 688-1600
Fax: (561) 688-1848
Cell: (561) 340 9877

From: Bhatia Nadira [mailto:nbhatia@fpuc.com]
Sent: Tuesday, March 13, 2007 5:47 PM
To: Joanah Ayroso
Subject: FW: Long term debt Obligations

Look at the 4th tab on this attachment for:

Hi Nadira,

Thank you.

I cant find the support for the $63,904 Long-term Debt Interest

Thanks

JOWI
Joanah Marie Ayroso

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

-----Original Message-----
From: Bhatia Nadira
Sent: Tuesday, March 13, 2007 3:24 PM
To: 'Joanah Ayroso'
Cc: Khojasteh Mehrdad
Subject: Long term debt Obligations

Here are the support for LT debt Obligations you requested - see the 4th tab.

Thanks
Nadira

Nadira Bhatia
Sr. Financial Accountant
Florida Public Utilities Company
nbhatia@fpuc.com
561.838.1776

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:

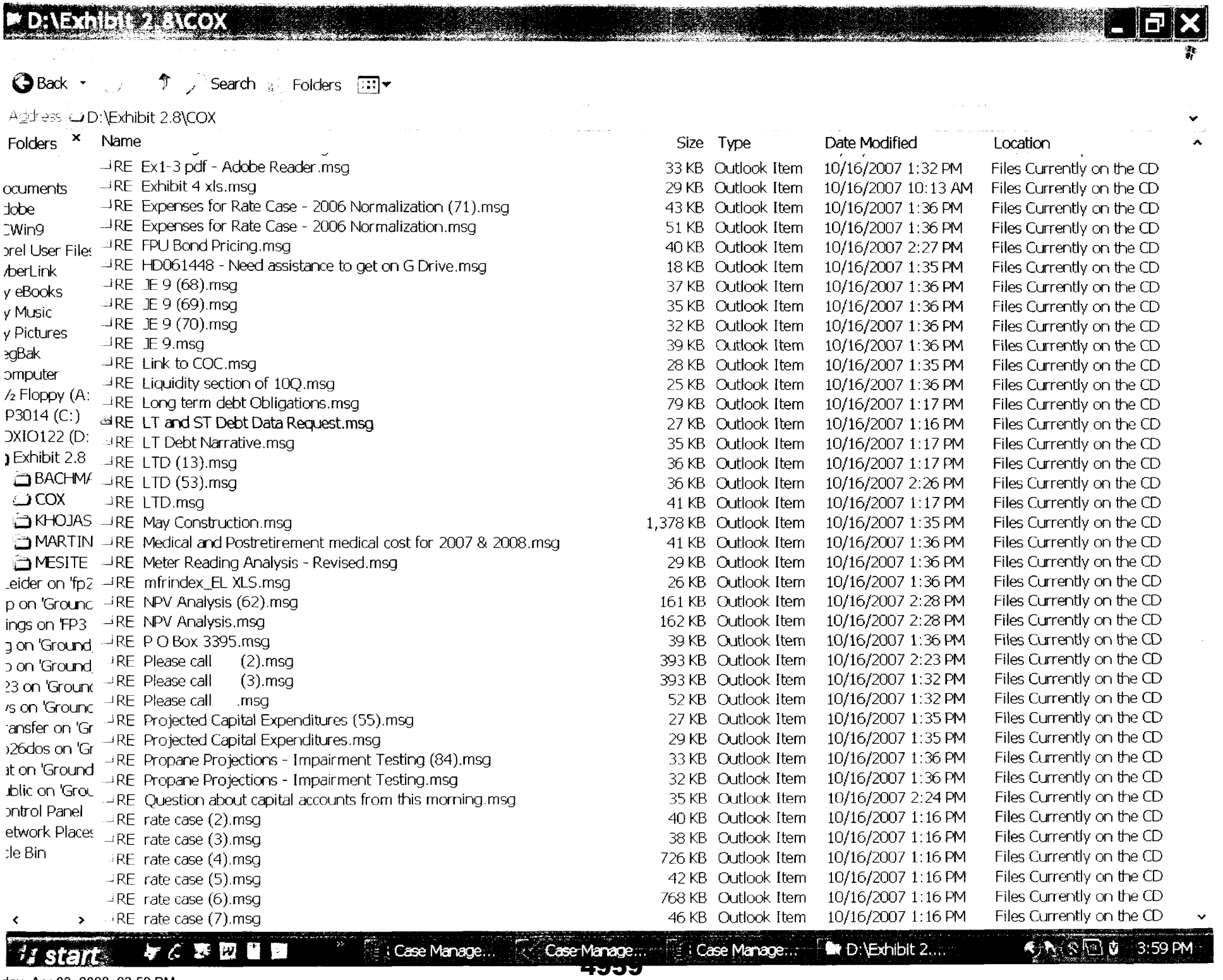
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To ensure compliance with Treasury Department regulations, we wish to inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose 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.

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Thursday, Apr 03, 2008 03:59 PM

Clara Leider

From: Bachman George
Sent: Wednesday, May 23, 2007 1:24 PM
To: Cox Doreen
Subject: RE: LT and ST Debt Data Request

Doreen,

For our 5 year cash forecast, our environmental expenditure estimate is now $15 - $18MM. Being spent starting in 2009, with most spent in 2010, and the remaining in 2011. He said over 24 months, so I'd divided by 24 and put the last 6 months in '09, 12 months in '10, and the rest in '11.

Thanks!

George Bachman
Chief Financial Officer, Secretary and Treasurer
Florida Public Utilities Company
561.838.1731

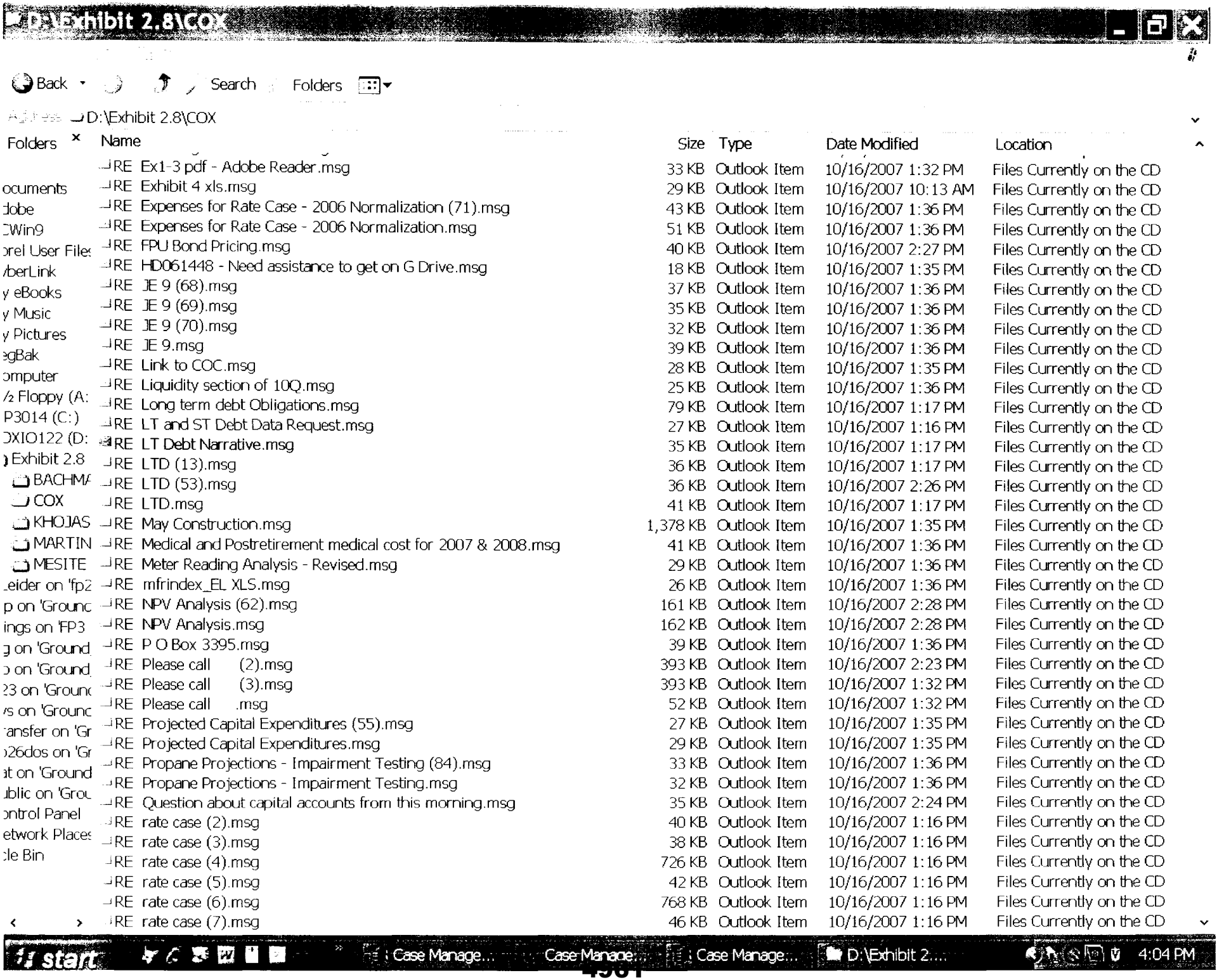
From: Cox Doreen
Sent: Wednesday, May 23, 2007 10:21 AM
To: 'Robert Camfield'
Cc: Bachman George; Martin Cheryl
Subject: LT and ST Debt Data Request

Robert
In response to the data request regarding Long Term and Short Debt the following files are attached:-

1. **Long Term Debt** - details the 5 Mortgage Bonds totaling $52.5M. Detailed amortization schedules have also been provided for the $10M and $5.5M Bonds which both have sinking fund payments beginning in 2008. The summary page shows the Net amount after deducting Unamortized Debt Discount and Loss on Reacquired Debt to balance to the Cost of Capital Component Worksheets, which is consistent with the methodology used in our Surveillance Reports to the FPSC.

2. **Short Term Debt** – I have provided a copy of the Renewed Revolving Promissory Note and Restated Loan Agreement with Bank of America which became effective on August 25, 2006. Please note that the Line of Credit availability is now at $12M with the option to have step increases to $15M or $20M with 30 days notice to BOA. The balances, both actual and projected, will be provided on the Cost of Capital Component worksheet.

Please let me know if this satisfies the documentation requested for LT and ST Debt.
Regards
Doreen
(561) 838-1797



Thursday, Apr 03, 2008 04:04 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, February 12, 2007 2:35 PM
To: Cox Doreen
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: RE: LT Debt Narrative

Go ahead and update :}

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 2:32 PM
To: Martin Cheryl
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: RE: LT Debt Narrative

I'm talking about the narrative – the first section under the table that refers to principal – should we also mention interest as the table now includes the interest obligation?

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 2:30 PM
To: Cox Doreen
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: RE: LT Debt Narrative

I know, but we show it separately, not sure what you are talking about. We had to add it as a line item.

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 2:30 PM
To: Martin Cheryl
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: RE: LT Debt Narrative

Yes, 2005 was the first year that we had interest as a line item.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, February 12, 2007 2:28 PM
To: Cox Doreen
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: RE: LT Debt Narrative

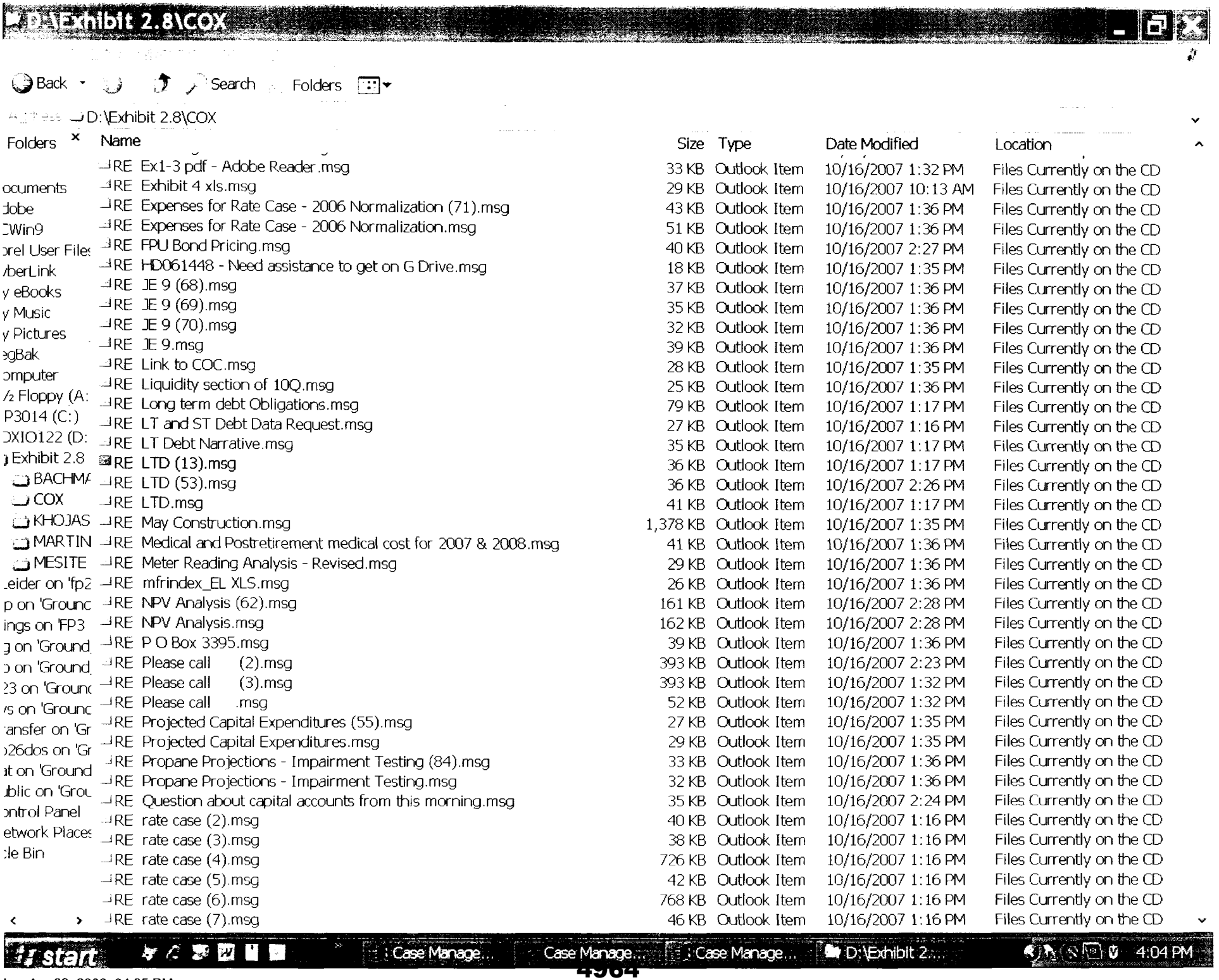
We had interest last year as a line items?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, February 12, 2007 2:24 PM
To: Martin Cheryl
Cc: Hoyt Brian; Khojasteh Mehrdad
Subject: LT Debt Narrative

Under contractual obligations before last year we only showed principal in the summary, now that we have added interest to the schedule should we update the narrative under LT Debt to reflect this? (Page 30)



Thursday, Apr 03, 2008 04:05 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, March 12, 2007 8:19 AM
To: Cox Doreen
Subject: RE: LTD

So this would be the correct one?

Annual Maturities of Long-Term Debt
(Dollars in thousands)

	Total	2007	2008	2009	2010	2011	Thereafter
Long-term Debt	$51,500	-	$1,409	$1,409	$1,409	$1,409	$ 45,864

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, March 12, 2007 8:10 AM
To: Martin Cheryl
Subject: RE: LTD

Off the bat that doesn't look right – it's $1409 that becomes due annually.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, March 12, 2007 8:08 AM
To: Cox Doreen
Subject: LTD

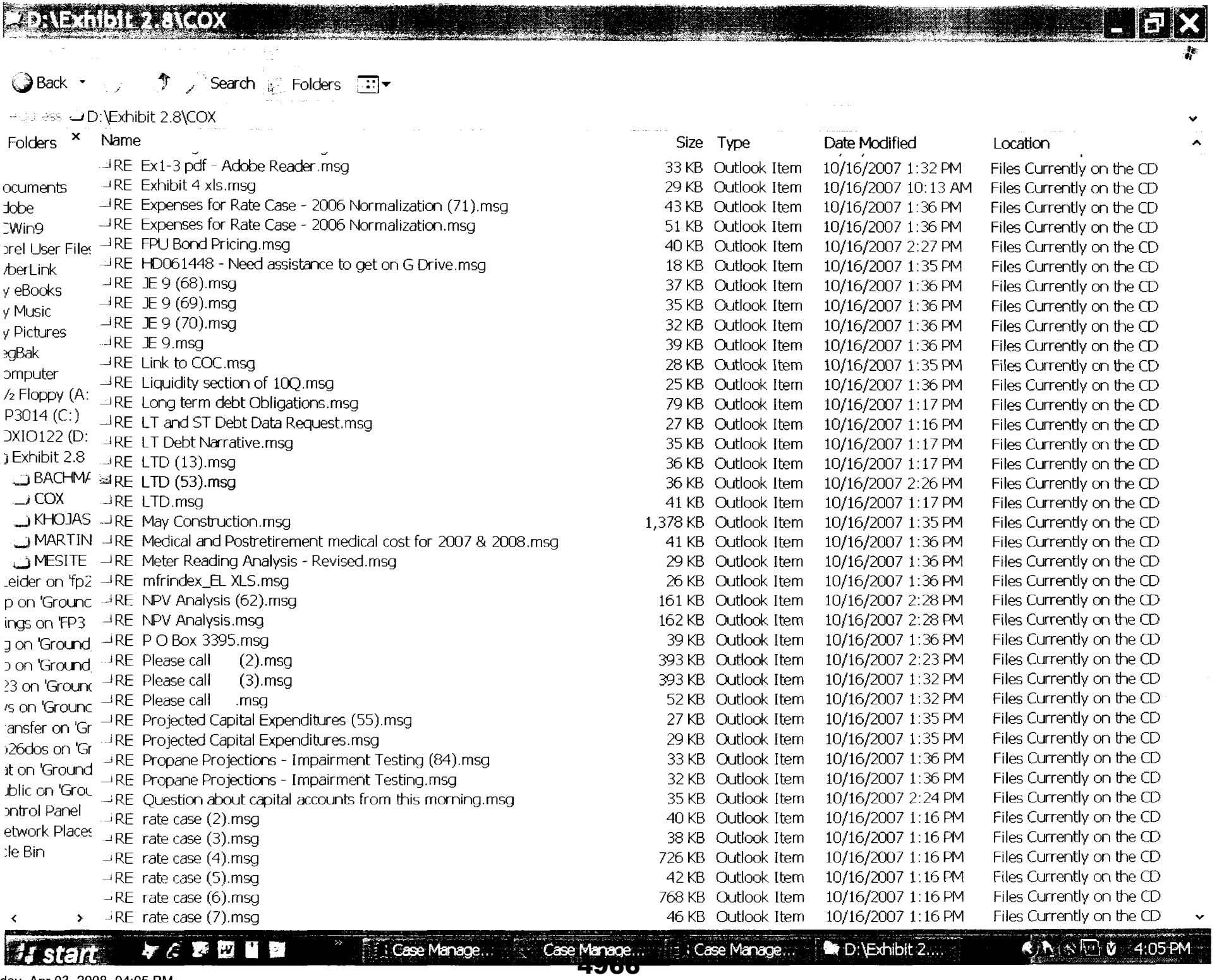
BDO updated the table as follows. Please make sure amounts are correct. Page 57 10K. Excludes amortization.

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



Thursday, Apr 03, 2008 04:05 PM

Clara Leider

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	Total	2007	2008	2009	2010	2011	Thereafter
Long-term Debt	$51,500	-	$1,409	$1,409	$1,409	$1,409	$ 45,864

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

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-----Original Message-----
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To: Cox Doreen
Subject: LTD

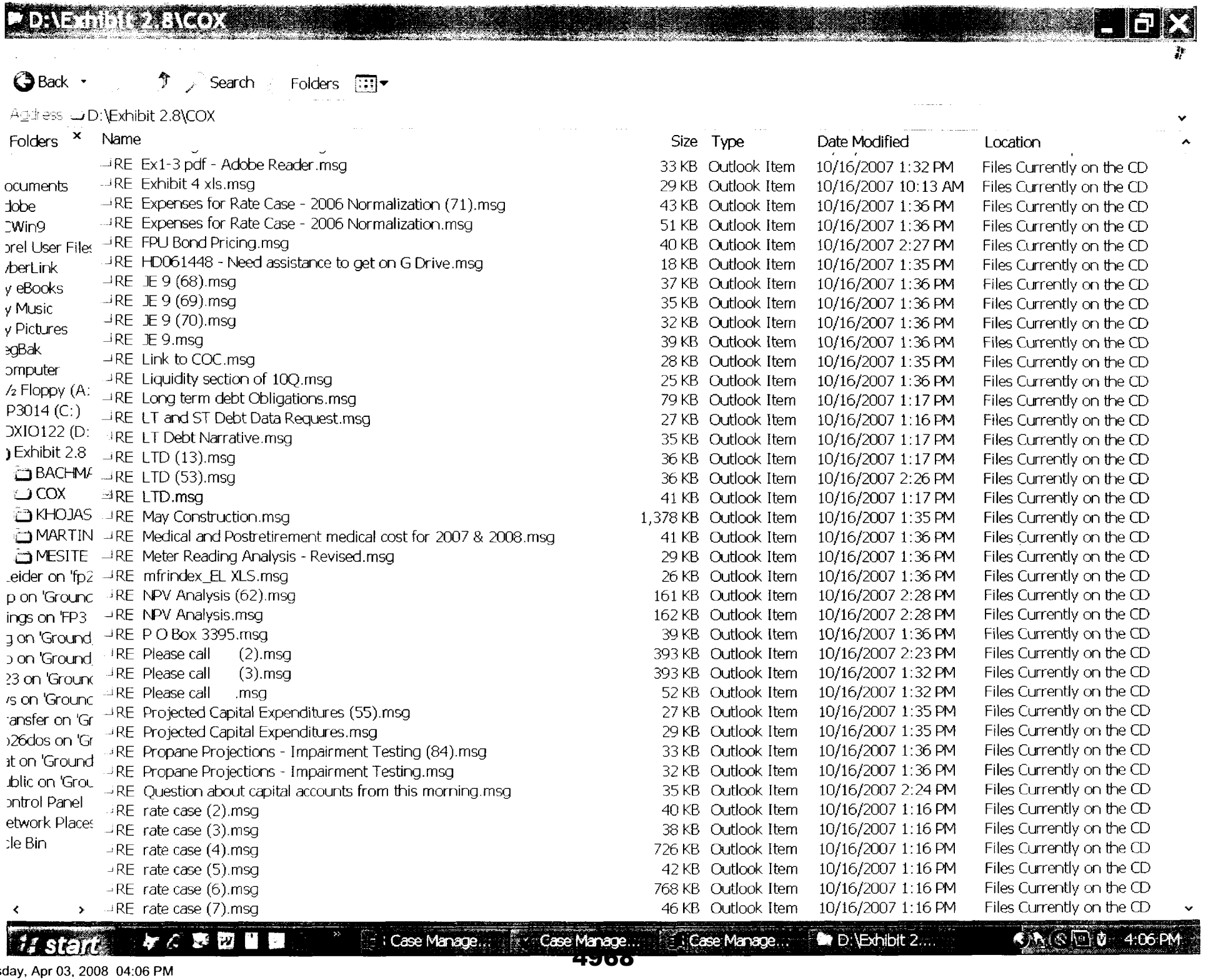
BDO updated the table as follows. Please make sure amounts are correct. Page 57 10K. Excludes amortization.

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



Thursday, Apr 03, 2008 04:06 PM

Clara Leider

From: Martin Cheryl
Sent: Monday, March 12, 2007 8:50 AM
To: Cox Doreen
Subject: RE: LTD

They want this to only be LTD

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, March 12, 2007 8:33 AM
To: Martin Cheryl
Subject: RE: LTD

No, as we have to adjust for the Unamortized Debt Discount – I'll review Brian's back-up and let you know.

-----Original Message-----
From: Martin Cheryl
Sent: Monday, March 12, 2007 8:19 AM
To: Cox Doreen
Subject: RE: LTD

So this would be the correct one?

Annual Maturities of Long-Term Debt
(Dollars in thousands)

	Total	2007	2008	2009	2010	2011	Thereafter
Long-term Debt	$51,500	-	$1,409	$1,409	$1,409	$1,409	$ 45,864

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Monday, March 12, 2007 8:10 AM
To: Martin Cheryl
Subject: RE: LTD

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


D:\Exhibit 2.8\COX
Back
Search
Folders
Address D:\Exhibit 2.8\COX
Folders
Name
Size
Type
Date Modified
Location
RE Ex1-3 pdf - Adobe Reader.msg 33 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Exhibit 4 xls.msg 29 KB Outlook Item 10/16/2007 10:13 AM Files Currently on the CD
RE Expenses for Rate Case - 2006 Normalization (71).msg 43 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Expenses for Rate Case - 2006 Normalization.msg 51 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE FPU Bond Pricing.msg 40 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
RE HD061448 - Need assistance to get on G Drive.msg 18 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE JE 9 (68).msg 37 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9 (69).msg 35 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9 (70).msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE JE 9.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Link to COC.msg 28 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Liquidity section of 10Q.msg 25 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Long term debt Obligations.msg 79 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LT and ST Debt Data Request.msg 27 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE LT Debt Narrative.msg 35 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (13).msg 36 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE LTD (53).msg 36 KB Outlook Item 10/16/2007 2:26 PM Files Currently on the CD
RE LTD.msg 41 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE mfrindex_EL XLS.msg 26 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE NPV Analysis (62).msg 161 KB Outlook Item 10/16/2007 2:28 PM Files Currently on the CD
RE NPV Analysis.msg 162 KB Outlook Item 10/16/2007 2:28 PM Files Currently on the CD
RE P O Box 3395.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Please call (2).msg 393 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
RE Please call (3).msg 393 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Please call .msg 52 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Projected Capital Expenditures (55).msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Projected Capital Expenditures.msg 29 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Propane Projections - Impairment Testing (84).msg 33 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Propane Projections - Impairment Testing.msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Question about capital accounts from this morning.msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE rate case (2).msg 40 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (3).msg 38 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (4).msg 726 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (5).msg 42 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (6).msg 768 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (7).msg 46 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
start
Case Manage...
Case Manage...
Case Manage...
D:\Exhibit 2....
4:06 PM

Clara Leider

From: Grimeson Bill
Sent: Friday, June 22, 2007 11:42 AM
To: Cox Doreen
Subject: RE: May Construction
Categories: Cash Flow / Projections
Attachments: MAY07CON.XLS

Doreen,

Please find attached financials for May.

Bill

From: Cox Doreen
Sent: Friday, June 22, 2007 11:26 AM
To: Grimeson Bill
Subject: RE: May Construction

Bill
Have we caught up yet?

From: Grimeson Bill
Sent: Tuesday, June 19, 2007 5:27 PM
To: Cox Doreen
Subject: RE: May Construction

It will be a few days. Meetings are putting me behind.

From: Cox Doreen
Sent: Tuesday, June 19, 2007 4:55 PM
To: Grimeson Bill
Subject: May Construction

Bill
Please let me know when the May Construction Sheets are on the P:Drive.
Thanks
Doreen

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

ELECTRIC PLANT - NORTHWEST

MAY 2007

Prepared By:
Approved By:

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Overhead Conductors & Devices	356				
DISTRIBUTION PLANT					
Land	360				
Station Equipment	362				
Storage Battery Equip.	363				
Poles Towers and Fixtures	364		114,730	383,400	30%
Overhead Conductors and Devices	365		87,713	247,900	35%
Underground Conduit	366		6,272	3,600	174%
Underground Conductors & Devices	367		64,218	65,100	99%
Line Transformers	368		175,983	239,300	74%
Services	369		72,766	172,800	42%
Meters	370		4,763	87,200	5%
Installations on Customers' Premises	371		49,332	79,200	62%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems	373		8,385	14,400	58%
GENERAL PLANT					
Structures and Improvements	390			2,100	0%
Office Furniture and Equipment	391		13,841		NO BUDGET
Transportation Equipment-Cars	392			237,500	0%
Stores Equipment	393				
Tools, Shop and Garage Equipment- Fixed Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL CONSTRUCTION		**0**	**598,003**	**1,532,500**	**39%**

Elect - Mari
pg. 1 of 3

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
MAY 2007

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Overhead Conductors & Devices	356				
DISTRIBUTION PLANT					
Station Equipment	362				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	20,799	65,926	86,300	76%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647	4,456	17,797	55,200	32%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648	6,170	23,925	60,000	40%
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656	14,907	47,270	60,000	79%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657	4,197	17,766	50,400	35%
O/H Conduct. & Dev. - Decayed Pole Replacement	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	316	2,051	3,600	57%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	2,795	22,379	21,600	104%
Line Transformers - Overhead	3681	6,933	90,186	166,400	54%
Line Transformers - Duct	3682				
Line Transformers - Buried	3683	32,443	85,797	72,900	118%
Overhead Services	3691	7,104	28,075	85,200	33%
Underground Services - Duct	3692				
Underground Services - Buried	3693	10,740	44,691	87,600	51%
Meters	370		4,763	87,200	5%
Installations on Customers' Premises - Aboveground	3711	9,547	35,635	75,600	47%
Installations on Customers' Premises - Underground	3713		1,453	3,600	40%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731	610	8,385	14,400	58%
Street Lighting and Signal Systems - Underground	3733				
GENERAL PLANT					
Structures and Improvements	390			2,100	0%
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913		3,856		NO BUDGET
EDP Equipment-Software	391305		3,370		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922				
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools/Shop/Garage Equipment - Fixed Equipment	3941				
Tools/Shop/Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**121,017**	**503,325**	**932,100**	**54%**

3

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3601				
Station Equipment	362				
Storage Battery Equip.	363				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646		7,082	44,500	16%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647			137,400	0%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648				
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656		5,431	32,500	17%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657	17,146	17,246	105,000	16%
O/H Conduct. & Dev. - Decayed Pole Replacement	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662		4,221		NO BUDGET
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	876	41,839	43,500	96%
Line Transformers - Overhead	3681				
Line Transformers - Duct	3682				
Line Transformers - Buried	3683				
Overhead Services	3691				
Underground Services - Duct	3692				
Underground Services - Buried	3693	(733)	0		
Meters	370				
Installations on Customers' Premises - Aboveground	3711				
Installations on Customers' Premises - Underground	3713	(143)	12,244		NO BUDGET
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731				
Street Lighting and Signal Systems - Underground	3733				
GENERAL PLANT					
Structures and Improvements	390				
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913	(6,342)	273		NO BUDGET
EDP Equipment-Software	391305	6,342	6,342		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922			40,500	0%
Transportation Equipment - Heavy Trucks	3923			197,000	0%
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools/Shop/Garage Equipment - Fixed Equipment	3941				
Tools/Shop/Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Laboratory Equipment - Meter Testing Equipment	3858				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL SPECIFIC I.R. CONSTRUCTION		**17,146**	**94,678**	**600,400**	**16%**

3 of 3

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHWEST
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH.	I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
11/03	#	21247	Scada Equip. for Altha Substation-C	362			103,908		
				3913	(6,342)	(6,342)	8,842		
				391305	6,342	6,342	70,376		
			TOTAL FOR THIS I.R.NUMBER		0	0	183,126		148,500
02/04	#	21298	Purchase Scada Equip-C	362			354,182	YR 2004	
				363			0		
			TOTAL FOR THIS I.R.NUMBER		0	0	354,182	200,000	310,616
05/05	O	21578	Pineview II Subdiv	3646		3,867	3,867		
				3656		1,779	1,779		
			TOTAL FOR THIS I.R.NUMBER		0	5,646	5,646		7,375
05/05	#	21579	John Hamilton-Y	3646		(3,867)	0		
				3656		(1,779)	0		
				3662			732		
				3672			6,476		
			TOTAL FOR THIS I.R.NUMBER		0	(5,646)	7,208		3,985
02/06	#	21794	Greefield Sub Phase II-C	3646		1,261	1,261		
				3656		1,180	1,180		
				3662		2,663	2,663		
				3672	143	17,963	17,963		
				3713	(143)	0	0		
			TOTAL FOR THIS I.R.NUMBER		0	23,047	23,047		23,629
02/06	O	21846	Hidden Village Subdiv	3646					
				3656					
				3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		38,235
08/06	O	21878	Meter Reading Equip	3913					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		15,000
07/06	O	21893	Chestnut Lane	3646					
				3656					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,604
09/06	#	21925	Comfort/Fairfield Inns-C	3646		4,779	7,154		
				3656		4,271	4,271		
				3662		553	553		
				3672	733	8,961	8,828		
				3693	(733)	0	0		
			TOTAL FOR THIS I.R.NUMBER		0	18,564	18,806		3,456
11/06	#	21946	Cypress Trail Subdiv-C	3646		1,042	1,042		
				3657		100	100		
				3662		1,005	1,005		
				3672		14,915	12,924		
			TOTAL FOR THIS I.R.NUMBER		0	17,062	15,071		12,876
12/06	#	21972	Printer-C	3913		6,615	6,615		
			TOTAL FOR THIS I.R.NUMBER		0	6,615	6,615		6,900
01/07	O	21983	Derrick Truck	3923				YR 2007	
			TOTAL FOR THIS I.R.NUMBER		0	0	0	197,000	170,000
01/07	O	21984	Pickup Truck	3922				YR 2007	
			TOTAL FOR THIS I.R.NUMBER		0	0	0	17,000	17,000
01/07	O	21985	Pickup Truck	3922				YR 2007	
			TOTAL FOR THIS I.R.NUMBER		0	0	0	23,500	23,500
01/07	#	21994	Greenfield Phase 2-C	3713		12,244	12,244		
			TOTAL FOR THIS I.R.NUMBER		0	12,244	12,244		12,297
01/07	O	21995	Three Phase OCR for College	3657	17,146	17,146	17,146	YR 2007	
			TOTAL FOR THIS I.R.NUMBER		17,146	17,146	17,146	25,000	25,000
02/07	O	22025	Eagles Landing Subdiv	3646					
				3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,444
04/07	O	22043	Old Castle Concrete	3646					
				3656					
				3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,444
04/07	O	22089	Prison Feeder	3646					
				3656					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		6,444
			TOTAL CHARGES FOR SPECIFIC I.R.s		17,146	94,678	643,091	462,500	844,285

TOTAL OF ALL OPEN REQUISITIONS ("O")	22,792
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	607,445

Elec. Mari Track

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Land	350				
Structures & Improvements	352				
Station Equipment	353		12,221		NO BUDGET
Towers & Fixtures	354				
Poles & Fixtures	355				
Overhead Conductors & Devices	356				
Roads & Trails	359				
DISTRIBUTION PLANT					
Land	360				
Structures & Improvements	361				
Station Equipment	362	24,079	72,041	15,000	480%
Storage Batteries	363				
Poles Towers and Fixtures	364	5,232	22,113	163,800	14%
Overhead Conductors and Devices	365	5,101	25,828	140,800	18%
Underground Conduit	366	25,356	125,077	95,600	131%
Underground Conductors & Devices	367	16,718	137,118	400,800	34%
Line Transformers	368	30,172	235,017	300,000	78%
Services	369	17,846	77,552	218,000	36%
Meters	370	1,547	47,904	110,400	43%
Installations on Customers' Premises	371	2,898	36,551	39,600	92%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems	373	2,388	11,801	24,000	49%
GENERAL PLANT					
Structures and Improvements	390		(73)		NO BUDGET
Office Furniture and Equipment	391	23,250	134,558	190,000	71%
Transportation Equipment-Cars	392		638	170,000	0%
Stores Equipment	393		43,656		NO BUDGET
Tools, Shop and Garage Equipment- Fixed Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL CONSTRUCTION		**154,587**	**982,090**	**1,868,000**	**53%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
MAY 2007

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Land	350				
Structures & Improvements	352				
Station Equipment	353				
Towers & Fixtures	354				
Poles & Fixtures	355				
Overhead Conductors & Devices	356				
Roads & Trails	359				
DISTRIBUTION PLANT					
Structures & Improvements	361				
Station Equipment	362				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	1,225	1,639	16,800	10%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647	1,182	9,252	52,800	18%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648	2,218	7,737	49,200	16%
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656	3,382	5,099	19,200	27%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657	1,563	13,946	63,600	22%
O/H Conduct. & Dev. - Upgrades	3658	157	4,434	18,000	25%
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	2,477	8,090	15,600	52%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	8,112	23,908	52,800	45%
Line Transformers - Overhead	3681	25,674	63,186	50,000	126%
Line Transformers - Duct	3682				
Line Transformers - Buried	3683	4,498	171,831	250,000	69%
Overhead Services	3691	4,627	13,898	50,000	28%
Underground Services - Duct	3692				
Underground Services - Buried	3693	13,219	63,655	168,000	38%
Meters	370	1,547	47,994	110,400	43%
Installations on Customers' Premises - Aboveground	3711	2,337	13,638	24,000	57%
Installations on Customers' Premises - Underground	3713	636	4,520	15,600	29%
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731	2,388	9,810	13,200	74%
Street Lighting and Signal Systems - Underground	3733		1,991	10,800	18%
GENERAL PLANT					
Structures and Improvements	390		(73)		NO BUDGET
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913				
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922				
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931				
Stores Equipment - Portable Equipment	3932				
Tools, Shop and Garage Equipment - Fixed Equipment	3941				
Tools, Shop and Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**75,242**	**464,555**	**980,000**	**47%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
TRANSMISSION PLANT					
Structures & Improvements	352				
Station Equipment	353		12,221		NO BUDGET
Towers & Fixtures	354				
Poles & Fixtures	355				
Overhead Conductors & Devices	356				
Roads & Trails	359				
DISTRIBUTION PLANT					
Land	360				
Structures & Improvements	361				
Station Equipment	362	24,079	72,041	15,000	480%
Storage Batteries	363				
Poles/Towers/Fixtures	364				
Poles/Towers/Fixtures - Line Extension - Rev. Producing	3646	607	1,078	30,000	4%
Poles/Towers/Fixtures - Line Extension - Upgrades	3647		2,407	15,000	16%
Poles/Towers/Fixtures - Decayed Pole Replacement	3648				
O/H Conduct. & Dev.	365				
O/H Conduct. & Dev. - Line Extension - Rev. Producing	3656		518	30,000	2%
O/H Conduct. & Dev. - Line Extension - Upgrades	3657		1,828	10,000	18%
O/H Conduct. & Dev. - Upgrades	3658				
Underground Conduit - Duct	3661				
Underground Conduit - Buried	3662	22,878	116,987	80,000	146%
Underground Conductors & Devices - Duct	3671				
Underground Conductors & Devices - Buried	3672	8,606	113,210	348,000	33%
Line Transformers - Overhead	3681				
Line Transformers - Duct	3682				
Line Transformers - Buried	3683				
Overhead Services	3691				
Underground Services - Duct	3692				
Underground Services - Buried	3693		0		
Meters	370		0		
installations on Customers' Premises - Aboveground	3711				
Installations on Customers' Premises - Underground	3713	(75)	18,394		NO BUDGET
Lease Property - Customer Premises	372				
Street Lighting and Signal Systems - Aboveground	3731				
Street Lighting and Signal Systems - Underground	3733				
GENERAL PLANT					
Structures and Improvements	390				
Office Furniture and Equipment	3911				
Office Machines	3912				
EDP Equipment	3913		7,680	190,000	4%
EDP Equipment-Software	391305	23,250	126,877		
Transportation Equipment - Cars	3921			20,000	0%
Transportation Equipment - Light Trucks & Vans	3922				
Transportation Equipment - Heavy Trucks	3923		638	150,000	0%
Transportation Equipment - Trailers	3924				
Stores Equipment - Handling Equipment	3931		43,656		NO BUDGET
Stores Equipment - Portable Equipment	3932				
Tools, Shop and Garage Equipment - Fixed Equipment	3941				
Tools, Shop and Garage Equipment - Portable Equipment	3942				
Laboratory Equipment - Fixed Equipment	3951				
Laboratory Equipment - Portable Equipment	3952				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL SPECIFIC I.R. CONSTRUCTION		**79,345**	**517,535**	**888,000**	**58%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
03/04	#	21309	Ocean Breeze-Y	355					
				3646			14,054		
				3662		606	3,893		
				3672		606	53,795		
			TOTAL FOR THIS I.R.NUMBER		0	1,212	71,742	0	70,530
12/04	#	21478	Tennis Villas-Y	3662		1,158	1,431		
				3672			6,589		
			TOTAL FOR THIS I.R.NUMBER		0	1,158	8,020	0	9,999
04/05	#	21575	Preserve Ph I -Y	3713	(75)	10,856	43,518		
			TOTAL FOR THIS I.R.NUMBER		(75)	10,856	43,518	0	45,207
05/05	#	21585	Roof for General Office-Y	390			16,440		
				370		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	0	16,440	0	16,000
05/05	#	21591	Amelia Park Ph 1-Y	3713		(8,404)	45,326		
			TOTAL FOR THIS I.R.NUMBER		0	(8,404)	45,326	0	43,659
08/05	#	21648	Spyglass II-C	3662		8,225	11,500		
				3672		715	18,729		
			TOTAL FOR THIS I.R.NUMBER		0	8,940	30,229	0	30,229
10/05	O	21700	Cape Sound Outdoor Lights	3713		15,499	15,979		
				3672		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	15,499	15,979	0	31,366
10/05	O	21702	Cape Sound	3662		7,388	13,153		
				3672		(5,997)	19,594		
				3713		0	0		
			TOTAL FOR THIS I.R.NUMBER		0	1,391	32,747	0	32,260
11/05	#	21719	Sadler Crossing-C	3662					
				3672			7,686		
			TOTAL FOR THIS I.R.NUMBER		0	0	7,686	0	5,707
02/06	#	21763	Dunes Club-Bldg 4-C	3662		5,295	5,716		
				3672		11,512	12,074		
			TOTAL FOR THIS I.R.NUMBER		0	16,807	17,790	0	16,798
02/06	O	21768	Summer Woods Condos	3662		26,787	49,024		
				3693		0	0		
				3672		78,927	87,487		
			TOTAL FOR THIS I.R.NUMBER		0	105,714	136,511	0	167,783
02/06	#	21770	Amelia Woods-Cable-C	3662		245	67,002		
				362		(245)	0		
				3672			41,722		
			TOTAL FOR THIS I.R.NUMBER		0	0	108,724	0	76,292
03/06	#	21799	Tennis Center-Y	3662		(1,128)	494		
				3672		494	3,159		
			TOTAL FOR THIS I.R.NUMBER		0	(634)	3,653	0	2,434
05/06	#	21840	Manucy Pointe -Y	3662		714	3,090		
				3672		714	854		
			TOTAL FOR THIS I.R.NUMBER		0	1,428	3,944	0	3,944
05/06	#	21847	Derrick Truck-Y	3923		638	199,914		
			TOTAL FOR THIS I.R.NUMBER		0	638	199,914	0	201,110
05/06	#	21852	2680 Mystic Lane-Y	360			5,431		
				3662			2,226		
				3672		94	1,405		
			TOTAL FOR THIS I.R.NUMBER		0	94	9,062	0	8,789
05/06	O	21858	Landings on Amelia River	3662		2,714	13,878		
				3672		12,895	14,030		
			TOTAL FOR THIS I.R.NUMBER		0	15,609	27,908	0	26,393
05/06	#	21861	South Fletcher Ave -Y	3662		69	1,007		
				3672			1,349		
			TOTAL FOR THIS I.R.NUMBER		0	69	2,356	0	1,398
06/06	#	21876	The Chauney Property-Canc	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	3,114
06/06	#	21877	T-Mobile-C	3662			2,735		
				3672			2,356		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,091	0	3,255
08/06	O	21901	Summer Woods	3662			122		
				3713		250	1,240		
			TOTAL FOR THIS I.R.NUMBER		0	250	1,362	0	14,346
08/06	O	21912	Roof for Swithgear at AIP Substation	362	24,079	71,407	71,407		
			TOTAL FOR THIS I.R.NUMBER		24,079	71,407	71,407	0	73,300
08/06	#	21916	Tropical Storm Ernesto-Canc	3646					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	5,000
08/06	#	21918	Engr for Purch. of 40 MVA Transf -Canc.	362		(8,000)	0		
			TOTAL FOR THIS I.R.NUMBER		0	(8,000)	0	0	9,500
09/06	O	21922	Purchase Transformer for AIP Substation	362		8,879	9,629		
			TOTAL FOR THIS I.R.NUMBER		0	8,879	9,629	0	766,364
11/06	O	21944	The Enclave	3662		27,893	27,982		
				3672	(36)	23,967	24,883		
			TOTAL FOR THIS I.R.NUMBER		(36)	51,860	52,865	0	50,746
11/06	#	21948	JL Terry BKR 202-C	353			5,700		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,700	0	9,300
11/06	#	21949	Differential Relay Settings-C	353			5,700		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,700	0	9,300

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS
ELECTRIC PLANT - NORTHEAST
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
11/06	O	21959	Parkview II	3662		13,674	14,887		
				3672		7,113	7,610		
			TOTAL FOR THIS I.R.NUMBER		0	20,787	22,497	0	32,544
01/07	O	21976	Highland Dunes	3662	3,150	20,717	20,717		
				3672	5,179	6,967	6,967		
				3693		0	0		
			TOTAL FOR THIS I.R.NUMBER		8,329	27,684	27,684	0	33,822
12/06	O	21977	GIS-Mapping	391305	23,250	126,877	126,878		
				3913		7,681	7,680		
			TOTAL FOR THIS I.R.NUMBER		23,250	134,558	134,558	0	190,000
12/06	O	21981	Lift Truck	3931					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	8,550
01/07	O	21982	Vehicle for Safety Coordinator	3922					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	20,000
12/06	O	21987	Mastercraft Forklift	3931		43,656	43,656		
			TOTAL FOR THIS I.R.NUMBER		0	43,656	43,656	0	46,670
12/06	O	21996	Egans Creek Marina	3662		2,945	2,945		
				3672		(599)	(599)		
				3647		2,407	2,407		
				3657		1,828	1,828		
			TOTAL FOR THIS I.R.NUMBER		0	6,581	6,581	0	4,074
02/07	O	21997	Highland Dunes Subdivision	3662		306	306		
				3713		193	193		
			TOTAL FOR THIS I.R.NUMBER		0	499	499	0	6,013
01/07	O	21999	Enclave	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	5,479
03/07	O	22021	Purchase Interruptor and Bushing	353		12,221	12,221		
			TOTAL FOR THIS I.R.NUMBER		0	12,221	12,221	0	15,000
02/07	O	22027	Canopy Lane	3662		1,163	1,163		
				3672		334	334		
			TOTAL FOR THIS I.R.NUMBER		0	1,497	1,497	0	17,603
03/07	O	22029	Ocean Cove Duplex S/D	3662		1,364	1,364		
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	1,364	1,364	0	7,581
03/07	O	22030	Surf Condos Unit 1	3646	607	1,079	1,079		
				3656		518	518		
				3662	413	1,917	1,917		
				3672	3,290	1,140	1,140		
			TOTAL FOR THIS I.R.NUMBER		4,310	4,654	4,654	0	5,316
03/07	O	22034	Amelia Park-Coastal	3662	19,315	(5,066)	(5,066)		
				3672	173	(25,673)	(25,673)		
			TOTAL FOR THIS I.R.NUMBER		19,488	(30,739)	(30,739)	0	24,053
05/07	O	22068	Lift Truck	3923					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	158,700
05/07	O	22071	Amelia Clubhouse	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	8,860
05/07	O	22072	Sell Bldg	3662					
				3672					
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	2,754
			TOTAL CHARGES FOR I.R.s		79,345	517,535	1,157,775	0	2,321,142

TOTAL OF ALL OPEN REQUISITIONS ("O")	572,880
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	187,337

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3741				
Structures and Improvements	375				
Mains	376	154,368	1,167,645	1,340,200	87%
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379			10,000	0%
Services	380	115,172	512,376	704,500	73%
Meters	381	96,933	102,437	1,160,000	9%
Meter Installations	382	89,611	143,964	108,000	133%
House Regulators	383	573	79,578	120,000	66%
House Regulator Installations	384	1,963	10,399	54,000	19%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	935	5,205		NO BUDGET
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390			3,500	0%
Office Furniture & Equipment	391	4,596	66,541	94,000	71%
Transportation Equipment	392	932	6,766	318,500	2%
Stores Equipment	393				
Tools, Shop and Garage Equipment	394	4,042	29,184	43,200	68%
Laboratory Equipment	395				
Power Operated Equipment	396			6,000	0%
Communication Equipment	397				
Miscellaneous Equipment	398	4,080	9,995	33,200	30%
TOTAL CONSTRUCTION		**473,205**	**2,134,090**	**3,995,100**	**53%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
MAY 2007

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Structures and Improvements	375				
Mains - Plastic - 1/2"	376105	0	0		
Mains - Plastic - 1 1/4"	376112	2,052	10,124		NO BUDGET
Mains - Plastic - 2"	376120	14,020	255,797	612,000	42%
Mains - Plastic - 3"	376130		0		
Mains - Plastic - 4"	376140	2,759	20,491		NO BUDGET
Mains - Plastic - 6"	376160	124	1,708		NO BUDGET
Sub-Total		18,955	288,120		
Mains - Other - 1/2"	376205	0	0		
Mains - Other - 3/4"	376207	0	0		
Mains - Other - 1"	376210	0	0		
Mains - Other - 1 1/4"	376212	0	0		
Mains - Other - 1 1/2"	376215	0	0		
Mains - Other - 2"	376220	69	(2,746)		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0		
Mains - Other - 3"	376230	0	0		
Mains - Other - 4"	376240	0	1,857		NO BUDGET
Mains - Other - 6"	376260	177	3,082	30,000	10%
Mains - Other - 8"	376280	0	1,475		NO BUDGET
Mains - Other - 10"	376288	0	0		
Mains - Other - 12"	376299	0	0		
Sub-Total		246	3,668		
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379			10,000	0%
Services-Plastic-1/2"	380105	398	7,421		NO BUDGET
Services-Plastic-3/4"	380107	56,802	347,236	499,500	70%
Services-Plastic-1"	380110	0	0		
Services-Plastic-1 1/4"	380112	10,224	81,276		NO BUDGET
Services-Plastic-1 1/2"	380115	0	0		
Services-Plastic-2"	380120	3,217	18,407		NO BUDGET
Services-Plastic-4"	380140	0	320		NO BUDGET
Sub-Total		70,641	454,660		
Services-Other -1/2"	380205	0	0		
Services-Other -3/4"	380207	0	0	12,000	0%
Services-Other -1"	380210	0	0		
Services-Other -1 1/4"	380212	0	0		
Services-Other -2"	380220	0	0		
	380260	0	0		
Sub-Total		0	0		
Meters	381	96,933	102,437	360,000	28%
Meter Installations	382	89,611	143,964	108,000	133%
House Regulators	383	573	79,578	120,000	66%
House Regulator Installations	384	1,963	10,399	54,000	19%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	935	5,205		NO BUDGET
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390			3,500	0%
Office Furniture	3911		3,158	7,000	45%
Office Machines	3912			3,000	0%
EDP Equipment	3913			3,000	0%
EDP Equipment-Software	391305				
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922	932	3,198		NO BUDGET
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools, Shop and Garage Equipment	394	4,042	4,324	43,200	10%
Laboratory Equipment	395				
Power Operated Equipment	396			6,000	0%
Communication Equipment	397				
Miscellaneous Equipment	398			7,200	0%
TOTAL NON-SPECIF I.R. CONSTRUCTION		**284,831**	**1,098,711**	**1,878,400**	58%

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land Rights	3741				
Structures and Improvements	375				
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	755	599		NO BUDGET
Mains - Plastic - 2"	376120	56,261	311,563	560,000	56%
Mains - Plastic - 3"	376130	0	0		
Mains - Plastic - 4"	376140	97,241	562,439		NO BUDGET
Mains - Plastic - 6"	376160	2,883	50,812		NO BUDGET
Sub-Total		157,140	925,413	560,000	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210		(16)	0	NO BUDGET
Mains - Other - 1 1/4"	376212	0	0	0	
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220	44	(1,709)		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0		
Mains - Other - 3"	376230	0	0		
Mains - Other - 4"	376240	886	7,189		NO BUDGET
Mains - Other - 6"	376260	(22,904)	(55,021)	138,200	-40%
Mains - Other - 8"	376280	0	0		
Mains - Other - 10"	376288	0	0		
Mains - Other - 14"	376298	0	0		
Mains - Other - 12"	376299	0	0		
Sub-Total		(21,972)	(49,557)	138,200	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378		0		
Measure/Regulator Equipment-City Gate Station	379				
Services-Plastic-1/2"	380105	0	0		
Services-Plastic-3/4"	380107	24,766	(1,600)	76,000	-2%
Services-Plastic-1 1/4"	380112	(1,299)	17,877	0	NO BUDGET
Services-Plastic-2"	380120	14,110	40,535	0	NO BUDGET
Services-Plastic-4"	380140	6,574	526	0	NO BUDGET
Sub-Total		44,151	57,338	76,000	
Services-Other -3/4"	380207	0	0	0	
Services-Other -2"	380220	0	0	117,000	
Services-Other -4"	380240	379	379		
Services-Other -6"	380260	0	0	0	
Sub-Total		379	379	117,000	
Meters	381		0	800,000	0%
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387				
GENERAL PLANT					
Land	389		0		
Land and Land Rights	3892				
Structures and Improvements	390				
Office Furniture	3911				
Office Machines	3912			29,000	0%
EDP Equipment	3913		24,308	52,000	47%
EDP Equipment-Software	391305	4,596	39,075		
Transportation Equipment - Cars	3921			20,000	0%
Transportation Equipment - Light Trucks & Vans	3922			153,500	0%
Transportation Equipment - Heavy Trucks	3923			145,000	0%
Transportation Equipment - Trailers	3924		3,568		NO BUDGET
Stores Equipment	393				
Tools, Shop and Garage Equipment	394		24,860		NO BUDGET
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398	4,080	9,995	26,000	38%
TOTAL SPECIFIC I.R. CONSTRUCTION		**188,374**	**1,035,379**	**2,116,700**	**49%**

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLORIDA

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
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DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
03/00	#	20348	AEP-CO#24076-Westward Expansion-Y	376120			(5,991)			
				376140			44,028			
				376220			951			
				376240			4,502			
				376260			301,401			
			TOTAL FOR THIS I.R.NUMBER		0	0	344,891		261,085	
04/03	#	20850	CO#31426-Juno Beach Main Ext.-Y	376120			(1,132)			
				376140	10,783	10,784	52,310			
				380107	8,458	8,458	32,647			
				380112	1,903	1,903	7,216			
			TOTAL FOR THIS I.R.NUMBER		21,144	21,145	91,043		148,083	
01/03	#	21036	CO#33813-Ocean Cove-Y	376120		218	8,559			
					0	218	8,559		11,870	
09/03	O	21201	CO#38610-Clint Moore Rd.	376260			335			335
			TOTAL FOR THIS I.R.NUMBER		0	0	335		40,715	
11/03	#	21241	CO#39390-Casa Bella Subdiv.-Y	376120		1,498	44,926			
				376140			64,316			
			TOTAL FOR THIS I.R.NUMBER		0	1,498	109,242		109,570	
03/04	O	21312	AEP-CO#40809-Mizner Falls Way	376120			89			89
			TOTAL FOR THIS I.R.NUMBER		0	0	89		3,615	
06/04	#	21343	AEP-CO#39594-Talavera Sub.-Y	376120			31,273			44,784
				376140			8,085			
				376160			0			
				376240			5,426			
			TOTAL FOR THIS I.R.NUMBER		0	0	44,784		39,663	
08/04	O	21400	Electrofusion Equip.	394						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	6,000	6,600	
08/04	O	21405	Hammerhead Mole	398						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21427	Powerline Rd. Broward to Glades	376260						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	20,000	20,000	
09/04	O	21428	Roebuck Rd. PB County Rd. Proj.	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21429	Lawrence Rd. Boyton to Gateway	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21430	Forest Hill at Haverhill	376140						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	5,000	5,000	
09/04	O	21433	SR 80 W. OF sr 7 TO w. OF Tpke	376260						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	10,000	10,000	
09/04	O	21435	AEP-CO#42192-Wellington Town Sq.	376120		5	5			
				376140		35,153	35,153			35,158
			TOTAL FOR THIS I.R.NUMBER		0	35,158	35,158		11,243	
11/04	O	21458	Purchase Scanner	3912						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	9,000	10,000	
08/04	O	21467	Scott Respirator Equipment	387						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0	17,000	6,500	
12/04	#	21487	SO#444932-The Watershed-Y	376120		115	3,935			
			TOTAL FOR THIS I.R.NUMBER		0	115	3,935		21,786	
12/04	#	21491	SO#449550-I-95 at PB Lakes Bl.-Y	376260		(61,000)	5,269			
			TOTAL FOR THIS I.R.NUMBER		0	(61,000)	5,269		0	
02/05	O	21512	SO#462625-The Oaks at Boca	376120			94,223			100,353
				376140			5,151			
				376240			611			
				380107			112			
				380120			256			
			TOTAL FOR THIS I.R.NUMBER		0	0	100,353		36,454	
02/05	#	21525	SO#465537-Inlet Harbor Marina-C	376120			213			41,991
				376140		3,832	12,393			
				376260			29,385			
				380107		(85)	0			
				380120		(399)	0			
				380140		(3,348)	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	41,991		32,410	
02/05	#	21530	SO#435005-Lantana Rd. to EEE School-C	376140		394	171,710			171,710
				380140		(394)	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	171,710		135,933	
03/05	#	21538	SO#471362-JC Michell Elem. School-C	376120		5,225	7,350			7,350
				376220		(5,001)	0			
				380120		(224)	0			
			TOTAL FOR THIS I.R.NUMBER		0	0	7,350		5,424	
03/05	#	21541	SO#475009-Palm Springs Plaza-C	376120			7,551			8,107
				380107			556			
			TOTAL FOR THIS I.R.NUMBER		0	0	8,107		5,884	
03/05	#	21544	SO#475497-6650 NE 7th Av -C	376120			8,165			8,165

WPB NG Track
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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open, I = In-Serv., # = Comp.

DATE AUTH		IR Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**8,165**		**6,590**	
06/05	#	21609	SO#508407-Whispering Winds-C	376120	(1,535)	12,222	13,172			13,172
			TOTAL FOR THIS I.R.NUMBER		**(1,535)**	**12,222**	**13,172**		**6,970**	
06/05	O	21610	SO#508036-J. Davis Middle School	376220		3,356	(3,098)			(2,806)
				376120			292			
			TOTAL FOR THIS I.R.NUMBER		**0**	**3,356**	**(2,806)**		**1**	
07/05	#	21630	Operator Qualifications Software-Canc.	391305		(2,460)	0			0
			TOTAL FOR THIS I.R.NUMBER		**0**	**(2,460)**	**0**		**6,400**	
07/05	#	21636	SO#502380-Frenchmans Creek Club-C	376120		(3,325)	0			3,376
				380107		(51)	0			
				380120		3,376	3,376			
			TOTAL FOR THIS I.R.NUMBER		0	0	**3,376**		**3,786**	
07/05	O	21640	Emergency Generator	390						0
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**		**15,554**	
06/05	#	21643	South Shore Blvd-Y	376120	106	893	6,942			
				376140		(88,322)	273			
			TOTAL FOR THIS I.R.NUMBER		**106**	**(87,629)**	**7,215**		**6,933**	
09/05	#	21682	SO#534480-The Place at Via Clematis-C	376140		225	552			552
				376120		(117)	0			
				376220		(108)	0			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**552**		**(705)**	
09/05	#	21690	SO#536660-One Park Place-C	376120	13	13	5,002			5,002
			TOTAL FOR THIS I.R.NUMBER		**13**	**13**	**5,002**		**5,340**	
09/05	#	21695	SO#536609-5335 Military-Y	380120	65	65	65			
				376120			20,386			
			TOTAL FOR THIS I.R.NUMBER		**65**	**65**	**20,451**		**3,295**	
09/05	O	21699	SO#496013-Cypress Key Town Center	376120			882			4,843
				376112			37			
				376140			3,924			
			TOTAL FOR THIS I.R.NUMBER		0	0	**4,843**		**95,822**	
11/05	#	21712	AM/FM System-Ph II - Y	3913			7,438			
				391305	4,596	41,535	184,108			
			TOTAL FOR THIS I.R.NUMBER		**4,596**	**41,535**	**191,546**		**135,024**	
12/05	O	21737	SO#561489-3425 S. Ocean Blvd.	376112						0
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**		**7,238**	
12/05	O	21739	SO#560387-1860 S. Ocean Blvd.	380120			(230)			594
				376120			824			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**594**		**(2,697)**	
02/06	O	21781	SO#587802-Sandy Oaks Subdiv.	376120			35,365			43,806
				376140			8,441			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**43,806**		**36,662**	
03/06	#	21790	SO#588643-303 35th Street-Y	376120			7,266			7,266
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**7,266**		**5,354**	
03/06	#	21797	SO#589695-Plastridge Agency-Y	376120			(376)			(376)
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**(376)**		**(1,041)**	
03/06	#	21800	SO#591787-450 NE 47th St.-Y	376120			2,974			2,974
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**2,974**		**3,119**	
10/05	#	21801	SO#539504-Woods Walk Plaza-Y	376120		0	0			173,747
				376140		1,689	150,339			
				376240			23,408			
			TOTAL FOR THIS I.R.NUMBER		0	**1,689**	**173,747**		**110,796**	
03/06	O	21802	SO#592407-Sunterra Subdiv.	376120			2,111			2,624
				376140			513			
			TOTAL FOR THIS I.R.NUMBER		0	0	**2,624**		**34,362**	
03/06	O	21808	SO#595695-Atlantica Subdiv.	376120			574			574
			TOTAL FOR THIS I.R.NUMBER		0	0	**574**		**3,615**	
03/06	O	21811	SO#589171-Feinrose Plaza	376120	761	812	1,635			38,795
				376140		21,324	37,160			
			TOTAL FOR THIS I.R.NUMBER		**761**	**22,136**	**38,795**		**25,780**	
04/06	#	21816	**SF Operations Center Property-Canceled**	389		0	0	Yr 2006		0
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**4,860,000**	**5,000,000**	
03/06	#	21817	SO#597075-Renaissance Commons Ph II-Y	376120			14,846			14,846
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**14,846**		**18,757**	
03/06	#	21820	3920 Hypoluxo Rd.-Y	376120		12	16,036			
			TOTAL FOR THIS I.R.NUMBER		**0**	**12**	**16,036**		**6,806**	
04/06	O	21827	SO#601198-The Atrium @ Broken Sound	376120	(89)	7,120	(12)			5,001
				376140		21,554	1,893			
				380120	76	5,963	3,120			
			TOTAL FOR THIS I.R.NUMBER		**(13)**	**34,637**	**5,001**		**(5,663)**	
04/06	O	21839	SO#596004-8440 S. Military Trail	376120			1,300			28,773
				376140	15,893	27,129	27,473			
			TOTAL FOR THIS I.R.NUMBER		**15,893**	**27,129**	**28,773**		**27,423**	

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLORIDA

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DATE AUTH		IR Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
05/06	#	21843	SO#596060-226 NE 1st Ave.-Y	376120			4,937			
				376140		87	87			
			TOTAL FOR THIS I.R.NUMBER		0	87	5,024		4,056	
05/06	#	21845	SO#610254-Azura Subdiv.-C	376120	36	26,983	40,722			100,616
				376140		50,507	59,894			
				376240		(335)	0			
				380120		(266)	0			
				380140		(2,621)	0			
			TOTAL FOR THIS I.R.NUMBER		36	74,248	100,616		55,377	
05/06	O	21853	CO#612803-Vista Lago	376120			95			239
				376140			144			
			TOTAL FOR THIS I.R.NUMBER		0	0	239		79,221	
05/06	O	21857	SO#614434-SR7 N. of Lanatana Rd.	376260			(11,564)			(11,564)
			TOTAL FOR THIS I.R.NUMBER		0	0	(11,564)		0	
05/06	O	21859	SO#614261-Boca Delray Laser Pathology	380120			29			29
			TOTAL FOR THIS I.R.NUMBER		0	0	29		0	
06/06	O	21860	Leak Detector	387						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		3,700	
06/06	#	21864	SO#617292-6900 Congress Ave.-Y	376120		38	4,566			4,566
			TOTAL FOR THIS I.R.NUMBER		0	38	4,566		2,626	
06/06	#	21865	SO#618458-4600 N. Ocean-C	380107		(521)	0			2,456
				376120		(38)	0			
				380112		1,682	2,456			
			TOTAL FOR THIS I.R.NUMBER		0	1,123	2,456		5,401	
06/06	O	21870	SO#622006-137 Bowsprit Dr.	376120			1,092			1,092
			TOTAL FOR THIS I.R.NUMBER		0	0	1,092		0	
06/06	#	21871	CO#621848-220 Sabal palm Ter.-Y	376120			1,763			1,763
			TOTAL FOR THIS I.R.NUMBER		0	0	1,763		6,905	
06/06	O	21872	CO#620460-The Villas	380120			(3,231)			(2,821)
				380107			410			
			TOTAL FOR THIS I.R.NUMBER		0	0	(2,821)		0	
06/06	#	21879	SO#625130-9005 Ibis Blvd.-Y	376120			8,318			
			TOTAL FOR THIS I.R.NUMBER		0	0	8,318		0	
06/06	#	21881	SO#622134-3370 Shadow Wood Drive-Y	376112			0			
				380112			281			
			TOTAL FOR THIS I.R.NUMBER		0	0	281		3,221	
07/06	#	21883	SO#621882-640 NW 15th Court-Y	376120			7,686			
			TOTAL FOR THIS I.R.NUMBER		0	0	7,686		7,761	
06/06	#	21884	SO#625907-1102 NW 6th Ave.-Y	376112			6,113			
				376120			0			
			TOTAL FOR THIS I.R.NUMBER		0	0	6,113		6,260	
06/06	#	21885	SO#622705-3800 N. Ocean Blvd.-Y	376120			39			
				380120		(72)	3,232			
			TOTAL FOR THIS I.R.NUMBER		0	(72)	3,271		3,988	
06/06	#	21886	SO#621037-7076 Mandarin Drive-Y	376120			3,036			
			TOTAL FOR THIS I.R.NUMBER		0	0	3,036		1	
07/06	#	21887	AEP-SO#629067-Equus Ph. 3-Y	376120			42,978			
			TOTAL FOR THIS I.R.NUMBER		0	0	42,978		42,825	
07/06	#	21895	SO#631090-455/475 NW 10th-Y	376120			15,736			
			TOTAL FOR THIS I.R.NUMBER		0	0	15,736		12,801	
07/06	#	21896	CO#622831-Boca Raton Bath & Tennis-C	376112		(155)	0			
				376120		4,413	40,727			
			TOTAL FOR THIS I.R.NUMBER		0	4,258	40,727		13,439	
07/06	#	21897	SO#630555-7150 Addison Reserve-C	376120		1,218	3,490			
				380112		541	541			
				380120		(1,000)	0			
			TOTAL FOR THIS I.R.NUMBER		0	759	4,031		0	
07/06	#	21899	SO#633017-3516 NW 61st Circle-Y	376120			9,071			
			TOTAL FOR THIS I.R.NUMBER		0	0	9,071		6,289	
07/06	#	21900	SO#629831-370 Mercury Road-Y	376120			7,928			
			TOTAL FOR THIS I.R.NUMBER		0	0	7,928		6,544	
07/06	#	21903	SO#632588-Southern Palm Crossing-Y	376120		9,775	43,598			
				376140		90,757	163,471			
				380140			354			
			TOTAL FOR THIS I.R.NUMBER		0	100,532	207,423		106,730	
08/06	#	21904	SO#631543-Old School Square Parking-Y	376120		545	2,085			
			TOTAL FOR THIS I.R.NUMBER		0	545	2,085		0	
08/06	#	21907	SO#635878-Our Lady of Fla.-Y	380120			3,929			
				376260		336	336			
			TOTAL FOR THIS I.R.NUMBER		0	336	4,265		5,770	
08/06	#	21909	SO#635451-132 Cortez Rd.-Y	376120			7,893			

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FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLORIDA

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# = Comp.

DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**7,893**		**5,790**	
08/06	O	21910	SO#637361-6045 S. Verde Trail	376140			312			
				380120						
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**312**		**12,268**	
07/06	#	21911	SO#632500-Coventry St Project-C	376120		17,092	19,253			
			TOTAL FOR THIS I.R.NUMBER		**0**	**17,092**	**19,253**		**19,130**	
08/06	#	21913	SO#641074-Carstar-Y	376120			8,239			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**8,239**		**8,019**	
08/06	#	21915	Fuel Management System-C	394		19,795	19,795			
			TOTAL FOR THIS I.R.NUMBER		**0**	**19,795**	**19,795**		**18,720**	
09/06	O	21919	SO#644673-Mizner Lakes/Tuscany	376120			250			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**250**		**9,418**	
09/06	#	21923	SO#644903-City Place Office Towers-C	376260			(9,691)			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**(9,691)**		**0**	
09/06	O	21924	SO#646529-Sunset Isles Sub.	376120			201			
				376140			128			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**329**		**23,025**	
09/06	O	21926	SO#642301-2601 Martin Luther King	376140	45	14,679	36,131			
				376120		125	886			
				376160	2,410	7,235	139,768			
				376260			2,009			
				380140		(3,000)	232			
			TOTAL FOR THIS I.R.NUMBER		**2,455**	**19,039**	**179,009**		**101,894**	
10/06	O	21927	SO#530939-3418 NW 51st Pl.	376120	1,475	29,112	16,771			
				376160		43,018	43,018			
			TOTAL FOR THIS I.R.NUMBER		**1,475**	**72,130**	**59,789**		**0**	
10/06	O	21930	SO#650676-Boca Marina Yacht Club	376120	21,990	37,708	4,410			
				376140	25	2,407	2,407			
				380120	18	18	18			
			TOTAL FOR THIS I.R.NUMBER		**22,033**	**40,133**	**6,835**		**0**	
10/06	O	21931	SO#654591-2728 Lake Worth Rd.	376120	1,233	13,285	13,285			
				380120		184	184			
				380112		146	2,366			
			TOTAL FOR THIS I.R.NUMBER		**1,233**	**13,615**	**15,835**		**12,286**	
10/06	#	21934	SO#620084-Wellington Middle School-C	376140		(2,269)	3,047			
				376120		1,138	1,138			
				376210		(16)	0			
				376260		0	0			
				376240		(1,128)	29,556			
			TOTAL FOR THIS I.R.NUMBER		**0**	**(2,275)**	**33,741**		**14,140**	
10/06	#	21935	SO#654627-2348 E. Maya Palm Dr.-C	376120		11,445	11,445			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**11,445**	**11,445**		**9,100**	
10/06	#	21936	SO#657513-312 SW 11th Ave.-C	376120		1,149	1,149			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**1,149**	**1,149**		**7,321**	
10/06	#	21937	SO#653781-418 South 'H' Street-Y	376120		1,564	10,390			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**1,564**	**10,390**		**8,581**	
10/06	#	21939	SO#660510-1779 Sabal Palm Dr.-C	376120		9,193	3,111			
				380107			(476)			
			TOTAL FOR THIS I.R.NUMBER		**0**	**9,193**	**2,635**		**0**	
10/06	O	21940	SO#661661-Boca Town Ctr Reloc.	376260	(23,066)	(13,696)	(47,382)			
				376120		174	174			
				376140		540	540			
				376220	44	44	44			
				376240			233			
				376160			12,674			
			TOTAL FOR THIS I.R.NUMBER		**(23,022)**	**(12,938)**	**(33,717)**		**0**	
11/06	#	21941	SO#649445-741 E. Palmetto Park Rd.-C	376120		2,073	3,221			
				380107			(691)			
			TOTAL FOR THIS I.R.NUMBER		**0**	**2,073**	**2,530**		**0**	
10/06	#	21942	SO#661225-3612 S. Ocean Blvd.-C	380120	263	3,086	(126)			
				376140	(263)	0	263			
			TOTAL FOR THIS I.R.NUMBER		**0**	**3,086**	**137**		**0**	
11/06	#	21943	SO#659001-2128 Acorn Palm Rd.-C	376120		10,897	7,139			
				376140		391	391			
				380120		0	0			
			TOTAL FOR THIS I.R.NUMBER		**0**	**11,288**	**7,530**		**6,920**	
11/06	O	21945	SO#664715-832 S. Blvd.-Publix	380120		316	1,594			
				376120	(7,610)	(6,772)	(6,772)			
				376140		950	950			
			TOTAL FOR THIS I.R.NUMBER		**(7,610)**	**(5,506)**	**(4,228)**		**0**	
11/06	O	21950	SO#649670-Gun Club to Military	376120	2,087	26,611	26,610			
				376140	28,890	217,276	218,788			
				376160	(26)	0	0			

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

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DATE AUTH		IR Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
				376260	161	227	227			
				380107	2,210	4,729	4,729			
				380112		1,696	1,696			
				380120	1,460	3,003	3,003			
				380140	(158)	8	8			
			TOTAL FOR THIS I.R.NUMBER		**34,624**	**253,750**	**255,261**			**0**
11/06	O	21951	SO#661427-Mediterrania Subdiv.	376120	19,348	80,442	47,635			
				380120	8	8	8			
			TOTAL FOR THIS I.R.NUMBER		**19,356**	**80,450**	**47,643**			**75**
11/06	#	21952	SO#666180-Blue Coral Cove HOA-C	376240	(148)	0	0			
				376140	(1,871)	30,810	30,810			
				376120	(901)	24,322	24,322			
			TOTAL FOR THIS I.R.NUMBER		**(2,920)**	**55,132**	**55,132**			**36,094**
11/06	#	21953	SO#666426-1107 3rd Ave.-C	376120		(181)	7,832			
				380120			69			
			TOTAL FOR THIS I.R.NUMBER		**0**	**(181)**	**7,901**			**9,092**
11/06	O	21954	SO#667037-2700 Ocean Blvd	376140		480	611			
				380120						
				380140		2,102	2,102			
			TOTAL FOR THIS I.R.NUMBER		**0**	**2,582**	**2,713**			**20,331**
11/06	O	21955	SO#667668-465 Executive Center	380112	281	1,060	1,060			
				376120	204	204	204			
				376140		1,513	1,513			
			TOTAL FOR THIS I.R.NUMBER		**485**	**2,777**	**2,777**			**13,188**
11/06	O	21956	SO#668505-260 N. Federal Hwy	376120	4,489	4,490	(11,486)			
				380107			(718)			
				380112	830	831	831			
			TOTAL FOR THIS I.R.NUMBER		**5,319**	**5,321**	**(11,373)**			**0**
12/06	O	21960	SO#673062-PBI Airport	376240		7,510	7,733			
				376140		360	360			
			TOTAL FOR THIS I.R.NUMBER		**0**	**7,870**	**8,093**			**0**
12/06	#	21961	Ricoh Copier-C	3912			7,349			
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**7,349**			**9,318**
12/06	#	21962	SO#673007-Coventry in the Grove-C	376120		13,580	10,500			
				376140	(1,568)	18,585	7,666			
			TOTAL FOR THIS I.R.NUMBER		**(1,568)**	**32,165**	**18,166**			**4,371**
11/06	#	21963	SO#670657-2582 NW Clubside Circle-C	376120		7,756	7,756			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**7,756**	**7,756**			**7,712**
11/06	O	21964	SO#669562-819 Bailey St.	376120	7,261	9,893	9,893			
				376140	14,174	14,303	14,303			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**21,435**	**24,196**	**24,196**			**18,833**
11/06	O	21965	SO#650255-3525 S. Congress Ave	380120	4,551	4,587	4,587			
			TOTAL FOR THIS I.R.NUMBER		**4,551**	**4,587**	**4,587**			**17,381**
12/06	#	21967	SO#674408-541 NE Spanish Trail-C	376120	893	1,045	1,269			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**893**	**1,045**	**1,269**			**11,579**
12/06	O	21968	SO#674001-6340 W. Boyton Bch Blvd	380112						
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**			**6,272**
12/06	#	21969	SO#669004-Sunrise Senior Living-C	380120		4,537	(2,688)			
				376120		0	0			
				380112		0	0			
			TOTAL FOR THIS I.R.NUMBER		**0**	**4,537**	**(2,688)**			**0**
12/06	O	21970	SO#674243-Fdot#229815 SR 710	376260		4,026	4,026			
			TOTAL FOR THIS I.R.NUMBER		**0**	**4,026**	**4,026**			**13,301**
12/06	#	21971	SO#678018-2400 Centerpark Drive-C	376120	542	5,237	(139)			
				380112			(3,581)			
			TOTAL FOR THIS I.R.NUMBER		**542**	**5,237**	**(3,720)**			**0**
12/06	O	21973	SO#679638-3090 S. Ocean Blvd.	376140	5,216	5,216	5,216			
				380112						
			TOTAL FOR THIS I.R.NUMBER		**5,216**	**5,216**	**5,216**			**10,083**
12/06	O	21974	SO#674344-West Boca Plaza	376120		283	283			
				380107						
				380112						
			TOTAL FOR THIS I.R.NUMBER		**0**	**283**	**283**			**26,580**
01/07	O	21978	SO#679158-5050 N. Ocean Blvd.	380120	6,405	6,524	6,524			
			TOTAL FOR THIS I.R.NUMBER		**6,405**	**6,524**	**6,524**			**10,453**
01/07	O	21979	SO#672909-The Estates Subdiv.	376120						
				376140						
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**			**14,443**
01/07	O	21989	SO#671869-960 NE 24 St.	376120	538	3,453	3,453			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**538**	**3,453**	**3,453**			**8,457**

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FLORIDA PUBLIC UTILITIES COMPANY

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01/07	#	21990	SO#685477-The Atrium-C	376120	4,926	5,199	5,199			
				376140	(8)	0	0			
			TOTAL FOR THIS I.R.NUMBER		**4,918**	**5,199**	**5,199**			**0**
01/07	O	21991	SO#673083-Wellington Regional	380140	6,891	7,729	7,729			
				376140	89	89	89			
				380240	379	379	379			
			TOTAL FOR THIS I.R.NUMBER		**7,159**	**8,197**	**8,197**			**5,447**
01/07	O	21992	SO#685837-848 SE 7th St.	376120	244	1,377	1,377			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**244**	**1,377**	**1,377**			**8,404**
01/07	#	22000	SO#679119-Addison Professional Complex-C	376120	1,377	6,333	6,333			
				380107	4,639	0	0			
				380112	(4,639)	(1,670)	(1,670)			
				381		0	0			
			TOTAL FOR THIS I.R.NUMBER		**1,377**	**4,663**	**4,663**			**1**
02/07	#	22002	A/C Service Machine-C	394		5,065	5,065			
			TOTAL FOR THIS I.R.NUMBER		**0**	**5,065**	**5,065**			**5,300**
01/07	O	22004	Truck Bucket Conversion	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**45,000**	**45,000**	
01/07	O	22005	Air Compressor Trailer	398				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**13,000**	**13,000**	
01/07	O	22006	Meter Shop Van	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**23,500**	**23,500**	
01/07	O	22007	Systems Ops Truck	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**35,500**	**35,500**	
01/07	O	22008	Measurement Supv. Vehicle	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**23,500**	**23,500**	
01/07	O	22010	Quad Runner ATV	398	4,080	9,995	9,995	YR 2007		
				376120		122	122			
				3924		3,568	3,568			
			TOTAL FOR THIS I.R.NUMBER		**4,080**	**13,685**	**13,685**	**13,000**	**13,000**	
01/07	O	22011	Service Trucks	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**71,000**	**71,000**	
01/07	O	22012	Service Trucks	3922				YR 2007		
			TOTAL FOR THIS I.R.NUMBER		**0**	**0**	**0**	**100,000**	**100,000**	
02/07	O	22013	SO#697872-Fox Landing	376120		229	229			
				376160		60	60			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**0**	**289**	**289**			**37,118**
02/07	#	22014	SO#694816-Cocoanut Rd. Project-C	376120	1,102	6,144	6,144			
			TOTAL FOR THIS I.R.NUMBER		**1,102**	**6,144**	**6,144**			**1**
02/07	O	22015	SO#698666-5910 Jog Rd.	380112	98	13,478	13,478			
				376112	754	754	754			
				376120	3,160	4,206	4,206			
			TOTAL FOR THIS I.R.NUMBER		**4,012**	**18,438**	**18,438**			**15,609**
02/07	O	22016	SO#696823-Mission Lakes	376120	2,095	3,481	3,481			
				376140	10,165	19,957	19,957			
				380140	41	50	50			
			TOTAL FOR THIS I.R.NUMBER		**12,301**	**23,488**	**23,488**			**14,600**
02/07	#	22017	SO#692288-NW Boca Raton Blvd-C	376120	1,034	6,244	6,244			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**1,034**	**6,244**	**6,244**			**7,558**
02/07	#	22018	SO#694174-758 NW 6th Dr.-C	376120	809	9,227	9,227			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**809**	**9,227**	**9,227**			**6,739**
02/07	O	22019	SO#695311-7416 Venetian Way	376120	6,847	6,918	6,917			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**6,847**	**6,918**	**6,917**			**7,938**
03/07	O	22020	SO#701157-S-205 on Jog Rd.	376120		92	92			
				376140		8	8			
				376260		15,087	15,086			
			TOTAL FOR THIS I.R.NUMBER		**0**	**15,187**	**15,186**			**5,904**
02/07	#	22022	SO#700557-Movico 601 N. Congress Av.-C	380112	81	3,169	3,169			
				380120		45	45			
			TOTAL FOR THIS I.R.NUMBER		**81**	**3,214**	**3,214**			**7,442**
02/07	#	22023	SO#696231-Super Target 650 N. Congress-C	376120		545	545			
				380107		72	72			
				380120	1,036	10,499	10,499			
			TOTAL FOR THIS I.R.NUMBER		**1,036**	**11,116**	**11,116**			**10,753**
02/07	O	22024	SO#683735-Isla Verde of Wellington	376120						
				376140		107	107			
				376240	36	142	142			
				380107						
			TOTAL FOR THIS I.R.NUMBER		**36**	**249**	**249**			**98,795**

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03/07	O	22031	SO#704072-Office Depot HQ.	380120	77	77	77			
			TOTAL FOR THIS I.R.NUMBER		77	77	77		7,531	
03/07	O	22032	SO#704751-1030 Coral Way	376120	47	47	47			
				380107	81	81	81			
			TOTAL FOR THIS I.R.NUMBER		128	128	128		10,278	
03/07	O	22035	SO#647528-Lantana Rd. Urgent Care	376120	7,918	8,086	8,086			
				380112		(2,600)	(2,600)			
			TOTAL FOR THIS I.R.NUMBER		7,918	5,486	5,486		2,700	
03/07	O	22036	SO#704908-Acquaterra Sub.	376120	563	7,368	7,368			
				380107						
				380112						
			TOTAL FOR THIS I.R.NUMBER		563	7,368	7,368		17,393	
03/07	O	22038	SO#707134-Banyan Springs	376120						
				376140	382	1,416	1,416			
				376240	1,000	1,000	1,000			
				380107						
				380112						
			TOTAL FOR THIS I.R.NUMBER		1,382	2,416	2,416		98,795	
03/07	O	22039	Printer/Scanner for Engr	3913		24,308	24,308	YR 2007		
			TOTAL FOR THIS I.R.NUMBER		0	24,308	24,308	21,000	24,308	
04/07	O	22041	SO#712280-The Falls Country Club	380112						
				380120	53	53	53			
			TOTAL FOR THIS I.R.NUMBER		53	53	53		21,230	
04/07	O	22042	SO#715643-Mandarin Dr.	376140		(10,240)	(10,240)			
				380107		(2,160)	(2,160)			
			TOTAL FOR THIS I.R.NUMBER		0	(12,400)	(12,400)		(2)	
05/07	O	22052	SO#715936-701 Ocean Dr.	376120						
				376140						
				380112						
				380120						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		20,482	
04/07	O	22053	SO#711828-3421 N. Ocean Ave	376140	161	(10,023)	(10,023)			
				380112	67	(829)	(829)			
			TOTAL FOR THIS I.R.NUMBER		228	(10,852)	(10,852)		0	
05/07	O	22055	SO#713281-7100 Belvedere Rd.	380107	31	31	31			
				380120	106	106	106			
			TOTAL FOR THIS I.R.NUMBER		137	137	137		10,942	
05/07	O	22056	SO#721242-471 E. Alexander Palm Rd.	376120	77	77	77			
				380107	15	15	15			
			TOTAL FOR THIS I.R.NUMBER		92	92	92		17,741	
05/07	O	22057	SO#721153-1504 Clare Ave.	376120	77	(9,516)	(9,517)			
				380112	15	(1,796)	(1,796)			
			TOTAL FOR THIS I.R.NUMBER		92	(11,312)	(11,313)		0	
05/07	O	22059	SO#721101-1213 Pope Lane	376120	153	153	153			
				380107	47	47	47			
				380112	65	65	65			
			TOTAL FOR THIS I.R.NUMBER		265	265	265		6,977	
05/07	O	22063	SO#721940-Glen Eagles Country Club	376140	953	953	953			
				380112						
			TOTAL FOR THIS I.R.NUMBER		953	953	953		80,889	
05/07	O	22066	SO#722178-2290 Maya Palm Dr	376120						
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		1	
05/07	O	22067	SO#722459-505 S. Congress Ave.	380112						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		0	
05/07	O	22074	SO#709276-NW 4th Ave.	376120						
				376140						
				380107						
				380112						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		3,755	
05/07	O	22077	SO#728502-5819 Winsor Terrace	376120						
				380107						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		13,293	
05/07	O	22079	SO#717385-Merry Place	376120						
				380107						
				380112						
			TOTAL FOR THIS I.R.NUMBER		0	0	0		70,651	
02/05	#	28000	Amortization of Bare Steel Repl.-Y	376120	(26,244)	(131,218)	(761,066)			(916,946)
				380107	(5,375)	(26,876)	(155,880)			
			TOTAL FOR THIS I.R.NUMBER		(31,619)	(158,094)	(916,946)		0	
02/05	O	28005	SO#470343-Garden Summit to Forest Hill	376120			17,136			18,119
				376112			983			
			TOTAL FOR THIS I.R.NUMBER		0	0	18,119		10,278	
03/05	O	28006	SO#470842-Between Banyan & Clematis	376120			133			133
			TOTAL FOR THIS I.R.NUMBER		0	0	133		14,895	

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLORIDA

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Comp.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized	TOTAL
03/05	O	28007	SO#470818-Between Evernia & Datura	376112			8,136			8,136
				376120			0			
				380112			0			
			TOTAL FOR THIS I.R.NUMBER		0	0	8,136		8,299	
04/05	O	28010	SO#484350-Madeira Ct. and Spruce Av	376112			163			10,503
				376120			9,993			
				380107			347			
			TOTAL FOR THIS I.R.NUMBER		0	0	10,503		3,755	
07/05	O	28015	SO#515046-Hammon and Worth	376120			345			345
			TOTAL FOR THIS I.R.NUMBER		0	0	345		7,104	
07/05	O	28016	SO#515220-Brazilian and Australian	376120			262			262
			TOTAL FOR THIS I.R.NUMBER		0	0	262		9,339	
07/05	O	28017	SO#515208-Royal Palm Way&Brazilian	376120			174			174
			TOTAL FOR THIS I.R.NUMBER		0	0	174		7,796	
08/05	O	28018	SO#518373-Between Australian&Chilian	376120			175			202
				376130			27			
			TOTAL FOR THIS I.R.NUMBER		0	0	202		8,597	
09/05	O	28020	SO#520600-Between Royal Palm&Brazilian	376120			225			225
			TOTAL FOR THIS I.R.NUMBER		0	0	225		9,745	
10/05	O	28023	SO#544720-Spruce Ave. @ 44th St.	376120						0
			TOTAL FOR THIS I.R.NUMBER		0	0	0		4,605	
10/05	O	28025	SO#524894-Australian & Chilian	376120			99			99
			TOTAL FOR THIS I.R.NUMBER		0	0	99		10,305	
10/05	O	28026	SO#531918-J Street from 3rd Ave.	376120			624			(14,162)
				376140			(14,786)			
			TOTAL FOR THIS I.R.NUMBER		0	0	(14,162)		0	
10/05	O	28027	SO#531918-J Street from 3rd Ave.	376112			146,851			146,851
			TOTAL FOR THIS I.R.NUMBER		0	0	146,851		164,880	
12/05	O	28028	SO#560767-Rosemary Ave. 3rd to 7th	376120			622			50,620
				376140			1,544			
				376180			48,454			
			TOTAL FOR THIS I.R.NUMBER		0	0	50,620		16,785	
08/06	O	28034	SO#640176-N. Ocean Blvd	376140			4,207			
				376120			871			
			TOTAL FOR THIS I.R.NUMBER		0	0	5,078		12,580	
12/06	O	28036	SO#676122-Coconut to Chukkers	376120		12,694	12,694			
				376140	63	63,010	63,457			
				380107	14,660	14,660	14,660			
				380120		69	69			
			TOTAL FOR THIS I.R.NUMBER		14,723	90,433	90,880		65,109	
04/07	O	28038	SO#717358-Merry Place	376120	568	568	568			
				376140	11,221	13,699	13,699			
			TOTAL FOR THIS I.R.NUMBER		11,789	14,267	14,267		20,167	
04/07	O	28039	SO#710788-FDOT Project 229749	376120	663	663	663			
				376140	2,889	2,890	2,889			
				376180	499	499	499			
				380107						
				380112						
				380120						
			TOTAL FOR THIS I.R.NUMBER		4,051	4,052	4,051		225,781	
			TOTAL CHARGES FOR SPECIFIC I.R.s		188,374	1,035,379	2,371,618	5,287,500	8,922,539	

TOTAL OF ALL OPEN REQUISITIONS ("O")	1,253,254
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	500,401
COSTS TRANSFERRED FROM CONSTRUCTION TO AEP (1860.4) 2007	(53,442)

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land	374				
Structures and Improvements	375		(4,793)		NO BUDGET
Mains	376	47,089	206,243	955,900	22%
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379			15,000	0%
Services	380	18,053	137,094	474,000	29%
Meters	381			400,000	0%
Meter Installations	382	3,845	18,254	68,400	27%
House Regulators	383				
House Regulator Installations	384	838	5,443	9,600	57%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	4,270	27,932	116,300	24%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390	12,526	17,319	13,000	133%
Office Furniture & Equipment	391	3,705	5,425		NO BUDGET
Transportation Equipment	392	1,626	1,626	88,500	2%
Stores Equipment	393				
Tools, Shop and Garage Equipment	394	251	251	15,700	2%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397			1,500	0%
Miscellaneous Equipment	398				
TOTAL CONSTRUCTION		**92,203**	**414,794**	**2,157,900**	**19%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Structures and Improvements	375	0	0		
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	2,717	22,734	48,000	47%
Mains - Plastic - 2"	376120	1,180	12,059		NO BUDGET
Mains - Plastic - 3"	376130	0	0		
Mains - Plastic - 4"	376140	0	(192)		NO BUDGET
Mains - Plastic - 6"	376160	0	0		
Sub-Total		3,897	34,601	48,000	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210	0	0	0	
Mains - Other - 1 1/4"	376212	0		0	
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220	0	1,383	0	NO BUDGET
Mains - Other - 2 1/2"	376225	0	0	0	
Mains - Other - 3"	376230	0	0	0	
Mains - Other - 4"	376240	0	0	0	
Mains - Other - 6"	376260	0	0	6,500	0%
Mains - Other - 8"	376280	0	0	0	
Mains - Other - 10"	376288	0	0	0	
Mains - Other - 12"	376299	0	0	0	
Sub-Total		0	1,383	6,500	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379				
Services-Plastic-1/2"	380105	1,312	23,972		NO BUDGET
Services-Plastic-3/4"	380107	18,681	119,725	456,000	26%
Services-Plastic-1"	380110	0	0		
Services-Plastic-1 1/4"	380112	240	4,193		NO BUDGET
Services-Plastic-1 1/2"	380115	0	0		
Services-Plastic-2"	380120	0	0		
Services-Plastic-4"	380140	0	0		
Sub-Total		20,233	147,890	456,000	
Services-Other-1/2" or 5/8"	380205	0	0	0	
Services-Other- 3/4"	380207	0		6,000	
	380210	0	0		
Services-Other-1 1/4"	380212	0	0	0	
Services-Other-2"	380220	0	0		
Sub-Total		0	0	6,000	
Meters	381				
Meter Installations	382	3,845	18,254	68,400	27%
House Regulators	383				
House Regulator Installations	384	838	5,443	9,600	57%
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387	4,270	21,166	26,800	79%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390				
Office Furniture	3911				
Office Machines	3912				
EDP Equipment	3913	2,406	2,406		NO BUDGET
EDP Equipment-Software	391305		1,720		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922	1,626	1,626		NO BUDGET
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools, Shop and Garage Equipment	394			8,500	0%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397			1,500	0%
Miscellaneous Equipment	398				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**37,115**	**234,489**	**631,300**	**37%**

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
DISTRIBUTION PLANT					
Land	374	0	0		
Structures and Improvements	375		(4,793)		NO BUDGET
Mains - Plastic - 1/2"	376105	0	0	0	
Mains - Plastic - 1 1/4"	376112	12,024	53,057	768,400	7%
Mains - Plastic - 2"	376120	6,443	(24,384)		NO BUDGET
Mains - Plastic - 3"	376130	0	0	0	
Mains - Plastic - 4"	376140	23,017	127,093	0	NO BUDGET
Mains - Plastic - 6"	376160	0	0	0	
Sub-Total		41,484	155,766	768,400	
Mains - Other - 1/2"	376205	0	0	0	
Mains - Other - 3/4"	376207	0	0	0	
Mains - Other - 1"	376210	0	0	0	
Mains - Other - 1 1/4"	376212	0	0	0	
Mains - Other - 1 1/2"	376215	0	0	0	
Mains - Other - 2"	376220	0	2,457		NO BUDGET
Mains - Other - 2 1/2"	376225	0	0	0	
Mains - Other - 3"	376230	0	0	0	
Mains - Other - 4"	376240	0	0		
Mains - Other - 6"	376260	1,708	12,035	133,000	9%
Mains - Other - 8"	376280	0	0	0	
Mains - Other - 10"	376288	0	0	0	
Mains - Other - 12"	376299	0	0	0	
Sub-Total		1,708	14,492	133,000	
Compressor Station Equipment	377				
Measure/Regulator Equipment-General	378				
Measure/Regulator Equipment-City Gate Station	379			15,000	0%
Services-Plastic - 1/2"	380105	(2,180)	(10,901)		
Services-Plastic - 3/4"	380107	0	0	12,000	0%
Services-Plastic - 1"	380110	0	0		
Services-Plastic - 1 1/4"	380112	0	106	0	NO BUDGET
Services-Plastic	380115	0	0	0	
Services-Plastic - 2"	380120	0	0	0	
Services-Plastic - 4"	380140	0	0		
Sub-Total		(2,180)	(10,795)	12,000	
Services-Other - 1/2"	380205	0	0		
Services-Other - 3/4"	380207	0	0	0	
Services-Other - 1 1/4"	380212	0	0	0	
Services-Other - 2"	380220	0	0	0	
Services-Other - 6"	380260	0	0	0	
Sub-Total		0	0	0	
Meters	381			400,000	0%
Meter Installations	382		0		
House Regulators	383				
House Regulator Installations	384				
Ind. Measuring/Reg. Station Equipment	385				
Other Property on Customer Premises - Rent	386				
Other Equipment	387		6,766	89,500	8%
GENERAL PLANT					
Land and Land Rights	389				
Structures and Improvements	390	12,526	17,319	13,000	133%
Office Furniture	3911				
Office Machines	3912				
EDP Equipment	3913				
EDP Equipment-Software	391305	1,300	1,300		
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks & Vans	3922			88,500	0%
Transportation Equipment - Heavy Trucks	3923				
Transportation Equipment - Trailers	3924				
Stores Equipment	393				
Tools Shop and Garage Equipment	394	250	250	7,200	3%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
Miscellaneous Equipment	398				
TOTAL SPECIFIC I.R. CONSTRUCTION		**55,088**	**180,305**	**1,526,600**	**12%**

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
03/00	#	20346	AEP-Crystal Cove-Y	376112			3,503		
				376120			16,889		
			TOTAL FOR THIS I.R.NUMBER		0	0	20,392		26,607
04/01	#	20590	AEP-Fawn Ridge-Y	376112			5,752		
				376120			19,267		
				376140			15,028		
			TOTAL FOR THIS I.R.NUMBER		0	0	40,047		38,241
08/03	#	21159	AEP-38118-03-Riverside at DeBary-Y	376112			20,174		
				376120			26,105		
				376140			71,730		
				376240			4,000		
				380107			(64)		
			TOTAL FOR THIS I.R.NUMBER		0	0	121,945		186,252
02/04	#	21314	AEP-Arbor Ridge-Y	376112			3,734		
				376120			18,613		
				376140			39,968		
				380105			5,811		
				380120			3,406		
			TOTAL FOR THIS I.R.NUMBER		0	0	71,532		193,621
05/04	#	21348	AEP-CO#41387-04-Victoria Park Ph.II-Y	376120		103	70,150		
				376112			48,990		
				376140			38,250		
				380112					
			TOTAL FOR THIS I.R.NUMBER		0	103	157,390		173,034
06/04	O	21361	CO#41894-04-Best Produce	376112			3,863		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,863		2,877
06/04	O	21362	CO#41892-04-Swamp House Grill	376112			3,802		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,802		3,290
08/04	O	21408	CO38247-03-501 S. Atlantic Ave	380107			2,625		
			TOTAL FOR THIS I.R.NUMBER		0	0	2,625		2,979
08/04	O	21412	CO42891-04-N. Adelle & West Church Av	376112			3,000		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,000		2,574
09/04	O	21419	CO42992-E. Georgia Ave	376112			5,877		
				376120			662		
			TOTAL FOR THIS I.R.NUMBER		0	0	6,539		3,304
08/04	#	21421	Purchase AM/FM System-Y	391305	1,299	1,299	87,641		
			TOTAL FOR THIS I.R.NUMBER		1,299	1,299	87,641		200,000
09/04	O	21440	CO#42326-Melonville Ave	376112			8,959		
			TOTAL FOR THIS I.R.NUMBER		0	0	8,959		5,386
07/04	O	21460	CO#41973-Villaggio Plaza	376112			5,639		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,639		5,620
01/05	O	21486	SO#452030-NSB Replacement High School	376112			2,366		
				380112			4,640		
			TOTAL FOR THIS I.R.NUMBER		0	0	7,006		7,090
02/05	O	21533	SO#469610-176 Corbin Park Rd	380107			1,018		
				376112			307		
			TOTAL FOR THIS I.R.NUMBER		0	0	1,325		3,314
04/05	O	21562	SO#478144-1378 Bailey Ct	376112			3,550		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,550		2,765
04/05	#	21563	AEP-SO#484895-Lakes of Deland-Y	376112			5,453		
				376120			14,148		
			TOTAL FOR THIS I.R.NUMBER		0	0	19,601		23,068
03/05	O	21586	Construct New NSB Gate Station	379					
			TOTAL FOR THIS I.R.NUMBER		0	0	0		363,000
03/05	O	21587	Purchase 4" SCW Lateral from FGT	376240			5,078		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,078		210,000
06/05	#	21597	SO#505087-AEP-Victoria Pk. Incr 3 Unit 2-Y	376112			36,052		
				376120		412	20,314		
				380112			0		
			TOTAL FOR THIS I.R.NUMBER		0	412	56,366	30,000	45,389
06/05	O	21599	SO#501707-Compac Company	380112			3,045		
			TOTAL FOR THIS I.R.NUMBER		0	0	3,045		3,916
07/05	O	21620	SO#513048-Deltona High School	380112			6,609		
			TOTAL FOR THIS I.R.NUMBER		0	0	6,609		5,680
07/05	I	21639	SO#517231-Carriage Homes-Y	376112			5,935		
				376120			337		
			TOTAL FOR THIS I.R.NUMBER		0	0	6,272	18,000	39,104
08/05	I	21647	SO#521930-Joy Luck Restaurant-Y	376120			4,341		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,341	18,000	3,684
08/05	#	21649	SO#523118-Island Club-Y	376112		2,600	19,000		
			TOTAL FOR THIS I.R.NUMBER		0	2,600	19,000		12,980
08/05	O	21651	SO#515362-West Volusia YMCA	380112			5,648		
			TOTAL FOR THIS I.R.NUMBER		0	0	5,648		5,199
08/05	I	21654	SO#521027-AEP-Victoria Park Incr. 3-Y	376112			76,788		
				376120			77,357		
			TOTAL FOR THIS I.R.NUMBER		0	0	154,145	30,000	140,054
08/05	#	21666	Install Cabinets for Ready Room-C	375		(4,793)	0		
				390		4,793	4,793		
			TOTAL FOR THIS I.R.NUMBER		0	0	4,793		4,800
09/05	I	21685	CO#534627-AEP-Deltona Woods-Y	376112			5,013		
				376120			13,644		
			TOTAL FOR THIS I.R.NUMBER		0	0	18,657		20,738
04/06	#	21687	News Journal-Y	376112		(2,446)	295		
			TOTAL FOR THIS I.R.NUMBER		0	(2,446)	295		4,800
10/05	O	21692	SO#540367-Sicily Pizza Buffet	380107			1,918		
			TOTAL FOR THIS I.R.NUMBER		0	0	1,918		3,709
11/05	I	21718	SO#554037-Marina Villas-Y	376112			2,532		
				380107			4,307		

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
		TOTAL FOR THIS I.R.NUMBER		0	0	6,839	18,000	9,530
12/05 I	21727	SO#526663-Myrtle Ave.-Y	376120			6,505		
			376140			55		
		TOTAL FOR THIS I.R.NUMBER		0	0	6,560		6,645
12/05 #	21729	AEP-CO#561612-Glen Abby Unit 5-Y	376112			13,561		
			376120			0		
			376140	0	0	0		
		TOTAL FOR THIS I.R.NUMBER		0	0	13,561		13,077
01/06 I	21742	AEP-CO#538807-Bella Foresta Subdiv.-Y	376112			4,709		
			376140			36,066		
			380140	0	0	0		
		TOTAL FOR THIS I.R.NUMBER		0	0	40,775		38,834
01/06 O	21744	SO#565877-Recovery Room	380112			3,980		
		TOTAL FOR THIS I.R.NUMBER		0	0	3,980		4,936
01/06 O	21750	SO#517387-Qudoba Mexican Restaurant	380107			2,739		
		TOTAL FOR THIS I.R.NUMBER		0	0	2,739		3,198
02/06 #	21779	AEP-585435-Arbor Ridge Ph. 4-Y	376112	92	92	21,517		
			376120	144	170	21,531		
		TOTAL FOR THIS I.R.NUMBER		236	262	43,048		36,450
03/06 O	21812	SO#594624-Howland Blvd	376140			564		
			376260	1,708	12,035	12,035		
		TOTAL FOR THIS I.R.NUMBER		1,708	12,035	12,599		25,206
06/06 O	21869	SO#61897-Moes Southwest Grill	376112		2,938	11,666		
		TOTAL FOR THIS I.R.NUMBER		0	2,938	11,666		5,504
06/06 O	21874	SO#619051-Crystal Lake Elem.	380112			(5,171)		
		TOTAL FOR THIS I.R.NUMBER		0	0	(5,171)		(531)
08/06 I	21914	SO#641791-Stetson Mansion-C	376112		466	6,020		
		TOTAL FOR THIS I.R.NUMBER		0	466	6,020		6,007
09/06 I	21921	SO#646939-AEP-Victoria Pk. 4-Y	376112	316	20,635	57,848		
			376120	367	9,267	24,197		
			376140	(3,596)	23,354	73,696		
			376220			4,218		
			376240			1,809		
			380112		106	106		
			380120			172		
		TOTAL FOR THIS I.R.NUMBER		(2,911)	53,362	162,046	135,000	219,404
10/06 O	21932	CO#656340-AEP-Longwood Hills	376112					
			376120		(124)	0		
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	(124)	0	63,000	24,263
11/06 #	21947	SO#667794-Mrytle Ave.-C	376120		7,763	13,238		
		TOTAL FOR THIS I.R.NUMBER		0	7,763	13,238		10,113
11/06 O	21957	CO#648722-Parkmore Manor	376112					
			376120					
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0	36,000	27,909
01/07 O	21975	SO#680475-Massey Road	376112		94	94		
			376120		1,929	1,929		
			376220		2,457	2,457		
		TOTAL FOR THIS I.R.NUMBER		0	4,480	4,480		12,056
01/07 O	21980	Purchase Meter Reader Truck	3922					
		TOTAL FOR THIS I.R.NUMBER		0	0	0		14,500
01/07 O	21988	Purchase Service Trucks	3922				YR 2007	
		TOTAL FOR THIS I.R.NUMBER		0	0	0	74,000	74,000
03/07 O	22026	Purchase Mobile Leak Survey Unit	387		6,766	6,766	YR 2007	
		TOTAL FOR THIS I.R.NUMBER		0	6,766	6,766	5,100	7,000
04/07 O	22040	Purchase 2 Robur A/C Units	390	12,526	12,526	12,526	YR 2007	
			394	250	250	250		
		TOTAL FOR THIS I.R.NUMBER		12,776	12,776	12,776	13,000	13,000
04/07 O	22051	SO#720074-Bell South Generator	376112					
		TOTAL FOR THIS I.R.NUMBER		0	0	0		7,875
05/07 O	22054	CO#719716-AEP-Shady Meadows	376112	9,041	9,041	9,041		
			380107					
		TOTAL FOR THIS I.R.NUMBER		9,041	9,041	9,041		10,812
05/07 O	22058	SO#721440-Rinehart plaza	376112					
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0	21,000	(3,313)
05/07 O	22060	SO#722667-River Oaks Subdiv	376112	(5,822)	(5,822)	(5,822)		
			380107					
		TOTAL FOR THIS I.R.NUMBER		(5,822)	(5,822)	(5,822)		18,907
05/07 O	22062	SO#722857-Deltona Retirement Residence	376112					
			380107					
			380112					
		TOTAL FOR THIS I.R.NUMBER		0	0	0		13,681
05/07 O	22073	SO#727981-Seminole Drive	376112					
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0		15,357
04/07 O	22075	AEP-SO#709260-Wellington Woods	376112					
			376120					
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0	66,000	76,860
06/07 O	22078	SO#730613-Seminole H S Bldg 17	380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0	1,000	7,398
06/07 O	22080	AEP-SO#731023-Florida Days Subdiv.	376112					
			376120					
			380107					
		TOTAL FOR THIS I.R.NUMBER		0	0	0	46,800	37,852
02/05 #	28000	Amortization of Bare Steel Repl -Y	376120	(13,393)	(66,966)	(388,404)		
			380105	(2,180)	(10,901)	(63,227)		
		TOTAL FOR THIS I.R.NUMBER		(15,573)	(77,867)	(451,631)		0

3

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2006 Budget	Amount Authorized
11/04	O	28001	SO#435520-Central/Oak/University Ave's	376112			15,266		
			TOTAL FOR THIS I.R.NUMBER		0	0	15,266	25,000	14,190
11/04	O	28002	SO#426526-West May Street	376112			12,759		
				376140			114		
			TOTAL FOR THIS I.R.NUMBER		0	0	12,873		9,742
06/05	U	28013	[illegible]	376112		(675)	38,354		
				376120			0		
			TOTAL FOR THIS I.R.NUMBER		0	(675)	38,354	25,000	25,277
07/05	U	28014	[illegible]	376112		(520)	17,214		
			TOTAL FOR THIS I.R.NUMBER		0	(520)	17,214	25,000	13,708
09/05	U	28021	[illegible]	376120		(496)	75,231		
				376112		(900)	20,599		
				376260			0		
			TOTAL FOR THIS I.R.NUMBER		0	(1,396)	95,830		64,289
10/05	U	28022	[illegible]	376112		(7,538)	24,584		
			TOTAL FOR THIS I.R.NUMBER		0	(7,538)	24,584	25,000	22,010
10/05	U	28024	[illegible]	376112		1,451	25,335		
				376120		101	68,620		
			TOTAL FOR THIS I.R.NUMBER		0	1,552	93,955		86,996
02/06	U	28029	[illegible]	376112	204	5,852	33,610		
				376120				Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		204	5,852	33,610	32,613	32,613
03/06	U	28031	[illegible]	376120		(249)	0	Yr 2006	
				376112		9,890	16,872		
			TOTAL FOR THIS I.R.NUMBER		0	9,641	16,872	12,000	11,311
05/06	O	28032	North Adelle Ave	376112	1,641	9,800	32,418		
				376120			2,171		
			TOTAL FOR THIS I.R.NUMBER		1,641	9,800	34,589		22,912
05/06	U	28033	[illegible]	376112		1,549	9,672		
				376120		1,247	32,282	Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		0	2,796	41,954	39,700	37,017
08/06	U	28035	[illegible]	376112	6,551	6,551	10,499		
				376120	1,325	4,439	53,146	Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		7,876	10,990	63,645	58,000	60,152
01/07	O	28037	SO#679906-17-92	376112					
				376120	18,000	18,000	18,000		
				376140	26,613	103,739	103,739	Yr 2006	
			TOTAL FOR THIS I.R.NUMBER		44,613	121,739	121,739	160,700	176,814
			TOTAL CHARGES FOR SPECIFIC I.R.s		55,088	180,305	1,357,018	977,913	3,056,416

Total of All Open I.R.s ("O")	306,127
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	110,142
COSTS TRANSFERRED FROM CONSTRUCTION TO AEP (1860.4) 2007	(588)

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FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS

TOTAL CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2003 Budget	Y-T-D / Budget %
Land & Land Rights	Source of Supply & Pumping Plant					
Land & Land Rights	Transmission and Distribution Plant			0		
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	Transmission and Distribution Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Office Furniture and Equipment	General Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
Miscellaneous Equipment	General Plant					
TOTAL CONSTRUCTION			0	0	0	

NON-SPECIFIC I.R. CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2002 Budget	Y-T-D / Budget %
Land & Land Rights	Source of Supply & Pumping Plant					
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Office Furniture and Equipment	General Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
Miscellaneous Equipment	General Plant					
TOTAL NON-SPECIF I.R. CONSTRUCTION			0	0	0	

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
WATER PLANT - FERNANDINA BEACH
MARCH 2003

SPECIFIC I.R. CONSTRUCTION

Description	Category	Account Number	Current Month Charges	Year-to-Date Charges	2002 Budget	Y-T-D / Budget %
Land & Land Rights	Transmission and Distribution Plant			0		
Land & Land Rights	General Plant					
Structures & Improvements	Source of Supply & Pumping Plant					
Structures & Improvements	Water Treatment Plant					
Structures & Improvements	Transmission and Distribution Plant					
Structures & Improvements	General Plant					
Wells & Springs	Source of Supply & Pumping Plant					
Power Generation Equipment	Source of Supply & Pumping Plant					
Pumping Equipment	Source of Supply & Pumping Plant					
Water Treatment Equipment	Water Treatment Plant					
Distribution Reservoirs & Standpipes	Transmission and Distribution Plant					
Transmission & Distribution Mains	Transmission and Distribution Plant					
Services	Transmission and Distribution Plant					
Meters & Meter Installations	Transmission and Distribution Plant					
Hydrants	Transmission and Distribution Plant					
Other Plant and Misc. Equipment	Source of Supply and Pumping Plt.					
Other Plant and Misc. Equipment	Transmission and Distribution Plant					
Transportation	General Plant					
Stores Equipment - General Plant	General Plant					
Tools, Shop and Garage Equipment	General Plant					
Laboratory Equipment	General Plant					
Power Operated Equipment	General Plant					
Communication Equipment	General Plant					
TOTAL SPECIFIC I.R. CONSTRUCTION			0	0	0	

Fern Water

FLORIDA PUBLIC UTILITIES COMPANY

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open

DATE AUTH	I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2001 Budget	Amount Authorized
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	18,276
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	98,825
			TOTAL FOR THIS I.R.NUMBER		0	0	0	0	63,739
			TOTAL CHARGES FOR SPECIFIC I.R.s		0	0	0	0	180,840

NOTE: ALL COSTS TRANSFERRED DUE TO WATER SALE

Total of All Open I.R.s ("O")	#REF!
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	0

Farm Water Track

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
COMMON PLANT
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
Misc. Intangible Plant	303				
Accruals	376	11,643	14,502		NO BUDGET
Structures & Improvements	390		35,058	177,500	20%
Office Furniture & Equipment	391	32,226	162,874	522,200	31%
Transportation Equipment	392			35,100	0%
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399			5,000	0%
TOTAL CONSTRUCTION		**43,869**	**212,434**	739,800	29%

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
Misc. Intangible Plant	303				
Structures & Improvements	390		3,114		NO BUDGET
Office Furniture & Equipment	3911			7,300	0%
Office Machines	3912			5,500	0%
EDP Equipment	3913		2,420	6,800	36%
EDP Equipment-Software	391305	1,229	2,031		
Transportation Equipment - Cars	3921				
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible	399			5,000	
TOTAL NON-SPECIF I.R. CONSTRUCTION		1,229	7,565	24,600	31%

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
Accruals	376	11,643	14,502		
Structures & Improvements	390		31,944	177,500	18%
Office Furniture & Equipment	3911				
Office Machines	3912				
EDP Equipment	3913	23,323	126,855	237,600	53%
EDP Equipment-Software	391305	7,674	31,568	265,000	12%
Transportation Equipment - Cars	3921				
Transportation Equipment - Light Trucks	3922			35,100	
Communication Equipment	397				
Miscellaneous Equipment	398				
Miscellaneous Tangible Assets	399				
TOTAL SPECIFIC I.R. CONSTRUCTION		**42,640**	**204,869**	**715,200**	**29%**

Common

FLORIDA PUBLIC UTILITIES COMPANY
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
COMMON PLANT
MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH.		I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2007 Budget	Amount Authorized
10/05	#	21728	AS/400 Upgrade-C	391305		0	0	YR 2006	
				3913		1,559	133,365		
			TOTAL FOR THIS I.R. NUMBER		0	1,559	133,365	140,000	140,000
04/06	#	21868	AS/400 for Disaster Recovery-C	3913			100,652		
				391305			17,858		
			TOTAL FOR THIS I.R. NUMBER		0	0	118,510		105,000
07/06	#	21902	Merch. Bill Print Programming Change-C	391305			16,774		
			TOTAL FOR THIS I.R. NUMBER		0	0	16,774		17,500
09/06	O	21920	Creditron Web Inquire Software	391305				YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	8,000	6,525
10/06	O	21938	Documentation Mgt. System	391305	7,343	17,219	41,288	REF. IR	
				3913	3,058	3,058	3,058		
			TOTAL FOR THIS I.R. NUMBER		10,401	20,277	44,346		58,000
11/06	#	21958	Corporate Office Renovation-C	390		31,944	45,261	YR 2006	
			TOTAL FOR THIS I.R. NUMBER		0	31,944	45,261	30,000	70,000
02/07	O	22001	5 Year Replacement PC's	3913	862	101,312	101,312	YR 2007	
			TOTAL FOR THIS I.R. NUMBER		862	101,312	101,312	105,000	105,000
02/07	O	22003	Project Management System	3913	11,425	12,948	12,948		
				391305	331	1,806	1,806	YR 2007	
			TOTAL FOR THIS I.R. NUMBER		11,756	14,754	14,754	90,000	90,000
03/07	O	22033	Credit Card Programming	391305		12,543	12,543	REF. IR	
				3913	7,978	7,978	7,978		
			TOTAL FOR THIS I.R. NUMBER		7,978	20,521	20,521		7,400
04/06	O	29998	Non-Refundable Costs Awaiting IR's	376	32,788	11,711	(70,569)		
			TOTAL FOR THIS I.R. NUMBER		32,788	11,711	(70,569)		0
12/04	O	29999	Accruals Capital Items	376	(21,145)	2,791	0		
			TOTAL FOR THIS I.R. NUMBER		(21,145)	2,791	0		0
04/07	O	22044	Accordian Shutters	390				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	35,000	27,000
04/07	O	22045	Main Office Elevator Upgrades	390				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	38,000	33,700
04/07	O	22046	Main Office Window Replacement	390				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	35,000	58,000
04/07	O	22047	Fern St. Glass Doorway	390				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	20,000	10,100
04/07	O	22048	Filtration and UV Units	390					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		24,000
04/07	O	22049	A/C for IT Room	390					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		8,700
04/07	O	22050	Remodel Auditorium	390				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	39,500	39,500
			TOTAL CHARGES FOR SPECIFIC I.R.s		42,640	204,869	424,274	540,500	800,425

Total of All Open I.R.s ("O") 110,364

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 313,910

Common Track

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - COMMON
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Furniture and Equip	391			24,000	
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL CONSTRUCTION		**0**	**0**	**24,000**	**0%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**0**	**0**	**0**	

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - COMMON
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376				
Services	380				
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390				
Office Equipment	3912				
Computer Equipment	3913				
Computer Equipment-Software	391305			24,000	
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL SPECIFIC I.R. CONSTRUCTION		**0**	**0**	**24,000**	**0%**

Common FG

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - COMMON

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2007 BUDGET	Amount Authorized
09/05				3913					
				391305					
					0	0	0		
04/06				3913					
				391305					
					0	0	0		
			TOTAL FOR THIS I.R. NUMBER						
			TOTAL CHARGES FOR I.R.s		0	0	0		0

Total of All Open I.R.s ("O")

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")

Comm. Flogas Track

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLA.
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312	381	381	6,000	
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	17,837	50,622	152,000	33%
Mains	376		2,463	6,000	41%
Services	380		196	6,000	3%
Meters	381			6,000	0%
Meter Installations	382	43	2,833	3,600	79%
House Regulators	383		30,172	48,000	63%
House Regulator Installations	384	592	3,850	12,000	32%
Consumers' System Installations - Aboveground	385	2,962	16,672	18,000	93%
Consumers' System Installations - Underground	386	3,551	59,589	200,000	30%
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390			47,000	
Office Equipment and Equip	391				
Transportation Equipment	392	8,013	16,141	24,000	67%
Tools, Shop and Garage Equipment	394			3,000	0%
Laboratory Equipment	395				
Power Operated Equipment	396			3,000	
Communication Equipment	397				
TOTAL CONSTRUCTION		**33,379**	**182,919**	**534,600**	**34%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312	381	381	6,000	
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	17,836	50,622	152,000	33%
Mains	376			6,000	0%
Services	380		35	6,000	1%
Meters	381			6,000	0%
Meter Installations	382	43	2,833	3,600	79%
House Regulators	383		30,172	48,000	63%
House Regulator Installations	384	592	3,850	12,000	32%
Consumers' System Installations - Aboveground	385	2,962	16,672	18,000	93%
Consumers' System Installations - Underground	386	3,552	59,589	200,000	30%
Other Equipment	387				
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392		1,425		NO BUDGET
Tools, Shop and Garage Equipment	394			3,000	0%
Laboratory Equipment	395				
Power Operated Equipment	396			3,000	
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**25,366**	**165,579**	**463,600**	**36%**

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - SOUTH FLA.
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376		2,463		NO BUDGET
Services	380		161		NO BUDGET
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Structures and Improvements	390			47,000	
Office Equipment	3912				
Computer Equipment	3913				
Computer Equipment-Software	391305				
Transportation Equipment	392	(6,703)	0	24,000	0%
Transportation Equipment	3923	14,716	14,716		
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL SPECIFIC I.R. CONSTRUCTION		**8,013**	**17,340**	**71,000**	**24%**

WPB FG

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - SOUTH FLA.

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2007 BUDGET	Amount Authorized
08/04	#	21414	CO#42908-2325 SW Martin Hwy-C	376			1,118		
			TOTAL FOR THIS I.R. NUMBER		0	0	1,118		11,972
03/05	O	21553	Containment Tubs for Bulk Diesel	394					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		3,528
01/06	O	21777	SO#515056-Village at Ocean Walk	380					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		16,217
09/05	#	21793	SO#529484-Casa Del Sol-C	376		2,463	35,135		
				380		161	161		
			TOTAL FOR THIS I.R. NUMBER		0	2,624	35,296		34,797
09/05	#	21929	Engine for Vehicle 36-C	392			11,812		
			TOTAL FOR THIS I.R. NUMBER		0	0	11,812		11,750
01/07	O	22009	Propane Supv. Vehicle	392				YR 2007	
			TOTAL FOR THIS I.R. NUMBER		0	0	0	24,000	24,000
01/07	#	22037	Overhaul Engine in Vehicle 34-C	392	(6,702)	0	0		
				3923	6,702	6,702	6,702		
			TOTAL FOR THIS I.R. NUMBER		0	6,702	6,702		6,575
05/07	O	22065	Overhaul Engine in Vehicle 39	3923	8,013	8,014	8,013		
			TOTAL FOR THIS I.R. NUMBER		8,013	8,014	8,013		8,013
			TOTAL FOR THIS I.R. NUMBER						116,852
			TOTAL CHARGES FOR I.R.s		8,013	17,340	62,941		233,704

Total of All Open I.R.s ("O") 8,013

TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 54,928

WPB FG Track

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311		200	75,000	0%
Remote Tank Monitors	312	1,092	5,513	8,400	
Remote Tank Monitors Installation	313	108	452		
Propane Dispensers	364		417		
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	2,710	18,996	115,000	17%
Mains	376	7,099	20,578	50,000	41%
Services	380	1,513	9,004	12,000	75%
Meters	381				
Meter Installations	382	313	1,280	6,000	21%
House Regulators	383				
House Regulator Installations	384	1,262	4,356	6,000	73%
Consumers' System Installations - Aboveground	385	2,638	8,105	21,600	38%
Consumers' System Installations - Underground	386	1,279	22,564	100,000	23%
Other Equipment	387			6,000	0%
GENERAL PLANT					
Office Furniture and Equipment	391				
Transportation Equipment	392		103,557		NO BUDGET
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397				
TOTAL CONSTRUCTION		**18,014**	**195,022**	**400,000**	**49%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312	1,092	5,513	8,400	66%
Remote Tank Monitors-Installation	313	108	452		
Propane Dispensers	364		417		NO BUDGET
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	2,710	18,996	115,000	17%
Mains	376				
Services	380		3,773	12,000	31%
Meters	381				
Meter Installations	382	313	1,279	6,000	21%
House Regulators	383				
House Regulator Installations	384	1,262	4,356	6,000	73%
Consumers' System Installations - Aboveground	385	2,638	8,105	21,600	38%
Consumers' System Installations - Underground	386	1,279	22,564	100,000	23%
Other Equipment	387			6,000	0%
GENERAL PLANT					
Computer Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**9,402**	**65,455**	**275,000**	**24%**

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - CENTRAL FLORIDA
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311		200	75,000	0%
Propane Dispensers	364				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374				
Mains	376	7,099	20,578	50,000	41%
Services	380	1,513	5,231		NO BUDGET
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387				
GENERAL PLANT					
Office Furniture and Equipment	3911				
Computer Equipment	3913				
Computer Equipment-Software	391305				
Transportation Equipment	392	(103,964)	(406)		NO BUDGET
Transportation Equipment	3923	103,964	103,964		
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397				
TOTAL SPECIFIC I.R. CONSTRUCTION		**8,612**	**129,567**	**125,000**	**104%**

Sanford FG

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - CENTRAL FLORIDA

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open # = Closed	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2,004 Budget	MEMO - Approved Amount Of I.R.
08/05	#	21669	Veranda Park-Block System-Y	311		200	200		
				376		3,321	6,288		
				380		39	39		
			TOTAL FOR THIS I.R. NUMBER		0	3,560	6,527		4,249
01/06	#	21761	Propane Bobtail-C	392	(103,964)	(406)	0	YR 2006	
				3923	103,964	103,964	103,964		
			TOTAL FOR THIS I.R. NUMBER		0	103,558	103,964	95,000	95,000
02/07	O	21998	SO#695280-Veranda Park-Bldg 4	376	8,024	10,881	10,880		
				380	1,107	4,786	4,787		
			TOTAL FOR THIS I.R. NUMBER		9,131	15,667	15,667		9,527
02/07	O	22028	SO#697209-Community Gas System	376	(925)	6,376	6,376		
				380	406	406	406		
			TOTAL FOR THIS I.R. NUMBER		(519)	6,782	6,782		30,594
04/07	O	22082	Veranda Park-30,000 Gal Tank	311					
				376					
				380					
			TOTAL FOR THIS I.R. NUMBER		0	0	0		326,591
			TOTAL FOR THIS I.R. NUMBER						465,961
			TOTAL CHARGES FOR I.R.s		8,612	129,567	132,940		

Total of All Open I.R.s ("O")	22,449
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")	107,524

San. PG Track

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - NORTHEAST
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Structures and Equip	305				
Propane Storage Plant	310				
Propane Storage Tanks	311				
Remote Tank Monitors	312				
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374	3,397	12,840	48,000	27%
Mains	376	7,356	7,356	30,000	25%
Services	380	1,725	21,151	8,400	252%
Meters	381				
Meter Installations	382	408	1,605	9,600	17%
House Regulators	383	1,313	1,882	4,800	39%
House Regulator Installations	384	124	1,427	2,400	59%
Consumers' System Installations - Aboveground	385	366	5,006	15,600	32%
Consumers' System Installations - Underground	386	5,269	15,982	51,800	31%
Other Equipment	387	7,138	7,138		NO BUDGET
GENERAL PLANT					
Structures and Improvements	390	(237)	(237)	15,000	
EDP Equipment	391				
Transportation Equipment	392			100,000	0%
Tools, Shop and Garage Equipment	394			3,000	0%
Laboratory Equipment	395				
Power Operated Equipment	396			3,000	
Communication Equipment	397	237	237		
TOTAL CONSTRUCTION		**27,118**	**74,367**	**291,600**	**26%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312				
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374	2,817	12,260	48,000	26%
Mains	376				
Services	380	88	19,504	8,400	232%
Meters	381				
Meter Installations	382	408	1,605	9,600	17%
House Regulators	383	1,313	1,882	4,800	39%
House Regulator Installations	384	124	1,427	2,400	59%
Consumers' System Installations - Aboveground	385	366	5,006	15,600	32%
Consumers' System Installations - Underground	386	4,897	15,580	51,800	30%
Other Equipment	387				
GENERAL PLANT					
EDP Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394			3,000	0%
Laboratory Equipment	395				
Power Operated Equipment	396			3,000	
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**10,015**	**57,264**	**146,600**	**39%**

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - NORTHEAST
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Current Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Structures and Equip	305		0		
Propane Storage Plant	310				
Propane Storage Tanks	311				
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374	580	580		NO BUDGET
Mains	376	7,356	7,356	30,000	25%
Services	380	1,637	1,647		NO BUDGET
Meters	381				
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386	392	382		NO BUDGET
Other Equipment	387	7,138	7,138		NO BUDGET
GENERAL PLANT					
Structures and Improvements	390	(237)	(237)	15,000	
EDP Equipment	3913				
EDP Equipment-Software	391305				
Transportation Equipment	392	(4,735)	(4,735)	100,000	-5%
Transportation Equipment	3923	4,735	4,735		
Tools, Shop and Garage Equipment	394				
Laboratory Equipment	395				
Communication Equipment	397	237	237		
TOTAL SPECIFIC I.R. CONSTRUCTION		**17,103**	**17,103**	**145,000**	**12%**

Fern FG

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - NORTHEAST

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

DATE AUTH	O = Open I = In-Serv. # = Compl.	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Total To Date	2007 Budget	MEMO - Approved Amount Of I.R.
02/05	#	21582	Preserve at Summer Beach-Block Sys.-C	374					
				380		10	80,344		
				386		(10)	0		
			TOTAL FOR THIS I.R. NUMBER		0	0	80,344		106,260
01/06	#	21764	Boom for Truck-C	392	(4,735)	(4,735)	0		
				3923	4,735	4,735	4,735		
			TOTAL FOR THIS I.R. NUMBER		0	0	4,735		2,782
05/06	#	21855	Conduit for DSL Service-C	390	(237)	(237)	0		
				397	237	237	2,853		
			TOTAL FOR THIS I.R. NUMBER		0	0	2,853		3,500
05/06	O	22061	Oakleaf Commons	374	580	580	580		
				376	7,356	7,356	7,356		
				380	1,637	1,637	1,637		
				386	392	392	392		
			TOTAL FOR THIS I.R. NUMBER		9,965	9,965	9,965		30,100
05/06	O	22064	Leak Detection Equipment	387	7,138	7,138	7,138		
			TOTAL FOR THIS I.R. NUMBER		7,138	7,138	7,138		7,200
05/06	O	22070	Bobtail	3923					
			TOTAL FOR THIS I.R. NUMBER		0	0	0	100,000	100,000
									249,842
			TOTAL CHARGES FOR I.R.s		17,103	17,103	105,035	100,000	
			Total of All Open I.R.s ("O")				17,103		
			TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#")				87,932		

Fern FG Track

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - WEST FLA.
MAY 2007

TOTAL CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2006 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Plant Yard Site	306				
Propane Storage Plant	310				
Propane Storage Tanks	311				
Remote Tank Monitors	312			2,000	
Remote Tank Monitor Installations	313	165	165		
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374		519	21,600	2%
Mains	376		9,713	115,000	8%
Services	380	6,858	29,795	36,000	83%
Meters	381		1,812		NO BUDGET
Meter Installations	382	549	9,018	12,000	75%
House Regulators	383	450	3,708	12,000	31%
House Regulator Installations	384	86	1,104	4,800	23%
Consumers' System Installations - Aboveground	385	684	5,512	32,400	17%
Consumers' System Installations - Underground	386	98	735	12,000	6%
Other Equipment	387			6,500	0%
GENERAL PLANT					
Land and Land Rights	389				
Structures & Improvements	390				
EDP Equipment	391		8,678	10,500	83%
Transportation Equipment	392		5,323	74,000	7%
Tools, Shop and Garage Equipment	394		2,873	5,000	57%
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL CONSTRUCTION		**8,890**	**78,955**	**343,800**	**23%**

NON-SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Storage Tanks	311				
Remote Tank Monitors	312			2,000	0%
Remote Tank Monitor Installations	313	165	165		
DISTRIBUTION PLANT					
Consumers' Storage Tanks	374		519	21,600	2%
Mains	376				
Services	380	5,591	28,217	36,000	78%
Meters	381				
Meter Installations	382	549	9,018	12,000	75%
House Regulators	383	450	3,708	12,000	31%
House Regulator Installations	384	86	1,104	4,800	23%
Consumers' System Installations - Aboveground	385	684	5,512	32,400	17%
Consumers' System Installations - Underground	386	98	735	12,000	6%
Other Equipment	387				
GENERAL PLANT					
Land and Land Rights	389				
Structures & Improvements	390				
Office Furniture	3911			2,500	0%
EDP Equipment	3913				
Transportation Equipment	392				
Tools, Shop and Garage Equipment	394		2,873		NO BUDGET
Laboratory Equipment	395				
Power Operated Equipment	396				
Communication Equipment	397				
TOTAL NON-SPECIF I.R. CONSTRUCTION		**7,623**	**51,851**	**135,300**	**38%**

FLO-GAS CORPORATION
CONSTRUCTION AND IMPROVEMENT REQUISITIONS
GAS PLANT - WEST FLA.
MAY 2007

SPECIFIC I.R. CONSTRUCTION

Description	Account Number	Curent Month Charges	Year-To-Date Charges	2007 Budget	Y-T-D / Budget %
PRODUCTION PLANT					
Propane Plant Yard Site	306				
Propane Storage Plant	310				
Propane Storage Tanks	311				
DISTRIBUTION PLANT					
Dispensing System	364				
Consumers' Storage Tanks	374				
Mains	376		9,713	115,000	8%
Services	380	1,267	1,578		NO BUDGET
Meters	381		1,812		NO BUDGET
Meter Installations	382				
House Regulators	383				
House Regulator Installations	384				
Consumers' System Installations - Aboveground	385				
Consumers' System Installations - Underground	386				
Other Equipment	387			6,500	0%
GENERAL PLANT					
Structures & Improvements	390				
Office Equip	3912		8,678	8,000	108%
EDP Equipment	3913				
EDP Equipment-Software	391305				
Transportation Equipment	392		5,323	74,000	7%
Tools, Shop and Garage Equipment	394			5,000	0%
Laboratory Equipment	395				
Power Operated Equip	396				
TOTAL SPECIFIC I.R. CONSTRUCTION		**1,267**	**27,104**	**208,500**	**13%**

Nature

FLO-GAS CORPORATION

CONSTRUCTION AND IMPROVEMENT REQUISITIONS

GAS PLANT - WEST FLA.

MAY 2007

SPECIFIC I.R. CONSTRUCTION - DETAIL

O = Open
I = In-Serv.
# = Compl.

DATE AUTH	I.R. Number	Description	Account Number	Charges This Month	Charges Year-To-Date	Cumulative Charges To Date	2004 Budget	Amount Authorized
05/03	21115	Build New Showroom Area-C	390		0	6,764		
		TOTAL FOR THIS I.R. NUMBER		0	0	6,764		18,000
03/04	21319	Summerglen-Block System	311			16,318		
			376		9,713	604,852		
			380			62,910		
			381		1,812	1,812		
			382			12,255		
			385			0		
			386			0		
			387			0		
		TOTAL FOR THIS I.R. NUMBER		0	11,525	698,147		892,546
06/04	21354	Habitat for Humanity-Block Sys.	374			6,300		
			376			21,706		
			380	1,267	1,578	2,783		
			385			107		
		TOTAL FOR THIS I.R. NUMBER		1,267	1,578	30,896		31,740
10/04	21479	Hydraulic Liftgate-C	392			2,444		
		TOTAL FOR THIS I.R. NUMBER		0	0	2,444	2,500	2,722
10/04	21505	Engine for Vehicle #122-C	392			7,505		
		TOTAL FOR THIS I.R. NUMBER		0	0	7,505		7,505
06/05	21632	Rear-End for Vehicle #103-C	392			3,291		
		TOTAL FOR THIS I.R. NUMBER		0	0	3,291		3,291
01/06	21759	Propane Bobtail=-C	392			87,958	Yr 2006	
		TOTAL FOR THIS I.R. NUMBER		0	0	87,958	80,000	95,000
01/06	21760	I & M Truck-C	392			72,468	Yr 2006	
		TOTAL FOR THIS I.R. NUMBER		0	0	72,468	70,000	70,000
05/06	21854	45KW Generator-C	390			16,719		
		TOTAL FOR THIS I.R. NUMBER		0	0	16,719		15,000
12/06	21966	Purchase LR Trailer-C	392		5,323	5,323		
		TOTAL FOR THIS I.R. NUMBER		0	5,323	5,323		5,500
12/06	21986	I&M Truck	392				YR 2007	
		TOTAL FOR THIS I.R. NUMBER		0	0	0	74,000	74,000
01/07	21993	Multi-Function Copier/Printer-C	3912		8,678	8,678	YR 2007	
		TOTAL FOR THIS I.R. NUMBER		0	8,678	8,678	8,000	8,678
				1,267	27,104	940,193		

Total of All Open I.R.s ("O") 729,043

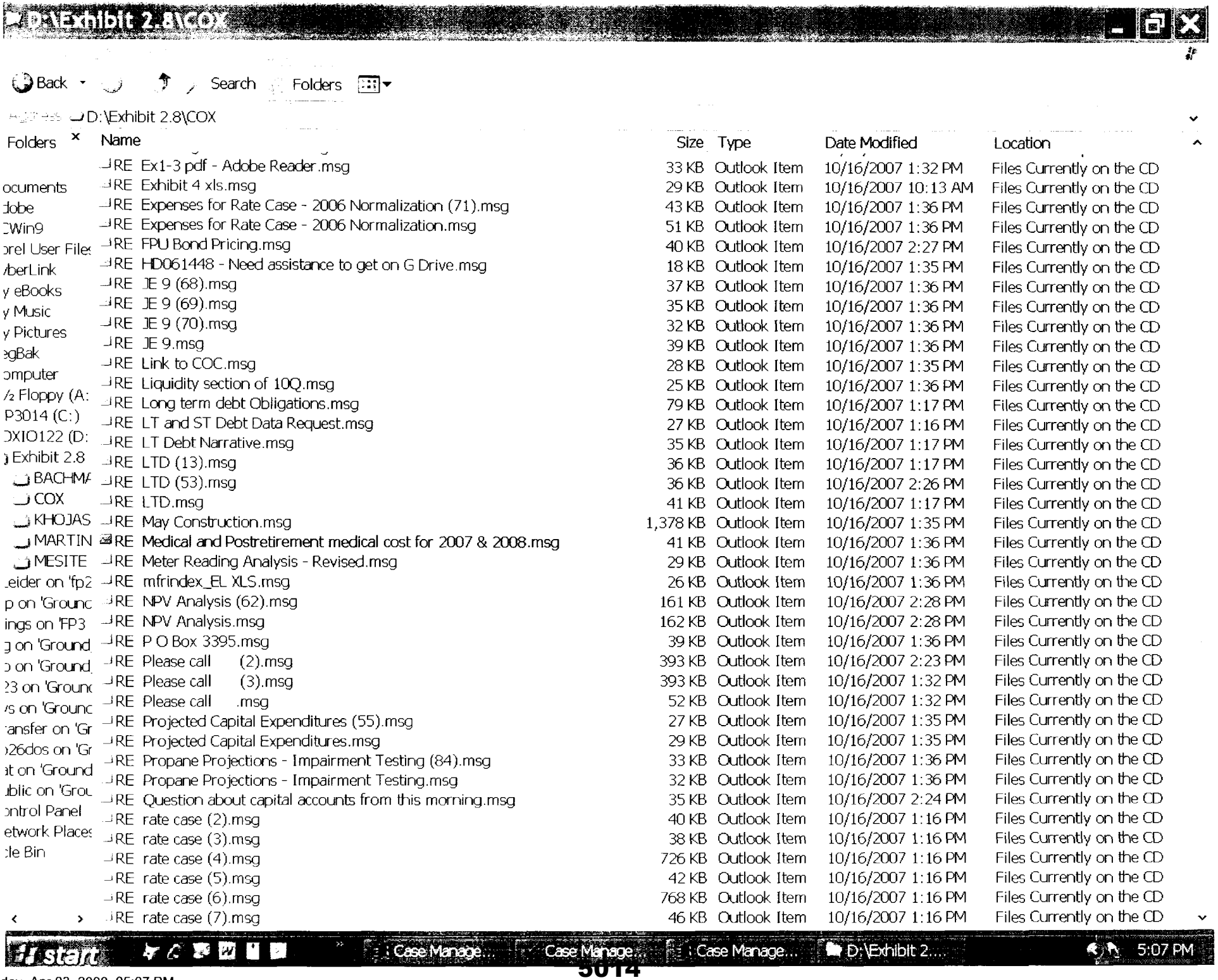
TOTAL SPECIFIC I.R.'S CLOSED FOR THE YEAR ("I" , "#") 211,150

Nature FG Track

SUMMARY OF Y-T-D CONSTRUCTION COSTS BY DIVISION

	ELECTRIC	FLO-GAS
MARIANNA		
BLANKET IR'S	503,325	
SPECIFIC IR'S	94,678	
TOTAL CONST.	598,003	
FERNANDINA		
BLANKET IR'S	464,555	57,264
SPECIFIC IR'S	517,535	17,103
TOTAL CONST.	982,090	74,367
WEST PALM BCH.		
BLANKET IR'S	1,098,711	165,579
SPECIFIC IR'S	1,035,379	17,340
TOTAL CONST.	2,134,090	182,919
CENTRAL FLA.		
BLANKET IR'S	234,489	65,455
SPECIFIC IR'S	180,305	129,567
TOTAL CONST.	414,794	195,022
COMMON		
BLANKET IR'S	7,565	0
SPECIFIC IR'S	204,869	0
TOTAL CONST.	212,434	0
NATURE COAST		
BLANKET IR'S		51,851
SPECIFIC IR'S		27,104
TOTAL CONST.		78,955
GRAND TOTAL	4,341,411	531,263

Summary



Thursday, Apr 03, 2008 05:07 PM

Clara Leider

From: Lundgren April
Sent: Tuesday, May 29, 2007 11:19 AM
To: Bhatia Nadira
Cc: Cox Doreen
Subject: RE: Medical and Postretirement medical cost for 2007 & 2008 [Virus Checked]

Nadira:

Does a portion of this go to capital accounts as well? I will need the percent capitalized (if any) and the allocation for the expense portion...

Thanks,
April
x1788

From: Bhatia Nadira
Sent: Tuesday, May 22, 2007 3:43 PM
To: Cox Doreen
Cc: Lundgren April
Subject: FW: Medical and Postretirement medical cost for 2007 & 2008 [Virus Checked]

Doreen:

Attached is a spreadsheet with the total medical cost summarized and the estimated amount for the postretirement portion.

Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant

From: Bonn Wayne
Sent: Monday, May 21, 2007 9:38 AM
To: Bhatia Nadira
Subject: FW: Medical and Postretirement medical cost for 2007 & 2008 [Virus Checked]

Nadira,

Finally got some increase estimates from AON this past Friday. Please let me know if this answers your questions.

Thanks

Wayne

From: Matt Moran [mailto:matt_moran@aon.com]

Sent: Friday, May 18, 2007 2:34 PM
To: Bonn Wayne
Subject: Fw: Medical and Postretirement medical cost for 2007 & 2008 [Virus Checked]

Wayne -

Using our trend survey (attached), I would increase medical by 11.4% on an annual basis and the dental by 6.5%.

Life and BTA are much harder to predict. For BTA, I doubt any increase would apply, so keep that at $500. Life rates are held down by a very competitive marketplace but depend heavily on FPUC's actual experience. Let's be conservative and use last year's increase of 5% as an estimated future increase.

Matthew T. Moran | *Consultant*
Aon Consulting | 7650 West Courtney Campbell Causeway, Suite 1000 | Tampa, FL 33607
813.636.3064 | 813.636.3060 | Matt_Moran@aon.com | www.aon.com

----- Forwarded by Matt Moran/HW/Aon Consulting on 05/18/2007 02:27 PM -----

Matt Moran

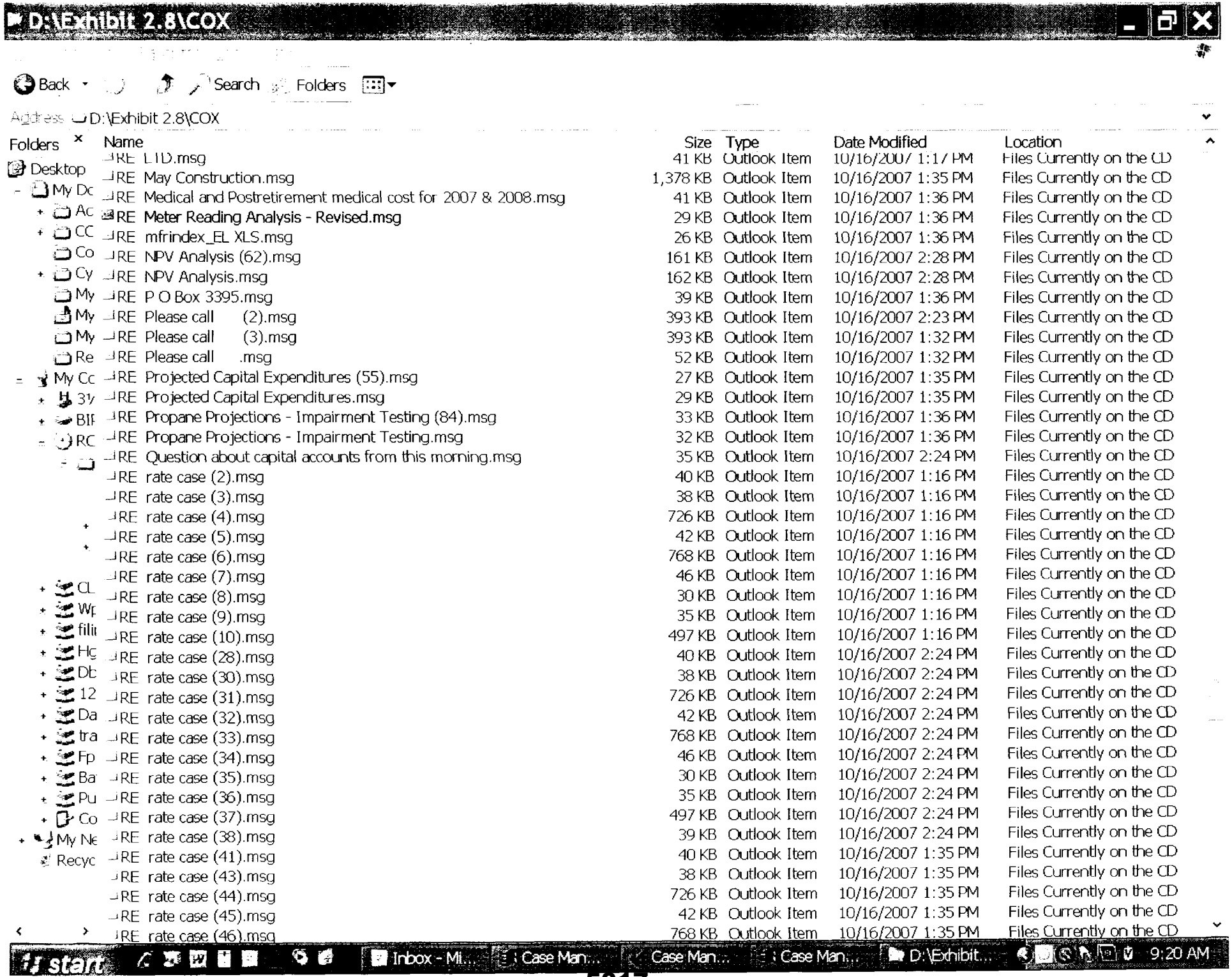
05/15/2007 09:39 AM

To: "Bonn Wayne" <Wayne_Bonn@fpuc.com>
cc:
Subject: Re: FW: Medical and Postretirement medical cost for 2007 & 2008 [Virus Checked] Link

CIGNA Medical Policy 3328809. 2006 estimated cost: $2,490,000 (based on 2006 marketing results)
Assurant Dental Policy D940 and C289. 2006 estimated cost: $57,200
UNUM Basic Life Polcy 562831. 2006 estimated cost: $33,400
RSLI Business Travel Accident Policy SR-046381. 2006 cost $500

Wayne, do you need the voluntary/all employee-paid lines? Also, I don't have a break out of the post-retirement costs, I'll have to ask Brian Broverman's team. In the meantime, do you think Nicole would have post-retirement broken out somewhere?

Matthew T. Moran | *Consultant*
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RE Medical and Postretirement medical cost for 2007 & 2008.msg
RE Meter Reading Analysis - Revised.msg
RE mfrindex_EL XLS.msg
RE NPV Analysis (62).msg
RE NPV Analysis.msg
RE P O Box 3395.msg
RE Please call (2).msg
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RE Please call .msg
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RE Projected Capital Expenditures.msg
RE Propane Projections - Impairment Testing (84).msg
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RE Question about capital accounts from this morning.msg
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Clara Leider

From: Bachman George
Sent: Tuesday, May 29, 2007 6:48 PM
To: Cox Doreen
Cc: Napier Michelle
Subject: RE: Meter Reading Analysis - Revised

Michelle emailed me and said the pension and other add ons only go to the capital accounts. If this is the case the expenses (902) will not have any of the overheads. I'm verifying this with Michelle to make certain.

Thanks.

From: Cox Doreen
Sent: Tuesday, May 29, 2007 11:34 AM
To: Bachman George
Cc: Martin Cheryl
Subject: Meter Reading Analysis - Revised

P:\Departments & Divisions\Accounting Departments\Corp Acct\Analysis\Meter Reading Analysis.xls

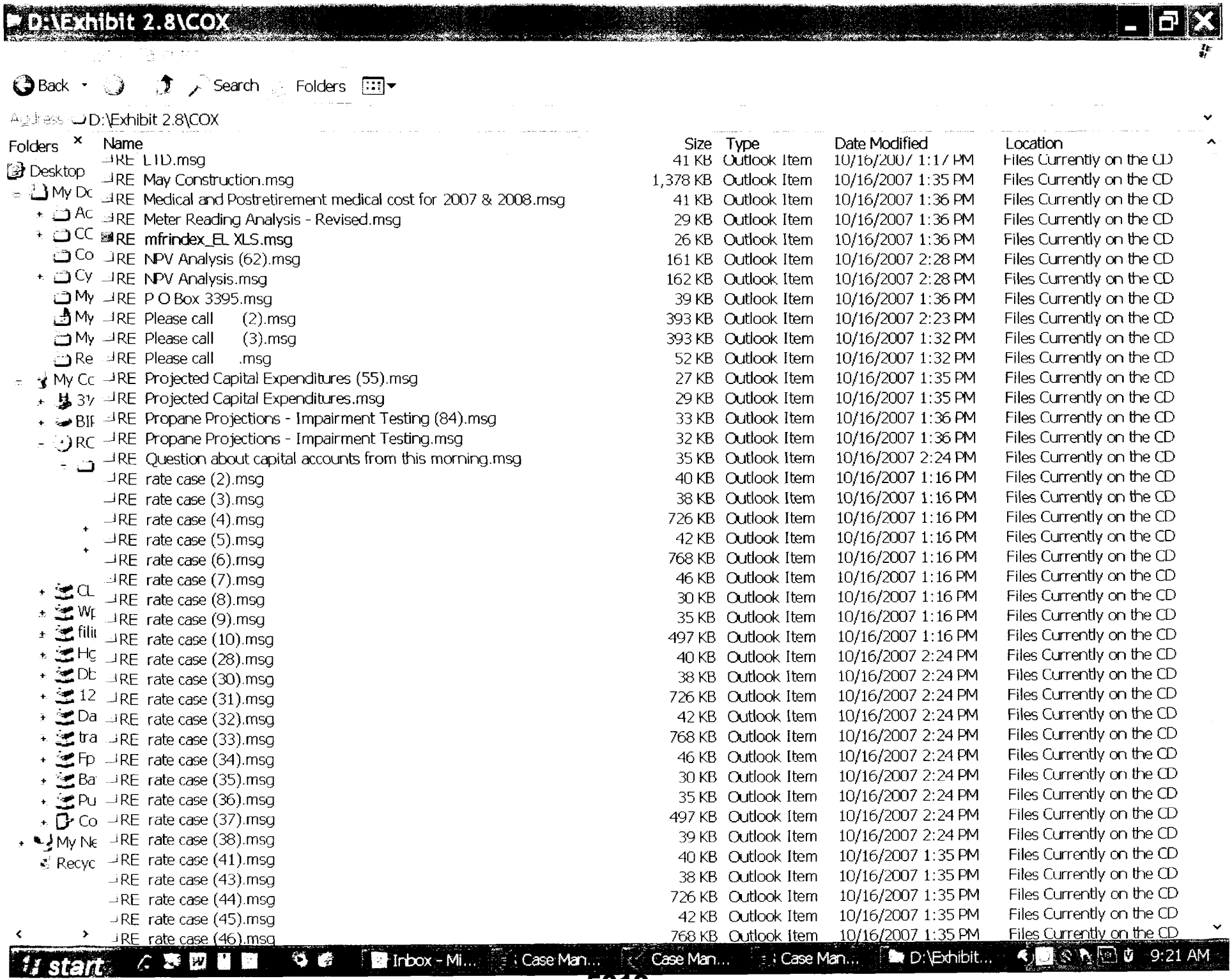
Link to updated analysis.

The changes are:

1. In-house Feb 2006 normalized to estimate cost with the full complement of Meter Readers.
2. Chart added, showing Cost per Meter Read.
3. Note #5 added summarizing some of the factors not taken into consideration.

I also wanted to do a qualitative list of some of the non-quantitative considerations, but in speaking with Jack this morning, he felt he had a good grasp of those.

Thanks
Doreen


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Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 16, 2007 12:06 PM
To: Cox Doreen
Subject: RE: mfrindex_EL.XLS

I can do that, but if you are doing the historical info thought it would be just as easy to put it on the schedule. What do you think?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

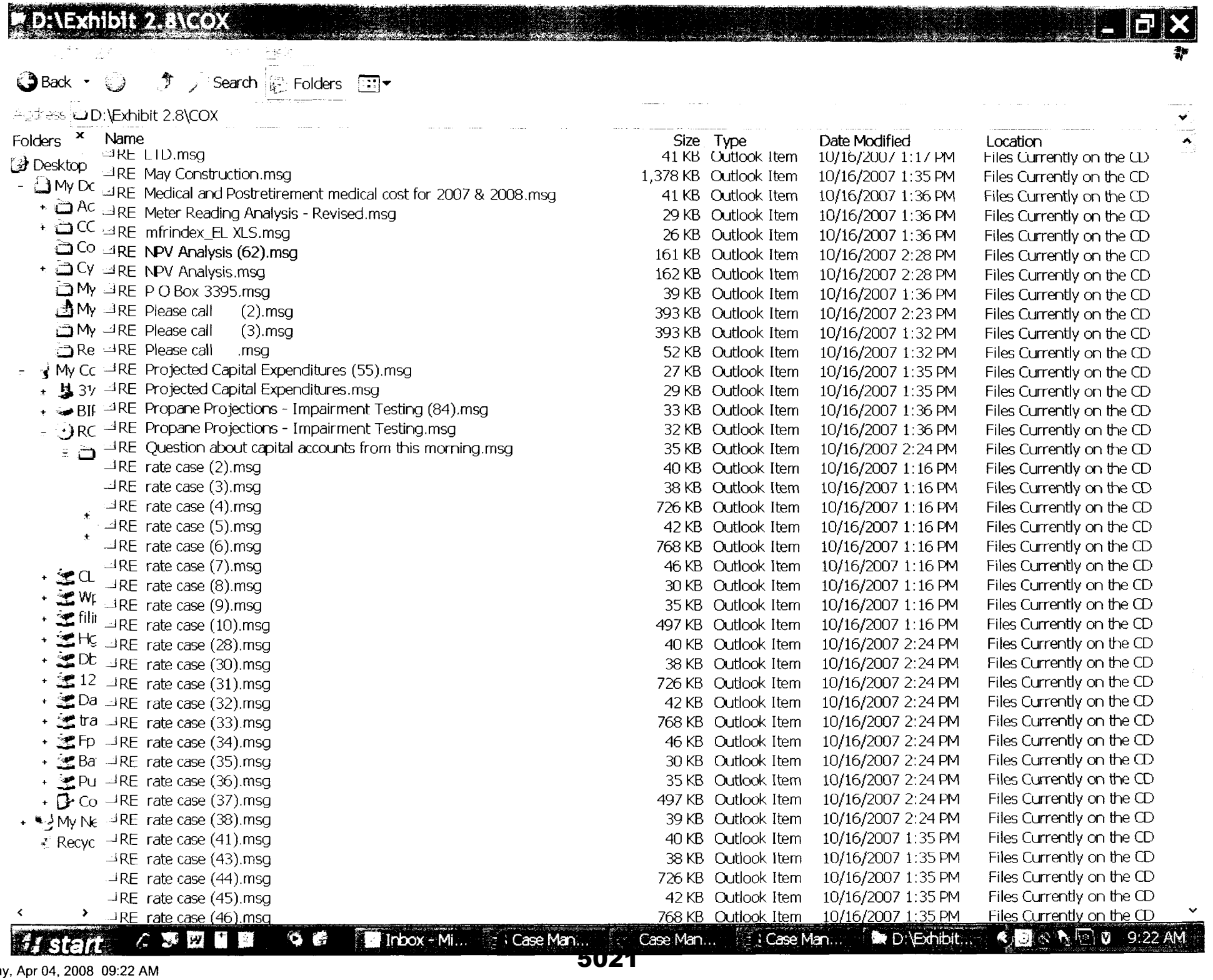
-----Original Message-----
From: Cox Doreen
Sent: Wednesday, May 16, 2007 11:48 AM
To: Martin Cheryl
Subject: RE: mfrindex_EL.XLS

Cheryl
I'm doing the Cost of Capital schedules? I thought in the meeting yesterday we said the Consultants would prepare the Schedules, but I would provide them with the COC components?

Please clarify.
Thanks
Doreen

-----Original Message-----
From: Martin Cheryl
Sent: Wednesday, May 16, 2007 11:29 AM
To: Cox Doreen; Young Curtis; Bhatia Nadira; Lundgren April; Khojasteh Mehrdad; Mesite Jim; Cutshaw Mark
Subject: mfrindex_EL.XLS

Take a look at the time table today and tomorrow morning, and let me know if you see any problems with dates due on MFRs, or who is assigned to prepare the schedule itself. If you feel the Consultants should do one assigned to you , please let me know that as well. I tried to assign due dates for dependent components, but I may not have done all of these correct, so let me know if y ou see any problems with that as well. In other words, if you need data to complete a schedule, make sure it is done before you due date to allow you enough time to complete. Thanks for your help. Cheryl



Friday, Apr 04, 2008 09:22 AM

Clara Leider

From: Cox Doreen
Sent: Wednesday, January 17, 2007 9:10 AM
To: Cox Doreen; 'Sprouse,Kevin E'
Cc: Bachman George
Subject: RE: NPV Analysis
Attachments: Refunding Bond4.xls

Re-sending – the figures are the same, but I have removed the tax wording on the "No Tax" tab.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Wednesday, January 17, 2007 8:23 AM
To: 'Sprouse,Kevin E'
Cc: Bachman George
Subject: NPV Analysis

Kevin:
Attached is the worksheet showing the NPV analysis of the Refunding Bond. The difference in the results is mostly due to the tax effect applied in the "FPU" scenario. I did another version of the FPU removing the tax effect and using the same discount rate and the results came very close to yours.
Regards
Doreen
(561) 838-1797

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%**	**5.75%**	**-1.10%**
Annual Interest Expense	$1,027,500	$862,500	-$165,000
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.25%	
All-In Cost	**6.85%**	**6.40%**	**-0.45%**
NPV Savings through Initial Maturity			**$831,464**

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.

FLORIDA PUBLIC UTILITIES

Edward Jones

Florida Public Utilities Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$165,000
Annual Financing Cost of Expenses	(97,251)
Annual Savings	67,749
NPV Savings	**$831,464**
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	560,602
Other Expenses	100,000
Total	**$1,283,102**
Annual Financing Cost of Expenses	$97,251
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.750%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.25%
Issue Date	1/1/2007
Maturity date	12/15/2036
Maturity (years)	30.0
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.40%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.4% and amortized for 30.0 years

FLORIDA PUBLIC UTILITIES

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	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		**($12,650,126)**																									
Coupon Rate		6.85%																									

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Other Expenses	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		(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)	(862,500)
Total Outflows		-	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)
NPV		**($11,816,030)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									

SAVINGS		-	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749
		$834,096																									
Discount Rate	3	6.40%																									

Assumptions

1 Call Premium, Bond Insurance, Underdwriting Fee and Other Expenses financed over 30 years
2 Expenses not tax effected
3 Discount Rate of 6.4%

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	2027	2028	2029	2030	2031
Interest tax effected	2		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV		**($8,193,550)**																									
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**	**2027**	**2028**	**2029**	**2030**	**2031**
Call Premium	1	(150,000)																									
Underwriting Fee and tax ddn	1 2	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected	2		(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)
Other Expenses and tax ddn	1 2	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	2		(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)
Total Outflows		(722,500)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)
NPV		**($7,807,558)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									
SAVINGS		**(722,500)**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**
		$385,991																									
Discount Rate	3	6.00%																									

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%

Refunding Bond Analysis
FPU's Analysis
Dec-06

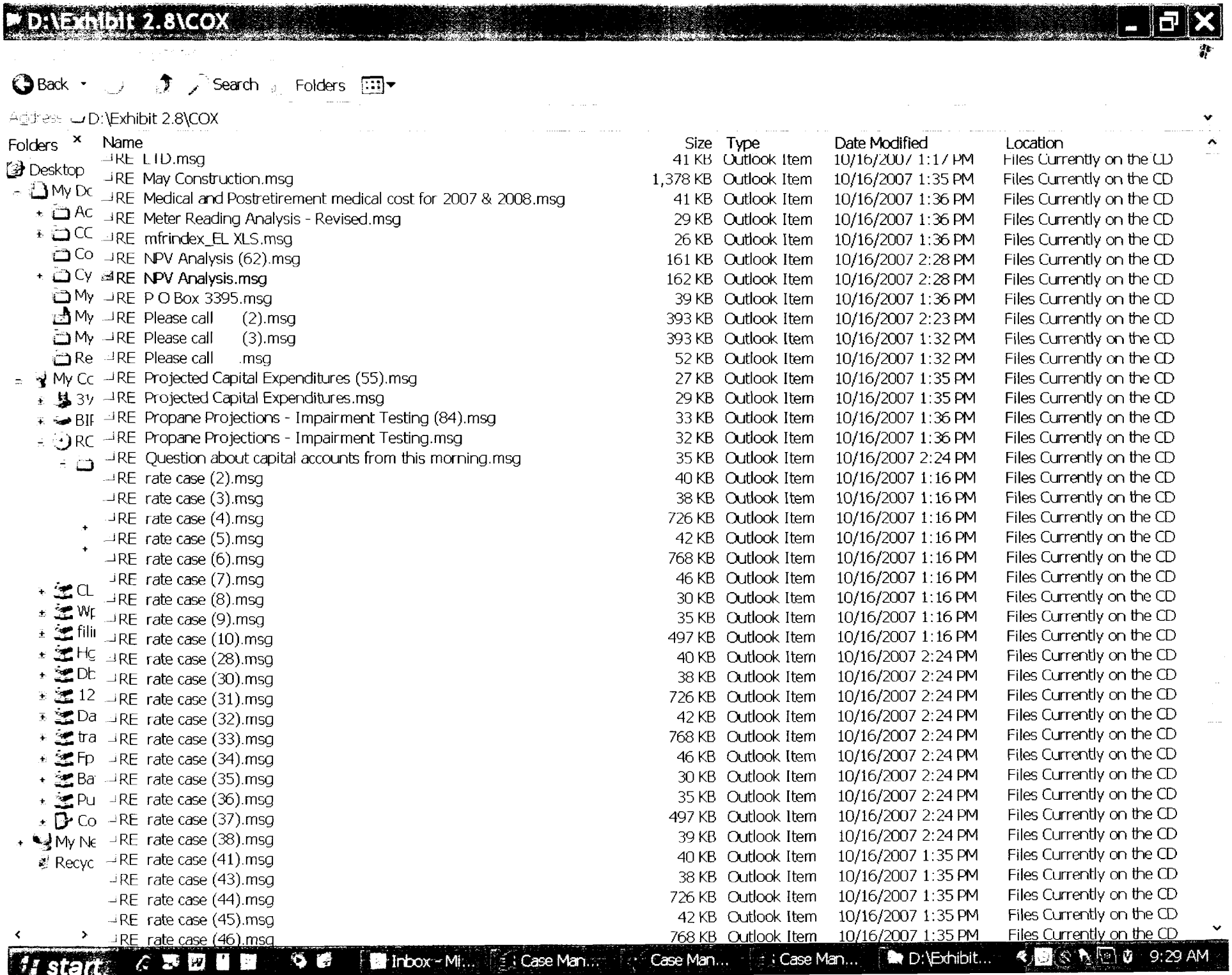
ORIGINAL BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interest	2		(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(1,027,500)	(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		**($12,850,126)**																									
Coupon Rate		6.85%																									

REFUNDING BOND		**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Call Premium	1	(150,000)																									
Underwriting Fee	1 2	(472,500)																									
Bond Insurance	2		(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Other Expenses	1 2	(100,000)																									
Interest	2		(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)	(862,500)
Total Outflows		(722,500)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
NPV		**($11,882,803)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									

SAVINGS		**(722,500)**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**
		$847,224																									
Discount Rate	3	6.40%																									

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 No tax effect
3 Discount Rate of 6.4%



Friday, Apr 04, 2008 09:29 AM

Clara Leider

From: Cox Doreen
Sent: Wednesday, January 17, 2007 9:10 AM
To: Cox Doreen; 'Sprouse,Kevin E'
Cc: Bachman George
Subject: RE: NPV Analysis
Attachments: Refunding Bond4.xls

Re-sending – the figures are the same, but I have removed the tax wording on the "No Tax" tab.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Wednesday, January 17, 2007 8:23 AM
To: 'Sprouse,Kevin E'
Cc: Bachman George
Subject: NPV Analysis

Kevin:
Attached is the worksheet showing the NPV analysis of the Refunding Bond. The difference in the results is mostly due to the tax effect applied in the "FPU" scenario. I did another version of the FPU removing the tax effect and using the same discount rate and the results came very close to yours.
Regards
Doreen
(561) 838-1797

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%**	**5.75%**	**-1.10%**
Annual Interest Expense	$1,027,500	$862,500	-$165,000
U/W Fee		3.15%	
PV Bond Insurance	n/a	0.25%	
All-In Cost	**6.85%**	**6.40%**	**-0.45%**
NPV Savings through Initial Maturity			**$831,464**

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.**

FLORIDA PUBLIC UTILITIES

Edward **Jones**

Florida Public Utilities Detailed Savings Analysis

Series	Florida Public Utilities 6.85% due 10/1/2031
Savings Analysis	
Annual Interest Savings	$165,000
Annual Financing Cost of Expenses	(97,251)
Annual Savings	67,749
NPV Savings	**$831,464**
Expenses	
Call Premium	150,000
Underwriting fee	472,500
Bond Insurance	560,602
Other Expenses	100,000
Total	**$1,283,102**
Annual Financing Cost of Expenses	$97,251
Current Bonds	
Principal	$15,000,000
Current Coupon Rate	6.85%
Issue Date	09/27/01
Maturity Date	10/01/31
Original issue maturity (years)	30.0
Remaining Life (years)	24.8
All-in Cost	6.85%
Call Date	12/18/2006
Call Premium	101.00%
Refunding Bonds	
Principal	$15,000,000
New Coupon Rate	5.750%
Underwriting fee upfront	3.15%
PV Bond Insurance per annum	0.25%
Issue Date	1/1/2007
Maturity date	12/15/2036
Maturity (years)	30.0
New Call Date	12/31/2011
All-in Cost (Discount Rate)	**6.40%**

* Other Expenses include legal, rating and auditor fees.

** Expenses are financed at a rate of 6.4% and amortized for 30.0 years

FLORIDA PUBLIC UTILITIES

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	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		**($12,650,126)**																									
Coupon Rate		6.85%																									

REFUNDING BOND		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Other Expenses	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		(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)	(862,500)
Total Outflows		-	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)	(959,751)
NPV		**($11,816,030)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									

SAVINGS		-	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749	67,749
		$834,096																									
Discount Rate	3	6.40%																									

Assumptions

1 Call Premium, Bond Insurance, Underdwriting Fee and Other Expenses financed over 30 years
2 Expenses not tax effective
3 Discount Rate of 6.4%

Refunding Bond Analysis
FPU's Analysis
Dec-06

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
Interest tax effected	2		(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)	(640,955)
NPV		**($8,193,550)**																									
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**	**2027**	**2028**	**2029**	**2030**	**2031**
Call Premium	1	(150,000)																									
Underwriting Fee and tax ddn	1 2	(472,500)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Bond Insurance tax effected	2		(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)	(23,393)
Other Expenses and tax ddn	1 2	(100,000)	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Interest tax effected	2		(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)	(538,028)
Total Outflows		(722,500)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)	(554,241)
NPV		**($7,807,558)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									
SAVINGS		**(722,500)**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**	**86,714**
		$385,991																									
Discount Rate	3	**6.00%**																									

Assumptions

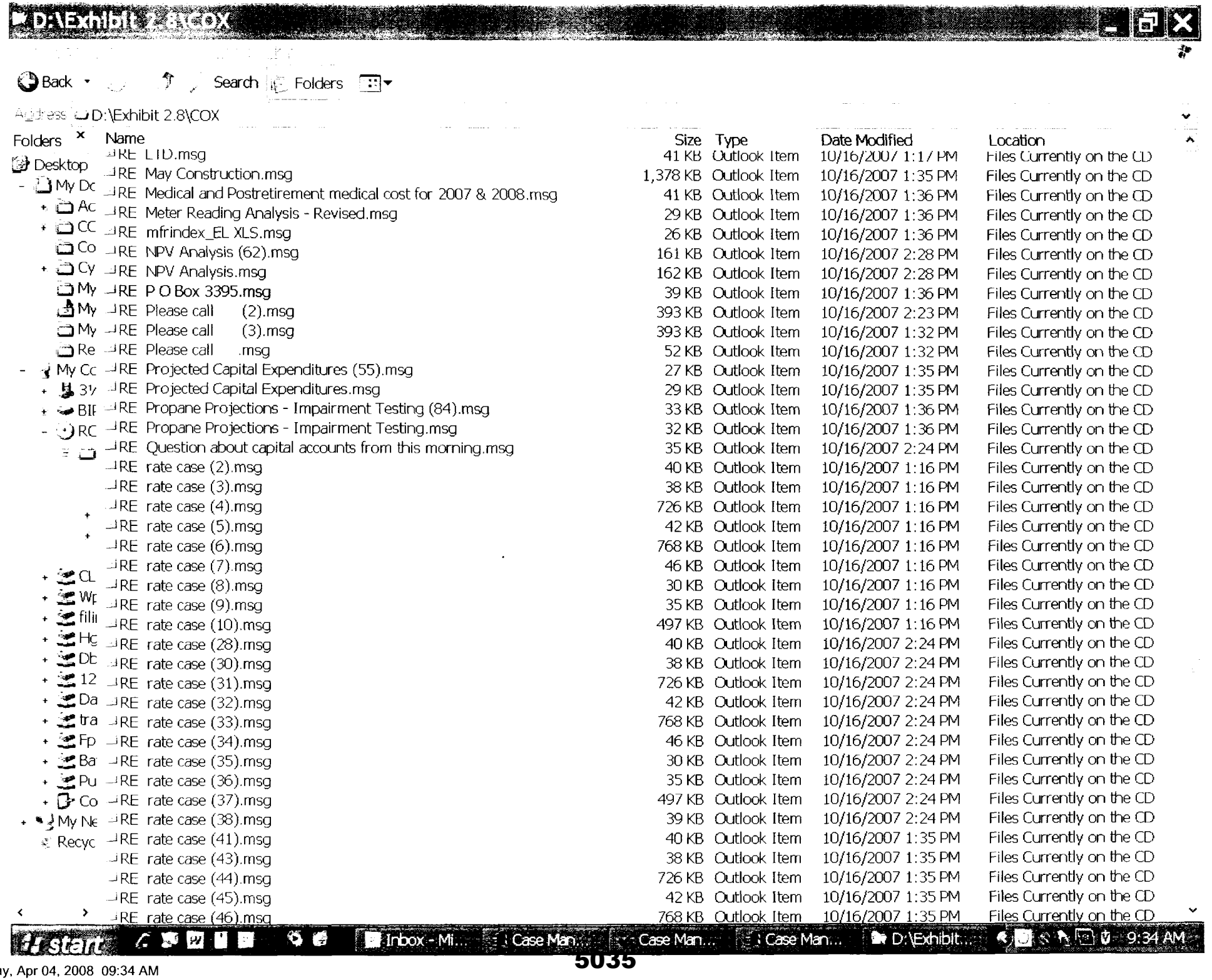
1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 All expenses except Call Premium are Tax Deductible
3 Discount Rate of 6%

Refunding Bond Analysis
FPU's Analysis
Dec-08

		2008	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ORIGINAL BOND																											
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		**($12,650,128)**																									
Coupon Rate		6.85%																									
REFUNDING BOND		**2008**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Call Premium	1	(150,000)																									
Underwriting Fee	1 2	(472,500)																									
Bond Insurance	2		(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Other Expenses	1 2	(100,000)																									
Interest	2		(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)	(862,500)
Total Outflows		(722,500)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
NPV		**($11,802,903)**																									
Coupon Rate		5.75%																									
UF Underwriting Fee		3.15%																									
Bond Insurance		0.25%																									
SAVINGS		**(722,500)**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**	**127,500**
		$847,224																									
Discount Rate	3	6.40%																									

Assumptions:

1 Call Premium, Underwriting Fee and Other Expenses eg. Legal Paid Up-front
2 No tax effect
3 Discount Rate of 6.4%


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RE LTD.msg 41 KB Outlook Item 10/16/2007 1:17 PM Files Currently on the CD
RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE mfrindex_EL XLS.msg 26 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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RE NPV Analysis.msg 162 KB Outlook Item 10/16/2007 2:28 PM Files Currently on the CD
RE P O Box 3395.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Please call (2).msg 393 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
RE Please call (3).msg 393 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
RE Please call .msg 52 KB Outlook Item 10/16/2007 1:32 PM Files Currently on the CD
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RE Projected Capital Expenditures.msg 29 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE Propane Projections - Impairment Testing (84).msg 33 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Propane Projections - Impairment Testing.msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
RE Question about capital accounts from this morning.msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
RE rate case (2).msg 40 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (3).msg 38 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (4).msg 726 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (5).msg 42 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (6).msg 768 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (7).msg 46 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (8).msg 30 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
RE rate case (9).msg 35 KB Outlook Item 10/16/2007 1:16 PM Files Currently on the CD
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RE rate case (43).msg 38 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE rate case (44).msg 726 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE rate case (45).msg 42 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
RE rate case (46).msg 768 KB Outlook Item 10/16/2007 1:35 PM Files Currently on the CD
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9:34 AM

Clara Leider

From: Cutshaw Mark
Sent: Wednesday, April 18, 2007 7:49 PM
To: Martin Cheryl; Bachman George; Myers Don; Khojasteh Mehrdad; Cox Doreen; Mesite Jim
Subject: RE: P O Box 3395

Cheryl,
Please review item #7on the measures to reduce cost. This seems to need some rewording on this. The only other items I see are the additional capital cost related to the increased wind loading standards and storm surge cost along with the additional maintenance items that need to be completed to improve reliability. I can't give a cost associated with these at this time but it is something to consider.

Mark Cutshaw, General Manager

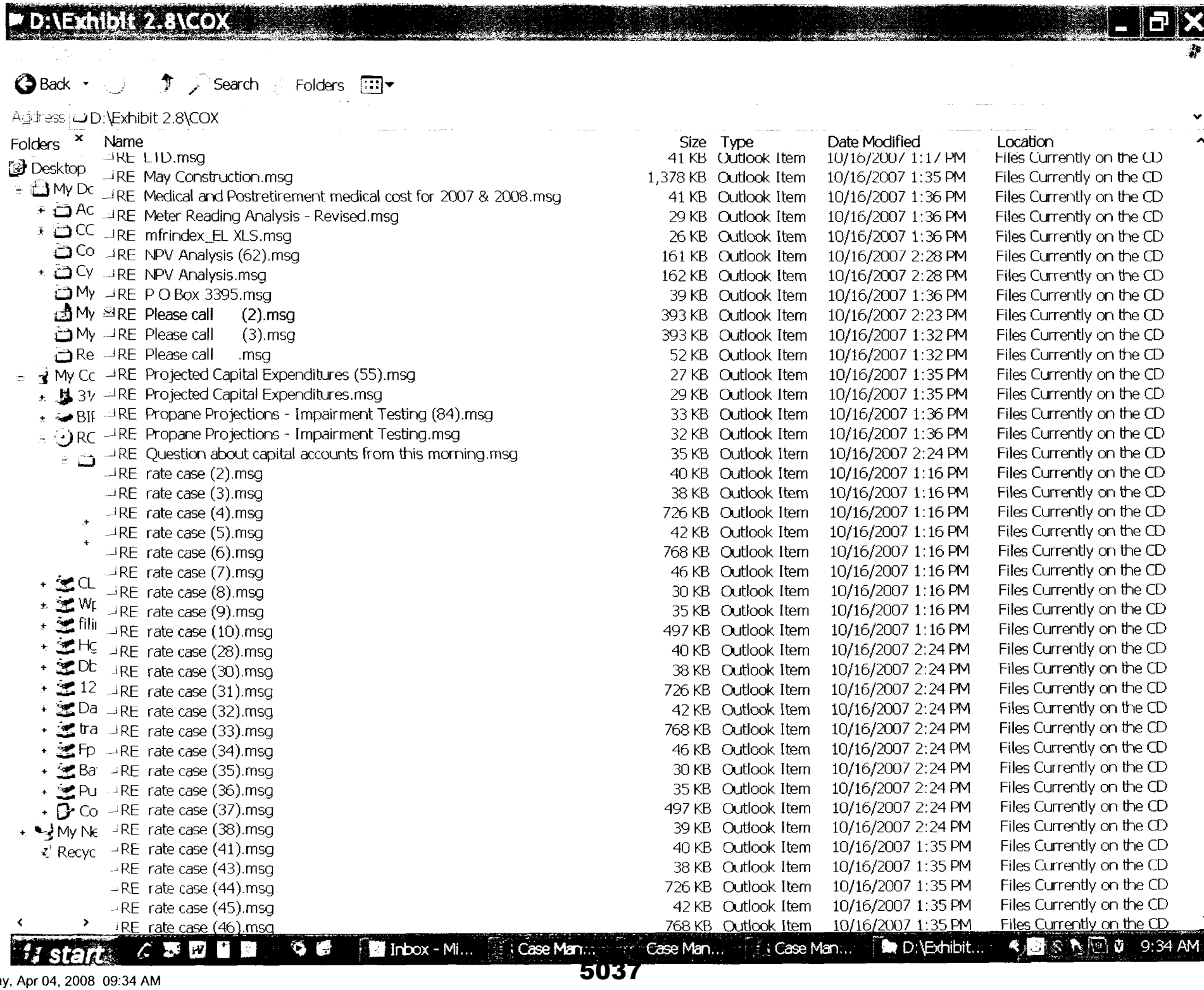
Florida Public Utilities Company

904-277-1957 office

904-753-1272 cell

From: Martin Cheryl
Sent: Wed 4/18/2007 4:18 PM
To: Bachman George; Cutshaw Mark; Myers Don; Khojasteh Mehrdad; Cox Doreen; Mesite Jim
Subject: P O Box 3395

Here is the current draft of our letter. Please let me know if y ou have any additional items we can add in the second section particularly, of things that have increased since our rate proceeding that necessitates a rate case. Material items only. Any suggestions are appreciated. I want to send out this Monday. Thanks for your input. Thanks Cheryl Martin



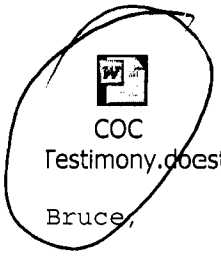
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Friday, Apr 04, 2008 09:34 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 9:02 AM
To: Cox Doreen; Bruce Chapman
Subject: RE: Please call.....

Attachments: COC Testimony.doc; COC Testimony_1.doc



Doreen,

Bruce,

Attached is the revised testimony, with certain sections substantially rewritten in view of Bruce's comments.

Bruce: Thanks for last night's edits.

Doreen: I will give you a ring momentarily.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 7:38 AM
To: Robert Camfield
Subject: Please call.....

..... at your convenience to discuss Exhibits and Testimony.

Doreen Cox

Financial Analyst

(561) 838-1797

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

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Witness Camfield. 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 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,

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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.

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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 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 relevant passage of this latter decision is as follows:

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"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

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It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

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The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits 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, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

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Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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

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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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

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This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry, and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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.

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While wide-scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity structures within the electricity services sector of the economy, obtained through competitive entry and consolidation of functionality across entities.

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The financial performance of entities within the electricity services industry, including the expected returns to capital and financial risks, is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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

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and invested in—i.e., put into—capital resources. The cumulative level of investment over time, covering decades, 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, durable 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—*i.e.*, investors including lenders and holders of common and

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preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

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Q. What the factors contributing to the cost of capital in the form of financial assets?,

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by

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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. Arguably, risk and the factors that contribute to it is the key contributing factor, and estimation issues regarding the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors 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.

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Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other

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factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by 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

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flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks

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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 in 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.

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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 Interbank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

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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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

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Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably

competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

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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 those of firm B and other firms. If the share prices of firm A suggest a market return of 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.

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As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company by providing a steady and consistent flow of revenue that closely adheres to the cost of providing electricity services.

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

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interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition 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.

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As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained

flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

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1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

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Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

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Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-

Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

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The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall

cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

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The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall

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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 of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003

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and 2004. Also, and as mentioned above, this interest rate level or a level near to it appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charged on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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.

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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 variants 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.

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The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of

capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first-order approximation to stochastic processes, multiple-

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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

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general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset *j*, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset *j* and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost*

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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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably reflects expectations of investors about the future outlook.

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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. The Risk Premium, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

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Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premia 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.

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Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

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The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, Value Line reports a wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

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From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

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The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;

- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

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The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;

2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;

3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,

4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one

standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

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It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the

10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

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Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

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Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

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A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as

near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, long-term productivity appeared to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's.

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Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and

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higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

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Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the

first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically

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understate the cost of equity for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings

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per share growth, which is measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

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Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The

expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is

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arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

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Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

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As discussed earlier, the Risk Premium methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, Risk Premium tends to decline as inflation rises. This is because inflation risk – *i.e.*, uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%.

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This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying inflation matches that of the current and prospective period for which rate of return is being determined -- 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and

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the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". (Adjustments are shown for small and very small-sized companies.) The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities, respectively, are below that of the composite market. This is reflected as CAPM Betas of 0.75. [Does this make sense?] As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

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The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

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obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

Q. Does this conclude your testimony?

A. It does.

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Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 9:02 AM
To: Cox Doreen; Bruce Chapman
Subject: RE: Please call.....

Attachments: COC Testimony.doc; COC Testimony_1.doc


COC Testimony.doc


COC Testimony_1.doc

Doreen,

Bruce,

Attached is the revised testimony, with certain sections substantially rewritten in view of Bruce's comments.

Bruce: Thanks for last night's edits.

Doreen: I will give you a ring momentarily.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 7:38 AM
To: Robert Camfield
Subject: Please call.....

..... at your convenience to discuss Exhibits and Testimony.

Doreen Cox

Financial Analyst

(561) 838-1797

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

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Witness Camfield. 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

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joined the New Hampshire Public Service Commission in 1979 as 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. 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 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 relevant passage of this latter decision is as follows:

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"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

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It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

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The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits 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, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

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Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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

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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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

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This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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.

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While wide-scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity structures within the electricity services sector of the economy, obtained through competitive entry and consolidation of functionality across entities.

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The financial performance of entities within the electricity services industry, including the expected returns to capital and financial risks, is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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

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and invested in—i.e., put into—capital resources. The cumulative level of investment over time, covering decades, 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, durable 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.

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Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

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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—*i.e.*, investors including lenders and holders of common and

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preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

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Q. What the factors contributing to the cost of capital in the form of financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by

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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. Arguably, risk and the factors that contribute to it is the key contributing factor, and estimation issues regarding the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors 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.

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Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other

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factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by 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

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flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks

and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used in 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.

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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 Interbank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

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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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

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Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably

competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

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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 those of firm B and other firms. If the share prices of firm A suggest a market return of 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.

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As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company by providing a steady and consistent flow of revenue that closely adheres to the cost of providing electricity services.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

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A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of

interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition 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.

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As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained

flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

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1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

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Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

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Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-

Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher-cost debt issues of the late-1980s – early-1990s.

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The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall

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cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

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Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

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The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall

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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 of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003

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and 2004. Also, and as mentioned above, this interest rate level or a level near to it appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charged on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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.

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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 variants 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.

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The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of

capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first-order approximation to stochastic processes, multiple-

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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

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general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm} * (r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm} / \sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset *j*, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset *j* and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost*

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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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably reflects expectations of investors about the future outlook.

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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. The Risk Premium, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

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Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premia 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.

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Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

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The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, Value Line reports a wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

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From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

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The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;

- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

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Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one

standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

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It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the

10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as

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near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, long-term productivity appeared to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's.

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Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and

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higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

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Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the

first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically

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understate the cost of equity for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings

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per share growth, which is measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

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Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The

expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is

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arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

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Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

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As discussed earlier, the Risk Premium methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, Risk Premium tends to decline as inflation rises. This is because inflation risk – *i.e.*, uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%.

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This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying inflation matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and

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the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". (Adjustments are shown for small and very small-sized companies.) The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities, respectively, are below that of the composite market. This is reflected as CAPM Betas of 0.75. [Does this make sense?] As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

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obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

Q. Does this conclude your testimony?

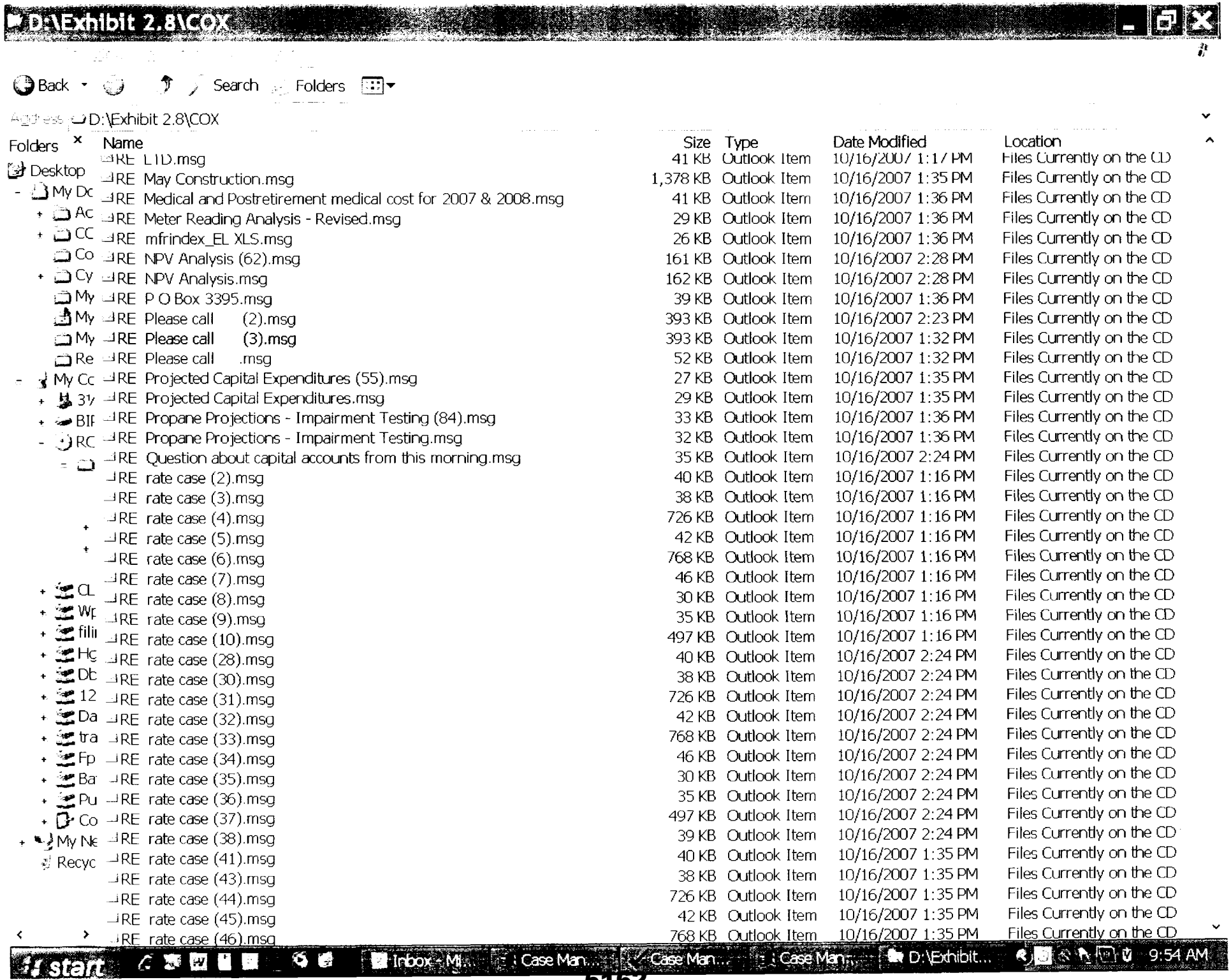
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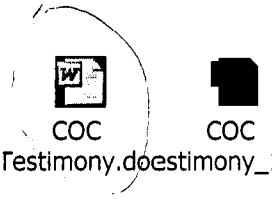


Friday, Apr 04, 2008 09:54 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 9:02 AM
To: Cox Doreen; Bruce Chapman
Subject: RE: Please call.....

Attachments: COC Testimony.doc; COC Testimony_1.doc



Doreen,

Bruce,

Attached is the revised testimony, with certain sections substantially rewritten in view of Bruce's comments.

Bruce: Thanks for last night's edits.

Doreen: I will give you a ring momentarily.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 7:38 AM
To: Robert Camfield
Subject: Please call.....

..... at your convenience to discuss Exhibits and Testimony.

Doreen Cox

Financial Analyst

(561) 838-1797

DIRECT TESTIMONY

DOREEN COX

ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS

of

FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

Witness Camfield. Yes. I joined the Michigan Public Service Commission in 1976 as a staff economist. During my tenure with the Michigan Commission, I was involved in several retail electricity and natural gas pricing issues, and I testified in rate case proceedings regarding cost of capital and retail gas tariff

design. I joined the New Hampshire Public Service Commission in 1979 as the senior economist, and held the position of chief economist beginning in 1981. As Chief Economist, I was responsible for the administration of the economics department of the Commission Staff. I oversaw the analysis of regulatory issues, the coordination and guidance of staff participation in regulatory proceedings, the preparation and development of testimony, and I provided policy advice to the Commission on a variety of issues such as construction work in progress, financial planning, and the determination of PURPA Section 133 rates. I joined Southern Company in 1983, and held positions in several departments including Pricing and Economic Analysis at Georgia Power Company, Costing Analysis of Southern Company Services, and Southern Company's Strategic Planning Group. In 1994, I joined Laurits R. Christensen Associates, Inc. ("Christensen Associates") as a senior economist, and currently hold the position of Vice President with Christensen Associates Energy Consulting LLC., a subsidiary consulting group of Christensen Associates.

My experience covers a gamut of issues facing regulated industries. I have been involved in the negotiation of power supply contracts and the terms of franchise licenses. My overseas assignments are several, and I have managed a large market restructuring project in Central Europe. I have served on national and regional advisory panels, and I have advised integrated electric utilities, independent power producers, transmission and distribution companies, utility associations, offices of consumer advocate, and regulatory agencies on numerous policy and technical issues. Innovations include two-part tariffs for transmission services, web-based self-designing retail electric products,

marginal cost-based cost-of-service methods, and principles for efficient pricing of distribution services. I have published chapters in technical books, reports, and articles in noted journals such as *The Electricity Journal, IEEE Transactions on Power Systems*, and *CIGRE*. Currently, I serve as Program Director of the Edison Electric Institute's Market Design and Transmission Pricing School.

Q. Can you please review the statutory mandates that guide the determination of rate of return for public utilities?

A. Yes, the statutory principles of rate of return for public utilities substantially rest with two decisions of the Supreme Court of the United States. In the Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its view on fair rate of return, as follows:

> "...A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the

proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally."

A second landmark decision of U.S. Supreme Court echoed, fortified, and expanded upon the fair return standard established by the "Bluefield" decision cited above for capital committed to public utilities. This second decision is the Federal Power Commission v. Hope Natural Gas Company case (320 U.S. 391, 1944). A most relevant passage of this latter decision is as follows:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision for electricity services.

It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliability service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

segment-specific interest rates, as determined by the Commission. The balances for accumulated deferred taxes and investment tax credits are included in the regulatory capital structure at cost rates of zero and the overall cost of capital stated on a traditional basis, respectively.

The rate of return for common equity is determined by applying four capital cost assessment methodologies including Discounted Cash Flow, Capital Asset Pricing Model, and an assessment of Realized Historical Returns. The latter approach constitutes a benchmark by which investors gauge the prospects attending financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These three methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. A fourth methodology, referred to as *ex post* Risk Premium, infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown on Exhibit 1, which reveals the balance amounts for each financial component of the capital structure, the share that each component represents, the attending cost rate, and the overall rate of return. As mentioned above, the overall rate of return recommendation is based upon a 13-month 2008 regulatory capital structure that, consistent with utility regulatory policy in the State of Florida incorporates

customer deposits, accumulated deferred income taxes, and investment tax credit balances.

The recommended 8.07% overall return level incorporates a common equity return of 11.50%. As mentioned, the opportunity cost of shareholders of Florida Public Utilities Company is assessed with four analysis methods. The results of studies employing these valuation methods are shown on Exhibit 2, along with the equity return recommendation.

This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interest of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an on-going basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, is undergoing significant restructuring with no immediate end in sight. The dimensions of restructuring assume a number of dimensions including service unbundling in both retail and wholesale markets including competitive entry, new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized through the auspices of regional transmission organizations referred to as RTOs. RTOs serve as the agent for markets as a whole, where regional markets are unbundled according to time (hourly markets), space (locational pricing of energy), and services including energy, reserves (including regulation, spin, non-spin, and supplemental categories), as well as financial transmission rights (FTRs) of

various types. While wide scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated in a major way by the Energy Act of 1992, significant change has been and is currently underway within retail markets as well. At the retail level, regulated utilities face a gamut of changes regarding new regulatory governance arrangements including pre-approval, decoupling, and various performance assessment mechanisms; auctions for provider of last resort ("POLR") services; renewable resource portfolio standards, and new rules and requirements regarding reliability requirements, aside from the new reliability (and implied cost) commitments imposed on service providers by the North American Electric Reliability Council ("NERC"), which has been recently appointed by the Federal Energy Regulatory Commission ("FERC") as the national reliability organization ("ERO").

Driven to improve earnings performance and exploit growth opportunities, many integrated electric utilities have since the late-1980s pursued non-regulated business ventures including activities fairly far afield from electricity services such as real estate and insurance, and diversified energy services including distribution operations, nuclear generation, and renewable resources, and power trading. In a number of cases, generation (and to a lesser extent transmission) assets have been sold off to independent generation companies or unregulated generation entities have been formed from the generation business units of the integrated utilities. At this point a much larger range of business activities and business organizations and entity structure is present within the electricity services sector of the economy, obtained through competitive entry

and consolidation of functionality across entities. The financial performance of entities within the electricity services industry, included the expected returns to capital and the risks attending those returns, and is much more closely linked to energy markets, generally.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occur at a time when electricity service providers including Florida Public Utilities Company face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources. Capital is accumulated savings over time, where savings refers to the proportion of the output of an economy that is not consumed as current goods and services. Essentially, savings is the share of output held back and invested in—i.e., put into—capital resources. In the broadest interpretation, capital is output-producing goods (and services). The cumulative level of investment over time, covering many years and centuries, constitutes the capital stock of an economy and a society. It is useful to mention

that capital can assume various investment forms aside from financial assets in private and public companies and other entities. The stock of capital includes real estate, household goods, education, public property and infrastructure such as libraries, museums, parks, roads, and transit systems. Individuals, firms, and government entities invest funds in capital resources if the expected flows of benefits realized by the investments in the future are equal to or greater than the value of current consumption given up or foregone.

Q. Please review the notions of cost of capital, opportunity cost of capital, and discuss how risk affects the opportunity cost of capital.

A. The cost of capital is the compensation required by investors for postponing consumption, for expected inflation, and for exposure to capital risks of various dimensions. *Cost of capital* refers to the underlying interest rate used to discount expected benefit flows of capital resources including returns to financial assets, and is sometimes referred to as the rate of discount, or simply the discount rate.

Financial assets include a multitude of debt vehicles, equity, and derivatives, and are tailored to participants of capital markets including household, small business, corporate, and government segments. Participants across these segments can supply capital—i.e., investors including lenders and holders of common and preferred stock—and also demand capital (borrowers and common stock issuing companies). Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that

provide the institutional means that facilitates the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loads include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

The underlying cost of capital is determined by investors and, in the large, individuals and entities (including government entities) that provide savings and

thus the accumulation of capital within the macro economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by expectations of future levels of economic activity, while expected inflation is driven largely by monetary policy over the relevant timeframe. Perceptions of risk, in turn, cover many dimensions including uncertain government policy and the effects of natural phenomena such as weather. The cost of capital—the

discount rate stated in nominal terms—increases with rising demand for capital, with expectations of higher rates of inflation, and with heightened perceptions of risk.

Dimensions of risk also cover idiosyncratic risks associated with specific capital resources, such as that of individual entities or companies. Accordingly, financial markets will re-price downward the bonds of a private company, should the *current* financial condition of the company suddenly decline. Essentially, the decrease in the company's current condition, reflected as reduced interest coverage—causes the expectation of the future condition of the company to also decline. Expectations of future financial conditions (possible states) of the specific company are idiosyncratic risks. Because cost of capital rises with increased risks, the price of the bonds decline. Bond prices and discount rates, in the form of the net interest rates or bond yields (and yield to maturity), move in opposite directions; bond yields increase as bond prices decline, and decrease as bond prices rise.

Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the

company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, cost of capital associated with specific investment opportunities, are only differentiated by risks, as the other factors that impact cost of capital—i.e., supply-demand, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If

investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised to the utility through the sale of securities is equal to the discounted present value of the cash outflows to be paid by the utility, as expected by investors. But since the (positive) cash flows stream to the investor is identical to the cash outflows of the utility, the two discount rates must be identical, abstracting from the effects of flotation costs, which causes the costs to the issuer to exceed the return required by investors to the extent that flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—i.e., in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as

held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (i.e., priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used into the production process of utilities are expressed in money terms – *e.g.*, purchased power stated as dollars per megawatt hour – the cost of capital is expressed as an interest rate,

typically shown as an annual percentage of the principal amount committed by investors. The cost of capital – or perhaps more accurately, the *cost rate of capital* – to the firm can be referred to as the *required rate of return* (%) on the capital resources committed by investors. In the case of public utilities, invested capital is referred to as the rate base, valued at either original cost or fair market value. For the determination of setting retail prices in the U.S., the regulatory convention is to value the capital of public utilities at original cost.

To facilitate the commitment of capital (investment) by savers and their agents to the firm, the firm offers property rights, including bonds or promissory notes to debt holders and shares of stock to equity investors. These property rights define the commercial terms and conditions under which savers and their agents, as investors, commit capital. Property rights are capital (financial) assets, and are generally tradable. Financial assets are claims on the income of the firm as compensation for the commitment of capital, and are the financial obligations of the firm. Shares of stock constitute ownership in the firm.

In the case of long-term debt – *i.e.*, mortgage bonds, debentures, and long-term notes – the interest on the principal (face) amount of a bond (debt) or the coupon rate on the share of preferred stock defines the level of compensation. Often, the interest rate is a predefined annual rate that remains fixed over the term of the debt. However, long-term debt instruments can have a number of other provisions that, in essence, provide for more complete contracting by managing risks through risk sharing between the debt holders and the borrower (the firm). These provisions can include 1) adjustments to the rate of interest to

reflect contemporary market conditions *and* rates of inflation, 2) participation in earnings of the firm, 3) conversion rights, and 4) voting rights in the management of the firm.

In the case of short-term promissory notes, agreements with commercial banks define the mechanism by which interest, stated in dollars, is determined. Often, the commercial terms of promissory notes define interest to be paid monthly on the outstanding daily balance (principal) outstanding. The rate of interest applied to the outstanding balance is typically tied (indexed) to the interest rate on obligations of some widely known financial market – say, the London Inter Bank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

Common stock property rights are somewhat different from other financial obligations because, as owners of the firm, the returns to shareholders are residual amounts following the compensation of other resources employed by the firm including debt obligations. Common equity is essentially compensated last, and bears the burden of much of the business, regulatory, and financial risks of the firm. For this reason, common equity is, in virtually all cases, more costly than other forms of financial instruments.

As with other markets, capital markets have primary and secondary dimensions. Primary markets are the institutions and processes that facilitate the initial sale of the financial obligations of the firm to initial investors, whereas secondary markets are structured market processes that provide the means by which investors can purchase and sell existing rights, including shares of stock and

debt obligations. Financial instruments can assume many forms, and debt securities (bonds) and equity shares are actively traded in financial markets, which are generally considered to be highly liquid and competitive. However, to the degree that the financial obligations 1) carry specialized and non-common commercial terms, and 2) for firms that are of small scale, the secondary – and to a lesser extent, primary market – is less liquid. In short, the pool of buyers and sellers is limited; thus, the volume of transactions is comparatively small and sometimes intermittent. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunity for prospective returns to capital are appropriately balanced and approximate that of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

Competition inherent to U.S. and worldwide financial markets ensures that the prices of common shares (share prices) and bonds are at a level that reflects the opportunity cost of capital. As an example, assume that the perceived risks attending the returns to common shareholders of firm A are equivalent to that of firm B and other firms. If the share prices of firm A suggest a market return 10%, while the prices of firm B and other firms of comparable risks suggest (allow) market returns of 13%, the market price of firm A will fall to a level that provides a basis for market returns of just 13%, prospectively. A price that allowed for a 10% prospective market return is insufficient in the presence of opportunities for market return of 13% on alternate investments of comparable risk. Essentially, the 13% market rate of return on investment alternatives constitutes the opportunity cost of capital. Most remarkable is the expedience – literally, in minutes – with which share prices adjust to levels that appropriately balance prospective returns to equilibrium levels *based upon perceptions of risks*. In short, equivalent and comparable risks translate directly into comparable rates of return, which is the cost of capital of common shareholders in – and thus of – the firm.

As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at

any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial conditions and soundness of the Company, a salient point of concern continues to be coverage of debt. Lending entities, private investors, and investment banks continue to emphasize the importance of consistently-realized adequate interest coverage as the essential measure of the Company's capability to service long- and short-term corporate debt.

As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – i.e., an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles

can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact. There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities.

This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher cost debt issues of the late-1980s – early-1990s.

The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These

debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall cost rate for long term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

Q. Please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Inter Bank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at interest rates slightly above that of 90-day T-Bills. At this point, we anticipate with the apparent consensus view that monetary policy and thus the short term interest

rates will hold firm at current levels over the foreseeable future, which implies a fed funds rate of 5.25%, which implies a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtains an overall effective short-term debt interest rate of 6.81%, which is applied to the 13-month average balances of short-term debt.

It is useful to briefly describe the longer history, as it relates to the determination of short-term interest rates. Specifically, the Federal Reserve followed a policy interest rate targeting for a number of years prior to late-1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates though money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, with the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, suggests less variation but, depending upon the stage of the economy, substantially higher or lower interest rates. At this writing, short-term interest rates, with fed funds residing at 5.25%, are expected to hold over the

foreseeable future barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% fed funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003 and 2004. Also and as mentioned above, this interest rate level appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charges on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflects the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock?

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on the methods?

A. Yes. We begin by reiterating three essential points. First, the cost of equity of the firm – and of investors in the firm – is a function of perceptions of risk, the demand for and supply of capital, and expectations of inflation. Second, the cost of common equity of the firm is equal to the opportunity cost of capital incurred by common shareholders of the firm contemporaneously, though the experience of long-term history guides the assessment of opportunity costs. Third, the cost of equity of the firm is equal to the expected market rate of return on alternative investments of comparable risks available to shareholders – *i.e.,* the opportunity cost of capital.

The determination of the opportunity cost rate for equity capital is challenging for two reasons. In the case of debt, both the market price and future expected cash flow returns to capital are observable by inspection. Thus, the net expected yield to maturity, which reflects the opportunity cost of capital to holders of debt, can be determined directly. This *is* the market rate of return, *ex ante*. For purposes of determining the overall utility rate of return, however, the cost rate of long-term debt is that which is set at the time of issuance in primary financial markets.

In contrast, expectations of investors about the prospective cash flows and market returns on common equity cannot be observed directly, and must be

inferred with estimation procedures. Also, allowed equity rate of return is typically set according to the current and expected cost of capital, though much of the equity investment was committed in many years past.

In the determination of cost rate for debt obligations, investors' perceptions of risks are implicit in the primary and secondary market prices of the debt obligations themselves, and need not be known or even estimated. In contrast, the determination of the cost of common equity involves the perceptions of future risks harbored by investors, as a matter of the consensus view. Perceptions of risk are also not observable directly, and thus must be inferred. In short, the cost of common equity can only be discerned through the proper and careful application of well established methods that provide the cornerstone for modern finance theory. While the methods employed herein are well-established, the procedures to determine the cost of equity capital require estimation of key parameters.

As mentioned, the recommendation for the rate of return on equity for Florida Public Utilities Company is developed by applying four estimation methods. These procedures include variations of the constant growth Discounted Cash Flow model (DCF), and the Capital Asset Pricing Model (CAPM). These classical approaches are commonly recognized within modern finance theory and are readily utilized by the investment community. The results of these two formal models of the cost of capital are augmented by historical returns realized by utility and non-utility companies of comparable risks, and results inferred from the so-called risk-premium methodology.

The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first order approximation to stochastic processes, multiple step constant growth models known as multi-stage DCF can serve nicely. Essentially, multi-stage DCF is a variation of present value theory which postulates that future returns assume a pattern of several growth steps or stages. While any number of stages of constant growth is possible, two- or three- stages are typically applied. In stylized fashion, the Three-Stage DCF model is shown below:

$$P_{0,j} = (1+g_j)/(k_{e,j}-g_j)\{D_{0,j}(1 - F^5_j) + D_{5,j}(F^5_j - F^{10}_j) + D_{10,j}(F^{10}_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{t,j}$ = current and future dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

$F = (1+E(g_j))/(1+k_{e,j})$

Appendix I provides a step-by-step derivation of the classical and multi-stage discounted cash flow models shown above.

The Capital Asset Price Model (CAPM) was developed by William Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-variation analysis and, in particular, portfolio selection developed by H. Markowitz

(1952). The derived CAPM shows how the valuation of a financial asset (price) is based upon two components: risk free returns and an *adjusted risk-based return.* Surrogates for risk free returns can be observed directly in capital markets, and include market returns on short- and intermediate-term debt. As a general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely

though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and ask prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost of capital cannot be systematically realized.* Above-normal returns – returns above the cost of capital – are realized only randomly. Essentially, the opportunities to systematically realize returns above the underlying cost of capital are exhausted by the competitive market process.

Estimating the cost of capital though not trivial can be fairly straightforward, and both the DCF and CAPM approaches provide a useful framework. The risks to investors in various sectors of the energy services industry cannot ever be known directly; risks – and hence the implied cost of capital – can only be inferred. Specifically, the determination of useful estimates of the cost of common equity capital within either framework requires a discerning application of theory through careful analysis such as that presented herein. In particular, the determination of the cost of equity capital faces two overarching challenges, as follows:

- both approaches are forward looking and thus the results are highly dependent upon useful estimates of investor expectations about future market performance.
- The underlying assumptions for DCF and CAPM include, among other things, an efficient market and rational behavior of investors such that all opportunities for above- and below-normal returns to capital are exhausted on an expected value basis. In short, capital markets value

financial assets at the implied opportunity costs of capital, given investor perceptions of risk.

It is useful to mention that the notion of *risky assets* can apply to any real or financial asset wherein the prospective returns from holding the asset are uncertain. Risky assets include commodity contracts, financial property rights, financial derivatives, and real assets such as transmission facilities. Risk assessment and option theory, moreover, can be applied to the analysis of unbundled services, such as electricity transmission development plans. Within the context of this discussion, however, risky assets refers to financial obligations of firms – common stock – and asset values refers to prices of common stock as observed on major stock exchanges.

Measurement of historical returns and risk metrics are increasingly used as a basis to assess plausible returns in the future. As discussed, efficient markets suggest that *all* financial assets are priced at levels such that the *expected* future returns of individual assets are equivalent to the underlying opportunity cost. Thus, if historical returns guide expectations of future returns, historical returns provide a useful benchmark and, within reasonable bounds, reflect the opportunity cost of capital. In this respect, the Historical Returns methodology can be viewed as a market-based approach of Comparable Earnings, and thus fully satisfies *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonable reflects expectations of investors about the future outlook.

Historically realized returns and future expected returns of financial assets are ordered according to risks. This ordering according to risks is a natural and inevitable result of competitive financial markets: because risk is costly, higher costs must be offset by higher returns. While it is not based upon an explicit model, the analysis of the risk premia among classes of risky assets provides a means to infer the underlying opportunity cost of capital. The underlying concept of the risk premium approach is that *differences* in perceptions of risks among financial assets such as equities and debt are revealed in differences between the historical market returns. The historical differences between equity and debt returns – *i.e.*, the Risk Premium – can thus serve as a surrogate for the compensation for risk in the future. Risk premia, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premiums are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. As mentioned, the key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover, as mentioned, some 7000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, ValueLine reports a

wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest levels yet significant market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criteria; line of business appears to have only a modest level of relevance to cost of capital, once comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;
- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measures by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce

variation in earnings, variation in internal cash flow, and variation in market returns thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;
2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;
3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,
4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to that employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns as well as the statistical variation in cash flows. As observed, these companies though of comparatively modest scale are all significantly larger than Florida Public Utilities Company.

It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the 10-year coefficient of variation in cash flow for some companies resides slightly outside one standard deviation of the statistical distribution of the sample, or where low equity participation does not appear to result in particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. . The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, please elaborate.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth when coupled with the growth in the aggregate pool of capital and labor resources translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is significant element within overall economic and social well being.

The current outlook for macro economic growth calls for prospective long-term productivity to range between 2.00 – 2.60%. This is a more-or-less consensus view held by well-known macro economists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, productivity

appears to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity of the previous two decades..

Productivity slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity appears to have accelerated to pre-recession levels. Indeed, overall productivity of 2003-2005 observed a return of high productivity, which has and continues to contribute significantly to on-going earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial if not high rates of growth in productivity and real output along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida

Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect that U.S. and world demand for capital to remain at high levels thus placing steady pressure on interest rates which are likely to remain at current levels, which approach long-term trend in interest rate levels, although short-term interest rates in the short run may decline somewhat from current levels.

Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, which are significantly larger than Florida Public Utilities

Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically understate the cost of equity to for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to highly similar to that of historical experience. The

study replies on long-term historical experience as the basis for expected growth in the future. The immediately study utilized historical cash flow and earnings per share growth are measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

Expected market returns for equity markets in the large is captured by the S&P500 Index, measured with the inclusion of dividend payments. The expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970-forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to "Market Inputs: Dividend Yields and Overall Returns". Here, we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns vary greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns are not unusual, and demonstrates the order of magnitude greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity markets returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-

long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates but is arguably somewhat above expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from that of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average mid point of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a mid point value also of 11.3%, shown with the inclusion of issuance costs.

As discussed earlier, the *Risk Premia* methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns, prospectively are somewhat less (12.25%) on average across scenarios.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, *ex post* risk premia tends to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tends to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s

reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%. This is sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point for purposes of assessing capital costs prospectively is that risk premia must be developed from historical timeframes where underlying inflation that matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses thus draws risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis including the risk-free holding period return, the risk premia between equity and debt, and adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses uses the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost

rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and the historical debt-equity risk premia provides an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities" (adjustments are shown for small and very small-sized companies. The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2 including the Mid-Sized Electric Utilities and Gas Utilities, respectively are below that of the composite market. This is reflected as CAPM Betas of 0.75. As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges..

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five year Returns" for consecutive 5 year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple and weighted average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized on Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5%, or higher.

Q. Does this conclude your testimony?

A. It does.

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 9:02 AM
To: Cox Doreen; Bruce Chapman
Subject: RE: Please call.....

Attachments: COC Testimony.doc; COC Testimony_1.doc


COC Testimony.doc


COC Testimony_1.doc

Doreen,

Bruce,

Attached is the revised testimony, with certain sections substantially rewritten in view of Bruce's comments.

Bruce: Thanks for last night's edits.

Doreen: I will give you a ring momentarily.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 7:38 AM
To: Robert Camfield
Subject: Please call.....

..... at your convenience to discuss Exhibits and Testimony.

Doreen Cox

Financial Analyst

(561) 838-1797

DIRECT TESTIMONY

DOREEN COX
ROBERT CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS
of
FLORIDA PUBLIC UTILITIES COMPANY

Q. Please state your name, title, and business address.

A. Witness Cox. My name is Doreen Cox. I am a Financial Analyst with Florida Public Utilities Company. My business address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

Witness Camfield. My name is Robert Camfield. I am Vice President with Christensen Associates Energy Consulting LLC, and my business address is Suite 700, 4610 University Avenue, Madison, Wisconsin, 53705.

Q. What is the scope of your testimony?

A. The scope of our testimony is twofold. First, we address the issue of the cost of common equity to Florida Public Utilities Company. Estimates of the equity cost rate underlie our common equity rate of return recommendation. Second, we integrate the equity rate of return with the other financial components of Florida Public Utilities Company's capital structure to determine the weighted average cost of capital and accompanying overall rate of return recommendation. Our rate of return recommendation should be used by the

Commission to set retail electricity prices of Florida Public Utilities Company in the current docket.

Q. Please review your professional background and experience that qualifies you to provide such recommendations.

A. Witness Cox. I received a Bachelor of Science Degree in Management from the University of the West Indies in 1979, with a concentration in Accounting. I subsequently earned a Master of Science Degree in Accounting, also from the University of West Indies. I am a member of the Jamaican Institute of Chartered Accountants.

I joined Florida Public Utilities Company in 1999, and I hold the position of Financial Analyst, which reports to the Chief Financial Officer. In this position, I support the CFO, the Accounting and Finance Divisions of Florida Public Utilities. My position covers a variety of operating and planning responsibilities including project assessment, budget and financial projections, and cash flow analysis. I assist in the preparation of quarterly reports to our Board of Directors, and the compliance monitoring with respect to the Financial Covenants of Florida Public Utilities Company's long- and short-term sources of external funds.

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Witness Camfield. 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

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joined the New Hampshire Public Service Commission in 1979 as 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.

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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 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 relevant passage of this latter decision is as follows:

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"From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock... By that standard the return to the equity owner should be commensurate with return on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital."

These longstanding decisions provide the recognized framework for the fair rate of return on capital committed by investors to public service. In these decisions, the U.S. Supreme Court codified, in clear and readily understandable terms, a statutory benchmark that serves as the basis to set fair and equitable prices for retail public services such as natural gas, while also providing a fair rate of return on the capital provided by investors. Though they reach back

many years, these decisions remain to this day the cornerstone for the determination of rate of return requirements. The challenge for regulators, regulated utilities, and interested parties to regulatory proceedings is to operationalize these principles in contemporary regulatory processes.

Q. Please provide an overview of your approach to the determination of the rate of return requirements for Florida Public Utilities Company.

A. Our approach follows the prescribed methodology of the Florida Public Service Commission to determine the overall weighted average cost of capital ("WACC") and the overall rate of return, for regulatory purposes. Specifically, we develop a forward-looking consolidated capital structure for the year 2008 with the exclusion of capital structure balances associated with the Company's propane subsidiary, Flo-Gas. For determining retail prices in the instant docket, the recommended capital structure is determined on the basis of the 13-month average balances of the components that comprise the capital structure of the Company. We develop a traditional capital structure including the key elements of long-term debt, short-term debt, preferred stock, and common shareholder equity. Similarly, we develop a regulatory capital structure that contains, in addition to these components, balances for customer deposits, accumulated deferred taxes and accumulated investment tax credits of the Company dedicated to providing retail electricity services. Traditional elements of the capital structure are scaled pro rata, such that the regulatory capital structure, in total, matches the rate base attributable to the provision of electricity services.

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It is good regulatory policy to accurately capture the means by which Florida Public Utilities Company underwrites its assets and rate within the regulatory capital structure, providing that such structure contains an appropriate balance of equity and debt, given the regulatory and operational business risks facing the Company. Contemporary business, regulatory, and financial risks confronting energy utilities are higher than in past years. Consequently, and consistent with the business objectives of providing low-cost and reliable service, Florida Public Utilities will fund its assets with larger equity participation in total capital than in years past and, to this end, the year-end 2008 capital structure is a better representation of the expected capital structure of the Company. This is because the year-end balances capture the prospective weight, on average, that common equity will assume within the Company's capital structure. Furthermore, the year-end balances of the components of capital provide a better balance of debt and equity for the purpose of minimizing the weighted average cost of capital. Accordingly, the adoption of the projected year-end capital structure to determine retail prices, which would constitute a departure of the Florida PSC from its general policy of using the 13-month average capital structure, would be in the long-term interests of retail consumers and the Company as well. Accordingly, we offer the year-end capital structure as an alternative to the 13-month average approach.

The cost rates applied to the 13-month 2008 balances of long-term debt and preferred stock include the interest rate on the face amount and issuance costs unique to each individual issue, and related debt expenses where appropriate. The cost rate applied to customer deposits balances is based upon market

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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, Risk Premia, and an assessment of Realized Historical Returns. The fourth approach constitutes a benchmark by which investors gauge the future earnings prospects of financial assets and, along with other information, form expectations of future returns. By assumption and empirical assessment, efficient markets value (price) financial assets accordingly. These four methods are well founded by modern finance theory and are often used to determine the cost rate for common equity capital. The Risk Premia methodology infers the underlying opportunity cost of capital on a basis of the relative risks of debt and equity capital.

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Q. Can you please summarize your findings and recommendations?

A. Yes. Our studies give rise to an overall rate of return recommendation of 8.07%. The determination of the 8.07% rate of return is shown in 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

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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 valuation methods. The results of studies based on the valuation methods are shown in Exhibit 2, along with the equity return recommendation.

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This recommendation, if adopted by the Florida Public Service Commission, will enable Florida Public Utilities Company to continue to provide highly reliable electricity service to its customers at favorable prices. At the same time, the recommendation provides an adequate level of compensation to the shareholders of Florida Public Utilities Company on the capital that they have committed to the Company. Satisfactory returns to equity also enable the Company to continue to attract long- and short-term debt at favorable terms and interest rates that, in both the near-term future and the long-run, are in the best interests of retail electricity consumers.

Fair and adequate allowed returns to capital are vital, and we cannot over-emphasize to the Commission the importance of setting the overall rate of return at a sufficient level, particularly in the current environment of considerable levels of risk and uncertainty. The determination of an adequate return level by the Florida Public Service Commission signals to the investment community including mutual funds, long-term private investors, speculators, mortgage

bankers, and commercial banks that the business and regulatory environment in which Florida Public Utilities Company operates has continuity and stability over the long term. Importantly, it also signals that the Commission is supportive of the Company and the job that we do on an ongoing basis for retail consumers.

Q. Electricity is intermingled with and highly dependent upon energy markets, particularly markets for primary fuels. Can you please provide a profile of contemporary electricity markets and the implications for electricity distributors and the cost of equity capital?

A. Infrastructure industries, including the electricity services industry in particular, are undergoing significant restructuring with no immediate end in sight. This restructuring assumes a number of dimensions including service unbundling in both retail and wholesale markets, competitive entry, and new mechanisms to determine the prices for services. At the wholesale level, utilities face and are part of the expansion of wholesale services and contract mechanisms to hedge varying degrees of risks; divestiture of generation; and the appearance of wide-scale participation in wholesale electricity commodity markets by power traders and speculators who are deeply involved in commodity markets generally. Wholesale markets are being organized under 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.

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While wide-scale change has been in the works for years and is arguably most pronounced at the wholesale level, as precipitated 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 designated by the Federal Energy Regulatory Commission ("FERC") as the national electric 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, as well as diversified energy services including distribution operations, nuclear generation, 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. Thus, deregulation has resulted in an increasingly broad range of business activities, business organizations and entity structures within the electricity services sector of the economy, obtained through competitive entry and consolidation of functionality across entities.

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The financial performance of entities within the electricity services industry, including the expected returns to capital and financial risks, is much more closely linked to energy markets, generally, than was previously the case.

The net result is generally positive, as competitive entry arguably obtains reduced costs to the benefit of consumers, at least in the long run. Nonetheless, these changes in structure, much of which have been accompanied by and ushered in through regulatory changes, have also raised capital risks associated with electricity services, as perceived by investors. This backdrop of higher capital risks occurs at a time when electricity service providers, including Florida Public Utilities Company, face steadily expanding electricity service demands and an array of new requirements covering, among other things, capital renewal at a time of fast rising costs for electrical equipment.

Q. Your testimony mentions capital risks and capital renewal. Perhaps you can elaborate on the meaning of capital, and how it comes about.

A. Capital refers to economic resources of a durable nature that contribute to production of good and services, or may provide services directly. Capital resources of an economy are readily at hand; examples include manufacturing equipment, software, commercial buildings, residential dwellings, streets and highways, airports and, importantly, the accumulation of skills and knowledge of the workforce. 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

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and invested in—i.e., put into—capital resources. The cumulative level of investment over time, covering decades, 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, durable 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—*i.e.*, investors including lenders and holders of common and

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preferred stock— can supply capital while other participants (such as borrowers and common stock issuing companies) demand capital. Commercial banks, credit unions, finance companies, capital exchanges, and investment banks serve as intermediaries that provide the institutional means that facilitate the interaction and linkage of the supply and demand sides of financial markets. These functions essentially include lending, borrowing, and the issuance of equity vehicles. Banks and credit unions borrow (and store) financial assets that in turn are invested in the form of debt and to a lesser extent equity.

Household debt vehicles include, for example, personal loans covering appliances, household services, and credit card mechanisms through finance companies and banks, and real estate and so-called home equity loans. Business loans include short-term loans and lines of credit with banks, inventory financing through business wholesalers, and commercial paper of various terms. Corporate debt can be in the form of lines of credit with banks, and mortgage and debenture bonds, while government debt can be in the form of revenue bonds of cities, and short- and long-term debt of various terms.

Equity refers to common and preferred stock, where the investor assumes a share in the ownership of a corporate entity. In some cases, debt instruments can participate in equity returns and have rights of conversion to common stock. Derivatives refers to options and forward contracts that are specifically designed for speculation and risk hedging, where the market worth of the derivative is determined by investor expectations in the underlying price of a financial asset or commodity.

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Q. What the factors contributing to the cost of capital in the form of financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by

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Second, exclusion of Flo-Gas balances from the capital structures used to set prices for the regulated operations, including electricity and natural gas, implicitly assigns common equity, which is comparatively high-cost, to the Company's unregulated propane operations, placing the propane operations at a competitive disadvantage with other propane companies. One can expect that other companies will leverage assets in a manner similar to that of the Company, in order to finance propane and competitive, non-regulated energy services. As a consequence, the Company needs to follow a similar policy. If the Company is required to assign only equity to non-regulated operations, it is implicitly forced to charge correspondingly higher prices in order to generate adequate returns.

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Third, the consolidated capital structure of Florida Public Utilities Company stated on 13-month average basis for 2008 represents a sound balance of debt and equity financing that fully satisfies the financial needs of the Company, particularly in view of the comparatively small size of Florida Public Utilities. This is evidenced by the comparative sample of electric utilities used to determine the cost of capital. Specifically, equity participation within the Company's 2008 capital structure resides within one standard deviation of the average participation of the sample. Hence, the Company's financing policy and strategy conforms to a reasonableness standard, in addition to fully satisfying the financial prudence and flow of funds criteria outlined above.

Nonetheless, the recommended weighted average cost of capital presented within our testimony follows the Commission's prescription. Namely, the Flo-

Gas balances are excluded from common shareholder equity for purposes of determining the overall rate of return to set retail electricity prices within the immediate docket.

Q. Can you please review your recommendation for the cost rate of long-term debt?

A. Yes. Florida Public Utilities Company has raised long-term debt from time to time based upon the need for capital and our Company's financial policy of maintaining a balanced capital structure. Because of our conservative management philosophy, we have consistently raised new debt issues at favorable rates of interest at the time of issue. Contributing to favorable interest rates are the conservative sinking fund provisions of the earlier higher-cost debt issues of the late-1980s – early-1990s.

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The cost rate of 7.96% for long-term debt, shown in the column entitled "Annual Cost Based Rate" of Exhibit 3, reflects the weighted average cost of the five issues of long-term mortgage bonds of the Company, currently. These debt issues have face interest rates of 4.90% to 10.03%, and were issued by the Company over the period 1988 – 2001. The balances shown reflect the amounts that the Company expects to carry on its balance sheet on average over the year 2008 and beyond. The Company does not plan to issue long-term debt during the interim two years.

The 7.96% overall cost rate of long-term debt reflects issuance costs and losses on reacquired debt, which causes the effective cost rate to be somewhat greater than that of the weighted cost of the face interest rates alone. The 7.96% overall

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cost rate for long-term debt is calculated using the amortization schedule for debt expenses. This costing procedure follows the conventional accounting approach to determining the cost rate for long-term debt, and is consistent with the policy endorsed by the Florida Public Service Commission.

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Q. Would you please review the cost rate of short-term debt and related issues?

A. Florida Public Utilities Company maintains, and expects to maintain over the foreseeable future, a short-term debt facility that makes available short-term debt at a cost rate determined by London Interbank Offer Rate (LIBOR). The short-term debt cost rate is equal to the 30-day LIBOR plus 90 basis points, plus other charges related to unused facility balances as well as fees charged for the facility itself. The Company currently has a $12 million line of credit with Bank of America, which upon 30 days notice can be increased to a maximum of $20 million. Based on current cash flow projections we anticipate increasing the line to $15 million by November 2007. We anticipate lowering the line of credit to $12 million after the issuance of additional shares of common equity, which is scheduled for the middle of 2008.

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The interest rate margin above LIBOR (90 basis points) for the Company's current short-term debt facility is somewhat above that of the Company's previous short-term debt facility, which reached the end of its contract in March 2003. The higher margin requirements, as imposed by financial lending institutions internationally, reflect higher perceived risks, both generally and within energy markets, than in previous years.

The expected effective short-term debt cost rate incurred by the Company for short-term debt, for use to determine prices in the current docket, is determined by first projecting the Federal Funds rates in the U.S. for the timeframe over which the retail electricity prices will apply. Then, given the historical relationship between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is estimated. Once determined, the short-term debt cost to Florida Public Utilities is obtained by recognition of the 90 basis points margin above LIBOR plus other charges covering the unused balances and the fee for the availability of the credit facility.

The key short-term interest rate is the Fed Funds rate. Historically, Fed Funds have traded 18 Basis Points below LIBOR over the 1990 – 2006 timeframe. The interest rate on Fed Funds is determined by the monetary policy of the Board of Governors of the Federal Reserve Bank, and closely follows that of short-term U.S. Treasury Bills. Historically, Federal Funds "trade" at an interest rate slightly above that of 90-day T-Bills. At this point, the apparent consensus view is that monetary policy and thus the short-term interest rates will hold firm at or near current levels over the foreseeable future, which implies a fed funds rate of 5.25% currently, and, in turn, a LIBOR interest rate of 5.43%. In turn, this result translates into a cost rate of 6.33% for the outstanding balances on short-term debt balances, once the margin above LIBOR is recognized. The fees associated with the unused credit line and direct charges when coupled to charges for the outstanding balances obtain an overall

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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 of interest rate targeting for a number of years prior to late 1979, when money supply targeting was abruptly adopted. The result was high and volatile short-term interest rates, although money supply targeting arguably reduced substantially the high levels of inflation and inflation expectations of the early 1980s. From the mid-1980s forward, monetary policy has been more accommodative of economic conditions and needs, within the long-term objective of containing overall inflation at moderate levels. As observed during the 1990s, the Federal Reserve has employed an array of indicators and metrics to determine monetary policy, including reserve targeting. As a general rule, reserve targeting gives rise to greater variation in short-term interest rates, while interest rate targeting, which suggests greater variation in the supply of reserves, results in less variation. At this writing, short-term interest rates, with Fed Funds residing at 5.25%, are expected to hold steady to slightly declining over the foreseeable future, barring changes in the expected level of economic activity or current escalation of core inflation.

The use of the current 5.25% Fed Funds interest rate as the basis for the Company's effective short-term debt cost rate is in keeping with the Commission's decisions regarding the Company's rate change filings of 2003

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and 2004. Also, and as mentioned above, this interest rate level or a level near to it appears at this time to be likely to hold over the foreseeable future.

Finally, we wish to discuss the methodology used to determine the effective interest rate for 2006. The interest rate charged on the Company's short-term debt facility is based on daily balances. If the daily balances closely approximate month-end balances, month-end balances provide a useful basis to determine the average short-term debt cost rate. Where the daily balances deviate significantly from the month end balances, however, this approach will not provide an accurate reflection of the Company's true cost of short-term debt. This was the case for the Company during 2006. Accordingly, the short-term debt cost rate for the historical year 2006 has been developed using the average daily balances which accurately reflect the true cost rate incurred by the Company on short-term debt during that year.

Q. Please review the cost rate of preferred stock.

A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares that dates to December 28, 1945 at a coupon rate of 4.75%, as shown on Exhibit 5.

Q. You briefly discussed methods for the determination of the cost of common equity capital in the summary of your approach to rate of return. Can you elaborate on these 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, the 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.

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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 variants 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.

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The constant growth Discounted Cash Flow (DCF) model was originally developed by Myron Gordon in 1957, and was advanced actively during the early 1960s. In its classical form, the derived DCF model defines the cost of

capital as the sum of the adjusted dividend yield, and expectations of future growth in cash flows to investors including dividends and future appreciation in share prices. The classical (one-stage) DCF model is as follows:

$$k_{e,j} = D_{0,j}(1+E(g_j))/P_{0,j} + E(g_j)$$

with,

$k_{e,j}$ = cost of equity capital, asset j

$D_{0,j}$ = current dividends per common share, asset j

$E(g_j)$ = expected growth in future cash flow returns to investors in asset j

$P_{0,j}$ = current price per common share, asset j

The one-stage form of DCF model is an elegant and intuitively tractable model with two terms, a mathematical result derived from the constant growth present value model. A cursory review of historical returns of equities suggests substantial variation in growth in the internal returns to capital and market appreciation is both the typical and dominant pattern. It is plausible that the *expected path* of future returns harbored by investors may assume a pattern of non-constant growth. This means that, at least under some market conditions, the constant growth form of discounted cash flow may not represent investor expectations of growth with sufficient accuracy. Arguably, other forms of DCF may serve as better approximations of investor expectations.

A plausible means to better model expectations of varying growth might be with stochastic models, where the path of returns and growth is a function of time, with a random component. However, stochastic models introduce considerable complexity. As a first-order approximation to stochastic processes, multiple-

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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

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general rule, the cost rates and market returns on government debt obligations serve as appropriate surrogates.

The adjusted risk-based return is based upon three factors: 1) the covariation of the returns to the asset and that of markets for risky assets, 2) the statistical variance of returns of the market for risky assets, and 3) the *difference* between expected overall returns on risky assets, and risk free returns. The third parameter is referred to as the excess return, and is equal to the difference between the overall returns to risky assets for the market as a whole, and the risk free return rate. The CAPM is shown below:

$$k_{e,j} = r_f + B_{jm}*(r_m - r_f) \qquad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

where,

$k_{e,j}$ = cost of capital for risky asset j, stated in percentage terms

r_f = risk-free rate of return

B_{jm} = ratio of the covariation between risky asset j and the market as a whole, σ_{jm}, and the variance of market returns, σ_m^2

r_m = rate of return on the market as a whole

Appendix II derives the Capital Asset Pricing Model, as shown above.

The efficient market hypothesis plays an essential role in the determination of the cost of capital. Specifically, the working assumption, which is largely though not completely borne out by empirical analysis, is that capital markets are fairly efficient. This means that the supply and demand for risky financial assets, as reflected in bid and asked prices to buy and sell shares, result in financial assets being traded at price levels where *rates of return above the cost*

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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 the *Bluefield* and *Hope* criteria. The key to successfully applying this approach is to identify and measure historical returns in a manner that reasonably reflects expectations of investors about the future outlook.

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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. The Risk Premium, when combined with the expected cost of debt prospectively, provides a useful benchmark to gauge the underlying cost of equity capital.

Application of the Risk Premium approach contains two potential pitfalls, as follows:

- the opportunity cost of common equity capital, stated in nominal terms, is sensitivity to the demand for and supply of capital;
- risk premia between debt and equity are quite sensitive to expected inflation, and Risk Premium analysis must account for expected inflation in the future. That is, the underlying rate of inflation and conditions of the historical period over which risk premia are estimated must match that of the expected conditions of the relevant period over which the common equity recommendation is being applied, and over which retail electricity prices are being set.

Q. You discuss the importance of comparability and measures of risk as the basis to determine the cost of common equity. Please elaborate.

A. As defined by the "Bluefield" and "Hope" decisions of the U.S. Supreme Court, a public utility (to paraphrase), is entitled to a rate of return on shareholder capital committed for the convenience and necessity of the public equivalent to that realized by companies in other businesses of comparable risk. Thus, the immediate task at hand is comparability: to identify and select companies of comparable business, regulatory, and financial risks to that of Florida Public Utilities Company. Once selected, we estimate the cost of common equity for the sample(s) of comparable companies that, by definition, is the opportunity cost of capital and thus Florida Public Utilities Company. The key distinction regarding comparability is market size, as recent empirical evidence convincingly demonstrates that, predominantly because of information inefficiencies and uncertainty, the cost of capital rises with progressively smaller companies, all other factors held constant.

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The starting point is the market portfolio; that is, we begin with virtually all common shares traded on U.S. equity markets. Specifically, we have drawn heavily—though not exclusively—from a set of data sources and information including the Value Line data banks which cover some 7,000 companies with equity shares listed on capital market exchanges in the U.S. With few exceptions, the shares of interest are traded on the New York Stock Exchange and the exchange operated by the National Association of Securities Dealers referred to as NASDAQ. For these equity listings, Value Line reports a wide range of financial data, business descriptions and classification, historical price experience, and various diagnostic statistics of interest.

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From the market portfolio we proceed to develop two samples. One sample, referred to as the Mid-Sized Electric Utility sample, is limited to retail electricity service providers that have modest yet significant levels of market participation and, with the exception of size, are of comparable risk to Florida Public Utilities Company. The second sample is referred to as the Gas Utility sample, and is composed of retail natural gas service providers. Our studies demonstrate that, as a practical matter, the level of capital risks and thus the opportunity cost of capital for the two samples, electric utilities and natural gas utilities, is comparable. It is useful to mention that for purposes of determining the equity rate of return requirements, Christensen Associates Energy Consulting has often drawn a third sample referred to as *comparable risk non-utility companies*, as our methods tend to demonstrate that, particularly within contemporary capital markets with high levels of international capital flows, comparable risk is the predominant selection criterion; line of business appears to have only a modest level of relevance to cost of capital, once the comparable risk criteria are satisfied. Thus, samples can be drawn from a broad range of business fields, generally speaking.

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The determination of the first sample, the mid-sized electric utilities, involves two steps. The first step is to conduct an initial screen according to the predefined selection criteria. As mentioned, these criteria are as follows:

- *Liquidity*: companies that are of modest size but yet have sufficient market presence and participation to ensure sufficient market activity and transaction volume;

- *Business Line*: companies whose primary business line is retail electricity services; and,
- *Reasonably consistent financial experience.*

This first screen produced the 17 electric utility companies shown on Exhibit 10, page 1, including Florida Public Utilities Company. As can be seen, the market capitalization of these companies, measured by common shares outstanding and market prices during 2005, range from $77 million for Florida Public Utilities Company to slightly greater than $4.6 billion for SCANA (South Carolina Electric and Gas). The non-weighted average size of Sample 1, the electric utilities, is $1.6 billion, as shown. Also shown on page 1 of Exhibit 10 is operating revenues, assets, operating margins, and CAPM Betas. CAPM Betas, which are arguably the most significant measure of capital risk, are shown in the adjusted form for 2005 and for 2001-2004 on average. In particular, note that CAPM Betas have risen, suggesting significantly higher capital associated energy markets including electric service providers.

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Some of these 17 electric companies have substantial involvement in non-electric retail business lines including natural gas. It is virtually impossible these days to assemble a sample of companies that are exclusively in the retail electric business – sometimes referred to as a *pure play*. This should not matter, at least on the surface, if the sample is determined on a basis of comparable risks. Indeed, endeavors to diversify risk over alternative business lines tends to reduce variation in earnings, variation in internal cash flow, and variation in market returns, thus reducing overall investment risk and the cost of capital.

The second selection step of determining the utility sample applies risk criteria. These criteria include five dimensions, or metrics:

1. *Equity Participation in Total Capital*;

2. *Coefficient of Variation in Internal Cash Flow* per share over five and ten years;

3. *CAPM Beta* which, as discussed above, is the ratio of the covariation of the market returns of a specific stock of a company and the market as a whole, and the statistical variance of the returns of the market; and,

4. *Variation in Market Returns*, which is measured as the coefficient of variation of monthly market prices—essentially, an index of volatility in market value (market capitalization).

The mean-variation theory on which Capital Asset Pricing Model is based suggests that risk metrics other than CAPM Beta do not matter, for the determination of portfolios that efficiently trade-off risks and potential future return levels. However, empirical evidence suggests that a) internal financial metrics such as items 1-3 above are also utilized by investors to value equities, and b) CAPM theory (as with other capital market theories) does not necessarily explain historical market returns particularly well. Thus, it appears that to a substantial degree information other than CAPM Beta is also relevant to investors in the valuation of equities.

Nonetheless, the risk metrics for each of the 17 initial members of the Mid-Sized Electric Utility sample, as arrayed on Exhibit 10, page 2, are determined. Those electric utility companies with risk metrics that generally fall within one

standard deviation of that of the average for the sample of electric utilities as first drawn or are reasonably close to the metrics for Florida Public Utilities Company are retained in sample one, the electric utility sample. It is these utility companies that, by this arguably objective approach, satisfy the criteria of comparable risk and thus that of Supreme Court guidelines regarding fair rate of return and contained within the Bluefield Waterworks and Hope decisions. The companies utilized for the determination of the cost of capital are denoted in the far right column of page 2, Exhibit 10.

Turning to sample 2, the natural gas utilities, the selection process proceeds in similar fashion using equivalent criteria to those employed to determine the electric utility sample. That is, a sample is first drawn on a basis of market liquidity and business line. The selected natural gas utilities are shown on Exhibit 10, page 3, where market capitalization, CAPM Betas are presented along with revenues, assets, and operating margins. As observed, the selected natural gas companies range in size, measured by market capitalization, from $219 million to 2.8 billion in 2005. Page 4 of Exhibit 10 contains equity participation, CAPM Betas, variation in market returns, as well as the statistical variation in cash flows. As observed, these companies, though of comparatively modest scale, are all significantly larger than Florida Public Utilities Company.

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It should be mentioned that, with respect to the selection of both samples, the study will take occasional exception to the stated selection criteria where historical experience contains anomalies of various types, and when good sense suggests the exclusion or inclusion of specific companies. As an example, the

10-year coefficient of variation in cash flow for some companies may reside slightly outside one standard deviation of the statistical distribution of the sample. Or, low equity participation may not appear to translate into particularly high variation in market variation or Beta; an example is Southwest Gas. Regarding the CAPM Betas, the values are shown in increments of 0.05, and Betas for several members of the sample are somewhat below one standard deviation and, for others, somewhat above.

Once determined, the two samples including the Mid-Sized Electric Utilities (Sample 1) and Gas Utilities (Sample 2) are then used as the basis to estimate the cost of equity capital to Florida Public Utilities Company within the immediate proceeding. The estimate of the cost of capital, and thus the recommended return on common equity, is reflected as an interest rate that, by objective criteria of comparable risks, is the opportunity cost of capital incurred by the common shareholders of Florida Public Utilities Company.

Q. The outlook for the U.S. economy plays heavily in the formation by investors of the future expectations of financial markets. Because future economic performance is used to estimate the cost of common equity, it is useful to elaborate on the inherent linkage between economic performance and the cost of equity.

A. As mentioned above, future returns to capital and thus estimation of cost of capital is inherently expectational in nature. The assessment of equity costs involves implicit and explicit estimates of investor expectations about inflation, interest rates, and future market performance. This is particularly important, as

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near-term interest rates and market experience and conditions do not necessarily reflect long-term expectations of and about capital markets as a whole. The basis of selection of historical timeframes is overall macroeconomic performance. That is, the analyses incorporate observed market returns from timeframes where the overall economic performance, measured in terms of growth in productivity and real output, are equivalent to the outlook today.

The relationships between factor inputs and the real output of goods and services of the economy are crucial to U.S. citizens, and to capital markets and investors. This is because resource productivity, to a large extent, determines the future level of real output of the economy as a whole. Productivity growth, when coupled with the growth in the aggregate pool of capital and labor resources, translates directly into real output, employment, savings, earnings, and market performance. Furthermore, real output is a significant element within overall economic and social well being.

The current outlook for macroeconomic growth calls for prospective long-term productivity change to range between 2.00 and 2.60% annually. This is a more-or-less consensus view held by well-known macroeconomists and economic forecasters, although expected productivity has declining recently from the exceptionally high levels beginning in the early to mid-1990s. Three years, previous, long-term productivity appeared to be capable of upwards of 2.75% over an extended future period. And while this range of productivity is fairly high by overall long-term historical standards, it is consistent with selected periods of the post-War period including the 1950's, 1960's, and 1990's.

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Specifically, productivity rose at annual rates of 2.4%, 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s, respectively. Of particular interest and crucial to the immediate analyses, productivity increased very sharply beginning about 1994, departing substantially from the low productivity growth of the previous two decades.

Productivity growth slowed significantly during 2000 and 2001, as overall economic activity attenuated amid the stress attributable to a number of factors and events of a transient nature that, in total, ultimately precipitated the modest recession of early 2001. Since then, the economy has resumed a recovery path and productivity growth appears to have accelerated to pre-recession levels. Indeed, overall productivity growth of 2003-2005 observed a return to high rates, which continues to contribute significantly to ongoing earnings performance and significant market returns realized by investors within equity markets internationally.

In short, the U.S. economy is well positioned to realize and sustain substantial, if not high, rates of growth in productivity and real output, along with full employment and modest inflation over the foreseeable long-term future. Investors generally share this consensus view and, accordingly, the analyses herein draws upon realized overall market rates of return and interest rates as representative surrogates for the period of time that the retail prices for Florida Public Utilities Company are likely to be in place. The average percentage market return over the historical timeframes mentioned above, as gauged by the S&P 500 index, was slightly above 13.0%, reaching back to the 1970s, and

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higher within recent years except for the years of major market corrections, 2000 and 2002.

Overall economic performance and long-term growth can, however, be attenuated by events of a transitory nature and various long-term processes that can contribute to capital risks such as the costs to maintain environmental quality, or world-wide cultural friction. An immediate example is the decline in credit market liquidity observed in recent weeks. Finally, it is important to mention the impact of government fiscal policy and global demand for capital on interest rates. As mentioned, the cost of capital is a function of the demand and supply of funds, and we expect U.S. and world demand for capital to remain at high levels, thus placing steady pressure on interest rates. As a result, interest rates are likely to remain at current levels, which approach long-term trends, although short-term interest rates in the short run may decline somewhat from current levels.

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Q. What are the results of the analyses obtained from the application of the cost of common equity methodologies?

A. The task before us is to estimate the cost of capital over the relevant and foreseeable timeframe for which retail electricity rates are to be effective. This means that the analyses should, to the degree possible, recognize future events and market conditions that might be reasonably expected by investors.

As mentioned, the analyses include Discounted Cash Flow, Capital Asset Pricing Model, Risk Premium methods, and Historical Market Returns, with the

first two approaches representing formal models of capital valuation. The Discounted Cash Flow analysis is applied to the sample of natural gas companies only. All analyses are shown as a range of plausible values, as the analysis of the cost of common equity is confronted with the problem of observability that inherently results in unknown levels of model estimation error.

The assessment of the opportunity cost of capital involves obtaining and processing a considerable amount of data, and using these data within structured analysis procedures that begins with selection, as discussed above. Data are obtained from several sources including Ibbotson Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey, and Zacks Security Market Research.

The single stage *Discounted Cash Flow Analyses* for the Mid-Sized Electric Utilities (sample 1) and Gas Utilities (sample 2) are presented on pages 1 and 2 of Exhibit 7. As shown, the DCF results suggest that the underlying cost of common equity capital for the sample of electric utilities resides within the range of 9.0 – 9.9% with a corresponding weighted average of 9.6%. Similar results for the sample of gas utilities are 9.0 – 10.4%, with a weighted average of 9.5%. A key point is that these analyses are for a sample of companies which, as mentioned, are significantly larger than Florida Public Utilities Company and, absent further adjustment for size premia associated with very small capitalization companies such as the Company, will systematically

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understate the cost of equity for purposes of determining retail prices within the current docket.

While nettlesome details are always present within capital market analyses, the classical DCF model consists of the two essential components of prospective dividend yield, and expected growth. For the sample of Mid-Sized Electric utilities, the analyses and the resulting estimates of the opportunity cost of capital reveal that the adjusted one year prospective yield lies within the range of 4.5% - 5.4%, while the corresponding estimates of expected growth of future cash flows are within the range of 3.3% - 4.7%. Analysis results are shown on a simple- and weighted-average basis, with the weights based upon the market capitalization of the sample utilities. The multi-stage DCF estimates of the cost of equity capital obtain similar results and are not shown.

The essential element for both single- and multi-stage DCF analysis is to appropriately assess investor expectations of growth of capitalization value and dividends. The analyses rely upon the historical experience of the sample companies to develop reasonable estimates of growth of internal cash and earnings. My studies generally rely on a combination of historical experience and analyst projections of cash flow and earnings growth, as implicitly contained within the valuation of investors, including larger institutions and individual investors. Timeframe is important and, for the immediate study, analyst views appear to be highly similar to those of historical experience. The study relies on long-term historical experience as the basis for expected growth in the future. The immediately study utilizes historical cash flow and earnings

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per share growth, which is measured in two ways for single-stage DCF. Historical growth experience is assessed over successive five-year periods, as well as by logarithmic trend-based analysis.

As mentioned above, the DCF analyses incorporate an adjustment for issuance costs. However, we incorporate no allowance for market pressure or quarterly dividends. Empirical evidence suggests that market pressure is very small to non-existent, at least for larger capitalization companies. Had the analyses incorporated an adjustment for quarterly payment of dividends, the result would be—depending on perspective (frequency of payment or frequency of discounting)—to alter the estimated cost of capital by about 20 – 30 basis points.

As with Discounted Cash Flow, the *Capital Asset Pricing Model* is applied to both the Mid-Sized Electric Utility and the Gas Utility samples. The CAPM analyses are shown on Exhibit 6, pages 1 (sample 1) and 2 (sample 2). The application of CAPM requires estimates of the risk-free rate, investor expectations of overall market returns, and market Betas which account for and embody systematic risk with reference to equity markets as a whole. Incorporating estimates of market rates of return and short-term interest rates into the CAPM formulation along with the market Betas results in estimates of the cost of common equity for Florida Public Utilities Company.

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Expected market returns for equity markets in the large are captured by the S&P500 Index, measured with the inclusion of dividend payments. The

expected value of future returns of course is a key element to the application of the Capital Asset Pricing Model. Plausible measures of expected market returns used in CAPM can be gleaned from timeframes of similar economic performance to that of the period for which the cost of capital is estimated – mid-year 2006 and prior to the run-up in equity markets of the second half of that year. For this timeframe, the CAPM analysis utilizes the experience of U.S. equity markets for the period 1970 forward, which is equal to 13.0% through 2005. Realized market returns, for monthly and annual periods as well as for decades, vary greatly as shown within the table referred to as "Market Inputs: Dividend Yields and Overall Returns". Here we observe significant differences in return levels experienced by investors across decades. This is also shown within the table entitled "Variation in Yields and Returns" where, as can be seen toward the right, the standard deviation in monthly returns varies greatly—by over 20% during the 1970s and since 1999—the years 2000 and 2002 in particular. This level of variation for equity market returns is not unusual, and demonstrates the order of magnitude of the greater risk assumed by investors in equities in comparison to the inherent risks within debt markets, which are much lower. In short, equity market returns of well above 10% are absolutely necessary in order to compensate investors for the level of risks that they inherently assume. Though drawn from a sufficiently long interval, this level of expected market return is not unusually high; indeed, it is significantly diminished from previous eras including the 1950s, the 1960s, and the 1994 – 1999 period in particular. Stated without reinvested dividends, these decade-long eras reveal overall equity market returns of close to 15%. These timeframes represent periods of overall productivity that approximates, but is

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arguably somewhat above, expectations of mid-year 2006, when the cost of capital was estimated within the immediate docket, or currently. Not surprising, productivity expectations are somewhat diminished from those of the 1950s, 1960s and the surge of the 1990s continuing into 2003-2004. Nonetheless, should expectations of future market returns be somewhat greater, the CAPM analyses understate the cost of capital to Florida Public Utilities Company; conversely, lower expectations imply that the cost of capital is somewhat overstated.

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Market Betas for the companies of the two samples are drawn from the 2005-ending experience, as we observe a substantial increase in market Betas for the sample vis-à-vis the average Beta over the previous four years. Notably, the variation of CAPM Beta for the electric utilities of sample 1 is significantly higher than that for the gas utility sample, as demonstrated by the differences between the standard deviation of the sample (referred to "S.D.") for 2005 with respect to the average Beta for 2001-2004. Nevertheless, the CAPM Betas for 2005 for the two samples are closely comparable, overall; hence, the CAPM analyses produce similar cost of capital estimates. Specifically, CAPM analyses for the Mid-Sized Electric Utility sample suggest a cost of common equity to Florida Public Utilities Company of 9.6% - 13.3% with a weighted average midpoint of 11.3%, while the corresponding analyses for the Gas Utilities sample obtain 9.4% - 13.2% with a midpoint value also of 11.3%, shown with the inclusion of issuance costs.

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As discussed earlier, the Risk Premium methodology infers the cost of common equity capital from the premia of realized equity returns with reference to rates of return on debt. The immediate studies rely upon historically observed risk premia for common stocks over that of intermediate term government debt for timeframes that reflect the current outlook for the U.S. economy as regards to advances of productivity and real output. This analysis suggests that the overall market returns prospectively are somewhat less (12.25%) on average across scenarios than the overall market return inputs used with the CAPM analysis.

Of particular interest, these timeframes experienced modest rates of inflation, which is important to the determination of risk premia over forward timeframes. Specifically, Risk Premium tends to decline as inflation rises. This is because inflation risk – *i.e.,* uncertainty regarding the future level of expected inflation – rises with higher inflation. Unlike equity returns which are somewhat hedged against inflation (higher nominal revenues, operating income, and net income), high inflation implies losses for debt holders. Hence, capital markets capitalize the uncertainty attending higher inflation in higher market costs of debt. Second, high inflation appears to be commensurate with lower returns to equity holders, a result of less favorable economic conditions. Together, risk premia tend to be significantly reduced during periods of relatively high inflation and less favorable economic and business conditions.

The manifestation of inflation risk and business conditions within risk premia between equity and debt is shown on Exhibit 8. The 1950s, 1960s, and 1990s reveal risk premia of 10.6 – 11.7%, with correspondingly inflation of 2.4%.

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This is in sharp contrast to the experience during the 1970s and 1980s, with risk premia of 3.0% - 4.3% with corresponding inflation of 5.7% over the period. The main point, for purposes of assessing capital costs prospectively, is that risk premia must be developed from historical timeframes where underlying inflation matches that of the current and prospective period for which rate of return is being determined – 2008 forward. Thus, the analyses draw risk premia from the 1950s, 1960s and, where corresponding rates of change in overall prices were experienced. And as discussed above, these historical timeframes match the current outlook fairly well from the perspective of productivity and market returns.

The essential elements of the risk premium analysis includes 1) the risk-free holding period return, 2) the risk premia between equity and debt, and 3) cost rate adjustments for industry and size differences with respect to U.S. equity markets overall. Specifically, the approach adds risk premia to the risk-free holding period return. Consistent with the CAPM analyses, the risk premium analyses use the cost rate for 1-year treasury securities, as expected over the prospective timeframe, as the baseline cost rate. Essentially, 1-year Treasuries serve as the risk-free holding period return.

Debt cost rates are differentiated by term. Thus, the analyses incorporate an upward adjustment for the historical spread between 1-year and 4-year treasuries, as the historical risk premia are based upon realized market returns between equities and intermediate term government debt. Together, the cost rate 1-year Treasuries, the spread between 1- and 4-year Treasury securities, and

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the historical debt-equity risk premia provide an estimate of the cost of common equity for equity markets as a whole. As shown in the table entitled "Equity Market Return" of pages 1 and 2 of Exhibit 8, the analysis obtains a cost of equity for equity markets of 11.5 – 13.0%, which confirms the historical analysis utilized in the CAPM analyses discussed above.

Further adjustments are necessary in order to fairly assess the cost of equity capital for investors in Florida Public Utilities Company, including 1) a differential for lower market risks of utilities generally, referred to as "diversifiable risks" and 2) the small firm effect referred to as "small cap equities". Adjustments are shown for small and very small-sized companies. The effects of these adjustments are shown in the section entitled "Cost Rate Adjustments" of Exhibit 10, pages 1 and 2. The CAPM analysis reviewed earlier is the basis to determine how diversifiable risks associated with samples 1 and 2, including the Mid-Sized Electric Utilities and Gas Utilities, respectively, are below that of the composite market. This is reflected as CAPM Betas of 0.75. [Does this make sense?] As shown, this adjustment lowers the common equity cost rate by -2.2% and -2.5% respectively, for the electric and gas utility samples.

The differential for the Small Firm Effect recognizes that the cost of equity is higher for small firms, other factors held constant. Empirically, the Small Firm Effect is the difference between realized market returns and the cost of equity capital, as estimated by CAPM over many years. As shown on page 2 of Exhibit 2, the Small Firm Effect can be well over four percentage points for

very small-sized companies such as Florida Public Utilities Company. The Risk Premium analysis takes a conservative approach and uses the Low Capitalization Risk Premium, with a plausible range 1.5 – 2.8%. Incorporating these two adjustments into the analysis across the two samples suggests that the cost of equity capital lies within the range of 12.0 – 12.2%. Recognition of issuance expenses associated with incremental shares of common equity provides a Risk Premium cost of capital range of 12.3 – 12.5% for the two samples, with corresponding ranges.

The fourth analysis approach relies upon *Historical Returns* to determine estimates of expectations of future returns harbored by investors. The estimates are drawn from the historical market returns over the late 1996 – 2005 timeframe. This timeframe includes years of exceptionally low and exceptionally high rates of return that, overall, are fairly well balanced. The historical realized returns for the Mid-Sized Electric Utilities are presented on pages 1-3 of Exhibit 9, while realized returns for the Gas Utilities are shown on pages 4-6. For each of the two samples—Mid-Sized Electric Utilities and Gas Utilities—historical returns are shown in three ways including "Average Returns Per Annum" (1996-2001 – 1996-2005); "Five-Year Returns" for consecutive 5-year periods (1996-2001 – 2000-2005); and "Cumulative Returns" (1996-2001 – 1996-2005). As shown, the results, which are determined on a simple- and weighted-average basis, suggest that investors can expect to realize future rates of return of between 10.1 – 12.5%. Realized historical returns realized by investors conform to the cost of capital estimates

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obtained by the formal models, Discounted Cash Flow and CAPM, as well as the Risk Premium analysis.

Q. What conclusions are reached by your analysis and what is your rate of return recommendation?

A. The analysis of the opportunity cost of capital incurred by common shareholders of Florida Public Utilities Company is summarized in Exhibit 2. The analyses suggest that, for common shareholders of Florida Public Utilities Company to be adequately compensated on the capital committed to public service, and to fully satisfy the statutory requirements defined by the U.S. Supreme Court, the rate of return on common equity must be set at a level equal to 11.5% or higher.

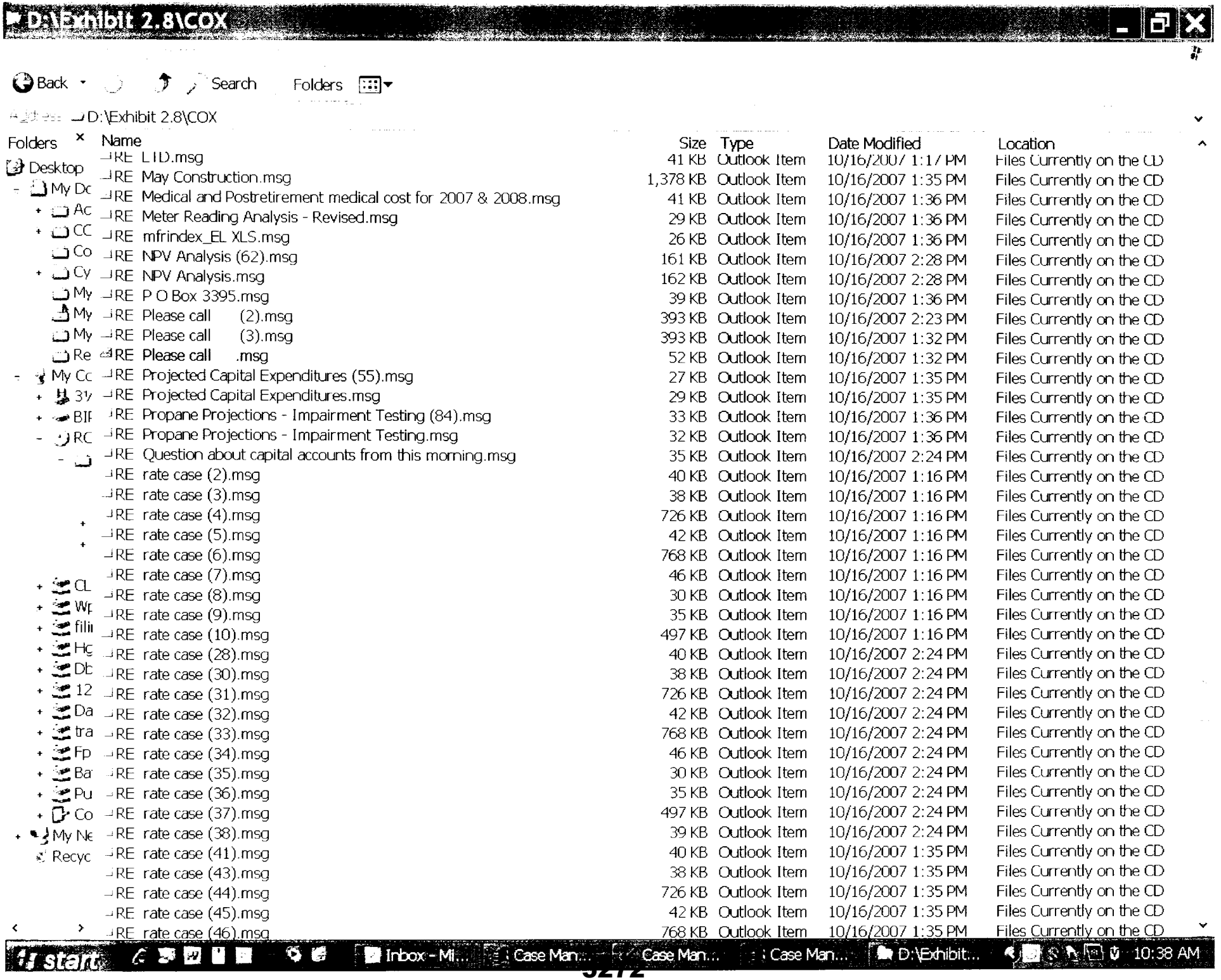
Q. Does this conclude your testimony?

A. It does.

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Friday, Apr 04, 2008 10:38 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 10:08 AM
To: Cox Doreen
Subject: RE: Please call.....

Attachments: New Exhibits_11, 12.xls

New
hibits_11, 12.

Here's the new exhibits 11 and 12. Thanks, Doreen. Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 8:48 AM
To: Robert Camfield
Subject: RE: Please call.....

Robert
Don't combine and re-send the files - I'll combine and work with them here.

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, August 21, 2007 9:02 AM
To: Cox Doreen; Bruce Chapman
Subject: RE: Please call.....

Doreen,
Bruce,

Attached is the revised testimony, with certain sections substantially rewritten in view of Bruce's comments.

Bruce: Thanks for last night's edits.

Doreen: I will give you a ring momentarily.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tue 8/21/2007 7:38 AM
To: Robert Camfield
Subject: Please call.....

..... at your convenience to discuss Exhibits and Testimony.

Doreen Cox

Financial Analyst

(561) 838-1797



HISTORICAL YEAR-END CAPITAL STRUCTURE

FLORDA PUBLIC UTILITIES COMPANY

	1998		1999		2000		2001		2002	
Capital Component	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%

	2003		2004		2005		2006	
Capital Component	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%

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

HISTORICAL INTEREST COVERAGE

FLORIDA PUBLIC UTILITIES COMPANY

Item	Historical Years 1998 ($000's)	1999 ($000's)	2000 ($000's)	2001 ($000's)	2002* ($000's)	2003* ($000's)	2004 ($000's)	2005 ($000's)	2006 ($000's)	Average
Operating Income After Tax	5,896	6,170	6,528	6,267	6,367	6,526	7,371	8,350	7,939	
Income Taxes	1,568	1,628	1,473	1,249	1,402	1,167	1,615	2,287	2,238	
Operating Income Before Taxes	7,464	7,798	8,001	7,516	7,769	7,693	8,986	10,637	10,177	
Interest Charges	2,840	2,968	3,487	3,591	4,513	4,488	4,462	4,568	4,608	
Before-Tax Interest Coverage	2.63	2.63	2.29	2.09	1.72	1.71	2.01	2.33	2.21	2.18
After-tax Interest Coverage	2.08	2.08	1.87	1.75	1.41	1.45	1.65	1.83	1.72	1.76

* Excludes the Inpact of the Sale of the Water Division

FLORIDA PUBLIC UTILITIES COMPANY

Capital Structure (Percent of Total

Long-term Debt	40 - 45%
Short-term Debt	2 - 14%
Preferred Stock	0 - 1%
Common Equity	43 - 56%

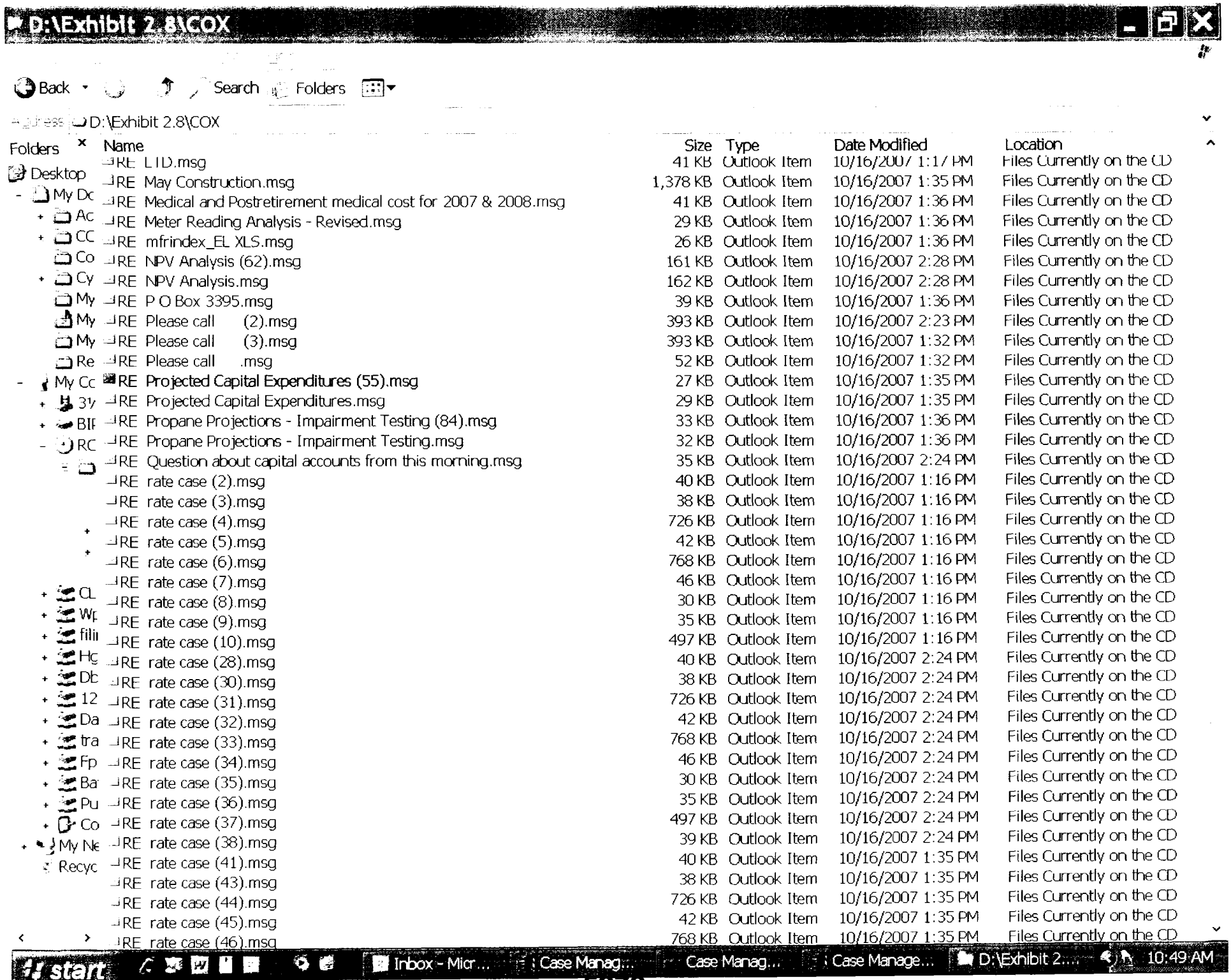
Financing Plans for 2008

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.



Friday, Apr 04, 2008 10:49 AM

Clara Leider

From: Mesite Jim
Sent: Friday, June 22, 2007 10:15 AM
To: Cox Doreen
Subject: RE: Projected Capital Expenditures
Categories: Cash Flow / Projections

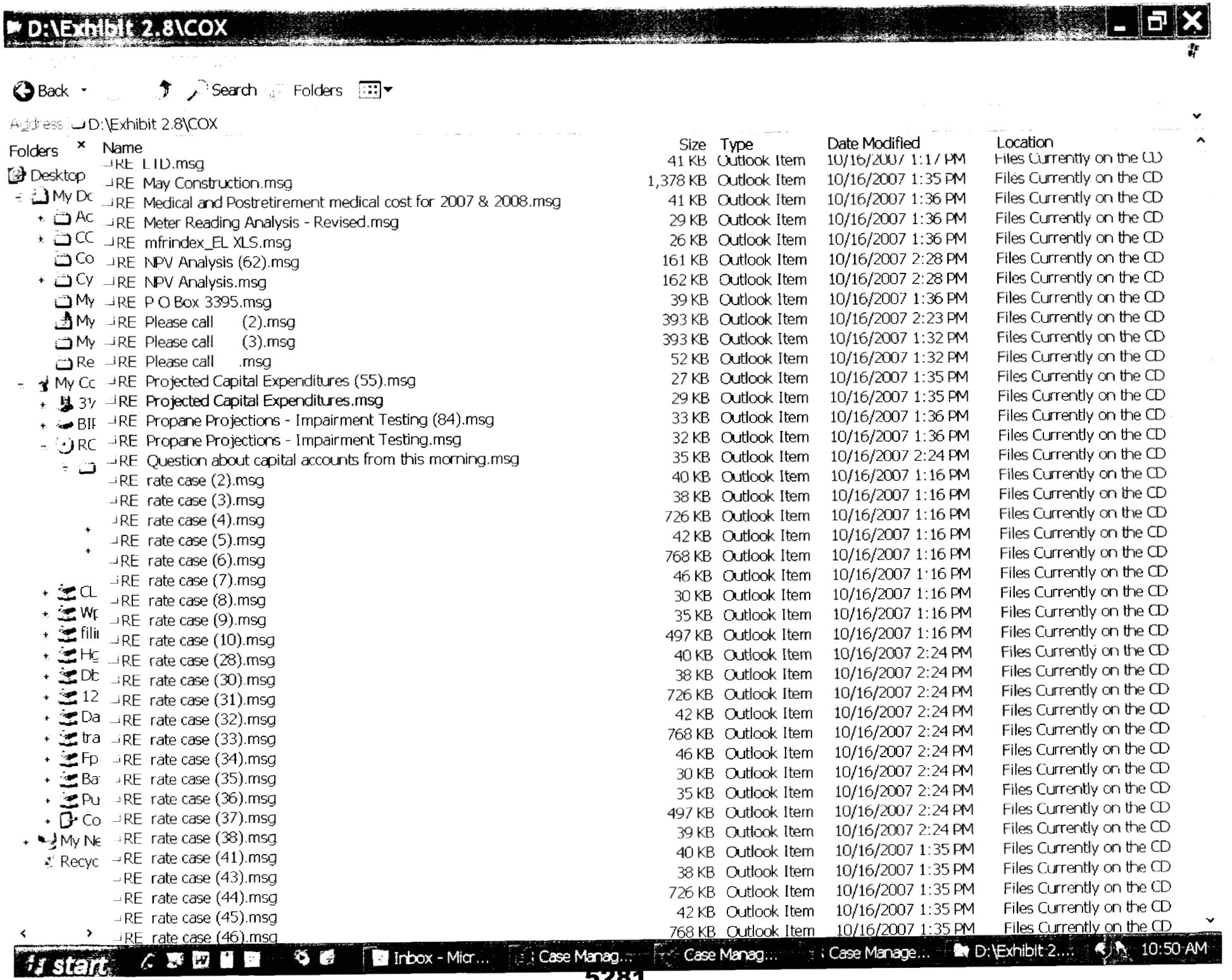
If that's all your working on, you can wait another 4 weeks!!

OK – I'm on it as you read this.

Thanks,
Jim
tel.561.838.1733
fax.561.366.1533

From: Cox Doreen
Sent: Friday, June 22, 2007 10:03 AM
To: Mesite Jim
Cc: Martin Cheryl
Subject: Projected Capital Expenditures

Jim
Do you have the projected Capital Expenditures available for 2008 for Electric? I would like to finalize the Cash Flow Projections and Notes Payable balance for the Cost of Capital components and need to have the figure, or an estimate of what the figure is likely to be.
Thanks
Doreen



Friday, Apr 04, 2008 10:50 AM

Clara Leider

From: Mesite Jim
Sent: Friday, June 22, 2007 10:38 AM
To: Cox Doreen
Subject: RE: Projected Capital Expenditures
Categories: Cash Flow / Projections

You know, I am really sorry that I did not get this to you earlier. I attempt to see that it doesn't happen again.

1/31/08	369,700
2/28/08	445,700
3/31/08	418,700
4/30/08	470,700
5/31/08	432,400
6/30/08	350,700
7/31/08	368,700
8/31/08	253,300
9/30/08	209,800
10/31/08	295,800
11/30/08	606,800
12/31/08	423,500
	4,645,800

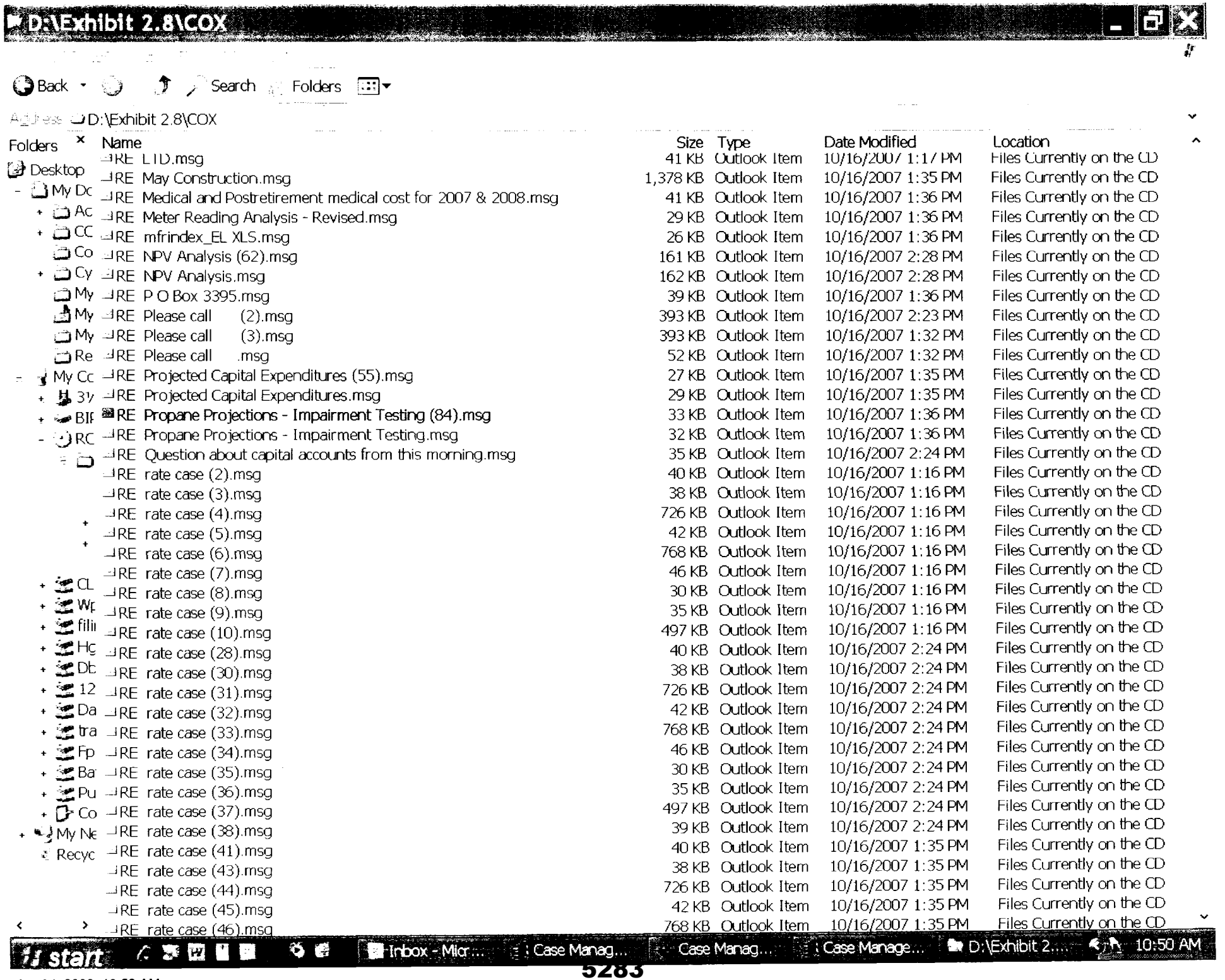
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Thanks
Doreen



Friday, Apr 04, 2008 10:50 AM

Clara Leider

From: Cutshaw Mark
Sent: Thursday, April 05, 2007 8:22 AM
To: Cox Doreen
Subject: RE: Propane Projections - Impairment Testing

Doreen,
I have made the updates but please make sure they make sense to you. Also, the 2007 not budgeted were resolved in other ways so they do not need to be included. Let me know if you have any questions.

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: Cox Doreen
Sent: Monday, April 02, 2007 4:41 PM
To: Cutshaw Mark; Kennedy Barry; Kitner Don; Schneidermann Marc
Cc: Bachman George; Khojasteh Mehrdad; Martin Cheryl
Subject: Propane Projections - Impairment Testing
Importance: High

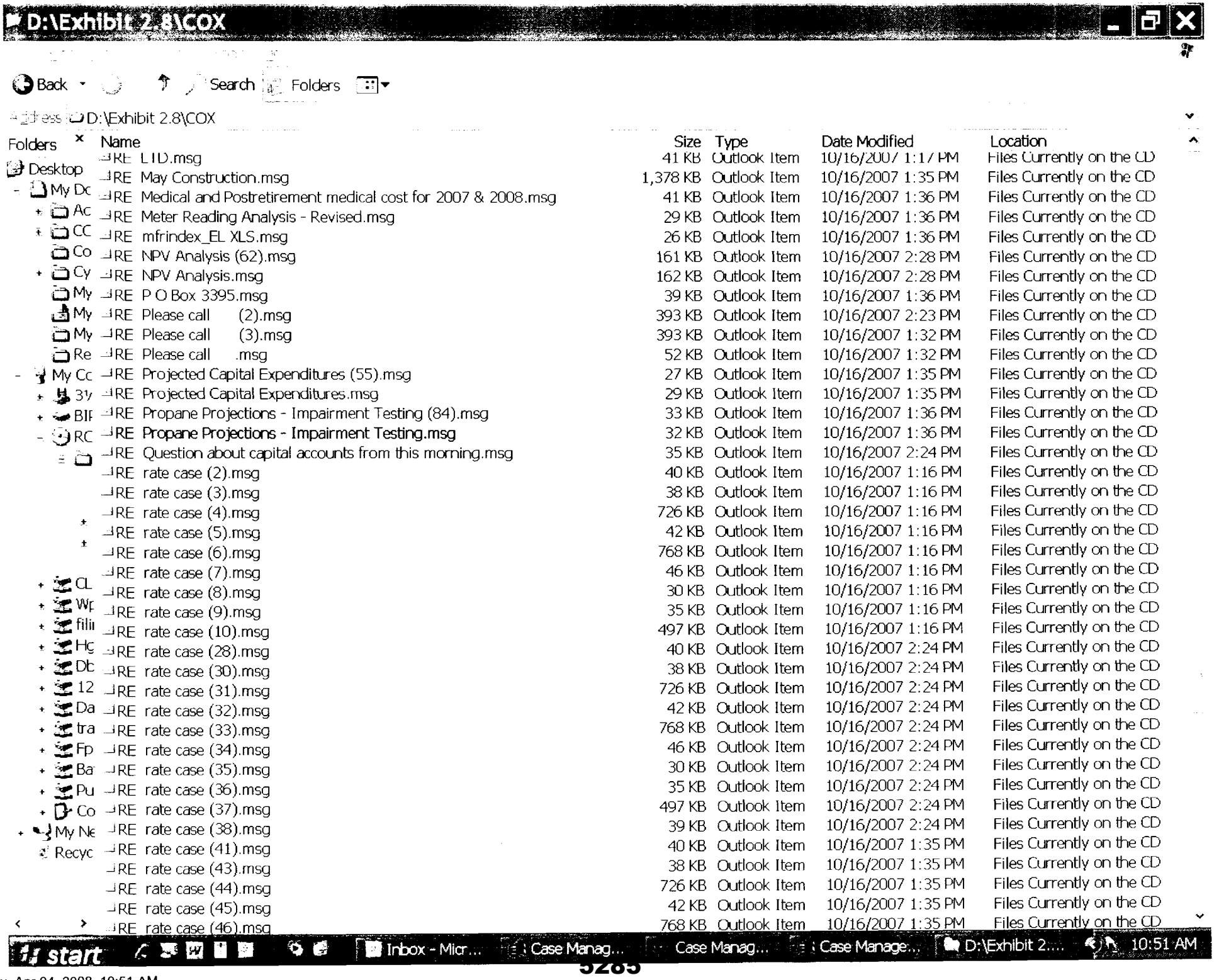
P:\FPUC\PRIVATE\Propane Impairment Review\Jan 2007

We are in the process of updating our projections for the period 2007 – 2011 for submission to our consultant for our annual goodwill impairment testing as required under SFAS 142.

Please review the assumptions on the linked worksheet for your respective Propane Division and update the sheets as follows:

1. Projected Construction Expenditure (SF, CF, NE, WF) – update in the light blue sections projected expenditures for 2008 – 2011. Please exclude Community Gas Systems, which are projected for separately.
2. A-Cost Savings – Update for your respective Divisions for the years 2008 – 2011 for capital expenditures that will result in cost savings eg. Tank Monitoring Systems.
3. C-Revenue Producing Capital expenditures – Update for projected capital expenditures that will generate projected revenues eg. Tank Monitoring System and Regulatory Compliance Fee (RCF) increases. Marc, if we do not anticipate annual increases of the RCF by $0.50 please advise me so that we can revise the projections accordingly.
4. D-Investments with No Return – Update for anticipated non-revenue producing capital expenditures for your Division. NE, the items listed in column N were included in the impairment forecast last year, but not in our Budget for 2007. We need to determine if those amounts are to be eliminated or included in some other year.
5. Please review the Summary Sheet for reasonability.

Please call if you have any questions or suggestions. I would like to have this information provided to the consultant by April 9th, and would appreciate your input by Friday of this week. Please advise me by e-mail when your section has been updated.
Thanks
Doreen
Financial Analyst
(561) 838-1797



Friday, Apr 04, 2008 10:51 AM

Clara Leider

From: Kitner Don
Sent: Tuesday, April 10, 2007 8:24 AM
To: Cox Doreen
Subject: RE: Propane Projections - Impairment Testing

Doreen,
I have updated CF & WF sheets.
Thanks,

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

From: Cox Doreen
Sent: Monday, April 02, 2007 4:41 PM
To: Cutshaw Mark; Kennedy Barry; Kitner Don; Schneidermann Marc
Cc: Bachman George; Khojasteh Mehrdad; Martin Cheryl
Subject: Propane Projections - Impairment Testing
Importance: High

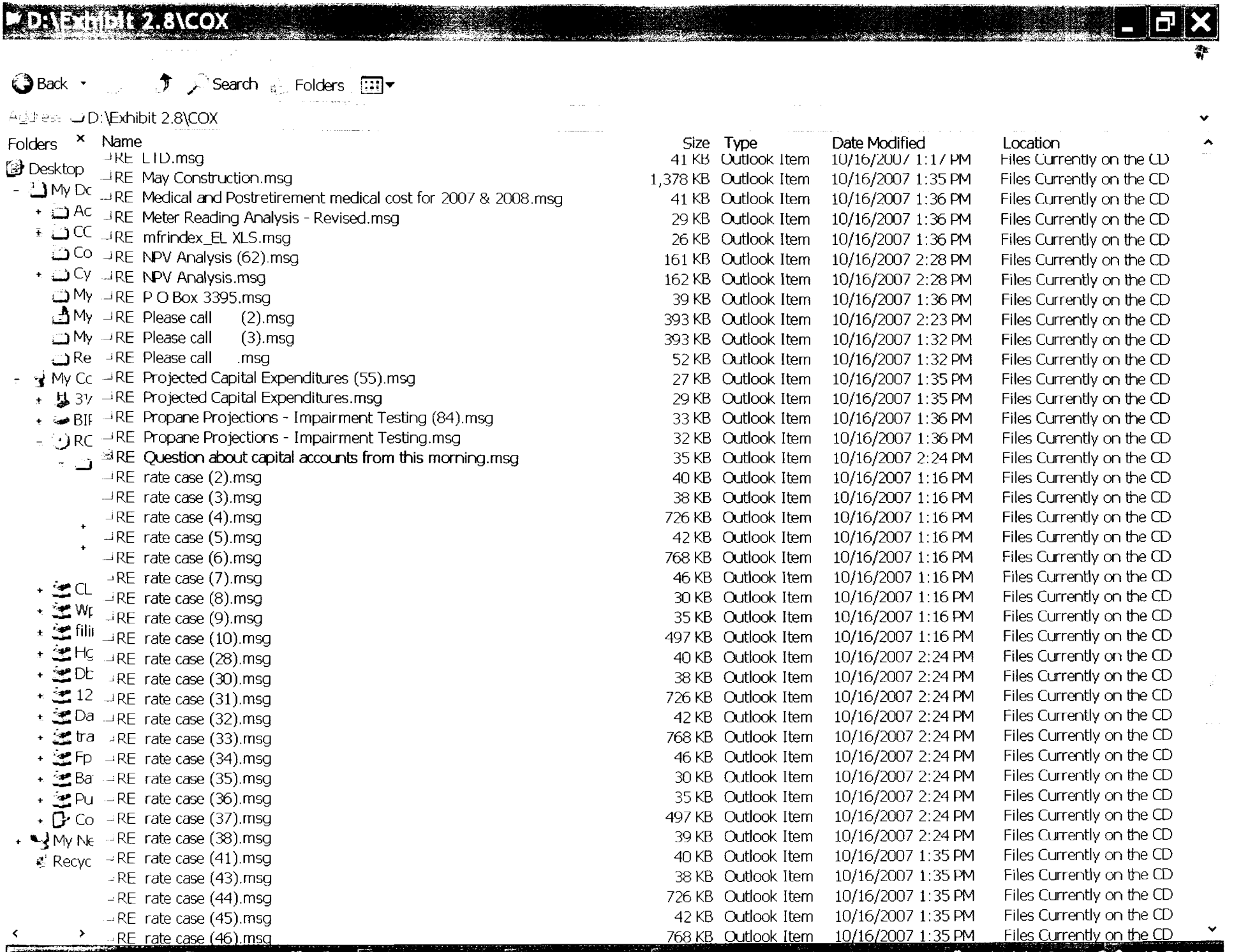
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3. C-Revenue Producing Capital expenditures – Update for projected capital expenditures that will generate projected revenues eg. Tank Monitoring System and Regulatory Compliance Fee (RCF) increases. Marc, if we do not anticipate annual increases of the RCF by $0.50 please advise me so that we can revise the projections accordingly.
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5. Please review the Summary Sheet for reasonability.

Please call if you have any questions or suggestions. I would like to have this information provided to the consultant by April 9th, and would appreciate your input by Friday of this week. Please advise me by e-mail when your section has been updated.
Thanks
Doreen
Financial Analyst
(561) 838-1797



Friday, Apr 04, 2008 10:51 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 1:56 PM
To: Cox Doreen
Subject: RE: Question about capital accounts from this morning

Yes. My conversation with Jim answered the questions about these accounts. I am turning again to the C schedules and may have a few questions for you on those later.

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thursday, July 12, 2007 12:58 PM
To: Mike Welsh
Cc: Martin Cheryl; Mesite Jim
Subject: RE: Question about capital accounts from this morning

Mike
I just spoke to Jim and he thinks your questions may have already been answered based on your recent telephone conversation with him.

To answer the D1a related question, yes, the 13 month average rate base, net of the Direct Accounts gets allocated to Electric based on the derived percentage (jurisdictional factor).

Please let us know if we have not addressed your questions.
Doreen
(561) 838-1797

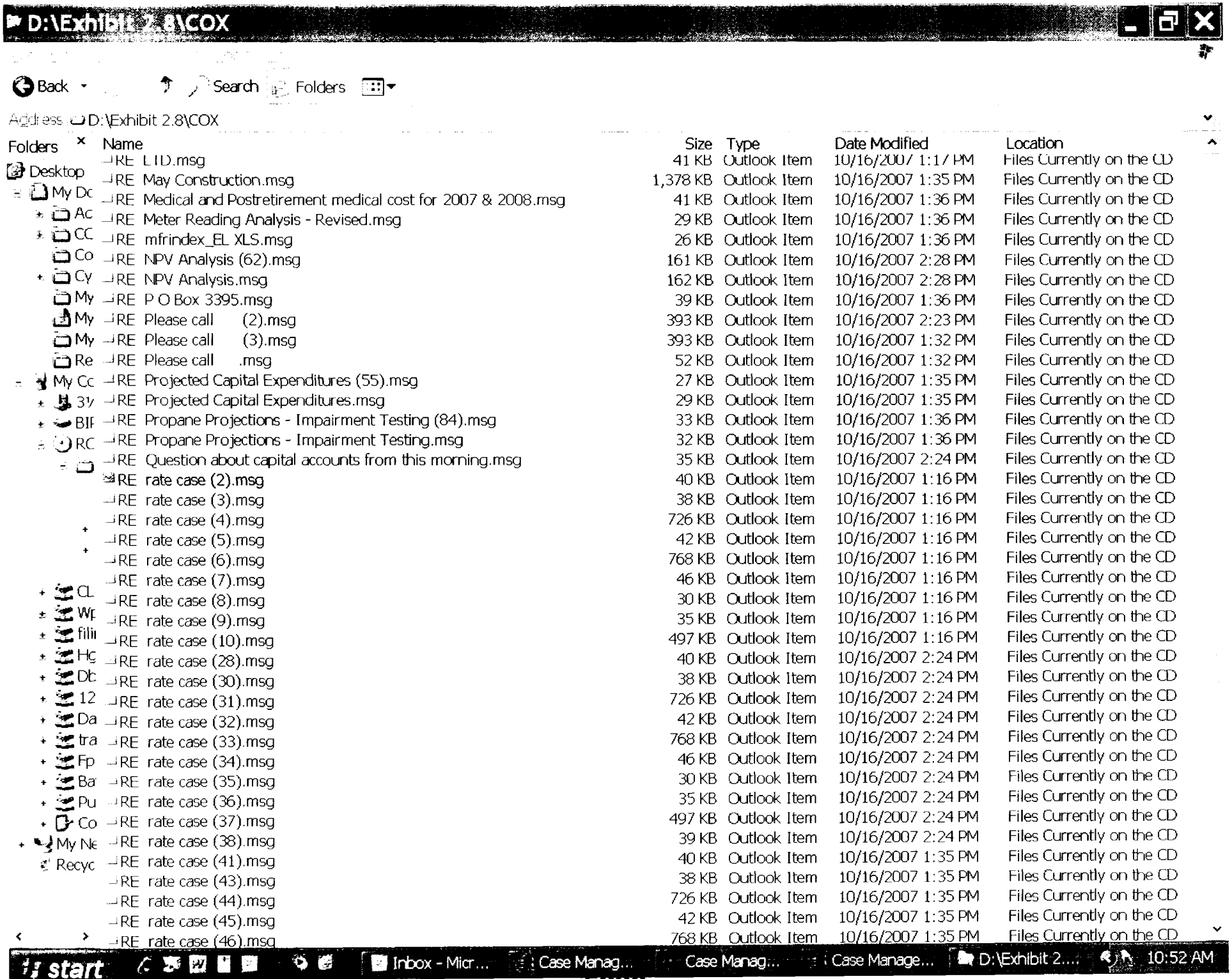
From: Mike Welsh [mailto:mpwelsh@CAEnergy.com]
Sent: Thursday, July 12, 2007 12:44 PM
To: Cox Doreen
Subject: Question about capital accounts from this morning

Doreen:

I think I have figured out what needs to be done. The balance sheet items Jim sent me match up with the totals you report in your D-schedules. I am guessing that these totals get allocated to electric according to the "jurisdictional factor" in cell J40 of the appropriate year's D1-a Sheet. For December 2005 and January 2006 and a jurisdictional factor of 31.3258% (a draft number) I get the following results. Does this approach and the resulting values for the electric division look about right to you?

1810, 1890	NET UNAMORTIZED DEBT DISCOUNT	2,107,065	2,098,682
	PROPRIETARY CAPITAL		
2010.1	COMMON STOCK ISSUED	(2,891,222)	(2,893,017)
2040.1	PREFERRED STOCK ISSUED-$1	(187,955)	(187,955)
2070.1	PREM ON CAPITAL STOCK	(1,683,281)	(1,697,821)
2110.1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	(329,786)	(302,495)

2140.1	CAPITAL STOCK EXPENSE	134,213	134,213
2160.1	UNAPPROPRIATED RETAINED EARNINGS	(9,835,085)	(10,076,959)
2170.1	COMMON STOCK REACQUIRED	1,049,140	979,559
	LONG TERM DEBT		
2210.1	BONDS	(16,446,063)	(16,446,063)



Friday, Apr 04, 2008 10:52 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 1:52 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Yes, this is fine with me. Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 12:31 PM
To: Robert Camfield
Subject: RE: rate case

Robert
The 68.47% (6%) and 31.53% (7%) came directly from the PSC Audit work paper from the last rate case. If you are in agreement and in the absence of any new data, I think we could apply those percentages for the projected.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Doreen,

OK. 6.07% suggests very small participation, within the total deposits, by customers with deposits that realize the 7.0% interest rate.
Determination of the balances for the 7.0% interest rate is straightforward. For the prospective period, however, we will need to settle upon an approach to determine the balances that are attributable to 7.0% and 6.0% interest rates, respectively.

Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 10:55 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Robert
Please see attached. This worksheet shows the actual interest expense booked for Customer Deposits for 2006. On the previous schedules we calculated the interest expense based on an estimated % of 6% deposits and 7% deposits. The system does not easily provide us with the actual breakout of the balances @ 6% versus 7%, so I'm thinking that we should not show the details but just the total interest expense to arrive at the cost rate. Please note that the cost rate changes to 6.07% for 2006 when the actual total interest expense is used.

Please call to discuss.
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

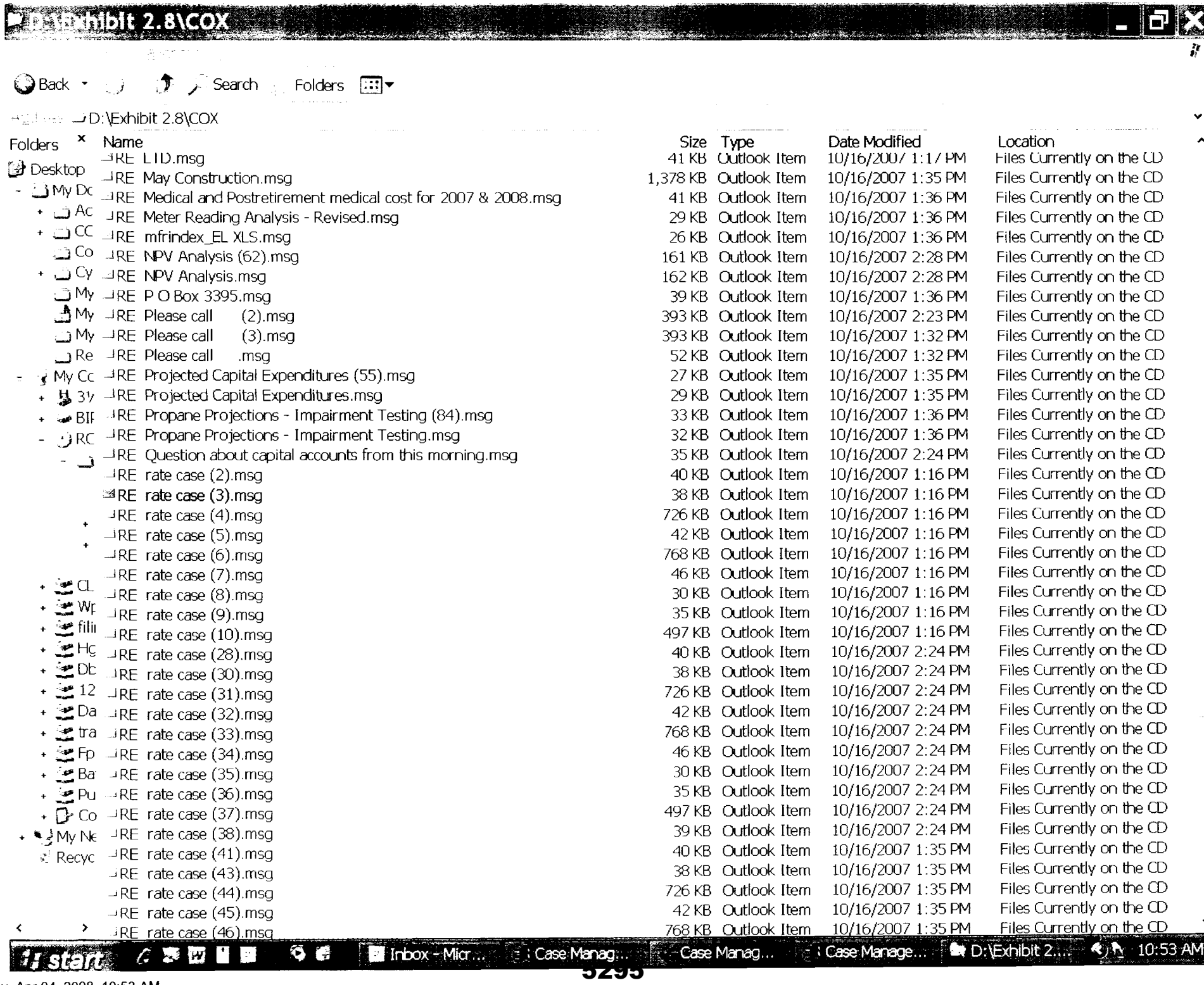
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Friday, Apr 04, 2008 10:53 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Doreen,

OK. 6.07% suggests very small participation, within the total deposits, by customers with deposits that realize the 7.0% interest rate.
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Robert

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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 10:55 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

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Doreen

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Sent: Monday, July 02, 2007 5:02 PM
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Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
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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,

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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

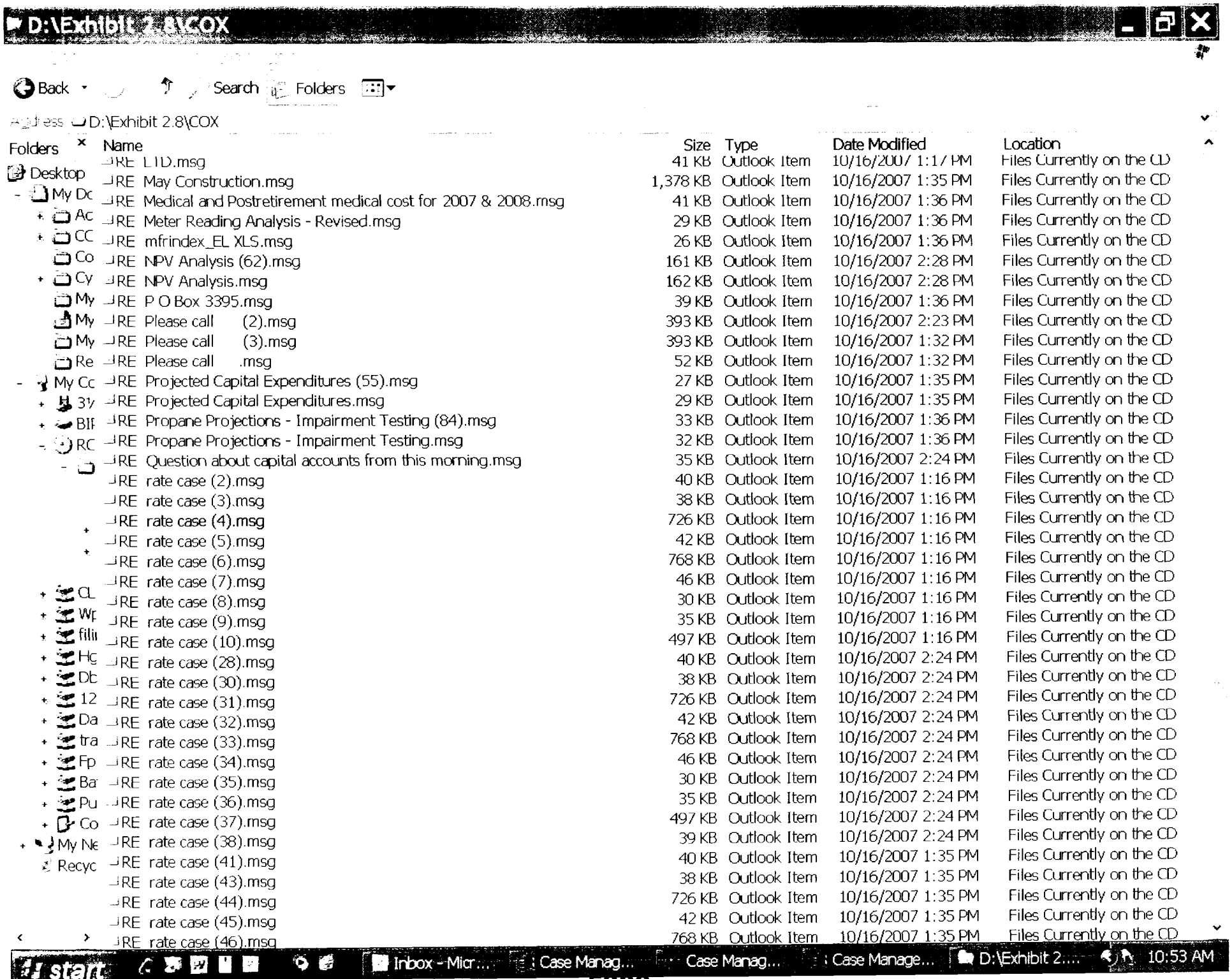
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Friday, Apr 04, 2008 10:53 AM

Clara Leider

From: Mike Welsh [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

Categories: Elec Rate Case
Attachments: C-MFRS-4.xls



C-MFRS-4.xls

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.

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To: Cox Doreen
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Subject: rate case

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Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725

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.
($000)

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: 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	47,452,526		47,452,526	100%	47,452,526	0	47,452,526
3.	Other Operating Revenues	1,074,705		1,074,705	100%	1,074,705	0	1,074,705
4.	Total Operating Revenues	48,527,231		48,527,231	100%	48,527,231	0	48,527,231
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	0	-
8.	Purchased Power	30,606,436		30,606,436	100%	30,606,436	0	30,606,436
9.	Other	8,163,711		8,163,711	100%	8,163,711	0	8,163,711
10.	Depreciation & Amortization	2,722,498		2,722,498	100%	2,722,498	0	2,722,498
11.	Decommissioning Expense			-	100%	-	0	-
12.	Taxes Other Than Income Taxes	3,982,172		3,982,172	100%	3,982,172	0	3,982,172
13.	Income Taxes	772,895		772,895	100%	772,895	0	772,895
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	0	46,019,602
18.	Net Operating Income	2,507,629		2,507,629	100%	2,507,629	0	2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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.

($000)

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: Mehrdad Khojasteh, Cheryl Martin

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													$ -	$ 47,452,526
	Other Operating Revenues	1,074,705													$ -	$ 1,074,705
	Total Operating Revenues	48,527,231													$ -	$ 48,527,231
	Operating Expenses:	-													$ -	$ -
	Operation & Maintenance:	-													$ -	$ -
	Fuel (nonrecoverable)	-													$ -	$ -
	Purchased Power	30,606,436													$ -	$ 30,606,436
	Other	8,163,711													$ -	$ 8,163,711
	Depreciation & Amortization	2,722,498													$ -	$ 2,722,498
	Decommissioning Expense	-													$ -	$ -
	Taxes Other Than Income Taxes	3,982,172													$ -	$ 3,982,172
	Income Taxes	772,895													$ -	$ 772,895
	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													$ -	$ 46,019,602
	Net Operating Income	2,507,629													$ -	$ 2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-3

JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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				
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:

Schedule C-4 JURISDICTIONAL SEPARATION FACTORS - NET OPERATING INCOME

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 12/31/2005
Historical Test 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:

Schedule C-5

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 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox, Mark Cutshaw

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	37,518,640
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718		13,845,536	31,991,479
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746		4,804,124	10,154,203
443	Outdoor Lighting	1,085,456		1,085,456	169,327	2,428	38,067	22,631		232,453	
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224		73,583	359,909
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	57,258
	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	80,081,489
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	90,652,859
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	170,791,606
	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-RECOVRY:FUEL AD	307,430	-	307,430	307,430						307,430
4562	MISC.ELECTRIC REVENU	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	1,444,517
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	

Supporting Schedules:

Recap Schedules:

Schedule C-6

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBI **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 Budget	2002 Year 1 Actual	2003 Year 2 Budget	2003 Year 2 Actual	2004 Year 3 Budget	2004 Year 3 Actual	2005 Year 4 Budget	2005 Year 4 Actual	2006 Year 5 Budget	2006 Year 5 Actual	2007 Prior Year Budget	2007 Prior Year Actual	Test Year
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	1,596	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	GSLD	545	453	565		194	358	551	575	573	643	679		
	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214	206	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	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	11,143	12,454	11,866	13,088	12,808	12,825	12,804	13,446	0	0
OPERATING EXPENSES (LESS FUEL & CONSERVATION)															
	4010.5620	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	16		
	4010.5660	MISC. TRANS. EXPS	18	8	1	2	1	0	1	4	1	0	10		
	4010.5800	OP SUPERVISION	239	235	215	247	347	283	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	63	54	64	76	81	91	113	76		
	4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28	31	30	34		
	4010.5850	STREET LIGHT EXPENSE	18	28	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	267	177	237	229	230	208	215		
	4010.5890	RENTS	18	13	18	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	78	8	80	87	63		
	4010.9050	MISC CUST ACCTS. EXP	56	77	137	86	85	82	97	81	85	94	100		
	4010.9130	ADVERTISING	1	3	0	3	4	19	7	22	89	131	63		
	4010.9160	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	156	171	91	216	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	362	353	591	436	475	471	427	546	438	546		
	4010.9260	EMPLOYEE PENSION/BEN	301	255	573	440	558	768	785	871	881	901	867		
	4010.9280	REGULATORY EXPS.	4	6	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		
TOTAL OPERATION EXPENSES			3,814	4,123	4,538	4,639	5,235	4,970	5,651	5,233	5,766	5,598	5,690		

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	60	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	96	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	
TOTAL MAINTENANCE EXPENSE	1,445	1,368	1,335	1,441	1,869	1,646	2,076	2,044	1,986	2,098	2,083	
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2193	2333	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	269	664	619	604	516	701	303	577	521	
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(32)	
TOTAL OPERATING EXPENSES	11,120	11,260	11,474	11,885	13,349	13,000	13,972	14,421	14,532	14,945	15,547	0

Supporting Schedules:

Recap Schedules:

Schedule C-7

OPERATION AND MAINTENANCE EXPENSES -- TEST YEAR

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

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		**OPERATING EXPENSES**													
2															
3	**555-557**	**Other Power Supply Expenses**													
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**	**Transmission Expenses - Operation**													
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**	**Distribution Expenses - Operation**													
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 & RESETTING	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**	**Customer Accounts - Operation**													
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**	**Customer Service and Info - Operation**													
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**	**Sales Expenses - Operation**													
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	**Administrative & General - Operation**													
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**
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	**TOTAL OPERATING EXPENSES**		2,914,048	3,072,172	2,851,679	2,681,109	2,919,010	3,273,844	3,605,915	3,524,337	3,222,196	2,943,558	2,616,051	3,046,915	36,670,834
84	**Total Operating Expenses Less Fuel**		479,387	435,027	550,088	437,158	509,011	539,212	473,923	502,551	507,303	495,569	499,337	635,832	6,064,398
85	**Maintenance Expenses**														
86															
87	541-545.1	**Hydraulic Power Gen - Maintenance**													
88		554 MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	**-**
89															
90	568-574	**Transmission Expenses - Maintenance**													
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	590-598	**Distribution Expenses - Maintenance**													
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	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	**54,557**
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	935	**Administrative & General - Maintenance**													**-**
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	**TOTAL MAINTENANCE EXPENSES**		141,719	98,872	217,451	106,339	192,646	232,571	199,299	171,047	182,611	148,683	174,145	233,930	2,099,313

114														
115														
116														
117														
118														
119														
120														
121														
122	**Other Operating Expenses**													
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	**403 - Depreciation Expenses**	**227,995**	**221,977**	**226,162**	**233,741**	**229,935**	**230,188**	**230,980**	**232,552**	**233,040**	**233,536**	**233,914**	**188,478**	2,722,498
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	**TOTAL OTHER OPERATING EXPENSES**	646,083	625,857	536,315	570,430	590,084	616,864	725,331	742,458	627,151	582,157	526,082	460,643	7,249,455
153														
154	**TOTAL EXPENSES INCLUDING FUEL**	3,701,850	3,796,901	3,605,445	3,357,878	3,701,740	4,123,279	4,530,545	4,437,842	4,031,958	3,674,398	3,316,278	3,741,488	46,019,602

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:
Historical Year 12/31/2006
Prior Year 12/31/2005
Witness: Mehrdad Khojasteh

(1) Account Number	(2) Account	(3) TestYear Ended 12/31/2006 (000's)	(4) PriorYear Ended 12/31/2005 (000's)	(5) Increase/(Decrease) Dollars (4)-(3) (000's)	(6) Percent (5)/(3) (%)	(7) Reason(s) for Change
OPERATING EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL OPERATION EXPENSES		3,682	4,123	441	12%	
MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL MAINTENANCE EXPENSES		1,636	1,368	(268)	-16%	
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

Schedule C-9

FIVE YEAR ANALYSIS - CHANGE IN COST

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Description of Functional Group	Type of Cost	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ 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

COMPANY:

DOCKET NO.:

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Cheryl Martin

(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		$182,000

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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	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	43,837,969	$ -	$ 43,837,969	0.1989%

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	(1) Jurisdictional Admisintrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2006	(3) Historical Year Ended 12/31/2005	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expenses	901-905		1,331,423	1,225,797	105,626	8.62%
	Customer Service and Information Expense	906-910		456,161	473,610	(17,449)	-3.68%
	Sales Expenses	911-916		144,236	23,846	120,390	504.86%
	Administrative and General Expenses	920-932		3,049,156	2,891,559	157,597	5.45%
	Total Administrative Expenese	901-932		4,980,976	4,614,812	366,164	7.93%
	Average Number of Customers			30,636	30,241	395	1.31%
	Administrative Expense Per Customer			163	153	10	6.54%

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules:

Recap Schedules:

Schedule C-12 | ADMINISTRATIVE EXPENSES | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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:
Historical Year Ended 12/31/05
Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation		(2) Test Year Ended 12/31/06	(3) Historical Year Ended 12/31/05	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expense	901-905	1,331,413	1,225,794	105,619	8.62
	Customer Service and Information Expense	906-910	456,161	473,610	(17,449)	-3.68
	Sales Expenses	911-916	144,234	23,845	120,389	504.88
	Administrative and General Expenses	920-932	3,049,157	2,891,570	157,587	5.45
	Total Administrative Expenses	901-932	4,980,965	4,614,819	366,146	7.93
	Average Number of Customers		30,636	30,241	395	1.31
	Administrative Expenses Per Customer		163	153	10	6.54

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules: C-7

Recap Schedules:

Schedule C-13

MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
	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		100%	-
	Exceeding $100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	86,012		86,012
	Average Number of Customers	30,636		30,636
	Miscellaneous General Expenses Per Customer	2.81		3

Supporting Schedules:

Recap Schedules:

Schedule C-13 | MISCELLANEOUS GENERAL EXPENSES | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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 12/31/06

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Jurisdictional Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
9302	Misc. General Expenses	76,623	100%	76,623
93022	Industry Association	4,390	100%	4,390
93023	Economic Development	5,000	100%	5,000
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Miscellaneous General Expenses Exceeding $100,000 (Specify)	None	100%	None
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Average Number of Customers	30,636	100%	30,636
	Miscellaneous General Expenses Per Customer	$ 2.81	100%	$ 2.81

Supporting Schedules: C-7

Recap Schedules:

Schedule C-14

ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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		30,636		30,636
	Advertising Expenses per Customer		**9.47**		**9.47**

Supporting Schedules:

Recap Schedules: C7

Schedule C-15

INDUSTRY ASSOCIATION DUES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Name and Nature of Organization		Electric Utility (000's)	Jurisdictional Factor	Jurisdictional Amount (000's)
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					
6					
7					
	Total Industry Association Dues		4,390	100%	4,390
	Average Number of Customers		30,636	100%	30,636
	Dues Per Customer		0.14		0.14
	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 12/31/2005
Historical Test 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:FLOR Florida Public Utilities Company
Consolidated E Consolidated Electric Divisions
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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,117
	4260.13	CIVIC AND SOCIAL	2,548
	Total Civic and Charitable Contributions		**13,665**
	4260.4	Lobbying & Other Political Expenses	167
	Total Lobbying and Other Political Expenses and Charitable / Civic contributions		13,832

Supporting Schedules:

Recap Schedules:

Schedule C-19

AMORTIZATION/RECOVERY SCHEDULE -- 12-MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

Total Amount of Amortization/Recovery: $
Effective Date:
Amortization/Recovery Period:
Reason:

(1)	(2)	(3)	($0)
Line No.	Account/ Sub-account No.	Plant Account Title	Total Amort/Recovery 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:

Schedule C-20

TAXES OTHEP THAN INCOME TAXES

FLOPIDA PUBLIC SEPVICE COMMISSION

COMPANY:FLOPIDA PUBLIC UTILITIES
Consolidated ElectPic Division
DOCKET NO.: 070304-EI

EXPLANATION:

PPovide a schedule of taxes otheP than income taxes foP the histoPical base yeaP, histoPical base yeaP + 1, and the test yeaP. FoP each tax, indicate the amount chaPged to opePating expenses. Complete columns 5, 6 and 7 foP the histoPical base yeaP and test yeaP only.

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

Line No.	Type of Tax	(1) Pate	(2) Tax Basis ($)	(3) Total Amount	(4) Amount ChaPged to OpePating Expenses	(5) JuPisdictional FactoP	(6) JuPisdictional Amount	(7) JuPisdictional Amount ChaPged to OpePating Expenses
1.	FedePal 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	513,885	513,886	100%	513,885	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)							
	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			6,256,247	3,982,172		6,256,247	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			$6,256,247	$3,982,173	100%	$6,256,247	########

Supporting Schedules: C-7, C-21

Recap Schedules: C-1

Schedule C-20

Expansion of column 7

Type of Data Shown:

Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

(6) ional Amount	(7) Jurisdictional Amount Charged to Operating Expenses
22,898	1,329
36,923	1,019
2,458,362	241,761
N/A	N/A
N/A	N/A
34,408	34,408
513,885	513,885
1,184,787	#########
2,012,632	#########
N/A	N/A
(8,261)	(8,261)
613	613
$6,256,247	$3,982,173

Not available from original CD.

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.			GROSS RECEIPTS TAX HISTORICAL BASE YEAR	HISTORICAL BASE YEAR + 1	TEST YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR	HISTORICAL BASE YEAR + 1	TEST YEAR
						$ -	$ -	$ -
1		TOTAL OPERATING REVENUES	48,527,214					
2								
3		ADJUSTMENTS:						
4		Overrecoveries	(369,812)					
5		Other Operating Revenues	(688,664)					
6		Unbilled Revenues	(8,373)					
7		Misc Electric Revenues	(7,847)					
8		Gross Receipts Revenues & Franchise Fee	(3,197,750)					
9								
10								
11		TOTAL ADJUSTMENTS	(4,272,446)					
12								
13		ADJUSTED OPERATING REVENUES	44,254,768					
14								
15		Gross Receipts Tax						
16		TAX RATE	2.50%					
17		TAX AMOUNT	1,106,369					
18		Adjustments	78,418					
19	4080.2	State Gross Receipts	1,184,787					
20								
21		Regulatory Assessment Fee				$ -	$ -	$ -
22		TAX RATE	0.0720%					
23		TAX AMOUNT	31,863			$ -	$ -	$ -
24		Adjustments	2,545					
25	4080.3	FPSC Assessment	34,408			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

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1	NET UTILITY OPERATING INCOME	$ 2,507,629	$				
2	ADD INCOME TAX ACCOUNTS						
3	LESS INTEREST CHARGES (FROM C-23)	4,717,141					
4							
5	TAXABLE INCOME PER BOOKS	$ (2,209,512)	$				
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

COMPANY

DOCKET NO

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:

LINE NO	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX 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						$	

SUMMARY OF INCOME TAX EXPENSE:

	FEDERAL	STATE	TOTAL
CURRENT TAX EXPENSE			
DEFERRED INCOME TAXES			
INVESTMENT TAX CREDITS, NET			
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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.	Description	Account	(1) Historical Base Year Ended 2006	(2) Test Year Ended _____
1.	Interest on Long Term Debt	4270.1	3,948,552	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	4280.1, 4280.2	100,608	
4.	Interest on Short Term Debt	4300.1	0	
5.	Interest on Customer Deposits	4310.1	455,009	
6.	Other Interest Expense	4310.2, 4310.3	212,972	
7.	Less Allowance for Funds Used During Construction		[redacted]	
8.	Total Interest Expense		4,717,141	

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 12/31/2005
Historical Test 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-27

CONSOLIDATED TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the requested miscellaneous tax information.

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: 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?

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?

The Company's tax returns are available for staff review at the General Office Complex.

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:

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 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 12/31/2005
Historical Test 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

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 12/31/2005
Historical Test 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 12/31/2005
Historical Test 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

(1) Line Number	(2) Account Number	(3) Description	(4) Original Purchase Cost	(5) Test Year Revenues (All Accts. 454)	(6) Expense Amounts	(7) 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.

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 070304-EI

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
SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)					
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
GROWTH INDICES					
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
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
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
AVERAGE NUMBER OF CUSTOMERS					
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
KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616

1 Lights incorporated with different rate classes prior to 2004 rate case.

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

Prior Year Ended 12/31/2006
Historical Prior Years 2002 - 2005

DOCKET NO.: 070304-EI

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:

0.197923426	-0.075297941	-0.041007616	0.205864386	0.071870564
0.186460239	-0.091387788	-0.052014838	0.190467692	0.058381326
-0.023230927	0.058751932	0.062639868	0.0426977	0.035214643
-0.032577841	0.040329613	0.050442989	0.029384347	0.021894777
0.00966167	0.017708156	0.011611176	0.012933316	0.012978579
0.006237308	0.012522592	0.005781664	0.008047054	0.008147154
0	0	0	0	0

Schedule C-35

PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

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.		12/31/2005			12/31/2006		
		Amount	%Increase	CPI	Amount	%Increase	CPI
	Total Company Basis						
	Gross Payroll	16,785,347	N/A	3.40%	17,122,023	2.01%	3.20%
	Gross Average Salary	47,450	N/A	3.40%	47,683	0.49%	3.20%
	Fringe Benefits						
	Life Insurance	100,682	N/A	3.40%	102,596	1.90%	3.20%
	Medical Insurance		N/A	3.40%	1,726,200	#DIV/0!	3.20%
	Retirement Plan - Pension		N/A	3.40%	1,363,590	#DIV/0!	3.20%
	Retirement Plan - Medical		N/A	3.40%	190,000	#DIV/0!	3.20%
	Employee Savings Plan	N/A	N/A	3.40%	N/A	N/A	3.20%
	Federal Insurance Contributions Act	2,416,398	N/A	3.40%	2,458,362	1.74%	3.20%
	Federal & State Unemployment Taxes	65,840	N/A	3.40%	59,821	-9.14%	3.20%
	Worker's Compensation	25,085	N/A	3.40%	14,981	-40.28%	3.20%
	Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
	Employee Stock Purchase Plan	60,948	N/A	3.40%	66,564	9.21%	3.20%
	Sub Total-Fringes	2,668,953	N/A	3.40%	5,982,114	124.14%	3.20%
	Total Payroll and Fringes	19,454,300	N/A	3.40%	23,104,137	18.76%	3.20%
	Average Employees	354	N/A	3.40%	359	1.51%	3.20%
	Payroll and Fringes Per Employee	54,994	N/A	3.40%	64,342	17.00%	3.20%

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

Page__1_of_1__

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONCOSIDATED ELECTRIC DIVISION
DOCKET NO.:070304-EI

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

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	7,707,550	0	7,707,550	6,107,959		7,983,713	(276,163)	0	(276,163)

N/A - NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule C-38

O & 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 12/31/2005
Historical Test 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 & 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	33,093,918		(26,985,959)	6,107,959 (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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

	Total Customers			Average CPI-U (1967 = 100)			
Year	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	Inflation and Growth 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 & M BENCHMARK VARIANCE BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIADTED 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:

Schedule C-42

HEDGING COSTS

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Test Year 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:

Schedule C-43

SECURITY COSTS

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Test Year Base Rates	Test Year 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

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%	1
6.	State Income Tax Rate	5.5000%	1.0352795
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%	1.0955339
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:

Q. What the factors contributing to the cost of capital in the form of financial assets?

A. The underlying cost of capital is determined by investors and, in the large, by individuals and entities (including government entities) that provide savings and thus the accumulation of capital within the economy. In the case of financial assets, expected benefits are in the form of future cash flows including interest payments, dividend payments, market appreciation, and return of principal. When investors supply funds to entities such as utilities and government entities and municipalities, not only are they postponing consumption—giving up the value of alternative expenditures in some other way, they are also exposing funds to the devaluation of ongoing inflation and various uncertainties and risk attending future cash flows. Investors are willing to incur these risk factors only if they are adequately compensated. While the market prices of other inputs including labor, materials, energy can be easily verifiable, the cost of capital—essentially, the price of capital—is not easily discerned and, all too often, requires estimation through the cautious application of analytical methods.

The cost of capital, however, remains positive absent inflation and risks, as savers require compensation for foregoing the right to use the funds saved for consumption of goods and services—essentially, the time value of money.

The cost of capital is determined by the demand for capital, supply of savings, expectations of inflation, and perceptions of risks harbored by participants in capital markets. The demand for and supply of capital are determined by

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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. Arguably, risk and the factors that contribute to it is the key contributing factor, and estimation issues regarding the cost of capital.

Q. Please elaborate on capital risks, and estimation of the cost of capital.

A. In addition to the global risks alluded to above (weather, government policy, etc.) dimensions of risk also cover idiosyncratic factors 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.

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Resources migrate to the highest valued use and worth, given perceived risks, such that the returns to capital are equivalent to opportunity costs. The various forms of capital compete among themselves for savings and with other non-capital resource inputs and opportunities. Similarly, the vehicles of investment of individual entities, such as the specific bonds of a municipality or the common stock of a company, must compete for savings through a process of capital attraction. That is, if the outlook for earnings of a company rises, participants in capital markets—investors—allocate more capital to the company by bidding up the price of the stock thus increasing the company's market capitalization. Conversely, perceptions of heightened risks associated with the debt of a company or municipality precipitates a decline in the market value of the outstanding bonds, as capital migrates from the company/municipality to other resource opportunities. Thus, the prices of financial assets of entities including debt and equity securities are highly sensitive to perceptions of risk. Capital markets trade off risks and expected returns, given the overall menu of available choices, as alternative opportunities.

At an undefined point in time such that levels of supply and demand for capital and expectations of inflation are roughly equivalent (as a matter of consensus), the cost of capital is a matter of risk. Essentially, then, the cost of a specific source of capital is basically determined by the underlying riskiness of that investment in view of alternative opportunities that, together, represent the investors' current opportunity set. Hence, the cost of capital associated with specific investment opportunities, is differentiated by risks alone, as the other

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factors that impact the cost of capital—*i.e.*, supply-demand balance, inflation expectations—are common to all investments, and capital more generally. Competitive capital markets, through the process of assessing, buying, and selling, ensure that the expected payoff in the form of market rate of return is approximately equal to that of other investments of equivalent risk. In short, debt and equity investment vehicles of comparable risk are priced the same. If not, investors as participants in capital markets will bid up securities with comparatively low risks and bid down others with comparatively high risks. If investor perceptions of capital risks attending a utility increase—or the expectations for returns decline—markets bid down the securities of the utility. This implies that a utility will be unable to attract capital on equivalent terms, a result that is manifested in either of two ways: the quantity of capital acquired, in the form of new securities offerings, is reduced for a given level of return (stated in dollars), or a higher prospective rate of return attends the new offerings—it costs more to obtain an equivalent quantity of capital.

As mentioned above, investor rate of return is the discount rate that causes the present value of the expected cash flows, as receipts realized by investors, to equal the market value of the financial asset. From the utility side, the cost of funds raised by 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

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flotation costs decrease the net amount of funds actually available to the issue. In other words, the cost of capital to the utility is synonymous with the investors' expected rate of return. Hence, the cost of capital is the discounted expected cash flows necessary for the security to "pay the price"—*i.e.*, in order to satisfy investors' required rate of return.

When capital markets are sufficiently competitive, they ensure that the market value and worth of financial vehicles of the outstanding debt and equity—as held by the investment community, which can include households, financial institutions, government entities, and non-financial companies, is set (*i.e.*, priced) at a level such that the returns to capital approximate the cost of capital. Because investors are averse to risks, competitive financial markets price financial assets inversely according to perceptions of risks, all other factors held constant.

Q. Why is this construct relevant and how does it relate to Florida Public Utilities Company and its capital needs?

A. As discussed, capital resources are the result of cumulative investment, and are obtained or funded directly or indirectly from savings of households and firms over time. Savings is the share of income of the economy as a whole that is not expended as consumption within a current period, and is typically measured as dollars or percentage shares in either quarterly or annual periods. This means that the capital resources employed by Florida Public Utilities Company including power delivery systems such as transformers and lines, meters, trucks

and vehicles, computer systems, software, office facilities and buildings, inventory and stores, and land are costly, where cost is reflected as the annual carrying charges on capital, measured in the form of the net utility rate base.

Whereas the cost of skilled labor, materials and supplies, purchases of generation and transmission services, or other inputs used in 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.

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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 Interbank Offer Rate (LIBOR) or Fed Funds – which also varies daily or monthly.

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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 financial obligations 1) carry specialized and non-common commercial terms, and 2) secondary – and to a lesser extent, primary – markets are less liquid, holders of such obligations assume higher risks, other factors held constant. This is the case where the pool of buyers and sellers is limited and the volume of transactions is comparatively small. Relatively low levels of liquidity imply higher transaction costs and risks to investors, which translates directly into higher costs of capital to the firm.

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Competition is a term that describes some markets, and markets are said to be competitive if certain conditions exist. Markets can be characterized as competitive if they involve: 1) a very large number of buyers and sellers, 2) information relevant to the determination of prices is readily available, complete and not costly, and 3) transactions costs are low. Because of the workably

competitive nature of financial markets, arbitrage opportunities are more or less exhausted. This means that, for both primary and secondary markets, financial property rights trade at levels (prices) such that perceived risks and opportunities for prospective returns to capital are appropriately balanced and approximate those of other investment opportunities. Thus, above-normal returns, which implicitly include compensation for risks, cannot be seemingly realized by investors over prospective periods in systematic fashion.

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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 those of firm B and other firms. If the share prices of firm A suggest a market return of 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.

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As mentioned early on, the cost of capital is a function of the demand for and supply of capital, investor expectations of inflation, and investor perceptions of risks. Because the conditions of demand and supply as well as expectations of inflation are more-or-less common to financial markets at any point in time, financial vehicles are differentiated by risks. Hence, the expected returns and prices of bonds and common shares (normalized for denomination and size) at any point in time are largely if not exclusively differentiated by perceptions of risk.

Q. How is this general discussion of capital markets relevant to Florida Public Utilities Company?

A. Because the cost of capital is positively related to risks, continuity of regulatory policy mitigates capital risks of Florida Public Utilities Company by providing a steady and consistent flow of revenue that closely adheres to the cost of providing electricity services.

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Q. Would you please review the capital structure, interest coverage requirements, and the implications for sufficient coverage?

A. Interest coverage refers to the times that debt interest is covered by income, and is the most important measure of investment risk of corporate debt. Interest coverage is a major concern of Florida Public Utilities Company as it is the basis upon which the Company maintains its favorable credit standing with markets and continues to obtain long- and short-term debt at favorable rates of

interest. Pre- and After-Tax Interest coverage under the recommended capital structure and rate return is **XXX** and **XXX** times, respectively.

For purposes of comparison, we also show interest coverage over the historical timeframe on Exhibit 12, page 2. As can be seen, the coverage implied by the recommended rate of return is adequate though not at a robust level. Two conclusions are reached:

1) While the implied coverage level is acceptable, the Company must sustain a flow of earnings at consistent levels in order to maintain adequate coverage and also satisfy debt covenants.

2) Contingency events and business conditions that give rise to sudden and unexpected changes in revenue or cost flows can imply immediate shortfall in coverage. In short, the coverage level obtained from earnings at the recommended rate of return is only adequate in today's environment of higher capital risks.

The importance of coverage cannot be overstated. Indeed, in discussions with investment banks, commercial banks, and stock analysts regarding the financial condition 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.

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As can be seen, the recommended rate of return requirement, 8.07%, provides satisfactory interest coverage. And although the overall return recommendation provides adequate coverage, it is certainly not abundant. Hence, it is absolutely necessary that Florida Public Utilities Company realize adequate and sustained

flows of income to ensure that the Company satisfies credit risk requirements. Coverage is our window of access to capital at favorable rates of interest and under reasonable terms, enables the Company to provide electricity services. Setting the overall rate of return at a satisfactory level of 8.07% is necessary and in the best interest of retail electricity consumers.

Q. What is the appropriate capital structure for determining retail prices in this docket?

A. In the absence of large-scale subsidiary operations, the Florida Commission should generally utilize a consolidated capital structure where such approach provides a reasonable balance between debt and equity. Under such conditions, the Commission is assured that the service provider is, in the best interest of retail consumers, underwriting its assets dedicated to providing utility services at least cost.

This can be viewed as a principle that defines criteria useful to the Commission in regulatory decisions regarding the issue of the appropriate capital structure for the determination of retail prices. Specifically, and as a general rule, the Commission should only deviate from a consolidated capital structure when this condition – *i.e.*, an appropriate balance between debt and equity – is not satisfied. The corollary to this principle is that the Commission and its staff should never remove or add accounting-based line items from a consolidated capital structure that is appropriately balanced. Two facts of financial accounting underlie this corollary, as follows:

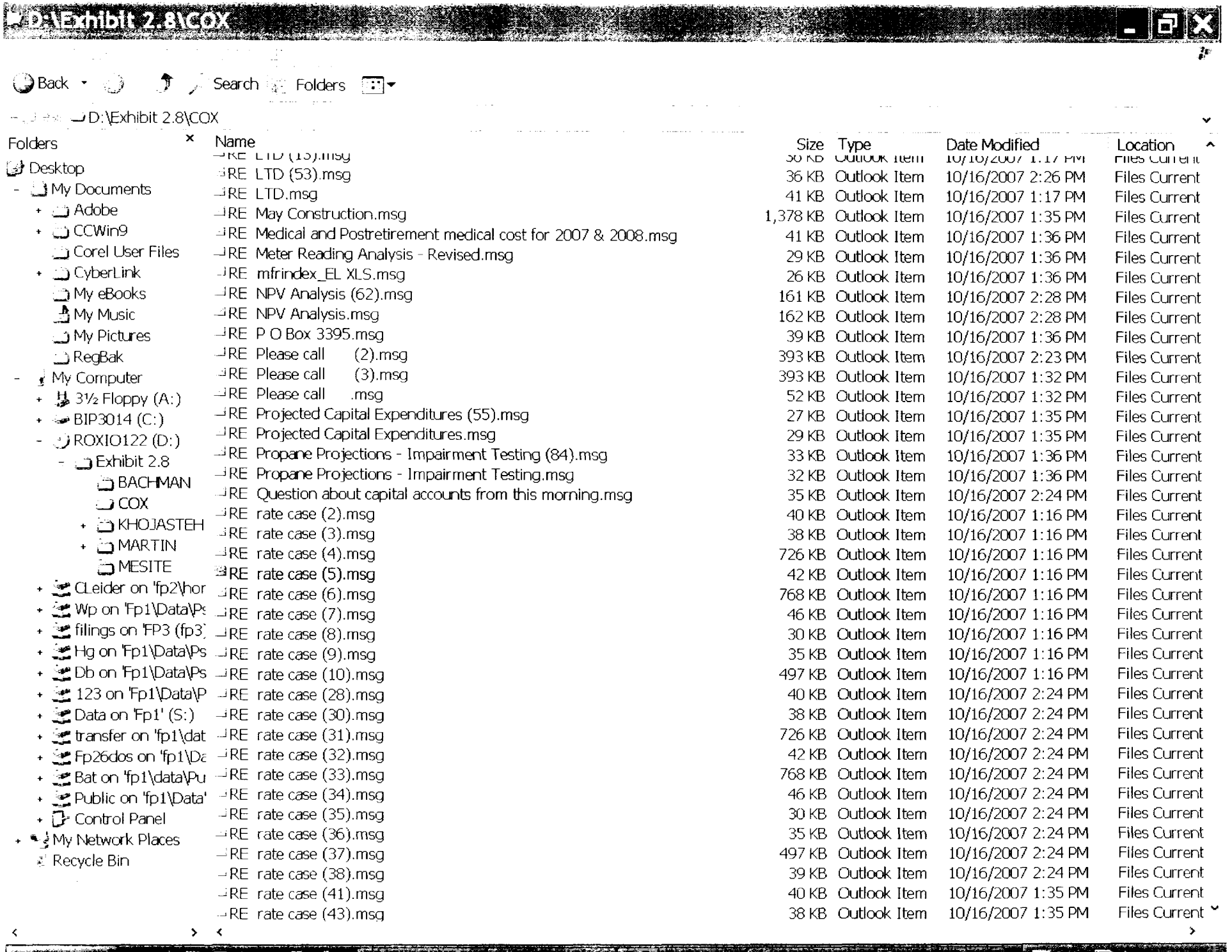
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1) A firm cannot ever trace and identify, as a matter of dollar flows, specific sources of funds to specific uses of funds. The Treasury of a firm essentially constitutes a pool or inventory of current funds, cash, that continually experiences fund inflows and outflows. One cannot say that a specific source of funds is earmarked for a specific use. As an example, one cannot say that cash flow returns and operating income that arise from the Company's electricity operations are used solely to underwrite resources for the electricity business. Electricity-sourced cash flows are, in fact, used across the combined operations of the natural gas, electricity, and propane businesses of the Company – and similarly for the natural gas and propane operations.

2) The Company's balances of long-term debt, short-term debt, preferred stock, and common equity stated on a consolidated basis represent the accrual over years of the net flows of funds of the Company including external and internal sources. The balances for these financing vehicles can and should be used as the basis by which the Company underwrites any and all of its assets, stated on either a consolidated or an individual basis. This is simply a business, accounting, and financial fact.

There is no reasonable basis, thus, to exclude Flo-Gas balances from the Company's capital structure for purposes of setting retail electricity prices in the current docket. Indeed, exclusion of Flo-Gas balances may harm retail electricity consumers in various ways, aside from the inherent contradiction to the realities and facts of financial accounting identified above.

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Monday, Apr 07, 2008 09:05 AM

Clara Leider

From: Robert Camfield [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

Categories: Elec 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



Monday, Apr 07, 2008 09:06 AM

Clara Leider

From: Robert Camfield [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

Categories: Elec Rate Case
Attachments: D's 06-07_A DC,RC.xls



D's 06-07_A DC,RC.xls

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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

____ Historical Test Year Ended 12/31/06

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
					Regulatory Capital Structure, 2006						
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	10.50%	3.88%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.61%	0.37%	141,233
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		7.73%	1,442,535

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.02%	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%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
	Regulatory Capital Structure, 2007										
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
	Conventional Capital Structure, 2007				
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.02%	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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

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

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
					Regulatory Capital Structure, 2008						
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
		Conventional Capital Structure, 2008			
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:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

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:

Schedule D-2

COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test Year Ended 12/31/06
Witness: Doreen Cox, Consultant

Line No.	Class of Capital	2002 Year Amount (000)	2002 Year Percent of Total	2003 Year Amount (000)	2003 Year Percent of Total	2004 Year Amount (000)	2004 Year Percent of Total	2005 Year Amount (000)	2005 Year Percent of Total	2006 Year Amount (000)	2006 Year 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%
		101,033,000	100.000%	94,795,000	100.000%	100,176,000	100.000%	106,281,000	100.000%	102,340,000	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:

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

	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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ **Projected Test Year Ended 12/31/08**

Witness: Doreen Cox, Robert Camfield

	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

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:

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

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	**$0**	$180,273	30	**$7,211**	$957,000	$964,211	N/A	**$49,277**
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	**$0**	$97,070	30	**$3,883**	$551,650	$555,533	N/A	**$26,532**
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	**$0**	**$121,967**	30	**$4,066**	$726,400	$730,466	N/A	**$65,070**
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	**$0**	$1,208,670	30	**$40,289**	$1,027,500	$1,067,789	N/A	**$1,017,297**
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	**$0**	**$805,956**	30	**$26,865**	$686,000	$712,865	N/A	**$680,704**
10.													
11.													
12.		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		**$217,883**
13.													
14.													
15.													
16.													
17.													
18.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10.													
11.													
12.			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13.													
14.													
15.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test 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.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:

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

Line No.	(1) Description, Coupon Rate	(2) Issue Date	(3) Call Provisions or Special Restrictions	(4) Principal Amount Sold	(5) 13-month Average Principal Amt. Outstanding	(6) (Discount) Premium on Principal Amount Sold	(7) (Discount) Premium Associated with (6)	(8) Issuing Expense on Principal Amount Sold	(9) Issuing Expense Associated with (6)	(10) Net Proceeds (6)+(8)-(10)	(11) Dollar Dividend on Face Value (2) X (6)	(12) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For 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:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

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				$2,136,661				
	12 Month Total					$87,988	$47,271	$135,259	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				6.32%				

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

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				$2,637,518				
	12 Month Total					$109,434	$58,793	$168,227	

Effective Interest Rate
12 Month Interest
Expense (9) divided
by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 | CUSTOMER DEPOSITS | Page___of___

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				$2,948,763				
	12 Month Total					$121,577	$65,316	$186,893	

Effective Interest Rate
12 Month Interest
Expense (9) divided
by Total Deposits (6) 6.32%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:

Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Robert Camfield

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)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

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

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	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 PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct.#	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	Consolidated:		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		L15+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		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32-L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	TOTAL INCL FLO-GAS EQUITY			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	TOTAL LTD,STD,EQUITY			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

Florida Public Utilities

CAPITAL COMPONENTS ******

December 2006 - December 2007

Line Ref		Notes	Acct #	Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2.462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	Electric only	2830 included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36																		
37																		
38	**Flo-Gas Corp.:**																	
39	**Investment in Assoc. Co.**	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	**Comprehensive Income**		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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+L26+L36+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**		+L19+L21+L23+L24+L25+L26	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	+L35	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%	55%	56%	58%	58%	58%	58%	59%	59%	57%	
	Equity			43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort
$14M	$	2,239	
$15M	$	3,357	
$10M	$	601	
$5.5M	$	324	
$8M	$	339	$ 6,860
$5M	$	1,524	$ 1,524
			$ 8,384

Loss on Reacquired Debt

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

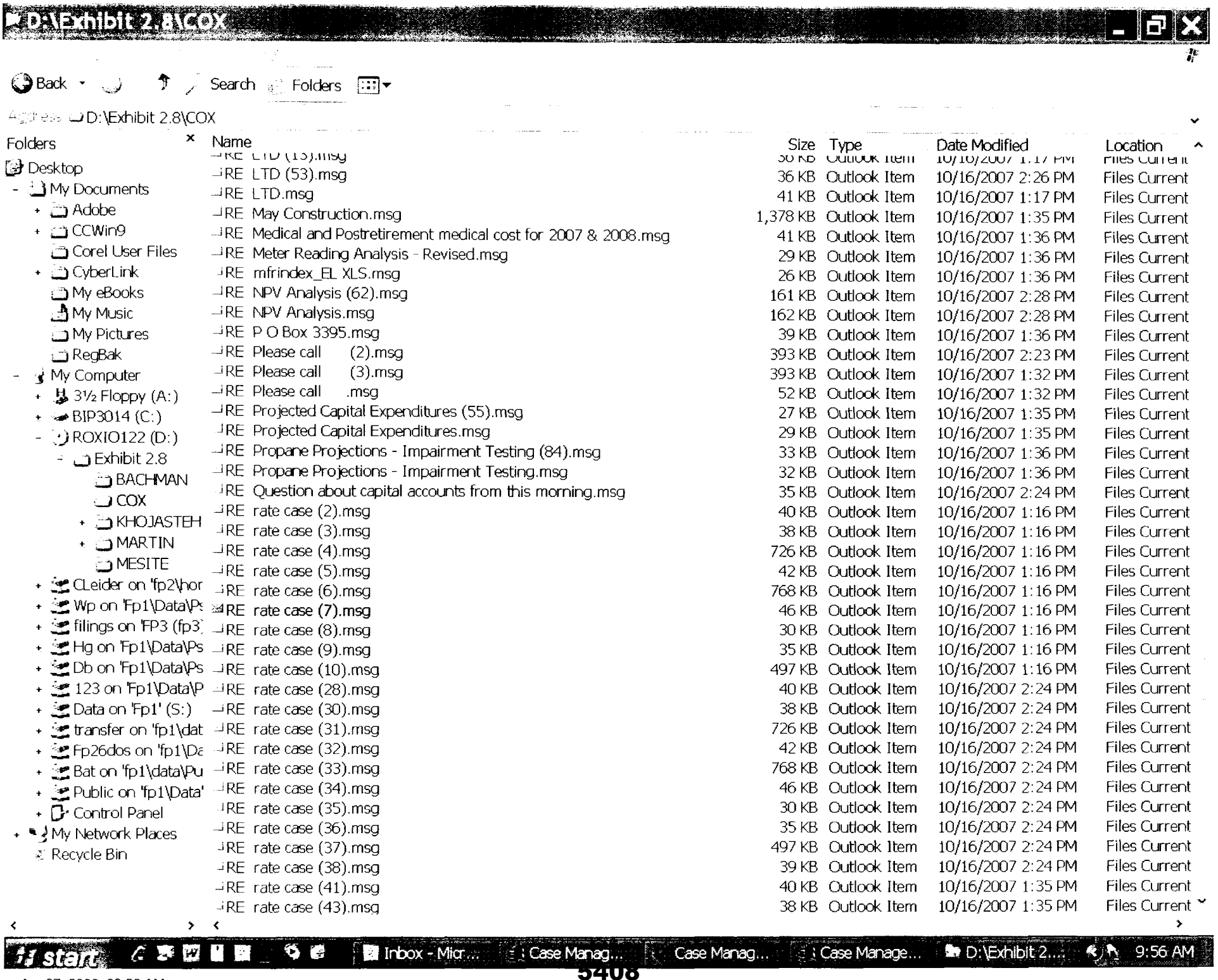
Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	**ACCUM DEF TAXES**	Electric only	1900	1,167,843	1,144,089	1,256,804	1,256,991	1,256,722	1,256,484	1,256,270	1,256,401	1,253,370	1,252,493	1,251,737	1,249,486	1,253,227	1,239,378	2005 - 2007 trend
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	**Common Stock**	2	2010	9,271,517	9,276,783	9,276,783	9,276,783	9,281,933	9,281,933	11,156,933	11,162,196	11,162,196	11,162,196	11,167,433	11,167,433	11,167,433	10,293,196	Cash Flow Proj Equity Off (June)
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	**Premium On Comm. Stk.**	2	2070	5,455,611	5,411,111	5,411,111	5,411,111	5,366,611	5,366,611	18,491,611	18,447,111	18,447,111	18,447,111	18,402,611	18,402,611	18,402,611	12,420,226	Qtrly increase of $44,500 & Equity Off in .
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	**Misc Paid in Capital**		2110	802,472	715,354	715,354	734,985	734,985	721,979	721,621	641,327	641,327	669,699	669,699	669,699	688,617	702,086	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	**Capital Stock Expense**		2140	428,441	428,441	428,441	428,441	428,441	428,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	913,056	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	**1st Mortgage Bonds**	1	2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,632,923	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	**Notes Payable**		2310	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	Electric only	2550	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36																		
37				0														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co.**	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	**Comprehensive Income**		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	Zeroed	0	0													0	
48				0														
49	**Consolidated:**		Line Reference	0														
50	Long Term Debt		L27+L16	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		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+L19+L21+L23+L24+L25+L25+L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	**Common Equity-Excl Flo-Gas**		+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+L324.33	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	+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	121,090,655	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%	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



Monday, Apr 07, 2008 09:56 AM

Clara Leider

From: Cox Doreen
Sent: Monday, July 02, 2007 9:20 AM
To: Cox Doreen; Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Categories: Elec Rate Case

Robert
I'm making changes and updating some of the Schedules. I'm also reconciling to the Surveillance Report for 2006 where possible and will forward to you with changes highlighted for your review.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Thursday, June 28, 2007 6:29 PM
To: 'Robert Camfield'
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

The 8.02% is our actual 13 mth average cost of LT Debt for 2006. For 2006 the cost rates are based on actuals and need to reflect our Surveillance Report Mid-point average cost rate as at Dec 2006. I have attached an extract from our Surveillance Report to show the basis for the 8.02%, tab "ROR-Debt". For 2006 all the cost rates should be the 13 month average as per the Surveillance Report tab "Sch 4".

For interim we will need to use the low-point cost rates.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Will make the changes. Can't fitgure out why the L-T Debt is 8.02, but OK. Let's discuss.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/28/2007 2:18 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Robert
Please find comments relating to the D-1as below:

Schedule D-1a
1 Common Equity - Please exclude Flo-Gas (should be referencing Line 55 on COC Components Worksheet)
2 Column F - should total to be Electric's Adjusted Rate Base which you would get from Jim. Jim's adjusted Rate Base for Electric is now showing $38,045,041 for 2006.
3 Please add the Interest Expense calculation column to the right of the Worksheet.
4 For 2006 historical please use the Actual Cost Rates (Mid-Point Average) as per Surveillance Report. LT Debt should be 8.02% ST Debt 3.28% etc..
5 2008 - change heading "PRIOR YEAR 2007" to "TEST YEAR 2008".
6 Not sure how we are arriving at the projected cost rates, but will look more closely at that later.

Robert, I will continue reviewing the other schedules but thought I would send this ahead as Mehrdad needs the interest expense calculation for his tax computation.
Thanks
Doreen
(561) 838-1797

-----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

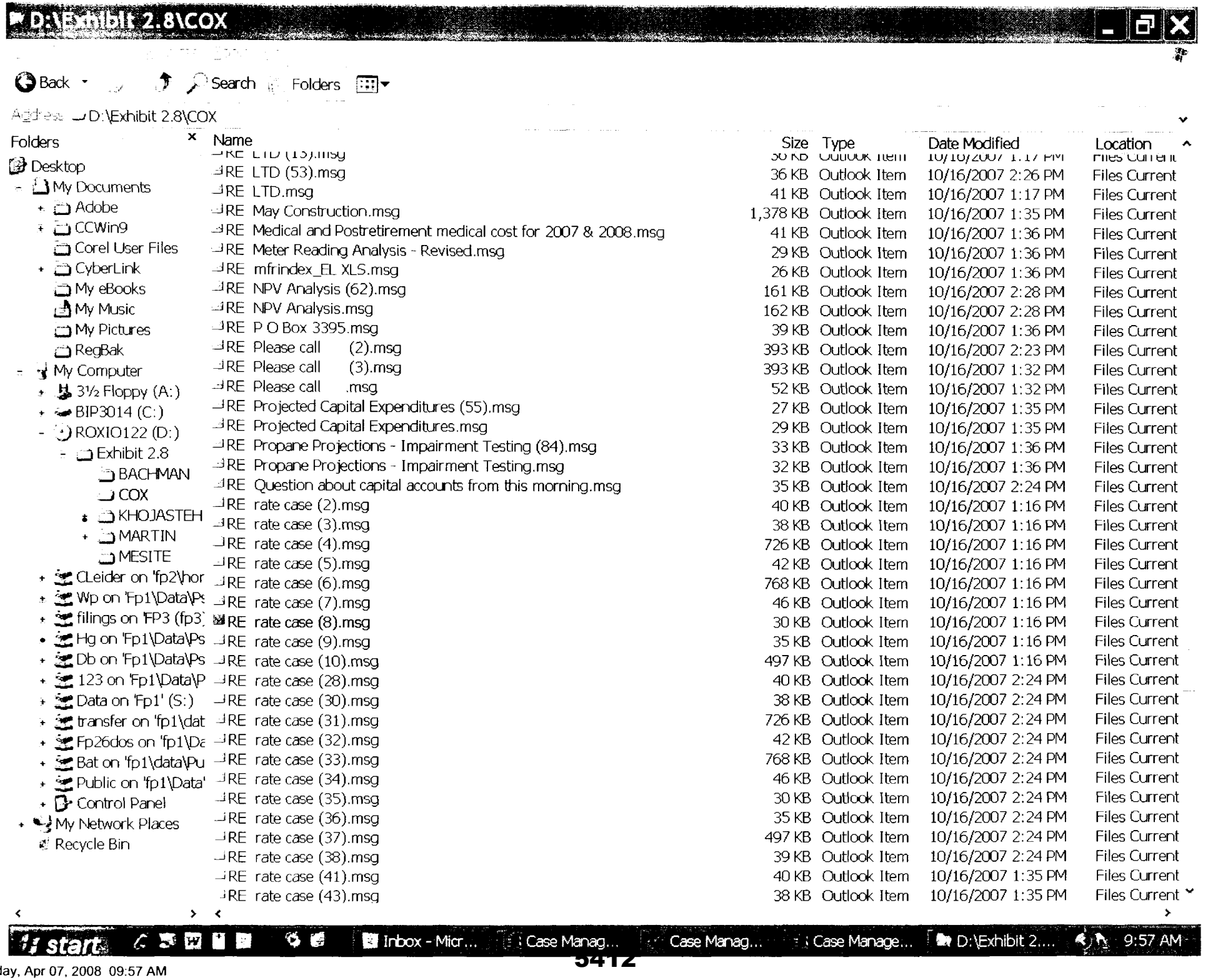
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 09:57 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, June 29, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Thanks, Doreen. Robert

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Cc: Martin Cheryl; Mike Welsh; Mesite Jim
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Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim

Subject: rate case

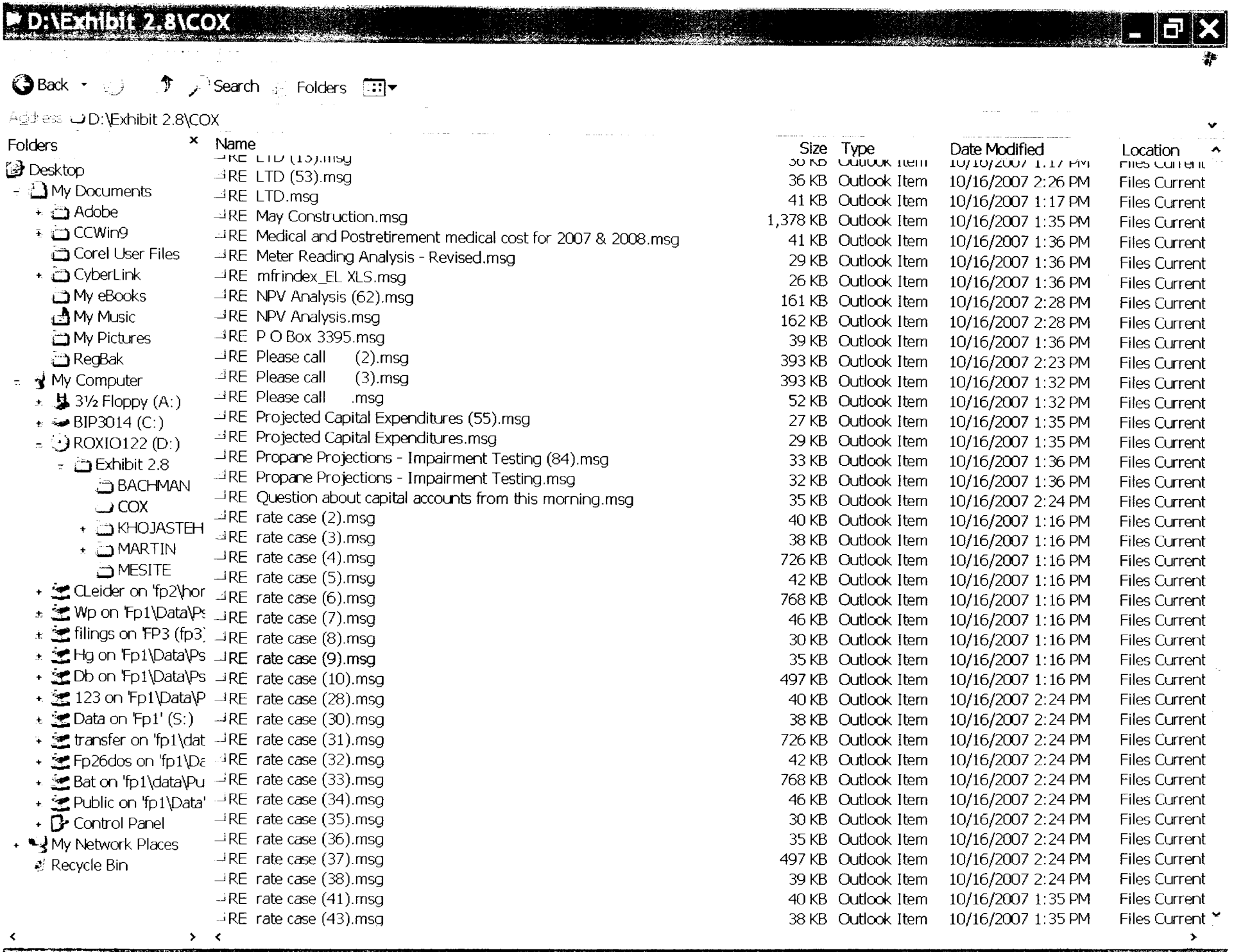
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Controller

Florida Public Utilities Company

(561) 838-1725


D:\Exhibit 2.8\COX
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
KHOJASTEH
MARTIN
MESITE
CLeider on 'fp2\hor
Wp on 'Fp1\Data\Ps
filings on 'FP3 (fp3)
Hg on 'Fp1\Data\Ps
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123 on 'Fp1\Data\P
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Bat on 'fp1\data\Pu
Public on 'fp1\Data'
Control Panel
My Network Places
Recycle Bin
Name
Size
Type
Date Modified
Location
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RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Current
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE mfrindex_EL XLS.msg 26 KB Outlook Item 10/16/2007 1:36 PM Files Current
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RE Projected Capital Expenditures.msg 29 KB Outlook Item 10/16/2007 1:35 PM Files Current
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RE rate case (4).msg 726 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (5).msg 42 KB Outlook Item 10/16/2007 1:16 PM Files Current
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Case Manage...
D:\Exhibit 2....
9:57 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Categories: Elec Rate Case

Will make the changes. Can't fitgure out why the L-T Debt is 8.02, but OK. Let's discuss.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/28/2007 2:18 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Robert
Please find comments relating to the D-1as below:

Schedule D-1a
1 Common Equity - Please exclude Flo-Gas (should be referencing Line 55 on COC Components Worksheet)
2 Column F - should total to be Electric's Adjusted Rate Base which you would get from Jim. Jim's adjusted Rate Base for Electric is now showing $38,045,041 for 2006.
3 Please add the Interest Expense calculation column to the right of the Worksheet.
4 For 2006 historical please use the Actual Cost Rates (Mid-Point Average) as per Surveillance Report. LT Debt should be 8.02% ST Debt 3.28% etc..
5 2008 - change heading "PRIOR YEAR 2007" to "TEST YEAR 2008".
6 Not sure how we are arriving at the projected cost rates, but will look more closely at that later.

Robert, I will continue reviewing the other schedules but thought I would send this ahead as Mehrdad needs the interest expense calculation for his tax computation.
Thanks
Doreen
(561) 838-1797

-----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

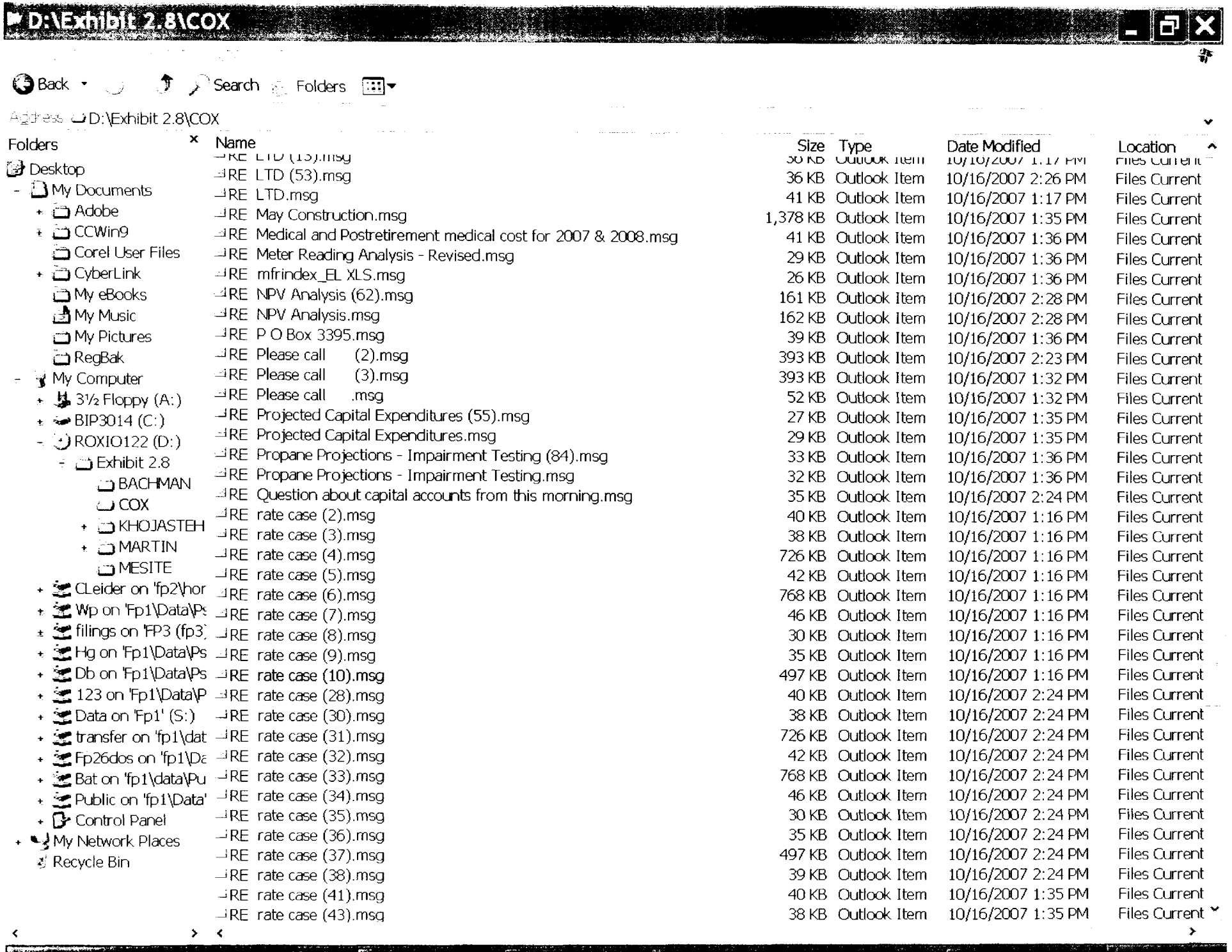
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 09:58 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 8:42 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh
Subject: RE: rate case

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Elec Rate Case
Attachments: D's, 06-07_A.xls

D's, 06-07_A.xls

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

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To: Martin Cheryl; Mesite Jim
Cc: Robert Camfield
Subject: RE: rate case

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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

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

HISTORICAL YEAR, 2006

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
					Regulatory Capital Structure, 2006					
1.	Long Term Debt	50,443,237			50,443,237	0.5541	27,950,598	0.4357	7.99%	3.48%
2.	Short Term Debt	3,309,077			3,309,077	0.5541	1,833,560	0.0286	6.03%	0.17%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0052	4.75%	0.02%
4.	Common Equity	47,448,660			47,448,660	0.5541	26,291,302	0.4098	11.50%	4.71%
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0333	6.32%	0.21%
6.	Deferred Income Taxes	5,468,122			5,468,122		5,468,122	0.0852	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	0.0022	9.54%	0.02%
9.	TOTAL	109,546,877					64,153,823	1.0000		8.62%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.4955	7.99%	3.96%
11.	Short Term Debt	3,309,077	0.0325	6.03%	0.20%
12.	Preferred Stock	600,000	0.0059	4.75%	0.03%
13.	Common Equity	47,448,660	0.4661	11.50%	5.36%
14.	TOTAL	101,800,974	1.0000		9.54%

Recap Schedules:

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2007					
1.	Long Term Debt	50,543,842			50,543,842	0.5541	28,006,343	0.4142	7.97%	3.30%
2.	Short Term Debt	5,729,846			5,729,846	0.5541	3,174,908	0.0470	6.02%	0.28%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0049	4.75%	0.02%
4.	Common Equity	48,986,700			48,986,700	0.5541	27,143,530	0.4015	11.50%	4.62%
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0390	6.32%	0.25%
6.	Deferred Income Taxes	6,204,905			6,204,905		6,204,905	0.0918	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	0.0016	9.48%	0.02%
9.	TOTAL	114,813,001					67,609,854	1.0000		8.49%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4775	7.97%	3.81%
11.	Short Term Debt	5,729,846	0.0541	6.02%	0.33%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	48,986,700	0.4627	11.50%	5.32%
14.	TOTAL	105,860,388	1.0000		9.48%

Recap Schedules:

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2008					
1.	Long Term Debt	49,777,370			49,777,370	0.5541	27,581,641	0.3750	7.93%	2.97%
2.	Short Term Debt	6,436,923			6,436,923	0.5541	3,566,699	0.0485	6.03%	0.29%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0045	4.75%	0.02%
4.	Common Equity	58,109,878			58,109,878	0.5541	32,198,684	0.4377	11.50%	5.03%
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0401	6.32%	0.25%
6.	Deferred Income Taxes	6,846,164			6,846,164		6,846,164	0.0931	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	0.0011	9.61%	0.01%
9.	TOTAL	124,801,064					73,556,376	1.0000		8.58%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4331	7.93%	3.43%
11.	Short Term Debt	6,436,923	0.0560	6.03%	0.34%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	58,109,878	0.5056	11.50%	5.81%
14.	TOTAL	114,924,172	1.0000		9.61%

Recap Schedules:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

COMPANY:

DOCKET NO.:

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:

Schedule D-2 COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

Line No.	Class of Capital	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total

Supporting Schedules:

Recap Schedules:

Schedule D-3 | SHORT-TERM DEBT | Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended __/__/__
____ Prior Year Ended __/__/__
____ Historical Test Year Ended __/__/__
Witness: Doreen Cox, Consultant

	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, 2006	6.03%	$199,537	########	6.03%
			For Prior Year 2007		
2007	July, 2008	6.02%	$491,894	########	6.02%

Supporting Schedules:

Recap Schedules:

Schedule D-3 SHORT-TERM DEBT Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended __/__/__
____ Prior Year Ended __/__/__
____ Historical Test Year Ended __/__/__
Witness: Doreen Cox, Consultant

	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		
2006	July, 2008	6.03%	$388,146	########	6.03%

Supporting Schedules: Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
___ Prior Year Ended ___/___/___
___ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$50,478
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$27,179
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$65,409
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,007,225
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	906,471
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.	Debt Service a (12) / Net				7.9908%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$43,268
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$23,296
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$61,342
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$966,936
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	861,316
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.													
	Debt Service a (12) / Net				7.9749%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$903,467	$910,678	N/A	$36,057
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	N/A	$97,070	30	$3,883	$520,788	$524,671	N/A	$19,413
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$57,275
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$926,647
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	816,161
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$51,632,923		$2,413,144		$82,279	$3,864,155	$3,946,434	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.													
	Debt Service a (12) / Net				7.9282%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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.

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

Line No.	(1) Description, Coupon Rate	(2) Issue Date	(3) Call Provisions or Special Restrictions	(4) Principal Amount Sold	(5) 13-month Average Principal Amt. Outstanding	(6) (Discount) Premium on Principal Amount Sold	(7) (Discount) Premium Associated with (6)	(8) Issuing Expense on Principal Amount Sold	(9) Issuing Expense Associated with (6)	(10) Net Proceeds (6)+(8)-(10)	(11) Dollar Dividend on Face Value (2) X (6)	(12) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules: Recap Schedules:

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Test Year 2008							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.												
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:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$25,701,225	$87,988	$47,271	$135,259	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$31,965,513	$109,434	$58,793	$168,227	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$35,512,498	$121,577	$65,316	$186,893	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-7 COMMON STOCK DATA Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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:
____ Projected Test Year Ended ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

Line No.		_____ Year	_____ Year	_____ Year	_____ Year	_____ Year
1.	Pre-tax Interest Coverage Ratio (x)					
2.	Earned Returns on Average Book Equity (%)					
3.	Book Value/Share ($)					
4.	Dividends/Share ($)					
5.	Earnings/Share ($)					
6.	Market Value/Share ($)					
7.	Market/Book Ratio (%)					
8.	Price/Earning Ratio (6) / (5)					

Supporting Schedules: Recap Schedules:

Schedule D-9 | FINANCIAL INDICATORS - SUMMARY | Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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, Consultant

Line No.	Indicator	Historic Base Year	Prior Year	Test Year Current Rates	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges				
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common				
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments				
	Sinking Funds Payments				
	Tax on Sinking Fund Payments				
	Ratio of Earnings to Fixed Charges				
	Including AFUDC				
	Excluding AFUDC				

Supporting Schedules:

Recap Schedules:

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	<<<<<<<<<ACTUALS >>>>>>>>> Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE	
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763	
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409	
18	190 AC DE TAX 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 & 2830	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531	
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	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942	
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	1,900	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	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
44	INV TAX CREDIT	Zeroed	2,550	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
47																		
48																		
49	**Consolidated:**		**Line Reference**															Consolidated:
50	Long Term Debt		L274,L19	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	Long Term Debt
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	Short Term Debt
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	Preferred Stock
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	Customer Deposits
54	Common Equity		+L15+L19+L21+L23+L244,25+L25+L35+L41+L424,36	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	Common Equity
55	Common Equity-Excl Flo-Gas		+L19+L21+L23+L244,25+L26+L36	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	45,185,765	44,935,779	Common Equity-Excl Flo-Gas
56	Deferred Income Taxes	Electric only	+L17+L324,33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122	Deferred Income Taxes
57	Tax Credits-Zero Cost	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Tax Credits-Zero Cost
58	Tax Credits-Weighted Cost	Electric only	+L314,35	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	141,120	Tax Credits-Weighted Cost
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877	0
60																		0
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	TOTAL LTD,STD,EQUITY
	Debt/Equity Ratio																	
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%	
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%	

Florida Public Utilities

CAPITAL COMPONENTS ******

December 2006 - December 2007

Line Ref		Notes	Acct #	<<<<<<<<< ACTUALS >>>>>>>>> Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>> Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	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 & 2830	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36	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
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	**Customer Deposits**	**Zeroed**	2350	0													0	
44	INV TAX CREDIT	Zeroed	2550	0													0	
45	**ACCUM DEF TAXES**	**Zeroed**	2820	0													0	
46	3% INV TAX CRED	Zeroed	0	0													0	
47																		
48																		
49	**Consolidated:**		**Line Reference**															
50	Long Term Debt		L27-L16	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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		-L15+L19+L21+L23+L24+L25+L26+L39+L41+L42+L36	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**		+L19+L21+L23+L24+L25+L26+L36	45,185,765	46,013,684	46,532,412	48,253,672	48,611,824	48,789,800	48,212,101	48,463,056	48,620,056	48,091,331	48,186,068	48,477,892	47,982,972	47,801,587	
56	DEFERRED INC TAXES	Electric only	-L17+L32+L35	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
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	+L37+L38	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				110,468,638	111,895,744	110,770,763	110,772,393	111,487,076	118,186,847	119,364,210	120,262,981	120,351,907	120,466,645	120,913,803	124,381,640	124,981,369	117,254,155	
60																		
61	**TOTAL LTD,STD,EQUITY**			102,131,831	103,552,051	102,484,643	102,292,416	102,407,956	109,100,316	110,230,000	111,088,339	111,156,723	111,151,382	111,595,502	115,061,710	115,667,174	108,301,542	
	Debt/Equity Ratio:																	
	Debt			57%	57%	56%	56%	56%	58%	59%	59%	59%	59%	59%	60%	61%	58%	
	Equity			43%	43%	44%	44%	44%	42%	41%	41%	41%	41%	41%	40%	39%	42%	

1 Unamortized Debt Discount

			Mthly Amort
$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

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
				-2056762.71	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810. 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065.146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	Consolidated:		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		-L15+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		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electnc only	-L17+L32-L33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877
60																	
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
	Debt/Equity Ratio:																
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line 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	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	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	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		+L15+L19+L21+L23+L24-L25-L26-L39+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		+L19+L21+L23+L24-L25-L26	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	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
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	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				110,468,638	111,895,744	110,770,763	110,772,393	112,692,076	111,231,847	111,409,210	117,207,981	117,196,907	117,411,645	118,158,803	121,726,640	121,626,369	114,813,001	
60																		
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	105,960,388	
	Debt Equity Ratio																	
	Debt			57%	57%	56%	56%	56%	55%	56%	58%	58%	58%	59%	59%	60%	57%	
	Equity			43%	43%	44%	44%	44%	45%	44%	42%	42%	42%	41%	41%	40%	43%	

1 Unamortized Debt Discount

			Mthly Amort
$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

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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**	**308**	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**	
	Revised Budget	**2007**	**3,879**	707	645	446	447	144	99	137	160	138	175	320	463	
	(671,194)	**FPU**	**3,291**	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	**FLO-GAS**	**588**	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note			**Jan 2007**	**Feb 2007**	**Mar 2007**	**Apr 2007**	**May 2007**	**Jun 2007**	**Jul 2007**	**Aug 2007**	**Sep 2007**	**Oct 2007**	**Nov 2007**	**Dec 2007**		
B/F				32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		**FPU**		620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend						(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2					2,000,000										2,000,000	
Projected Interim Rate Relief														37,824	55,247	93,071	
BALANCE C/F				33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS																	
B/F				2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME				85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2					(2,000,000)										(2,000,000)	
BAL C F				2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F				35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME				706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F				35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
	0																
Projected Interim Rate Relief	Ann NOI	**490,000**	Nov-07	**92,423**	**77,246**	**50,646**	**59,266**	**20,550**	**14,891**	**20,550**	**23,380**	**16,019**	**19,054**	37,824	55,247	490,000	

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	**Investment in Assoc. Co.**		1230	**10,000**	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	**ACCUM DEF TAXES**	**Electric only**	1900	**1,167,843**	**1,144,089**	**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	7,565,200	7,312,365	8,190,816	8,171,562	8,165,096	8,149,812	8,171,745	8,191,535	8,185,194	8,272,414	8,259,297	8,244,936	8,232,081	8,085,542	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			**0**													0	
36																		
37				0														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co**	**Zeroed**	1230	**0**													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		2010	**10,000**	**10,000**	10,000	**10,000**	**10,000**	10,000	10,000	**10,000**	**10,000**	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	**Comprehensive Income**		2190	**265,667**	**265,667**	265,667	**226,002**	**226,002**	226,002	186,337	**186,337**	**186,337**	**146,672**	**146,672**	**146,672**	**107,007**	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	**Zeroed**	2550	**0**													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	**Zeroed**	0	**0**													0	
48				0														
49	**Consolidated:**		Line Reference	**0**														
50	Long Term Debt		[illegible]	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		L25	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		[illegible]	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	[illegible]	6,397,357	6,168,276	6,934,011	6,914,571	6,908,374	6,893,327	6,915,475	6,935,134	6,931,825	7,019,921	7,007,560	6,995,450	6,978,855	6,846,164	
57	**TAX CREDITS-ZERO CST**	**Electric only**	+L36	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59				121,626,369	121,840,529	122,174,840	121,326,003	123,027,381	124,160,976	124,607,589	125,350,971	125,188,050	125,072,353	126,769,898	130,592,932	130,675,936	124,801,064	
60																		
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	

Debt Equity Ratio															
Debt			60%	59%	59%	58%	59%	59%	48%	48%	48%	48%	49%	50%	50%	53%
Equity			40%	41%	41%	42%	41%	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

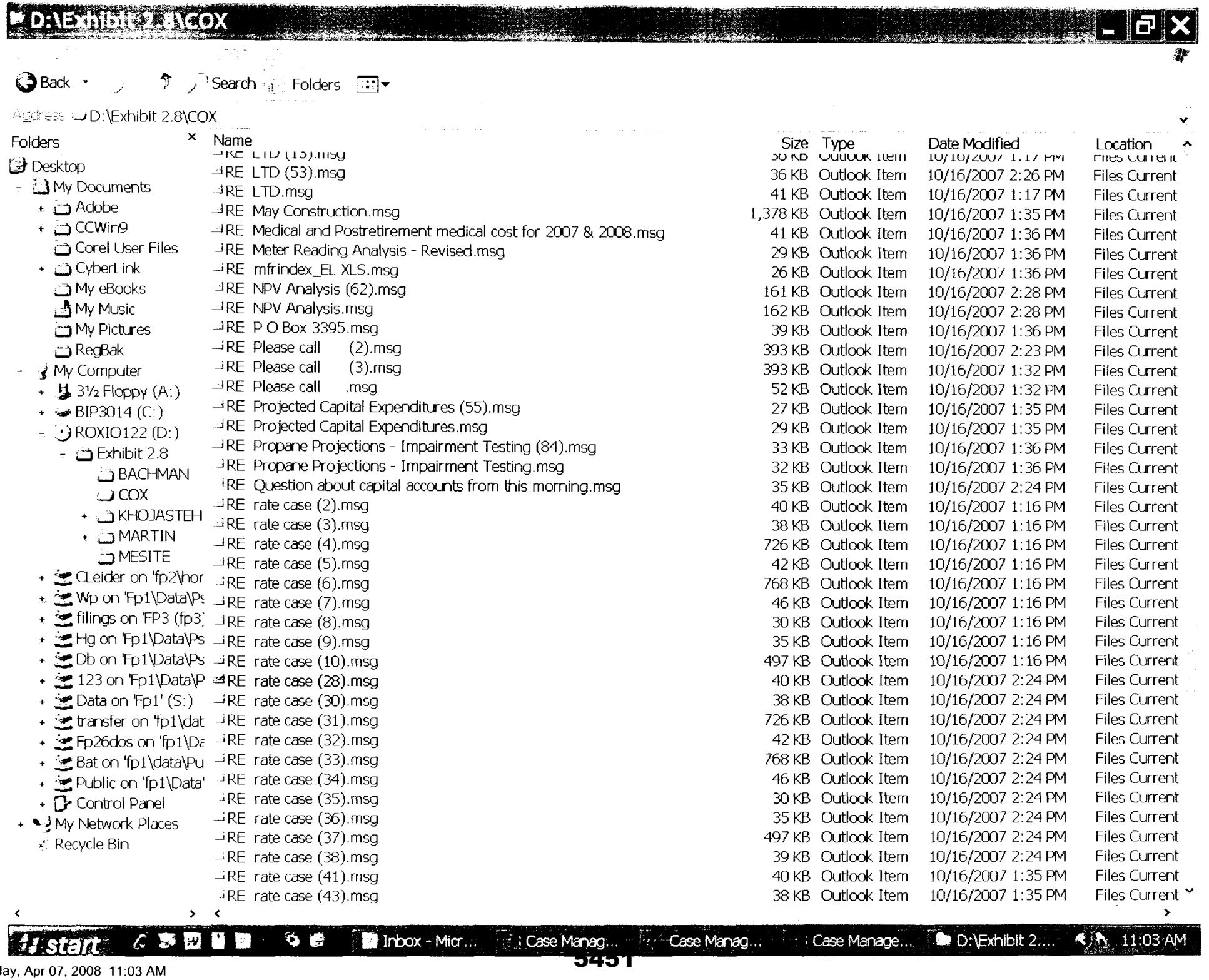
(2007 See Pg. 3) Pg. 2 of 3

Assumptions
RETAINED EARNINGS: 1.03
Annual Profit Margin Projected Increase

				TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)			2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
			FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
			FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
			2008	3,995	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	
	(1,000,000)		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	
FPU RETAINED EARNINGS 2008					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F					35,446,425	36,178,517	36,790,381	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425
NET INCOME			FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730
Preferred Dividend							(7,125)			(7,125)			(7,125)			(7,125)	(28,500)
Common Dividend					0	0	(718,678)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)
Flo-Gas Dividend							1,000,000										1,000,000
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07		92,461	77,274	50,623	59,259									279,617
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08						41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353
BALANCE C/F					36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708
FLO-GAS RETAINED EARNINGS																	
B/F					975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057
NET INCOME					88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640
DIVIDEND							(1,000,000)										(1,000,000)
BAL C/F					1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697
CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F					36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483
NET INCOME					728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370
Preferred Dividend					0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)
Common Dividend					0	0	(718,678)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)
Projected NOI - Elec Rate Case					0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.8925	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
				Effective													
Projected Rate Relief		1,000,000	May-08		188,696	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07		92,461	77,274	50,623	59,259	20,547	14,869	20,547	23,376	18,016	19,951	37,818	55,230	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	114,984,305	116,654,392	120,469,556	120,549,012	114,924,172

Enlarged 2007

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		
3,879	707	645	446	447	144	99	137	160	136	175	320	463		
3,291	621	519	340	398	138	100	138	157	121	134	254	371		
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**		
3,995	728	664	459	460	148	102	141	165	140	180	330	477		
3,390	640	535	350	410	142	103	142	162	125	138	262	382		
606	89	130	109	50	6	(1)	(1)	3	15	42	68	95		
	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
	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	
			(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
	0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
			1,000,000										1,000,000	
Nov-07	92,461	77,274	50,623	59,259									279,617	
May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
	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
	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	
	88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
			(1,000,000)										(1,000,000)	
	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)
	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	
	728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
	0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
	0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
	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														
May-08	**188,696**	**157,703**	**103,312**	**120,936**	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Nov-07	92,461	77,274	50,623	59,259	**20,547**	**14,889**	**20,547**	**23,376**	**18,016**	**19,951**	**37,818**	**55,239**	490,000	
112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	



Monday, Apr 07, 2008 11:03 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 1:52 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Yes, this is fine with me. Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 12:31 PM
To: Robert Camfield
Subject: RE: rate case

Robert
The 68.47% (6%) and 31.53% (7%) came directly from the PSC Audit work paper from the last rate case. If you are in agreement and in the absence of any new data, I think we could apply those percentages for the projected.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Doreen,

OK. 6.07% suggests very small participation, within the total deposits, by customers with deposits that realize the 7.0% interest rate.
Determination of the balances for the 7.0% interest rate is straightforward. For the prospective period, however, we will need to settle upon an approach to determine the balances that are attributable to 7.0% and 6.0% interest rates, respectively.

Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 10:55 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Robert
Please see attached. This worksheet shows the actual interest expense booked for Customer Deposits for 2006. On the previous schedules we calculated the interest expense based on an estimated % of 6% deposits and 7% deposits. The system does not easily provide us with the actual breakout of the balances @ 6% versus 7%, so I'm thinking that we should not show the details but just the total interest expense to arrive at the cost rate. Please note that the cost rate changes to 6.07% for 2006 when the actual total interest expense is used.

Please call to discuss.
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

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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%).

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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.

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Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

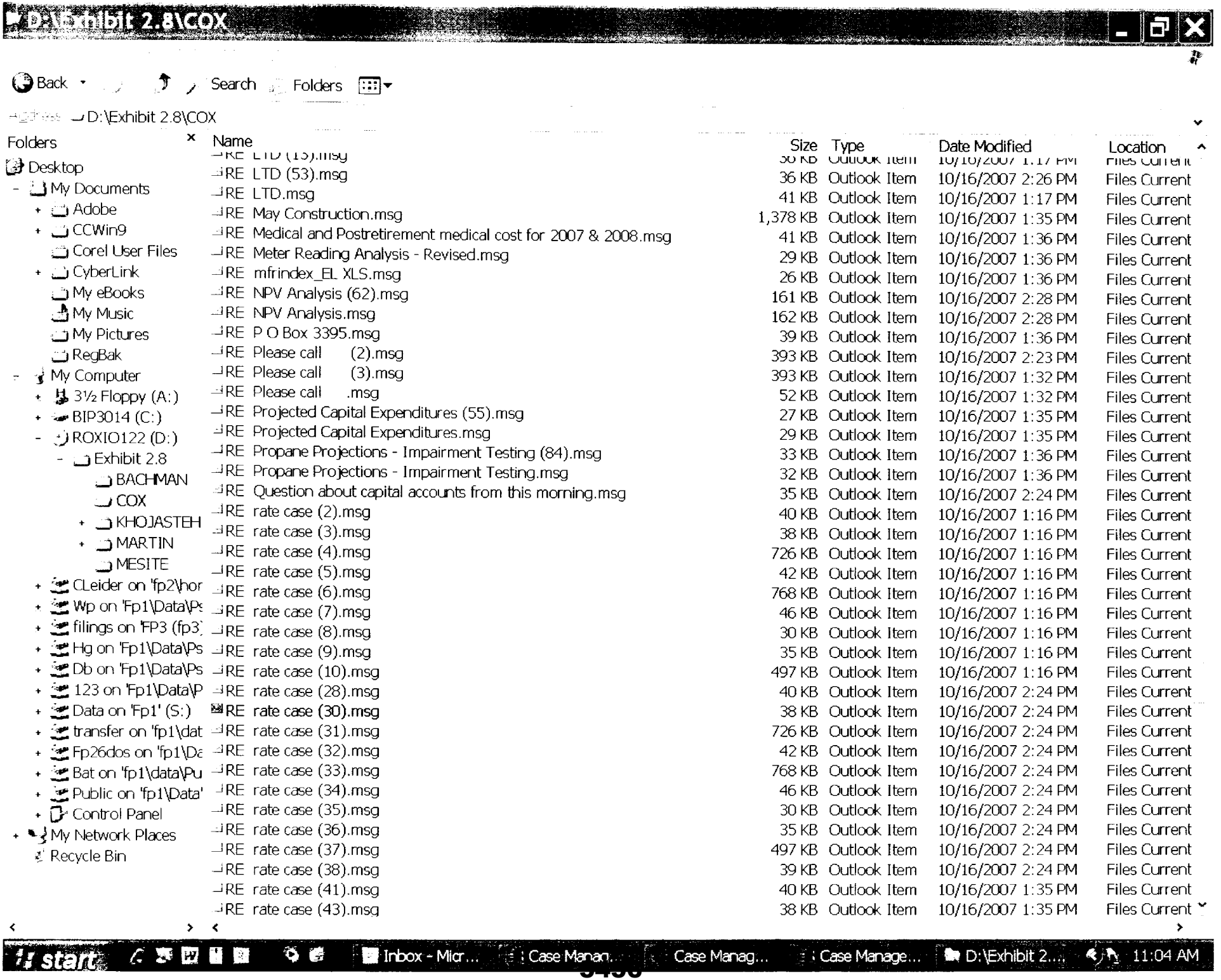
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Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725


D:\Exhibit 2.8\COX
Back
Search
Folders
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
KHOJASTEH
MARTIN
MESITE
CLeider on 'fp2\hor
Wp on 'Fp1\Data\Ps
filings on 'FP3 (fp3)
Hg on 'Fp1\Data\Ps
Db on 'Fp1\Data\Ps
123 on 'Fp1\Data\P
Data on 'Fp1' (S:)
transfer on 'fp1\dat
Fp26dos on 'fp1\Da
Bat on 'fp1\data\Pu
Public on 'fp1\Data'
Control Panel
My Network Places
Recycle Bin
Name
Size
Type
Date Modified
Location
RE LTD (53).msg 36 KB Outlook Item 10/16/2007 2:26 PM Files Current
RE LTD.msg 41 KB Outlook Item 10/16/2007 1:17 PM Files Current
RE May Construction.msg 1,378 KB Outlook Item 10/16/2007 1:35 PM Files Current
RE Medical and Postretirement medical cost for 2007 & 2008.msg 41 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE Meter Reading Analysis - Revised.msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE mfrindex_EL XLS.msg 26 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE NPV Analysis (62).msg 161 KB Outlook Item 10/16/2007 2:28 PM Files Current
RE NPV Analysis.msg 162 KB Outlook Item 10/16/2007 2:28 PM Files Current
RE P O Box 3395.msg 39 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE Please call (2).msg 393 KB Outlook Item 10/16/2007 2:23 PM Files Current
RE Please call (3).msg 393 KB Outlook Item 10/16/2007 1:32 PM Files Current
RE Please call .msg 52 KB Outlook Item 10/16/2007 1:32 PM Files Current
RE Projected Capital Expenditures (55).msg 27 KB Outlook Item 10/16/2007 1:35 PM Files Current
RE Projected Capital Expenditures.msg 29 KB Outlook Item 10/16/2007 1:35 PM Files Current
RE Propane Projections - Impairment Testing (84).msg 33 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE Propane Projections - Impairment Testing.msg 32 KB Outlook Item 10/16/2007 1:36 PM Files Current
RE Question about capital accounts from this morning.msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (2).msg 40 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (3).msg 38 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (4).msg 726 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (5).msg 42 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (6).msg 768 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (7).msg 46 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (8).msg 30 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (9).msg 35 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (10).msg 497 KB Outlook Item 10/16/2007 1:16 PM Files Current
RE rate case (28).msg 40 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (30).msg 38 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (31).msg 726 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (32).msg 42 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (33).msg 768 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (34).msg 46 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (35).msg 30 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (36).msg 35 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (37).msg 497 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (38).msg 39 KB Outlook Item 10/16/2007 2:24 PM Files Current
RE rate case (41).msg 40 KB Outlook Item 10/16/2007 1:35 PM Files Current
RE rate case (43).msg 38 KB Outlook Item 10/16/2007 1:35 PM Files Current
start
Inbox - Micr...
Case Manag...
Case Manag...
Case Manage...
D:\Exhibit 2...
11:04 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Doreen,

OK. 6.07% suggests very small participation, within the total deposits, by customers with deposits that realize the 7.0% interest rate.
Determination of the balances for the 7.0% interest rate is straightforward. For the prospective period, however, we will need to settle upon an approach to determine the balances that are attributable to 7.0% and 6.0% interest rates, respectively.

Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 10:55 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Robert
Please see attached. This worksheet shows the actual interest expense booked for Customer Deposits for 2006. On the previous schedules we calculated the interest expense based on an estimated % of 6% deposits and 7% deposits. The system does not easily provide us with the actual breakout of the balances @ 6% versus 7%, so I'm thinking that we should not show the details but just the total interest expense to arrive at the cost rate. Please note that the cost rate changes to 6.07% for 2006 when the actual total interest expense is used.

Please call to discuss.
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
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Mike,

OK, it is 7.72% overall, using the 6.32%, as I had originally calculated. Robert

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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%.
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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.

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Please review and let us know if you have any questions, or would like to discuss.
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(561) 838-1725



Monday, Apr 07, 2008 11:04 AM

Clara Leider

From: Mike Welsh [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

Categories: Elec Rate Case
Attachments: C-MFRS-4.xls



C-MFRS-4.xls

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.

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From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 8:19 AM
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Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
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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.
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Controller

Florida Public Utilities Company

(561) 838-1725

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.
($000)

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: 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	47,452,526		47,452,526	100%	47,452,526	0	47,452,526
3.	Other Operating Revenues	1,074,705		1,074,705	100%	1,074,705	0	1,074,705
4.	Total Operating Revenues	48,527,231		48,527,231	100%	48,527,231	0	48,527,231
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	0	-
8.	Purchased Power	30,606,436		30,606,436	100%	30,606,436	0	30,606,436
9.	Other	8,163,711		8,163,711	100%	8,163,711	0	8,163,711
10.	Depreciation & Amortization	2,722,498		2,722,498	100%	2,722,498	0	2,722,498
11.	Decommissioning Expense			-	100%	-	0	-
12.	Taxes Other Than Income Taxes	3,982,172		3,982,172	100%	3,982,172	0	3,982,172
13.	Income Taxes	772,895		772,895	100%	772,895	0	772,895
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	0	46,019,602
18.	Net Operating Income	2,507,629		2,507,629	100%	2,507,629	0	2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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.

($000)

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: Mehrdad Khojasteh, Cheryl Martin

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													$ -	$ 47,452,526
	Other Operating Revenues	1,074,705													$ -	$ 1,074,705
	Total Operating Revenues	48,527,231													$ -	$ 48,527,231
	Operating Expenses:	-													$ -	$ -
	Operation & Maintenance:	-													$ -	$ -
	Fuel (nonrecoverable)	-													$ -	$ -
	Purchased Power	30,606,436													$ -	$ 30,606,436
	Other	8,163,711													$ -	$ 8,163,711
	Depreciation & Amortization	2,722,498													$ -	$ 2,722,498
	Decommissioning Expense	-													$ -	$ -
	Taxes Other Than Income Taxes	3,982,172													$ -	$ 3,982,172
	Income Taxes	772,895													$ -	$ 772,895
	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													$ -	$ 46,019,602
	Net Operating Income	2,507,629													$ -	$ 2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-3

JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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				
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:

Schedule C-4

JURISDICTIONAL SEPARATION FACTORS - NET OPERATING INCOME

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 12/31/2005
Historical Test 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:

Schedule C-5

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 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox, Mark Cutshaw

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	37,518,640
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718		13,845,536	31,991,479
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746		4,804,124	10,154,203
443	Outdoor Lighting	1,085,456		1,085,456	169,327	2,428	38,067	22,631		232,453	
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224		73,583	359,909
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	57,258
	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	80,081,489
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	90,652,859
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	170,791,606
	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-RECOVRY:FUEL AD	307,430	-	307,430	307,430						307,430
4562	MISC.ELECTRIC REVENU	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	1,444,517
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	

Supporting Schedules:

Recap Schedules:

Schedule C-6

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBI **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 Budget	2002 Year 1 Actual	2003 Year 2 Budget	2003 Year 2 Actual	2004 Year 3 Budget	2004 Year 3 Actual	2005 Year 4 Budget	2005 Year 4 Actual	2006 Year 5 Budget	2006 Year 5 Actual	2007 Prior Year Budget	2007 Prior Year Actual	Test Year
		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	1,596	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	GSLD	545	453	565		194	358	551	575	573	643	679		
	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214	206	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	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	11,143	12,454	11,866	13,088	12,808	12,825	12,804	13,446	0	0
		OPERATING EXPENSES (LESS FUEL & CONSERVATION)													
	4010.5620	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	16		
	4010.5660	MISC. TRANS. EXPS.	18	8	1	2	1	0	1	4	1	0	10		
	4010.5800	OP SUPERVISION	239	235	215	247	347	283	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	63	54	64	76	81	91	113	76		
	4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28	31	30	34		
	4010.5850	STREET LIGHT EXPENSE	18	28	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	267	177	237	229	230	208	215		
	4010.5890	RENTS	18	13	18	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	78	8	80	87	63		
	4010.9050	MISC. CUST. ACCTS. EXP.	56	77	137	86	85	82	97	81	85	94	100		
	4010.9130	ADVERTISING	1	3	0	3	4	19	7	22	89	131	63		
	4010.9160	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	156	171	91	216	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	362	353	591	436	475	471	427	546	438	546		
	4010.9260	EMPLOYEE PENSION/BEN	301	255	573	440	558	768	785	871	881	901	867		
	4010.9280	REGULATORY EXPS	4	6	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		
		TOTAL OPERATION EXPENSES	3,814	4,123	4,538	4,639	5,235	4,970	5,651	5,233	5,766	5,598	5,690		

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	60	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	96	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	
TOTAL MAINTENANCE EXPENSE	1,445	1,368	1,335	1,441	1,869	1,646	2,076	2,044	1,986	2,098	2,083	
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2193	2333	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	269	664	619	604	516	701	303	577	521	
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(32)	
TOTAL OPERATING EXPENSES	11,120	11,260	11,474	11,885	13,349	13,000	13,972	14,421	14,532	14,945	15,547	0

Supporting Schedules:

Recap Schedules:

Schedule C-7

OPERATION AND MAINTENANCE EXPENSES -- TEST YEAR

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

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		**OPERATING EXPENSES**													
2															
3	**555-557**	**Other Power Supply Expenses**													
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**	**Transmission Expenses - Operation**													
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**	**Distribution Expenses - Operation**													
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 & RESETTING	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**	**Customer Accounts - Operation**													
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**	**Customer Service and Info - Operation**													
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**	**Sales Expenses - Operation**													
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**	**Administrative & General - Operation**													
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
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	**TOTAL OPERATING EXPENSES**		2,914,048	3,072,172	2,851,679	2,681,109	2,919,010	3,273,844	3,605,915	3,524,337	3,222,196	2,943,558	2,616,051	3,046,915	36,670,834
84	**Total Operating Expenses Less Fuel**		479,387	435,027	550,088	437,158	509,011	539,212	473,923	502,551	507,303	495,569	499,337	635,832	6,064,398
85	**Maintenance Expenses**														
86															
87	**541-545.1**	**Hydraulic Power Gen - Maintenance**													
88	554	MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
89															
90	**568-574**	**Transmission Expenses - Maintenance**													
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	**590-598**	**Distribution Expenses - Maintenance**													
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	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	54,557
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	**935**	**Administrative & General - Maintenance**													-
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	**TOTAL MAINTENANCE EXPENSES**		141,719	98,872	217,451	106,339	192,646	232,571	199,299	171,047	182,611	148,683	174,145	233,930	2,099,313
114															
115															
116															
117															
118															
119															
120															
121															
122	**Other Operating Expenses**														
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	**403 - Depreciation Expenses**		227,995	221,977	226,162	233,741	229,935	230,188	230,980	232,552	233,040	233,536	233,914	188,478	2,722,498
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	**TOTAL OTHER OPERATING EXPENSES**	646,083	625,857	536,315	570,430	590,084	616,864	725,331	742,458	627,151	582,157	526,082	460,643	7,249,455
153														
154	**TOTAL EXPENSES INCLUDING FUEL**	3,701,850	3,796,901	3,605,445	3,357,878	3,701,740	4,123,279	4,530,545	4,437,842	4,031,958	3,674,398	3,316,278	3,741,488	46,019,602

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 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

(1) Account Number	(2) Account	(3) Test Year Ended 12/31/2006	(4) Prior Year Ended 12/31/2005	(5) Increase / (Decrease) Dollars (3)-(4)	(6) Percent (5)/(4) (%)		(7) Reason(s) for Change
OPERATING EXPENSES (LESS FUEL & CONSERVATION)							
4010.562	STATION EXPENSES	17,124	11,612	5,512	47.47%	TRUE	
4010.566	MISC. TRANS. EXPS.	112	4,473	(4,361)	-97.50%	FALSE	
4010.580	OP SUPERVISION	307,122	333,852	(26,730)	-8.01%	FALSE	
4010.581	LOAD DISPATCHING	-	591	(591)	-100.00%	FALSE	
4010.582	STATION EXPENSES	47,082	49,932	(2,850)	-5.71%	FALSE	
4010.5831	OPERATION OF OVERHEA	51,417	49,868	1,549	3.11%	FALSE	
4010.5832	REMOVING & RESETTING	61,388	31,533	29,855	94.68%	TRUE	
4010.5841	UNDERGROUND LINE EXP	3,529	4,128				
4010.5842	UNDERGRND LINE EXPEN	26,070	24,212				
4010.585	STREET LIGHT EXPENSE	11,957	13,632	(1,675)	-12.29%	TRUE	
4010.586	METER EXPENSES	255,670	250,175	5,495	2.20%	FALSE	
4010.5871	AREA LIGHT EXPENSE	52,046	45,526	6,520	14.32%	TRUE	
4010.5872	OTHER CUSTOMER INSTA	41,208	41,080	128	0.31%	FALSE	
4010.5881	DISTRIBUTION MAPS &	99,182	105,849	(6,667)	-6.30%	FALSE	
4010.5882	OTHER DIST OFFICE SU	98,065	103,316	(5,251)	-5.08%	FALSE	
4010.5883	MISC DISTRIBUTION OF	10,420	20,225	(9,805)	-48.48%	TRUE	
4010.589	RENTS	1,030	645	385	59.69%	FALSE	
4010.901	SUPERVISION	68,566	173,120	(104,554)	-60.39%	TRUE	
4010.9011	SUPERVISION A&G	46,499		46,499	#DIV/0!	#DIV/0!	
4010.902	METER READING EXPENS	276,881	234,210	42,671	18.22%	TRUE	
4010.903	CUSTOMER RECORDS/COL	497,552	745,761	(248,209)	-33.28%	TRUE	
4010.9031	CUSTOMER RECORDS/COL	260,150		260,150	#DIV/0!	#DIV/0!	
4010.904	UNCOLLECTIBLE ACCOUN	87,415	(7,795)	95,210	-1221.42%	TRUE	
4010.905	MISC CUSTOMER ACCOUN	78,109	80,501	(2,392)	-2.97%	FALSE	
4010.9051	MISC CUSTOMER ACCNT	16,251		16,251	#DIV/0!	#DIV/0!	
4010.912	DEMONSTRATING & SELL	-		-	#DIV/0!	#DIV/0!	
4010.9131	PROMOTIONAL ADVERTIS	-	8,705	(8,705)	-100.00%	FALSE	
4010.9132	CONSERVATION ADVERTI	1,537	8,496	(6,959)	-81.91%	FALSE	
4010.9133	SAFETY ADVERTISING	8,224	4,385	3,839	87.55%	TRUE	
4010.9134	OTHER INFO/INSTR/CON	121,226	261	120,965	46346.74%	TRUE	
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 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

4010.9136	OTHER ADVERTISING	-		-	#DIV/0!	#DIV/0!
4010.916	MISC. SALES EXPENSE	13,249	1,999	11,250	562.78%	TRUE
4010.920	ADM & GENERAL SALARIES	960,253	830,980	129,273	15.56%	TRUE
4010.9211	OFFICE SUPPLIES	10,633	13,018	(2,385)	-18.32%	TRUE
4010.9212	OFFICE POSTAGE & MAI	6,958	4,717	2,241	47.51%	FALSE
4010.9213	OFF ComPUTER SUPP &	7,938	65,847	(57,909)	-87.94%	TRUE
4010.9214	OFFICE UTILITY EXPEN	33,684	30,561	3,123	10.22%	TRUE
4010.9215	MISC OFFICE EXPENSE	91,299	88,974	2,325	2.61%	FALSE
4010.9216	CO TRAINING EXPENSE-	1,676	4,427	(2,751)	-62.14%	FALSE
4010.9231	OUTSIDE SERVICES - O	17,912	6,913	10,999	159.11%	TRUE
4010.9232	LEGAL FEES AND EXPEN	39,416	25,064	14,352	57.26%	TRUE
4010.9233	OUTSIDE AUDIT & ACCO	139,758	119,888	19,870	16.57%	TRUE
4010.924	PROPERTY INSURANCE	175,043	175,054	(11)	-0.01%	FALSE
4010.9251	INJURIES ANE	107,046	101,818	5,228	5.13%	FALSE
4010.9252	GENERAL LIABILITY	331,330	324,983	6,347	1.95%	FALSE
4010.9261	EMPLOYEE PENSIONS	408,817	374,465	34,352	9.17%	FALSE
4010.9262	EMPLOYEE BENEFITS- O	438,333	418,678	19,655	4.69%	FALSE
4010.9263	RETIREE BENEFITS-POS	47,893	77,526	(29,633)	-38.22%	TRUE
4010.9264	401(K) EXPENSE COMPA	5,765	162	5,603	3458.64%	FALSE
4010.928	REGULATORY EXPS.	131,083	118,833	12,250	10.31%	TRUE
4010.9301	INSTITUTIONAL/GOODWI	-	-	-	#DIV/0!	#DIV/0!
4010.9302	MISC GENERAL EXPENSES	76,622	93,218	(16,596)	-17.80%	TRUE
4010.93022	INDUSTRY ASSOCIATION	4,390	4,403	(13)	-0.30%	FALSE
4010.93023	ECONOMIC DEVELOPMENT	5,000	5,000	-	0.00%	FALSE
4010.931	RENTS	8,307	7,030	1,277	18.17%	TRUE
TOTAL OPERATION EXPENSES		5,608,237	5,231,851	375,127		
MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)						
4020.570	MAINT STATION EQUIP	99,062	60,096	38,966	64.84%	TRUE
4020.571	MAINT OVERHEAD LINES	77,953	52,312	25,641	49.02%	TRUE
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
4020.591	MAINT OF STRUCTURES	10,069	12,940	(2,871)	-22.19%	TRUE
4020.592	MAINT OF STATION EQUIP	72,974	170,334	(97,360)	-57.16%	TRUE
4020.5931	MAINT OF POLES/TOWER	44,530	80,062	(35,532)	-44.38%	TRUE
4020.5932	MAINT OF OVERHEAD CO	947,135	964,878	(17,743)	-1.84%	FALSE
4020.5933	MAINT OF SERVICES	133,225	138,671	(5,446)	-3.93%	FALSE
4020.5941	MAINT OF UNDERGROUND	7,461	8,881	(1,420)	-15.99%	FALSE
4020.5942	MAINT OF UNDERGRND L	128,550	124,474	4,076	3.27%	FALSE
4020.5951	MAINT OF LINE TRANSF	64,507	48,695	15,812	32.47%	TRUE

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 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

4020.5952	MAINT OF LINE TRANSF	6,977	6,914	63	0.91%	FALSE
4020.5953	MAINT OF LINE TRANSF	54,557	40,551	14,006	34.54%	TRUE
4020.596	MAINT OF STREET LIGHTS	49,099	30,140	18,959	62.90%	TRUE
4020.597	MAINT OF METERS	35,250	28,323	6,927	24.46%	TRUE
4020.598	MAINT OF MISC DISTR PLT	71,496	65,809	5,687	8.64%	FALSE
4020.935	MAINT OF GENERAL PLANT	159,702	78,255	81,447	104.08%	TRUE
TOTAL MAINTENANCE EXPENSES		**2,099,313**	2,044,132	55,181		
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	740,573	1,770,295	(1,029,722)	-58.17%	
TOTAL OPERATING EXPENSES		**15,152,793**	15,524,357	(372,823)		

Recap 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:
Historical Year 12/31/2006
Prior Year 12/31/2005
Witness: Mehrdad Khojasteh

(1) Account Number	(2) Account	(3) TestYear Ended 12/31/2006 (000's)	(4) PriorYear Ended 12/31/2005 (000's)	(5) Increase/(Decrease) Dollars (4)-(3) (000's)	(6) Percent (5)/(3) (%)	(7) Reason(s) for Change
OPERATING EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL OPERATION EXPENSES		3,682	4,123	441	12%	
MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL MAINTENANCE EXPENSES		1,636	1,368	(268)	-16%	
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

Schedule C-9

FIVE YEAR ANALYSIS - CHANGE IN COST

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Description of Functional Group	Type of Cost	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ 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

COMPANY:

DOCKET NO.:

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Cheryl Martin

(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		$182,000

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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	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	43,837,969	$ -	$ 43,837,969	0.1989%

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	(1) Jurisdictional Admisintrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2006	(3) Historical Year Ended 12/31/2005	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expenses	901-905		1,331,423	1,225,797	105,626	8.62%
	Customer Service and Information Expense	906-910		456,161	473,610	(17,449)	-3.68%
	Sales Expenses	911-916		144,236	23,846	120,390	504.86%
	Administrative and General Expenses	920-932		3,049,156	2,891,559	157,597	5.45%
	Total Administrative Expenese	901-932		4,980,976	4,614,812	366,164	7.93%
	Average Number of Customers			30,636	30,241	395	1.31%
	Administrative Expense Per Customer			163	153	10	6.54%

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules:

Recap Schedules:

Schedule C-12 | ADMINISTRATIVE EXPENSES | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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:
Historical Year Ended 12/31/05
Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation		(2) Test Year Ended 12/31/06	(3) Historical Year Ended 12/31/05	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expense	901-905	1,331,413	1,225,794	105,619	8.62
	Customer Service and Information Expense	906-910	456,161	473,610	(17,449)	-3.68
	Sales Expenses	911-916	144,234	23,845	120,389	504.88
	Administrative and General Expenses	920-932	3,049,157	2,891,570	157,587	5.45
	Total Administrative Expenses	901-932	4,980,965	4,614,819	366,146	7.93
	Average Number of Customers		30,636	30,241	395	1.31
	Administrative Expenses Per Customer		163	153	10	6.54

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules: C-7

Recap Schedules:

Schedule C-13

MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
	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		100%	-
	Exceeding $100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	86,012		86,012
	Average Number of Customers	30,636		30,636
	Miscellaneous General Expenses Per Customer	2.81		3

Supporting Schedules:

Recap Schedules:

Schedule C-13 | MISCELLANEOUS GENERAL EXPENSES | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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 12/31/06

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Jurisdictional Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
9302	Misc. General Expenses	76,623	100%	76,623
93022	Industry Association	4,390	100%	4,390
93023	Economic Development	5,000	100%	5,000
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Miscellaneous General Expenses Exceeding $100,000 (Specify)	None	100%	None
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Average Number of Customers	30,636	100%	30,636
	Miscellaneous General Expenses Per Customer	$ 2.81	100%	$ 2.81

Supporting Schedules: C-7

Recap Schedules:

Schedule C-14

ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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		30,636		30,636
	Advertising Expenses per Customer		9.47		9.47

Supporting Schedules:

Recap Schedules: C7

Schedule C-15

INDUSTRY ASSOCIATION DUES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Name and Nature of Organization		Electric Utility (000's)	Jurisdictional Factor	Jurisdictional Amount (000's)
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					
6					
7					
	Total Industry Association Dues		4,390	100%	4,390
	Average Number of Customers		30,636	100%	30,636
	Dues Per Customer		0.14		0.14
	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 12/31/2005
Historical Test 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:FLOR Florida Public Utilities Company
Consolidated E Consolidated Electric Divisions
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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,117
	4260.13	CIVIC AND SOCIAL	2,548
	Total Civic and Charitable Contributions		13,665
	4260.4	Lobbying & Other Political Expenses	167
	Total Lobbying and Other Political Expenses and Charitable / Civic contributions		13,832

Supporting Schedules:

Recap Schedules:

Schedule C-19

AMORTIZATION/RECOVERY SCHEDULE -- 12-MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

Total Amount of Amortization/Recovery: $
Effective Date:
Amortization/Recovery Period:
Reason:

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	($0) Total Amort/Recovery 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:

Schedule C-20

TAXES OTHEP THAN INCOME TAXES

FLOPIDA PUBLIC SEPVICE COMMISSION

COMPANY:FLOPIDA PUBLIC UTILITIES
Consolidated ElectPic Division
DOCKET NO.: 070304-EI

EXPLANATION: PPovide a schedule of taxes otheP than income taxes foP the histoPical base yeaP, histoPical base yeaP + 1, and the test yeaP. FoP each tax, indicate the amount chaPged to opePating expenses. Complete columns 5, 6 and 7 foP the histoPical base yeaP and test yeaP only.

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

Line No.	Type of Tax	(1) Pate	(2) Tax Basis ($)	(3) Total Amount	(4) Amount ChaPged to OpePating Expenses	(5) JuPisdictional FactoP	(6) JuPisdictional Amount	(7) JuPisdictional Amount ChaPged to OpePating Expenses
1.	FedePal 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	513,885	513,886	100%	513,885	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)							
	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			6,256,247	3,982,172		6,256,247	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			$6,256,247	$3,982,173	100%	$6,256,247	########

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.			GROSS RECEIPTS TAX HISTORICAL BASE YEAR	GROSS RECEIPTS TAX HISTORICAL BASE YEAR + 1	GROSS RECEIPTS TAX TEST YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR + 1	REGULATORY ASSESSMENT FEE TEST YEAR
						$ -	$ -	$ -
1		TOTAL OPERATING REVENUES	48,527,214					
2								
3		ADJUSTMENTS:						
4		Overrecoveries	(369,812)					
5		Other Operating Revenues	(688,664)					
6		Unbilled Revenues	(8,373)					
7		Misc Electric Revenues	(7,847)					
8		Gross Receipts Revenues & Franchise Fee	(3,197,750)					
9								
10								
11		TOTAL ADJUSTMENTS	(4,272,446)					
12								
13		ADJUSTED OPERATING REVENUES	44,254,768					
14								
15		Gross Receipts Tax						
16		TAX RATE	2.50%					
17		TAX AMOUNT	1,106,369					
18		Adjustments	78,418					
19	4080.2	State Gross Receipts	1,184,787					
20								
21		Regulatory Assessment Fee				$ -	$ -	$ -
22		TAX RATE	0.0720%					
23		TAX AMOUNT	31,863			$ -	$ -	$ -
24		Adjustments	2,545					
25	4080.3	FPSC Assessment	34,408			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

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1	NET UTILITY OPERATING INCOME	$ 2,507,629	$				
2	ADD INCOME TAX ACCOUNTS						
3	LESS INTEREST CHARGES (FROM C-23)	4,717,141					
4							
5	TAXABLE INCOME PER BOOKS	$ (2,209,512)	$				
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

COMPANY

DOCKET NO

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:

LINE NO	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX 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			

SUMMARY OF INCOME TAX EXPENSE:

	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:

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.	Description	Account	(1) Historical Base Year Ended 2006	(2) Test Year Ended
1.	Interest on Long Term Debt	4270.1	3,948,552	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	4280.1, 4280.2	100,608	
4.	Interest on Short Term Debt	4300.1	0	
5.	Interest on Customer Deposits	4310.1	455,009	
6.	Other Interest Expense	4310.2, 4310.3	212,972	
7.	Less Allowance for Funds Used During Construction		[redacted]	
8.	Total Interest Expense		4,717,141	

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 12/31/2005
Historical Test 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-27

CONSOLIDATED TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the requested miscellaneous tax information.

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: 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?
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:

The Company's tax returns are available for staff review at the General Office Complex.

	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:

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 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 12/31/2005
Historical Test 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

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 12/31/2005
Historical Test 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 (000)	Charge or Credit During Year Acct. No.	Amount Included in Test Year	Allocation Method Used to Allocate Charges Between Companies

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 12/31/2005
Historical Test 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

(1) Line Number	(2) Account Number	(3) Description	(4) Original Purchase Cost	(5) Test Year Revenues (All Accts. 454)	(6) Expense Amounts	(7) Net Revenues
		NONE				

Supporting Schedules:

Recap Schedules:

Schedule C-33

PERFORMANCE INDICES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule for the last four prior years and the test year of other operation and maintenance expense summary by average customer, selected growth indices, selected growth rates and average number of customers.

Type of Data Shown:

Prior Year Ended 12/31/2006
Historical Prior Years 2002 - 2005
Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 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
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
GROWTH INDICES					
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
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
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
AVERAGE NUMBER OF CUSTOMERS					
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
KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616

1 Lights incorporated with different rate classes prior to 2004 rate case.

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

Prior Year Ended 12/31/2006
Historical Prior Years 2002 - 2005

DOCKET NO.: 070304-EI

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:

	0.197923426	-0.075297941	-0.041007616	0.205864386	0.071870564
	0.186460239	-0.091387788	-0.052014838	0.190467692	0.058381326
	-0.023230927	0.058751932	0.062639868	0.0426977	0.035214643
	-0.032577841	0.040329613	0.050442989	0.029384347	0.021894777
	0.00966167	0.017708156	0.011611176	0.012933316	0.012978579
	0.006237308	0.012522592	0.005781664	0.008047054	0.008147154
	0	0	0	0	0

Schedule C-35

PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

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.		12/31/2005			12/31/2006		
		Amount	%Increase	CPI	Amount	%Increase	CPI
	Total Company Basis						
	Gross Payroll	16,785,347	N/A	3.40%	17,122,023	2.01%	3.20%
	Gross Average Salary	47,450	N/A	3.40%	47,683	0.49%	3.20%
	Fringe Benefits						
	Life Insurance	100,682	N/A	3.40%	102,596	1.90%	3.20%
	Medical Insurance		N/A	3.40%	1,726,200	#DIV/0!	3.20%
	Retirement Plan - Pension		N/A	3.40%	1,363,590	#DIV/0!	3.20%
	Retirement Plan - Medical		N/A	3.40%	190,000	#DIV/0!	3.20%
	Employee Savings Plan	N/A	N/A	3.40%	N/A	N/A	3.20%
	Federal Insurance Contributions Act	2,416,398	N/A	3.40%	2,458,362	1.74%	3.20%
	Federal & State Unemployment Taxes	65,840	N/A	3.40%	59,821	-9.14%	3.20%
	Worker's Compensation	25,085	N/A	3.40%	14,981	-40.28%	3.20%
	Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
	Employee Stock Purchase Plan	60,948	N/A	3.40%	66,564	9.21%	3.20%
	Sub Total-Fringes	2,668,953	N/A	3.40%	5,982,114	124.14%	3.20%
	Total Payroll and Fringes	19,454,300	N/A	3.40%	23,104,137	18.76%	3.20%
	Average Employees	354	N/A	3.40%	359	1.51%	3.20%
	Payroll and Fringes Per Employee	54,994	N/A	3.40%	64,342	17.00%	3.20%

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

Page__1_of_1__

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONCOSIDATED ELECTRIC DIVISION
DOCKET NO.:070304-EI

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

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	7,707,550	0	7,707,550	6,107,959		7,983,713	(276,163)	0	(276,163)

N/A - NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule C-38

O & 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 12/31/2005
Historical Test 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 & 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	33,093,918		(26,985,959)	6,107,959 (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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

	Total Customers			Average CPI-U (1967 = 100)			
Year	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	Inflation and Growth 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 & M BENCHMARK VARIANCE BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIADTED 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:

Schedule C-42

HEDGING COSTS

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Test Year 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:

Schedule C-43 SECURITY COSTS Page___of___

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Test Year Base Rates	Test Year 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

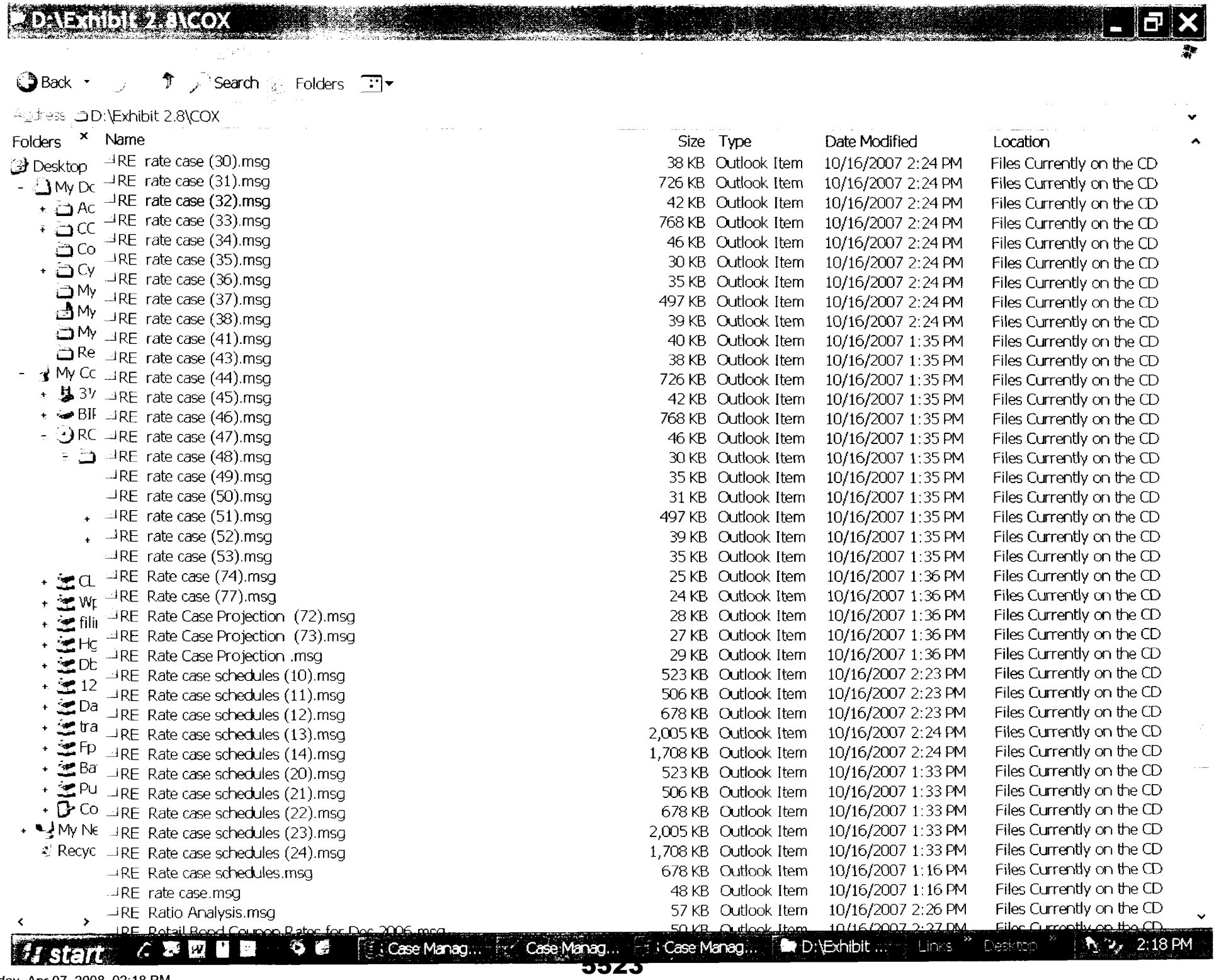
EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

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%	1
6.	State Income Tax Rate	5.5000%	1.0352795
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%	1.0955339
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:



Monday, Apr 07, 2008 02:18 PM

Clara Leider

From: Robert Camfield [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

Categories: Elec 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

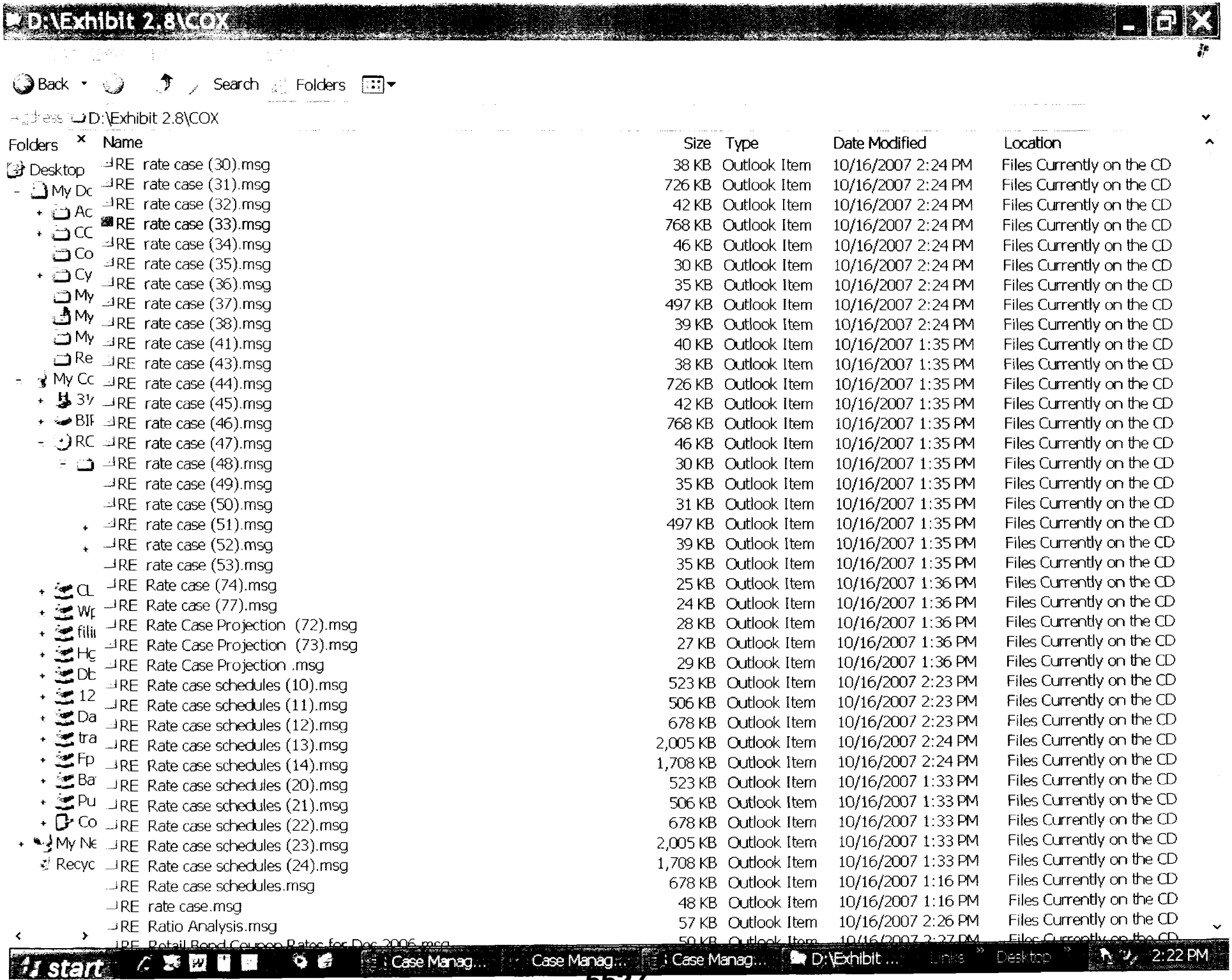
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 02:22 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Monday, July 02, 2007 4:30 PM
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Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Categories: Elec Rate Case
Attachments: D's 06-07_A DC,RC.xls



D's 06-07_A DC,RC.xls

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Robert

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Robert:
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Cc: Robert Camfield
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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
					Regulatory Capital Structure, 2006						
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	10.50%	3.88%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.61%	0.37%	141,233
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		7.73%	1,442,535

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.5080	8.02%	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%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
					Regulatory Capital Structure, 2007						
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
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.02%	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

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

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

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
					Regulatory Capital Structure, 2008						
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
		Conventional Capital Structure, 2008			
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:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

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:

Schedule D-2 COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test Year Ended 12/31/06
Witness: Doreen Cox, Consultant

Line No.	Class of Capital	2002 Year Amount (000)	2002 Year Percent of Total	2003 Year Amount (000)	2003 Year Percent of Total	2004 Year Amount (000)	2004 Year Percent of Total	2005 Year Amount (000)	2005 Year Percent of Total	2006 Year Amount (000)	2006 Year 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%
		101,033,000	100.000%	94,795,000	100.000%	100,176,000	100.000%	106,281,000	100.000%	102,340,000	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:

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

	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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

	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

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:

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

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10.													
11.													
12.	Loss on Re-acquired Debt						$548,516		$18,288	$0	$18,288		$217,883
13.													
14.													
15.													
16.													
17.													
18.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10.													
11.													
12.			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13.													
14.													
15.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test 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.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:

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

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
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

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

DOCKET NO.: **070304-EI**

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ **Projected Test Year Ended 12/31/08**

Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For 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:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

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				$2,136,661				
	12 Month Total					$87,988	$47,271	$135,259	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				6.32%				

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

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				$2,637,518				
	12 Month Total					$109,434	$58,793	$168,227	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

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				$2,948,763				
	12 Month Total					$121,577	$65,316	$186,893	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:

Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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

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.

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		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)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006 <<<<<<<<<ACTUALS >>>>>>>>>

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

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

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	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 PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

2006

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	Consolidated:		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		-L15+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	47,448,660
55	Common Equity-Excl Flo-Gas		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17-L32-L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	TOTAL INCL FLO-GAS EQUITY			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	TOTAL LTD,STD,EQUITY			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line 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	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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+L16	50,493,540	50,501,924	50,510,307	50,518,691	50,527,075	50,535,458	50,543,842	50,552,226	50,560,610	50,568,993	50,577,377	50,585,761	50,594,145	50,543,842	
51	Short Term Debt		L29	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		+L15+L19+L21+L23+L24+L25+L26+L39+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		+L19+L21+L23+L24+L25+L26	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+L36	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

			Mthly Amort
$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

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Assumptions
RETAINED EARNINGS
Annual Profit Margin Projected Increase

				TOTAL	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	
PRIOR YEAR NET INCOME (Actual)		2006		4,169	923	900	398	472	177	90	238	128	(32)	161	449	265	
		FPU		4,013	772	709	318	418	207	110	291	195	57	200	433	303	
		FLO-GAS		156	151	191	80	54	(30)	(20)	(53)	(67)	(89)	(39)	16	(38)	
					Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	
	Revised Budget	2007		3,879	707	645	446	447	144	99	137	160	138	175	320	483	
	(671,194)	FPU		3,291	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	FLO-GAS		588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note			Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F				32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU		620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend						(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2					2,000,000										2,000,000	
Projected Interim Rate Relief														37,824	55,247	93,071	
BALANCE C/F				33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806
FLO-GAS RETAINED EARNINGS																	
B/F				2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME				85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2					(2,000,000)										(2,000,000)	
BAL C/F				2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)
CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F				35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME				706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F				35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
	0																
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,245	50,648	59,268	20,550	14,891	20,550	23,360	18,019	19,954	37,824	55,247	490,000	

			35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483
Financials			35,919,703	36,564,911	36,356,371									
			2	4	7									

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref		Notes	Acct.#	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	**Investment in Assoc. Co.**		**1230**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	**ACCUM DEF TAXES**	**Electric only**	**1900**	**1,167,843**	**1,144,089**	**1,256,804**	**1,256,991**	**1,256,722**	**1,256,484**	**1,256,270**	**1,256,401**	**1,253,370**	**1,252,493**	**1,251,737**	**1,249,486**	**1,253,227**	**1,239,378**	2005 - 2007 trend
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	**Common Stock**	2	**2010**	**9,271,517**	**9,276,783**	9,276,783	9,276,783	**9,281,933**	**9,281,933**	**11,156,933**	**11,162,196**	**11,162,196**	**11,162,196**	**11,167,433**	**11,167,433**	**11,167,433**	**10,293,196**	Cash Flow Proj Equity Off (June)
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	**Premium On Comm. Stk.**	2	**2070**	**5,455,611**	**5,411,111**	5,411,111	5,411,111	**5,366,611**	**5,366,611**	**18,491,611**	**18,447,111**	**18,447,111**	**18,447,111**	**18,402,611**	**18,402,611**	**18,402,611**	**12,420,226**	Qtrly increase of $44,500 & Equity Off in .
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	**Misc Paid in Capital**		**2110**	**802,472**	**715,354**	715,354	734,985	**734,985**	**721,979**	721,621	**641,327**	**641,327**	**669,699**	**669,699**	**669,699**	**688,617**	**702,086**	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	**Capital Stock Expense**		**2140**	**428,441**	**428,441**	428,441	428,441	**428,441**	**428,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**913,056**	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	**1st Mortgage Bonds**	1	**2210**	**52,500,000**	**52,500,000**	52,500,000	52,500,000	**52,500,000**	**51,091,000**	51,091,000	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,632,923**	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	**Notes Payable**		**2310**	**12,160,000**	**11,660,000**	10,460,000	9,760,000	**10,960,000**	**13,260,000**	260,000	**660,000**	**260,000**	**660,000**	**2,160,000**	**5,560,000**	**5,860,000**	**6,436,923**	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	**Electric only**	**2550**	**95,417**	**93,175**	90,933	88,691	**86,449**	**84,207**	81,965	**79,723**	**77,481**	**75,239**	**72,997**	**70,755**	**68,513**	**81,965**	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			**0**													**0**	
36																		
37				**0**														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co.**	Zeroed	1230	**0**													**0**	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		**2010**	**10,000**	**10,000**	10,000	10,000	**10,000**	**10,000**	10,000	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	**Comprehensive Income**		**2190**	**265,667**	**265,667**	265,667	226,002	**226,002**	**226,002**	186,337	**186,337**	**186,337**	**146,672**	**146,672**	**146,672**	**107,007**	**196,542**	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	**Zeroed**	**2550**	**0**													**0**	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	**Zeroed**	**0**	**0**													**0**	
48				0														
49	**Consolidated:**		**Line Reference**	**0**														
50	Long Term Debt		L27+L28	50,594,145	50,602,528	50,610,912	50,619,296	50,627,679	49,227,063	49,235,447	49,243,831	49,252,214	49,260,598	49,268,982	49,277,366	49,285,749	49,777,370	
51	**Short Term Debt**		L29	**12,160,000**	**11,660,000**	10,460,000	9,760,000	**10,960,000**	**13,260,000**	260,000	**660,000**	**260,000**	**660,000**	**2,160,000**	**5,560,000**	**5,860,000**	**6,436,923**	
52	Preferred Stock		L30	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**	L38	**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+L25+L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	**Common Equity-Excl Flo-Gas**		**+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**	
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	**TOTAL INCL FLO-GAS EQUITY**			**120,876,557**	**121,090,655**	121,404,880	120,557,642	**122,259,019**	**123,389,413**	123,833,891	**124,578,872**	**124,415,598**	**124,301,502**	**126,000,647**	**129,822,895**	**129,905,783**	**124,033,643**	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	**TOTAL LTD,STD,EQUITY**			**112,312,174**	**112,736,998**	112,287,006	111,438,888	**113,127,590**	**114,257,203**	114,662,484	**115,366,866**	**115,187,755**	**114,964,305**	**116,654,392**	**120,469,556**	**120,549,012**	**114,924,172**	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt/Equity Ratio																	
	Debt			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
$5.5M $ 500,000
$ 1,409,000

2 Projected Equity Offering June 2008 $ 15 M

2008

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	3,879		707	645	446	447	144	99	137	160	136	175	329	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

				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
NET INCOME		FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Flo-Gas Dividend						1,000,000										1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									279,617	
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283

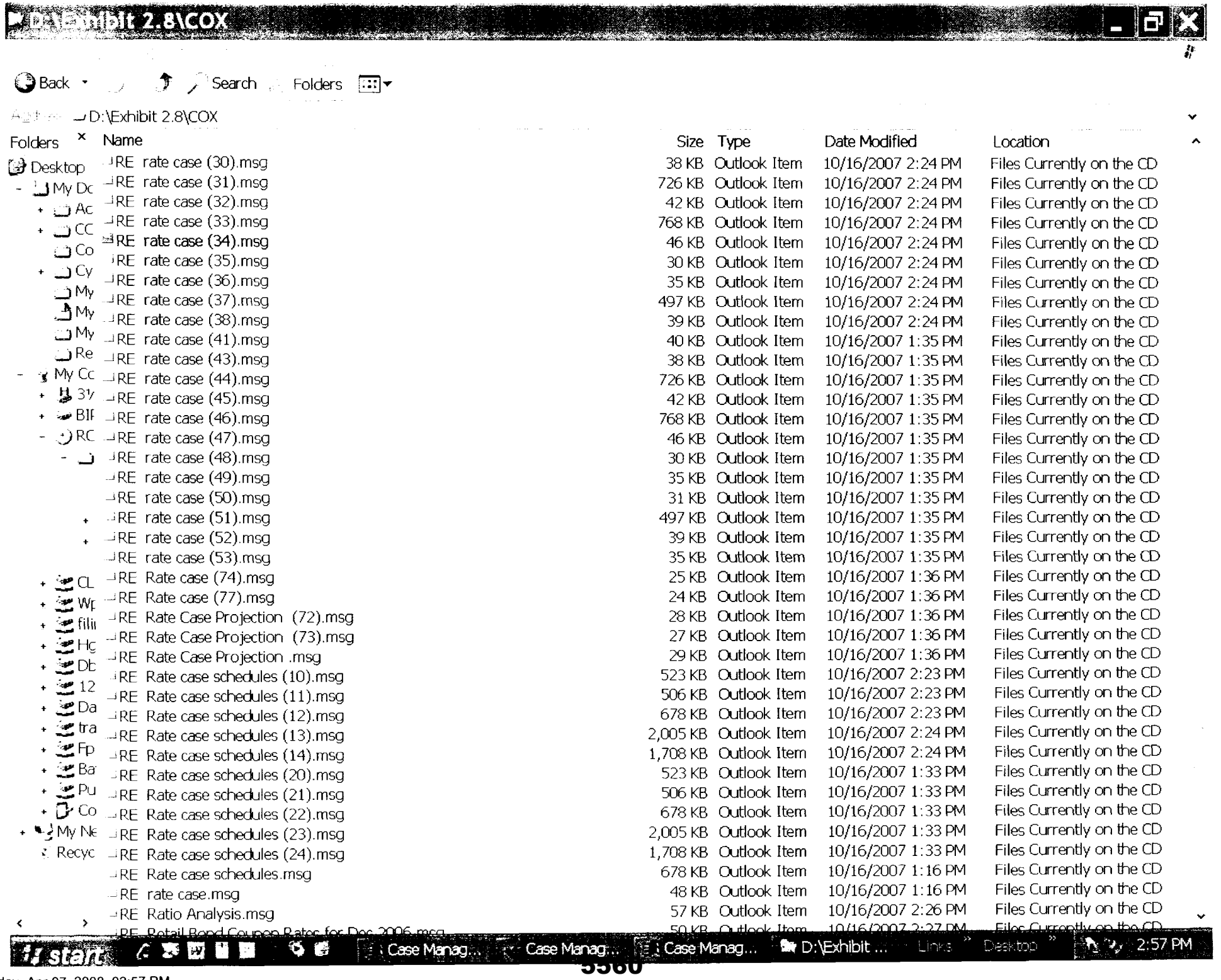
FLO-GAS RETAINED EARNINGS

B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND						(1,000,000)										(1,000,000)	
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)

CONSOLIDATED PROJECTED RETAINED EARNINGS

B/F				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case				0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306

			Effective														
Projected Rate Relief		1,000,000	May-08	188,898	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,378	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



Monday, Apr 07, 2008 02:57 PM

Clara Leider

From: Cox Doreen
Sent: Monday, July 02, 2007 9:20 AM
To: Cox Doreen; Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Categories: Elec Rate Case

Robert
I'm making changes and updating some of the Schedules. I'm also reconciling to the Surveillance Report for 2006 where possible and will forward to you with changes highlighted for your review.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Thursday, June 28, 2007 6:29 PM
To: 'Robert Camfield'
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

The 8.02% is our actual 13 mth average cost of LT Debt for 2006. For 2006 the cost rates are based on actuals and need to reflect our Surveillance Report Mid-point average cost rate as at Dec 2006. I have attached an extract from our Surveillance Report to show the basis for the 8.02%, tab "ROR-Debt". For 2006 all the cost rates should be the 13 month average as per the Surveillance Report tab "Sch 4".

For interim we will need to use the low-point cost rates.
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Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Will make the changes. Can't fitgure out why the L-T Debt is 8.02, but OK. Let's discuss.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/28/2007 2:18 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Robert
Please find comments relating to the D-1as below:

Schedule D-1a
1 Common Equity - Please exclude Flo-Gas (should be referencing Line 55 on COC Components Worksheet)
2 Column F - should total to be Electric's Adjusted Rate Base which you would get from Jim. Jim's adjusted Rate Base for Electric is now showing $38,045,041 for 2006.
3 Please add the Interest Expense calculation column to the right of the Worksheet.
4 For 2006 historical please use the Actual Cost Rates (Mid-Point Average) as per Surveillance Report. LT Debt should be 8.02% ST Debt 3.28% etc..
5 2008 - change heading "PRIOR YEAR 2007" to "TEST YEAR 2008".
6 Not sure how we are arriving at the projected cost rates, but will look more closely at that later.

Robert, I will continue reviewing the other schedules but thought I would send this ahead as Mehrdad needs the interest expense calculation for his tax computation.
Thanks
Doreen
(561) 838-1797

-----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
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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.

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Please note.

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To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

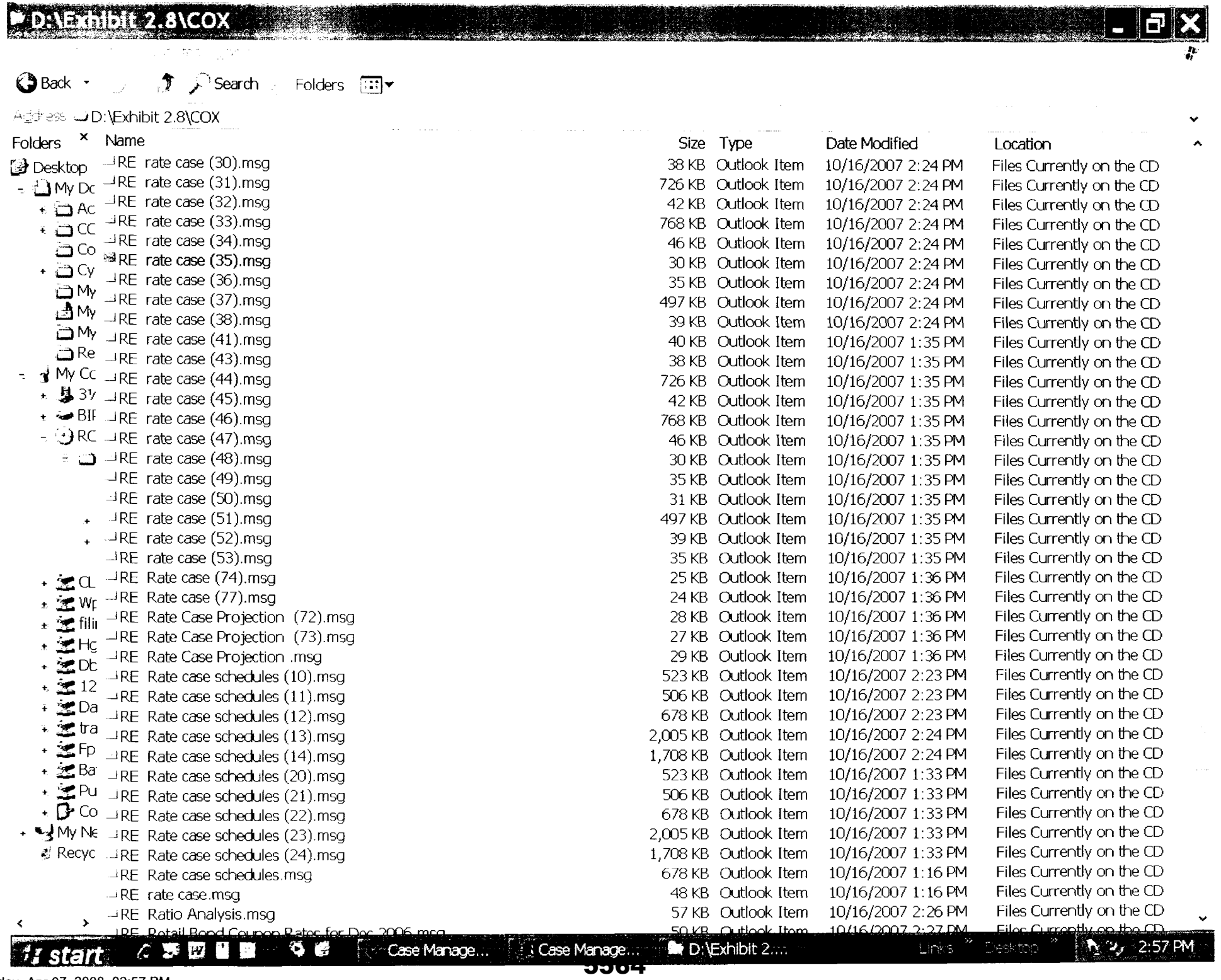
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 02:57 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, June 29, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Thanks, Doreen. Robert

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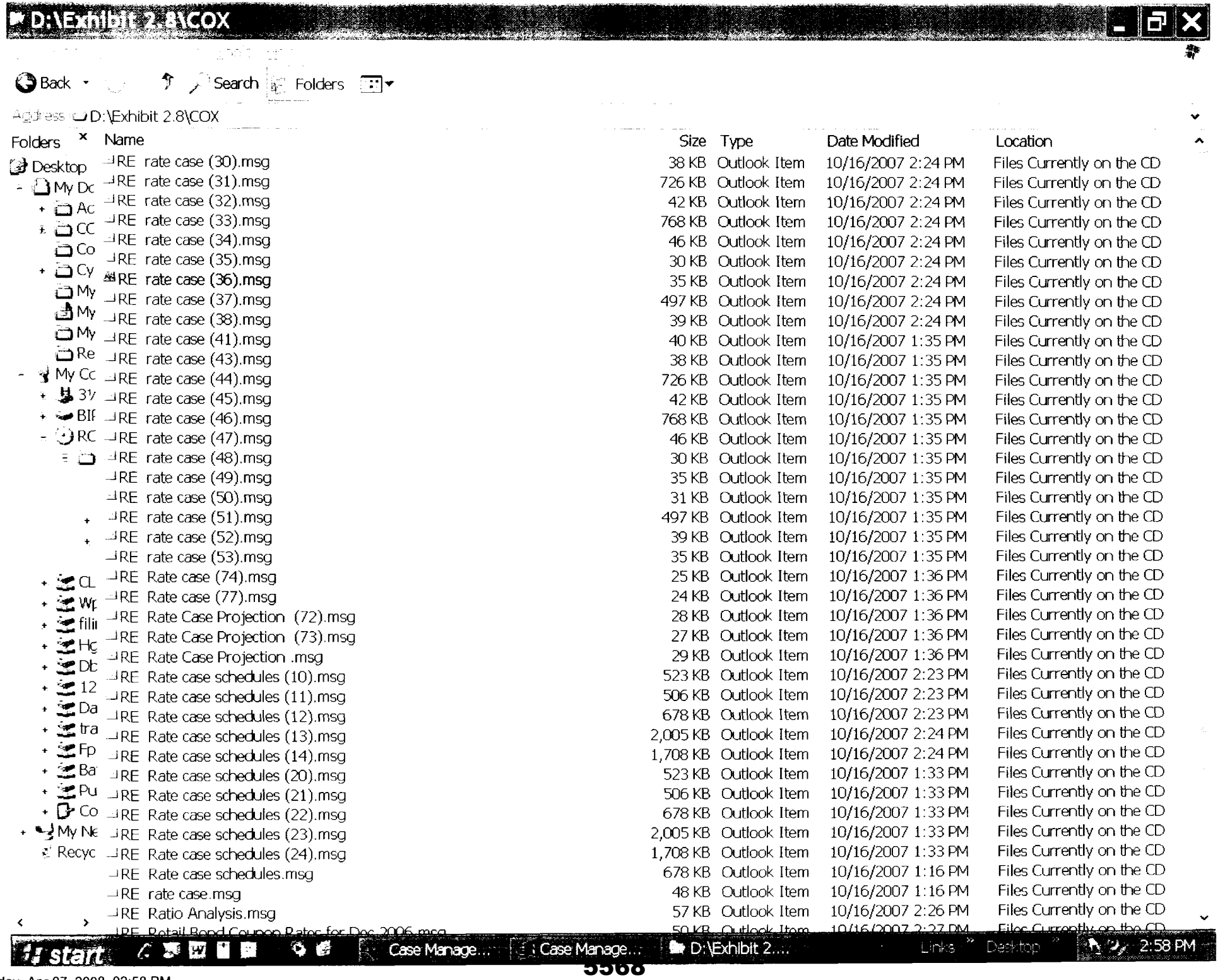
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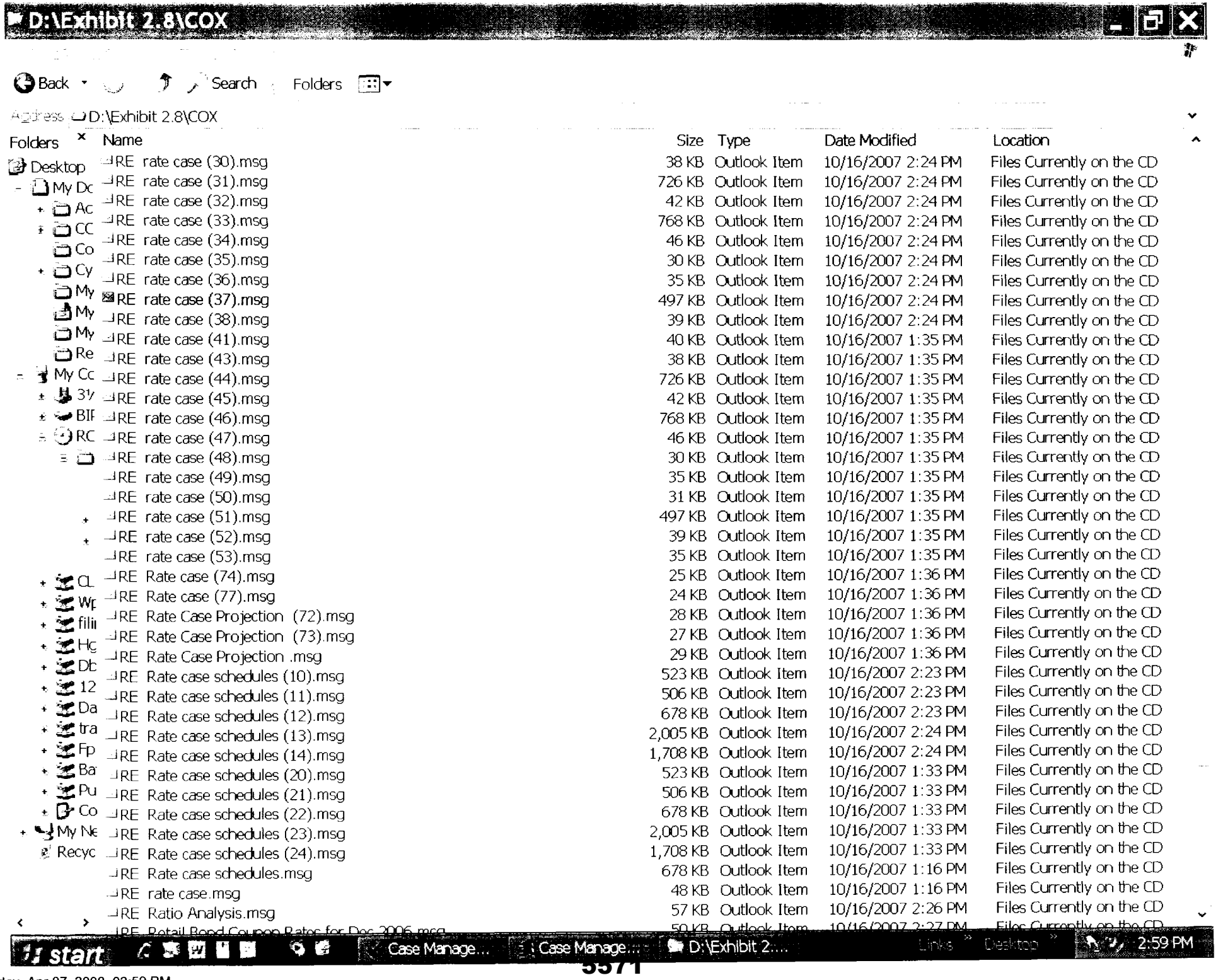
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Cc: Martin Cheryl; Mike Welsh
Subject: RE: rate case

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Elec Rate Case
Attachments: D's, 06-07_A.xls

D's, 06-07_A.xls

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Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2007					
1.	Long Term Debt	50,543,842			50,543,842	0.5541	28,006,343	0.4142	7.97%	3.30%
2.	Short Term Debt	5,729,846			5,729,846	0.5541	3,174,908	0.0470	6.02%	0.28%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0049	4.75%	0.02%
4.	Common Equity	48,986,700			48,986,700	0.5541	27,143,530	0.4015	11.50%	4.62%
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0390	6.32%	0.25%
6.	Deferred Income Taxes	6,204,905			6,204,905		6,204,905	0.0918	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	0.0016	9.48%	0.02%
9.	TOTAL	114,813,001					67,609,854	1.0000		8.49%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4775	7.97%	3.81%
11.	Short Term Debt	5,729,846	0.0541	6.02%	0.33%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	48,986,700	0.4627	11.50%	5.32%
14.	TOTAL	105,860,388	1.0000		9.48%

Recap Schedules:

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2008					
1.	Long Term Debt	49,777,370			49,777,370	0.5541	27,581,641	0.3750	7.93%	2.97%
2.	Short Term Debt	6,436,923			6,436,923	0.5541	3,566,699	0.0485	6.03%	0.29%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0045	4.75%	0.02%
4.	Common Equity	58,109,878			58,109,878	0.5541	32,198,684	0.4377	11.50%	5.03%
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0401	6.32%	0.25%
6.	Deferred Income Taxes	6,846,164			6,846,164		6,846,164	0.0931	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	0.0011	9.61%	0.01%
9.	TOTAL	124,801,064					73,556,376	1.0000		8.58%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4331	7.93%	3.43%
11.	Short Term Debt	6,436,923	0.0560	6.03%	0.34%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	58,109,878	0.5056	11.50%	5.81%
14.	TOTAL	114,924,172	1.0000		9.61%

Recap Schedules:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

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:

Schedule D-2 COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

Line No.	Class of Capital	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total

Supporting Schedules:

Recap Schedules:

Schedule D-3 SHORT-TERM DEBT Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended ___/___/_
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/_
Witness: Doreen Cox, Consultant

	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, 2006	6.03%	$199,537	########	6.03%
			For Prior Year 2007		
2007	July, 2008	6.02%	$491,894	########	6.02%

Supporting Schedules:

Recap Schedules:

Schedule D-3 | SHORT-TERM DEBT | Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended ___/___/_
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/_
Witness: Doreen Cox, Consultant

	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		
2006	July, 2008	6.03%	$388,146	########	6.03%

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$903,467	$910,678	N/A	$36,057
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	N/A	$97,070	30	$3,883	$520,788	$524,671	N/A	$19,413
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$57,275
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$926,647
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	816,161
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$51,632,923		$2,413,144		$82,279	$3,864,155	$3,946,434	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.													
	Debt Service a (12) / Net				7.9282%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$50,478
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$27,179
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$65,409
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,007,225
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	906,471
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.	Debt Service a (12) / Net				7.9908%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$43,268
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$23,296
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$61,342
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$966,936
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	861,316
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.	Debt Service a (12) / Net				7.9749%								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

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.

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules: Recap Schedules:

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Test Year 2008							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.												
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:

Schedule D-6 | CUSTOMER DEPOSITS | Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$25,701,225	$87,988	$47,271	$135,259	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6): 6.32%

Supporting Schedules:

Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$31,965,513	$109,434	$58,793	$168,227	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$35,512,498	$121,577	$65,316	$186,893	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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:
____ Projected Test Year Ended ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

Line No.		_____ Year	_____ Year	_____ Year	_____ Year	_____ Year
1.	Pre-tax Interest Coverage Ratio (x)					
2.	Earned Returns on Average Book Equity (%)					
3.	Book Value/Share ($)					
4.	Dividends/Share ($)					
5.	Earnings/Share ($)					
6.	Market Value/Share ($)					
7.	Market/Book Ratio (%)					
8.	Price/Earning Ratio (6) / (5)					

Supporting Schedules:

Recap Schedules:

Schedule D-9 FINANCIAL INDICATORS - SUMMARY Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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, Consultant

Line No.	Indicator	Historic Base Year	Prior Year	Test Year Current Rates	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges				
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common				
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments				
	Sinking Funds Payments				
	Tax on Sinking Fund Payments				
	Ratio of Earnings to Fixed Charges				
	Including AFUDC				
	Excluding AFUDC				

Supporting Schedules: Recap Schedules:

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE	
				<<<<<<<<<ACTUALS >>>>>>>>>														
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763	
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409	
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725	
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569	
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375	
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674	
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181	
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661	
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120	
32	ACCUM DEF TAXES*	Electric only	2820 & 2830	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531	
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	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942	
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	1,900	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	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
44	INV TAX CREDIT	Zeroed	2,550	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
47																		
48																		
49	**Consolidated:**		Line Reference															Consolidated:
50	Long Term Debt		L27-L29	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	Long Term Debt
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	Short Term Debt
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	Preferred Stock
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	Customer Deposits
54	Common Equity		+L15+L19+L21+L23+L24+L25+L26+L39+L41+L42+L36	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	Common Equity
55	Common Equity-Excl Flo-Gas		+L19+L21+L23+L24+L25-L26-L38	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	45,185,765	44,935,779	Common Equity-Excl Flo-Gas
56	Deferred Income Taxes	Electric only	+L17+L32+L33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122	Deferred Income Taxes
57	Tax Credits-Zero Cost	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Tax Credits-Zero Cost
58	Tax Credits-Weighted Cost	Electric only	+L37+L38	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	Tax Credits-Weighted Cost
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877	0
60																		0
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	TOTAL LTD,STD,EQUITY
	Debt/Equity Ratio:																	
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%	
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%	

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line Ref	Florida Public Utilities:	Notes	Acct #	<<<<<<<<< ACTUALS >>>>>>>>> Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>> Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	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 & 2830	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36	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
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	**Customer Deposits**	**Zeroed**	2350	0													0	
44	INV TAX CREDIT	Zeroed	2550	0													0	
45	**ACCUM DEF TAXES**	**Zeroed**	2820	0													0	
46	3% INV TAX CRED	Zeroed	0	0													0	
47																		
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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		+L15+L19+L21+L23+L24+L25+L26+L39+L41+L42+L36	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**		+L19+L21+L23+L24+L25+L26+L36	45,185,765	46,013,684	46,532,412	48,253,672	48,611,824	48,789,800	48,212,101	48,463,056	48,620,056	48,091,331	48,186,068	48,477,892	47,982,972	47,801,587	
56	DEFERRED INC TAXES	Electric only	+L17+L32+L33	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
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	+L37+L38	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				110,468,638	111,895,744	110,770,763	110,772,393	111,487,076	118,186,847	119,364,210	120,262,981	120,351,907	120,466,645	120,913,803	124,381,640	124,981,369	117,254,155	
60																		
61	TOTAL LTD,STD,EQUITY			102,131,831	103,552,051	102,484,643	102,292,416	102,407,956	109,100,316	110,230,000	111,088,339	111,156,723	111,151,382	111,595,502	115,061,710	115,667,174	108,301,542	
	Debt/Equity Ratio																	
	Debt			57%	57%	56%	56%	56%	58%	59%	59%	59%	59%	59%	60%	61%	58%	
	Equity			43%	43%	44%	44%	44%	42%	41%	41%	41%	41%	41%	40%	39%	42%	

1 Unamortized Debt Discount

			Mthly Amort
$14M	$	2,239	
$15M	$	3,357	
$10M	$	601	
$5.5M	$	324	
$8M	$	339	$ 6,860
$5M	$	1,524	$ 1,524
			$ 8,384

Loss on Reacquired Debt

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

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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	320	463	
	(671,194)	FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note			Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F				32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU		620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend						(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2					2,000,000										2,000,000	
Projected Interim Rate Relief														37,824	55,247	93,071	
BALANCE C/F				33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS																
B/F				2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME				85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2					(2,000,000)										(2,000,000)	
BAL C/F				2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS																
B/F				35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME				706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F				35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
	0															
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,245	50,648	59,268	20,550	14,891	20,550	23,380	18,019	19,954	37,824	55,247	490,000	

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
				-2056762.71	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 <<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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
CAPITAL COMPONENTS
December 2005 - December 2006

2006

Line Ref		Notes	Acct.#	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	**ACCUM DEF TAXES**	**Electric only**	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	**Common Stock**		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	**Premium On Comm. Stk.**		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	**Misc Paid in Capital**		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	**Capital Stock Expense**		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	**1st Mortgage Bonds**		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	**Notes Payable**		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	**INVEST TAX CRED**	**Electric only**	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531
33	**DEF TAX-UNDERREC**	**Electric only**	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	**3% INV TAX CRED**			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	**Flo-Gas Corp.:**																
39	**Investment in Assoc. Co.**	**Zeroed**	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	**Comprehensive Income**		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**INV TAX CREDIT**	**Zeroed**	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**3% INV TAX CRED**	**Zeroed**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	**Short Term Debt**		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	**Customer Deposits**	**Electric only**	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		L15+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**		L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32-L33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122
57	**TAX CREDITS-ZERO CST**	**Electric only**	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877
60																	
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
	Debt/Equity Ratio:																
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line 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	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	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	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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+L16	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		L25	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+L26+L39+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		+L19+L21+L23+L24+L25+L26	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	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	+L37+L35	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				110,468,638	111,895,744	110,770,763	110,772,393	112,692,076	111,231,847	111,409,210	117,207,981	117,196,907	117,411,645	118,158,803	121,726,640	121,626,369	114,813,001	
60																		
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	
	Debt Equity Ratio																	
	Debt			57%	57%	56%	56%	56%	55%	56%	58%	58%	58%	59%	59%	60%	57%	
	Equity			43%	43%	44%	44%	44%	45%	44%	42%	42%	42%	41%	41%	40%	43%	

1 Unamortized Debt Discount

			Mthly Amort		
	$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

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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	320	463		
	(671,194)	FPU	3,291	821	519	340	398	138	100	138	157	121	134	254	371		
	(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92		

FPU RETAINED EARNINGS 2007	Note		Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS															
B/F		2,388,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME		85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2			(2,000,000)										(2,000,000)	
BAL C/F		2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS														
B/F		35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME		706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend		0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
0															
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,248	50,648	59,288	20,550	14,891	20,553	23,380	15,019	19,954	37,824	55,247	490,000

	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	
Financials	35,919,703	36,564,911	36,356,371										

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	**ACCUM DEF TAXES**	**Electric only**	1900	1,167,843	1,144,089	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 J
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	7,565,200	7,312,365	8,190,816	8,171,562	8,165,096	8,149,812	8,171,745	8,191,535	8,185,194	8,272,414	8,259,297	8,244,936	8,232,081	8,085,542	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36																		
37				0														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co.**	**Zeroed**	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	**Comprehensive Income**		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	**Zeroed**	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	**Zeroed**	**0**	0													0	
48				0														
49	**Consolidated:**		**Line Reference**	0														
50	Long Term Debt		L27+L19	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		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+L19+L21+L23+L24+L25+L25A+L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	**Common Equity-Excl Flo-Gas**		+L19+L21+L23+L24+L25A+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	6,397,357	6,168,276	6,934,011	6,914,571	6,908,374	6,893,327	6,915,475	6,935,134	6,931,825	7,019,921	7,007,560	6,995,450	6,978,855	6,846,164	
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				121,626,369	121,840,529	122,174,840	121,326,003	123,027,381	124,160,976	124,607,589	125,350,971	125,188,050	125,072,353	126,769,898	130,592,932	130,675,936	124,801,064	
60																		
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	
	Debt Equity Ratio																	
	Debt			60%	59%	59%	58%	59%	59%	48%	48%	48%	48%	49%	50%	50%	53%	
	Equity			40%	41%	41%	42%	41%	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

2007 Pg. 1 of 2

Assumptions
RETAINED EARNINGS 1.03
Annual Profit Margin Projected Increase

				TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)			2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
			FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
			FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
			2008	3,995	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	
	(1,000,000)		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	

FPU RETAINED EARNINGS 2008					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F					35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
NET INCOME			FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
Preferred Dividend							(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Flo-Gas Dividend							1,000,000										1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000		Nov-07	92,461	77,274	50,623	59,259									279,617	
Projected NOI - Elec Rate Case	Annual	1,000,000		May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
BALANCE C/F					36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283
FLO-GAS RETAINED EARNINGS																		
B/F					975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME					88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND							(1,000,000)										(1,000,000)	
BAL C/F					1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)
CONSOLIDATED PROJECTED RETAINED EARNINGS																		
B/F					36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME					728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend					0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend					0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case					0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F					37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306
			Effective															
Projected Rate Relief		1,000,000	May-08	188,696	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	14,889	20,547	23,376	18,018	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	



Monday, Apr 07, 2008 03:37 PM

Clara Leider

From: Bachman George
Sent: Wednesday, June 27, 2007 7:15 PM
To: Robert Camfield
Cc: Mike Welsh; Cox Doreen; Martin Cheryl; Mesite Jim
Subject: RE: rate case

Categories: Elec Rate Case

Robert,

I agree with your reasoning that it would be better to use the 2008 year-end capital structure, since it better represents our 'theoretical' capital structure and post 2008 structure. Maybe we should include a table along with this point in your testimony? (Cheryl is correct, we agreed to use the 13 month average but we should mention our argument in the testimony).

Just thought I'd chime in, since I knew you'd appreciate input by me after all of the time that has past! Hope you are well.

George Bachman
Chief Financial Officer, Secretary and Treasurer Florida Public Utilities Company
561.838.1731

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Wednesday, June 27, 2007 6:22 PM
To: Cox Doreen; Martin Cheryl; Mesite Jim
Cc: Mike Welsh; Bachman George
Subject: RE: rate case

Doreen,
Cheryl,

Got it...I will exclude Flo-Gas equity balances from the total balance of common shareholder equity of FPU. As you know, I am currently using a 13-month average capital structure, and will continue to do so.

I should mention that, for 2008, the year-end equity balance makes more sense to me insofar as it better represents the capital structure of FPU over the timeframe in which the new electric rates will be in place, than 13-month average capital structure balances. I believe that the 13-month average is likely to understate equity participation over the prospective period beyond 2008.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wed 6/27/2007 2:50 PM
To: Martin Cheryl; Mesite Jim
Cc: Robert Camfield
Subject: RE: rate case

As discussed in the last Electric Rate Case we filed the Schedule D's including Flo-Gas Equity and using Year-end balances (the way FPU deems to be correct). The staff however, adjusted the capital structure to exclude Flo-Gas and use the 13 Mth Average.

As agreed we will use the Commission's methodology of excluding Flo-Gas and using the 13 month average. We will however state what we believe to be the correct approach in our testimony.

Robert

Please note.

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

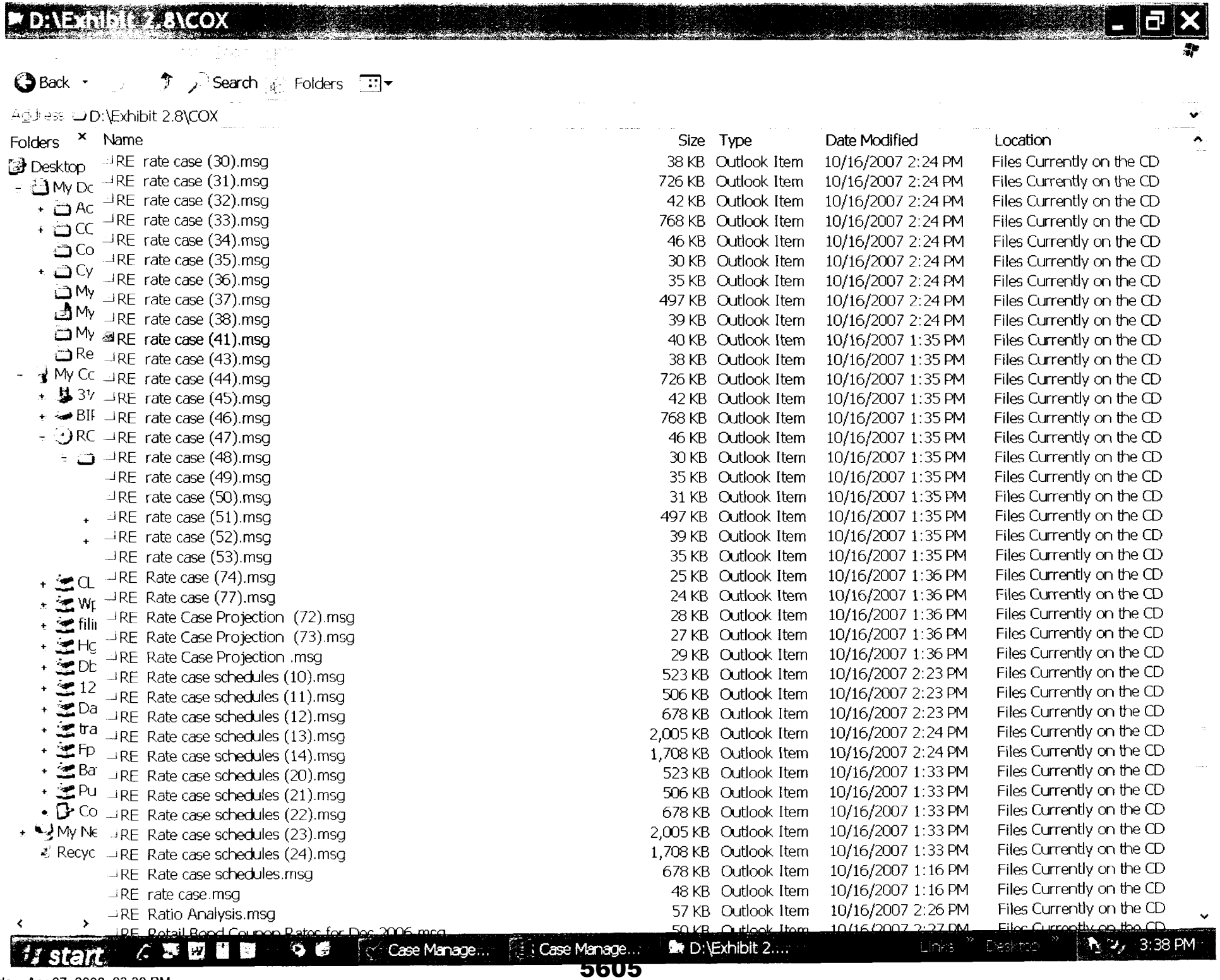
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 03:38 PM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 1:52 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Yes, this is fine with me. Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 12:31 PM
To: Robert Camfield
Subject: RE: rate case

Robert
The 68.47% (6%) and 31.53% (7%) came directly from the PSC Audit work paper from the last rate case. If you are in agreement and in the absence of any new data, I think we could apply those percentages for the projected.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Tuesday, July 03, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Doreen,

OK. 6.07% suggests very small participation, within the total deposits, by customers with deposits that realize the 7.0% interest rate.
Determination of the balances for the 7.0% interest rate is straightforward. For the prospective period, however, we will need to settle upon an approach to determine the balances that are attributable to 7.0% and 6.0% interest rates, respectively.

Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Tuesday, July 03, 2007 10:55 AM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Robert
Please see attached. This worksheet shows the actual interest expense booked for Customer Deposits for 2006. On the previous schedules we calculated the interest expense based on an estimated % of 6% deposits and 7% deposits. The system does not easily provide us with the actual breakout of the balances @ 6% versus 7%, so I'm thinking that we should not show the details but just the total interest expense to arrive at the cost rate. Please note that the cost rate changes to 6.07% for 2006 when the actual total interest expense is used.

Please call to discuss.
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

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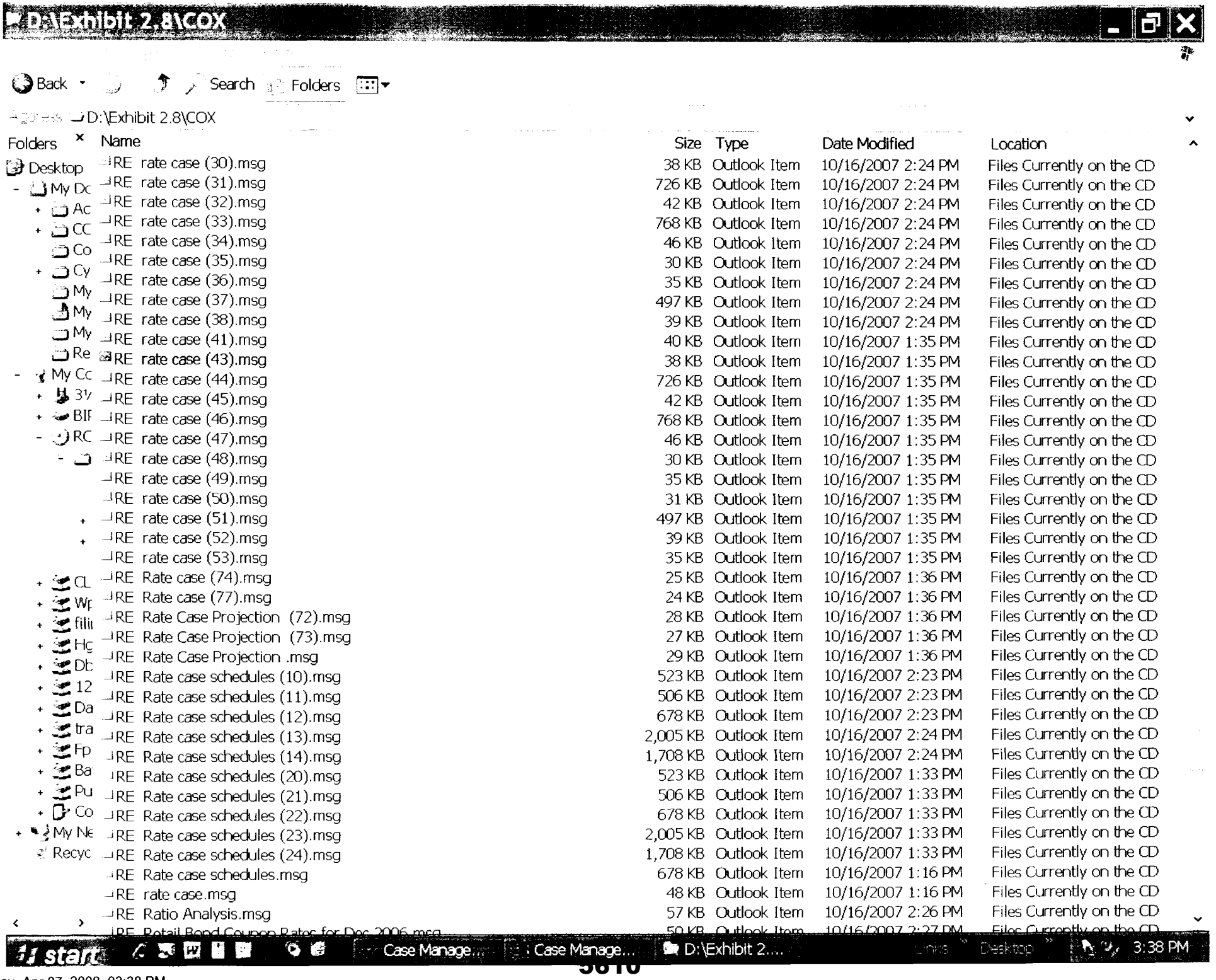
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Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 03:38 PM

Clara Leider

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Subject: RE: rate case

Categories: Elec Rate Case

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Subject: rate case

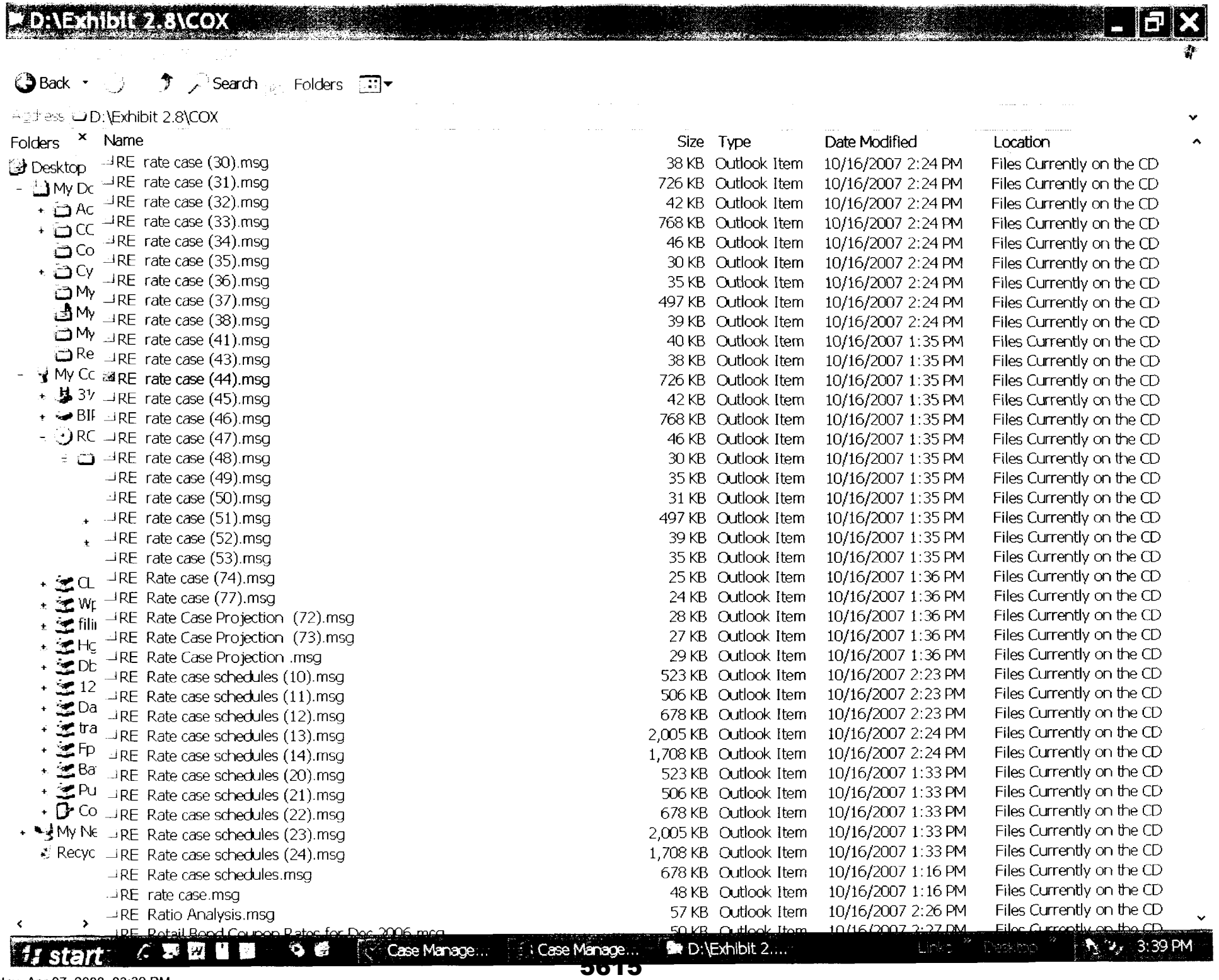
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Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Monday, Apr 07, 2008 03:39 PM

Clara Leider

From: Mike Welsh [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

Categories: Elec Rate Case
Attachments: C-MFRS-4.xls



C-MFRS-4.xls

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

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.
($000)

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: 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	47,452,526		47,452,526	100%	47,452,526	0	47,452,526
3.	Other Operating Revenues	1,074,705		1,074,705	100%	1,074,705	0	1,074,705
4.	Total Operating Revenues	48,527,231		48,527,231	100%	48,527,231	0	48,527,231
5.	Operating Expenses:							
6.	Operation & Maintenance:							
7.	Fuel			-	100%	-	0	-
8.	Purchased Power	30,606,436		30,606,436	100%	30,606,436	0	30,606,436
9.	Other	8,163,711		8,163,711	100%	8,163,711	0	8,163,711
10.	Depreciation & Amortization	2,722,498		2,722,498	100%	2,722,498	0	2,722,498
11.	Decommissioning Expense			-	100%	-	0	-
12.	Taxes Other Than Income Taxes	3,982,172		3,982,172	100%	3,982,172	0	3,982,172
13.	Income Taxes	772,895		772,895	100%	772,895	0	772,895
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	0	46,019,602
18.	Net Operating Income	2,507,629		2,507,629	100%	2,507,629	0	2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-2

NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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.

($000)

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: Mehrdad Khojasteh, Cheryl Martin

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													$ -	$ 47,452,526
	Other Operating Revenues	1,074,705													$ -	$ 1,074,705
	Total Operating Revenues	48,527,231													$ -	$ 48,527,231
	Operating Expenses:	-													$ -	$ -
	Operation & Maintenance:	-													$ -	$ -
	Fuel (nonrecoverable)	-													$ -	$ -
	Purchased Power	30,606,436													$ -	$ 30,606,436
	Other	8,163,711													$ -	$ 8,163,711
	Depreciation & Amortization	2,722,498													$ -	$ 2,722,498
	Decommissioning Expense	-													$ -	$ -
	Taxes Other Than Income Taxes	3,982,172													$ -	$ 3,982,172
	Income Taxes	772,895													$ -	$ 772,895
	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													$ -	$ 46,019,602
	Net Operating Income	2,507,629													$ -	$ 2,507,629

Supporting Schedules:

Recap Schedules:

Schedule C-3

JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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				
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:

Schedule C-4

JURISDICTIONAL SEPARATION FACTORS - NET OPERATING INCOME

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 12/31/2005
Historical Test 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:

Schedule C-5

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 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox, Mark Cutshaw

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	37,518,640
442	Commercial Sales	18,145,943	-	18,145,943	12,423,831	152,294	809,693	459,718		13,845,536	31,991,479
442	Industrial Sales	5,350,079	-	5,350,079	4,301,616	73,499	295,263	133,746		4,804,124	10,154,203
443	Outdoor Lighting	1,085,456		1,085,456	169,327	2,428	38,067	22,631		232,453	
444	Public Street & Highway Lighting	286,326	-	286,326	58,938	895	11,526	2,224		73,583	359,909
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	57,258
	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	80,081,489
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	90,652,859
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	170,791,606
	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-RECOVRY:FUEL AD	307,430	-	307,430	307,430						307,430
4562	MISC.ELECTRIC REVENU	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	1,444,517
	TOTAL ELECTRIC OPERATING REVENUES	48,527,231	-	48,527,231	30,666,451	452,474	2,012,636	1,185,123	-	34,316,684	

Supporting Schedules:

Recap Schedules:

Schedule C-6

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBI **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 Budget	2002 Year 1 Actual	2003 Year 2 Budget	2003 Year 2 Actual	2004 Year 3 Budget	2004 Year 3 Actual	2005 Year 4 Budget	2005 Year 4 Actual	2006 Year 5 Budget	2006 Year 5 Actual	2007 Prior Year Budget	2007 Prior Year Actual	Test Year
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	1,596	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	GSLD	545	453	565		194	358	551	575	573	643	679		
	4000.4440	PUBLIC ST&HWY	161	179	268	187	249	205	165	214	206	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	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	11,143	12,454	11,866	13,088	12,808	12,825	12,804	13,446	0	0
OPERATING EXPENSES (LESS FUEL & CONSERVATION)															
	4010.5620	STATION EXPENSES	0	13	18	16	24	13	18	11	19	17	16		
	4010.5660	MISC. TRANS. EXPS	18	8	1	2	1	0	1	4	1	0	10		
	4010.5800	OP SUPERVISION	239	235	215	247	347	283	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	63	54	64	76	81	91	113	76		
	4010.5840	UNDERGROUND LINE EXP	19	35	24	36	34	28	31	28	31	30	34		
	4010.5850	STREET LIGHT EXPENSE	18	28	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	267	177	237	229	230	208	215		
	4010.5890	RENTS	18	13	18	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	78	8	80	87	63		
	4010.9050	MISC. CUST. ACCTS. EXP.	56	77	137	86	85	82	97	81	85	94	100		
	4010.9130	ADVERTISING	1	3	0	3	4	19	7	22	89	131	63		
	4010.9160	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	156	171	91	216	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	362	353	591	436	475	471	427	546	438	546		
	4010.9260	EMPLOYEE PENSION/BEN	301	255	573	440	558	768	785	871	881	901	867		
	4010.9280	REGULATORY EXPS.	4	6	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		
TOTAL OPERATION EXPENSES			3,814	4,123	4,538	4,639	5,235	4,970	5,651	5,233	5,766	5,598	5,690		
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	60	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	96	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	
TOTAL MAINTENANCE EXPENSE	1,445	1,368	1,335	1,441	1,869	1,646	2,076	2,044	1,986	2,098	2,083	
4030.1000 DEPRECIATION EXPENSE	2,225	2,116	2193	2333	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	269	664	619	604	516	701	303	577	521	
4110.0000 INVESTMENT TAX CREDIT	(46)	(56)	(52)	(52)	(47)	(40)	(35)	(35)	(32)	(32)	(32)	
TOTAL OPERATING EXPENSES	11,120	11,260	11,474	11,885	13,349	13,000	13,972	14,421	14,532	14,945	15,547	0

Supporting Schedules:

Recap Schedules:

Schedule C-7

OPERATION AND MAINTENANCE EXPENSES – TEST YEAR

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
#N/A

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	**OPERATING EXPENSES**														
2															
3	**555-557**	**Other Power Supply Expenses**													
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**	**Transmission Expenses - Operation**													
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**	**Distribution Expenses - Operation**													
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 & RESETTING	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**	**Customer Accounts - Operation**													
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**	**Customer Service and Info - Operation**													
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**	**Sales Expenses - Operation**													
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**	**Administrative & General - Operation**													
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**
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	**TOTAL OPERATING EXPENSES**		**2,914,048**	**3,072,172**	**2,851,679**	**2,681,109**	**2,919,010**	**3,273,844**	**3,605,915**	**3,524,337**	**3,222,196**	**2,943,558**	**2,616,051**	**3,046,915**	**36,670,834**
84	**Total Operating Expenses Less Fuel**		**479,387**	**435,027**	**550,088**	**437,158**	**509,011**	**539,212**	**473,923**	**502,551**	**507,303**	**495,569**	**499,337**	**635,832**	**6,064,398**

85	**Maintenance Expenses**													
86														
87	**541-545.1 Hydraulic Power Gen - Maintenance**													
88	554 MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
89														
90	**568-574 Transmission Expenses - Maintenance**													
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	**590-598 Distribution Expenses - Maintenance**													
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	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	54,557
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	**935 Administrative & General - Maintenance**													-
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	**TOTAL MAINTENANCE EXPENSES**	141,719	98,872	217,451	106,339	192,646	232,571	199,299	171,047	182,611	148,683	174,145	233,930	2,099,313
114														
115														
116														
117														
118														
119														
120														
121														
122	**Other Operating Expenses**													
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	**403 - Depreciation Expenses**	227,995	221,977	226,162	233,741	229,935	230,188	230,980	232,552	233,040	233,536	233,914	188,478	2,722,498
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	**TOTAL OTHER OPERATING EXPENSES**	646,083	625,857	536,315	570,430	590,084	616,864	725,331	742,458	627,151	582,157	526,082	460,643	7,249,455
153														
154	**TOTAL EXPENSES INCLUDING FUEL**	3,701,850	3,796,901	3,605,445	3,357,878	3,701,740	4,123,279	4,530,545	4,437,842	4,031,958	3,674,398	3,316,278	3,741,488	46,019,602

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:
Historical Year 12/31/2006
Prior Year 12/31/2005
Witness: Mehrdad Khojasteh

(1) Account Number	(2) Account	(3) TestYear Ended 12/31/2006 (000's)	(4) PriorYear Ended 12/31/2005 (000's)	(5) Increase/(Decrease) Dollars (4)-(3) (000's)	(6) Percent (5)/(3) (%)	(7) Reason(s) for Change
OPERATING EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL OPERATION EXPENSES		3,682	4,123	441	12%	
MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)						
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%	
TOTAL MAINTENANCE EXPENSES		1,636	1,368	(268)	-16%	
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

Schedule C-9

FIVE YEAR ANALYSIS - CHANGE IN COST

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Description of Functional Group	Type of Cost	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ Dollars (000)	Percent Change	Year____ 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

COMPANY:

DOCKET NO.:

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Cheryl Martin

(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		$182,000

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
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	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	43,837,969	$ -	$ 43,837,969	0.1989%

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	(1) Jurisdictional Admisintrative Expenses Excluding Recoverable Conservation	(2) Test Year Ended 12/31/2006	(3) Historical Year Ended 12/31/2005	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expenses	901-905		1,331,423	1,225,797	105,626	8.62%
	Customer Service and Information Expense	906-910		456,161	473,610	(17,449)	-3.68%
	Sales Expenses	911-916		144,236	23,846	120,390	504.86%
	Administrative and General Expenses	920-932		3,049,156	2,891,559	157,597	5.45%
	Total Administrative Expenese	901-932		4,980,976	4,614,812	366,164	7.93%
	Average Number of Customers			30,636	30,241	395	1.31%
	Administrative Expense Per Customer			163	153	10	6.54%

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules:

Recap Schedules:

Schedule C-12 | ADMINISTRATIVE EXPENSES | Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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:
Historical Year Ended 12/31/05
Historical Year Ended 12/31/06

Witness: Mehrdad Khojasteh

Line No.	(1) Jurisdictional Administrative Expenses Excluding Recoverable Conservation		(2) Test Year Ended 12/31/06	(3) Historical Year Ended 12/31/05	(4) Difference (2)-(3)	(5) Percent Increase/(Decrease) (4)/(3)
	Customer Accounts Expense	901-905	1,331,413	1,225,794	105,619	8.62
	Customer Service and Information Expense	906-910	456,161	473,610	(17,449)	-3.68
	Sales Expenses	911-916	144,234	23,845	120,389	504.88
	Administrative and General Expenses	920-932	3,049,157	2,891,570	157,587	5.45
	Total Administrative Expenses	901-932	4,980,965	4,614,819	366,146	7.93
	Average Number of Customers		30,636	30,241	395	1.31
	Administrative Expenses Per Customer		163	153	10	6.54

Total Administrative Expense (Acts 901-932)

Average Number of Customers

Administrative Expense Per Customer

Supporting Schedules: C-7

Recap Schedules:

Schedule C-13

MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
	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		100%	-
	Exceeding $100,000 (Specify)	-	100%	-
	Total Miscellaneous General Expenses	86,012		86,012
	Average Number of Customers	30,636		30,636
	Miscellaneous General Expenses Per Customer	2.81		3

Supporting Schedules:

Recap Schedules:

Schedule C-13 MISCELLANEOUS GENERAL EXPENSES Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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 12/31/06

Witness: Mehrdad Khojasteh

Line No	Description	Electric Utility (000)	Jurisdictional Factor	Jurisdictional Amount (000)
	Total Miscellaneous General Expenses of $100,000 or Less			
	ACCOUNT 930.2			
9302	Misc. General Expenses	76,623	100%	76,623
93022	Industry Association	4,390	100%	4,390
93023	Economic Development	5,000	100%	5,000
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Miscellaneous General Expenses Exceeding $100,000 (Specify)	None	100%	None
	Total Miscellaneous General Expenses	86,013	100%	86,013
	Average Number of Customers	30,636	100%	30,636
	Miscellaneous General Expenses Per Customer	$ 2.81	100%	$ 2.81

Supporting Schedules: C-7

Recap Schedules:

Schedule C-14 ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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		30,636		30,636
	Advertising Expenses per Customer		**9.47**		**9.47**

Supporting Schedules:

Recap Schedules: C7

Schedule C-15

INDUSTRY ASSOCIATION DUES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Name and Nature of Organization		Electric Utility (000's)	Jurisdictional Factor	Jurisdictional Amount (000's)
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					
6					
7					
	Total Industry Association Dues		4,390	100%	4,390
	Average Number of Customers		30,636	100%	30,636
	Dues Per Customer		0.14		0.14
	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 12/31/2005
Historical Test 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:FLOR Florida Public Utilities Company
Consolidated E Consolidated Electric Divisions
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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	
	4260.11	CHARITABLE CONTRIBUTIONS	11,117
	4260.13	CIVIC AND SOCIAL	2,548
	Total Civic and Charitable Contributions		**13,665**
	4260.4	Lobbying & Other Political Expenses	167
	Total Lobbying and Other Political Expenses and Charitable / Civic contributions		13,832

Supporting Schedules:

Recap Schedules:

Schedule C-19

AMORTIZATION/RECOVERY SCHEDULE – 12-MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

Total Amount of Amortization/Recovery: $
Effective Date:
Amortization/Recovery Period:
Reason:

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	($0) Total Amort/Recovery 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:

Schedule C-20

TAXES OTHEP THAN INCOME TAXES

FLOPIDA PUBLIC SEPVICE COMMISSION

COMPANY:FLOPIDA PUBLIC UTILITIES
Consolidated ElectPic Division
DOCKET NO.: 070304-EI

EXPLANATION: PPovide a schedule of taxes otheP than income taxes foP the histoPical base yeaP, histoPical base yeaP + 1, and the test yeaP. FoP each tax, indicate the amount chaPged to opePating expenses. Complete columns 5, 6 and 7 foP the histoPical base yeaP and test yeaP only.

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

Line No.	Type of Tax	(1) Pate	(2) Tax Basis ($)	(3) Total Amount	(4) Amount ChaPged to OpePating Expenses	(5) JuPisdictional FactoP	(6) JuPisdictional Amount	(7) JuPisdictional Amount ChaPged to OpePating Expenses
1.	FedePal 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	513,885	513,886	100%	513,885	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)							
	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			6,256,247	3,982,172		6,256,247	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	1,184,787
9.	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,632	100%	2,012,632	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			$6,256,247	$3,982,173	100%	$6,256,247	$3,982,173

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.			GROSS RECEIPTS TAX HISTORICAL BASE YEAR	GROSS RECEIPTS TAX HISTORICAL BASE YEAR + 1	GROSS RECEIPTS TAX TEST YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR	REGULATORY ASSESSMENT FEE HISTORICAL BASE YEAR + 1	REGULATORY ASSESSMENT FEE TEST YEAR
						$ -	$ -	$ -
1		TOTAL OPERATING REVENUES	48,527,214					
2								
3		ADJUSTMENTS:						
4		Overrecoveries	(369,812)					
5		Other Operating Revenues	(688,664)					
6		Unbilled Revenues	(8,373)					
7		Misc Electric Revenues	(7,847)					
8		Gross Receipts Revenues & Franchise Fee	(3,197,750)					
9								
10								
11		TOTAL ADJUSTMENTS	(4,272,446)					
12								
13		ADJUSTED OPERATING REVENUES	44,254,768					
14								
15		Gross Receipts Tax						
16		TAX RATE	2.50%					
17		TAX AMOUNT	1,106,369					
18		Adjustments	78,418					
19	4080.2	State Gross Receipts	1,184,787					
20								
21		Regulatory Assessment Fee				$ -	$ -	$ -
22		TAX RATE	0.0720%					
23		TAX AMOUNT	31,863			$ -	$ -	$ -
24		Adjustments	2,545					
25	4080.3	FPSC Assessment	34,408			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

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1	NET UTILITY OPERATING INCOME	$ 2,507,629	$				
2	ADD INCOME TAX ACCOUNTS						
3	LESS INTEREST CHARGES (FROM C-23)	4,717,141					
4							
5	TAXABLE INCOME PER BOOKS	$ (2,209,512)	$				
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

COMPANY

DOCKET NO

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:

LINE NO	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX 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			

SUMMARY OF INCOME TAX EXPENSE:

	FEDERAL	STATE	TOTAL
CURRENT TAX EXPENSE			
DEFERRED INCOME TAXES			
INVESTMENT TAX CREDITS, NET			
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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

Line No.	Description	Account	(1) Historical Base Year Ended 2006	(2) Test Year Ended _____
1.	Interest on Long Term Debt	4270.1	3,948,552	
2.	Amortization of Debt Discount, Premium, Issuing			
3.	Expense & Loss on Reacquired Debt	4280.1, 4280.2	100,608	
4.	Interest on Short Term Debt	4300.1	0	
5.	Interest on Customer Deposits	4310.1	455,009	
6.	Other Interest Expense	4310.2, 4310.3	212,972	
7.	Less Allowance for Funds Used During Construction		[redacted]	
8.	Total Interest Expense		4,717,141	

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 12/31/2005
Historical Test 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-27

CONSOLIDATED TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the requested miscellaneous tax information.

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: 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?

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?

The Company's tax returns are available for staff review at the General Office Complex.

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:

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 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 12/31/2005
Historical Test 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

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 12/31/2005
Historical Test 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 12/31/2005
Historical Test 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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Jim Mesite

(1) Line Number	(2) Account Number	(3) Description	(4) Original Purchase Cost	(5) Test Year Revenues (All Accts. 454)	(6) Expense Amounts	(7) Net Revenues
		NONE				

Supporting Schedules:

Recap Schedules:

Schedule C-33

PERFORMANCE INDICES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule for the last four prior years and the test year of other operation and maintenance expense summary by average customer, selected growth indices, selected growth rates and average number of customers.

Type of Data Shown:

Prior Year Ended 12/31/2006
Historical Prior Years 2002 - 2005
Witness: Doreen Cox

	2002 Year	2003 Year	2004 Year	2005 Year	2006 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
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
GROWTH INDICES					
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
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
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
AVERAGE NUMBER OF CUSTOMERS					
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
KWh Sales	741,038,632	723,821,677	766,348,960	814,352,781	849,123,616

1 Lights incorporated with different rate classes prior to 2004 rate case.

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

Prior Year Ended 12/31/2006
Historical Prior Years 2002 - 2005

DOCKET NO.: 070304-EI

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:

	0.197923426	-0.075297941	-0.041007616	0.205864386	0.071870564
	0.186460239	-0.091387788	-0.052014838	0.190467692	0.058381326
	-0.023230927	0.058751932	0.062639868	0.0426977	0.035214643
	-0.032577841	0.040329613	0.050442989	0.029384347	0.021894777
	0.00966167	0.017708156	0.011611176	0.012933316	0.012978579
	0.006237308	0.012522592	0.005781664	0.008047054	0.008147154
	0	0	0	0	0

Schedule C-35

PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI

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.		12/31/2005			12/31/2006		
		Amount	%Increase	CPI	Amount	%Increase	CPI
	Total Company Basis						
	Gross Payroll	16,785,347	N/A	3.40%	17,122,023	2.01%	3.20%
	Gross Average Salary	47,450	N/A	3.40%	47,683	0.49%	3.20%
	Fringe Benefits						
	Life Insurance	100,682	N/A	3.40%	102,596	1.90%	3.20%
	Medical Insurance		N/A	3.40%	1,726,200	#DIV/0!	3.20%
	Retirement Plan - Pension		N/A	3.40%	1,363,590	#DIV/0!	3.20%
	Retirement Plan - Medical		N/A	3.40%	190,000	#DIV/0!	3.20%
	Employee Savings Plan	N/A	N/A	3.40%	N/A	N/A	3.20%
	Federal Insurance Contributions Act	2,416,398	N/A	3.40%	2,458,362	1.74%	3.20%
	Federal & State Unemployment Taxes	65,840	N/A	3.40%	59,821	-9.14%	3.20%
	Worker's Compensation	25,085	N/A	3.40%	14,981	-40.28%	3.20%
	Other (Education, Service Awards, Physicals, etc.) -SPECIFY						
	Employee Stock Purchase Plan	60,948	N/A	3.40%	66,564	9.21%	3.20%
	Sub Total-Fringes	2,668,953	N/A	3.40%	5,982,114	124.14%	3.20%
	Total Payroll and Fringes	19,454,300	N/A	3.40%	23,104,137	18.76%	3.20%
	Average Employees	354	N/A	3.40%	359	1.51%	3.20%
	Payroll and Fringes Per Employee	54,994	N/A	3.40%	64,342	17.00%	3.20%

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2005
Historical Test 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:

Schedule C-37

O & M BENCHMARK COMPARISON BY FUNCTION

Page__1_of_1__

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONCOSIDATED ELECTRIC DIVISION
DOCKET NO.:070304-EI

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

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	7,707,550	0	7,707,550	6,107,959		7,983,713	(276,163)	0	(276,163)

N/A - NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule C-38

O & 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 12/31/2005
Historical Test 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 & 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	33,093,918		(26,985,959)	6,107,959 (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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

	Total Customers			Average CPI-U (1967 = 100)			
Year	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	Inflation and Growth 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 & M BENCHMARK VARIANCE BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIADTED 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:

Schedule C-42

HEDGING COSTS

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:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Year Base Rates	Year Clause	Test Year 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:

Schedule C-43 SECURITY COSTS Page___of___

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 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Year Base Rates	Year Clauses	Test Year Base Rates	Test Year 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

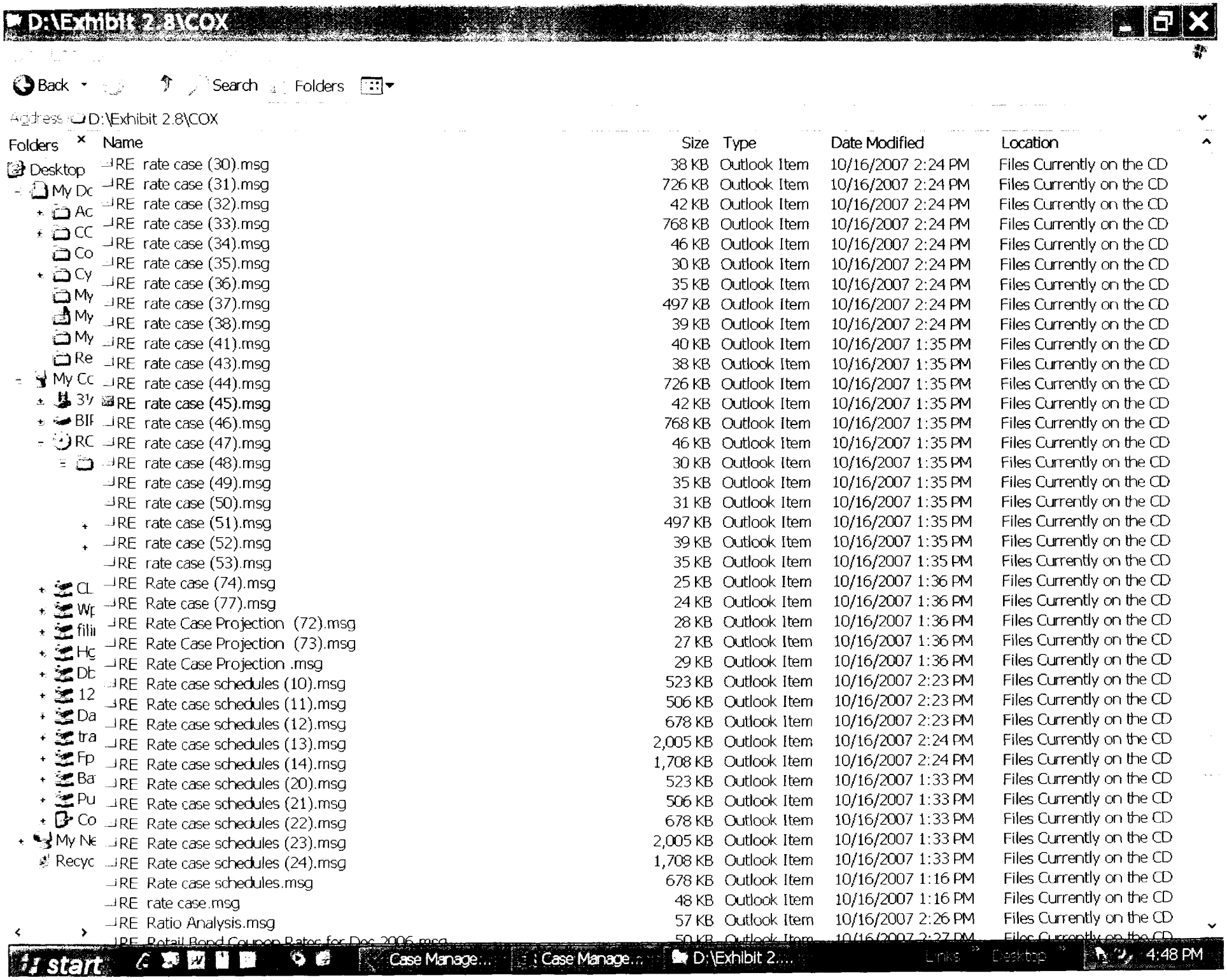
EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2005
Historical Test Year Ended 12/31/2006
Witness: Doreen Cox

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%	1
6.	State Income Tax Rate	5.5000%	1.0352795
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%	1.0955339
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:


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Case Manage...
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4:48 PM

Clara Leider

From: Robert Camfield [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

Categories: Elec 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

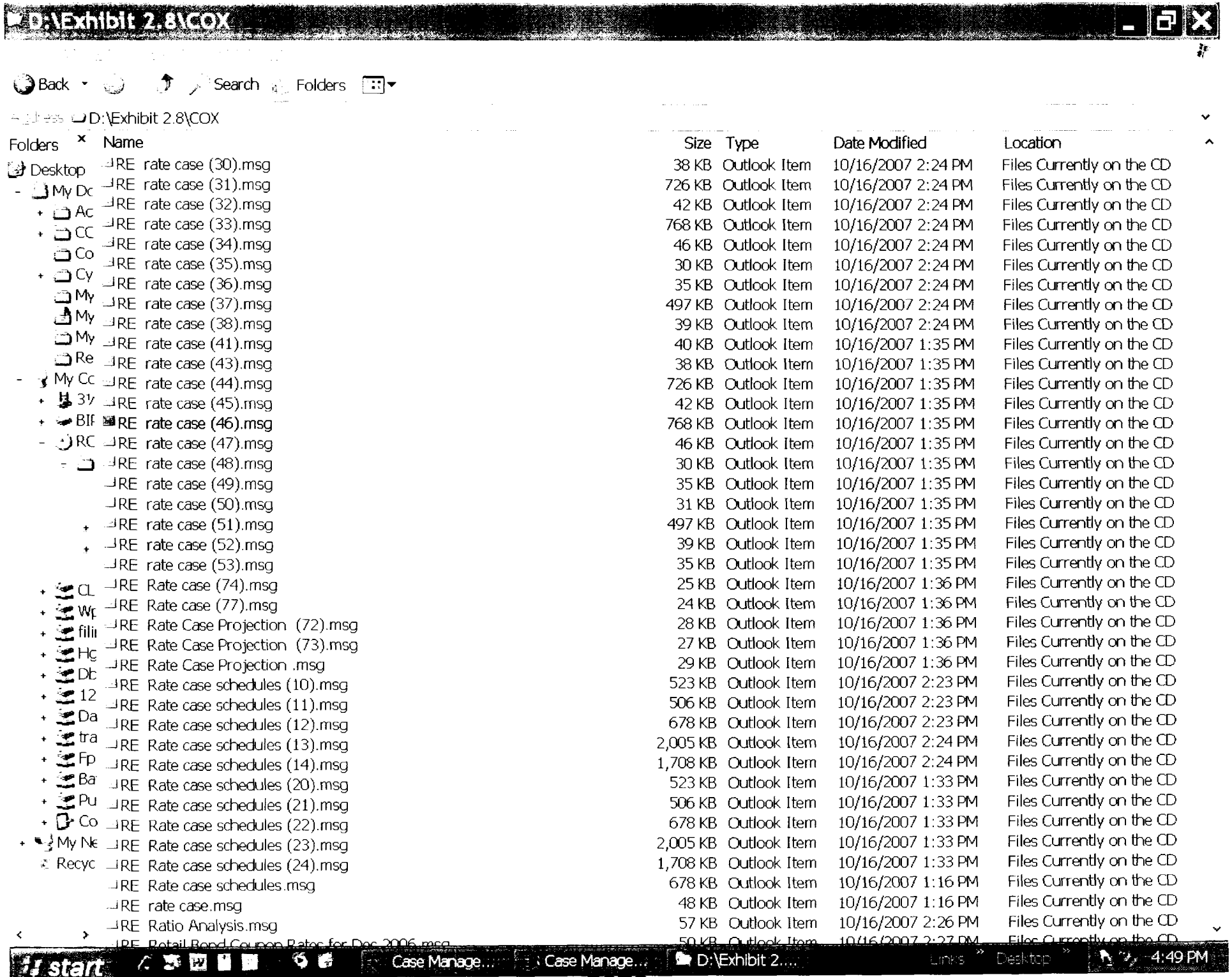
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725


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RE Rate Case Projection .msg 29 KB Outlook Item 10/16/2007 1:36 PM Files Currently on the CD
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RE Rate case schedules (12).msg 678 KB Outlook Item 10/16/2007 2:23 PM Files Currently on the CD
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start
Case Manage...
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Links
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4:49 PM

Clara Leider

From: Robert Camfield [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

Categories: Elec Rate Case
Attachments: D's 06-07_A DC,RC.xls



D's 06-07_A DC,RC.xls

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

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page 1 of 3

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:

____ 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
	Regulatory Capital Structure, 2006										
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	10.50%	3.88%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.61%	0.37%	141,233
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		7.73%	1,442,535

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2006				
10.	Long Term Debt	50,443,237	0.5080	8.02%	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%

Common Equity excludes Flo-Gas

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
					Regulatory Capital Structure, 2007						
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
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.02%	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

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

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

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	Interest Expense
					Regulatory Capital Structure, 2008						
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
		Conventional Capital Structure, 2008			
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:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

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:

Schedule D-2 COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test Year Ended 12/31/06
Witness: Doreen Cox, Consultant

Line No.	Class of Capital	2002 Year Amount (000)	2002 Year Percent of Total	2003 Year Amount (000)	2003 Year Percent of Total	2004 Year Amount (000)	2004 Year Percent of Total	2005 Year Amount (000)	2005 Year Percent of Total	2006 Year Amount (000)	2006 Year 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%
		101,033,000	100.000%	94,795,000	100.000%	100,176,000	100.000%	106,281,000	100.000%	102,340,000	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:

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

	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%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

	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

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:

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

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10.													
11.													
12.		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13.													
14.													
15.													
16.													
17.													
18.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1.	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	**$0**	$180,273	30	**$7,211**	$957,000	$964,211	N/A	$42,066
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	**$0**	$97,070	30	**$3,883**	$551,650	$555,533	N/A	$22,649
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	**$0**	**$121,967**	30	**$4,066**	$726,400	$730,466	N/A	$61,002
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	**$0**	$1,208,670	30	**$40,289**	$1,027,500	$1,067,789	N/A	$977,008
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	**$0**	**$805,956**	30	**$26,865**	$686,000	$712,865	N/A	$653,854
10.													
11.													
12.			Loss on Re-acquired Debt				**$548,516**		**$18,288**	$0	**$18,288**		**$199,599**
13.													
14.													
15.													
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08
____ Prior Year Ended 12/31/07
____ Historical Test 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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:

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

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
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

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For 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				$2,136,661				
	12 Month Total					$87,988	$47,271	$135,259	
	Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6)				6.32%				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:

____ Prior Year Ended 12/31/07

Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1.	December, '06	1,590,029	732,198		2,322,227	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				$2,637,518				
	12 Month Total					$109,434	$58,793	$168,227	

Effective Interest Rate
12 Month Interest
Expense (9) divided
by Total Deposits (6) 6.32%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:
____ Projected Test Year Ended 12/31/08

Witness: Doreen Cox, Robert Camfield

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				$2,948,763				
	12 Month Total					$121,577	$65,316	$186,893	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6): 6.32%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:

Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2.	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

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Robert Camfield

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)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year **0.732%**

Year 2006 **<<<<<<<<<ACTUALS >>>>>>>>>**

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 **:<<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>**

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 **<<<<<<<<< PROJECTED >>>>>>>>>**

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

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

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	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 PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

2006

Line Ref		Notes		Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
	Florida Public Utilities:		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		L27-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	50,443,237
51	**Short Term Debt**		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	**Customer Deposits**	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		-L15+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**		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32-L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	**TAX CREDITS-ZERO CST**	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electnc 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%

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line Ref	Florida Public Utilities:	Notes	Acct.#	<<<<<<<<< ACTUALS >>>>>>>>> Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	<<<<<<<<<<<< PROJECTED >>>>>>>>>>>> Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
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	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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		L28	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+L27+L23+L24+L25+L36+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		+L19+L21+L23+L24+L25+L26	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	+L35	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%	55%	56%	58%	58%	58%	58%	59%	59%	57%	
	Equity			43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort	
$14M	$	2,239		
$15M	$	3,357		
$10M	$	601		
$5.5M	$	324		
$8M	$	339	$ 6,860	
$5M	$	1,524	$ 1,524	
			$ 8,384	

Loss on Reacquired Debt

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

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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	4,189	923	900	398	472	177	90	238	128	(32)	161	449	265
	FPU	4,013	772	709	318	418	207	110	291	195	57	200	433	303
	FLO-GAS	156	151	191	80	54	(30)	(20)	(53)	(67)	(89)	(39)	16	(38)
			Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007
Revised Budget	2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463
(671,194)	FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371
(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92

FPU RETAINED EARNINGS 2007	Note		Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS																
B/F			2,388,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,388,526	
NET INCOME			85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2				(2,000,000)										(2,000,000)	
BAL C/F			2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS																
B/F			35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME			706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	138,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F			35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
	0															
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,246	50,648	59,208	29,550	14,891	20,550	23,380	18,019	19,954	37,824	55,247	490,000

	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	
Financials	35,919,703	36,564,911	36,356,371										
	2	4	7										

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	<<<<<<<<< PROJECTED >>>>>>>>> Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth 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**	**11,162,196**	**11,167,433**	**11,167,433**	**11,167,433**	**10,293,196**	Cash Flow Proj Equity Off (June)
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Constant
21	**Premium On Comm. Stk**	2	**2070**	**5,455,611**	**5,411,111**	**5,411,111**	**5,411,111**	**5,366,611**	**5,366,611**	**18,491,611**	**18,447,111**	**18,447,111**	**18,447,111**	**18,402,611**	**18,402,611**	**18,402,611**	**12,420,226**	Qtrly increase of $44,500 & Equity Off in .
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	**Misc Paid in Capital**		**2110**	**802,472**	**715,354**	**715,354**	**734,985**	**734,985**	**721,979**	**721,621**	**641,327**	**641,327**	**669,699**	**669,699**	**669,699**	**688,617**	**702,086**	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	**Capital Stock Expense**		**2140**	**428,441**	**428,441**	**428,441**	**428,441**	**428,441**	**428,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**1,328,441**	**913,056**	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	**1st Mortgage Bonds**	1	**2210**	**52,500,000**	**52,500,000**	**52,500,000**	**52,500,000**	**52,500,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,091,000**	**51,632,923**	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	**Notes Payable**		**2310**	**12,160,000**	**11,660,000**	**10,460,000**	**9,760,000**	**10,960,000**	**13,260,000**	**260,000**	**660,000**	**260,000**	**660,000**	**2,160,000**	**5,560,000**	**5,860,000**	**6,436,923**	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	**Electric only**	**2550**	**95,417**	**93,175**	**90,933**	**88,691**	**86,449**	**84,207**	**81,965**	**79,723**	**77,481**	**75,239**	**72,997**	**70,755**	**68,513**	**81,965**	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 Included above**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			**0**													**0**	
36																		
37				**0**														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co.**	**Zeroed**	**1230**	**0**													**0**	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		**2010**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	**NOI based on Est 3% Inc**
43	**Comprehensive Income**		**2190**	**265,667**	**265,667**	**265,667**	**226,002**	**226,002**	**226,002**	**186,337**	**186,337**	**186,337**	**146,672**	**146,672**	**146,672**	**107,007**	**198,542**	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	**Zeroed**	**2550**	**0**													**0**	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	**Zeroed**	**0**	**0**													**0**	
48				0														
49	**Consolidated:**		**Line Reference**	**0**														
50	Long Term Debt		L27-L16	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		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+L19+L21+L23+L24-L25-L26-L39-L41-L424-43	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**		+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+L324.33	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**	+L36	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	**TOTAL INCL FLO-GAS EQUITY**			**120,876,557**	**121,090,655**	**121,404,880**	**120,557,642**	**122,259,019**	**123,389,413**	**123,833,891**	**124,578,872**	**124,415,598**	**124,301,502**	**126,000,647**	**129,822,895**	**129,905,783**	**124,033,643**	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	**TOTAL LTD,STD,EQUITY**			**112,312,174**	**112,736,998**	**112,287,006**	**111,438,888**	**113,127,590**	**114,257,203**	**114,662,484**	**115,366,866**	**115,187,755**	**114,964,305**	**116,654,392**	**120,469,556**	**120,549,012**	**114,924,172**	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt Equity Ratio																	
	Debt			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
$5.5M	$	500,000
	$	1,409,000

2 Projected Equity Offering June 2008 $ 15 M

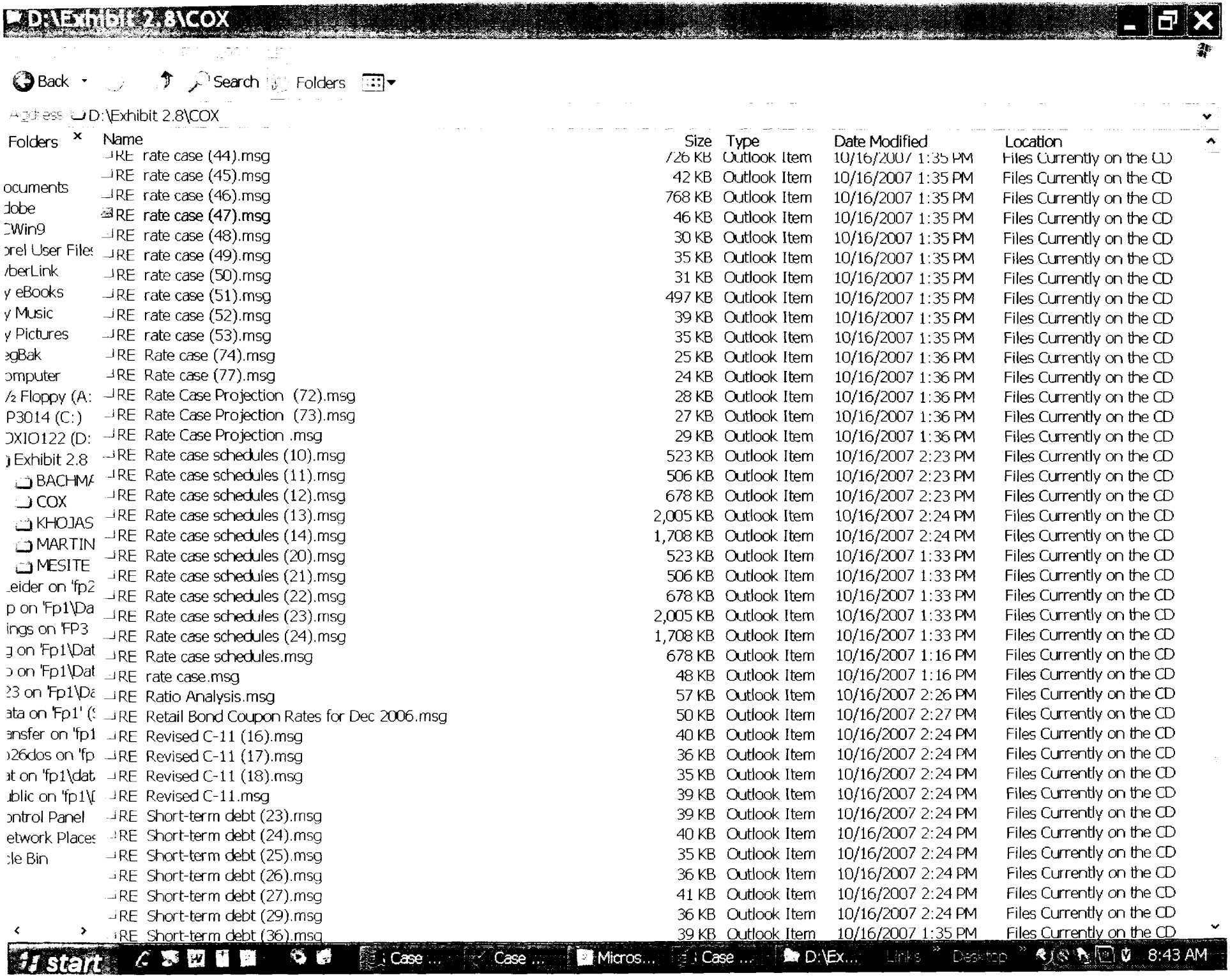
Assumptions
RETAINED EARNINGS 1.03
Annual Profit Margin Projected Increase

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	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
		FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
		2008	3,995	728	664	459	460	148	102	141	165	140	180	330	477	
		FPU	3,390	640	535	350	410	142	103	142	162	125	138	262	382	
	(1,000,000)	FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	

FPU RETAINED EARNINGS 2008				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
NET INCOME		FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Flo-Gas Dividend						1,000,000										1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									279,617	
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283

FLO-GAS RETAINED EARNINGS																	
B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND						(1,000,000)										(1,000,000)	
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)

CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case				0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306
			Effective														
Projected Rate Relief		1,000,000	May-08	~~188,886~~	~~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~~	~~14,889~~	~~20,547~~	~~23,376~~	~~18,016~~	~~19,951~~	~~37,818~~	~~55,239~~	490,000	
			112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	


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Folders
Address D:\Exhibit 2.8\COX
Folders
Name
Size
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Date Modified
Location
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RE Rate case schedules (14).msg 1,708 KB Outlook Item 10/16/2007 2:24 PM Files Currently on the CD
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RE Retail Bond Coupon Rates for Dec 2006.msg 50 KB Outlook Item 10/16/2007 2:27 PM Files Currently on the CD
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8:43 AM

Clara Leider

From: Cox Doreen
Sent: Monday, July 02, 2007 9:20 AM
To: Cox Doreen; Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Khojasteh Mehrdad
Subject: RE: rate case

Categories: Elec Rate Case

Robert
I'm making changes and updating some of the Schedules. I'm also reconciling to the Surveillance Report for 2006 where possible and will forward to you with changes highlighted for your review.
Thanks
Doreen

-----Original Message-----
From: Cox Doreen
Sent: Thursday, June 28, 2007 6:29 PM
To: 'Robert Camfield'
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

The 8.02% is our actual 13 mth average cost of LT Debt for 2006. For 2006 the cost rates are based on actuals and need to reflect our Surveillance Report Mid-point average cost rate as at Dec 2006. I have attached an extract from our Surveillance Report to show the basis for the 8.02%, tab "ROR-Debt". For 2006 all the cost rates should be the 13 month average as per the Surveillance Report tab "Sch 4".

For interim we will need to use the low-point cost rates.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Will make the changes. Can't fitgure out why the L-T Debt is 8.02, but OK. Let's discuss.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/28/2007 2:18 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Robert
Please find comments relating to the D-1as below:

Schedule D-1a

1 Common Equity - Please exclude Flo-Gas (should be referencing Line 55 on COC Components Worksheet)

2 Column F - should total to be Electric's Adjusted Rate Base which you would get from Jim. Jim's adjusted Rate Base for Electric is now showing $38,045,041 for 2006.

3 Please add the Interest Expense calculation column to the right of the Worksheet.

4 For 2006 historical please use the Actual Cost Rates (Mid-Point Average) as per Surveillance Report. LT Debt should be 8.02% ST Debt 3.28% etc..

5 2008 - change heading "PRIOR YEAR 2007" to "TEST YEAR 2008".

6 Not sure how we are arriving at the projected cost rates, but will look more closely at that later.

Robert, I will continue reviewing the other schedules but thought I would send this ahead as Mehrdad needs the interest expense calculation for his tax computation.
Thanks
Doreen
(561) 838-1797

-----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

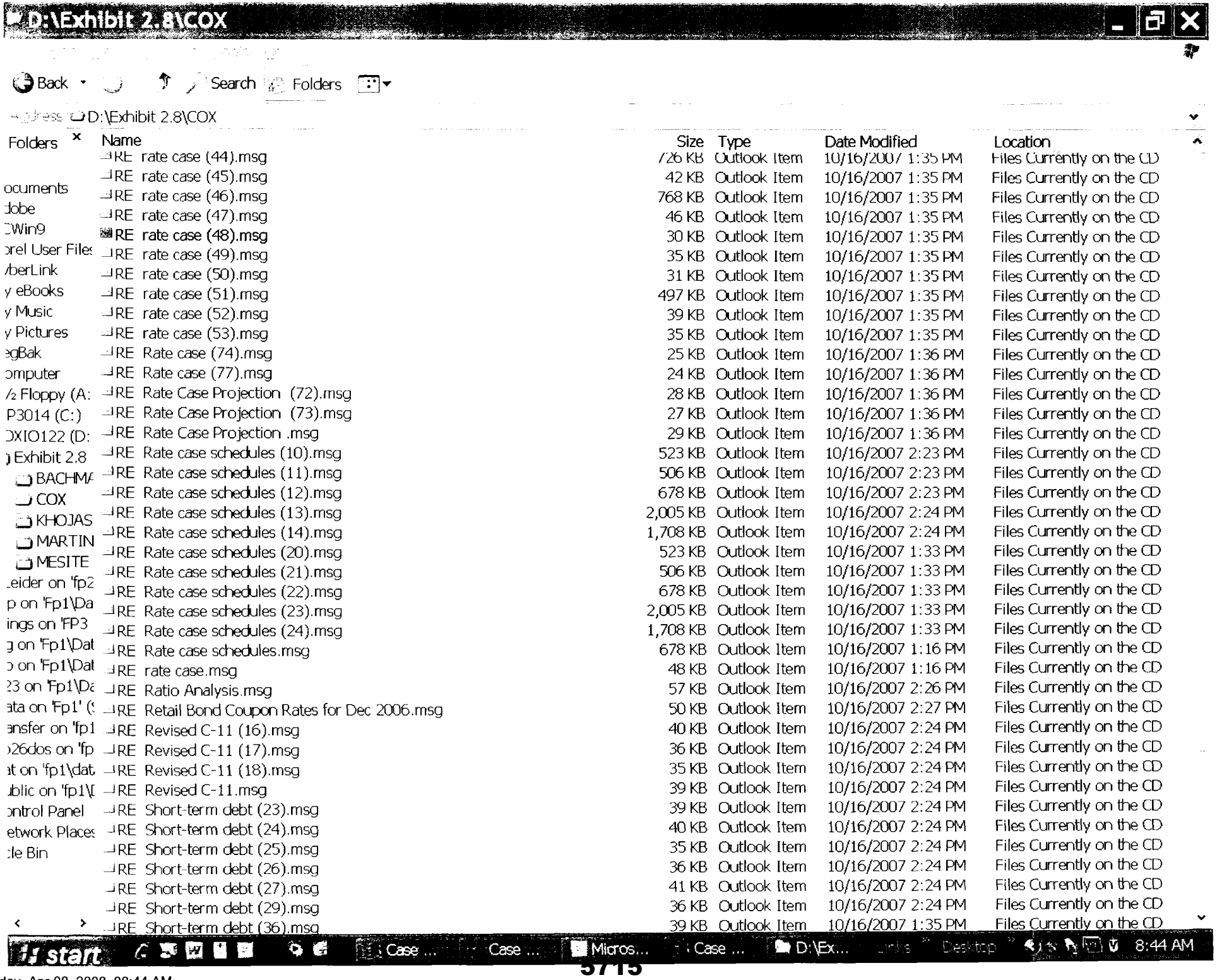
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Tuesday, Apr 08, 2008 08:44 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Friday, June 29, 2007 12:04 PM
To: Cox Doreen
Subject: RE: rate case

Categories: Elec Rate Case

Thanks, Doreen. Robert

-----Original Message-----
From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thursday, June 28, 2007 5:29 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

The 8.02% is our actual 13 mth average cost of LT Debt for 2006. For 2006 the cost rates are based on actuals and need to reflect our Surveillance Report Mid-point average cost rate as at Dec 2006. I have attached an extract from our Surveillance Report to show the basis for the 8.02%, tab "ROR-Debt". For 2006 all the cost rates should be the 13 month average as per the Surveillance Report tab "Sch 4".

For interim we will need to use the low-point cost rates.
Doreen

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Will make the changes. Can't fitgure out why the L-T Debt is 8.02, but OK. Let's discuss.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Thu 6/28/2007 2:18 PM
To: Robert Camfield
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Robert
Please find comments relating to the D-1as below:

Schedule D-1a
1 Common Equity - Please exclude Flo-Gas (should be referencing Line 55 on COC Components Worksheet)
2 Column F - should total to be Electric's Adjusted Rate Base which you would get from Jim. Jim's adjusted Rate Base for Electric is now showing $38,045,041 for 2006.
3 Please add the Interest Expense calculation column to the right of the Worksheet.

4 For 2006 historical please use the Actual Cost Rates (Mid-Point Average) as per Surveillance Report. LT Debt should be 8.02% ST Debt 3.28% etc..

5 2008 - change heading "PRIOR YEAR 2007" to "TEST YEAR 2008".

6 Not sure how we are arriving at the projected cost rates, but will look more closely at that later.

Robert, I will continue reviewing the other schedules but thought I would send this ahead as Mehrdad needs the interest expense calculation for his tax computation.
Thanks
Doreen
(561) 838-1797

-----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

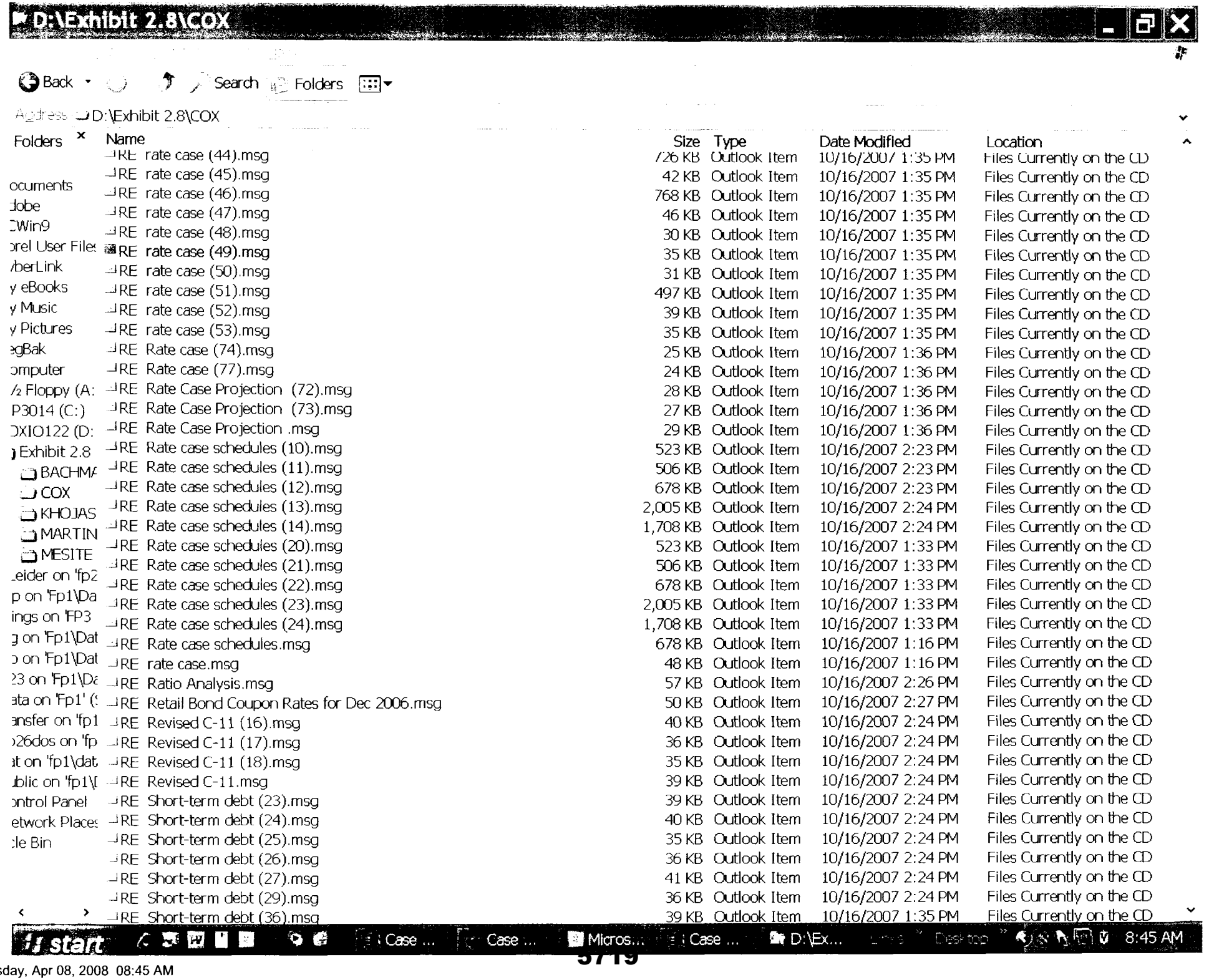
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Tuesday, Apr 08, 2008 08:45 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 5:34 PM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh; Mesite Jim
Subject: RE: rate case

Categories: Elec Rate Case

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Doreen
(561) 838-1797

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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

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Subject: rate case

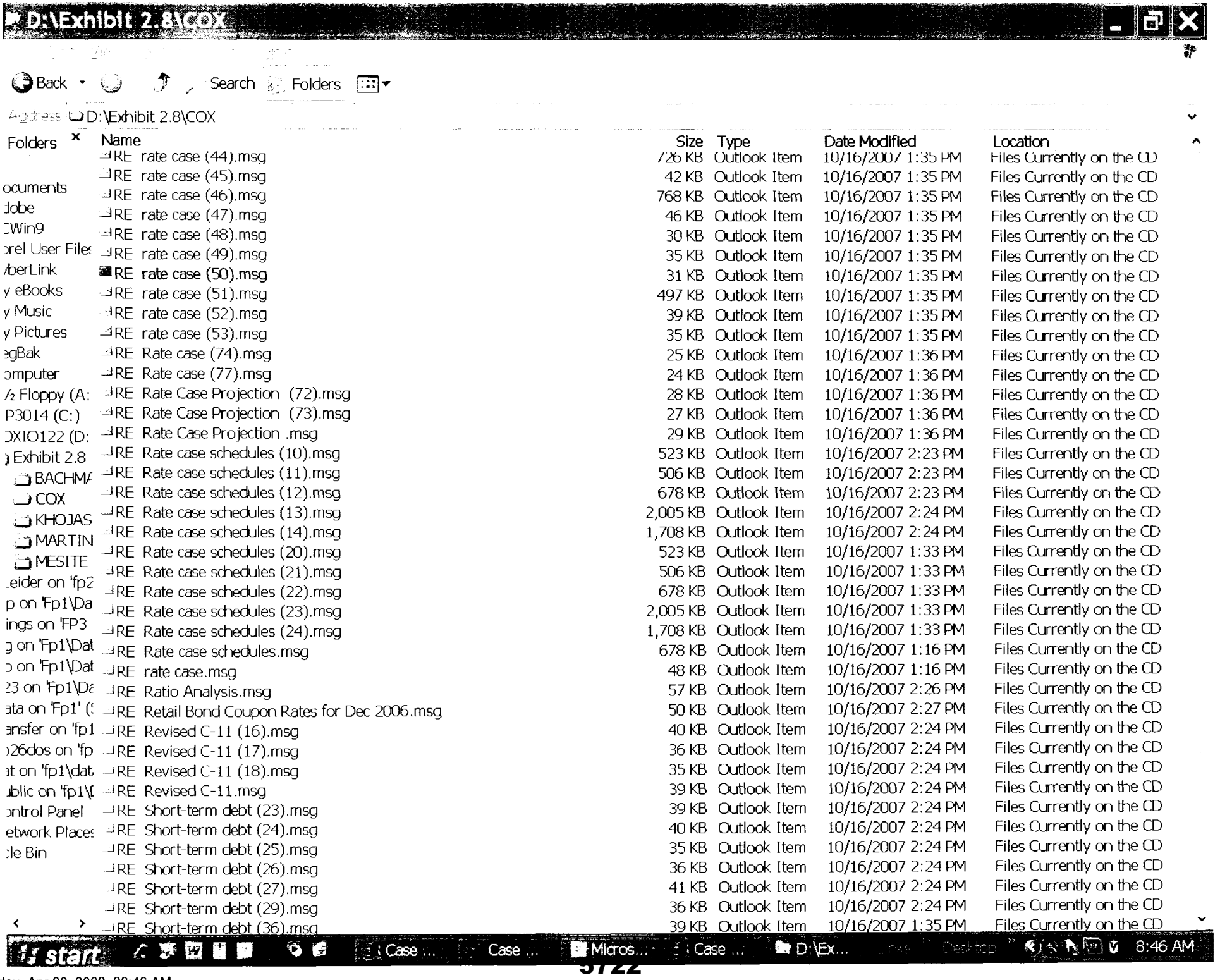
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Tuesday, Apr 08, 2008 08:46 AM

Clara Leider

From: Mesite Jim
Sent: Thursday, June 28, 2007 10:24 AM
To: Martin Cheryl
Cc: Cox Doreen
Subject: RE: rate case
Follow Up Flag: Follow up
Flag Status: Completed
Categories: Elec Rate Case

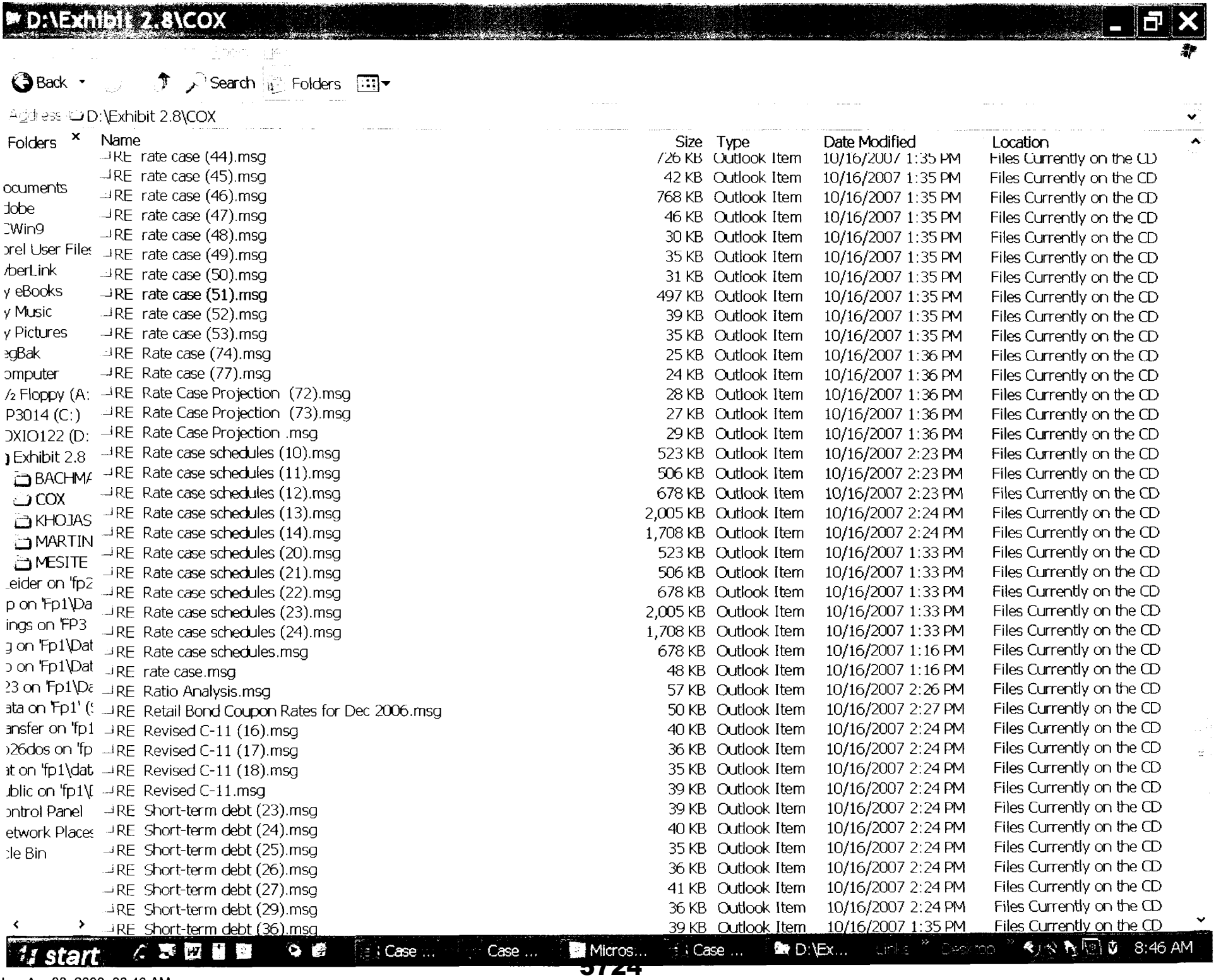
Correct. Yes. The Flo-Gas equity items are not included in the cost of capital.

Thanks,
Jim
tel.561.838.1733
fax.561.366.1533

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



Tuesday, Apr 08, 2008 08:46 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Thursday, June 28, 2007 8:42 AM
To: Cox Doreen
Cc: Martin Cheryl; Mike Welsh
Subject: RE: rate case

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Elec Rate Case
Attachments: D's, 06-07_A.xls

D's, 06-07_A.xls

Doreen,

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Subject: rate case

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Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

HISTORICAL YEAR, 2006

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
					Regulatory Capital Structure, 2006					
1.	Long Term Debt	50,443,237			50,443,237	0.5541	27,950,598	0.4357	7.99%	3.48%
2.	Short Term Debt	3,309,077			3,309,077	0.5541	1,833,560	0.0286	6.03%	0.17%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0052	4.75%	0.02%
4.	Common Equity	47,448,660			47,448,660	0.5541	26,291,302	0.4098	11.50%	4.71%
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0333	6.32%	0.21%
6.	Deferred Income Taxes	5,468,122			5,468,122		5,468,122	0.0852	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	0.0022	9.54%	0.02%
9.	TOTAL	109,546,877					64,153,823	1.0000		8.62%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2006			
10.	Long Term Debt	50,443,237	0.4955	7.99%	3.96%
11.	Short Term Debt	3,309,077	0.0325	6.03%	0.20%
12.	Preferred Stock	600,000	0.0059	4.75%	0.03%
13.	Common Equity	47,448,660	0.4661	11.50%	5.36%
14.	TOTAL	101,800,974	1.0000		9.54%

Recap Schedules:

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2007					
1.	Long Term Debt	50,543,842			50,543,842	0.5541	28,006,343	0.4142	7.97%	3.30%
2.	Short Term Debt	5,729,846			5,729,846	0.5541	3,174,908	0.0470	6.02%	0.28%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0049	4.75%	0.02%
4.	Common Equity	48,986,700			48,986,700	0.5541	27,143,530	0.4015	11.50%	4.62%
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0390	6.32%	0.25%
6.	Deferred Income Taxes	6,204,905			6,204,905		6,204,905	0.0918	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	0.0016	9.48%	0.02%
9.	TOTAL	114,813,001					67,609,854	1.0000		8.49%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4775	7.97%	3.81%
11.	Short Term Debt	5,729,846	0.0541	6.02%	0.33%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	48,986,700	0.4627	11.50%	5.32%
14.	TOTAL	105,860,388	1.0000		9.48%

Recap Schedules:

Schedule D-1a | COST OF CAPITAL - 13-MONTH AVERAGE | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

PRIOR YEAR, 2007

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
					Regulatory Capital Structure, 2008					
1.	Long Term Debt	49,777,370			49,777,370	0.5541	27,581,641	0.3750	7.93%	2.97%
2.	Short Term Debt	6,436,923			6,436,923	0.5541	3,566,699	0.0485	6.03%	0.29%
3.	Preferred Stock	600,000			600,000	0.5541	332,460	0.0045	4.75%	0.02%
4.	Common Equity	58,109,878			58,109,878	0.5541	32,198,684	0.4377	11.50%	5.03%
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0401	6.32%	0.25%
6.	Deferred Income Taxes	6,846,164			6,846,164		6,846,164	0.0931	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	0.0011	9.61%	0.01%
9.	TOTAL	124,801,064					73,556,376	1.0000		8.58%

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4331	7.93%	3.43%
11.	Short Term Debt	6,436,923	0.0560	6.03%	0.34%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	58,109,878	0.5056	11.50%	5.81%
14.	TOTAL	114,924,172	1.0000		9.61%

Recap Schedules:

Schedule D-1b | COST OF CAPITAL - ADJUSTMENTS | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

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 ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

COMPANY:

DOCKET NO.:

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:

Schedule D-2 COST OF CAPITAL - 5 YEAR HISTORY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 Ende
____ Prior Year Ended ___/___
____ Historical Test Year Ende
Witness: Doreen Cox, Consulta

Line No.	Class of Capital	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total	Year Amount (000)	Year Percent of Total

Schedule D-3 SHORT-TERM DEBT Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
____ Projected Test Year Ended ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

	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, 2006	6.03%	$199,537	########	6.03%
			For Prior Year 2007		
2007	July, 2008	6.02%	$491,894	########	6.02%

Supporting Schedules:

Recap Schedules:

Schedule D-3 SHORT-TERM DEBT Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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Type of Data Shown:
____ Projected Test Year Ended ___/___/_
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/_
Witness: Doreen Cox, Consultant

	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		
2006	July, 2008	6.03%	$388,146	########	6.03%

Supporting Schedules: Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$903,467	$910,678	N/A	$36,057
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	N/A	$97,070	30	$3,883	$520,788	$524,671	N/A	$19,413
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$57,275
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$926,647
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	816,161
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$51,632,923		$2,413,144		$82,279	$3,864,155	$3,946,434	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.													
	Debt Service a (12) / Net				7.9282%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$50,478
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$27,179
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$65,409
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,007,225
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	906,471
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.													
	Debt Service a (12) / Net				7.9908%								

Supporting Schedules:

Recap Schedules:

Schedule D-4a | LONG-TERM DEBT OUTSTANDING | Page ___ of ___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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 ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

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	N/A	$180,273	30	$7,211	$957,000	$964,211	N/A	$43,268
2.													
3.	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	N/A	$97,070	30	$3,883	$551,650	$555,533	N/A	$23,296
4.													
5.	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	N/A	$122,348	30	$4,067	$726,400	$730,467	N/A	$61,342
6.													
7.	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	N/A	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$966,936
8.													
9.	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	N/A	$804,783	30	$26,829	$686,000	$712,829	N/A	861,316
10.													
11.			Total	$52,500,000									
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				$52,500,000		$2,413,144		$82,279	$3,948,550	$4,030,829	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.													
	Debt Service a (12) / Net				7.9749%								

Supporting Schedules: | Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

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.

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
____ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historical Test Year 2006							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.												
9.												
10.												
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules: Recap Schedules:

Schedule D-5 PREFERRED STOCK OUTSTANDING Page __ of __

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
___ Projected Test Year Ended ___/___/___
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Doreen Cox, Consultant

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Test Year 2008							
1.	4.75% Cumulati	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.												
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:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$25,701,225	$87,988	$47,271	$135,259	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$31,965,513	$109,434	$58,793	$168,227	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

Schedule D-6 CUSTOMER DEPOSITS Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, 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, Consultant

(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			$					
	12 Month Total				$35,512,498	$121,577	$65,316	$186,893	

Effective Interest Rate 12 Month Interest Expense (9) divided by Total Deposits (6) 6.32%

Supporting Schedules: Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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:
____ Projected Test Year Ended ___/___/__
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/__
Witness: Doreen Cox, Consultant

Line No.		_____ Year	_____ Year	_____ Year	_____ Year	_____ Year
1.	Pre-tax Interest Coverage Ratio (x)					
2.	Earned Returns on Average Book Equity (%)					
3.	Book Value/Share ($)					
4.	Dividends/Share ($)					
5.	Earnings/Share ($)					
6.	Market Value/Share ($)					
7.	Market/Book Ratio (%)					
8.	Price/Earning Ratio (6) / (5)					

Schedule D-9 FINANCIAL INDICATORS - SUMMARY Page___of___

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

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, Consultant

Line No.	Indicator	Historic Base Year	Prior Year	Test Year Current Rates	Test Year Proposed Rates
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges				
	Excluding AFUDC in Income Before Interest Charges				
	AFUDC as a percent of Income Available for Common				
	Percent of Construction Funds Generated Internally				
	Fixed Charges:				
	Interest				
	Lease Payments				
	Sinking Funds Payments				
	Tax on Sinking Fund Payments				
	Ratio of Earnings to Fixed Charges				
	Including AFUDC				
	Excluding AFUDC				

Supporting Schedules: Recap Schedules:

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	<<<<<<<<<ACTUALS >>>>>>>>> May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE	
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763	
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,043,453	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 & 2830	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531	
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	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942	
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	1,900	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	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
44	INV TAX CREDIT	Zeroed	2,550	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
47																		
48																		
49	**Consolidated:**		Line Reference															Consolidated:
50	Long Term Debt		L27-L48	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	Long Term Debt
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	Short Term Debt
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	Preferred Stock
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	Customer Deposits
54	Common Equity		L15+L16+L21+L23+L24+L25+L26+L39+L41+L42+L36	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	Common Equity
55	Common Equity-Excl Flo-Gas		+L15+L21+L23+L24+L25+L26+L36	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	45,185,765	44,935,779	Common Equity-Excl Flo-Gas
56	Deferred Income Taxes	Electric only	L17+L32+L33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122	Deferred Income Taxes
57	Tax Credits-Zero Cost	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Tax Credits-Zero Cost
58	Tax Credits-Weighted Cost	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	Tax Credits-Weighted Cost
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877	0
60																		0
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	TOTAL LTD,STD,EQUITY
	Debt/Equity Ratio																	
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%	
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%	

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line 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	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	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 & 2830	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36	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
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	**Customer Deposits**	**Zeroed**	2350	0													0	
44	INV TAX CREDIT	Zeroed	2550	0													0	
45	**ACCUM DEF TAXES**	**Zeroed**	2820	0													0	
46	3% INV TAX CRED	Zeroed	0	0													0	
47																		
48																		
49	**Consolidated:**		**Line Reference**															
50	Long Term Debt		L27-L35	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	1,915,000	8,415,000	10,115,000	10,715,000	10,615,000	11,115,000	11,415,000	14,515,000	15,515,000	8,171,000	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		-L15+L19+L21+L23+L24+L25+L26+L39+L41+L42+L36	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**		+L19+L21+L23+L24+L25+L26+L36	45,185,765	46,013,684	46,532,412	48,253,672	48,611,824	48,789,800	48,212,101	48,463,056	48,620,056	48,091,331	48,186,068	48,477,892	47,982,972	47,801,587	
56	DEFERRED INC TAXES	Electric only	-L17+L32+L33	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
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	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				110,468,638	111,895,744	110,770,763	110,772,393	111,487,076	118,186,847	119,364,210	120,262,981	120,351,907	120,466,645	120,913,803	124,381,640	124,981,369	117,254,155	
60																		
61	TOTAL LTD,STD,EQUITY			102,131,831	103,552,051	102,484,643	102,292,416	102,407,956	109,100,316	110,230,000	111,088,339	111,156,723	111,151,382	111,595,502	115,061,710	115,667,174	108,301,542	
	Debt/Equity Ratio																	
	Debt			57%	57%	56%	56%	56%	58%	59%	59%	59%	59%	59%	60%	61%	58%	
	Equity			43%	43%	44%	44%	44%	42%	41%	41%	41%	41%	41%	40%	39%	42%	

1 Unamortized Debt Discount

			Mthly Amort
$14M	$	2,239	
$15M	$	3,357	
$10M	$	601	
$5.5M	$	324	
$8M	$	339	$ 6,860
$5M	$	1,524	$ 1,524
			$ 8,384

Loss on Reacquired Debt

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

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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	320	463
(671,194)	**FPU**	**3,291**	621	519	340	398	138	100	138	157	121	134	254	371
(1,999,469)	**FLO-GAS**	**588**	86	126	106	49	6	(1)	(1)	3	15	41	66	92

FPU RETAINED EARNINGS 2007	Note		**Jan 2007**	**Feb 2007**	**Mar 2007**	**Apr 2007**	**May 2007**	**Jun 2007**	**Jul 2007**	**Aug 2007**	**Sep 2007**	**Oct 2007**	**Nov 2007**	**Dec 2007**	
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619
NET INCOME		**FPU**	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)
Flo-Gas Dividend	2				2,000,000										2,000,000
Projected Interim Rate Relief													37,824	55,247	93,071
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425

FLO-GAS RETAINED EARNINGS															
B/F			2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526
NET INCOME			85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531
DIVIDEND	2				(2,000,000)										(2,000,000)
BAL C/F			2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057

CONSOLIDATED PROJECTED RETAINED EARNINGS															
B/F			35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145
NET INCOME			706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)
Common Dividend			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)
BALANCE C/F			35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411
0															
Projected Interim Rate Relief:	Ann NOI	**490,000**	Nov-07	**92,423**	**77,246**	**50,648**	**59,268**	**20,550**	**14,891**	**20,550**	**23,380**	**18,019**	**19,954**	37,824	55,247	490,000

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
				-2056762.71	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

			Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006		13 mth AVERAGE
Month End Balance			2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227		2,136,661
Interest																	
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%

2007 :<<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	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%

2008 <<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	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
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	<<<<<<<<<ACTUALS >>>>>>>>> Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX 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	6,296,586	6,217,730	6,249,644	6,196,512	6,160,626	6,237,536	6,404,977	6,366,957	6,348,901	7,032,304	6,935,133	6,939,935	6,938,061	6,486,531
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		-L15+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		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32+L33	5,299,510	5,240,102	5,259,192	5,196,681	5,148,726	5,216,804	5,374,972	5,327,559	5,311,612	6,001,352	5,903,617	5,915,850	5,889,608	5,468,122
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59				113,586,368	115,753,674	113,298,783	109,220,386	107,359,984	107,135,971	107,589,279	107,319,878	106,812,217	108,409,039	107,778,945	109,376,247	110,468,638	109,546,877
60																	
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
	Debt/Equity Ratio																
	Debt			60%	60%	58%	57%	55%	55%	56%	55%	55%	56%	56%	56%	57%	57%
	Equity			40%	40%	42%	43%	45%	45%	44%	45%	45%	44%	44%	44%	43%	43%

2007 Pg. 1 of 2

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

Line Ref	Florida Public Utilities:	Notes	Acct #	<<<<<<<<< ACTUALS >>>>>>>>> Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	<<<<<<<<<<<< PROJECTED >>>>>>>>>>>> Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	13 mth AVERAGE	Basis of Projection
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**	**1,157,843**	**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	2,637,518	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	6,938,061	6,957,308	6,885,410	6,782,922	7,493,903	7,477,336	7,499,284	7,517,213	7,509,997	7,610,014	7,595,156	7,579,348	7,565,200	7,339,319	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	**Electric only**	2830 Included above	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			**0**													**0**	
36																		
37																		
38	**Flo-Gas Corp.:**																	
39	**Investment in Assoc. Co.**	**Zeroed**	1230	**0**													**0**	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		2010	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	**Comprehensive Income**		2190	**103,245**	**103,245**	**103,245**	**79,110**	**79,110**	**79,110**	**53,463**	**53,463**	**53,463**	**28,571**	**28,571**	**28,571**	**265,667**	**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		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**	L30	**2,322,227**	**2,320,879**	**2,335,632**	**2,642,123**	**2,661,468**	**2,680,956**	**2,700,586**	**2,720,360**	**2,740,278**	**2,760,343**	**2,780,554**	**2,800,914**	**2,821,422**	**2,637,518**	
54	Common Equity		L15+L19+L21+L23+L24+L25+L26+L39+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**		+L19+L21+L23+L24+L25+L26	**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	5,889,608	5,900,316	5,830,452	5,720,280	6,302,539	6,292,925	6,323,435	6,346,555	6,349,641	6,452,117	6,437,406	6,421,138	6,397,357	6,204,905	
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	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				**110,468,638**	**111,895,744**	**110,770,763**	**110,772,393**	**112,692,076**	**111,231,847**	**111,409,210**	**117,207,981**	**117,196,907**	**117,411,645**	**118,158,803**	**121,726,640**	**121,626,369**	**114,813,001**	
60																		
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**	
	Debt/Equity Ratio																	
	Debt			57%	57%	56%	56%	56%	55%	56%	58%	58%	58%	59%	59%	60%	57%	
	Equity			43%	43%	44%	44%	44%	45%	44%	42%	42%	42%	41%	41%	40%	43%	

1 Unamortized Debt Discount

			Mthly Amort
	$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

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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	845	448	447	144	99	137	160	136	175	320	463	
	(671,194)	FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note		Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,860)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS															
B/F		2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME		85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2			(2,000,000)										(2,000,000)	
BAL C/F		2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS														
B/F		35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME		706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend		0	0	(647,860)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
0															
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,246	50,848	59,286	20,550	14,891	20,550	23,380	18,019	19,954	37,824	55,247	490,000

	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	
Financials	35,919,703	36,564,911	36,356,371										
	2	4	7										
			(3)										
			(4)										

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

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Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,167,843	1,144,089	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	7,565,200	7,312,365	8,190,816	8,171,562	8,165,096	8,149,812	8,171,745	8,191,535	8,185,194	8,272,414	8,259,297	8,244,936	8,232,081	8,085,542	2005 - 2007 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37				0														
38	Flo-Gas Corp.:			0														
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	Comprehensive Income		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48				0														
49	Consolidated:		Line Reference	0														
50	Long Term Debt		L27-L16	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		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+L19+L21+L23+L24-L25-L29-L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	Common Equity-Excl Flo-Gas		+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	6,397,357	6,168,276	6,934,011	6,914,571	6,908,374	6,893,327	6,915,475	6,935,134	6,931,825	7,019,921	7,007,560	6,995,450	6,978,855	6,846,164	
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				121,626,369	121,840,529	122,174,840	121,326,003	123,027,381	124,160,976	124,607,589	125,350,971	125,188,050	125,072,353	126,769,898	130,592,932	130,675,936	124,801,064	
60																		
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	
	Debt:Equity Ratio																	
	Debt			60%	59%	59%	58%	59%	59%	48%	48%	48%	48%	49%	50%	50%	53%	
	Equity			40%	41%	41%	42%	41%	41%	52%	52%	52%	52%	51%	50%	50%	47%	

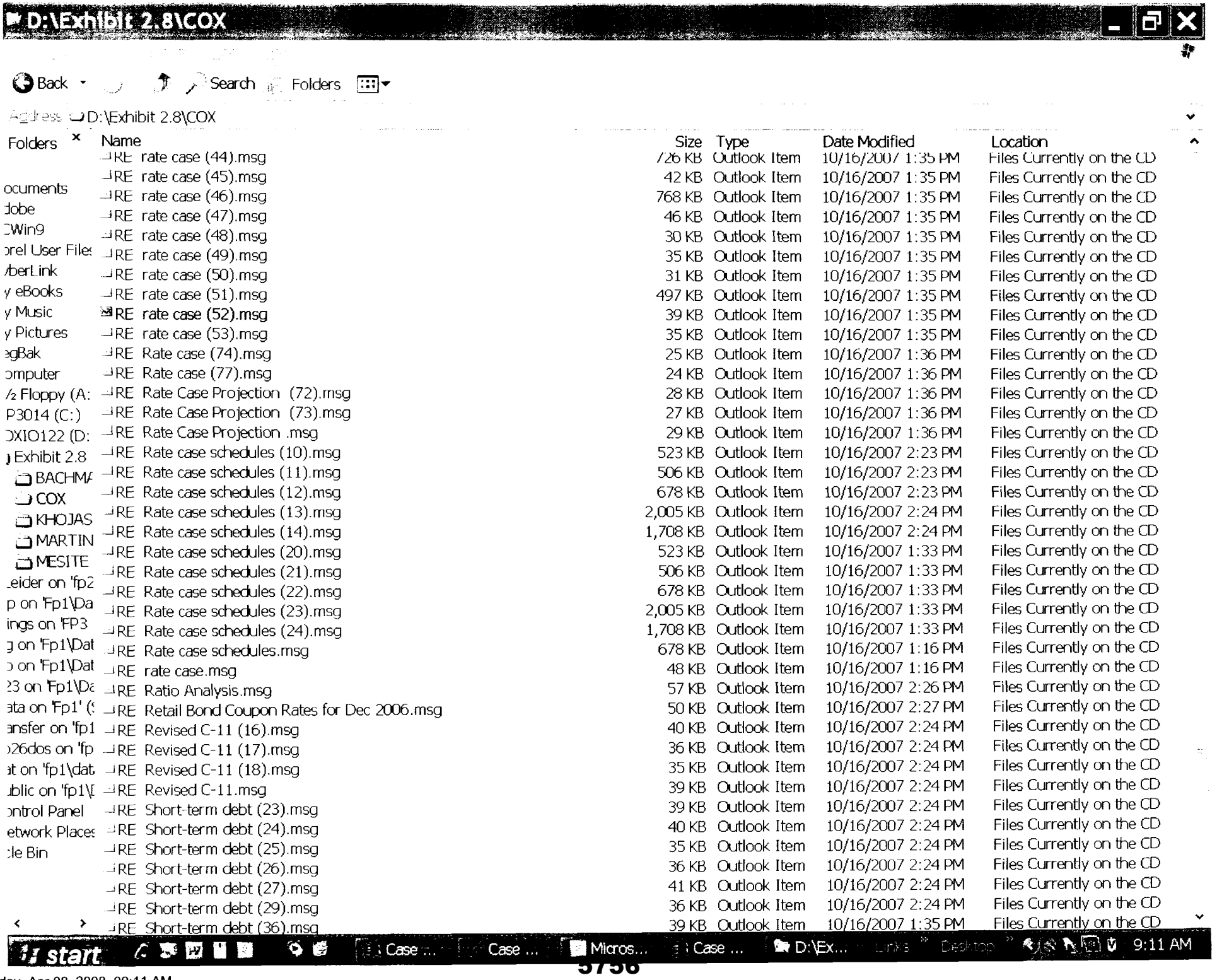
Notes
1 Sinking Fund Payments on LT Debt May 1, 2008 — $10M $ 909,000; $5.5M $ 500,000; $ 1,409,000

2 Projected Equity Offering June 2008 $ 15 M

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Assumptions
RETAINED EARNINGS 1.03
Annual Profit Margin Projected Increase

				TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)			2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
			FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
			FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
			2008	3,995	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	
	(1,000,000)		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	
FPU RETAINED EARNINGS 2008																	
B/F					Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
					35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425
NET INCOME			FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730
Preferred Dividend							(7,125)			(7,125)			(7,125)			(7,125)	(28,500)
Common Dividend					0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)
Flo-Gas Dividend							1,000,000										1,000,000
Projected Interim Rate Relief	Ann NOI			490,000	Nov-07	92,461	77,274	50,623	59,259								279,617
Projected NOI - Elec Rate Case	Annual			1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353
BALANCE C/F						36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283
FLO-GAS RETAINED EARNINGS																	
B/F						975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME						88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND								(1,000,000)										(1,000,000)	
BAL C/F						1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)
CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F						36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME						728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend						0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend						0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case						0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F						37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306
					Effective														
Projected Rate Relief				1,000,000	May-08	188,898	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Projected Interim Rate Relief	Ann NOI			490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,376	18,018	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	



Tuesday, Apr 08, 2008 09:11 AM

Clara Leider

From: Bachman George
Sent: Wednesday, June 27, 2007 7:15 PM
To: Robert Camfield
Cc: Mike Welsh; Cox Doreen; Martin Cheryl; Mesite Jim
Subject: RE: rate case

Categories: Elec Rate Case

Robert,

I agree with your reasoning that it would be better to use the 2008 year-end capital structure, since it better represents our 'theoretical' capital structure and post 2008 structure. Maybe we should include a table along with this point in your testimony? (Cheryl is correct, we agreed to use the 13 month average but we should mention our argument in the testimony).

Just thought I'd chime in, since I knew you'd appreciate input by me after all of the time that has past! Hope you are well.

George Bachman
Chief Financial Officer, Secretary and Treasurer Florida Public Utilities Company
561.838.1731

-----Original Message-----
From: Robert Camfield [mailto:rjcamfield@CAEnergy.com]
Sent: Wednesday, June 27, 2007 6:22 PM
To: Cox Doreen; Martin Cheryl; Mesite Jim
Cc: Mike Welsh; Bachman George
Subject: RE: rate case

Doreen,
Cheryl,

Got it...I will exclude Flo-Gas equity balances from the total balance of common shareholder equity of FPU. As you know, I am currently using a 13-month average capital structure, and will continue to do so.

I should mention that, for 2008, the year-end equity balance makes more sense to me insofar as it better represents the capital structure of FPU over the timeframe in which the new electric rates will be in place, than 13-month average capital structure balances. I believe that the 13-month average is likely to understate equity participation over the prospective period beyond 2008.

Robert

From: Cox Doreen [mailto:dorcox@fpuc.com]
Sent: Wed 6/27/2007 2:50 PM
To: Martin Cheryl; Mesite Jim
Cc: Robert Camfield
Subject: RE: rate case

As discussed in the last Electric Rate Case we filed the Schedule D's including Flo-Gas Equity and using Year-end balances (the way FPU deems to be correct). The staff however, adjusted the capital structure to exclude Flo-Gas and use the 13 Mth Average.

As agreed we will use the Commission's methodology of excluding Flo-Gas and using the 13 month average. We will however state what we believe to be the correct approach in our testimony.

Robert

Please note.

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

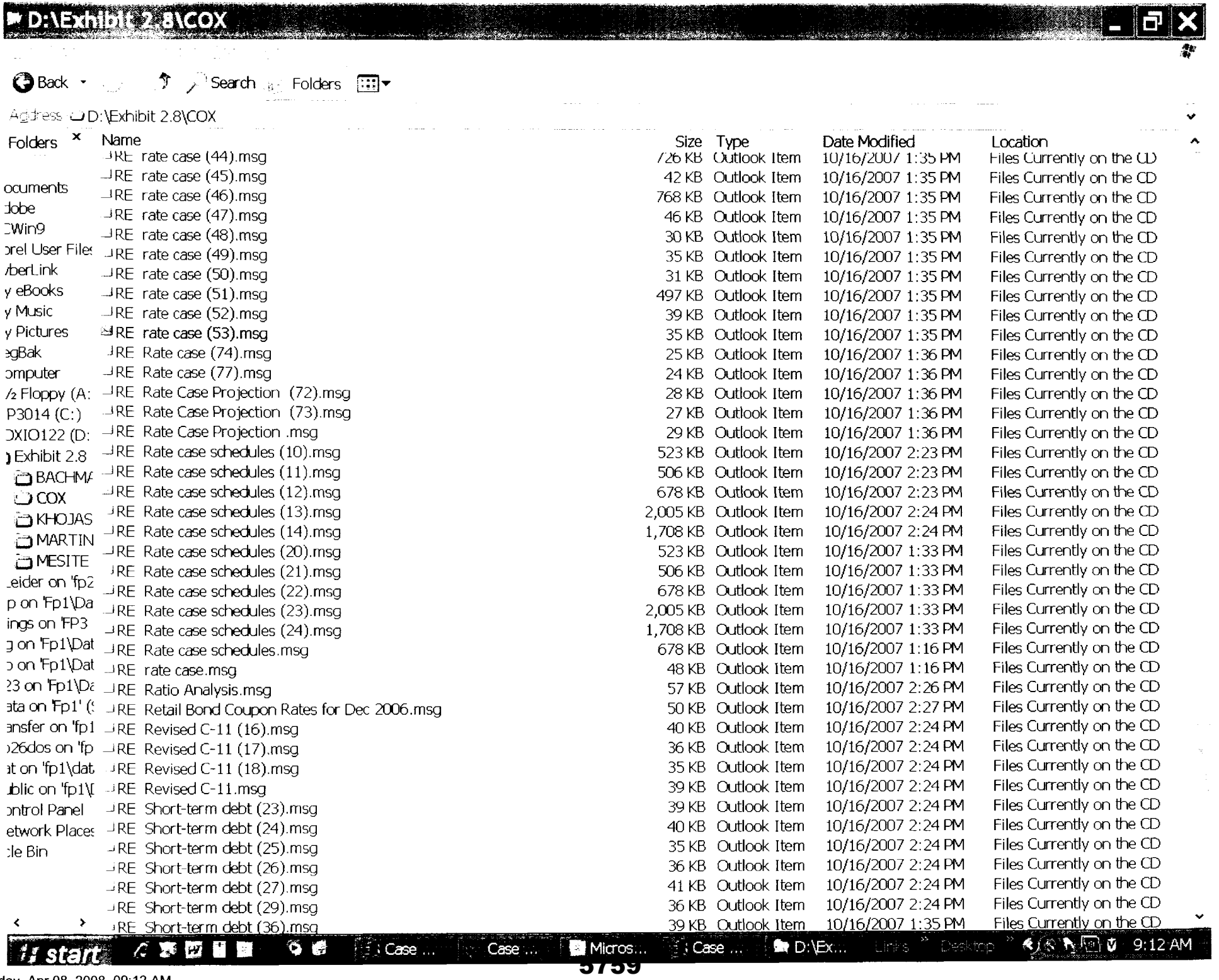
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Tuesday, Apr 08, 2008 09:12 AM

Clara Leider

From: Robert Camfield [rjcamfield@CAEnergy.com]
Sent: Wednesday, June 27, 2007 6:22 PM
To: Cox Doreen; Martin Cheryl; Mesite Jim
Cc: Mike Welsh; Bachman George
Subject: RE: rate case

Categories: Elec Rate Case

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Cheryl,

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Sent: Wed 6/27/2007 2:50 PM
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Please note.

From: Martin Cheryl
Sent: Wednesday, June 27, 2007 3:22 PM
To: Cox Doreen
Cc: Mesite Jim
Subject: rate case

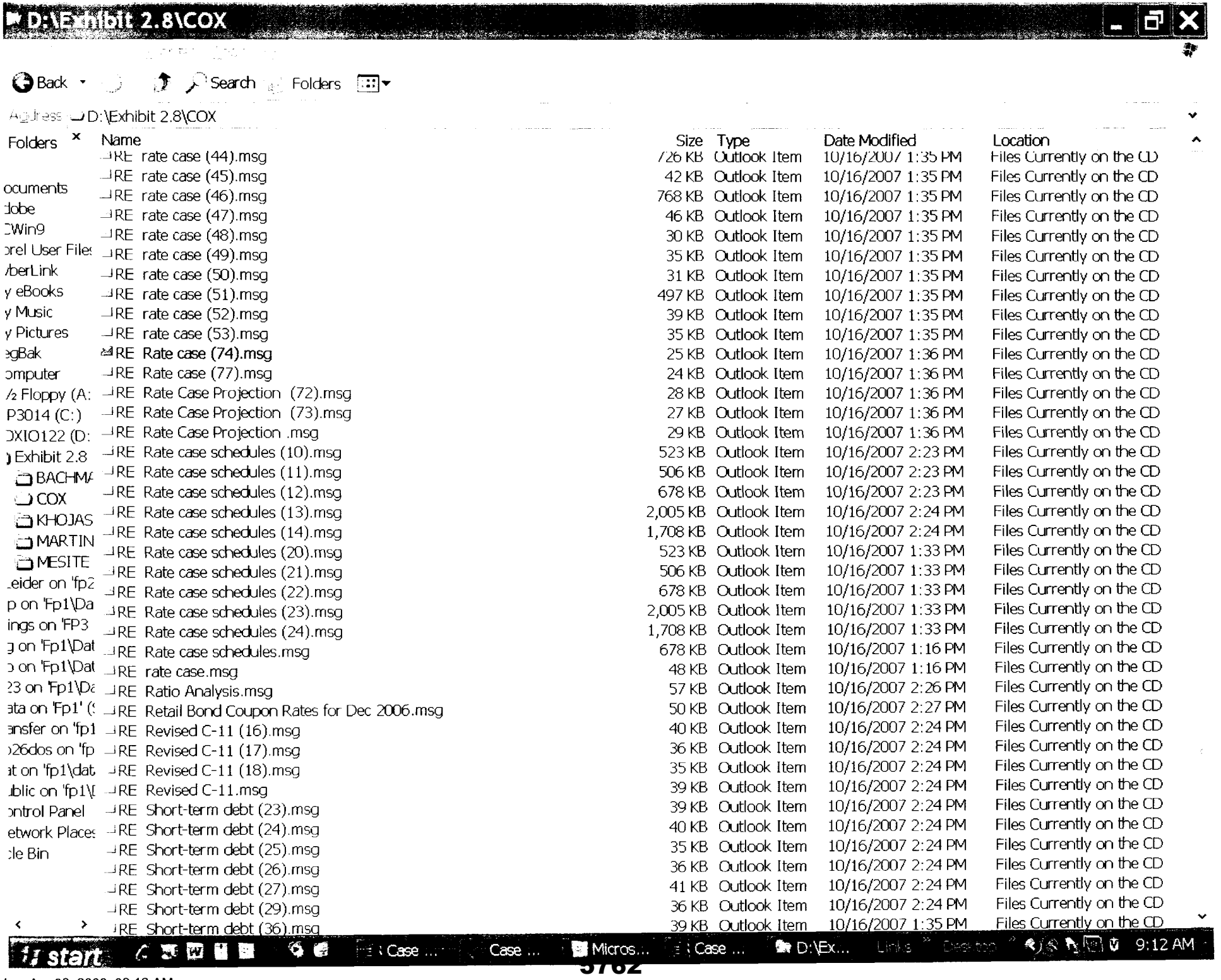
We are showing cost of capital after the FLogas equity is removed, correct?

Cheryl Martin

Controller

Florida Public Utilities Company

(561) 838-1725



Tuesday, Apr 08, 2008 09:12 AM

Clara Leider

From: Martin Cheryl
Sent: Wednesday, May 23, 2007 4:00 PM
To: Cox Doreen
Subject: RE: Rate case

Interest expense that is computed based on the cost of capital?

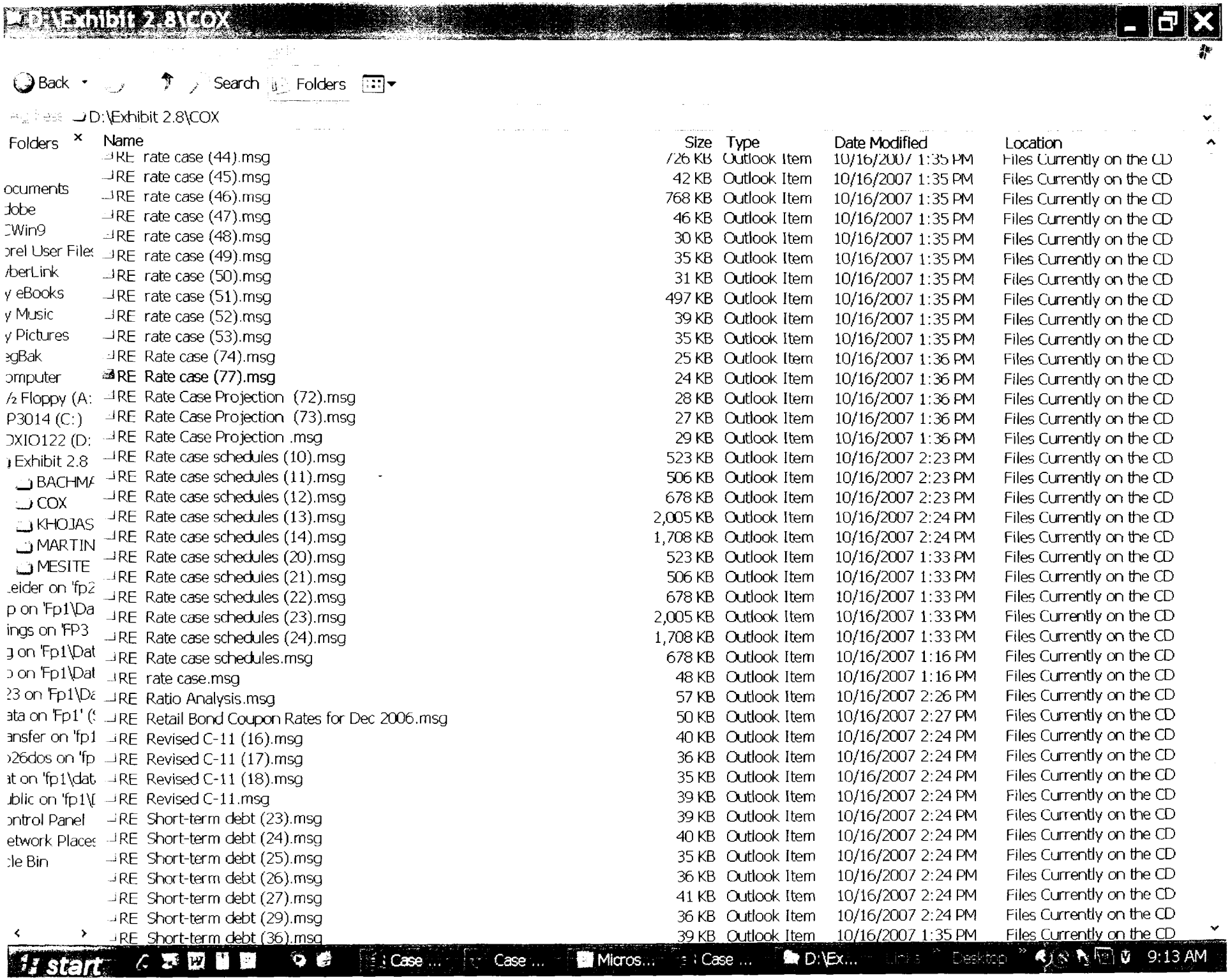
From: Cox Doreen
Sent: Wednesday, May 23, 2007 4:00 PM
To: Martin Cheryl
Subject: RE: Rate case

Interest expense or the effective interest rate?

-----Original Message-----
From: Martin Cheryl
Sent: Wednesday, May 23, 2007 3:57 PM
To: Cox Doreen
Subject: Rate case

Do you have the interest computation for historic and interim year?

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725


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Desktop
9:13 AM

Clara Leider

From: Martin Cheryl
Sent: Tuesday, May 15, 2007 8:45 AM
To: Cox Doreen
Subject: RE: Rate case

ok

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725

-----Original Message-----
From: Cox Doreen
Sent: Tuesday, May 15, 2007 8:16 AM
To: Martin Cheryl
Subject: RE: Rate case

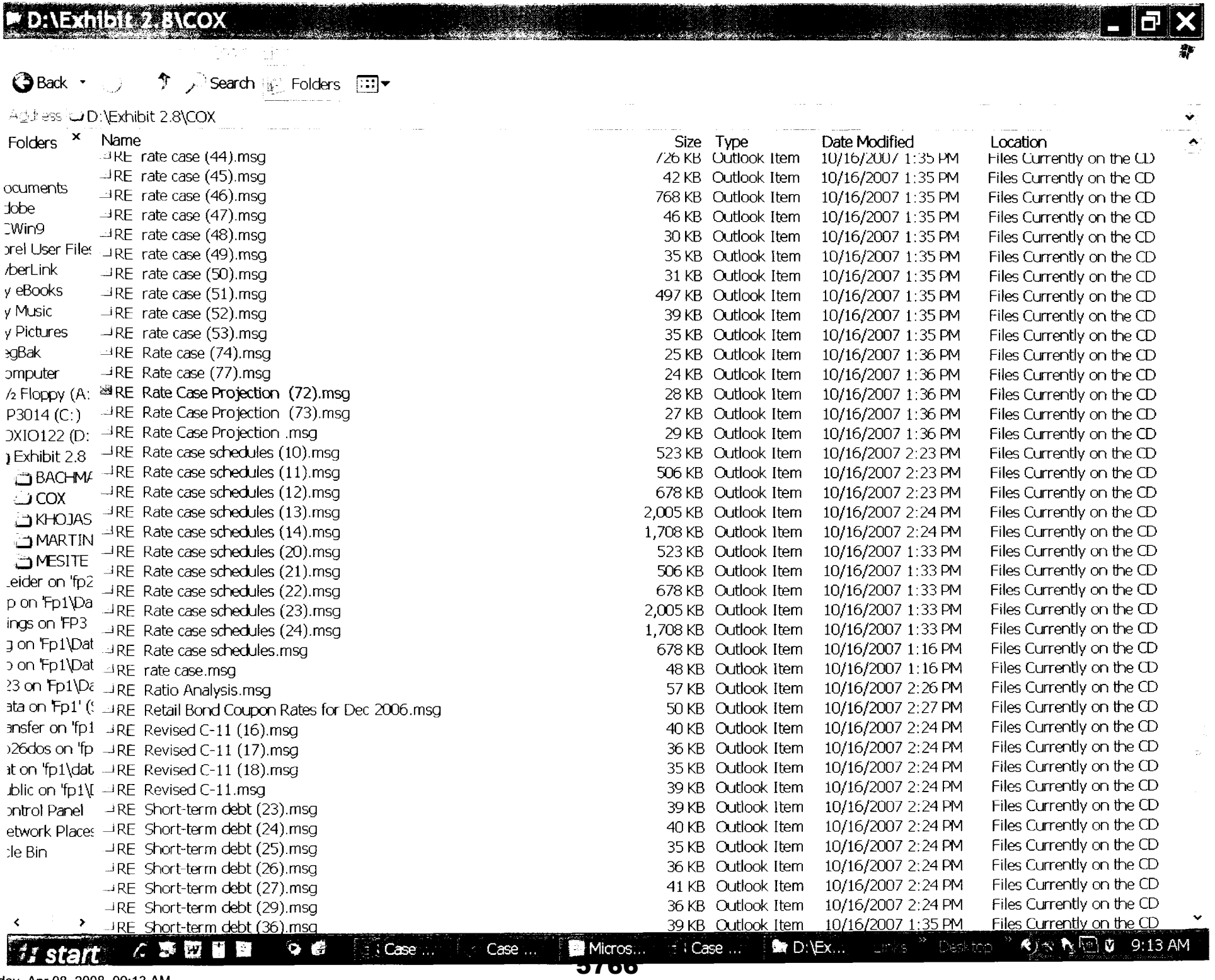
I haven't sent Robert anything yet – should finish reconciling the Billing Determinants with Vince today and I'm waiting on Curtis to research the Winn Dixie shares for the Cost of Capital components.

-----Original Message-----
From: Martin Cheryl
Sent: Tuesday, May 15, 2007 7:38 AM
To: Cutshaw Mark; Myers Don; Mesite Jim; Cox Doreen
Subject: Rate case

Has everyone sent Robert their data request items per their list? If not, what is still open?

Thanks,

Cheryl Martin
Controller, FPUC
561-838-1725



Tuesday, Apr 08, 2008 09:13 AM

Clara Leider

From: Bhatia Nadira
Sent: Tuesday, May 29, 2007 2:00 PM
To: Lundgren April
Cc: Cox Doreen
Subject: RE: Rate Case Projection

For our 2006 pension:

Expense 9261 1,363,590
Capitalized 235,817

Total cost 1,599,407

Which works out to be 15%

For 2007:
Expense 1,362,000
Capitalized 338,000 (2007 budget has it at 20%)

Estimated cost 1,690,000 rounded

For 2008:
Expense 1,488,000
Capitalized 372,000 (2007 budget has it at 20%)

Estimated cost 1,860,000 rounded

Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant

-----Original Message-----
From: Lundgren April
Sent: Tuesday, May 29, 2007 11:12 AM
To: Bhatia Nadira
Cc: Cox Doreen
Subject: RE: Rate Case Projection

Nadira:

I think there may be a portion of this expense that is capitalized, so it may not all be projected as an expense. Can you please let me know what portion will be capitalized (if any), and how the expense portion will be allocated?

Thanks,
April
x1788

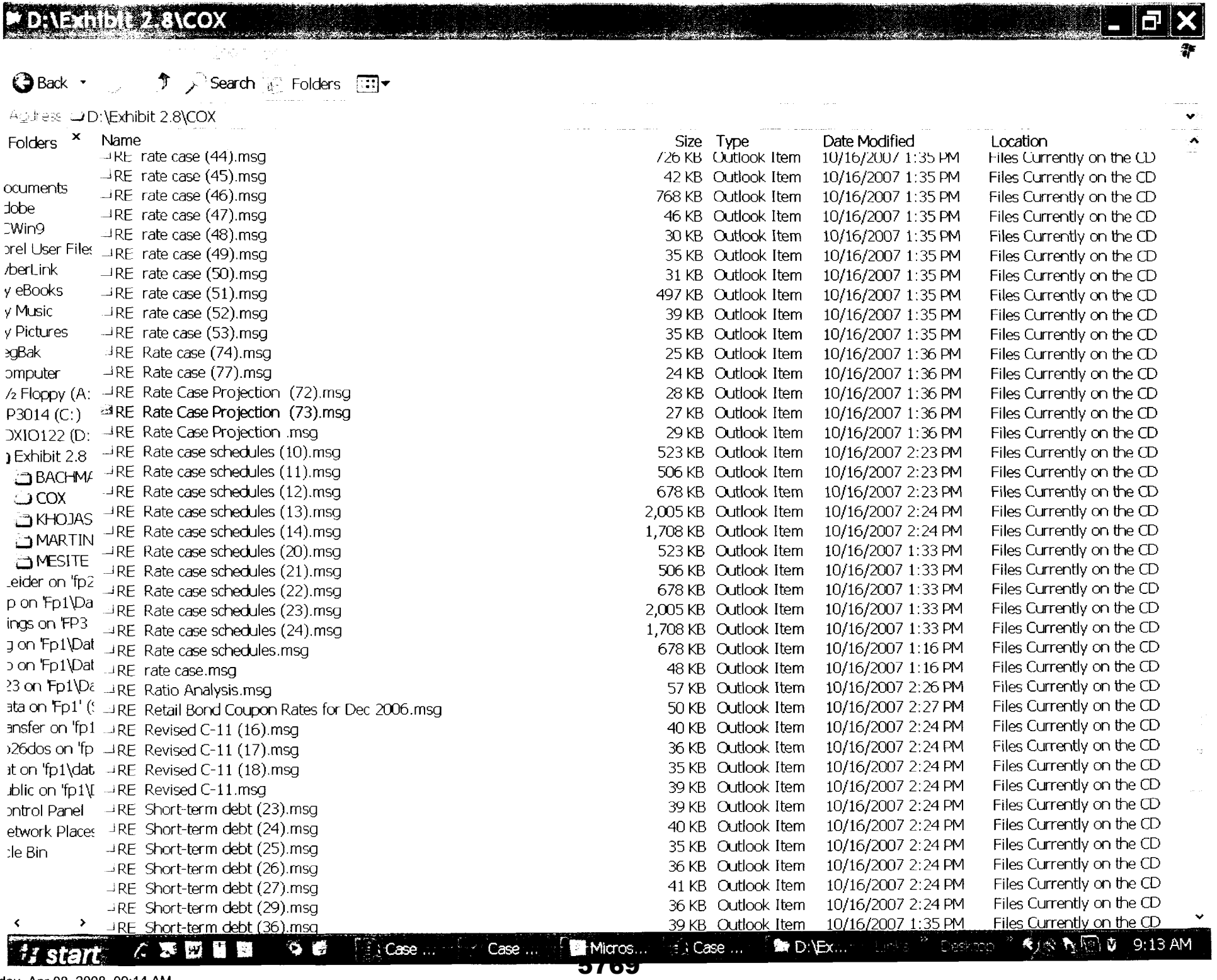
-----Original Message-----
From: Bhatia Nadira
Sent: Tuesday, May 22, 2007 4:10 PM
To: Cox Doreen
Cc: Lundgren April
Subject: Rate Case Projection

Doreen:

Attached are the Pension and Postretirement costs for 2007 and 2008 for the rate case.

Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant



Tuesday, Apr 08, 2008 09:14 AM

Clara Leider

From: Lundgren April
Sent: Tuesday, May 29, 2007 11:12 AM
To: Bhatia Nadira
Cc: Cox Doreen
Subject: RE: Rate Case Projection

Nadira:

I think there may be a portion of this expense that is capitalized, so it may not all be projected as an expense. Can you please let me know what portion will be capitalized (if any), and how the expense portion will be allocated?

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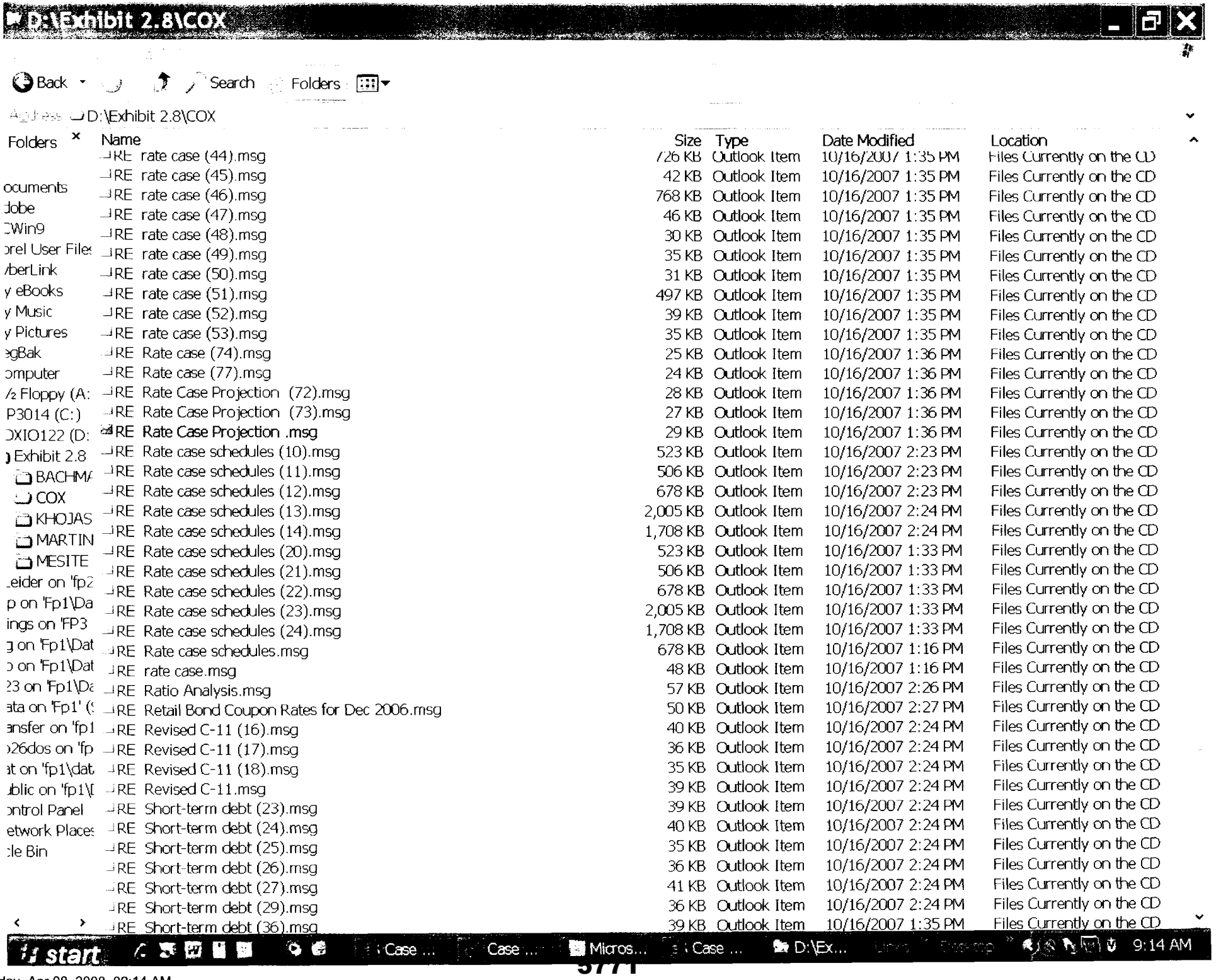
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To: Cox Doreen
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Subject: Rate Case Projection

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Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant



Tuesday, Apr 08, 2008 09:14 AM

Clara Leider

From: Bhatia Nadira
Sent: Tuesday, May 29, 2007 2:36 PM
To: Cox Doreen; Lundgren April
Subject: RE: Rate Case Projection

Below is only the pension

Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant

-----Original Message-----
From: Cox Doreen
Sent: Tuesday, May 29, 2007 2:22 PM
To: Bhatia Nadira; Lundgren April
Subject: RE: Rate Case Projection

Nadira
Please let me know whether the figures include or exclude post-retirement.
Thanks
Doreen

-----Original Message-----
From: Bhatia Nadira
Sent: Tuesday, May 29, 2007 2:00 PM
To: Lundgren April
Cc: Cox Doreen
Subject: RE: Rate Case Projection

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Expense 9261 1,363,590
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Thanks,
Nadira

Nadira Bhatia
Senior Financial Accountant

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To: Bhatia Nadira
Cc: Cox Doreen
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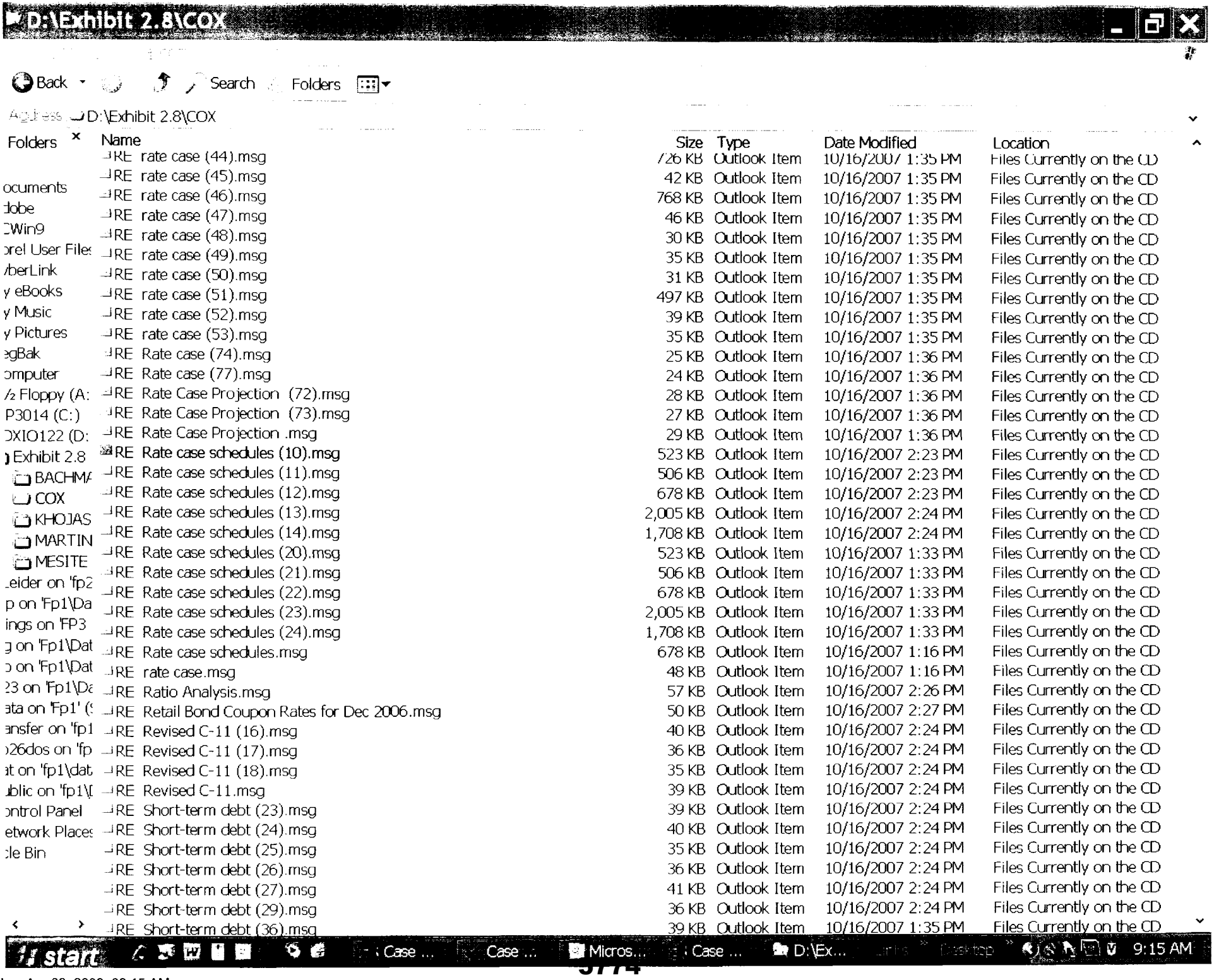
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Nadira Bhatia
Senior Financial Accountant


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start
Case ...
Case ...
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D:\Ex...
9:15 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:40 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: f-9.xls; f-3.xls; f-4.xls; f-5 dgh.xls; f-6 dgh.xls; f-7 dgh.xls; f-8.xls

F schedules. I think there are a few "blanks" to be filled in on F9. I have not sent F1 and F2 – they are just the pdfs of the annual reports and SEC filings.

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: Supply a proposed public notice of the company's request for a rate increase suitable for publication.

Type of Data Shown:
Projected Test Year Ended 12/31/08

Witness: Cheryl Martin

IMPORTANT

NOTICE TO CUSTOMERS

On August 20, 2007, Florida Public Utilities Company filed a Petition with the Florida Public Service Commission seeking approval to increase rates and charges to produce an additional $******** in revenues. They are also requesting interim rate relief for an additional $******* in revenues. This increase is needed in order to enable the Company to continue to provide sufficient, adequate and efficient service and to afford the Company an opportunity to earn a fair rate of return. A comparison of current and proposed Customer Facilities Charges, Energy Charges, Demand Charges and Service Charges are shown below and more details are contained in the Minimum Filing Requirements, which also contain detailed financial, accounting, tariff and engineering data supporting the request. These and the synopsis of the case are available for review at the business offices at the following locations during regular work hours.

2825 Pennsylvania Avenue 911 South 8th Street
Marianna, Florida 32448-4004 Fernandina Beach, Florida 32034
850-526-6800 904-261-3663

The Public Service Commission has scheduled hearings on this Petition for ***** **, 2007, in Tallahassee and a final decision is scheduled for ***** **, 2008. In addition, the PSC has scheduled service hearings at the following time and place:
****** **, 2007, **:** p.m. ****** **, 2007, **:** p.m.
Fernandina Beach City Commission Jackson County Commission
Chambers Meeting Room
204 Ash Street 2864 Madison Street
Fernandina Beach, Florida 32034 Marianna, Florida 32446

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

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

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

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Such comments should refer to Docket No. 070304-EI, which is the docket number that has been assigned to this proceeding.

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

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: Supply a proposed public notice of the company's request for a rate increase suitable for publication.

Type of Data Shown:
Projected Test Year Ended 12/31/08

Witness: Cheryl Martin

	Current Customer Facilities Charge	Proposed Interim Customer Facilities Charge	Proposed Final Customer Facilities Charge
Residential (RS)	10.00	10.59	10.84
General Service (GS)	14.00	14.82	14.87
General Service Demand (GSD)	44.00	46.58	48.66
General Service Large Demand (GSLD)	75.00	79.39	57.11
General Service Large Demand (GSLD1)	600.00	635.13	378.31

	Current Energy Charge	Proposed Interim Energy Charge	Proposed Final Energy Charge
Residential (RS)	.01373 $/KWH	. 01453 $/KWH	.01742 $/KWH
General Service (GS)	.01473 $/KWH	. 01559 $/KWH	.01939 $/KWH
General Service Demand (GSD)	.00232 $/KWH	.00246 $/KWH	.00368 $/KWH
General Service Large Demand (GSLD)	.00086 $/KWH	.00091 $/KWH	.00204 $/KWH
General Service Large Demand (GSLD1)	N/A	N/A	N/A

	Current Demand Charge	Proposed Interim Demand Charge	Proposed Final Demand Charge
Residential (RS)	N/A	N/A	N/A
General Service (GS)	N/A	N/A	N/A
General Service Demand (GSD)	2.48 $/KW	2.63 $/KW	2. 48 $/KW
General Service Large Demand (GSLD)	2.89 $/KW	3.06 $/KW	2 89 $/KW
General Service Large Demand (GSLD1)	1.12 $/KW	1.19 $/KW	.91 $/KW

	Current Service Charges	Proposed Interim Service Charges	Proposed Final
Initial Entitlement of Service	44.00	44.00	
Re-establish Service or Make Changes to Existing Account	19.00	19.00	
Temporary Disconnect then Reconnect Service Due to Customer Request	27.00	27.00	
Reconnect After Disconnect for Rule Violation (normal hours)	37.00	37.00	
Reconnect After Disconnect for Rule Violation (after hours)	60.00	60.00	
Temporary Service used in conjunction with the temporary service fee when running a temporary service	44.00	44.00	
Credit Card Fees	0.00	0.00	
Late Fees	Greater of 1.5% or $5.00	Greater of 1.5% or $5.00	15.00

Supporting Schedules: C-7

Recap Schedules:

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:40 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: f-9.xls; f-3.xls; f-4.xls; f-5 dgh.xls; f-6 dgh.xls; f-7 dgh.xls; f-8.xls

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Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: **FLORIDA PUBLIC UTILITIES COMPANY CONSOLIDATED ELECTRIC DIVISION**

DOCKET NO.: **070304-EI**

EXPLANATION: Provide a copy of the "Business Contracts with Officers, Directors and Affiliates" schedule 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 12/31/0
Projected Prior Year Ended 12/31/0
Historical Test Year Ended 12/31/0
Witness: George Bachman

Line No.	Name of Officer or Director	Name and Address of Affiliated Entity	Relationship With Affiliated Entity	Amount of Contract or Transaction	Description of Product or Service
		NONE			

Supporting Schedules:

Recap Schedules:

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: **FLORIDA PUBLIC UTILITIES COMPANY CONSOLIDATED ELECTRIC DIVISION**

DOCKET NO.: **070304-EI**

EXPLANATION: Supply a copy of all NRC safety citations issued against the company within the last two years, a listing of corrective actions and a listing of any outstanding deficiencies. For each citation provide the dollar amount of any fines or penalties assessed against the company and account(s) each are recorded.

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: George Bachman

NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

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FLORIDA PUBLIC SERVICE COMMISSION

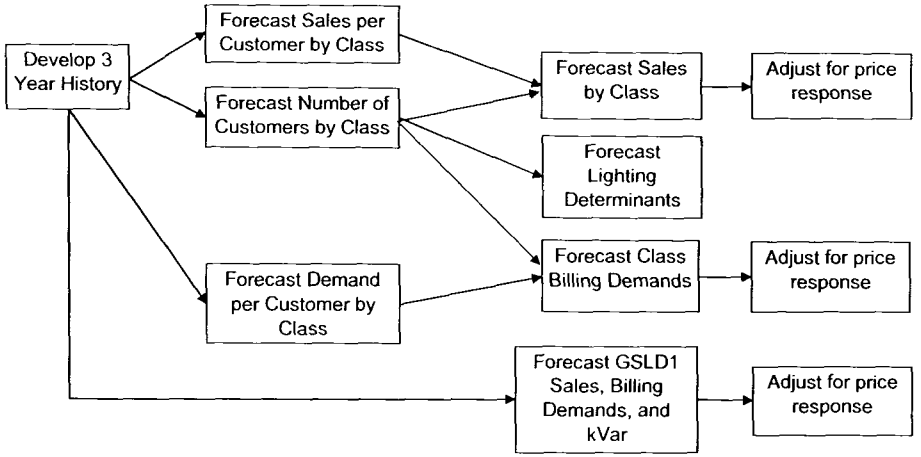
COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: If a projected test year is used, provide a brief description of each method or model used in the forecasting process. Provide a flow chart which shows the position of each model in the forecasting process.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Projected Prior Year Ended 12/31/2007

Witness: Cheryl Martin, Mark Cutshaw

FLORIDA PUBLIC UTILITIES FORECAST PROCESS



Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: If a projected test year is used, provide a brief description of each method or model used in the forecasting process. Provide a flow chart which shows the position of each model in the forecasting process.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Projected Prior Year Ended 12/31/2007

Witness: Cheryl Martin, Mark Cutshaw

FORECASTING METHODOLOGY - CUSTOMERS, ENERGY USAGE, PEAK DEMAND

In preparing the forecast for the 2008 test year, we first developed three years of historical data (4/2004 to 3/2007). The data included the number of customers, sales, and billed peak demands for each rate classification and service territory. The rate classifications are Residential (RS), General Service (GS), General Service Demand (GSD), General Service Large Demand (GSLD), General Service Large Demand Industrial (GSLD1), Outdoor Lighting (OL), and Street Lighting (SL).

Forecasts of sales by service classification were developed by building up from separate forecasts for sales per customer and number of customers. We first examined the historical relationship between sales per customer and cooling degree days (CDD), heating degree days (HDD), and a time trend. Sales per customer for 2007 and 2008 were forecast using 10-year average CDD and HDD, and the time trend. Forecasts of the number of customers in each service classification were developed using a time trend based on 4/2004 to 3/2007 data. Sales by service classification were forecast as the product of the sales per customer forecast and the number of customer forecast for each service classification. We also adjusted projected consumption for the decrease in usage due to the recent large fuel rate increases.

Forecasts of billing demands by service classification were based on the historical relationship of billing demand per customer with CDD, HDD, and a time trend, combined with the forecast of the number of customers by class. This method was only used for the GSD and GSLD classes.

Because the class contains only two customers and these are large industrial customers, the Fernandina Beach GSLD1 class was forecast using a direct forecast for KWH, billed demand, and kVar adjusted for the impact of the recent fuel increases on their demand.

Determinants for outdoor lighting and street lighting classes were forecast using the customer growth from their respective service territories. Recent growth in lighting revenues is not expected to be matched in the future, so the growth rate of the number of customers was used as a proxy for the expected growth of lighting determinants. The determinants for CSL, OL, SL1, and SL2 were frozen at 2006 levels because the rates are closed to new enrollment.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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Type of Data Shown:
Projected Test Year Ended 12/31/2008
Projected Prior Year Ended 12/31/2007

Witness: Cheryl Martin, Mark Cutshaw

CONSTRUCTION BUDGET

Florida Public Utilites' construction budget is based on several different variables, each of which is driven by customer growth and usage. The main goal of the Construction Budget is to ensure prompt service to all new customers while ensuring that the integrity and reliability of the entire distribution system is maintained. Several different factors influencing the Construction Budget are as follows:

1. Customer Growth and Usage

The addition of new customers requires construction based on the customer and the type of usage required. Due to the growth, much of the construction budget is a result of serving the needs of new customers.

2. Five Year Distribution Plan

This plan is updated on a yearly basis in order to ensure that the long range integrity and reliability of the system is maintained. Total substation and feeder loads are analyzed to determine the best way to serve current and future loads. This analysis also takes into consideration voltage levels, power factors, and construction standards.

3. Depreciation

The depreciation, deterioration, and replacement of plant is also considered in determining the total construction budget. This is used to allow replacement of facilities while not adversely affecting total plant.

4. Energy Supply

Work with Gulf Power and JEA is essential. Communication concerning future load additions and reliability is ongoing. This allows both parties to look into the future and make appropriate plans.

Each of these factors is considered when developing the yearly construction budgets. Reviews at the Divisional and Corporate levels also provide adequate oversight into the expenditures in this budget.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 070304-EI

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Type of Data Shown:
Projected Test Year Ended 12/31/2008
Projected Prior Year Ended 12/31/2007

Witness: Cheryl Martin, Mark Cutshaw

OPERATION AND MAINTENANCE EXPENSES WITHOUT PURCHASED POWER

FPU's Operation and Maintenance expenses are calculated using projections based on customer growth (see page 2 for details on forecasting this), inflation, payroll increases and special project costs. This provides adequate controls in order for the total O & M Budget amounts to be monitored.

Prior to preparing the O & M Budget, all O & M related special projects are identified. These may include special maintenance projects, small equipment purchases, training, donations, etc. After these projects are identfied and the associated costs are determined, they are compiled with historical values for each account. This combination is then forecast into the test year using projection factors based on customer and payroll growth, and expected inflation.

After preparation, the O & M Budget along with all indentified special and new projects is submitted for Divisional and Corporate approval.

Supporting Schedules:

Recap Schedules:

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FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: If a projected test year is used, for each sales forecasting model, give a quantified explanation of the impact of changes in the inputs to changes in outputs.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Projected Prior Year Ended 12/31/2007

Witness: Mark Cutshaw

Model_____

Line No.	Input Variable	Percent Change (Input)	Output Variable Affected	Percent Change (Output)

The variables contained in the forecasting models consist of weather variables and a time trend. Specifically, cooling degree days (CDD) and heating degree days (HDD) are included. We illustrate the effect of a change in the weather-normalized CDD and HDD below. Row 1 of the table below shows the forcast 2008 sales for FPU at expected CDD and HDD, based on 10-year averages. The values in rows 2 through 5 show the forecast sales if the CDD and HDD deviate from the expected value by +/- 10%.

Scenario	Forecast Sales*	% D from Base
Base	772,728	--
+10% CDD	784,523	1.5%
-10% CDD	760,933	-1.5%
+10% HDD	776,796	0.5%
-10% HDD	768,660	-0.5%

* Sales are in MWh; forecast sales excludes lighting, which is not temperature sensitive.

Supporting Schedules:

Recap Schedules:

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FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Residential	Year	Month	MWh	Customers	CDD	HDD
Marianna	2004	4	9,222	10,085	5	133
	2004	5	9,333	10,098	66	12
	2004	6	12,727	10,149	277	0
	2004	7	14,313	10,141	357	0
	2004	8	14,046	10,155	367	0
	2004	9	13,182	10,104	342	0
	2004	10	11,306	10,128	170	6.5
	2004	11	9,220	10,105	42	47
	2004	12	11,199	10,130	11	266.5
	2005	1	14,699	10,125	0	350.5
	2005	2	13,242	10,172	0	455
	2005	3	10,726	10,181	1	262
	2005	4	9,273	10,161	4	109.5
	2005	5	9,166	10,190	22	54.5
	2005	6	12,334	10,188	245	0
	2005	7	14,525	10,232	338	0
	2005	8	14,462	10,231	376	0
	2005	9	15,624	10,295	392	0
	2005	10	12,667	10,232	311	0
	2005	11	9,617	10,231	29	77.5
	2005	12	12,680	10,239	0	281
	2006	1	14,530	10,279	0	359
	2006	2	11,639	10,233	0	391.5
	2006	3	10,794	10,308	4	146
	2006	4	10,063	10,296	25	110
	2006	5	10,165	10,334	110	0
	2006	6	13,198	10,288	239	0
	2006	7	15,738	10,325	346	0
	2006	8	15,478	10,340	418	0
	2006	9	15,770	10,308	356	0
	2006	10	11,393	10,337	101	9
	2006	11	9,288	10,334	30	127.5
	2006	12	13,032	10,323	3	324
	2007	1	13,094	10,355	0	185
	2007	2	13,547	10,347	0	465.5
	2007	3	12,178	10,365	0	240.5

Residential	Year	Month	MWh	Customers	CDD	HDD
Fernandina	2004	4	12,437	12,734	0	106
	2004	5	12,484	12,726	63	17.5
	2004	6	18,770	12,805	263	0
	2004	7	20,144	12,826	295	0
	2004	8	19,104	12,803	296	0
	2004	9	19,021	12,777	287	0
	2004	10	15,543	12,786	206	1
	2004	11	13,470	12,791	72	15
	2004	12	12,616	12,862	15	177
	2005	1	17,141	12,758	2	270
	2005	2	17,754	12,787	0	427
	2005	3	13,786	12,812	0	220.5
	2005	4	13,196	12,817	3	102
	2005	5	11,704	12,885	19	49.5
	2005	6	17,466	12,898	225	0
	2005	7	22,543	12,956	339	0
	2005	8	20,704	12,971	404	0
	2005	9	23,272	12,981	386	0
	2005	10	18,162	12,994	262	0
	2005	11	12,043	12,996	35	50
	2005	12	13,872	13,028	0	227.5
	2006	1	16,711	13,037	0	381
	2006	2	15,191	13,019	0	347
	2006	3	14,293	13,088	3	150
	2006	4	12,371	13,089	23	103.5
	2006	5	13,810	13,107	100	0
	2006	6	17,574	13,190	238	0
	2006	7	23,553	13,189	317	0
	2006	8	20,707	13,177	474	0
	2006	9	22,185	13,173	434	0
	2006	10	16,573	13,227	182	1
	2006	11	12,086	13,232	45	54.5
	2006	12	13,787	13,211	10	234
	2007	1	14,248	13,256	2	114
	2007	2	15,502	13,297	0	359
	2007	3	14,539	13,341	1	178

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

General Service	Year	Month	MWh	Customers	CDD	HDD
Marianna	2004	4	2,147	1,963	84	9
	2004	5	2,137	1,962	249	0
	2004	6	2,681	1,960	525	0
	2004	7	2,987	1,970	597	0
	2004	8	2,910	1,970	615	0
	2004	9	2,748	1,969	590	0
	2004	10	2,532	1,972	396	0
	2004	11	2,217	1,967	203	0
	2004	12	2,195	1,988	75	73.5
	2005	1	2,608	1,992	29	127.5
	2005	2	2,335	1,998	4	164.5
	2005	3	2,055	1,996	35	57.5
	2005	4	2,011	1,994	90	8.5
	2005	5	2,056	2,000	139	0
	2005	6	2,547	2,006	492	0
	2005	7	2,852	1,996	578	0
	2005	8	2,837	2,002	624	0
	2005	9	3,136	2,000	640	0
	2005	10	2,784	2,006	551	0
	2005	11	2,152	2,005	177	2.5
	2005	12	2,234	2,000	35	64.5
	2006	1	2,429	2,004	25	111
	2006	2	2,005	1,993	21	129
	2006	3	2,073	2,004	77	12
	2006	4	2,112	2,001	120	16
	2006	5	2,284	2,006	325	0
	2006	6	2,725	2,005	477	0
	2006	7	3,081	1,999	586	0
	2006	8	3,051	1,994	666	0
	2006	9	3,218	2,001	604	0
	2006	10	2,622	2,005	295	0
	2006	11	2,044	2,005	113	3.5
	2006	12	2,261	2,006	37	95.5
	2007	1	2,383	2,032	54	39
	2007	2	2,286	2,040	0	153.5
	2007	3	2,291	2,038	25	74.5

General Service	Year	Month	MWh	Customers	CDD	HDD
Fernandina	2004	4	2,346	1,399	76	1.5
	2004	5	2,115	1,381	251	0
	2004	6	2,865	1,394	511	0
	2004	7	2,924	1,390	535	0
	2004	8	3,002	1,394	544	0
	2004	9	2,719	1,389	535	0
	2004	10	2,510	1,385	439	0
	2004	11	2,369	1,360	255	0
	2004	12	2,168	1,372	100	32
	2005	1	2,472	1,380	48	84.5
	2005	2	2,293	1,373	2	130.5
	2005	3	2,099	1,372	37	43.5
	2005	4	2,137	1,366	84	16
	2005	5	2,118	1,372	164	0.5
	2005	6	2,594	1,379	471	0
	2005	7	3,130	1,388	579	0
	2005	8	3,009	1,391	652	0
	2005	9	3,315	1,402	634	0
	2005	10	2,843	1,401	502	0
	2005	11	2,181	1,399	187	0
	2005	12	2,183	1,398	34	30.5
	2006	1	2,291	1,402	23	133
	2006	2	2,097	1,398	21	98.5
	2006	3	2,133	1,394	64	12.5
	2006	4	2,070	1,404	122	5
	2006	5	2,272	1,406	315	0
	2006	6	2,634	1,411	483	0
	2006	7	3,171	1,403	557	0
	2006	8	2,891	1,408	722	0
	2006	9	3,131	1,409	682	0
	2006	10	2,703	1,414	404	0
	2006	11	2,173	1,428	161	0
	2006	12	2,151	1,427	50	43
	2007	1	2,212	1,427	92	18
	2007	2	2,079	1,430	12	96.5
	2007	3	2,213	1,436	47	40

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

GSD	Year	Month	MWh	MW	Customers	CDD	HDD	GSD	Year	Month	MWh	MW	Customers	CDD	HDD
Marianna	2004	4	6,406	23.9	385	84	9	Fernandina	2004	4	7,787	21.9	272	76	1.5
	2004	5	6,634	25.1	390	249	0		2004	5	6,814	20.0	274	251	0
	2004	6	8,181	26.3	387	525	0		2004	6	8,129	21.1	276	511	0
	2004	7	8,834	26.7	388	597	0		2004	7	8,262	21.2	277	535	0
	2004	8	8,951	28.8	393	615	0		2004	8	8,258	21.8	280	544	0
	2004	9	8,540	27.6	397	590	0		2004	9	8,387	22.0	288	535	0
	2004	10	8,215	29.3	399	396	0		2004	10	7,608	20.6	289	439	0
	2004	11	7,461	26.8	398	203	0		2004	11	7,167	20.9	288	255	0
	2004	12	7,358	27.4	398	75	73.5		2004	12	6,777	19.8	294	100	32
	2005	1	7,466	29.0	398	29	127.5		2005	1	6,851	21.8	300	48	84.5
	2005	2	7,417	29.5	398	4	164.5		2005	2	6,612	21.2	300	2	130.5
	2005	3	6,727	26.9	404	35	57.5		2005	3	6,110	21.3	292	37	43.5
	2005	4	7,934	29.4	404	90	8.5		2005	4	6,424	20.3	286	84	16
	2005	5	8,148	27.4	407	139	0		2005	5	6,890	20.5	291	164	0.5
	2005	6	8,264	27.2	408	492	0		2005	6	7,261	19.5	283	471	0
	2005	7	9,099	28.5	408	578	0		2005	7	8,738	21.5	288	579	0
	2005	8	9,165	29.5	409	624	0		2005	8	8,094	21.9	293	652	0
	2005	9	10,359	30.6	407	640	0		2005	9	9,226	22.2	287	634	0
	2005	10	9,332	29.4	408	551	0		2005	10	8,314	21.4	285	502	0
	2005	11	7,278	27.6	406	177	2.5		2005	11	6,642	20.3	286	187	0
	2005	12	6,787	25.9	402	35	64.5		2005	12	6,305	19.8	289	34	30.5
	2006	1	7,197	26.7	409	25	111		2006	1	6,220	19.6	288	23	133
	2006	2	6,335	26.5	407	21	129		2006	2	5,909	19.9	289	21	98.5
	2006	3	6,544	26.9	402	77	12		2006	3	6,197	20.0	291	64	12.5
	2006	4	7,029	26.5	405	120	16		2006	4	6,184	19.8	295	122	5
	2006	5	7,457	26.5	404	325	0		2006	5	6,929	19.9	293	315	0
	2006	6	8,425	27.4	406	477	0		2006	6	7,320	20.6	292	483	0
	2006	7	9,197	27.7	406	586	0		2006	7	9,403	21.6	296	557	0
	2006	8	9,180	28.8	410	666	0		2006	8	8,024	22.2	297	722	0
	2006	9	9,726	28.3	411	604	0		2006	9	8,965	22.3	289	682	0
	2006	10	8,198	27.4	413	295	0		2006	10	8,073	21.7	287	404	0
	2006	11	6,440	26.4	413	113	3.5		2006	11	6,556	20.0	289	161	0
	2006	12	6,987	26.9	412	37	95.5		2006	12	6,257	20.6	289	50	43
	2007	1	7,006	27.5	410	54	39		2007	1	6,532	19.8	293	92	18
	2007	2	6,389	27.1	404	0	153.5		2007	2	5,799	20.3	292	12	96.5
	2007	3	6,682	27.3	407	25	74.5		2007	3	6,207	20.3	289	47	40

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

GSLD	Year	Month	MWh	MW	Customers	CDD	HDD	GSLD	Year	Month	MWh	MW	Customers	CDD	HDD
Marianna	2004	4	3,293	6.7	10	84	9	Fernandina	2004	4	1,055	2.7	3	76	1.5
	2004	5	3,392	7.6	10	249	0		2004	5	1,861	3.5	6	251	0
	2004	6	4,012	8.4	10	525	0		2004	6	2,251	4.6	6	511	0
	2004	7	4,367	8.7	10	597	0		2004	7	1,934	4.0	5	535	0
	2004	8	4,087	8.9	10	615	0		2004	8	2,482	4.5	6	544	0
	2004	9	4,108	8.3	10	590	0		2004	9	1,953	4.5	6	535	0
	2004	10	3,185	8.7	9	396	0		2004	10	2,070	4.5	6	439	0
	2004	11	3,545	7.6	10	203	0		2004	11	1,522	3.5	4	255	0
	2004	12	3,519	7.5	10	75	73.5		2004	12	2,409	4.6	6	100	32
	2005	1	3,014	8.5	10	29	127.5		2005	1	2,200	5.4	7	48	84.5
	2005	2	3,322	7.0	10	4	164.5		2005	2	2,269	4.9	6	2	130.5
	2005	3	2,541	6.2	10	35	57.5		2005	3	2,037	4.8	6	37	43.5
	2005	4	3,677	8.2	10	90	8.5		2005	4	1,416	3.3	5	84	16
	2005	5	3,438	7.9	10	139	0		2005	5	2,641	4.5	6	164	0.5
	2005	6	6,652	11.3	13	492	0		2005	6	1,999	3.4	4	471	0
	2005	7	6,871	12.3	12	578	0		2005	7	2,804	4.1	7	579	0
	2005	8	5,614	10.1	11	624	0		2005	8	2,136	5.2	7	652	0
	2005	9	6,933	13.0	11	640	0		2005	9	2,696	5.5	7	634	0
	2005	10	5,696	11.7	11	551	0		2005	10	2,497	5.5	7	502	0
	2005	11	5,274	10.7	11	177	2.5		2005	11	2,305	5.5	7	187	0
	2005	12	5,584	11.9	13	35	64.5		2005	12	2,346	5.5	7	34	30.5
	2006	1	4,956	10.9	13	25	111		2006	1	2,306	5.2	7	23	133
	2006	2	4,489	10.7	13	21	129		2006	2	2,203	5.1	7	21	98.5
	2006	3	4,559	10.5	13	77	12		2006	3	2,261	5.3	7	64	12.5
	2006	4	5,111	11.0	13	120	16		2006	4	2,164	5.0	7	122	5
	2006	5	5,384	10.0	13	325	0		2006	5	2,114	5.1	7	315	0
	2006	6	5,801	11.9	13	477	0		2006	6	2,338	5.3	7	483	0
	2006	7	6,160	11.9	13	586	0		2006	7	2,447	5.3	7	557	0
	2006	8	6,098	12.3	13	666	0		2006	8	2,411	5.1	7	722	0
	2006	9	6,462	13.1	13	604	0		2006	9	2,418	5.3	7	682	0
	2006	10	5,769	11.5	13	295	0		2006	10	2,276	5.1	7	404	0
	2006	11	5,116	11.0	13	113	3.5		2006	11	2,002	4.9	7	161	0
	2006	12	5,669	11.5	13	37	95.5		2006	12	2,175	5.1	7	50	43
	2007	1	4,958	10.2	13	54	39		2007	1	2,203	5.1	7	92	18
	2007	2	4,520	10.7	13	0	153.5		2007	2	2,252	5.0	7	12	96.5
	2007	3	4,697	9.5	13	25	74.5		2007	3	2,108	4.9	7	47	40

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

GSLD1	Year	Month	MWh	MW	kVar	Customers
Fernandina	2006	1	8,430	38.3	0	2
	2006	2	8,370	42.4	959	2
	2006	3	10,910	38.8	2,160	2
	2006	4	7,740	27.6	0	2
	2006	5	8,150	39.5	400	2
	2006	6	10,970	32.0	0	2
	2006	7	10,960	42.2	0	2
	2006	8	12,490	39.8	0	2
	2006	9	9,660	35.4	1,323	2
	2006	10	11,820	35.0	0	2
	2006	11	10,220	33.5	0	2
	2006	12	7,410	31.7	4,797	2

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Consolidated Electric Division
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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Normal Weathe	Month	CDD70	CDD62	HDD65	HDD54
Marianna	1	0	20	425.0	166
	2	0	16	395.8	132
	3	2	41	218.4	49
	4	24	135	100.5	9
	5	81	261	22.7	0
	6	258	502	1.0	0
	7	346	586	0.0	0
	8	377	625	0.0	0
	9	349	597	0.0	0
	10	184	401	9.1	0
	11	30	152	91.0	5
	12	4	47	278.3	79

Normal Weather	Month	CDD70	CDD62	HDD65	HDD54
Fernandina	1	1	27	351.4	116
	2	0	19	353.6	100
	3	3	46	196.9	38
	4	20	133	85.7	5
	5	74	264	17.0	0
	6	241	484	0.5	0
	7	314	554	0.0	0
	8	362	610	0.0	0
	9	324	572	0.0	0
	10	190	420	2.5	0
	11	39	183	47.4	1
	12	5	67	205.0	41

For residential classes,
HDD is calculated as MAX[65 - (max T + min T)/2, 0], summed over all days of the year.
CDD is calculated as MAX[(max T + min T)/2 - 70, 0], summed over all days of the year.

For non-residential classes,
HDD is calculated as MAX[54 - (max T + min T)/2, 0], summed over all days of the year.
CDD is calculated as MAX[(max T + min T)/2 - 62, 0], summed over all days of the year.

Normal HDD and CDD values were calculated as the 10-year average
from April 1997 through March 2007.

Marianna weather is taken from National Climactic Data Center
Cooperative Station ID #088758, Tallahassee FL Regional Airport

Fernandina weather is taken from National Climactic Data Center
Cooperative Station ID #082944, Fernandina Beach, FL

In the regression model output that follows, "cus_***" is the number of customers in the class; "upc_***" is the use per customer; "dpc_***" is the demand per customer; "trend" is an annual time trend; "hdd65" is heating degree days using a 65 degree threshold; "cdd70" is cooling degree days using a 70 degree threshold; "hdd54" is heating degree days using a 54 degree threshold; "cdd62" is cooling degree days using a 62 degree threshold; and "_cons" is the estimated constant term.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Consolidated Electric Division
DOCKET NO.: 070304-EI

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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Marianna Residential

Source	SS	df	MS		
Model	1562631.38	1	1562631.38	Number of obs	36
Residual	21049.9156	34	619.115164	F(1, 34)	2523.98
Total	1583681.29	35	45248.037	Prob > F	0.0000
				R-squared	0.9867
				Adj R-squared	0.9863
				Root MSE	24.882

cus_res	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
trend	96.40271	5.506142	17.508	0.000	85.21288	107.5925
_cons	9287.773	54.12847	171.588	0.000	9177.771	9397.775
rho	.1418337					

Durbin-Watson statistic (original) 1.712817
Durbin-Watson statistic (transformed) 2.071005

Source	SS	df	MS		
Model	2453910.66	3	817970.219	Number of obs	36
Residual	215340.922	32	6729.40381	F(3, 32)	121.55
Total	2669251.58	35	76264.3308	Prob > F	0.0000
				R-squared	0.9193
				Adj R-squared	0.9118
				Root MSE	82.033

upc_res	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
hdd65	1.295507	.114121	11.352	0.000	1.06305	1.527964
cdd70	1.752248	.1057639	16.568	0.000	1.536814	1.967682
trend	31.5901	12.21912	2.585	0.014	6.700569	56.47963
_cons	493.1471	120.1684	4.104	0.000	248.372	737.9222
rho	-.3576822					

Durbin-Watson statistic (original) 2.577049
Durbin-Watson statistic (transformed) 2.305867

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Fernandina Residential

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  1,    34) =21503.09
   Model |  23963871.3     1  23963871.3           Prob > F      =  0.0000
Residual |  37890.9103    34  1114.43854           R-squared     =  0.9984
---------+------------------------------           Adj R-squared =  0.9984
   Total |  24001762.3    35  685764.636           Root MSE      =  33.383

------------------------------------------------------------------------------
 cus_res |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   trend |    205.5215   13.99095    14.690   0.000     177.0885    233.9545
   _cons |    10980.77   137.6174    79.792   0.000     10701.09    11260.44
---------+--------------------------------------------------------------------
     rho |    .5906294
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    0.804066
Durbin-Watson statistic (transformed) 2.041700
```

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =  196.41
   Model |  4889993.87     3  1629997.96           Prob > F      =  0.0000
Residual |  265562.922    32  8298.84131           R-squared     =  0.9485
---------+------------------------------           Adj R-squared =  0.9437
   Total |  5155556.79    35  147301.623           Root MSE      =  91.098

------------------------------------------------------------------------------
 upc_res |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd65 |    1.207983   .1352872     8.929   0.000     .9324117    1.483554
   cdd70 |      2.1704    .108367    20.028   0.000     1.949664    2.391137
   trend |   -27.28428   12.66462    -2.154   0.039    -53.08126   -1.487295
   _cons |    1103.533    123.099     8.965   0.000     852.7883    1354.277
---------+--------------------------------------------------------------------
     rho |   -.4539443
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    2.802217
Durbin-Watson statistic (transformed) 2.207162
```

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Marianna GS

Source	SS	df	MS		
Model	620953.465	1	620953.465	Number of obs	36
Residual	1692.88101	34	49.790618	F(1, 34)	12471.29
Total	622646.346	35	17789.8956	Prob > F	0.0000
				R-squared	0.9973
				Adj R-squared	0.9972
				Root MSE	7.0562

cus_gs	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
trend	21.35231	4.255282	5.018	0.000	12.70454	30.00009
_cons	1787.385	41.8847	42.674	0.000	1702.265	1872.505
rho	.7445974					

Durbin-Watson statistic (original) 0.552319
Durbin-Watson statistic (transformed) 2.037745

Source	SS	df	MS		
Model	1418714.57	3	472904.856	Number of obs	36
Residual	153842.754	32	4807.58606	F(3, 32)	98.37
Total	1572557.32	35	44930.2092	Prob > F	0.0000
				R-squared	0.9022
				Adj R-squared	0.8930
				Root MSE	69.337

upc_gs	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
hdd54	1.625505	.2986821	5.442	0.000	1.01711	2.233901
cdd62	.8959886	.0594523	15.071	0.000	.7748883	1.017089
trend	15.91585	11.98184	1.328	0.193	-8.490351	40.32205
_cons	779.0847	120.5361	6.463	0.000	533.5607	1024.609
rho	-.15154					

Durbin-Watson statistic (original) 2.175871
Durbin-Watson statistic (transformed) 1.974273

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Fernandina GS

Source	SS	df	MS		
Model	324821.641	1	324821.641	Number of obs	36
Residual	2165.86255	34	63.7018396	F(1, 34)	5099.09
Total	326987.504	35	9342.5001	Prob > F	0.0000
				R-squared	0.9934
				Adj R-squared	0.9932
				Root MSE	7.9813

cus_gs	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
trend	15.39469	4.717682	3.263	0.003	5.807205	24.98217
_cons	1248.787	46.43373	26.894	0.000	1154.423	1343.152
rho	.7374729					

Durbin-Watson statistic (original) 0.481678
Durbin-Watson statistic (transformed) 2.087767

Source	SS	df	MS		
Model	4532335.79	3	1510778.60	Number of obs	36
Residual	321643.302	32	10051.3532	F(3, 32)	150.31
Total	4853979.09	35	138685.117	Prob > F	0.0000
				R-squared	0.9337
				Adj R-squared	0.9275
				Root MSE	100.26

upc_gs	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
hdd54	2.288263	.4981558	4.593	0.000	1.273553	3.302973
cdd62	1.268184	.0753197	16.837	0.000	1.114763	1.421605
trend	-28.85897	14.86806	-1.941	0.061	-59.14422	1.426282
_cons	1647.518	149.5245	11.018	0.000	1342.947	1952.09
rho	-.3397669					

Durbin-Watson statistic (original) 2.519203
Durbin-Watson statistic (transformed) 2.045922

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Marianna GSD

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  1,    34) = 2730.42
   Model |  22720.341      1  22720.341            Prob > F      =  0.0000
Residual |  282.92028     34  8.32118472           R-squared     =  0.9877
---------+------------------------------           Adj R-squared =  0.9873
   Total |  23003.2613     35  657.236037           Root MSE      =  2.8846

 cus_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   trend |   7.124119   1.810259     3.935   0.000     3.445231    10.80301
   _cons |    332.322   17.82027     18.649   0.000     296.1069    368.5372
---------+--------------------------------------------------------------------
     rho |   .7583495
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    0.469578
Durbin-Watson statistic (transformed) 2.004710

  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =    9.03
   Model |  176.139653     3  58.7132175            Prob > F      =  0.0002
Residual |  208.170484    32  6.50532764           R-squared     =  0.4583
---------+------------------------------           Adj R-squared =  0.4075
   Total |  384.310137    35  10.9802896            Root MSE      =  2.5506

 dpc_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |   .0239067   .0118626     2.015   0.052    -.0002566    .0480699
   cdd62 |   .0090076   .0027078     3.326   0.002     .0034919    .0145233
   trend |  -.6256442   .6947421    -0.901   0.375    -2.040787    .7894991
   _cons |   71.05792   6.925389     10.260   0.000     56.95137    85.16448
---------+--------------------------------------------------------------------
     rho |   .3056707
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    1.379198
Durbin-Watson statistic (transformed) 1.993457
```

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =   38.95
   Model |  146175553      3  48725184.3            Prob > F      =  0.0000
Residual |  40031206.1     32  1250975.19           R-squared     =  0.7850
---------+------------------------------           Adj R-squared =  0.7649
   Total |  186206759     35  5320193.12            Root MSE      =  1118.5

 upc_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |   7.080829   5.193281     1.363   0.182    -3.497538    17.6592
   cdd62 |   10.65024   1.127138     9.449   0.000     8.354335    12.94615
   trend |  -221.5229   266.1895    -0.832   0.411    -763.7331    320.6872
   _cons |   18322.93   2659.905     6.889   0.000     12904.88    23740.98
---------+--------------------------------------------------------------------
     rho |   .1906266
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    1.612326
Durbin-Watson statistic (transformed) 1.949468
```

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Fernandina GSD

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  1,    34) =  715.25
   Model |  11159.4583     1  11159.4583           Prob > F      =  0.0000
Residual |  530.477149    34  15.6022691           R-squared     =  0.9546
---------+------------------------------           Adj R-squared =  0.9533
   Total |  11689.9355    35  333.998156           Root MSE      =    3.95

 cus_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   trend |    4.36749   2.238186     1.951   0.059    -.1810509    8.91603
   _cons |   244.7506   22.02708    11.111   0.000     199.9862    289.515
---------+--------------------------------------------------------------------
     rho |   .7219839
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    0.516723
Durbin-Watson statistic (transformed) 1.671104

  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =   24.86
   Model |  495.824911     3  165.27497            Prob > F      =  0.0000
Residual |  212.726987    32  6.64771834           R-squared     =  0.6998
---------+------------------------------           Adj R-squared =  0.6716
   Total |  708.551898    35  20.2443399           Root MSE      =  2.5783

 dpc_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |   .0019321   .0150166     0.129   0.898    -.0286556    .0325198
   cdd62 |   .0082246   .0025481     3.228   0.003     .0030343    .0134148
   trend |  -1.536886   .6026679    -2.550   0.016    -2.76448    -.3092914
   _cons |    84.8989   6.011622    14.122   0.000     72.65363    97.14417
---------+--------------------------------------------------------------------
     rho |   .1839726
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    1.345707
Durbin-Watson statistic (transformed) 1.768525

  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =   78.48
   Model |  619399426     3  206466475            Prob > F      =  0.0000
Residual |  84188083.7    32  2630877.62           R-squared     =  0.8803
---------+------------------------------           Adj R-squared =  0.8691
   Total |  703587509     35  20102500.3           Root MSE      =  1622.0

 upc_gsd |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |  -2.326576   8.258777    -0.282   0.780    -19.14915     14.496
   cdd62 |    13.0709   1.255228    10.413   0.000     10.51408    15.62772
   trend |  -787.7804   250.2628    -3.148   0.004    -1297.549    -278.0118
   _cons |    29138.06   2515.09    11.585   0.000     24014.99    34261.13
---------+--------------------------------------------------------------------
     rho |  -.2842387
------------------------------------------------------------------------------
Durbin-Watson statistic (original)    2.287046
Durbin-Watson statistic (transformed) 1.689949
```

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Marianna GSLD

Source	SS	df	MS		
Model	5.8446e	3	1.9482e	Number of obs	36
Residual	5.9807e	32	1.8690e	F(3, 32)	10.42
Total	1.1825e	35	3.3786e	Prob > F	0.0001
				R-squared	0.4942
				Adj R-squared	0.4468
				Root MSE	43232

dpc_gsld	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
hdd54	73.47153	196.96	0.373	0.712	-327.7229	474.6659
cdd62	250.4261	49.5761	5.051	0.000	149.4429	351.4093
trend	29149.22	15056.75	1.936	0.062	-1520.379	59818.82
_cons	51570.57	149501.8	0.345	0.732	-252954.5	356095.7
rho	.4794331					

Durbin-Watson statistic (original) 1.070392
Durbin-Watson statistic (transformed) 2.377253

Source	SS	df	MS		
Model	112439.549	3	37479.8498	Number of obs	36
Residual	202709.894	32	6334.6842	F(3, 32)	5.92
Total	315149.444	35	9004.26982	Prob > F	0.0025
				R-squared	0.3568
				Adj R-squared	0.2965
				Root MSE	79.591

dpc_gsld	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
hdd54	.274306	.3704562	0.740	0.464	-.4802885	1.028901
cdd62	.346318	.0823828	4.204	0.000	.1785096	.5141263
trend	38.07882	20.25374	1.880	0.069	-3.176711	79.33434
_cons	377.1679	202.1366	1.866	0.071	-34.57082	788.9066
rho	.2495994					

Durbin-Watson statistic (original) 1.473969
Durbin-Watson statistic (transformed) 2.075758

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For each forecasting model used to estimate test year projections for customers, demand, and energy, provide the historical and projected values for the input variables and the output variables used in estimating and/or validating the model. Also, provide a description of each variable, specifying the unit of measurement and the time span or cross sectional range of the data.

Type of Data Shown:
Historical Year Ended 12/31/2006
Prior Years 2004-2005

Witness: Mark Cutshaw

Fernandina GSLD

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =    3.45
   Model |  1.6927e+11     3  5.6424e+10           Prob > F      =  0.0281
Residual |  5.2391e+11    32  1.6372e+10           R-squared     =  0.2442
---------+------------------------------           Adj R-squared =  0.1733
   Total |  6.9318e+11    35  1.9805e+10           Root MSE      =  40463

------------------------------------------------------------------------------
upc_gsld |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |   273.7403   234.9711     1.16   0.253    -204.8801    752.3608
   cdd62 |   64.25244   39.44824     1.63   0.114    -16.10104    144.6058
   trend |  -20141.12   9192.269    -2.19   0.036    -38865.16   -1417.084
   _cons |   522483.2    91736.5     5.70   0.000     335622.1    709344.3
---------+--------------------------------------------------------------------
     rho |    .15763
------------------------------------------------------------------------------
```

Durbin-Watson statistic (original) 1.683759
Durbin-Watson statistic (transformed) 1.880079

```
  Source |       SS       df       MS              Number of obs =      36
---------+------------------------------           F(  3,    32) =    0.56
   Model |  5909.27767     3  1969.75922           Prob > F      =  0.6466
Residual |  112964.311    32  3530.13472           R-squared     =  0.0497
---------+------------------------------           Adj R-squared = -0.0394
   Total |  118873.589    35  3396.38825           Root MSE      =  59.415

------------------------------------------------------------------------------
dpc_gsld |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
---------+--------------------------------------------------------------------
   hdd54 |   .1579004   .2987246     0.53   0.601    -.4505817    .7663825
   cdd62 |  -.005721   .0452728    -0.13   0.900    -.0979387    .0864967
   trend |  -18.43003   8.977594    -2.05   0.048    -36.71679   -.1432649
   _cons |   929.0653   90.25624    10.29   0.000     745.2194    1112.911
---------+--------------------------------------------------------------------
     rho |  -.3132794
------------------------------------------------------------------------------
```

Durbin-Watson statistic (original) 2.478590
Durbin-Watson statistic (transformed) 2.070205

Supporting Schedules:

Recap Schedules:

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:40 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: f-9.xls; f-3.xls; f-4.xls; f-5 dgh.xls; f-6 dgh.xls; f-7 dgh.xls; f-8.xls

F schedules. I think there are a few "blanks" to be filled in on F9. I have not sent F1 and F2 – they are just the pdfs of the annual reports and SEC filings.

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

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

EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.

Type of Data Shown:

Projected Year Ended 12/31/2007
Projected Test Year Ended 12/31/2008
Witness: Cheryl Martin, Mark Cutshaw

I. BALANCE SHEET (13-Month Average)

The Consolidated Electric Operations is an operating division of Florida Public Utilities Company (FPU) and as such does not have a complete balance sheet of its own. Many of the balance sheet items are commonly shared with all divisions of FPU including the wholly-owned subsidiary, Flo-Gas Corporation (Flo-Gas). It is therefore, necessary to allocate these amounts based on various allocation bases.

Schedule H(B-3) reflects the 13 month average consolidated balance sheet with separate columns indicating 13-month averages for consolidated amounts, the allocated amount, and the basis and percentage for the allocation. Detail of working capital components, including adjustments and eliminations is contained on Schedule H(B-17). Utility Plant in Service, the associated Reserve, and Construction Work-In-Process are directly charged to the Consolidated Electric Division except for common plant. Common plant, reserve, and CWIP are allocated to the Consolidated Electric Division based upon percentages calculated in our allocation study. The detail of plant data is contained on the various H(B Schedules). Common Equity, Preferred Equity, Long-Term Debt, and Notes Payable were allocated to the Consolidated Electric Division as a pro-rata share of total FPU capitalization as compared to total Electric Division rate base. Projected balance sheet accounts use various direct projection methods, as well as various projection factors including customer growth, inflation and plant. Methods are indicated on the Projection Schedules included in section H (Bs).

II. INCOME STATEMENT

OPERATING REVENUES

Operating revenues are directly charged to the Consolidated Electric Division. Revenues are calculated by multiplying the KWH sales by the rates approved by the Florida Public Service Commission for base rates, fuel, and conservation. Projected revenues are based on the billing determinant forecasts described on Schedules F-5 and F-6. See Schedule H(C-5) for revenues.

OPERATION AND MAINTENANCE EXPENSES

Most of these expenses are directly charged to the Consolidated Electric Division except for Corporate clearing and administrative and general accounts. These accounts were allocated to the Consolidated Electric Division based upon various percentages. These percentages are based on historic payroll, revenues, customers, sales, etc. Projected expenses are based on the either direct forecasts, or projection factors applied to the historic year 12/31/2006. See schedule H(C-7) for the related factors and methodologies.

DEPRECIATION and AMORTIZATION EXPENSES

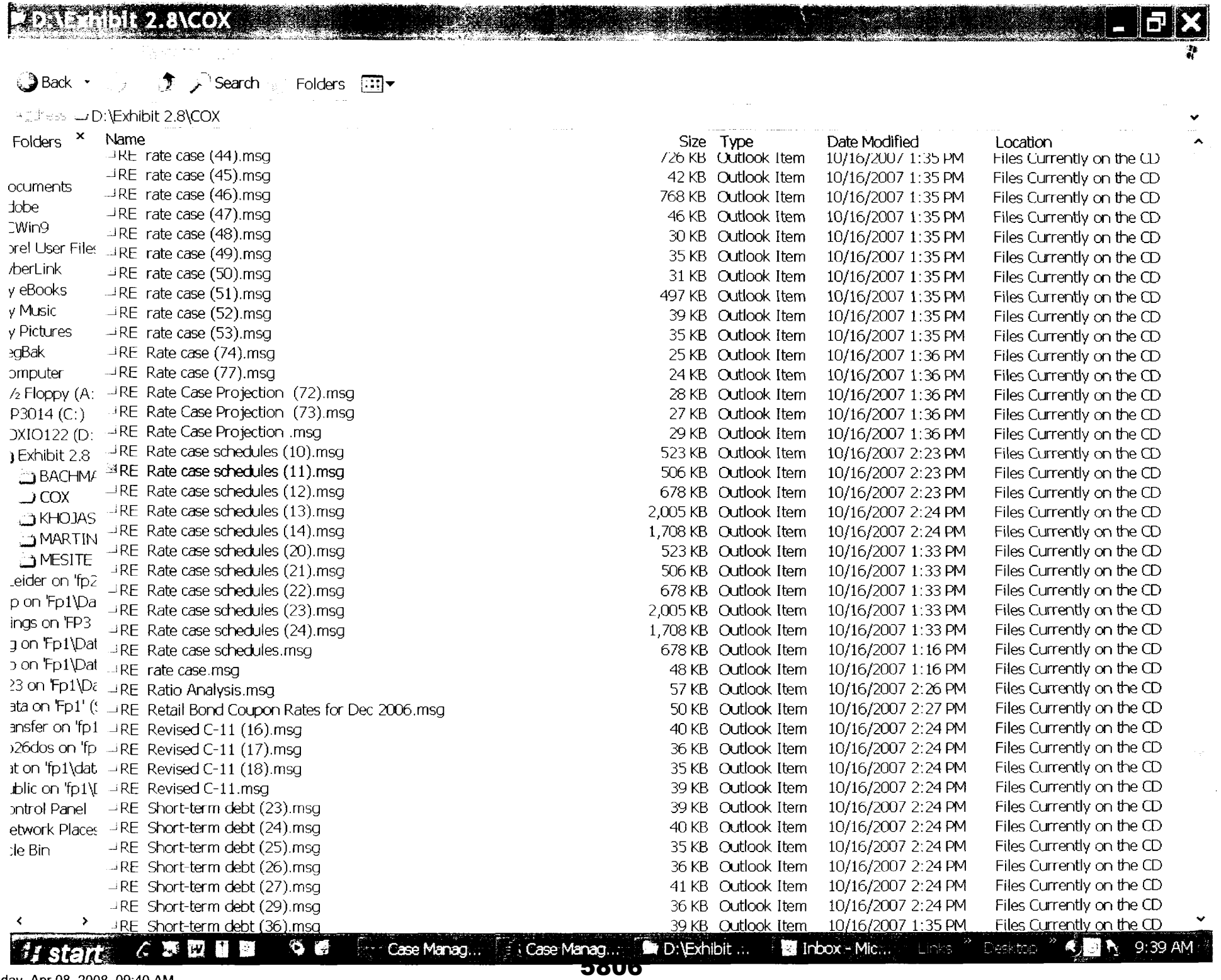
Depreciation was calculated by using the existing Florida Public Service Commission approved depreciation rates. The projected test year will have to be updated before final rates are approved for new rates in our pending depreciation study filed with the Florida Public Service Commission in June 2007.
Amortization expenses were based on direct projections shown on schedule H(C-19)

TAXES

Income taxes, current and deferred, were computed using an effective tax rate of 37.63%. See Schedule C-22 for details.
Taxes other than income taxes were projected based on various trends using the historical year 2006 as a basis. See Schedule H (C--20) for the factors used.

Supporting Schedules: Bs, Cs, and H(Bs) and H (Cs) schedules

Recap Schedules:



Tuesday, Apr 08, 2008 09:40 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:33 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: G-MFRS--8-13-07-NoLinks.xls

Here are the G's

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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	Adjustments:										
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	PLANT				
2	Commission Adjustment:				
3	Allocate Various Items of General	Non-Regulated Propane Operations at			
4	Plant Accounts to Propane; based	Fernandina Beach Location - Per			
5	on Customers and/or Square Footage	2003 Rate Case Proceeding			
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	"	(41,756)		(41,756)
13					
14					
15	Company Adjustment:				
16	None				
17					
18					
19					
20	WORKING CAPITAL				
21	Commission Adjustment:				
22	Eliminate Interest Baring Cash	Per 2003 Rate Case Proceeding	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	Per 2003 Rate Case Proceeding	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	Per 2003 Rate Case Proceeding	(1,716,749)	100%	(1,716,749)
25			(1,857,601)		(1,857,601)
26	Company Adjustment:				
27	None				

Supporting Schedules: B-3 (2006)

Recap Schedules: G-2

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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	1,454,261	1,454,261	1,454,261	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	(3,540,107)	(3,540,107)	(3,540,107)	100%
30					
31	Total Adjusted Rate Base	38,057,242	38,057,242	38,057,242	100%

Supporting Schedules: B-6 (2006), G-2, G-19-a, G-7, G-18

Recap Schedules: G2

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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		Commision 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)

Supporting Schedules: B-1 (2006), B-3 (2006)

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:
Historic 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 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
- Distllate Oil
- Natural Gas
- Biomass
- Other _____

Note 1 - Applicable only to system fuel inventory balances.

Supporting Schedules:

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:
Historic Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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	48,527,231	-	48,527,231	100%	48,527,231	(31,118,924)	17,408,307
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	(31,098)	2,476,531

Supporting Schedules: C-1 (2006), G-8

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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	48,527,231	(31,118,924)												(31,118,924)	17,408,307
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	(31,098)												(31,098)	2,476,531

Supporting Schedules: G-9

Recap Schedules: G-7

INTERIM JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS

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		(31,098)		(31,098)

Supporting Schedules:

Recap Schedules: G-8

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:
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-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:
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 (4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other Gross Receipts	(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-RECOVRY:FUEL AD	307,430	-	307,430	307,430	-	-	-	-	307,430	-
4562	MISC.ELECTRIC REVENU	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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO. 070304-EI

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

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	TOTAL	DEFERRED TAX STATE	DEFERRED TAX 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 YEAR.

Type of Data Shown:
Historic Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX 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	553,283			

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

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

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: G-19a

Recap Schedules: G-12

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:
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		Not Applicable		
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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Historic Year Ended 12/31/2006
Witness: Doreen Cox

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: C-44

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the company's 13-month average cost of capital for the 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

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
					Regulatory Capital Structure, 2006						
1	Long Term Debt	50,443,237			50,443,237	31.33%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2	Short Term Debt	3,309,077			3,309,077	31.33%	1,036,586	0.0272	7.29%	0.20%	75,536
3	Preferred Stock	600,000			600,000	31.33%	187,953	0.0049	4.75%	0.02%	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											

Line No.	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
14					
15					
16					
17		**Conventional Capital Structure, 2007**			
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%
22					
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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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
	Regulatory Capital Structure, 2005										
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											

Line No.	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
37					
38					
39					
40	**Conventional Capital Structure, 2006**				
41	Long Term Debt	50,342,633	0.5175	8.04%	4.16%
42	Short Term Debt	3,129,000	0.0322	2.52%	0.08%
43	Preferred Stock	600,000	0.0062	4.75%	0.03%
44	Common Equity	43,201,749	0.4441	11.50%	5.11%
45					
46	TOTAL	97,273,382	1.0000		9.38%

Rate Base	$38,086,999
Direct Components	$6,881,332
	$31,205,667
Jurisdictional Factor	32.08%

Supporting Schedules: G-2, G-19b

Recap Schedules: G-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION:

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:
Historic Year Ended 12/31/2006
Prior Year Ended 12/31/2005
Witness: Doreen Cox, Robert Camfield

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

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

Rate	(1) Base Revenue at Present Rates	(2) Base Revenue at Proposed Rates	Increase (3) Dollars (2) - (1)	Increase (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	13,505,654	14,296,439	790,785	

Supporting Schedules: G-1, G-11, G-23

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

	Type of Service Charge	Number of Transactions	Present Charge	Proposed Charge	Revenues at Present Charges	Revenues at Proposed Charges	Increase Dollars	Increase 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%
	TOTAL	12,516			219,900	219,900	-	0.00%

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

Rate Schedule RS

Type of Charges	Present Revenue Calculation Units	Charge/Unit	$ Revenue	Proposed Revenue Calculation Units	Charge/Unit	$ Revenue	Percent Increase
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 (Booked)			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

Rate Schedule GS

Type of Charges	Present Revenue Calculation Units	Charge/Unit	$ Revenue	Proposed Revenue Calculation Units	Charge/Unit	$ Revenue	Percent Increase
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

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

Rate Schedule GSD

Type of Charges	Present Revenue Calculation Units	Charge/Unit	$ Revenue	Proposed Revenue Calculation Units	Charge/Unit	$ Revenue	Percent Increase
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 (Booked)			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

Rate Schedule GSLD

Type of Charges	Present Revenue Calculation Units	Charge/Unit	$ Revenue	Proposed Revenue Calculation Units	Charge/Unit	$ Revenue	Percent Increase
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)	(1,422.1401)	49,209.0000	(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 (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-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

Rate Schedule GSLD1

Type of Charges	Present Revenue Calculation Units	Charge/Unit	$ Revenue	Proposed Revenue Calculation Units	Charge/Unit	$ Revenue	Percent Increase
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	11,216	0.24	2,692	11,216	0.25	2,849	5.86%
Standard	0	0	-	0	0	-	
T-O-D On-Peak	0	0	-	0	0	-	
T-O-D Off-Peak	11,216		2,692	11,216		2,849	5.86%
Total							
Total Base Revenue (Calculated)			545,956			577,923	5.86%
Correction Factor			(1)			(1)	
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:
Historic Year Ended 12/31/2006
Witness: Doreen Cox, Mark Cutshaw

				Present Rates - Outdoor Lighting					Proposed Rates- Outdoor Lighting					
Type of Facility	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					$891,053	
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:
Historic Year Ended 12/31/2006
Witness: Doreen Cox, Mark Cutshaw

				Present Rates - Street Lighting					Proposed Rates - Street Lighting					
Type of Facility	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:

Sheet 12

Schedule G-18

INTERIM REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:

DOCKET NO.:

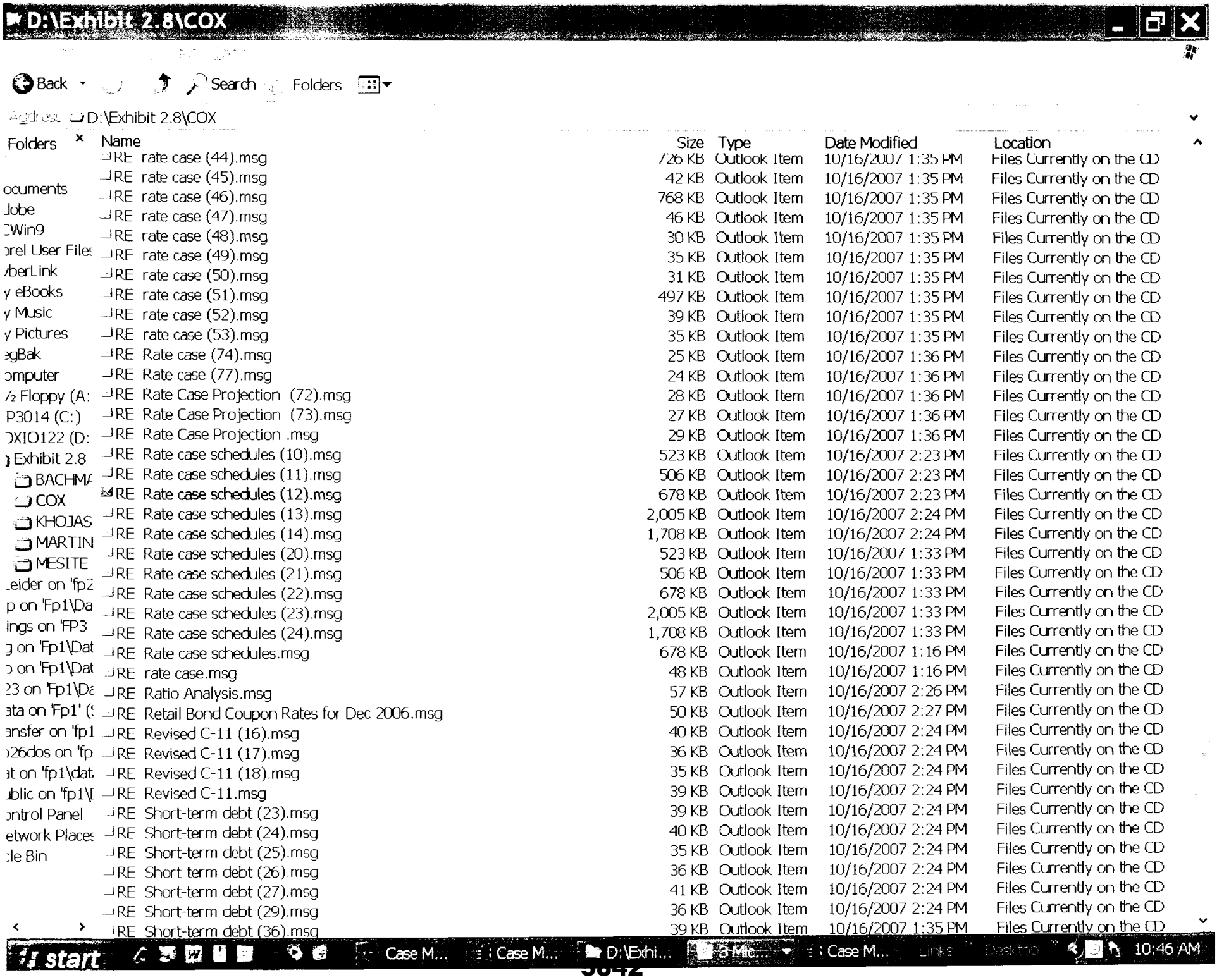
EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

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

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:



Tuesday, Apr 08, 2008 10:47 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:31 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: D's-Final-NoLinks.xls

Here are the D Schedules

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
	Regulatory Capital Structure, 2006										
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2006				
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2006)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2007						
1.	Long Term Debt	50,543,842			50,543,842	32%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	32%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	32%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	32%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2007			
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	32%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2007)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

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

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2008						
1.	Long Term Debt	49,777,370			49,777,370	30%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	30%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	30%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	30%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	30%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2008)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

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

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	2004 Year-End Amount	2004 Year-End Percent of Total	2005 Year-End Amount	2005 Year-End Percent of Total	2006 Year-End Amount	2006 Year-End Percent of Total	2007 Year-End Amount	2007 Year-End Percent of Total	2008 Year-End Amount	2008 Year-End Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

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

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

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

TEST YEAR, 2008

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$936,719
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13													
14													
15			Rounding Adjustment										-$63
16													
17													
18													
19													
20													
21													
22	Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,855,553								
26													
27	Net LT Debt Outstanding				$49,777,370								
28													
29													
30	Embedded Cost of Long-term Debt				7.9650%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '05				2,075,368				
2	January, '06				2,082,190			10,806	
3	February				2,098,737			11,297	
4	March				2,107,316			9,618	
5	April				2,114,463			10,239	
6	May				2,119,052			10,657	
7	June				2,114,509			10,239	
8	July				2,126,739			11,656	
9	August				2,132,502			10,676	
10	September				2,132,452			11,391	
11	October				2,156,868			10,408	
12	November				2,194,167			11,987	
13	December				2,322,227			10,652	
14									
15	13 Month Average				$2,136,661				
16									
17	12 Month Total							$129,626	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			6.07%				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,590,029	732,198		2,322,227				
2	January, '07	1,589,106	731,773		2,320,879	7,946	4,269	12,214	
3	February	1,599,207	736,425		2,335,632	7,996	4,296	12,292	
4	March	1,809,061	833,061		2,642,123	9,045	4,860	13,905	
5	April	1,822,307	839,161		2,661,468	9,112	4,895	14,007	
6	May	1,835,650	845,305		2,680,956	9,178	4,931	14,109	
7	June	1,849,091	851,495	N/A	2,700,586	9,245	4,967	14,213	N/A
8	July	1,862,630	857,729		2,720,360	9,313	5,003	14,317	
9	August	1,876,269	864,010		2,740,278	9,381	5,040	14,421	
10	September	1,890,007	870,336		2,760,343	9,450	5,077	14,527	
11	October	1,903,845	876,709		2,780,554	9,519	5,114	14,633	
12	November	1,917,785	883,128		2,800,914	9,589	5,152	14,741	
13	December	1,931,828	889,594		2,821,422	9,659	5,189	14,848	
14									
15	13 Month Average				$2,637,518				
16									
17	12 Month Total					$109,434	$58,793	$168,227	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

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

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,931,828	889,594		2,821,422				
2	January, '07	1,945,973	896,108		2,842,081	9,730	5,227	14,957	
3	February	1,960,221	902,669		2,862,890	9,801	5,266	15,067	
4	March	1,974,574	909,279		2,883,853	9,873	5,304	15,177	
5	April	1,989,032	915,937		2,904,968	9,945	5,343	15,288	
6	May	2,003,596	922,643		2,926,239	10,018	5,382	15,400	
7	June	2,018,266	929,399	N/A	2,947,665	10,091	5,421	15,513	N/A
8	July	2,033,044	936,204		2,969,248	10,165	5,461	15,626	
9	August	2,047,930	943,059		2,990,989	10,240	5,501	15,741	
10	September	2,062,925	949,964		3,012,889	10,315	5,541	15,856	
11	October	2,078,030	956,920		3,034,949	10,390	5,582	15,972	
12	November	2,093,245	963,926		3,057,172	10,466	5,623	16,089	
13	December	2,108,572	970,984		3,079,556	10,543	5,664	16,207	
14									
15	13 Month Average				$2,948,763				
16									
17	12 Month Total					$121,577	$65,316	$186,893	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 &
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2						
3	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
4						
5	Book Value/Share ($)	$ 5.32	$ 7.08	$ 7.31	$ 7.64	$ 7.94
6						
7	Dividends/Share ($)	$ 0.38	$ 0.39	$ 0.40	$ 0.41	$ 0.43
8						
9	Earnings/Share ($)	$ 0.57	$ 0.43	$ 0.60	$ 0.71	$ 0.69
10						
11	Market Value/Share ($)	$ 9.90	$ 10.53	$ 12.77	$ 13.65	$ 13.25
12						
13	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
14						
15	Price/Earning Ratio (6) / (5)	17.37	24.49	21.28	19.23	19.20

* Excluding the Sale of Water Division
** Common Share information re-stated to reflect three for two stock split on July 25, 2005

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
Provide a statement of the Company's policy on the timing of the entrance into capital markets.

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

Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds: Capitalization (Thousands)	For Bonds: Interest Rate	For Bonds: Life in Years	For Stock: No. of Shares	For Stock: Market Price	Issue Costs	Principal Amount
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	Capital Structure Objectives:				Percent of Total				
9									
10	Short-term Debt				2 - 14%				
11	Long-term Debt				40 - 45%				
12	Preferred Stock				0 - 1%				
13	Common Equity				43 - 56%				
14									
15									
16	Interest Rate Assumptions:		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	Company's Policy on the Timing of Entrance into Capital Markets:								
20	Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.								
21	The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.								
22	The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	4.52	4.01	2.50	4.06
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	N/A	N/A	N/A	N/A
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	-	-	141,797	141,797
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.10	1.67
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules:

Recap Schedules: D-1

Florida Public Utilities
Long-Term Debt

	GL #	Start of Sinking Fund Payments	March 31 2007	December 31 2006	December 31 2005
First mortgage bonds series					
9.57 % due 2018		5/1/2008	10,000,000	10,000,000	10,000,000
10.03 % due 2018		5/1/2008	5,500,000	5,500,000	5,500,000
9.08 % due 2022		n/a	8,000,000	8,000,000	8,000,000
4.90 % due 2031		n/a	14,000,000	14,000,000	14,000,000
6.85 % due 2031		n/a	15,000,000	15,000,000	15,000,000
Total long-term debt	2210		52,500,000	52,500,000	52,500,000
Unamortized debt discount	1810		(1,777,139)	(1,797,719)	(1,880,040)
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		(204,170)	(208,741)	(227,025)
				(2,006,460)	(2,107,065)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	50,493,540	50,392,935
				(2,056,763)	

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1		DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
	2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
	2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
	2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

ST INTEREST ANALYSIS

	2005 DEC	2006 JAN	2006 FEB	2006 MAR	2006 APR	2006 MAY	2006 JUN	2006 JUL	2006 AUG	2006 SEP	2006 OCT	2006 NOV	2006 DEC	TOTAL or Average %	Rate
Method as per Surveillance Report															
Int Accrued on NP		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	
NP BAL @ End of Mth	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	**3.28%** Using End of Month Balance
Annualized Interest Rate		3.95%	5.22%	6.16%	5.74%	5.32%	1.52%	4.31%	9.84%	0.79%	3.40%	-1.48%	3.22%	4.00%	
Interest Cost using Avg Mthly Bal															
Int Exp as per 4310.2		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	
Avg LOC Balance		7,831,548	6,889,536	3,763,677	1,082,440	517,968	355,800	523,806	204,387	214,167	499,935	305,433	1,787,483	1,998,015	5.43% Using Avg LOC Mthly Bal
		5.38%	5.50%	5.63%	5.83%	5.98%	6.12%	6.26%	6.26%	6.23%	6.22%	-9.75%	6.24%	4.66%	
Effective Cost of ST Debt															
LOC Available	$ 12,000,000	[redacted]													
Int Exp as per 4310.2		$ 36,282	$ 29,480	$ 18,251	$ 5,263	$ 2,665	$ 1,815	$ 2,825	$ 1,102	$ 1,111	$ 2,678	$ (2,481)	$ 9,599	$ 108,590	5.43%
Fee on Unused Portion of LOC	0.25%	$ 868	$ 1,065	$ 1,716	$ 2,274	$ 2,392	$ 2,426	$ 2,391	$ 2,457	$ 2,455	$ 2,396	$ 2,436	$ 2,128	$ 25,005	1.25%
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.60%
		37,150	30,545	19,966	7,537	5,057	16,241	5,216	3,560	3,567	5,074	(45)	11,726	145,595	7.29%

ST INTEREST ANALYSIS

	2006 DEC	2007 JAN	2007 FEB	2007 MAR	2007 APR	2007 MAY	2007 JUN	2007 JUL	2007 AUG	2007 SEP	2007 OCT	2007 NOV	2007 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	[redacted]	19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
NP BAL @ End of Mth	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	6.14%	Using End of Month Balance
Annualized Interest Rate		5.74%	9.38%	6.16%	5.41%	9.61%	5.30%	3.93%	6.21%	6.09%	5.91%	5.48%	6.05%	6.27%		
Interest Cost using Avg Mthly Bal																
Int Exp		19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
Avg LOC Balance		3,715,000	3,103,500	2,229,000	2,667,500	2,290,000	1,810,000	4,910,000	7,560,000	7,760,000	8,360,000	10,260,000	12,010,000	5,556,250	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	[redacted]															
Int Exp		$ 19,597	$ 16,371	$ 11,758	$ 14,071	$ 12,080	$ 9,548	$ 25,900	$ 39,879	$ 40,934	$ 44,099	$ 54,122	$ 63,353	$ 351,711	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 1,726	$ 1,853	$ 2,036	$ 1,944	$ 2,023	$ 2,123	$ 1,477	$ 925	$ 883	$ 758	$ 988	$ 623	$ 17,359	0.31%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.22%	
		21,323	18,224	13,794	16,015	14,103	23,671	27,377	40,804	41,817	44,857	55,109	63,976	381,070	6.86%	

ST INTEREST ANALYSIS

	2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	[redacted]	62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	**393,884**		
NP BAL @ End of Mth	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	**6,436,923**	**6.12%**	Using End of Month Balance
Annualized Interest Rate		6.26%	7.17%	6.35%	5.98%	5.59%	164.58%	4.27%	10.84%	4.41%	4.00%	4.39%	5.97%	**19.15%**		
					5.70%											
Interest Cost using Avg Mthly Bal																
Int Exp		62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	**393,884**		
Avg LOC Balance		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	**6,222,500**	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	**6.25%**		
Effective Cost of ST Debt																
LOC Available	[redacted]															
Int Exp		$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	**$ 393,884**	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	**$ 17,569**	0.28%	
Fee on Total Available LOC	0.10%						$ 12,000							**$ 12,000**	0.19%	
		63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	**423,453**	**6.81%**	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
Month End Balance	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
Interest		10,806	11,297	9,618	10,239	10,657	10,239	11,656	10,676	11,391	10,408	11,987	10,652	129,626

Effective Interest Rate 6.07%

2007

<<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

			Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance			2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																	
Ratio	68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	109,434	
	31.53%	7%	4,271	4,269	4,296	4,860	4,895	4,931	4,967	5,003	5,040	5,077	5,114	5,152	5,189	58,793	
	Total Interest		12,221	12,214	12,292	13,905	14,007	14,109	14,213	14,317	14,421	14,527	14,633	14,741	14,848	168,227	

Effective Interest Rate 6.378%

2008

<<<<<<<<< PROJECTED >>>>>>>>>

			Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
			2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																	
Ratio	68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	121,577	
	31.53%	7%	5,189	5,227	5,266	5,304	5,343	5,382	5,421	5,461	5,501	5,541	5,582	5,623	5,664	65,316	
	Total Interest		14,848	14,957	15,067	15,177	15,288	15,400	15,513	15,626	15,741	15,856	15,972	16,089	16,207	186,893	

Effective Interest Rate 6.338%

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

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

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

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	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 PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	ACCUM DEF TAXES	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Common Stock		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	Premium On Comm. Stk.		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Misc Paid in Capital		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	1st Mortgage Bonds		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Notes Payable		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	INVEST TAX CRED	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	3% INV TAX CRED			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	Flo-Gas Corp.:																
39	Investment in Assoc. Co.	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	Comprehensive Income		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	INV TAX CREDIT	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	3% INV TAX CRED	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	Short Term Debt		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	Customer Deposits	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		L15+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	47,448,660
55	Common Equity-Excl Flo-Gas		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32-L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	TAX CREDITS-ZERO CST	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	TOTAL INCL FLO-GAS EQUITY			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	TOTAL LTD,STD,EQUITY			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio:																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

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Line Ref		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	13 mth AVERAGE	Basis of Projection
					<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>								
15	**Investment in Assoc. Co.**			1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	**Electric only**		2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only		2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	**DEF TAX-UNDERREC**	**Electric only**		**2830 Included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS			0	0													0	
35	**3% INV TAX CRED**				0													0	
36																			
37																			
38	**Flo-Gas Corp.:**																		
39	**Investment in Assoc. Co.**	**Zeroed**		1230	0													0	
40	ACCUM DEF TAXES	Zeroed		1900	0													0	
41	**Common Stock**			2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings			2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	**Comprehensive Income**			2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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			L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	**Customer Deposits**	**Electric only**		L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity			L15+L19+L21+L23+L24+L25+L26+L36+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**			+L19+L21+L23+L24+L25+L26	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		L32+L33	5,144,417	5,121,354	5,055,767	4,996,317	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%	55%	56%	58%	58%	58%	58%	59%	59%	57%	
	Equity				43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort
$14M	$	2,239	
$15M	$	3,357	
$10M	$	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

				TOTAL	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	
PRIOR YEAR NET INCOME (Actual)			2006	4,169	923	900	398	472	177	90	238	128	(32)	161	449	265	
			FPU	4,013	772	709	318	418	207	110	291	195	57	200	433	303	
			FLO-GAS	156	151	191	80	54	(30)	(20)	(53)	(67)	(89)	(39)	16	(38)	
					Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	
	Revised Budget		2007	3,879	707	645	446	447	144	99	137	160	136	175	320	463	
	(671,194)		FPU	3,291	821	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

			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															
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806
FLO-GAS RETAINED EARNINGS																
B/F			2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME			85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2				(2,000,000)										(2,000,000)	
BAL C/F			2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)
CONSOLIDATED PROJECTED RETAINED EARNINGS																
B/F			35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME			706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend			0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend			0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F			35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
	0															
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07		92,423	77,246	50,648	50,288	20,550	14,861	20,550	23,380	18,819	19,954	37,824	55,247	490,000	

		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483	
Financials		35,919,703	36,564,911	36,356,371										
		2	4	7										
				(3)										
				(4)										

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Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	ACCUM DEF TAXES	Electric only	1900	1,167,843	1,144,089	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	11,158,933	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	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 J
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Misc Paid in Capital		2110	802,472	715,354	715,354	734,985	734,985	721,979	721,621	641,327	641,327	669,699	669,699	669,699	688,617	702,086	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	Capital Stock Expense		2140	428,441	428,441	428,441	428,441	428,441	428,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	913,056	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	1st Mortgage Bonds	1	2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,632,923	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Notes Payable		2310	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37				0														
38	Flo-Gas Corp.:			0														
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	Comprehensive Income		2190	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	INV TAX CREDIT	Zeroed	2550	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	3% INV TAX CRED	Zeroed	0	0													0	
48				0														
49	Consolidated:		Line Reference	0														
50	Long Term Debt		L27-L16	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+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	64,305,157	64,692,185	64,901,601	64,214,651	64,354,125	64,692,925	64,329,572	57,755,879	
56	DEFERRED INC TAXES	Electric only	L17+L32+L33	5,647,545	5,418,402	6,164,051	6,146,210	6,140,012	6,121,764	6,141,777	6,163,036	6,159,373	6,249,069	6,238,308	6,225,413	6,208,701	6,078,743	
57	TAX CREDITS-ZERO CST	Electric only	+L36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
58	TAX CREDITS-WEIGHTED	Electric only	+L31+L35	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	TOTAL INCL FLO-GAS EQUITY			120,876,557	121,090,655	121,404,880	120,557,642	122,259,019	123,389,413	123,833,891	124,578,872	124,415,598	124,301,502	126,000,647	129,822,895	129,905,783	124,033,643	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	TOTAL LTD,STD,EQUITY			112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt/Equity Ratio																	
	Debt			50%	50%	50%	50%	50%	50%	48%	48%	48%	48%	49%	50%	50%	53%	
	Equity			41%	41%	42%	42%	42%	41%	52%	52%	52%	52%	51%	50%	50%	47%	

Notes
1 Sinking Fund Payments on LT Debt May 1, 2008 — $10M $ 909,000; $5.5M $ 500,000; $ 1,409,000

2 Projected Equity Offering June 2008 $ 15 M

2007 pg. 1 of 2

Assumptions.
RETAINED EARNINGS 1.03
Annual Profit Margin Projected Increase

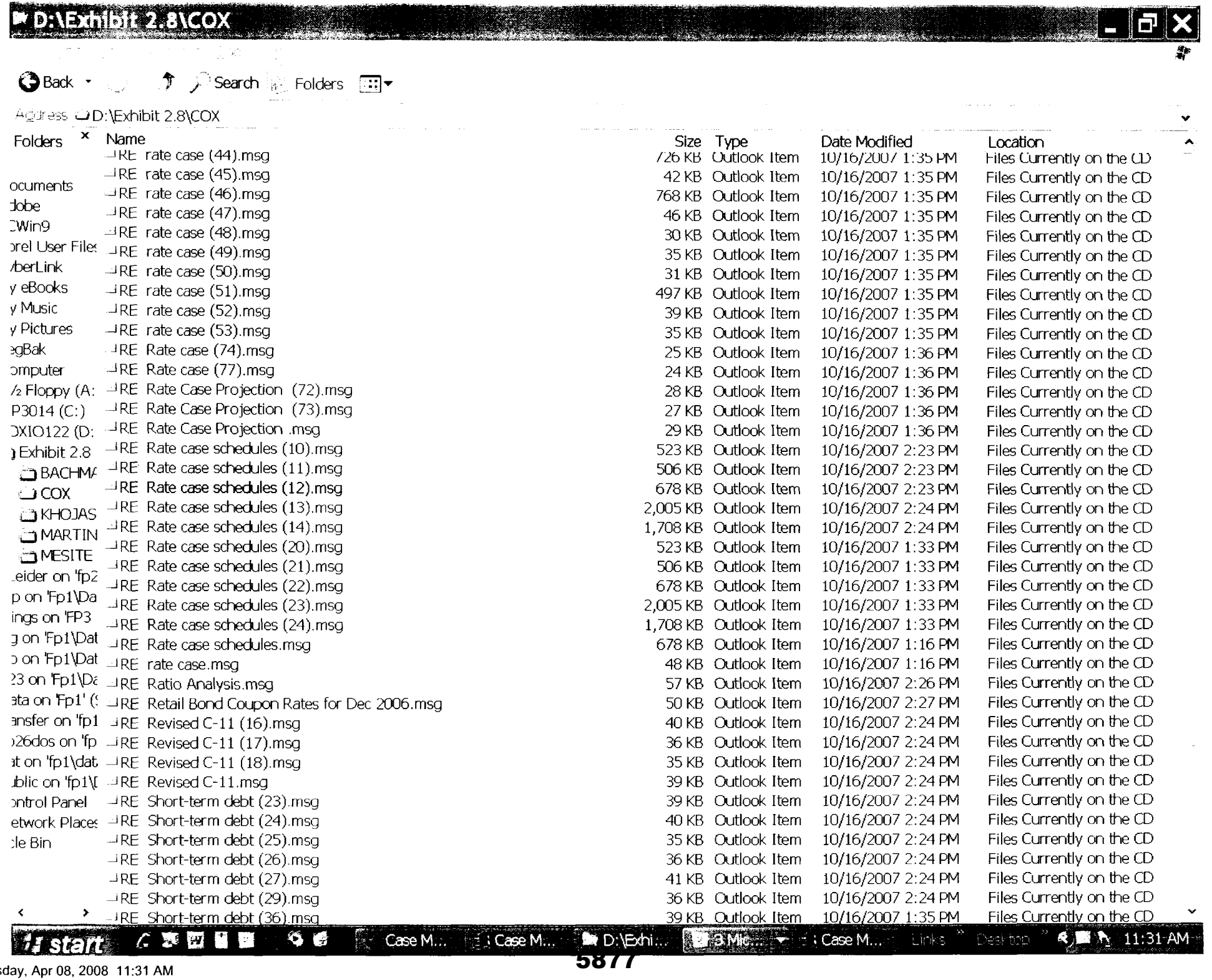
				TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)		2007		3,879	707	645	446	447	144	99	137	180	136	175	320	483	
		FPU		3,291	621	519	340	398	138	100	138	157	121	134	264	371	
		FLO-GAS		588	86	126	106	49	6	(1)	(1)	3	15	41	56	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	185	140	180	330	477	
		FPU		3,390	640	535	350	410	142	103	142	162	125	138	282	382	
	(1,000,000)	FLO-GAS		606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	

FPU RETAINED EARNINGS 2008				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008		
B/F				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425	
NET INCOME		FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730	
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Flo-Gas Dividend						1,000,000										1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									279,617	
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353	
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283

FLO-GAS RETAINED EARNINGS																	
B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057	
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640	
DIVIDEND						(1,000,000)										(1,000,000)	
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)

CONSOLIDATED PROJECTED RETAINED EARNINGS																	
B/F				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483	
NET INCOME				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370	
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)	
Projected NOI - Elec Rate Case				0	0	0	0	41932.5433	30385.90094	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353	
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306

			Effective														
Projected Rate Relief		1,000,000	May-08	188,696	157,703	103,312	120,036	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000	
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,889	20,547	23,370	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



Tuesday, Apr 08, 2008 11:31 AM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:31 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: D's-Final-NoLinks.xls

Here are the D Schedules

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
	Regulatory Capital Structure, 2006										
1.	Long Term Debt	50,443,237			50,443,237	31%	15,801,612	0.4152	8.03%	3.33%	1,268,418
2.	Short Term Debt	3,309,077			3,309,077	31%	1,036,586	0.0272	7.29%	0.20%	75,536
3.	Preferred Stock	600,000			600,000	31%	187,953	0.0049	4.75%	0.02%	
4.	Common Equity	44,943,721			44,943,721	31%	14,078,859	0.3699	11.50%	4.25%	
5.	Customer Deposits	2,136,661			2,136,661		2,136,661	0.0561	6.07%	0.34%	129,626
6.	Deferred Income Taxes	4,674,449			4,674,449		4,674,449	0.1228	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	141,120			141,120		141,120	0.0037	9.55%	0.04%	
9.	TOTAL	106,248,266			106,248,266		38,057,241	1.0000		8.18%	1,473,580

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2006				
10.	Long Term Debt	50,443,237	0.5080	8.03%	4.08%
11.	Short Term Debt	3,309,077	0.0333	7.29%	0.24%
12.	Preferred Stock	600,000	0.0060	4.75%	0.03%
13.	Common Equity	44,943,721	0.4526	11.50%	5.21%
14.	TOTAL	99,296,036	1.0000		9.55%

Rate Base	$38,057,241
Direct Components	$6,952,231
	$31,105,010
Jurisdictional Factor	31.33%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2006)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
	Regulatory Capital Structure, 2007										
1.	Long Term Debt	50,543,842			50,543,842	32%	15,941,895	0.3866	8.01%	3.10%	1,277,132
2.	Short Term Debt	5,729,846			5,729,846	32%	1,807,235	0.0438	6.86%	0.30%	123,947
3.	Preferred Stock	600,000			600,000	32%	189,244	0.0046	4.75%	0.02%	
4.	Common Equity	47,883,036			47,883,036	32%	15,102,657	0.3662	11.50%	4.21%	
5.	Customer Deposits	2,637,518			2,637,518		2,637,518	0.0640	6.32%	0.40%	166,567
6.	Deferred Income Taxes	5,452,539			5,452,539		5,452,539	0.1322	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	110,190			110,190		110,190	0.0027	9.52%	0.03%	
9.	TOTAL	112,956,971			112,956,971		41,241,279	1.0000		8.06%	1,567,647

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
	Conventional Capital Structure, 2007				
10.	Long Term Debt	50,543,842	0.4825	8.01%	3.87%
11.	Short Term Debt	5,729,846	0.0547	6.86%	0.38%
12.	Preferred Stock	600,000	0.0057	4.75%	0.03%
13.	Common Equity	47,883,036	0.4571	11.50%	5.26%
14.	TOTAL	104,756,724	1.0000		9.52%

Rate Base	$41,241,279
Direct Components	$8,200,247
	$33,041,032
Jurisdictional Factor	32%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2007)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

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

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

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

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate	(J) Interest Expense
					Regulatory Capital Structure, 2008						
1.	Long Term Debt	49,777,370			49,777,370	30%	14,733,561	0.3425	7.96%	2.73%	1,173,525
2.	Short Term Debt	6,436,923			6,436,923	30%	1,905,259	0.0443	6.81%	0.30%	129,657
3.	Preferred Stock	600,000			600,000	30%	177,593	0.0041	4.75%	0.02%	
4.	Common Equity	57,755,879			57,755,879	30%	17,095,113	0.3974	11.50%	4.57%	
5.	Customer Deposits	2,948,763			2,948,763		2,948,763	0.0685	6.32%	0.43%	186,223
6.	Deferred Income Taxes	6,078,743			6,078,743		6,078,743	0.1413	0.00%	0.00%	
7.	Tax Credits-Zero Cost	0			0		0	0.0000	0.00%	0.00%	
8.	Tax Credits-Weighted Cost	81,965			81,965		81,965	0.0019	9.67%	0.02%	
9.	TOTAL	123,679,644			123,679,644		43,020,997	1.0000		8.07%	1,489,405

	Class of Capital	Company Total Per Books	Ratio	Cost Rate	Weighted Cost Rate
		Conventional Capital Structure, 2008			
10.	Long Term Debt	49,777,370	0.4345	7.96%	3.46%
11.	Short Term Debt	6,436,923	0.0562	6.81%	0.38%
12.	Preferred Stock	600,000	0.0052	4.75%	0.02%
13.	Common Equity	57,755,879	0.5041	11.50%	5.80%
14.	TOTAL	114,570,173	1.0000		9.67%

Rate Base	$43,020,997
Direct Components	$9,109,471
	$33,911,526
Jurisdictional Factor	30%

Common Equity excludes Flo-Gas

Supporting Schedules: B-3 (2008)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

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

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
1		Specific Adjustments			
2					
3		The determination of the cost of capital for purposes of setting			
4		retail rates in the immediate docket incorporates no specific adjustments			
5		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			
6					
7					
8		Pro Rata Adjustments			
9					
10		The determination of the cost of capital for purposes of setting			
11		retail rates in the immediate docket incorporates no pro rata adjustments			
12		to the December '06, Prior Year '07, or The Test Year 2008 capital structure or cost rates			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Years Ended 12/31/04, 05 and 06
Witness: Doreen Cox, Robert Camfield

		2004 Year-End		2005 Year-End		2006 Year-End		2007 Year-End		2008 Year-End	
Line No.	Class of Capital	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1	Long Term Debt	50,538,000	50.449%	50,620,000	47.628%	50,702,000	49.542%	50,784,602	45.141%	49,457,923	40.969%
2	Short Term Debt	5,825,000	5.815%	9,558,000	8.993%	3,466,000	3.387%	12,160,000	10.809%	5,860,000	4.854%
3	Preferred Stock	600,000	0.599%	600,000	0.565%	600,000	0.586%	600,000	0.533%	600,000	0.497%
4	Common Equity	43,213,000	43.137%	45,503,000	42.814%	47,573,000	46.485%	48,958,030	43.517%	64,803,263	53.680%
5	Total	100,176,000	100.000%	106,281,000	100.000%	102,341,000	100.000%	112,502,632	100.000%	120,721,186	100.000%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of shoft-term financing.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Historical Test Year 2006		
2006	July, 2008	7.29%	$145,595	1,998,015 *	0.20%
			For Prior Year 2007		
2007	July, 2008	6.86%	$381,070	5,556,250 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

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

Year	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year	Weighted Average Cost of Short-term Debt
			For Test Year 2008		
2008	July, 2008	6.81%	$423,453	6,222,500 *	0.30%

2.) The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.

*Calculated using the average monthly line of credit balance which is appropriate for determining short term debt costs.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

HISTORICAL YEAR, 2006

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$49,277
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$26,532
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$65,070
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$1,017,297
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$680,704
10													
11													
12		Loss on Re-acquired Debt					$548,516		$18,288	$0	$18,288		$217,883
13													
14													
15													
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$2,056,763
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$2,056,763								
26													
27	Net LT Debt Outstanding				$50,443,237								
28													
29													
30	Embedded Cost of Long-term Debt				8.0271%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

PRIOR YEAR, 2007

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$10,000,000	$0	$180,273	30	$7,211	$957,000	$964,211	N/A	$42,066
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,500,000	$0	$97,070	30	$3,883	$551,650	$555,533	N/A	$22,649
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$61,002
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$977,008
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$653,854
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$199,599
13													
14													
15			Rounding Adjustment										-$21
16													
17													
18													
19													
20													
21													
22	Total				$52,500,000	$0	$2,962,452		$100,602	$3,948,550	$4,049,152	N/A	$1,956,158
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,956,158								
26													
27	Net LT Debt Outstanding				$50,543,842								
28													
29													
30	Embedded Cost of Long-term Debt				8.0112%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds)

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

TEST YEAR, 2008

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/(9)	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Average Unamort. Issuing Expense & Loss on Reacquired Debt
1	9.57%	5/1/1988	5/1/2018	$10,000,000	$9,440,615	$0	$180,273	30	$7,211	$903,467	$910,678	N/A	$34,855
2													
3	10.03%	5/1/1988	5/1/2018	$5,500,000	$5,192,308	$0	$97,070	30	$3,883	$520,788	$524,671	N/A	$18,766
4													
5	9.08%	6/1/1992	6/1/2022	$8,000,000	$8,000,000	$0	$121,967	30	$4,066	$726,400	$730,466	N/A	$56,935
6													
7	6.85%	10/1/2001	10/1/2031	$15,000,000	$15,000,000	$0	$1,208,670	30	$40,289	$1,027,500	$1,067,789	N/A	$936,719
8													
9	4.90%	11/1/2001	11/1/2031	$14,000,000	$14,000,000	$0	$805,956	30	$26,865	$686,000	$712,865	N/A	$627,025
10													
11													
12			Loss on Re-acquired Debt				$548,516		$18,288	$0	$18,288		$181,316
13													
14													
15			Rounding Adjustment										-$63
16													
17													
18													
19													
20													
21													
22	Total				$51,632,923	$0	$2,962,452		$100,602	$3,864,155	$3,964,757	N/A	$1,855,553
23													
24	Less Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14).				$1,855,553								
26													
27	Net LT Debt Outstanding				$49,777,370								
28													
29													
30	Embedded Cost of Long-term Debt				7.9650%								
31	(12) / Net												

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on recquired bonds for the test year and prior year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
HistoricYear Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

In the interest of its retail customers and shareholders, the policy of Florida Public Utilities Company on this issue is to profitably reacquire outstanding debt when economic and capital market conditions afford such opportunities. History suggests, however, that conditions vary substantially from one time to another, such that favorable opportunities to reacquire debt will occur infrequently and randomly. The Company will share the profits and losses associated with reacquired debt fairly with its retail customers.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historical base year.

Type of Data Shown:
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
					For Historic Year 2006							
1.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
2.	Preferred Stock											
3.												
4.					**For Prior Year 2007**							
5.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
6.												
7.												
8.					**For Test Year 2008**							
9.	4.75% Cumulative	12/28/1945		$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			$600,000	$600,000	N/A	N/A	N/A	N/A	$600,000	$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '05				2,075,368				
2	January, '06				2,082,190			10,806	
3	February				2,098,737			11,297	
4	March				2,107,316			9,618	
5	April				2,114,463			10,239	
6	May				2,119,052			10,657	
7	June				2,114,509			10,239	
8	July				2,126,739			11,656	
9	August				2,132,502			10,676	
10	September				2,132,452			11,391	
11	October				2,156,868			10,408	
12	November				2,194,167			11,987	
13	December				2,322,227			10,652	
14									
15	13 Month Average				$2,136,661				
16									
17	12 Month Total							$129,626	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)			6.07%				

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

Type of Data Shown:
Prior Year Ended 12/31/07
Witness: Doreen Cox, Robert Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,590,029	732,198		2,322,227				
2	January, '07	1,589,106	731,773		2,320,879	7,946	4,269	12,214	
3	February	1,599,207	736,425		2,335,632	7,996	4,296	12,292	
4	March	1,809,061	833,061		2,642,123	9,045	4,860	13,905	
5	April	1,822,307	839,161		2,661,468	9,112	4,895	14,007	
6	May	1,835,650	845,305		2,680,956	9,178	4,931	14,109	
7	June	1,849,091	851,495	N/A	2,700,586	9,245	4,967	14,213	N/A
8	July	1,862,630	857,729		2,720,360	9,313	5,003	14,317	
9	August	1,876,269	864,010		2,740,278	9,381	5,040	14,421	
10	September	1,890,007	870,336		2,760,343	9,450	5,077	14,527	
11	October	1,903,845	876,709		2,780,554	9,519	5,114	14,633	
12	November	1,917,785	883,128		2,800,914	9,589	5,152	14,741	
13	December	1,931,828	889,594		2,821,422	9,659	5,189	14,848	
14									
15	13 Month Average				$2,637,518				
16									
17	12 Month Total					$109,434	$58,793	$168,227	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historical

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

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00%	(4) Active Customer Deposits at 7.00%	(5) Inactive Customer Deposits	(6) Total Deposits (3)+(4)+(5)	(7) Interest Payments (3) X 6%/12	(8) Interest Payments (3) X 7%/12	(9) Total Interest (7) + (8)	(10) Actual Payments and Credits on Bills
1	December, '06	1,931,828	889,594		2,821,422				
2	January, '07	1,945,973	896,108		2,842,081	9,730	5,227	14,957	
3	February	1,960,221	902,669		2,862,890	9,801	5,266	15,067	
4	March	1,974,574	909,279		2,883,853	9,873	5,304	15,177	
5	April	1,989,032	915,937		2,904,968	9,945	5,343	15,288	
6	May	2,003,596	922,643		2,926,239	10,018	5,382	15,400	
7	June	2,018,266	929,399	N/A	2,947,665	10,091	5,421	15,513	N/A
8	July	2,033,044	936,204		2,969,248	10,165	5,461	15,626	
9	August	2,047,930	943,059		2,990,989	10,240	5,501	15,741	
10	September	2,062,925	949,964		3,012,889	10,315	5,541	15,856	
11	October	2,078,030	956,920		3,034,949	10,390	5,582	15,972	
12	November	2,093,245	963,926		3,057,172	10,466	5,623	16,089	
13	December	2,108,572	970,984		3,079,556	10,543	5,664	16,207	
14									
15	13 Month Average				$2,948,763				
16									
17	12 Month Total					$121,577	$65,316	$186,893	
18									
19									
20		Effective Interest Rate							
21		12 Month Interest							
22		Expense (9) divided							
23		by Total Deposits (6)		6.32%					

Supporting Schedules:

Recap Schedules: D-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:
Historic Years Ended 12/31/02, 03 , 04, 05 a
Witness: Doreen Cox, Robert Camfield

Line No.		2002 Year	2003 Year *	2004 Year	2005 Year	2006 Year
1	Pre-tax Interest Coverage Ratio (x)	2.5	2.3	2.6	3.0	2.9
2						
3	Earned Returns on Average Book Equity (%)	11.1%	6.9%	8.4%	9.5%	8.9%
4						
5	Book Value/Share ($)	$ 5.32	$ 7.08	$ 7.31	$ 7.64	$ 7.94
6						
7	Dividends/Share ($)	$ 0.38	$ 0.39	$ 0.40	$ 0.41	$ 0.43
8						
9	Earnings/Share ($)	$ 0.57	$ 0.43	$ 0.60	$ 0.71	$ 0.69
10						
11	Market Value/Share ($)	$ 9.90	$ 10.53	$ 12.77	$ 13.65	$ 13.25
12						
13	Market/Book Ratio (%)	186.1%	148.7%	174.7%	178.7%	166.9%
14						
15	Price/Earning Ratio (6) / (5)	17.37	24.49	21.28	19.23	19.20

* Excluding the Sale of Water Division
** Common Share information re-stated to reflect three for two stock split on July 25, 2005

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO.: 070304-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.

2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
Provide a statement of the Company's policy on the timing of the entrance into capital markets.

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

Financing Plans for the Year Ending 2008

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds			For Stock		Issue Costs	Principal Amount
			Capitalization (Thousands)	Interest Rate	Life in Years	No. of Shares	Market Price		
1	Common Stock	Jun-08				1,250,000	12	900,000	15,000,000
2									
3									
4									
5									
6									
7									
8	Capital Structure Objectives:				Percent of Total				
9									
10	Short-term Debt				2 - 14%				
11	Long-term Debt				40 - 45%				
12	Preferred Stock				0 - 1%				
13	Common Equity				43 - 56%				
14									
15									
16	Interest Rate Assumptions:		Short Term Interest Rates will gradually increase through 2008. The volatility of prior years is not expected.						
17									
18									
19	Company's Policy on the Timing of Entrance into Capital Markets:								
20	Cash requirements are forecasted to increase significantly due to environmental clean-up, land purchase, LT Debt payments and Pension Contributions.								
21	The Company plans to use a combination of short term borrowing and an Equity Offering in 2008 to finance future growth and capital expenditures.								
22	The timing of the Equity Offering is largely dependent on projected capital expenditures and environmental expenses.								

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities
Consolidated Electric Division

DOCKET NO.: 070304-EI

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historic Year Ended 12/31/06
Witness: Doreen Cox, Robert Camfield

Line No.	Indicator	Historic Base Year 2006	Prior Year 2007	Test Year Current Rates 2008	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
3	Excluding AFUDC in Income Before Interest Charges	4.52	4.01	2.50	4.06
4	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
5	Percent of Construction Funds Generated Internally	N/A	N/A	N/A	N/A
6					
7	Fixed Charges:				
8	Interest	1,473,580	1,567,647	1,489,405	1,489,405
9	Lease Payments	N/A	N/A	N/A	N/A
10	Sinking Funds Payments	-	-	417,049	417,049
11	Tax on Sinking Fund Payments	-	-	141,797	141,797
12					
13	Ratio of Earnings to Fixed Charges				
14	Including AFUDC	N/A	N/A	N/A	N/A
15	Excluding AFUDC	1.68	1.21	0.10	1.67
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Supporting Schedules:

Recap Schedules: D-1

Florida Public Utilities
Long-Term Debt

	GL #	Start of Sinking Fund Payments	March 31 2007	December 31 2006	December 31 2005
First mortgage bonds series					
9.57 % due 2018		5/1/2008	10,000,000	10,000,000	10,000,000
10.03 % due 2018		5/1/2008	5,500,000	5,500,000	5,500,000
9.08 % due 2022		n/a	8,000,000	8,000,000	8,000,000
4.90 % due 2031		n/a	14,000,000	14,000,000	14,000,000
6.85 % due 2031		n/a	15,000,000	15,000,000	15,000,000
Total long-term debt	2210		52,500,000	52,500,000	52,500,000
Unamortized debt discount	1810		(1,777,139)	(1,797,719)	(1,880,040)
LT DEBT net of Unamortized Debt Discount (10K & 10Q)			50,722,861	50,702,281	50,619,960
Unamortized Loss on Reacquired Debt	1890		(204,170)	(208,741)	(227,025)
				(2,006,460)	(2,107,065)
LT DEBT net of Unamortized Debt Discount & Loss on Reacq Debt			50,518,691	50,493,540	50,392,935
				(2,056,763)	

FPU
Unamortized Debt Discount
100.1810.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
$10M	$ 601	$ 52,882	$ 52,281	$ 51,680	$ 51,079	$ 50,478	$ 49,878	$ 49,277	$ 48,676	$ 48,075	$ 47,474	$ 46,873	$ 46,272	$ 45,671	$ 49,277
$5.5M	$ 324	$ 28,473	$ 28,150	$ 27,826	$ 27,502	$ 27,179	$ 26,855	$ 26,532	$ 26,208	$ 25,885	$ 25,561	$ 25,237	$ 24,914	$ 24,590	$ 26,532
$8M	$ 339	$ 67,103	$ 66,764	$ 66,425	$ 66,086	$ 65,747	$ 65,408	$ 65,070	$ 64,731	$ 64,392	$ 64,053	$ 63,714	$ 63,375	$ 63,036	$ 65,070
$15M	$ 3,357	$ 1,037,441	$ 1,034,084	$ 1,030,727	$ 1,027,369	$ 1,024,012	$ 1,020,654	$ 1,017,297	$ 1,013,940	$ 1,010,582	$ 1,007,225	$ 1,003,867	$ 1,000,510	$ 997,152	$ 1,017,297
$14M	$ 2,239	$ 694,140	$ 691,901	$ 689,661	$ 687,422	$ 685,183	$ 682,944	$ 680,704	$ 678,465	$ 676,226	$ 673,986	$ 671,747	$ 669,508	$ 667,269	$ 680,704
	$ 6,860	$ 1,880,040	$ 1,873,180	$ 1,866,319	$ 1,859,459	$ 1,852,599	$ 1,845,739	$ 1,838,879	$ 1,832,019	$ 1,825,159	$ 1,818,299	$ 1,811,439	$ 1,804,579	$ 1,797,719	$ 1,838,879

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
$10M	$ 601	$ 45,671	$ 45,070	$ 44,469	$ 43,869	$ 43,268	$ 42,667	$ 42,066	$ 41,465	$ 40,864	$ 40,263	$ 39,662	$ 39,061	$ 38,460	$ 42,066
$5.5M	$ 324	$ 24,590	$ 24,267	$ 23,943	$ 23,620	$ 23,296	$ 22,972	$ 22,649	$ 22,325	$ 22,002	$ 21,678	$ 21,355	$ 21,031	$ 20,707	$ 22,649
$8M	$ 339	$ 63,036	$ 62,697	$ 62,358	$ 62,019	$ 61,680	$ 61,341	$ 61,002	$ 60,664	$ 60,325	$ 59,986	$ 59,647	$ 59,308	$ 58,969	$ 61,002
$15M	$ 3,357	$ 997,152	$ 993,795	$ 990,438	$ 987,080	$ 983,723	$ 980,365	$ 977,008	$ 973,651	$ 970,293	$ 966,936	$ 963,578	$ 960,221	$ 956,863	$ 977,008
$14M	$ 2,236	$ 667,269	$ 665,033	$ 662,797	$ 660,561	$ 658,326	$ 656,090	$ 653,854	$ 651,618	$ 649,383	$ 647,147	$ 644,911	$ 642,675	$ 640,440	$ 653,854
	$ 6,857	$ 1,797,719	$ 1,790,862	$ 1,784,006	$ 1,777,149	$ 1,770,292	$ 1,763,436	$ 1,756,579	$ 1,749,723	$ 1,742,866	$ 1,736,010	$ 1,729,153	$ 1,722,297	$ 1,715,440	$ 1,756,579

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
$10M	$ 601	$ 38,460	$ 37,860	$ 37,259	$ 36,658	$ 36,057	$ 35,456	$ 34,855	$ 34,254	$ 33,653	$ 33,052	$ 32,451	$ 31,851	$ 31,250	$ 34,855
$5.5M	$ 324	$ 20,707	$ 20,384	$ 20,060	$ 19,737	$ 19,413	$ 19,090	$ 18,766	$ 18,443	$ 18,119	$ 17,795	$ 17,472	$ 17,148	$ 16,825	$ 18,766
$8M	$ 339	$ 58,969	$ 58,630	$ 58,291	$ 57,952	$ 57,613	$ 57,274	$ 56,935	$ 56,597	$ 56,258	$ 55,919	$ 55,580	$ 55,241	$ 54,902	$ 56,935
$15M	$ 3,357	$ 956,863	$ 953,506	$ 950,149	$ 946,791	$ 943,434	$ 940,076	$ 936,719	$ 933,361	$ 930,004	$ 926,647	$ 923,289	$ 919,932	$ 916,574	$ 936,719
$14M	$ 2,236	$ 640,440	$ 638,204	$ 635,968	$ 633,732	$ 631,497	$ 629,261	$ 627,025	$ 624,789	$ 622,554	$ 620,318	$ 618,082	$ 615,846	$ 613,610	$ 627,025
	$ 6,857	$ 1,715,440	$ 1,708,583	$ 1,701,727	$ 1,694,870	$ 1,688,014	$ 1,681,157	$ 1,674,301	$ 1,667,444	$ 1,660,587	$ 1,653,731	$ 1,646,874	$ 1,640,018	$ 1,633,161	$ 1,674,301

LOSS ON RE'ACQD DEBT
100.1890.1

	Monthly Amortization	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	13 Mth Avg
	1524	$ 227,025	$ 225,502	$ 223,978	$ 222,454	$ 220,931	$ 219,407	$ 217,883	$ 216,360	$ 214,836	$ 213,312	$ 211,789	$ 210,265	$ 208,741	$ 217,883

	Monthly Amortization	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	13 Mth Avg
	1524	$ 208,741	$ 207,218	$ 205,694	$ 204,170	$ 202,647	$ 201,123	$ 199,599	$ 198,076	$ 196,552	$ 195,028	$ 193,505	$ 191,981	$ 190,458	$ 199,599

	Monthly Amortization	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	13 Mth Avg
	1524	$ 190,458	$ 188,934	$ 187,410	$ 185,887	$ 184,363	$ 182,839	$ 181,316	$ 179,792	$ 178,268	$ 176,745	$ 175,221	$ 173,697	$ 172,174	$ 181,316

Total 1810.1 & 1890.1	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	13 Mth Avg
2006	$ 2,107,065	$ 2,098,681	$ 2,090,297	$ 2,081,914	$ 2,073,530	$ 2,065,146	$ 2,056,763	$ 2,048,379	$ 2,039,995	$ 2,031,611	$ 2,023,228	$ 2,014,844	$ 2,006,460	$ 2,056,763
2007	$ 2,006,460	$ 1,998,080	$ 1,989,700	$ 1,981,320	$ 1,972,939	$ 1,964,559	$ 1,956,179	$ 1,947,799	$ 1,939,418	$ 1,931,038	$ 1,922,658	$ 1,914,278	$ 1,905,897	$ 1,956,179
2008	$ 1,905,897	$ 1,897,517	$ 1,889,137	$ 1,880,757	$ 1,872,377	$ 1,863,996	$ 1,855,616	$ 1,847,236	$ 1,838,856	$ 1,830,475	$ 1,822,095	$ 1,813,715	$ 1,805,335	$ 1,855,616

ST INTEREST ANALYSIS

	2005 DEC	2006 JAN	2006 FEB	2006 MAR	2006 APR	2006 MAY	2006 JUN	2006 JUL	2006 AUG	2006 SEP	2006 OCT	2006 NOV	2006 DEC	TOTAL or Average %	Rate
Method as per Surveillance Report															
Int Accrued on NP		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	
NP BAL @ End of Mth	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077	**3.28%** Using End of Month Balance
Annualized Interest Rate		3.95%	5.22%	6.16%	5.74%	5.32%	1.52%	4.31%	9.84%	0.79%	3.40%	-1.48%	3.22%	4.00%	
Interest Cost using Avg Mthly Bal															
Int Exp as per 4310.2		36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	
Avg LOC Balance		7,831,548	6,889,536	3,763,677	1,082,440	517,968	355,800	523,806	204,387	214,167	499,935	305,433	1,787,483	1,998,015	5.43% Using Avg LOC Mthly Bal
		5.38%	5.50%	5.63%	5.83%	5.98%	6.12%	6.26%	6.26%	6.23%	6.22%	-9.75%	6.24%	4.66%	
Effective Cost of ST Debt															
LOC Available	$ 12,000,000	[redacted]													
Int Exp as per 4310.2		$ 36,282	$ 29,480	$ 18,251	$ 5,263	$ 2,665	$ 1,815	$ 2,825	$ 1,102	$ 1,111	$ 2,678	$ (2,481)	$ 9,599	$ 108,590	5.43%
Fee on Unused Portion of LOC	0.25%	$ 868	$ 1,065	$ 1,716	$ 2,274	$ 2,392	$ 2,426	$ 2,391	$ 2,457	$ 2,455	$ 2,396	$ 2,436	$ 2,128	$ 25,005	1.25%
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.60%
		37,150	30,545	19,966	7,537	5,057	16,241	5,216	3,560	3,567	5,074	(45)	11,726	145,595	7.29%

ST INTEREST ANALYSIS

	2006 DEC	2007 JAN	2007 FEB	2007 MAR	2007 APR	2007 MAY	2007 JUN	2007 JUL	2007 AUG	2007 SEP	2007 OCT	2007 NOV	2007 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	6.33%	19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
NP BAL @ End of Mth	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	**6.14%**	Using End of Month Balance
Annualized Interest Rate		5.74%	9.38%	6.16%	5.41%	9.61%	5.30%	3.93%	6.21%	6.09%	5.91%	5.48%	6.05%	6.27%		
Interest Cost using Avg Mthly Bal																
Int Exp		19,597	16,371	11,758	14,071	12,080	9,548	25,900	39,879	40,934	44,099	54,122	63,353	351,711		
Avg LOC Balance		3,715,000	3,103,500	2,229,000	2,667,500	2,290,000	1,810,000	4,910,000	7,560,000	7,760,000	8,360,000	10,260,000	12,010,000	5,556,250	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	6.25%		
Effective Cost of ST Debt																
LOC Available	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]			
Int Exp		$ 19,597	$ 16,371	$ 11,758	$ 14,071	$ 12,080	$ 9,548	$ 25,900	$ 39,879	$ 40,934	$ 44,099	$ 54,122	$ 63,353	$ 351,711	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 1,726	$ 1,853	$ 2,036	$ 1,944	$ 2,023	$ 2,123	$ 1,477	$ 925	$ 883	$ 758	$ 988	$ 623	$ 17,359	0.31%	
Fee on Total Available LOC	0.10%						$ 12,000							$ 12,000	0.22%	
		21,323	18,224	13,794	16,015	14,103	23,671	27,377	40,804	41,817	44,857	55,109	63,976	381,070	**6.86%**	

ST INTEREST ANALYSIS

	2007 DEC	2008 JAN	2008 FEB	2008 MAR	2008 APR	2008 MAY	2008 JUN	2008 JUL	2008 AUG	2008 SEP	2008 OCT	2008 NOV	2008 DEC	TOTAL or Average %	Rate	
Method as per Surveillance Report																
Int Accrued on NP	[redacted]	62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	**393,884**		
NP BAL @ End of Mth	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	**6,436,923**	**6.12%**	Using End of Month Balance
Annualized Interest Rate		6.26%	7.17%	6.35%	5.98%	5.59%	164.58%	4.27%	10.84%	**4.41%**	4.00%	4.39%	5.97%	**19.15%**		
					5.70%											
Interest Cost using Avg Mthly Bal																
Int Exp		62,825	58,342	53,330	54,649	63,880	35,659	2,427	2,427	2,427	7,438	20,362	30,120	**393,884**		
Avg LOC Balance		11,910,000	11,060,000	10,110,000	10,360,000	12,110,000	6,760,000	460,000	460,000	460,000	1,410,000	3,860,000	5,710,000	**6,222,500**	6.33%	Using Avg LOC Mthly Bal
		6.13%	6.78%	6.13%	6.33%	6.13%	6.33%	6.13%	6.13%	6.33%	6.13%	6.33%	6.13%	**6.25%**		
Effective Cost of ST Debt																
LOC Available	[redacted]	15000000	15000000	[redacted]	15000000	15000000	12000000	12000000	12000000	[redacted]	12000000	12000000	12000000			
Int Exp		$ 62,825	$ 58,342	$ 53,330	$ 54,649	$ 63,880	$ 35,659	$ 2,427	$ 2,427	$ 2,427	$ 7,438	$ 20,362	$ 30,120	**$ 393,884**	6.33%	
Fee on Unused Portion of LOC	0.25%	$ 644	$ 821	$ 1,019	$ 967	$ 602	$ 1,092	$ 2,404	$ 2,404	$ 2,404	$ 2,206	$ 1,696	$ 1,310	**$ 17,569**	0.28%	
Fee on Total Available LOC	0.10%						$ 12,000							**$ 12,000**	0.19%	
		63,469	59,162	54,349	55,616	64,482	48,751	4,831	4,831	4,831	9,644	22,057	31,431	**423,453**	**6.81%**	

FLORIDA PUBLIC UTILITIES COMPANY
13 MONTH AVERAGE ADJUSTMENTS

REPORT GROUP NAME: ROR
REPORT NAME: ROR_DEBT
DATE: 3/21/2007
USER: YOUNG

ROR ST DEBT, LT DEBT, FUEL COST

	12 MTHS AG	11 MTHS AGO	10 MTHS AGO	9 MTHS AGO	8 MTHS AGO	7 MTHS AGO	6 MTHS AGO	5 MTHS AGO	4 MTHS AGO	3 MTHS AGO	2 MTHS AGO	1 MTH AGO	12 2006		
SHORT TERM DEBT															
INTEREST ON NP	26,280	36,282	29,480	18,251	5,263	2,665	1,815	2,825	1,102	1,111	2,678	(2,481)	9,599	108,590	125,271
NP BALANCE	(9,558,000)	(10,662,000)	(7,266,000)	(3,443,000)	(1,101,000)	(582,000)	(1,437,000)	(761,000)	(130,000)	(1,687,000)	(916,000)	(2,009,000)	(3,466,000)		(3,309,077)
												YR END RATE	(3.13)	13MTH RATE	(3.28)
LONG TERM DEBT															
INTEREST ON LT	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	337,430	4,049,160	
BONDS BALANCE	(50,392,935)	(50,401,319)	(50,409,703)	(50,418,086)	(50,426,470)	(50,434,854)	(50,443,237)	(50,451,621)	(50,460,005)	(50,468,389)	(50,476,772)	(50,485,156)	(50,493,540)		(50,443,237)
												YR END RATE	(8.01)	13MTH RATE	(8.02)
FUEL COST															
NW ELECTRIC	1,156,632	1,165,630	1,106,989	1,030,724	1,095,620	1,136,988	1,352,208	1,493,762	1,514,665	1,298,369	1,213,995	1,034,164	1,259,359	14,702,473	
NE ELECTRIC	1,137,900	1,269,031	1,530,156	1,270,866	1,148,331	1,273,012	1,382,424	1,638,229	1,507,120	1,416,524	1,233,994	1,082,550	1,151,723	15,903,960	
TOTAL ELEC FUEL	2,294,532	2,434,661	2,637,145	2,301,590	2,243,951	2,410,000	2,734,632	3,131,991	3,021,785	2,714,893	2,447,989	2,116,714	2,411,082	30,606,433	
SOUTH FL NG	3,430,052	4,294,279	4,299,796	1,030,472	1,858,022	1,583,638	1,203,237	1,246,402	1,327,756	1,291,243	806,040	2,448,440	2,909,942	24,299,267	
CENTRAL FL NG	1,423,145	2,135,007	1,971,094	2,887,701	1,201,338	649,862	557,142	616,849	677,061	638,409	352,079	987,343	1,146,149	13,820,034	
TOTAL NG FUEL	4,853,197	6,429,286	6,270,890	3,918,173	3,059,360	2,233,500	1,760,379	1,863,251	2,004,817	1,929,652	1,158,119	3,435,783	4,056,091	38,119,301	
SOUTH FL PRO	428,047	449,369	437,782	456,858	382,150	356,618	329,915	295,126	331,666	300,607	323,616	356,961	394,178	4,414,846	
CENTRAL FL PRO	103,424	123,704	105,097	100,896	66,910	73,382	71,489	61,675	74,581	64,846	64,088	76,046	102,543	985,257	
NE FL PROPANE	147,661	135,670	136,496	142,577	103,361	120,028	111,328	111,076	122,989	91,756	118,409	129,168	131,397	1,454,255	
NATURE COST PRO	66,175	80,362	76,887	70,352	51,543	44,245	43,131	42,742	41,844	48,314	41,382	54,140	74,916	669,858	
TOTAL FUEL PRO	745,307	789,105	756,262	770,683	603,964	594,273	555,863	510,619	571,080	505,523	547,495	616,315	703,034	7,524,216	

Consolidated Electric
Customer Deposits

5 year average growth year 0.732%

Year 2006

<<<<<<<<<ACTUALS >>>>>>>>>

	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
Month End Balance	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
Interest		10,806	11,297	9,618	10,239	10,657	10,239	11,656	10,676	11,391	10,408	11,987	10,652	129,626

Effective Interest Rate 6.07%

2007

<<<<<<<< ACTUALS >>>>>>>> <<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>

		Dec-2006	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007		13 mth AVERAGE
Month End Balance		2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422		2,637,518
Interest																
Ratio 68.47%	6%	7,950	7,946	7,996	9,045	9,112	9,178	9,245	9,313	9,381	9,450	9,519	9,589	9,659	109,434	
31.53%	7%	4,271	4,269	4,296	4,860	4,895	4,931	4,967	5,003	5,040	5,077	5,114	5,152	5,189	58,793	
Total Interest		12,221	12,214	12,292	13,905	14,007	14,109	14,213	14,317	14,421	14,527	14,633	14,741	14,848	168,227	

Effective Interest Rate 6.378%

2008

<<<<<<<<< PROJECTED >>>>>>>>>

		Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008		13 mth AVERAGE
		2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556		2,948,763
Interest																
Ratio 68.47%	6%	9,659	9,730	9,801	9,873	9,945	10,018	10,091	10,165	10,240	10,315	10,390	10,466	10,543	121,577	
31.53%	7%	5,189	5,227	5,266	5,304	5,343	5,382	5,421	5,461	5,501	5,541	5,582	5,623	5,664	65,316	
Total Interest		14,848	14,957	15,067	15,177	15,288	15,400	15,513	15,626	15,741	15,856	15,972	16,089	16,207	186,893	

Effective Interest Rate 6.338%

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

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,530,581	394,925	$15,925,506	(8,054)		$15,917,452	41.43	8.02	3.32	8.02	3.32	8.02	3.32
SHORT TERM DEBT	$1,018,656	25,074	1,043,730	(528)		1,043,202	2.72	3.28	0.09	3.28	0.09	3.28	0.09
PREFERRED STOCK	184,925	3,135	188,060	(95)		187,965	0.49	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,136,661		2,136,661			2,136,661	5.56	6.61	0.37	6.61	0.37	6.61	0.37
COMMON EQUITY	14,609,089	(423,134)	14,185,955	(7,175)		14,178,780	36.91	10.50	3.88	11.50	4.24	12.50	4.61
DEFERRED INCOME TAXES	4,813,710		4,813,710			4,813,710	12.53						
TAX CREDITS-ZERO COST	1,461		1,461			1,461							
TAX CREDITS-WEIGHTED COST	139,658		139,658			139,658	0.36	8.96	0.03	9.41	0.03	9.87	0.04
TOTAL	$38,434,741		$38,434,741	($15,852)		$38,418,889	100.00		7.71		8.07		8.45

YEAR END	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$15,262,481	364,201	$15,626,682			$15,626,682	40.64	8.01	3.26	8.01	3.26	8.01	3.26
SHORT TERM DEBT	1,046,306	27,778	1,074,084			1,074,084	2.79	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	182,100	3,087	185,187			185,187	0.48	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	2,322,227		2,322,227			2,322,227	6.04	5.50	0.33	5.50	0.33	5.50	0.33
COMMON EQUITY	14,373,585	(395,066)	13,978,519	4,461		13,982,980	36.36	10.50	3.82	11.50	4.18	12.50	4.55
DEFERRED INCOME TAXES	5,137,868		5,137,868			5,137,868	13.36						
TAX CREDITS-ZERO COST	1,450		1,450			1,450							
TAX CREDITS-WEIGHTED COST	123,511		123,511			123,511	0.33	8.96	0.03	9.41	0.03	9.86	0.03
TOTAL	$38,449,528		$38,449,528	$4,461		$38,453,989	100.00		7.55		7.91		8.28

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

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	ADJUSTMENT FOR FLO-GAS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,109,191	613,069	$24,722,260	(1,536,998)		$23,185,262	39.95	8.02	3.20	8.02	3.20	8.02	3.20
SHORT TERM DEBT	1,581,329	38,925	1,620,254	(100,732)		1,519,522	2.62	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 PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MID POINT COST RATE (%)	MID POINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	$24,000,671	572,716	$24,573,387	(1,422,085)		$23,151,302	39.75	8.01	3.18	8.01	3.18	8.01	3.18
SHORT TERM DEBT	1,645,344	43,682	1,689,026	(97,746)		1,591,280	2.73	3.13	0.09	3.13	0.09	3.13	0.09
PREFERRED STOCK	286,358	4,853	291,211	(16,853)		274,358	0.47	4.75	0.02	4.75	0.02	4.75	0.02
CUSTOMER DEPOSITS	5,491,600		5,491,600			5,491,600	9.43	5.79	0.55	5.79	0.55	5.79	0.55
COMMON EQUITY	22,602,857	(621,251)	21,981,606	(1,272,096)		20,709,510	35.56	10.25	3.64	11.25	4.00	12.25	4.36
DEFERRED INCOME TAXES	6,806,954		6,806,954			6,806,954	11.69						
TAX CREDITS-ZERO COST													
TAX CREDITS-WEIGHTED COST	210,185		210,185			210,185	0.37	8.84	0.03	9.30	0.03	9.75	0.04
TOTAL	$61,043,969		$61,043,969	($2,808,780)		$58,235,189	100.00		7.51		7.87		8.24

Florida Public Utilities
CAPITAL COMPONENTS
December 2005 - December 2006

Line Ref		Notes	Acct #	Dec-2005	Jan-2006	Feb-2006	Mar-2006	Apr-2006	May-2006	Jun-2006	Jul-2006	Aug-2006	Sep-2006	Oct-2006	Nov-2006	Dec-2006	13 mth AVERAGE
				<<<<<<<<<ACTUALS >>>>>>>>>													
15	**Investment in Assoc. Co.**		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16	Unamortized Debt/Loss on Reaq'd Debt		1810, 1890	2,107,065	2,098,681	2,090,297	2,081,914	2,073,530	2,065,146	2,056,763	2,048,379	2,039,995	2,031,611	2,023,228	2,014,844	2,006,460	2,056,763
17	**ACCUM DEF TAXES**	Electric only	1900	997,076	977,628	990,452	999,831	1,011,900	1,020,732	1,030,005	1,039,398	1,037,289	1,030,952	1,031,516	1,024,085	1,048,453	1,018,409
18	190 AC DE TAX ENVIRO	Electric only	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	**Common Stock**		2010	9,229,514	9,235,244	9,235,244	9,235,244	9,239,942	9,239,942	9,239,942	9,245,312	9,245,312	9,245,312	9,250,472	9,250,472	9,250,472	9,241,725
20	Preferred Stock		2040	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
21	**Premium On Comm. Stk.**		2070	5,373,461	5,419,874	5,419,874	5,419,874	5,460,089	5,460,089	5,460,089	5,500,364	5,500,364	5,500,364	5,542,986	5,542,986	5,542,986	5,472,569
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	**Misc Paid in Capital**		2110	1,052,761	965,642	965,642	985,274	985,274	972,268	971,910	891,616	891,616	919,988	919,988	919,988	938,906	952,375
24	Retained Earnings		2160	31,396,084	32,168,208	32,877,175	32,570,836	32,988,370	33,194,984	32,653,972	32,945,093	33,139,894	32,544,236	32,743,777	33,176,512	32,826,619	32,709,674
25	**Capital Stock Expense**		2140	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441	428,441
26	Treasury Stock		2170	3,349,121	3,127,001	3,127,001	3,127,001	3,127,001	3,074,018	3,074,018	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	2,841,531	3,004,181
27	**1st Mortgage Bonds**		2210	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	**Notes Payable**		2310	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
30	Customer Deposits	Electric only	2350	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
31	**INVEST TAX CRED**	Electric only	2550	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	5,522,358	5,488,112	5,445,440	5,442,853	5,406,934	5,382,719	5,482,702	5,495,227	5,466,017	6,265,063	6,218,437	6,198,423	6,192,870	5,692,858
33	**DEF TAX-UNDERREC**	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	CURRENT BONDS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	**3% INV TAX CRED**			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36																	
37																	
38	**Flo-Gas Corp.:**																
39	**Investment in Assoc. Co.**	Zeroed	1230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	ACCUM DEF TAXES	Zeroed	1900	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	**Common Stock**		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
42	Retained Earnings		2160	2,229,013	2,379,946	2,570,762	2,650,315	2,704,584	2,674,624	2,654,986	2,602,121	2,535,153	2,446,880	2,408,093	2,424,438	2,386,526	2,512,880
43	**Comprehensive Income**		2190	0	0	0	0	0	0	0	0	0	0	0	0	103,245	7,942
44	Customer Deposits	Zeroed	2350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	**INV TAX CREDIT**	Zeroed	2550	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	ACCUM DEF TAXES	Zeroed	2820	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	**3% INV TAX CRED**	Zeroed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48																	
49	**Consolidated:**		Line Reference														
50	Long Term Debt		L27-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	50,443,237
51	**Short Term Debt**		L29	9,558,000	10,662,000	7,266,000	3,443,000	1,101,000	582,000	1,437,000	761,000	130,000	1,687,000	916,000	2,009,000	3,466,000	3,309,077
52	Preferred Stock		L20	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
53	**Customer Deposits**	Electric only	L30	2,075,368	2,082,190	2,098,737	2,107,316	2,114,463	2,119,052	2,114,509	2,126,739	2,132,502	2,132,453	2,156,869	2,194,168	2,322,227	2,136,661
54	Common Equity		-L15+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	47,448,660
55	**Common Equity-Excl Flo-Gas**		+L19+L21+L23+L24-L25-L26	43,274,258	44,233,527	44,942,494	44,655,787	45,118,233	45,364,824	44,823,455	45,312,412	45,507,214	44,939,928	45,187,250	45,619,985	45,289,010	44,943,721
56	DEFERRED INC TAXES	Electric only	-L17+L32-L33	4,525,282	4,510,484	4,454,988	4,443,022	4,395,034	4,361,987	4,452,697	4,455,829	4,428,728	5,234,111	5,186,921	5,174,338	5,144,417	4,674,449
57	**TAX CREDITS-ZERO CST**	Electric only	+L35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	TAX CREDITS-WEIGHTED	Electric only	+L31-L35	157,283	154,589	151,895	149,201	146,507	143,813	141,119	138,425	135,731	133,037	130,343	127,649	124,971	141,120
59	TOTAL INCL FLO-GAS EQUITY			112,812,140	115,024,056	112,494,579	108,466,727	106,606,292	106,281,154	106,667,004	106,448,148	105,929,333	107,641,798	107,062,249	108,634,735	109,723,447	108,753,205
60	TOTAL EXCL FLO-GAS EQUITY			110,583,127	112,644,110	109,923,817	105,816,412	103,901,708	103,606,530	104,012,017	103,846,027	103,394,180	105,194,917	104,654,155	106,210,296	107,440,165	106,248,266
61	TOTAL LTD,STD,EQUITY			106,054,206	108,276,792	105,788,958	101,767,188	99,950,288	99,656,302	99,958,678	99,727,155	99,232,372	100,142,197	99,588,116	101,138,580	102,131,831	101,800,974
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			103,825,193	105,896,846	103,218,197	99,116,873	97,245,703	96,981,678	97,303,692	97,125,034	96,697,219	97,695,316	97,180,023	98,714,141	99,848,550	99,296,036
	Debt/Equity Ratio																
	Debt			60%	59%	58%	56%	55%	55%	55%	55%	55%	56%	56%	56%	57%	56%
	Equity			40%	41%	42%	44%	45%	45%	45%	45%	45%	44%	44%	44%	43%	44%

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2006 - December 2007

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Line Ref		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	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< ACTUALS >>>>>>>>>						<<<<<<<<<<<<< PROJECTED >>>>>>>>>>>>>>								
15	Investment in Assoc. Co.		1230	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	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	2,637,518	5 Year Average Growth Rate 2002 - 2006
31	INVEST TAX CRED	Electric only	2550	124,971	122,499	120,037	117,575	115,113	112,651	110,189	107,727	105,265	102,803	100,341	97,879	95,417	110,190	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,192,870	6,178,346	6,110,725	6,057,959	6,746,280	6,725,802	6,745,142	6,765,025	6,757,378	6,859,349	6,846,446	6,829,678	6,815,388	6,586,953	2004 - 2006 trend
33	DEF TAX-UNDERREC	Electric only	2830 Included above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	3% INV TAX CRED			0													0	
36																		
37																		
38	Flo-Gas Corp.:																	
39	Investment in Assoc. Co.	Zeroed	1230	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	Common Stock		2010	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	2,386,526	2,472,443	2,598,924	705,053	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	1,185,112	NOI based on Revised 2007 Budget
43	Comprehensive Income		2190	103,245	103,245	103,245	79,110	79,110	79,110	53,463	53,463	53,463	28,571	28,571	28,571	265,667	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-L16	50,493,540	50,501,924	50,510,307	50,518,691	50,527,075	50,535,458	50,543,842	50,552,226	50,560,610	50,568,993	50,577,377	50,585,761	50,594,145	50,543,842	
51	Short Term Debt		L29	3,466,000	3,964,000	2,243,000	2,215,000	3,120,000	1,460,000	2,160,000	7,660,000	7,460,000	8,060,000	8,660,000	11,860,000	12,160,000	5,729,846	
52	Preferred Stock		L26	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
53	Customer Deposits	Electric only	L30	2,322,227	2,320,879	2,335,632	2,642,123	2,661,468	2,680,956	2,700,586	2,720,360	2,740,278	2,760,343	2,780,554	2,800,914	2,821,422	2,637,518	
54	Common Equity		L15+L19+L21+L23+L24+L25+L26+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		+L19+L21+L23+L24+L25+L26	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	+L35	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%	55%	56%	58%	58%	58%	58%	59%	59%	57%	
	Equity			43%	44%	45%	44%	44%	45%	44%	42%	42%	42%	42%	41%	41%	43%	

1 Unamortized Debt Discount

			Mthly Amort
$14M	$	2,239	
$15M	$	3,357	
$10M	$	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

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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	320	463	
	(671,194)	FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
	(1,999,469)	FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	

FPU RETAINED EARNINGS 2007	Note		Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007		
B/F			32,826,619	33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	32,826,619	
NET INCOME		FPU	620,643	518,728	340,116	398,000	138,000	100,000	138,000	157,000	121,000	134,000	254,000	371,000	3,290,487	
Preferred Dividend					(7,125)			(7,125)			(7,125)			(7,125)	(28,500)	
Common Dividend					(647,660)		0	(695,864)			(695,864)			(695,864)	(2,735,252)	
Flo-Gas Dividend	2				2,000,000										2,000,000	
Projected Interim Rate Relief													37,824	55,247	93,071	
BALANCE C/F			33,447,262	33,965,990	35,651,321	36,049,321	36,187,321	35,584,332	35,722,332	35,879,332	35,297,343	35,431,343	35,723,167	35,446,425	35,446,425	2,619,806

FLO-GAS RETAINED EARNINGS															
B/F		2,386,526	2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	2,386,526	
NET INCOME		85,917	126,482	106,132	49,000	6,000	(1,000)	(1,000)	3,000	15,000	41,000	66,000	92,000	588,531	
DIVIDEND	2			(2,000,000)										(2,000,000)	
BAL C/F		2,472,443	2,598,925	705,057	754,057	760,057	759,057	758,057	761,057	776,057	817,057	883,057	975,057	975,057	(1,411,469)

CONSOLIDATED PROJECTED RETAINED EARNINGS														
B/F		35,213,145	35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	35,213,145	
NET INCOME		706,560	645,210	446,248	447,000	144,000	99,000	137,000	160,000	136,000	175,000	320,000	463,000	3,879,018	
Preferred Dividend		0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)	
Common Dividend		0	0	(647,660)	0	0	(695,864)	0	0	(695,864)	0	0	(695,864)	(2,735,252)	
BALANCE C/F		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,568,400	36,328,411	36,328,411	1,115,266
0															

Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,423	77,246	50,648	59,268	20,550	14,891	20,550	23,380	18,018	19,954	37,824	55,247	490,000

		35,919,705	36,564,915	36,356,378	36,803,378	36,947,378	36,343,389	36,480,389	36,640,389	36,073,400	36,248,400	36,606,225	36,421,483
Financials		35,919,703	36,564,911	36,356,371									
		2	4	7									

Florida Public Utilities
CAPITAL COMPONENTS ******
December 2007 - December 2008

Line Ref	Florida Public Utilities:	Notes	Acct #	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	13 mth AVERAGE	Basis of Projection
				<<<<<<<<< PROJECTED >>>>>>>>>														
15	**Investment in Assoc. Co.**		**1230**	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
16	Unamortized Debt/Loss on Reaq'd Debt	Amort Sch	1810, 1890	1,905,855	1,897,472	1,889,088	1,880,704	1,872,321	1,863,937	1,855,553	1,847,169	1,838,786	1,830,402	1,822,018	1,813,634	1,805,251	1,855,553	Amortization Schedule
17	**ACCUM DEF TAXES**	**Electric only**	**1900**	1,167,843	1,144,089	1,256,804	1,256,991	1,256,722	1,258,484	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 J
22	DISC ON CAP STK		2130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	**Misc Paid in Capital**		**2110**	802,472	715,354	715,354	734,985	734,985	721,979	721,621	641,327	641,327	669,699	669,699	669,699	688,617	702,086	Based on 2006 Monthly changes
24	Retained Earnings		2160	35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,207,432	NOI based on Est 3% Inc
25	**Capital Stock Expense**		**2140**	428,441	428,441	428,441	428,441	428,441	428,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	1,328,441	913,056	Constant + Equity Off Issuance Cost June
26	Treasury Stock		2170	2,298,945	2,076,825	2,076,825	2,076,825	2,076,825	2,023,842	2,023,842	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,791,356	1,954,005	Based on 2006 Monthly changes
27	**1st Mortgage Bonds**	1	**2210**	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,091,000	51,632,923	Sinking Fund Schedule
28	DEBENTURES		2240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	**Notes Payable**		**2310**	12,160,000	11,660,000	10,460,000	9,760,000	10,960,000	13,260,000	260,000	660,000	260,000	660,000	2,160,000	5,560,000	5,860,000	6,436,923	Cash Flow Projections
30	Customer Deposits	Electric only	2350	2,821,422	2,842,081	2,862,890	2,883,853	2,904,968	2,926,239	2,947,665	2,969,248	2,990,989	3,012,889	3,034,949	3,057,172	3,079,556	2,948,763	5 Year Average Growth Rate 2002 - 2006
31	**INVEST TAX CRED**	**Electric only**	**2550**	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	Monthly $2,462
32	ACCUM DEF TAXES*	Electric only	2820 2821 & 2830	6,815,388	6,562,491	7,420,855	7,403,201	7,396,734	7,378,249	7,398,047	7,419,437	7,412,743	7,501,563	7,490,045	7,474,899	7,461,928	7,318,121	2005 - 2007 trend
33	**DEF TAX-UNDERREC**	**Electric only**	**2830 included above**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	CURRENT BONDS		0	0													0	
35	**3% INV TAX CRED**			0													0	
36																		
37				0														
38	**Flo-Gas Corp.:**			0														
39	**Investment in Assoc. Co.**	**Zeroed**	**1230**	0													0	
40	ACCUM DEF TAXES	Zeroed	1900	0													0	
41	**Common Stock**		**2010**	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	Constant
42	Retained Earnings		2160	975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	552,540	NOI based on Est 3% Inc
43	**Comprehensive Income**		**2190**	265,667	265,667	265,667	226,002	226,002	226,002	186,337	186,337	186,337	146,672	146,672	146,672	107,007	198,542	OCI Projection Schedule
44	Customer Deposits	Zeroed	2350	0													0	
45	**INV TAX CREDIT**	**Zeroed**	**2550**	0													0	
46	ACCUM DEF TAXES	Zeroed	2820	0													0	
47	**3% INV TAX CRED**	**Zeroed**	**0**	0													0	
48				0														
49	**Consolidated:**		**Line Reference**	0														
50	Long Term Debt		-L27+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**		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		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+L19+L21+L23+L24+L25+L26+L39+L41+L42+L43	48,958,030	49,874,469	50,616,094	50,459,593	50,939,911	51,170,140	64,567,037	64,863,035	65,075,541	64,443,707	64,625,410	65,032,190	64,803,263	58,109,878	
55	**Common Equity-Excl Flo-Gas**		+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	+L37+L38	95,417	93,175	90,933	88,691	86,449	84,207	81,965	79,723	77,481	75,239	72,997	70,755	68,513	81,965	
59	**TOTAL INCL FLO-GAS EQUITY**			120,876,557	121,090,655	121,404,880	120,557,642	122,259,019	123,389,413	123,833,891	124,578,872	124,415,598	124,301,502	126,000,647	129,822,895	129,905,783	124,033,643	
60	TOTAL EXCL FLO-GAS EQUITY			120,167,167	120,292,684	120,477,129	120,481,047	122,131,954	123,256,168	123,662,010	124,408,022	124,241,658	124,072,446	125,729,361	129,483,630	129,432,092	123,679,644	
61	**TOTAL LTD,STD,EQUITY**			112,312,174	112,736,998	112,287,006	111,438,888	113,127,590	114,257,203	114,662,484	115,366,866	115,187,755	114,964,305	116,654,392	120,469,556	120,549,012	114,924,172	
62	TOTAL LTD,STD,EQUITY EXCL FLO-GAS			111,602,784	111,939,027	111,359,255	111,362,293	113,000,525	114,123,957	114,490,604	115,196,015	115,013,815	114,735,249	116,383,107	120,130,290	120,075,322	114,570,173	
	Debt:Equity Ratio																	
	Debt			50%	50%	50%	50%	50%	51%	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

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Assumptions
RETAINED EARNINGS 1.03
Annual Profit Margin Projected Increase

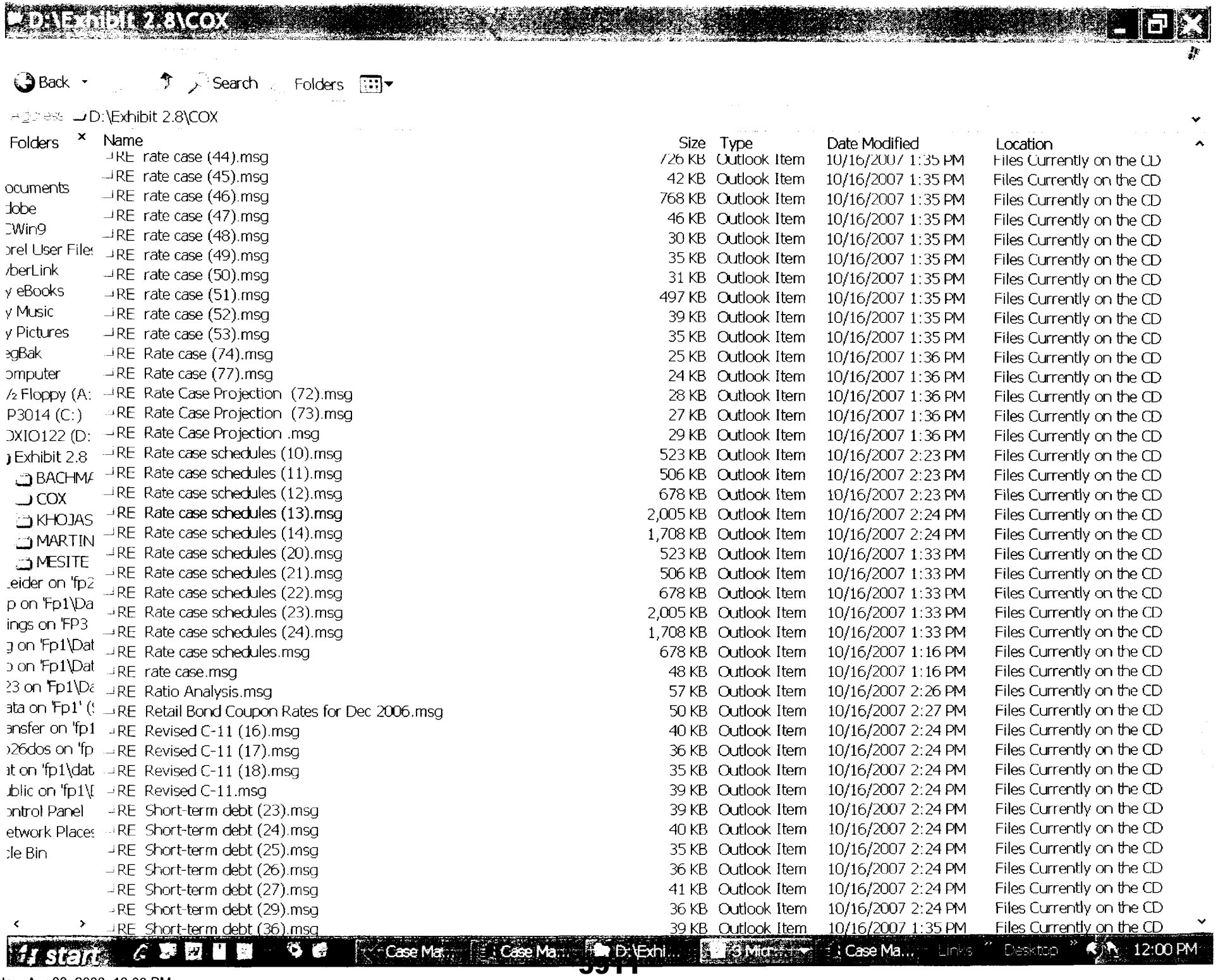
			TOTAL	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	
PRIOR YEAR NET INCOME (Revised Budget)		2007	3,879	707	645	446	447	144	99	137	180	136	175	320	483	
		FPU	3,291	621	519	340	398	138	100	138	157	121	134	254	371	
		FLO-GAS	588	86	126	106	49	6	(1)	(1)	3	15	41	66	92	
				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	185	140	180	330	477	
		FPU	3,390	640	535	350	410	142	103	142	162	125	138	262	382	
(1,000,000)		FLO-GAS	606	89	130	109	50	6	(1)	(1)	3	15	42	68	95	

FPU RETAINED EARNINGS 2008				Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	
B/F				35,446,425	36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	35,446,425
NET INCOME		FPU		639,630	534,570	350,200	409,940	142,140	103,000	142,140	161,710	124,630	138,020	261,620	382,130	3,389,730
Preferred Dividend						(7,125)			(7,125)			(7,125)			(7,125)	(28,500)
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)
Flo-Gas Dividend						1,000,000										1,000,000
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259									279,617
Projected NOI - Elec Rate Case	Annual	1,000,000	May-08					41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	429,353
BALANCE C/F				36,178,517	36,790,361	37,465,383	37,934,582	38,118,654	37,377,274	37,561,347	37,770,763	37,055,441	37,234,178	37,572,978	37,190,708	37,190,708	1,744,283

FLO-GAS RETAINED EARNINGS																
B/F				975,057	1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	975,057
NET INCOME				88,580	129,780	109,180	50,470	6,180	(1,030)	(1,030)	3,090	15,450	42,230	67,980	94,760	605,640
DIVIDEND						(1,000,000)										(1,000,000)
BAL C/F				1,063,637	1,193,417	302,597	353,067	359,247	358,217	357,187	360,277	375,727	417,957	485,937	580,697	580,697	(394,360)

CONSOLIDATED PROJECTED RETAINED EARNINGS																
B/F				36,421,483	37,242,154	37,983,778	37,767,981	38,287,649	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	36,421,483
NET INCOME				728,210	664,350	459,380	460,410	148,320	101,970	141,110	164,800	140,080	180,250	329,600	476,890	3,995,370
Preferred Dividend				0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	0	0	(7,125)	(28,500)
Common Dividend				0	0	(718,676)	0	0	(867,641)	0	0	(869,594)	0	0	(870,007)	(3,325,917)
Projected NOI - Elec Rate Case				0	0	0	0	41932.5433	30385.90394	41932.5433	47705.86448	36766.94014	40717.10726	77180.18839	112731.6925	429,353
BALANCE C/F				37,149,693	37,906,504	37,717,358	38,228,391	38,477,902	37,735,492	37,918,534	38,131,040	37,431,169	37,652,136	38,058,916	37,771,405	37,491,788	1,070,306

			Effective													
Projected Rate Relief		1,000,000	May-08	188,606	157,703	103,312	120,936	41,933	30,386	41,933	47,706	36,767	40,717	77,180	112,732	1,000,000
Projected Interim Rate Relief	Ann NOI	490,000	Nov-07	92,461	77,274	50,623	59,259	20,547	14,886	20,547	23,376	18,016	19,951	37,818	55,230	490,000
				112,312,174	112,736,998	112,787,006	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	



Tuesday, Apr 08, 2008 12:00 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:31 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: C-MFRS-8-13-07-NoLinks.xls; HC-MFRS-8-13-07-NoLinks.xls

Here are the C-Schedules

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

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:
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	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	48,527,231		48,527,231	100%	48,527,231	(31,118,924)	17,408,307
5								
6	Operating Expenses:							
7	Operation & Maintenance:							
8	Fuel			-	100%	-	-	-
9	Purchased Power	30,606,436		30,606,436	100%	30,606,436	(30,606,436)	-
10	Other	8,163,711		8,163,711	100%	8,163,711	(456,411)	7,707,300
11	Depreciation & Amortization	2,722,498		2,722,498	100%	2,722,498	(11,398)	2,711,100
12	Decommissioning Expense			-	100%	-	-	-
13	Taxes Other Than Income Taxes	3,982,172		3,982,172	100%	3,982,172	(22,079)	3,960,093
14	Income Taxes	772,895		772,895	100%	772,895	8,498	781,393
15	Deferred Income Taxes-Net	(195,788)		(195,788)	100%	(195,788)	-	(195,788)
16	Investment Tax Credit-Net	(32,322)		(32,322)	100%	(32,322)	-	(32,322)
17	(Gain)/Loss on Disposal of Plant			-	100%	-	-	-
18	Total Operating Expenses	46,019,602		46,019,602	100%	46,019,602	(31,087,826)	14,931,776
19								
20	Net Operating Income	2,507,629		2,507,629	100%	2,507,629	(31,098)	2,476,531

Supporting Schedules: C-2, C-4, C-5, C-7

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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	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	48,527,231	(31,118,924)												(31,118,924)	17,408,307
5																
6	Operating Expenses:															
7	Operation & Maintenance:															
8	Fuel (nonrecoverable)	-	-												-	-
9	Purchased Power	30,606,436	(30,606,436)												(30,606,436)	-
10	Other	8,163,711	(456,411)												(456,411)	7,707,300
11	Depreciation & Amortization	2,722,498	(11,398)												(11,398)	2,711,100
12	Decommissioning Expense	-	-												-	-
13	Taxes Other Than Income Taxes	3,982,172	(22,079)												(22,079)	3,960,093
14	Income Taxes	772,895	8,498												8,498	781,393
15	Deferred Income Taxes-Net	(195,788)	-												-	(195,788)
16	Investment Tax Credit-Net	(32,322)	-												-	(32,322)
17	(Gain)/Loss on Disposal of Plant	-	-												-	-
18																
19	Total Operating Expenses	46,019,602	(31,087,826)												(31,087,826)	14,931,776
20																
21	Net Operating Income	2,507,629	(31,098)												(31,098)	2,476,531

Supporting Schedules: C-3

Recap Schedules: C-1

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:
Historical Year Ended 12/31/2006
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 Revenues	(30,359,021)	100%	(30,359,021)
3					
4	Other Revenues/Fuel & Conservation O/U - Commission				
5	Other Revenue/Fuel & Conservation O/U - Company	Eliminate Conservation and Fuel O/U and Conservation Revenues	(759,903)	100%	(759,903)
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	(30,606,436)	100%	(30,606,436)
12					
13	Fuel Expense - Commission				
14	Fuel Expense - Company	Eliminate Conservation Expenses	(456,411)	100%	(456,411)
15					
16	Maintenance Expense - Commission				
17	Maintenance Expense - Company				
18					
19	Depreciation Expense - Commission				
20	Depreciation Expense - Company	Eliminate NonUtility Depreciation Expense	(11,398)	100%	(11,398)
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	(22,079)	100%	(22,079)
27					
28	Income Taxes - Commission				
29	Income Taxes - Company	Eliminate Income Taxes	8,498	100%	8,498
30					
31	Deferred Income Tax - Commission				
32	Deferred Income Tax - Company				

Supporting Schedules:

Recap Schedules: C-2

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: C-1

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	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments (4) Fuel	(5) Conservation	(6) Franchise Fees	(7) Other (Gross Receipts)	(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 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-RECOVRY:FUEL AD	307,430	-	307,430	307,430					307,430	-
4562	MISC.ELECTRIC REVENU	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: C-2

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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	**OPERATING EXPENSES**														
2															
3	**555-557**	**Other Power Supply Expenses**													
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**	**Transmission Expenses - Operation**													
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**	**Distribution Expenses - Operation**													
15	580	OPERATION SUPERVISION & ENG	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 & RESETTING	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**	**Customer Accounts - Operation**													
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**	**Customer Service and Info - Operation**													
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**	**Sales Expenses - Operation**													
49	912	DEMONSTRATING & SELL													
50	9131	PROMOTIONAL ADVERTISING	-	-	-	-	-	-	-	-	-	-	-	-	-
51	9132	CONSERVATION ADVERTISING	-	-	-	-	-	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**	**Administrative & General - Operation**													
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

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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
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	**TOTAL OPERATING EXPENSES**		2,914,048	3,072,172	2,851,679	2,681,109	2,919,010	3,273,844	3,605,915	3,524,337	3,222,196	2,943,558	2,616,051	3,046,915	36,670,834
84	**Total Operating Expenses Less Fuel**		479,387	435,027	550,088	437,158	509,011	539,212	473,923	502,551	507,303	495,569	499,337	635,832	6,064,398
85	**Maintenance Expenses**														
86															
87	**541-545.1**	**Hydraulic Power Gen - Maintenance**													
88	554	MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
89															
90	**568-574**	**Transmission Expenses - Maintenance**													
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 LINES	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 TRANSMISSION	-	-	-	-	-	-	-	-	-	-	-	446	446
94															
95	**590-598**	**Distribution Expenses - Maintenance**													
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 EQUIP	5,283	2,223	12,951	661	9,961	5,500	3,351	9,814	7,273	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	54,557
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	**935**	**Administrative & General - Maintenance**													-
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	**TOTAL MAINTENANCE EXPENSES**		141,719	98,872	217,451	106,339	192,646	232,571	199,299	171,047	182,611	148,683	174,145	233,930	2,099,313
114															
115															
116															
117															
118															
119															
120															
121															
122	**Other Operating Expenses**														
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

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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
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	**403 - Depreciation Expenses**		227,995	221,977	226,162	233,741	229,935	230,188	230,980	232,552	233,040	233,536	233,914	188,478	2,722,498
127															
128	4070.3	Amortization - Storm Hardening	-	-	-	-	-	-	-	-	-	-	-	-	-
129	**407 - Storm Hardening**		-	-	-	-	-	-	-	-	-	-	-	-	-
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	**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
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	**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
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
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	**TOTAL OTHER OPERATING EXPENSES**		646,083	625,857	536,315	570,430	590,084	616,864	725,331	742,458	627,151	582,157	526,082	460,643	7,249,455
156															
157	**TOTAL EXPENSES INCLUDING FUEL**		3,701,850	3,796,901	3,605,445	3,357,878	3,701,740	4,123,279	4,530,545	4,437,842	4,031,958	3,674,398	3,316,278	3,741,488	46,019,602

Supporting Schedules: C-13, C-14, C-15 C-20

Recap Scedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 Dollars (000)	2002 Percent Change	2003 Dollars (000)	2003 Percent Change	2004 Dollars (000)	2004 Percent Change	2005 Dollars (000)	2005 Percent Change	2006 Dollars (000)	2006 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	Semi-Variable										
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		38,245		37,352		40,112		44,614		46,016	

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

(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							241,000	
Norman Horton, Esq.	Attorney	Rate Proceeding, legal work	140,000	Hourly		10,000	150,000	L
TOTAL OUTSIDE LEGAL SERVICES							150,000	
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							337,000	
					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.: 030438-EI	$ 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		$ 182,000

Supporting Schedules:

Recap Schedules: C12, C7

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:
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

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	75,649	41,335,703	$ -	$ 41,335,703	0.1830%
2						
3	2003	77,141	39,478,461	-	$ 39,478,461	0.1954%
4						
5	2004	76,668	40,424,735	$ -	$ 40,424,735	0.1897%
6						
7	2005	87,665	47,686,561	$ -	$ 47,686,561	0.1838%
8						
9	Total	317,123	168,925,460	$ -	$ 168,925,460	0.1877%
10						
11	2006 Historic Year	87,213	47,452,526	$ -	$ 47,452,526	0.1838%
12						
13	Prior Year 2007	90,352	53,075,623	$ -	$ 53,075,623	0.1702%
14						
15	Test Year 2008	144,563	61,786,961	$ -	$ 61,786,961	0.2340%
16						
17	**Calculation of the Bad Debt Component included in the Revenue Expansion Factor:**					
18						
19					Average rate	0.2000%

Supporting Schedules:

Recap Schedules: C-44

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:
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

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	75,649	41,335,703	$ -	$ 41,335,703	0.1830%
2						
3	2003	77,141	39,478,461	-	$ 39,478,461	0.1954%
4						
5	2004	76,668	40,424,735	$ -	$ 40,424,735	0.1897%
6						
7	2005	87,665	47,686,561	$ -	$ 47,686,561	0.1838%
8						
9	Total	317,123	168,925,460	$ -	$ 168,925,460	0.1877%
10						
11	2006 Historic Year	87,213	47,452,526	$ -	$ 47,452,526	0.1838%
12						
13	Prior Year 2007	90,352	53,075,623	$ -	$ 53,075,623	0.1702%
14						
15	Test Year 2008	144,563	61,786,961	$ -	$ 61,786,961	0.2340%
16						
17	**Calculation of the Bad Debt Component included in the Revenue Expansion Factor:**					
18						
19					Average rate	0.2000%

Supporting Schedules:

Recap Schedules: C-44

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

Line No	Description	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
1	Total Miscellaneous General			
2	Expenses of $100,000 or Less			
3				
4	**ACCOUNT 930.2**			
5	9302 MISC. GENERAL EXPENSE	76,622	100%	76,622
6	93022 INDUSTRY ASSOCIATION	4,390	100%	4,390
7	93023 ECONOMIC DEVELOPMENT	5,000	100%	5,000
8				
9	Miscellaneous General Expenses		100%	-
10	Exceeding $100,000 (Specify)	-	100%	-
11				
12				
13	Total Miscellaneous General Expenses	86,012		86,012
14				
15	Average Number of Customers	30,636		30,636
16				
17	Miscellaneous General Expenses Per Customer	2.81		2.81

Supporting Schedules:

Recap Schedules: C-7

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Electric Utility	Jurisdictional Factor	Jurisdictional Amount
1	ACCOUNT 913				
2	909	INFO & INSTRUCTIONAL	159,139	100%	159,139
3					
4	Total Account 909		159,139		159,139
5					
6					
7					
8	ACCOUNT 913				
9	9131	PROMOTIONAL ADVERTISING	-	100%	-
10	9132	CONSERVATION ADVERTISING	1,537	100%	1,537
11	9133	SAFETY ADVERTISING	8,224	100%	8,224
12	9134	OTHER INFO/INSTR/CON	121,226	100%	121,226
13	9135	COMMUNITY AFFAIRS AD	-	100%	-
14	9136	OTHER ADVERTISING	-	100%	-
15					
16	Total Account 913		130,987		130,987
17					
18	ACCOUNT 930.1				
19	9301	INSTITUTIONAL/GOODWILL	-	100%	-
20					
21	Total Account 930.1		-		-
22					
23					
24	Total Advertising Expenses		290,126		290,126
25					
26	Average Number of Customers		30,636		30,636
27					
28	Advertising Expenses per Customer		9.47		9.47

Supporting Schedules:

Recap Schedules: C7

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/2007
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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) Charged
1	Accounting					
2	Aon Consulting Inc.	Actuarial work - pension and 401K	2420.3	70,764	22,644	9233
3	Crowe, Chizek, and Company	Sarbanes Oxley 404/Internal audit	2420.3	144,059	46,099	9233
4	BDO Seidman LLP	External audits - quarterly & annual	2420.3	211,980	67,834	9233
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	9232
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	9232
21	Messer, Caparello & Self	General Regulatory - Corporate	1840.9232	4,443	1,733	9232
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	9232
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	-	

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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) Charged
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						
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	9232
44	Akerman, Senterfitt, Attorneys	Lake Worth Generation	2420.31	590	189	9232
45	Akerman, Senterfitt, Attorneys	General Business Issues	2420.31	5,395	1,726	9232
46	Akerman, Senterfitt, Attorneys	General Employment Issues	2420.31	220	70	9232
47	Akerman, Senterfitt, Attorneys	General Environmental Issues	2420.31	3,044	974	9232
48	Akerman, Senterfitt, Attorneys	Street Lighting Policy	2420.31	236	76	9232
49	Akerman, Senterfitt, Attorneys	Simpson, ET AL	2420.31	1,632	522	9232
50	Akerman, Senterfitt, Attorneys	FIBB UCC-3 Continuation Statement	2420.31	2,077	665	9232
51	Akerman, Senterfitt, Attorneys	Manfactured Gas Plants - Various	2530.31	94,273	-	
52	Akerman, Senterfitt, Attorneys	Fernandina Land Swap	588.2	522	522	588.2
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	9251
62						
63						
64	Total Outside Professional Services				503,400	

Supporting Schedules:

Recap Schedules:

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 12/31/2008
Prior Year Ended 12/31/2007
Historical Year Ended 12/31/2006
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.)	(1,650,795)	(1,482,905)	(814,231)
29				
30	2006 Allocation Schedule - Approximately 29% of Pension Cost is allocated to the Electric Division			
31	2007 Allocation Schedule - 27% of Pension Cost is allocated to the Electric Division			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

Line No.	Account/ Sub-Account Number	Account/ Sub-Account Title	Amount
1	4260.11	CHARITABLE CONTRIBUTIONS	11,117
2	4260.13	CIVIC AND SOCIAL	2,548
3			
4	**Total Civic and Charitable Contributions**		13,665
5			
6	4260.4	Lobbying & Other Political Expenses	167
7			
8			
9			
10	**Total Lobbying and Other Political Expenses and Charitable / Civic conti**		13,832

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historical Year Ended 12/31/2006
Witness: Jim Mesite

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	(4) Annual Amort/Recovery Expense	(5) Expense Account
		NONE		

AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS ARE INCLUDED ON SCHEDULE B-9.

Supporting Schedules:

Recap Schedules:

FLOPIDA PUBLIC SEPVICE 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								
3	State Unemployment	0.0129	2,862,280	36,923	1,017	100%	36,923	1,017
4								
5	FICA	0.0765	Payroll	2,458,362	241,758	100%	2,458,362	241,758
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	44,254,768	34,408	34,408	100%	34,408	34,408
12								
13	Property	Various	32,942,277	513,886	513,886	100%	513,886	513,886
14								
15	Gross Receipts	0.025	44,254,768	1,184,787	1,184,784	100%	1,184,787	1,184,784
16								
17	Franchise Fee	Various	Base, Fuel & Conservation Revenues	2,012,632	2,012,635	100%	2,012,632	2,012,635
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	613	613	100%	613	613
24								
25								
26								
27	Total			6,256,248	3,982,172		6,256,248	3,982,172

Supporting Schedules: C7, C21

Recap Schedules: C1

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	TOTAL	DEFERRED TAX STATE	DEFERRED TAX 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	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: C-2, C-23

RECAP SCHEDULES: C-1

SCHEDULE C-22

STATE AND FEDERAL INCOME TAX CALCULATION

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX 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	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		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	553,283			

SUPPORTING SCHEDULES: C-2, C-23

RECAP SCHEDULES: C-1

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 22
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				
3	Amortization of Debt Discount, Premium, Issuing			
4	Expense & Loss on Reacquired Debt (1)	-	-	-
5				
6	Interest on Short Term Debt	75,536	123,947	129,657
7				
8	Interest on Customer Deposits	129,626	166,567	186,223
9				
10	Other Interest Expense	-	-	
11				
12	Less Allowance for Funds Used During Construction	-	-	-
13				
14				
15	Total Interest Expense	1,473,580	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: C-22

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					
3	Short Term Debt				
4					
5	Preferred Stock				
6					
7	Common Equity				
8					
9	Deferred Income Tax	**Not Applicable**			
10					
11	Investment Tax Credits	Weighted cost of parent debt x 38.575% (or applicable consolidated tax rate) x equity of subsidiary			
12					
13	Other (specify)				
14					
15	Total				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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				
4	Balance at Beginning of Historical Year + 1	14,087,119	1,439,703	15,526,822
5	Historical Year + 1 Amortization	2,202,805	217,860	2,420,665
6				
7	Balance at Beginning of Projected Test Year	11,884,314	1,221,843	13,106,157
8	Projected Test Year Amortization	2,202,805	217,860	2,420,665
9				
10	Balance at End of Projected Test Year	9,681,509	1,003,983	10,685,492
11				
12				
13				
14				
15	* 2006 -2008 is estimate based on 2005 actual schedules			

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 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

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the requested miscellaneous tax information.

Type of Data Shown:
Historical Years Ended 2004, 2005 and 2006
Witness: Mehrdad Khojasteh

Line No.		
1	For profit and loss purposes, which IRC section 1552 method is used for tax allocation?	SECTION 1.1552-1(A)
4	What tax years are open with the IRS?	2004 - FORWARD
6	For the last three tax years, what dollars were paid to or received from the parent for federal income taxes?	NOT APPLICABLE
9	How were the amounts in (3) treated?	NOT APPLICABLE
11	For each of the last three years, what was the dollar amount of interest deducted on the parent ONLY tax return?	NOT APPLICABLE
14	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-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:

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

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		

Analysis of Diversification Activity
Summary of Affiliated Transfers and Cost Allocations

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				

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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

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				

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		

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) Line Number	(2) Account Number	(3) Description	(4) Original Purchase Cost	(5) Test Year Revenues (All Accts. 454)	(6) Expense Amounts	(7) Net Revenues
		NONE				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the following statistical data for the company, by calendar year for the most recent 5 historical years.

Type of Data Shown:
Historic Year Ended 12/31/2006
Historic 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:

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 12/31/2006
Witness: Mehrdad Khojasteh

Line No.		12/31/2005 Amount	%Increase	CPI	12/31/2006 Amount	%Increase	CPI
1	Total Company Basis						
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	Fringe Benefits						
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%

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:
Historic Years Ended 12/31/2003, 04, 05, 06
Projection Years Ended 12/31/2007, 2008
Witness: Mehrdad Khojasteh

	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. (1)		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 & 2008

Supporting Schedules: C-6, C-40

Recap Schedules:

O & M BENCHMARK COMPARISON BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2006
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										
3	Production - Nuclear									
4										
5	Production - Other	30,606,436	(30,606,436)	-	-		-	-		-
6										
7	Transmission	194,697	-	194,697	65,207	1.3071	85,232	109,465		109,465
8										
9	Distribution	2,828,336	-	2,828,336	2,364,635	1.3071	3,090,814	(262,478)		(262,478)
10										
11	Customer Accounts	1,331,423	-	1,331,423	1,388,756	1.3071	1,815,243	(483,820)		(483,820)
12										
13	Customer Service and									
14	Information	456,161	(456,161)	-						
15										
16	Sales Expenses	144,236	-	144,236	2,708	1.3071	3,540	140,696		140,696
17										
18	Administrative and General	3,208,858	(250)	3,208,608	2,286,653	1.3071	2,988,884	219,724		219,724
19										
20	Total	38,770,147	(31,062,847)	7,707,300	6,107,959		7,983,713	(276,413)	-	(276,413)

Supporting Schedules:C-2, C-7, C-12, C-38, C-39, C-40, C-41

Recap Schedules:

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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

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	Total Adjustments	(31,062,847)	

Supporting Schedules: C2

Recap Schedules: C-37

BENCHMARK YEAR RECOVERABLE O & 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:
Prior Year Ended 12/31/2002
Witness: Mehrdad Khojasteh

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	33,093,918		(26,985,959)	6,107,959 (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: C-37

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:
Prior Years Ended 12/31/2002, 03, 04, 05
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

	Total Customers			Average CPI-U (1982-1984 = 100)			
Year	Amount	% Increase	Compound Multiplier	Amount	% Increase	Compound Multiplier	Inflation and Growth 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%	1.1380	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: C-37

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

FERC ACCOUNTS: 562 - 573 FERC FUNCTIONAL GROUP: TRANSMISSION

	AMOUNT
TEST YEAR ADJUSTED	194,697
BENCHMARK	85,232
VARIANCE TO JUSTIFY	109,465

LINE NO.	JUSTIFICATION NO.	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	T-1	JEA TRANSFORMER LEASE - ACCT 570	0	0	25,680	25,680
2	T-2	GE ENERGY CHARGE - ACCT 570	0	0	53,181	53,181
3	T-3	WOODPECKER DAMAGE TO POLES - ACCT 571	0	0	32,900	32,900

JUSTIFICATION

T-1 LEASE OF TRANSFORMER FROM JEA DUE TO LOSS OF COMPANY TRANSFORMER IN OCTOBER 2005.

T-2 GE ENERGY CHARGE FOR TRANSFORMER OIL FILTERING AND OTHER MAINTENANCE.

T-3 REPAIR OF WOODPECKER NESTING DAMAGE TO TRANSMISSION POLES. THIS HAS BECOME AN INCREASING PROBLEM IN RECENT YEARS.

Supporting Schedules: C-37 Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
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:
Historical Year Ended 12/31/2006
Witness: Mehrdad 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: C-37 Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
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:
Historical Year Ended 12/31/2006
Witness: Mehrdad Khojasteh

FERC ACCOUNTS: 920 - 935 FERC FUNCTIONAL GROUP: ADMINISTRATIVE AND GENERAL

	AMOUNT
TEST YEAR ADJUSTED	3,208,608
BENCHMARK	2,988,884
VARIANCE TO JUSTIFY	219,724

LINE NO.	JUSTIFICATION NO.	DESCRIPTION	BASE YEAR (PRIOR CASE) ACTUAL O&M	BENCHMARK	HISTORIC BASE YEAR O&M REQUESTED	BENCHMARK VARIANCE
1	AG-1	PENSION EXPENSE - 9261	(38,649)	(50,518)	408,815	459,333

JUSTIFICATION

AG-1 PENSION EXPENSES HAVE INCREASED SUBSTANTIALLY SINCE THE PREVIOUS HISTORIC TEST YEAR. THE VALUE OF THE PENSION PLAN ASSETS AND THE CORRESPONDING PROJECTED BENEFIT OBLIGATIONS HAS REQUIRED THE INCREASES IN PENSION EXPENSE AS NOTED ABOVE.

Supporting Schedules: C-37

Recap Schedules:

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:
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	2006 Base Rates	2006 Cause	2007 Base Rate	2007 Cause	2008 Base Rates	2008 Cause
		Hedging Expense						
					Not Applicable			
		Total Hedging Expense						
		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	2006 Base Rates	2006 Cause	2007 Base Rates	2007 Cause	2008 Base Rates	2008 Cause
		Security Expense						
					Not Applicable			
		Total Security Expense						
		Security capital investment						
		Total Security investment						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

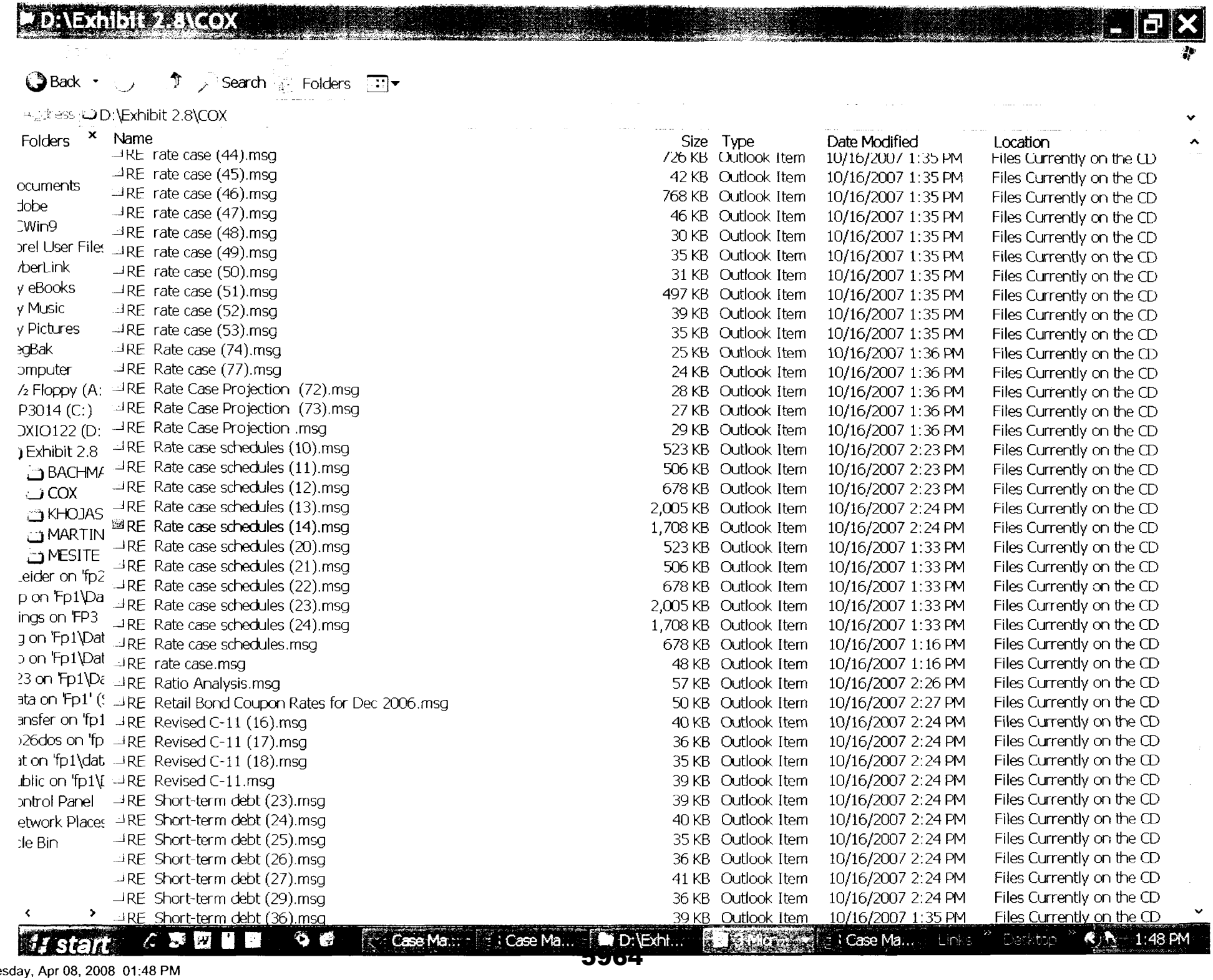
EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:
Historical Year Ended 12/31/2006
Witness: Doreen Cox

Line No.	Description	Percent
1.	Revenue Requirement	100.0000%
2.	Gross Receipts Tax Rate	0.0000%
3.	Regulatory Assessment Rate	0.0720%
4.	Bad Debt Rate	0.1877%
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	99.7403%
6.	State Income Tax Rate	5.5000%
7.	State Income Tax (5) x (6)	5.4857%
8.	Net Before Federal Income Tax (5) - (7)	94.2546%
9.	Federal Income Tax Rate	34.0000%
10.	Federal Income Tax (8) x (9)	32.0465%
11.	Revenue Expansion Factor (8) - (10)	62.2080%
12.	Net Operating Income Multiplier (100% / Line 11)	1.6075

Supporting Schedules: C-11, C-20, C-22

Recap Schedules:



Tuesday, Apr 08, 2008 01:48 PM

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:22 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: B-MFRS-8-13-07-NolLinks.xls; HB-MFRS-8-13-08-NoLinks.xls

Here are the B Schedules

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown:
Historic Year Ended 12/31/2006
Witness: Jim Mesite, Cheryl Martin

Line No.		(1) Plant in Service	(2)* Accumulated Provision for Depreciation and Amortization	(3) Net Plant in Service (1 - 2)	(4) CWIP - No AFUDC	(5) Plant Held For Future Use	(6) Nuclear Fuel - No AFUDC (Net)	(7) Net Utility Plant	(8) Working Capital Allowance	(9) Other Rate Base Items	(10) Total Rate Base
1	System Per Books (B-3)	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%	
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	Adjustments:										
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 Proceeding								(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	* Includes Account 2520 - Customer Advances for Construction										

Supporting Schedules: B-2 (2006), B-3 (2006), B-7 (2006), B-9 (2006)

Recap Schedules: B-2 (2006)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION:

List and explain all proposed adjustments to the 13-month average rate base for the test year,the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Type of Data Shown:
Historic Year Ended 12/31/2006
Witness: Jim Mesite, Cheryl Martin

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	PLANT				
2	Commission Adjustment:				
3	Allocate Various Items of General	Non-Regulated Propane Operations at			
4	Plant Accounts to Propane; based	Fernandina Beach Location - Per			
5	on Customers and/or Square Footage	2003 Rate Case Proceeding			
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	"	(41,756)		(41,756)
13					
14					
15	Company Adjustment:				
16	None				
17					
18					
19					
20	WORKING CAPITAL				
21	Commission Adjustment:				
22	Eliminate Interest Bearing Cash	Per 2003 Rate Case Proceeding	(24,312)	100%	(24,312)
23	Eliminate 1/2 Deferred Rate Case Expense	Per 2003 Rate Case Proceeding	(116,540)	100%	(116,540)
24	Eliminate Fuel Under-Recover	Per 2003 Rate Case Proceeding	(1,716,749)	100%	(1,716,749)
25			(1,857,601)		(1,857,601)
26	Company Adjustment:				
27	None				
28					
29					
30					
31					
32					
33					

Supporting Schedules: B-3 (2006)

Recap Schedules: B-1 (2006), B-3 (2006), B-4 (2006)

Schedule B-3 (2006)
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

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.

Type of Data Shown:
Historical Year Ended 12/31/06
Witness: Jim Mesite

Line No.	Account No.	Account Name	(1) Dec 2005	(2) Jan 2006	(3) Feb 2006	(4) Mar 2006	(5) Apr 2006	(6) May 2006	(7) Jun 2006	(8) Jul 2006	(9) Aug 2006	(10) Sep 2006	(11) Oct 2006	(12) Nov 2006	(13) Dec 2006	(14) 13 MONTH AVERAGE
1		ASSETS AND OTHER DEBITS														
2		UTILITY PLANT:														
3	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
4	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
5	1080	PLANT RESERVE	(29,761,890)	(29,988,364)	(30,208,766)	(30,388,495)	(30,378,592)	(30,537,663)	(30,714,841)	(30,892,332)	(31,110,821)	(31,339,987)	(31,542,571)	(31,800,699)	(31,928,074)	(30,814,853)
6	1180	ALLOCATED COMMON PLANT IN SERVICE	1,626,095	1,634,228	1,649,179	1,640,573	1,572,565	1,568,430	1,576,285	1,579,263	1,579,263	1,579,285	1,582,628	1,532,764	1,538,742	1,589,177
7	1190	ALLOCATED COMMON PLANT RESERVE	(578,414)	(590,993)	(600,326)	(604,808)	(541,263)	(544,550)	(548,051)	(556,332)	(565,069)	(573,807)	(582,545)	(523,008)	(515,604)	(563,444)
8	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
9																
10		OTHER PROPERTY AND INVESTMENTS														
11	1280.1	OTHER SPECIAL FUNDS	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
12																
13		CURRENT AND ACCRUED ASSETS.														
14	1310, 1340	CASH AND DEPOSITS	208,878	469,064	455,435	580,049	289,291	205,433	346,810	(27,368)	54,370	224,684	453,012	259,078	14,933	271,821
15	1340.1	SPECIAL DEPOSITS-ELECT	-	-	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	317,836	268,938
16	1350.1	WORKING FUNDS- PETTY	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
17	1350.10	WORKING FUNDS- PETTY	135	135	135	135	135	135	135	135	243	135	135	135	135	143
18	1420, 1430	ACCOUNTS RECEIVABLE-	3,668,372	3,679,978	3,627,054	2,993,283	3,169,088	3,114,897	3,578,500	4,127,565	3,707,383	3,955,657	3,189,329	2,756,950	3,203,486	3,443,965
19	1440	ALLOW. FOR UNCOLL.AC	(29,335)	(26,756)	(26,972)	(28,208)	(31,486)	(32,171)	(36,083)	(40,005)	(28,456)	(31,743)	(35,253)	(30,205)	(69,678)	(34,335)
20	1540.1	MATERIALS & 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
21	1630.3	STORES EXPENSE	-	-	-	-	-	-	-	-	(1,300)	-	(34,074)	(13,697)	-	(3,775)
22	1650.2, 5	PREPAID EXP - INSURANCE	233,568	212,271	190,972	169,681	148,385	127,088	90,540	52,993	258,746	234,476	280,258	257,743	235,228	191,688
23	1650.4	PREPAID EXP - OTHER	42,260	35,789	29,856	24,323	83,376	52,771	50,429	106,053	107,498	102,857	92,336	44,951	43,168	62,744
24	1650.41	PREPAID EXP.-MAINTENANCE	28,412	26,044	23,676	21,309	18,941	16,573	14,206	11,838	9,471	7,103	4,735	2,368	29,264	16,457
25	1730.1	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
26	1820.2	REG ASSET-RET PLANS	-	-	-	-	-	-	-	-	-	-	-	-	103,740	7,980
27	1840.7	CLEARING ACCOUNT--REFUNDS	-	-	-	-	-	(73)	-	43	43	43	43	43	-	11
28	1850.1	TEMPORARY SERVICES	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
29																
30		DEFERRED DEBITS.														
31	1860.1	DEFERRED DEBITS - OTHER	31,491	31,082	30,675	64,476	63,468	62,460	61,450	60,442	59,710	58,426	57,418	56,410	48,400	52,762
32	1860.1	DEFERRED DEBITS - RATE CASE	275,458	268,395	261,332	254,269	247,206	240,143	233,080	226,017	218,954	211,891	204,828	197,765	190,702	233,080
33	1860.3	MISC DEF'D DR-UNDIST	-	7,667	8,853	18,632	22,149	32,850	-	3,718	15,742	19,456	22,644	31,302	-	14,078
34	1860.21	DEFERRED DEBITS - UNDERRECOVERY FUEL	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
35	1810, 1890	NET UNAMORTIZED DEBT DISCOUNT	685,959	687,356	675,400	670,410	674,098	675,126	689,127	688,408	684,220	673,921	657,285	665,930	666,281	676,425
36	1900	ACCUMULATED DEFERRED TAXES	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
37																
38		TOTAL ASSETS AND OTHER DEBITS.	51,215,434	51,221,667	51,598,274	51,060,503	51,164,040	51,360,373	52,272,578	52,412,775	52,506,968	52,794,871	51,987,316	51,307,554	51,738,800	51,741,627
39																

Schedule B-3 (2006)
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

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.

Type of Data Shown:
Historical Year Ended 12/31/06
Witness: Jim Mesite

Line No.	Account No.	Account Name	(15) REFERENCE	(16) 13 MONTH CONSOLIDATE AMOUNT	(17) ALLOCATION METHOD	(19) ALLOCATION %	(20) ALLOCATED AMOUNT	(21) ADJUSTMENT	(22) REASON	(23) ADJUSTED AMOUNT
1		ASSETS AND OTHER DEBITS								
2		UTILITY PLANT:								
3	1010	PLANT IN SERVICE	RB	70,787,806	Direct	100%	70,787,806	(67,783)		70,720,023
4	1070	CWIP	RB	1,376,556	Direct	100%	1,376,556	(7,343)		1,369,213
5	1080	PLANT RESERVE	RB	(30,814,853)	Direct	100%	(30,814,853)	33,370		(30,781,483)
6	1180	ALLOCATED COMMON PLANT IN SERVICE	RB	5,378,140	Plant/Customers	30% / 29%	1,589,177	-		1,589,177
7	1190	ALLOCATED COMMON PLANT RESERVE	RB	(1,925,391)	Plant/Customers	30% / 29%	(563,444)	-		(563,444)
8	1070	ALLOCATED COMMON CWIP	RB	291,425	Plant/Customers	30% / 29%	85,048	-		85,048
9										
10		OTHER PROPERTY AND INVESTMENTS								
11	1280.1	OTHER SPECIAL FUNDS	RB, WC	10,000	Adjusted. Gross Profit	32%	3,200	-		3,200
12										
13		CURRENT AND ACCRUED ASSETS.								
14	1310, 1340	CASH AND DEPOSITS	RB, WC	849,440	Adjusted. Gross Profit	32%	271,821	(24,312)	Eliminate Interest Bearing Cash	247,509
15	1340.1	SPECIAL DEPOSITS-ELECT	RB, WC	268,938	Direct	100%	268,938	-	-	268,938
16	1350.1	WORKING FUNDS- PETTY	RB, WC	8,000	Direct	100%	8,000	-	-	8,000
17	1350.10	WORKING FUNDS- PETTY	RB, WC	531	Payroll	27%	143	-	-	143
18	1420, 1430	ACCOUNTS RECEIVABLE-	RB, WC	3,443,963	DIRECT	100%	3,443,963	-	-	3,443,963
19	1440	ALLOW. FOR UNCOLL.AC	RB, WC	(34,335)	Direct	100%	(34,335)	-	-	(34,335)
20	1540.1	MATERIALS & SUPPLIES	RB, WC	878,363	Direct	100%	878,363	-	-	878,363
21	1630.3	STORES EXPENSE	RB, WC	(3,775)	Direct	100%	(3,775)	-	-	(3,775)
22	1650.2, 5	PREPAID EXP - INSURANCE	RB, WC	599,027	Adjusted. Gross Profit	32%	191,688	-	-	191,688
23	1650.4	PREPAID EXP - OTHER	RB, WC	196,074	Adjusted. Gross Profit	32%	62,744	-	-	62,744
24	1650.41	PREPAID EXP.-MAINTENANCE	RB, WC	51,428	Adjusted. Gross Profit	32%	16,457	-	-	16,457
25	1730.1	UNBILLED REVENUES	RB, WC	429,443	Direct	100%	429,443	-	-	429,443
26	1820.2	REG ASSET-RET PLANS	RB, WC	29,556	Payroll	27%	7,980	-	-	7,980
27	1840.7	CLEARING ACCOUNT--REFUNDS	RB, WC	34	Adjusted. Gross Profit	32%	11	-	-	11
28	1850.1	TEMPORARY SERVICES	RB, WC	25,192	Direct	100%	25,192	-	-	25,192
29										
30		DEFERRED DEBITS.								
31	1860.1	DEFERRED DEBITS - OTHER	RB, WC	52,762	Direct	100%	52,762	-		52,762
32	1860.1	DEFERRED DEBITS - RATE CASE	RB, WC	233,080	Direct	100%	233,080	(116,540)	Eliminate 1/2 Rate Case Deferral	116,540
33	1860.3	MISC DEF'D DR-UNDIST	RB, WC	14,078	Direct	100%	14,078	-	-	14,078
34	1860.21	DEFERRED DEBITS - UNDERRECOVERY FUEL	RB, WC	1,716,749	Direct	100%	1,716,749	(1,716,749)	Eliminate Under-Recovery of Fuel	-
35	1810, 1890	NET UNAMORTIZED DEBT DISCOUNT	CS	2,056,762	Allocated Consolidated Equity	33%	676,425	(32,133)	Allocated Equity Adjustment	644,292
36	1900	ACCUMULATED DEFERRED TAXES	CS	1,018,408	Direct	100%	1,018,408	-	-	1,018,408
37										
38		TOTAL ASSETS AND OTHER DEBITS.					51,741,625	(1,931,490)		49,810,135
39										

13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

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.

Type of Data Shown:
Historical Year Ended 12/31/06
Witness: Jim Mesite

Line No.	Account No.	Account Name	(1) Dec 2005	(2) Jan 2006	(3) Feb 2006	(4) Mar 2006	(5) Apr 2006	(6) May 2006	(7) Jun 2006	(8) Jul 2006	(9) Aug 2006	(10) Sep 2006	(11) Oct 2006	(12) Nov 2006	(13) Dec 2006	(14) 13 MONTH AVERAGE
40		LIABILITIES AND OTHER CREDITS														
41		PROPRIETARY CAPITAL														
42	2010.1	COMMON STOCK ISSUED	(3,037,817)	(3,044,007)	(2,991,059)	(2,968,959)	(2,985,289)	(2,989,845)	(3,051,850)	(3,048,664)	(3,030,118)	(2,984,505)	(2,910,835)	(2,949,116)	(2,950,673)	(2,995,595)
43	2040.1	PREFERRED STOCK ISSUED-$1	(195,988)	(196,388)	(192,972)	(191,546)	(192,599)	(192,893)	(196,894)	(196,688)	(195,491)	(192,549)	(187,796)	(190,266)	(190,366)	(193,264)
44	2070.1	PREM ON CAPITAL STOCK	(1,796,558)	(1,800,219)	(1,768,906)	(1,755,836)	(1,765,494)	(1,768,188)	(1,804,858)	(1,802,973)	(1,792,005)	(1,765,030)	(1,721,461)	(1,744,101)	(1,745,021)	(1,771,588)
45	2110.1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	(326,647)	(327,313)	(321,619)	(319,243)	(320,999)	(321,489)	(328,156)	(327,813)	(325,819)	(320,915)	(312,993)	(317,109)	(317,277)	(322,107)
46	2140.1	CAPITAL STOCK EXPENSE	130,659	130,925	128,648	127,697	128,400	128,595	131,262	131,125	130,328	128,366	125,197	126,844	126,911	128,843
47	2160.1	UNAPPROPRIATED RETAINED EARNINGS	(10,746,685)	(10,768,583)	(10,581,272)	(10,503,091)	(10,560,862)	(10,576,977)	(10,796,330)	(10,785,059)	(10,719,449)	(10,558,088)	(10,297,469)	(10,432,896)	(10,438,401)	(10,597,320)
48	2170.1	COMMON STOCK REACQUIRED	979,941	981,938	964,858	957,729	962,997	964,466	984,468	983,440	977,457	962,744	938,979	951,328	951,830	966,321
49																
50		LONG TERM DEBT														
51	2210.1	BONDS	(17,279,626)	(17,314,832)	(17,013,657)	(16,887,949)	(16,980,841)	(17,006,749)	(17,359,448)	(17,341,327)	(17,235,832)	(16,976,379)	(16,557,328)	(16,775,083)	(16,783,934)	(17,039,460)
52																
53		OTHER NON-CURRENT LIABILITIES														
54	2280.11	ELECTRIC STORM RESERVE	(1,506,886)	(1,516,003)	(1,526,138)	(1,536,273)	(1,546,408)	(1,556,543)	(1,562,801)	(1,572,936)	(1,583,071)	(1,588,954)	(1,599,089)	(1,609,224)	(1,636,118)	(1,564,650)
55	2280.31	PENSIONS RESERVE	(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)
56	2280.32	MEDICAL POST-RETIREMENT	(621,566)	(627,092)	(632,684)	(638,182)	(643,877)	(649,388)	(654,751)	(660,362)	(665,902)	(650,008)	(653,231)	(655,845)	(596,913)	(642,292)
57	2280.34	401(K) ACCRUAL COMPANY SH	200	271	353	-	62	-	-	-	-	-	-	-	-	68
58	2280.201	ACCRUED LIABILITY INS	(94,762)	(94,384)	(93,991)	(92,808)	(89,375)	(86,914)	(84,016)	(81,998)	(73,724)	(70,194)	(65,927)	(59,207)	(58,062)	(80,412)
59																

Schedule B-3 (2006)
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

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.

Type of Data Shown:
Historical Year Ended 12/31/06
Witness: Jim Mesite

Line No.	Account No.	Account Name	(15) REFERENCE	(16) 13 MONTH CONSOLIDATE AMOUNT	(17) ALLOCATION METHOD	(19) ALLOCATION %	(20) ALLOCATED AMOUNT	(21) ADJUSTMENT	(22) REASON	(23) ADJUSTED AMOUNT
40		LIABILITIES AND OTHER CREDITS								
41		PROPRIETARY CAPITAL								
42	2010.1	COMMON STOCK ISSUED	CS	(9,241,725)	Allocated Consolidated Equity	32%	(2,995,595)	100,575	Allocated Equity Adjustment	(2,895,020)
43	2040.1	PREFERRED STOCK ISSUED-$1	CS	(600,000)	Allocated Consolidated Equity	32%	(193,264)	5,311	Allocated Equity Adjustment	(187,953)
44	2070.1	PREM ON CAPITAL STOCK	CS	(5,472,569)	Allocated Consolidated Equity	32%	(1,771,588)	57,278	Allocated Equity Adjustment	(1,714,310)
45	2110.1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	CS	(952,375)	Allocated Consolidated Equity	34%	(322,107)	23,770	Allocated Equity Adjustment	(298,337)
46	2140.1	CAPITAL STOCK EXPENSE	CS	428,441	Allocated Consolidated Equity	30%	128,843	5,368	Allocated Equity Adjustment	134,211
47	2160.1	UNAPPROPRIATED RETAINED EARNINGS	CS	(32,709,674)	Allocated Consolidated Equity	32%	(10,597,320)	350,841	Allocated Equity Adjustment	(10,246,479)
48	2170.1	COMMON STOCK REACQUIRED	CS	3,004,181	Allocated Consolidated Equity	32%	966,321	(25,245)	Allocated Equity Adjustment	941,076
49										
50		LONG TERM DEBT								
51	2210.1	BONDS	CS	(52,500,000)	Allocated Consolidated Equity	32%	(17,039,460)	593,556	Allocated Equity Adjustment	(16,445,904)
52										
53		OTHER NON-CURRENT LIABILITIES								
54	2280.11	ELECTRIC STORM RESERVE	RB, WC	(1,564,650)	DIRECT	100%	(1,564,650)	-		(1,564,650)
55	2280.31	PENSIONS RESERVE	RB, WC	(1,497,011)	Payroll	27%	(404,193)	-		(404,193)
56	2280.32	MEDICAL POST-RETIREMENT	RB, WC	(2,007,164)	Adj. Gross Profit	32%	(642,292)	-		(642,292)
57	2280.34	401(K) ACCRUAL COMPANY SH	RB, WC	253	Payroll	27%	68	-		68
58	2280.201	ACCRUED LIABILITY INS	RB, WC	(251,289)	Adj. Gross Profit	32%	(80,412)	-		(80,412)
59										

Line No.	Account No.	Account Name	(1) Dec 2005	(2) Jan 2006	(3) Feb 2006	(4) Mar 2006	(5) Apr 2006	(6) May 2006	(7) Jun 2006	(8) Jul 2006	(9) Aug 2006	(10) Sep 2006	(11) Oct 2006	(12) Nov 2006	(13) Dec 2006	(14) 13 MONTH AVERAGE
60		CURRENT AND ACCRUED LIABILITIES														
61	2310.1	NOTES PAYABLE	(1,077,935)	(1,080,131)	(1,061,343)	(1,053,502)	(1,059,296)	(1,060,913)	(1,082,915)	(1,081,784)	(1,075,203)	(1,059,018)	(1,032,877)	(1,046,461)	(1,047,013)	(1,062,953)
62	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)
63	2320.	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(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)
64	2320.	ACCOUNTS PAYABLE - OTHER	(194,985)	(187,372)	(203,350)	(208,167)	(172,179)	(250,972)	(272,383)	(231,635)	(119,449)	(161,535)	(194,559)	(232,529)	(287,359)	(208,960)
65	2350.1	CUSTOMER DEPOSITS	(2,075,368)	(2,082,190)	(2,098,737)	(2,107,316)	(2,114,464)	(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)
66	2360.1	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)
67	2360.2	TAXES ACCRUED - STATE GROSS RECEIPTS	(105,972)	(124,865)	(137,169)	(112,570)	(102,488)	(93,964)	(93,960)	(93,532)	(97,184)	(99,851)	(94,586)	(98,550)	(115,386)	(105,391)
68	2360.3	TAXES ACCRUED - FPSC ASSESSMENT	(58,751)	(17,076)	(33,687)	(49,165)	(60,276)	(69,993)	(78,664)	(8,019)	(15,861)	(23,900)	(31,796)	(39,545)	(50,691)	(41,340)
69	2360	TAXES ACCRUED - UNEMPLOYMENT AND FICA	(822)	(7,788)	(11,905)	(18,803)	(5,353)	7,024	(1,207)	(243)	(564)	(724)	(164)	(381)	(630)	(3,197)
70	2360	TAXES ACCRUED - INCOME TAX	(40,893)	(360,317)	(711,453)	(815,037)	(867,577)	(945,656)	(306,935)	(384,817)	(489,649)	(610,581)	(687,762)	(779,410)	(481,758)	(575,527)
71	2370	INTEREST ACCRUED-CUSUSTOMER 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)
72	2370	INTEREST ACCRUED-NOTES AND LOANS	(214,409)	(236,877)	(337,114)	(439,517)	(461,759)	(223,340)	(212,914)	(235,247)	(337,142)	(439,243)	(461,802)	(222,866)	(134,950)	(304,398)
73	2380	DIVIDENDS DECLARED - PREFERRED	(2,280)	-	-	-	-	-	-	-	-	-	-	-	(2,280)	(351)
74	2410	WITHHOLDING TAXES PAYABLE	-	294	24	(13,616)	(12,433)	21,268	-	-	-	-	-	-	-	(343)
75	2410	TAX COLLECTIONS PAYABLE	(258,514)	(282,421)	(280,114)	(268,596)	(245,307)	(269,136)	(313,420)	(335,874)	(312,065)	(336,588)	(286,244)	(239,204)	(268,716)	(284,323)
76	2420	EMPLOYEE FUND	54	(214)	(1,124)	(998)	(1,054)	(946)	(1,110)	(1,043)	(934)	(889)	(768)	(863)	(1,138)	(848)
77	2420	ACCRUED VACATION	(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)
78	2420	PROFESSIONAL FEES & EXPENSES ACCRUED	(37,512)	(20,276)	(33,967)	(47,095)	(52,599)	(56,366)	(65,968)	(70,801)	(71,072)	(69,904)	(62,193)	(50,587)	(41,655)	(52,307)
79																
80		DEFERRED CREDITS.														
81	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(688,489)	(686,661)	(681,206)	(705,290)	(707,647)	(734,167)	(920,912)	(943,869)	(955,292)	(945,524)	(900,611)	(904,922)	(900,810)	(821,185)
82	2530.1	OTHER DF CR-CASHIER	-	(6)	1	2	11	(20)	53	58	239	(27)	62	413	-	60
83	2530.21	OVER RECOVERY-FUEL	(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)
84	2530.61	OVER RECOVERY-CONSERVATION	(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)	(79,603)
85	2550.1	INVEST TAX CREDIT	(157,283)	(154,589)	(151,895)	(149,201)	(146,507)	(143,813)	(141,119)	(138,425)	(135,731)	(133,037)	(130,343)	(127,649)	(124,961)	(141,119)
86																
87		ACCUMULATED DEFERRED INCOME TAXES.														
88	2820, 2821, 2830.	ACCUMULATED DEFERRED TAXES	(6,296,537)	(6,217,731)	(6,249,645)	(6,196,513)	(6,160,627)	(6,237,537)	(6,404,978)	(6,366,958)	(6,348,902)	(7,032,304)	(6,935,132)	(6,939,934)	(6,938,060)	(6,486,528)
89																
90		TOTAL LIABILITIES AND OTHER CREDITS	(51,215,433)	(51,221,668)	(51,598,275)	(51,060,503)	(51,164,041)	(51,360,373)	(52,272,579)	(52,412,776)	(52,506,969)	(52,794,872)	(51,987,317)	(51,307,554)	(51,738,799)	(51,741,628)

91 REFERENCE:
92 RB = Rate Base; WC = Working Capital; CS = Capital Structure; ORP = Other Return Provided; NEU = Non-Electric Utility

Schedule B-3 (2006)
FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS

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.

Type of Data Shown:
Historical Year Ended 12/31/06
Witness: Jim Mesite

Line No.	Account No.	Account Name	(15) REFERENCE	(16) 13 MONTH CONSOLIDATE AMOUNT	(17) ALLOCATION METHOD	(19) ALLOCATION %	(20) ALLOCATED AMOUNT	(21) ADJUSTMENT	(22) REASON	(23) ADJUSTED AMOUNT
60		CURRENT AND ACCRUED LIABILITIES								
61	2310.1	NOTES PAYABLE	CS	(3,309,077)	Allocated Consolidated Equity	32%	(1,062,953)	26,367	Allocated Equity Adjustment	(1,036,586)
62	2320.	ACCOUNTS PAYABLE - FUEL	RB, WC	(2,522,614)	DIRECT	100%	(2,522,614)	-		(2,522,614)
63	2320.	ACCOUNTS PAYABLE - NET OF GAS & FUEL	RB, WC	(2,751,127)	Adj. Gross Profit	32%	(880,361)	-		(880,361)
64	2320.	ACCOUNTS PAYABLE - OTHER	RB, WC	(752,298)	Adjusted Gross Profit / Payroll	32% / 27%	(208,959)	-		(208,959)
65	2350.1	CUSTOMER DEPOSITS	CS	(2,136,661)	DIRECT	100%	(2,136,661)	-		(2,136,661)
66	2360.1	TAXES ACCRUED - AD VALOREM	RB, WC	(184,304)	DIRECT	100%	(184,304)	-		(184,304)
67	2360.2	TAXES ACCRUED - STATE GROSS RECEIPTS	RB, WC	(270,232)	REG GROSS PROFIT	39%	(105,390)	-		(105,390)
68	2360.3	TAXES ACCRUED - FPSC ASSESSMENT	RB, WC	(129,188)	Adj. Gross Profit	32%	(41,340)	-		(41,340)
69	2360	TAXES ACCRUED - UNEMPLOYMENT AND FICA	RB, WC	(11,840)	Payroll	27%	(3,197)	-		(3,197)
70	2360	TAXES ACCRUED - INCOME TAX	RB, WC	(1,798,521)	Adj. Gross Profit	32%	(575,526)	-		(575,526)
71	2370	INTEREST ACCRUED-CUSUSTOMER DEPOSITS	RB, WC	(65,376)	DIRECT	100%	(65,376)	-		(65,376)
72	2370	INTEREST ACCRUED-NOTES AND LOANS	RB, WC	(981,931)	Plant	31%	(304,399)	-		(304,399)
73	2380	DIVIDENDS DECLARED - PREFERRED	RB, WC	(1,096)	Adj. Gross Profit	32%	(351)	-		(351)
74	2410	WITHHOLDING TAXES PAYABLE	RB, WC	(1,272)	Payroll	27%	(343)	-		(343)
75	2410	TAX COLLECTIONS PAYABLE	RB, WC	(284,322)	DIRECT	100%	(284,322)	-		(284,322)
76	2420	EMPLOYEE FUND	RB, WC	(848)	DIRECT	100%	(848)	-		(848)
77	2420	ACCRUED VACATION	RB, WC	(1,085,164)	Payroll	27%	(292,994)	-		(292,994)
78	2420	PROFESSIONAL FEES & EXPENSES ACCRUED	RB, WC	(163,460)	Adj. Gross Profit	32%	(52,308)	-		(52,308)
79										-
80		DEFERRED CREDITS.								-
81	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	RB	(821,185)	DIRECT	100%	(821,185)	-		(821,185)
82	2530.1	OTHER DF CR-CASHIER	RB, WC	60	DIRECT	100%	60	-		60
83	2530.21	OVER RECOVERY-FUEL	RB, WC	(975,354)	DIRECT	100%	(975,354)	-		(975,354)
84	2530.61	OVER RECOVERY-CONSERVATION	RB, WC	(79,603)	DIRECT	100%	(79,603)	-		(79,603)
85	2550.1	INVEST TAX CREDIT	CS	(141,119)	DIRECT	100%	(141,119)	-		(141,119)
86										
87		ACCUMULATED DEFERRED INCOME TAXES.								
88	2820, 2821, 2830.	ACCUMULATED DEFERRED TAXES	CS	(6,486,527)	DIRECT	100%	(6,486,527)	793,669		(5,692,858)
89										
90		TOTAL LIABILITIES AND OTHER CREDITS		(51,828,807)			(51,741,625)	1,931,490		(49,810,135)

91 REFERENCE:
92 RB = Rate Base; WC = Working Capital; CS =

Supporting Schedules: B-8 (2006), B10 (2006)

Recap Schedules: B-1 (2006), B2-2 (2006), B-4 (2006)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: 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:
Historic Year Ended 12/31/2005
Historic 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	65,535,303	70,720,023
5	1070	CWIP	3,812,779	1,369,213
6	1080	PLANT RESERVE	(29,076,380)	(30,781,483)
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,617,663	1,589,177
8	1190	ALLOCATED COMMON PLANT RESERVE	(583,211)	(563,444)
9	1070	ALLOCATED COMMON CWIP	28,589	85,048
10				
11		OTHER PROPERTY AND INVESTMENTS		
12	1280.1	OTHER SPECIAL FUNDS	3,200	3,200
13				
14				
15	1310, 1340	CASH AND DEPOSITS	130,818	247,509
16	1340.1	SPECIAL DEPOSITS-ELECT	-	268,938
17	1350.1	WORKING FUNDS- PETTY	6,231	8,000
18	1350.10	WORKING FUNDS- PETTY	140	143
19	1420, 1430	ACCOUNTS RECEIVABLE-	3,614,975	3,443,963
20	1440	ALLOW. FOR UNCOLL.AC	(97,568)	(34,335)
21	1540.1	MATERIALS & SUPPLIES	800,517	878,363
22	1630.3	STORES EXPENSE	85	(3,775)
23	1650.2, 5	PREPAID EXP - INSURANCE	215,270	254,432
24	1650.41	PREPAID EXP.-MAINTENANCE	13,634	16,457
25	1730.1	UNBILLED REVENUES	437,017	429,443
26	1820.2	REG ASSET-RET PLANS	-	7,980
27	1840.7	CLEARING ACCOUNT--REFUNDS	178	11
28	1850.1	TEMPORARY SERVICES	20,427	25,192
29				
30		DEFERRED DEBITS.		
31	1860.1	DEFERRED DEBITS - OTHER	353,254	169,302
32				
33	1860.3	MISC DEF'D DR-UNDIST	14,513	14,078
34	1860.21	DEFERRED DEBITS - UNDERRECOVERY FUEL	1,658,615	-
35	1810, 1890	NET UNAMORTIZED DEBT DISCOUNT	688,560	644,292
36	1900	ACCUMULATED DEFERRED TAXES	498,489	1,018,408
37				-
38		TOTAL ASSETS AND OTHER DEBITS.	49,832,258	49,810,135
39				

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: 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:
Historic Year Ended 12/31/2005
Historic Year Ended 12/31/2006
Witness: Jim Mesite

Line No.	Account No.	Account Name	2005	2006
40		LIABILITIES AND OTHER CREDITS		
41				
42		PROPRIETARY CAPITAL		
43	2010.1	COMMON STOCK ISSUED	(2,572,294)	(2,895,020)
44	2040.1	PREFERRED STOCK ISSUED-$1	(191,500)	(187,953)
45	2070.1	PREM ON CAPITAL STOCK	(2,062,313)	(1,714,310)
46	2110.1	MISCELLANEOUS PAID IN CAPITAL - ALLOCATED	(535,806)	(298,337)
47	2140.1	CAPITAL STOCK EXPENSE	136,744	134,211
48	2160.1	UNAPPROPRIATED RETAINED EARNINGS	(10,060,788)	(10,246,479)
49	2170.1	COMMON STOCK REACQUIRED	1,305,857	941,076
50				
51		LONG TERM DEBT		
52	2210.1	BONDS	(16,034,860)	(16,445,904)
53				
54		OTHER NON-CURRENT LIABILITIES		
55	2280.11	ELECTRIC STORM RESERVE	(1,559,228)	(1,564,650)
56	2280.31	PENSIONS RESERVE	(4,422)	(404,193)
57	2280.32	MEDICAL POST-RETIREMENT	(586,070)	(642,292)
58	2280.34	401(K) ACCRUAL COMPANY SH	20	68
59	2280.201	ACCRUED LIABILITY INS	(104,480)	(80,412)
60				
61		CURRENT AND ACCRUED LIABILITIES		
62	2310.1	NOTES PAYABLE	(998,673)	(1,036,586)
63	2320.	ACCOUNTS PAYABLE - FUEL	(2,432,298)	(2,522,614)
64	2320.	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(836,272)	(880,361)
65	2320.	ACCOUNTS PAYABLE - OTHER	(328,544)	(208,959)
66	2350.1	CUSTOMER DEPOSITS	(2,017,756)	(2,136,661)
67	2360.1	TAXES ACCRUED - AD VALOREM	(189,354)	(184,304)
68	2360.2	TAXES ACCRUED - STATE GROSS RECEIPTS	(228,527)	(105,390)
69	2360.3	TAXES ACCRUED - FPSC ASSESSMENT	(43,585)	(41,340)
70	2360	TAXES ACCRUED - UNEMPLOYMENT AND FICA	(4,158)	(3,197)
71	2360	TAXES ACCRUED - INCOME TAX	(406,926)	(575,526)
72	2370	INTEREST ACCRUED-CUSUSTOMER DEPOSITS	(61,842)	(65,376)
73	2370	INTEREST ACCRUED-NOTES AND LOANS	(390,039)	(304,399)
74	2380	DIVIDENDS DECLARED - PREFERRED	(876)	(351)
75	2410	WITHHOLDING TAXES PAYABLE	(6,156)	(343)
76	2410	TAX COLLECTIONS PAYABLE	(323,079)	(284,322)
77	2420	EMPLOYEE FUND	(1,611)	(848)
78	2420	ACCRUED VACATION	(286,504)	(292,994)
79	2420	PROFESSIONAL FEES & EXPENSES ACCRUED	(44,904)	(52,308)
80				
81		DEFERRED CREDITS		
82	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(608,099)	(821,185)
83	2530.1	OTHER DF CR-CASHIER	98	60
84	2530.21	OVER RECOVERY-FUEL	(677,071)	(975,354)
85	2530.61	OVER RECOVERY-CONSERVATION	(134,597)	(79,603)
86	2550.1	INVEST TAX CREDIT	(174,775)	(141,119)
87				
88		ACCUMULATED DEFERRED INCOME TAXES		
89	2820, 2821, 2830	ACCUMULATED DEFERRED TAXES	(7,367,570)	(5,692,858)
90				
91		TOTAL LIABILITIES AND OTHER CREDITS	(49,832,258)	(49,810,135)

Supporting Schedules: B-3 (2006)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historic Year Ended 12/31/2006
Witness: Jim Mesite

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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historic Year Ended 12/31/2006
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	(32,166,112)	(32,166,112)	(32,166,112)	100%

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historic Year Ended 12/31/2006
Witness: Jim Mesite

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	1,454,261	1,454,261	1,454,261	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 Liabilities	1,687,010	1,687,010	1,687,010	100%
21	Preliminary Survey and Investigation Charges	-	-	-	
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	(3,540,107)	(3,540,107)	(3,540,107)	100%
30					
31	Total Adjusted Rate Base	38,057,242	38,057,242	38,057,242	100%

Supporting Schedules: B-3 (2006), B-8(2006), B-10(2006)

Recap Schedules: B-1 (2006), B-2 (2006)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION 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:
Historic 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
		Transmission Plant							
1	352	STRUCTURES AND IMPROVEMENTS	2.0%	22,006	-	-	-	22,006	22,007
2	353	STATION EQUIPMENT	2.3%	2,414,632	-	-	-	2,414,632	2,414,632
3	354	TOWERS AND FIXTURES	2.2%	224,665	-	-	-	224,665	224,665
4	355	POLES AND FIXTURES	3.8%	2,334,273	12,582	-	15,369	2,362,224	2,346,420
5	356	OVERHEAD CONDUCTORS AND DEVICES	3.2%	1,825,626	51,100	-	-	1,876,726	1,858,642
6	359	ROADS AND TRAILS	3.9%	6,788	-	-	-	6,788	6,788
7								-	-
8		Total Transmission Plant		6,827,990	63,682	-	15,369	6,907,041	6,873,153
9									
10									
11		Distribution Plant							
12									
13	361	STRUCTURES & IMPROVEMENTS	2.2%	96,042	-	-	-	96,042	96,042
14	362	STATION EQUIPMENT	3.0%	5,140,457	669,480	-	-	5,809,937	5,673,433
15	364	POLES, TOWERS, & FIXTURES	4.2%	8,513,073	479,429	(44,233)	(18,800)	8,929,469	8,717,909
16	365	OVERHEAD CONDUCTORS & DEVICES	3.8%	9,221,904	439,465	(17,263)	-	9,644,106	9,425,756
17	370	METERS	3.6%	3,282,840	202,560	(150,813)	-	3,334,587	3,335,843
18	3601	LAND RIGHTS	1.9%	21,388	-	-	-	21,388	21,388
19	3662	UNDERGROUND CONDUIT - BURIED	2.0%	2,372,922	206,847	(4,474)	-	2,575,295	2,447,327
20	3672	UNDERGROUND COND & DEVICES - BURIED	2.9%	4,410,932	468,540	(24,009)	-	4,855,463	4,639,024
21	3681	LINE TRANSFORMERS - OVERHEAD	4.2%	6,859,712	231,161	(42,121)	-	7,048,752	6,942,955
22	3683	LINE TRANSFORMERS - BURIED	4.2%	5,816,534	196,008	(35,715)	-	5,976,827	5,887,118
23	3691	OVERHEAD SERVICES	3.8%	3,964,464	200,360	(4,221)	-	4,160,603	4,057,492
24	3693	UNDERGROUND SERVICES - BURIED	3.8%	3,857,485	194,953	(4,108)	-	4,048,330	3,948,002
25	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	6.1%	1,203,134	188,375	(29,454)	2,253	1,364,308	1,271,529
26	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	6.1%	629,198	98,514	(15,404)	1,178	713,486	664,967
27	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	5.6%	619,468	36,608	(11,040)	-	645,036	632,805
28	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	5.6%	533,186	31,509	(9,502)	-	555,193	544,665
29								-	-
30		Total Distribution Plant		56,542,739	3,643,809	(392,357)	(15,369)	59,778,822	58,306,255

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION 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:
Historic 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
31		General Plant							
32									
33	390	STRUCTURES AND IMPROVEMENTS	2.0%	1,416,136	25,070	-	-	1,441,206	1,434,312
34	396	POWER OPERATED EQUIPMENT	6.3%	111,618	-	-	82,717	194,335	124,344
35	397	COMMUNICATION EQUIPMENT	20.0%	155,351	-	(11,320)	-	144,031	95,794
36	398	MISCELLANEOUS EQUIPMENT	14.3%	16,987	3,235	-	(3,234)	16,988	18,231
37	399	MISCELLANEOUS TANGIBLE	20.0%	10,000	-	-	-	10,000	10,000
38	3911	OFFICE FURNITURE	14.3%	7,369	-	-	-	7,369	7,369
39	3912	OFFICE MACHINES	20.0%	28,052	-	(2,218)	-	25,834	27,447
40	3913	COMPUTER EQUIPMENT	20.0%	197,390	28,758	(42,068)	36,544	220,624	214,686
41	391305	SOFTWARE	20.0%	321,670	360,744	-	-	682,414	615,634
42	3931	STORES EQUIPMENT-FIXED	14.3%	106,918	-	-	-	106,918	106,918
43	3932	STORES EQUIPMENT-PORTABLE	14.3%	761	-	-	-	761	761
44	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	14.3%	35,928	-	-	-	35,928	35,928
45	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	14.3%	97,180	4,897	(3,330)	3,234	101,981	98,350
46	3951	LABORATORY EQUIPMENT-FIXED	14.3%	63,666	-	-	-	63,666	63,666
47	3952	LABORATORY EQUIPMENT-PORTABLE	14.3%	32,090	-	-	-	32,090	32,089
48	3973	COMMUNICATION EQUIPMENT						-	53,553
49									
50		Total General Plant		2,601,116	422,704	(58,936)	119,261	3,084,145	2,939,080
51									
52									
53		Transportation Equipment							
54									
55	3921	PASSENGER CARS	9.2%	96,020	-	-	-	96,020	96,020
56	3922	LIGHT TRUCKS & VANS	11.3%	515,969	43,751	(39,342)	39,487	559,865	512,040
57	3923	HEAVY TRUCKS	9.5%	1,912,786	354,425	(220,070)	-	2,047,141	1,799,630
58	3924	TRAILERS	4.0%	102,903	8,108	-	-	111,011	103,527
59									
60		Total Transportation Equipment		2,627,679	406,284	(259,412)	39,487	2,814,037	2,511,217
61									
62		TOTAL DEPRECIABLE PLANT IN SERVICE		68,599,524	4,536,479	(710,705)	158,748	72,584,045	70,629,706
63									
64									
65		NON-DEPRECIABLE PLANT							
66									
67	3501	LAND		56,519	-	-	-	56,519	56,519
68	350	LAND RIGHTS		17,629	-	-	-	17,629	17,629
69	360	DISTRIBUTION PLANT-LAND		11,072	5,431	-	-	16,503	11,490
70	389	GENERAL PLANT-LAND		72,462	-	-	-	72,462	72,462
71									
72		TOTAL NON-DEPRECIABLE PLANT		157,682	5,431	-	-	163,113	158,100
73									
74		TOTAL ELECTRIC PLANT IN SERVICE		68,757,206	4,541,910	(710,705)	158,748	72,747,158	70,787,806

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION 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:
Historic 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
75		Total Common Plant							
76									
77	303	MISC INTANGIBLE PLANT	0.0%	1,833	-	-	-	1,833	1,833
78	389	LAND	0.0%	341,926	-	-	-	341,926	341,926
79	390	STRUCTURES & IMPROVEMENTS	2.5%	2,092,535	73,955	(52,388)	-	2,114,102	2,100,342
80	3911	OFFICE FURNITURE	4.8%	29,474	4,599	(513)	4,360	37,920	35,693
81	3912	OFFICE EQUIPMENT	7.5%	150,689	-	(8,348)	-	142,341	144,909
82	3913	COMPUTER SORTWARE & EQUIPMENT	11.1%	753,806	158,826	(374,612)	(45,919)	492,101	582,072
83	391305	SOFTWARE	11.1%	1,865,961	33,083	(129,519)	(52,467)	1,717,058	1,844,442
84	3921	TRANSPORTATION - AUTOMOBILES	11.3%	93,106	32,553	-	(41,532)	84,127	81,023
85	3922	TRANSPORTATION - PICKUPS & VANS	8.2%	49,436	75,233	-	-	124,669	111,612
86	397	COMMUNICATION EQUIPMENT	7.8%	113,896	-	-	3,059	116,955	114,254
87	398	MISCELLANEOUS EQUIPM	6.0%	2,190	4,586	-	-	6,776	2,543
88	399	MISC-TANGIBLE ASSETS	20.0%	12,789	10,180	-	-	22,969	17,491
89									
90		Common Plant		5,507,641	393,015	(565,380)	(132,499)	5,202,777	5,378,140
91									
92		AS ALLOCATED (Electric Division)							
93			Allocation Percent						
94									
95	303	MISC INTANGIBLE PLANT	30.0%	550	-	-	-	550	550
96	389	LAND	30.0%	102,578	-	-	-	102,578	102,578
97	390	STRUCTURES & IMPROVEMENTS	30.0%	627,761	22,187	(15,716)	-	634,231	630,103
98	3911	OFFICE FURNITURE	30.0%	8,842	1,380	(154)	1,308	11,376	10,708
99	3912	OFFICE EQUIPMENT	30.0%	45,207	-	(2,504)	-	42,702	43,473
100	3913	COMPUTER SORTWARE & EQUIPMENT	29.0%	218,604	46,060	(108,637)	(13,317)	142,709	168,801
101	391305	SOFTWARE	29.0%	541,129	9,594	(37,561)	(15,215)	497,947	534,888
102	3921	TRANSPORTATION - AUTOMOBILES	30.0%	27,932	9,766	-	(12,460)	25,238	24,307
103	3922	TRANSPORTATION - PICKUPS & VANS	30.0%	14,831	22,570	-	-	37,401	33,484
104	397	COMMUNICATION EQUIPMENT	30.0%	34,169	-	-	918	35,087	34,276
105	398	MISCELLANEOUS EQUIPM	30.0%	657	1,376	-	-	2,033	763
106	399	MISC-TANGIBLE ASSETS	30.0%	3,837	3,054	-	-	6,891	5,247
107									
108		Total Allocated Common Plant		1,626,095	115,985	(164,573)	(38,766)	1,538,742	1,589,177
109									
110									
111		TOTAL PLANT BALANCE		70,383,301	4,657,895	(875,278)	119,982	74,285,900	72,376,982
112									

113 Note: Electric Depreciation rates per Docket No. 020853-EI, Order NO. PSC-03-1473-PAA-EI. Amortization per Rule 25 6.0142,List of Retirement Units (Electrical Plant). Common Depreciation rates per Docket No. 040352-GU, Order NO. PSC-04-1045-PAA-GU.

Supporting Schedules:B-3 (2006), B-8 (2006)

Recap Schedules: B-1 (2006), B-3 (2006),

Schedule B-8 (2006) | 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:
Historic Year Ended 12/31/2006
Witness: Jim Mesite

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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	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
3	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
4	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
5	355	POLES AND FIXTURES	2,334,273	2,334,273	2,334,273	2,334,273	2,334,273	2,334,273	2,349,642	2,349,642	2,349,642	2,362,223	2,362,223	2,362,223	2,362,223	2,346,420
6	356	OVERHEAD CONDUCTORS AND DEVICES	1,825,626	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	1,876,726	1,858,642
7	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
8		Total Transmission Plant	6,827,991	6,862,364	6,862,364	6,862,364	6,862,364	6,862,364	6,877,733	6,877,733	6,877,733	6,890,314	6,890,314	6,890,314	6,907,041	6,873,153
9																
10		Distribution Plant														
11	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
12	362	STATION EQUIPMENT	5,140,456	5,140,456	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,766,378	5,809,935	5,673,433
13	364	POLES, TOWERS, & FIXTURES	8,513,071	8,561,668	8,598,975	8,618,824	8,645,818	8,685,649	8,686,471	8,768,422	8,790,097	8,821,372	8,845,958	8,867,032	8,929,466	8,717,909
14	365	OVERHEAD CONDUCTORS & DEVICES	9,221,903	9,272,965	9,302,206	9,320,847	9,336,697	9,358,053	9,377,439	9,507,188	9,521,647	9,540,478	9,558,478	9,572,824	9,644,105	9,425,756
15	370	METERS	3,282,841	3,302,812	3,306,111	3,316,896	3,316,778	3,290,907	3,368,628	3,376,503	3,373,784	3,375,024	3,374,186	3,346,896	3,334,588	3,335,843
16	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
17	3662	UNDERGROUND CONDUIT - BURIED	2,372,921	2,378,658	2,396,203	2,418,282	2,419,761	2,424,385	2,440,478	2,463,081	2,466,975	2,470,385	2,475,011	2,513,823	2,575,294	2,447,327
18	3672	UNDERGROUND COND & DEVICES - BURIED	4,410,932	4,455,961	4,553,890	4,589,663	4,595,151	4,600,718	4,626,782	4,684,210	4,707,591	4,718,077	4,722,516	4,786,355	4,855,464	4,639,024
19	3681	LINE TRANSFORMERS - OVERHEAD	6,860,176	6,884,242	6,891,211	6,902,859	6,926,832	6,934,223	6,951,718	6,938,910	6,954,182	6,964,530	6,979,047	6,987,232	7,083,258	6,942,955
20	3683	LINE TRANSFORMERS - BURIED	5,816,073	5,824,607	5,825,303	5,852,633	5,861,361	5,866,961	5,874,242	5,933,429	5,937,408	5,940,441	5,931,967	5,925,784	5,942,323	5,887,118
21	3691	OVERHEAD SERVICES	3,996,876	4,004,474	4,020,484	4,028,478	4,037,907	4,045,328	4,056,700	4,066,751	4,079,872	4,089,741	4,097,089	4,104,534	4,119,162	4,057,492
22	3693	UNDERGROUND SERVICES - BURIED	3,825,073	3,843,538	3,861,156	3,881,790	3,900,996	3,915,170	3,942,787	3,968,921	3,989,523	4,011,647	4,035,809	4,057,847	4,089,770	3,948,002
23	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	1,231,854	1,247,719	1,256,404	1,254,410	1,258,179	1,261,341	1,270,349	1,272,546	1,275,616	1,284,350	1,298,120	1,301,536	1,317,448	1,271,529
24	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	600,479	610,104	619,667	620,467	621,181	621,901	625,988	695,224	709,048	709,902	707,226	743,037	760,348	664,967
25	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	619,431	622,675	625,166	626,924	629,422	630,825	633,646	634,169	636,767	641,374	643,975	646,164	635,932	632,805
26	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	533,222	534,276	535,304	537,132	537,389	539,040	540,199	540,490	548,605	556,227	556,696	557,769	564,297	544,665
27		Total Distribution Plant	56,542,738	56,801,585	57,675,888	57,853,013	57,971,280	58,058,309	58,279,235	58,733,652	58,874,923	59,007,356	59,109,886	59,294,641	59,778,820	58,306,256
28																
29		General Plant														
30	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
31	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	194,335	194,335	124,344
32	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	92,075	92,075	95,794
33	398	MISCELLANEOUS EQUIPMENT	16,987	16,987	16,987	16,987	16,987	16,987	20,221	20,221	20,221	20,221	20,221	16,987	16,987	18,231
34	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
35	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
36	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
37	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
38	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
39	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
40	3932	STORES EQUIPMENT-PORTABLE	761	761	761	761	761	761	761	761	761	761	761	761	761	761
41	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
42	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	97,180	98,352	98,352	96,656	96,656	96,656	96,656	96,656	96,656	100,381	100,381	101,982	101,982	98,350
43	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
44	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
45	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
46		Total General Plant	2,601,116	2,616,008	2,830,094	2,983,069	2,992,960	2,992,960	2,979,790	3,006,443	3,006,617	3,008,912	3,023,015	3,082,918	3,084,144	2,939,080
47																
48		Transportation Equipment														
49	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
50	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
51	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	1,799,630
52	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
53		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
54		TOTAL DEPRECIABLE PLANT IN SERVICE	68,599,524	68,907,636	69,996,025	70,326,125	70,222,325	70,299,354	70,545,211	71,008,828	71,150,273	71,297,582	71,414,215	71,835,040	72,584,043	70,629,706
55																
56		NON-DEPRECIABLE PLANT														
57	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
58	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
59	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
60	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
61		TOTAL NON-DEPRECIABLE PLANT	157,682	157,682	157,682	157,682	157,682	157,682	157,682	157,682	157,682	157,682	157,682	157,682	163,113	158,100
63		TOTAL ELECTRIC 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

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historic 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
64		COMMON PLANT															
65	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
66	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
67	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
68	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	35,693
69	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	144,909
70	3913	COMPUTER SORTWARE & EQUIPMENT		753,806	754,807	765,200	759,886	529,361	510,593	492,787	500,864	500,864	500,943	512,468	493,261	492,102	582,072
71	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
72	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
73	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	111,612
74	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
75	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
76	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	22,969	17,491
77																	
78		Total Common Plant		5,507,641	5,534,784	5,584,970	5,556,105	5,321,779	5,307,371	5,332,961	5,343,228	5,343,228	5,343,307	5,354,832	5,182,833	5,202,778	5,378,140
79																	
80			Allocation														
81		AS ALLOCATED (Electric Division)	Rate														
82	303	MISC INTANGIBLE PLANT	30%	550	550	550	550	550	550	550	550	550	550	550	550	550	550
83	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	102,578
84	390	STRUCTURES & IMPROVEMENTS	30%	627,761	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
85	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	11,376	10,708
86	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	42,702	43,473
87	3913	COMPUTER SORTWARE & EQUIPMENT	29%	218,604	218,894	221,908	220,367	153,515	148,072	142,908	145,251	145,251	145,273	148,616	143,046	142,710	168,801
88	391305	SOFTWARE	29%	541,129	541,129	541,129	541,129	541,585	541,585	541,585	542,220	542,220	542,220	542,220	497,449	497,947	534,888
89	3921	TRANSPORTATION - AUTOMOBILES	30%	27,932	28,675	28,675	21,610	16,215	16,215	25,238	25,238	25,238	25,238	25,238	25,238	25,238	24,307
90	3922	TRANSPORTATION - PICKUPS & VANS	30%	14,831	21,930	30,960	30,960	37,401	37,401	37,401	37,401	37,401	37,401	37,401	37,401	37,401	33,484
91	397	COMMUNICATION EQUIPMENT	30%	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,646	35,087	34,276
92	398	MISCELLANEOUS EQUIPM	30%	657	657	657	657	657	657	657	657	657	657	657	657	2,033	763
93	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	5,365	6,891	5,247
94																	
95		Total Allocated Common Plant		1,626,095	1,634,228	1,649,179	1,640,573	1,572,565	1,568,430	1,576,285	1,579,263	1,579,263	1,579,285	1,582,628	1,532,764	1,538,742	1,589,177

Supporting Schedules:

Recap Schedules: B-1 (2006), B-3 (2006), B-7 (2006)

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:
Historic 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
1		Transmission Plant							
2	3501	LAND RIGHTS	(32,540)	(1,248)	-	-	-	(33,788)	(33,164)
3	352	STRUCTURES AND IMPROVEMENTS	(9,814)	(444)	-	-	-	(10,258)	(10,036)
4	353	STATION EQUIPMENT	(553,827)	(55,536)	-	-	-	(609,363)	(581,595)
5	354	TOWERS AND FIXTURES	(162,501)	(4,944)	-	-	-	(167,445)	(164,973)
6	355	POLES AND FIXTURES	(739,611)	(89,115)	-	470	(6,822)	(835,078)	(787,408)
7	356	OVERHEAD CONDUCTORS AND DEVICES	(515,509)	(59,428)	-	-	-	(574,937)	(545,184)
8	359	ROADS AND TRAILS	(3,653)	(264)	-	-	-	(3,917)	(3,785)
9		Total Transmission Plant	(2,017,455)	(210,979)	-	470	(6,822)	(2,234,786)	(2,126,145)
10									
11		Distribution Plant							
12	361	STRUCTURES & IMPROVEMENTS	(28,507)	(2,112)	-	-	-	(30,619)	(29,563)
13	362	STATION EQUIPMENT	(1,103,729)	(169,862)	-	10,247	-	(1,263,343)	(1,184,368)
14	364	POLES, TOWERS, & FIXTURES	(3,765,535)	(365,410)	44,233	48,551	8,345	(4,029,815)	(3,895,313)
15	365	OVERHEAD CONDUCTORS & DEVICES	(4,649,108)	(357,485)	17,263	8,477	-	(4,980,855)	(4,816,713)
16	370	METERS	(1,783,297)	(120,095)	150,813	7,330	-	(1,745,249)	(1,773,897)
17	3601	LAND RIGHTS	(4,540)	(408)	-	-	-	(4,948)	(4,744)
18	3662	UNDERGROUND CONDUIT - BURIED	(501,130)	(48,730)	4,474	430	-	(544,956)	(524,944)
19	3672	UNDERGROUND COND & DEVICES - BURIED	(1,456,096)	(134,009)	24,009	1,234	-	(1,564,861)	(1,517,784)
20	3681	LINE TRANSFORMERS - OVERHEAD	(4,233,594)	(269,091)	38,918	3,322	-	(4,477,897)	(4,358,332)
21	3682	LINE TRANSFORMERS-DU	-					-	-
22	3683	LINE TRANSFORMERS - BURIED	(2,703,536)	(269,091)	38,918	3,323	-	(2,912,933)	(2,814,554)
23	3691	OVERHEAD SERVICES	(1,978,770)	(151,782)	4,164	6,047	-	(2,114,922)	(2,045,388)
24	3693	UNDERGROUND SERVICES - BURIED	(1,502,917)	(151,783)	4,165	6,048	-	(1,649,906)	(1,575,502)
25	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(411,088)	(58,705)	22,429	(2,133)	(761)	(448,858)	(432,532)
26	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(180,597)	(58,706)	22,429	(2,133)	(762)	(221,169)	(200,232)
27	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(267,265)	(32,919)	10,271	1,593	-	(280,008)	(278,317)
28	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(145,922)	(32,920)	10,271	1,593	-	(175,290)	(160,531)
29		Total Distribution Plant	(24,715,631)	(2,223,108)	392,357	93,929	6,822	(26,445,629)	(25,612,714)
30									
31		General Plant							
32	389	GENERAL PLANT-LAND	(6,704)	-	-	-	-	(6,704)	(6,704)
33	390	STRUCTURES AND IMPROVEMENTS	(435,208)	(28,676)	-	-	-	(463,884)	(449,517)
34	396	POWER OPERATED EQUIPMENT	(87,053)	(7,467)	-	-	(82,717)	(177,237)	(103,328)
35	397	COMMUNICATION EQUIPMENT	(96,470)	(7,105)	11,320	(150)	-	(122,010)	(95,804)
36	3973	COMMUNICATION EQUIPMENT	(29,606)						(27,955)
37	398	MISCELLANEOUS EQUIPMENT	(12,166)	(1,878)	-	-	2,105	(11,940)	(12,781)
38	3911	OFFICE FURNITURE	(6,707)	(329)	-	-	-	(7,036)	(6,872)
39	3912	OFFICE MACHINES	(24,844)	(1,110)	2,218	-	-	(23,737)	(24,790)
40	3913	COMPUTER EQUIPMENT	(159,269)	(29,159)	42,068	-	-	(146,359)	(162,156)
41	391305	SOFTWARE	(285,268)	(64,960)	-	-	-	(350,228)	(329,560)
42	3931	STORES EQUIPMENT-FIXED	(93,183)	(10,305)	-	-	-	(103,488)	(98,336)
43	3932	STORES EQUIPMENT-PORTABLE	(762)	1	-	-	-	(761)	(762)
44	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(30,624)	(5,168)	-	-	-	(35,794)	(33,209)
45	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(67,101)	(7,505)	3,330	-	-	(73,381)	(69,623)
46	3951	LABORATORY EQUIPMENT-FIXED	(45,101)	(8,269)	-	-	(2,105)	(53,369)	(49,235)
47	3952	LABORATORY EQUIPMENT-PORTABLE	(25,451)	(2,329)	-	-	-	(27,781)	(26,615)
48	399	MISCELLANEOUS TANGIBLE	(4,000)	(2,000)	-	-	-	(6,000)	(5,037)
49		Total General Plant	(1,409,517)	(176,259)	58,936	(150)	(82,717)	(1,609,709)	(1,502,283)

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:
Historic 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
50		Transportation Equipment								
51	3921	PASSENGER CARS		(71,541)	(8,832)	-	-	-	(80,374)	(75,958)
52	3922	LIGHT TRUCKS & VANS		(314,076)	(57,416)	39,342	(3,629)	(30,080)	(365,860)	(324,795)
53	3923	HEAVY TRUCKS		(1,212,288)	(169,001)	220,070	(5,000)	-	(1,166,218)	(1,149,518)
54	3924	TRAILERS		(21,382)	(4,116)	-	-	-	(25,498)	(23,440)
55		Total Transportation Equipment		(1,619,287)	(239,365)	259,412	(8,629)	(30,080)	(1,637,950)	(1,573,711)
56		TOTAL ACCUM. PROVISION FOR DEPR.		(29,761,890)	(2,849,711)	710,705	85,620	(112,797)	(31,928,074)	(30,814,853)
57										
58		COMMON PLANT								
59	303	MISC INTANGIBLE PLANT		-	-	-	-	-	-	-
60	389	GENERAL PLANT-LAND		-	-	-	-	-	-	-
61	390	STRUCTURES AND IMPROVEMENTS		(429,358)	(52,476)	52,388	-	-	(429,446)	(451,527)
62	3911	OFFICE FURNITURE		(7,710)	(1,706)	513	-	(1,836)	(10,739)	(9,302)
63	3912	OFFICE MACHINES		(32,039)	(10,888)	8,348	-	-	(34,578)	(31,767)
64	3913	COMPUTER EQUIPMENT		(429,486)	(65,443)	374,612	-	(26,465)	(146,783)	(265,367)
65	391305	SOFTWARE		(1,074,344)	(205,912)	129,519	-	38,581	(1,112,156)	(1,151,997)
66	3921	PASSENGER CARS		(30,421)	(20,143)	-	-	19,003	(31,562)	(31,216)
67	3922	LIGHT TRUCKS & VANS		(15,310)	(9,064)	-	-	-	(24,374)	(19,435)
68	397	COMMUNICATION EQUIPMENT		43,091	(8,891)	-	-	(1,230)	32,969	38,506
69	398	MISCELLANEOUS EQUIPMENT		(99)	(132)	-	-	-	(231)	(165)
70	399	MISCELLANEOUS TANGIBLE		(2,497)	(1,249)	-	-	-	(3,745)	(3,121)
71		Total Common Plant		(1,978,173)	(375,904)	565,380	-	28,053	(1,760,645)	(1,925,392)
72										
73		AS ALLOCATED (Electric Division)								
74	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-	-
75	389	GENERAL PLANT-LAND	30%	-	-	-	-	-	-	-
76	390	STRUCTURES AND IMPROVEMENTS	30%	(128,807)	(15,743)	15,716	-	-	(128,834)	(135,458)
77	3911	OFFICE FURNITURE	30%	(2,313)	(512)	154	-	(551)	(3,222)	(2,791)
78	3912	OFFICE MACHINES	30%	(9,612)	(3,266)	2,504	-	-	(10,373)	(9,530)
79	3913	COMPUTER EQUIPMENT	29%	(124,551)	(18,978)	108,637	-	(7,675)	(42,567)	(76,956)
80	391305	SOFTWARE	29%	(311,560)	(59,714)	37,561	-	11,188	(322,525)	(334,079)
81	3921	PASSENGER CARS	30%	(9,126)	(6,043)	-	-	5,701	(9,469)	(9,365)
82	3922	LIGHT TRUCKS & VANS	30%	(4,593)	(2,719)	-	-	-	(7,312)	(5,830)
83	397	COMMUNICATION EQUIPMENT	30%	12,927	(2,667)	-	-	(369)	9,891	11,552
84	398	MISCELLANEOUS EQUIPMENT	30%	(30)	(40)	-	-	-	(69)	(50)
85	399	MISCELLANEOUS TANGIBLE	30%	(749)	(375)	-	-	-	(1,124)	(936)
86		Total Allocated Common Plant		(578,414)	(110,058)	164,573	-	8,295	(515,604)	(563,444)
87										
88		TOTAL DEPRECIABLE RESERVE BALANCE		(30,340,304)	(2,959,769)	875,278	85,620	(104,502)	(32,443,678)	(31,378,297)
89		NUCLEAR DECOMMISSIONING								
90		FOSSIL DISMANTLEMENT								
91		MISCELLANEOUS INTANGIBLES								
92		TOTAL RESERVE BALANCE		(30,340,304)	(2,959,769)	875,278	85,620	(104,502)	(32,443,678)	(31,378,297)

Note:
* If data shown represents a historical calendar year, the related annual status report may be substituted for this schedule.

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:
Historic 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	(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)	(790,315)	(797,756)	(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)	(1,142,368)	(1,155,748)	(1,168,341)	(1,182,757)	(1,197,173)	(1,213,247)	(1,227,557)	(1,241,046)	(1,255,462)	(1,263,343)	(1,184,368)
17	364	POLES, TOWERS, & FIXTURES	(3,765,535)	(3,790,463)	(3,816,198)	(3,833,146)	(3,857,802)	(3,879,802)	(3,880,735)	(3,907,621)	(3,932,423)	(3,959,140)	(3,979,505)	(4,006,879)	(4,029,815)	(3,895,313)
18	365	OVERHEAD CONDUCTORS & DEVICES	(4,649,108)	(4,674,604)	(4,699,303)	(4,742,027)	(4,767,786)	(4,793,647)	(4,810,930)	(4,844,647)	(4,870,476)	(4,899,086)	(4,927,454)	(4,957,343)	(4,980,855)	(4,816,713)
19	370	METERS	(1,783,297)	(1,792,985)	(1,802,148)	(1,788,928)	(1,792,586)	(1,748,463)	(1,756,643)	(1,763,642)	(1,770,167)	(1,778,554)	(1,782,142)	(1,755,858)	(1,745,249)	(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	3662	UNDERGROUND CONDUIT - BURIED	(501,130)	(505,085)	(509,049)	(513,042)	(517,215)	(521,248)	(525,288)	(529,355)	(533,460)	(537,571)	(541,629)	(545,241)	(544,956)	(524,944)
22	3672	UNDERGROUND COND & DEVICES - BURIED	(1,456,096)	(1,466,782)	(1,477,432)	(1,487,251)	(1,495,643)	(1,506,748)	(1,517,867)	(1,529,048)	(1,540,368)	(1,551,745)	(1,563,147)	(1,574,202)	(1,564,861)	(1,517,784)
23	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)	(4,373,378)	(4,391,970)	(4,415,899)	(4,434,541)	(4,458,346)	(4,477,897)	(4,358,332)
24	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)	(2,827,873)	(2,846,485)	(2,866,712)	(2,880,586)	(2,900,289)	(2,912,933)	(2,814,554)
25	3691	OVERHEAD SERVICES	(1,978,770)	(1,990,366)	(2,001,594)	(2,012,088)	(2,020,819)	(2,032,595)	(2,043,307)	(2,056,123)	(2,067,223)	(2,078,307)	(2,090,131)	(2,103,802)	(2,114,922)	(2,045,388)
26	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)
27	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(411,088)	(418,181)	(424,547)	(420,706)	(424,838)	(428,150)	(431,695)	(435,453)	(438,643)	(443,770)	(446,462)	(450,519)	(448,858)	(432,532)
28	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(180,597)	(183,650)	(186,752)	(189,902)	(193,056)	(196,214)	(200,898)	(204,081)	(207,615)	(211,168)	(212,177)	(215,743)	(221,169)	(200,232)
29	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(267,265)	(269,983)	(272,413)	(272,688)	(274,387)	(275,721)	(277,865)	(280,822)	(283,722)	(285,798)	(287,738)	(289,713)	(280,008)	(278,317)
30	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(145,922)	(148,380)	(150,874)	(153,212)	(155,719)	(158,158)	(160,638)	(162,802)	(165,242)	(167,678)	(170,202)	(172,788)	(175,290)	(160,531)
31																
32		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)
33																
34		General Plant														
35																
36	389	GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
37	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)
38	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)	(176,216)	(177,237)	(103,328)
39	397	COMMUNICATION EQUIPMENT	(96,470)	(96,596)	(96,470)	(96,470)	(96,470)	(96,470)	(96,470)	(96,470)	(96,470)	(96,470)	(96,470)	(92,076)	(92,076)	(95,804)
40	3973	COMMUNICATION EQUIPMENT	(29,606)	(30,314)	(30,790)	(24,606)	(25,198)	(25,790)	(26,382)	(26,974)	(27,566)	(28,158)	(28,750)	(29,342)	(29,934)	(27,955)
41	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)	(11,783)	(11,940)	(12,781)
42	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)
43	3912	OFFICE MACHINES	(24,844)	(25,065)	(24,998)	(25,094)	(25,189)	(25,285)	(24,437)	(24,533)	(24,628)	(24,724)	(24,820)	(24,915)	(23,737)	(24,790)
44	3913	COMPUTER EQUIPMENT	(159,269)	(163,963)	(165,934)	(167,150)	(170,483)	(173,816)	(155,239)	(158,572)	(162,079)	(163,982)	(167,315)	(153,862)	(146,359)	(162,156)
45	391305	SOFTWARE	(285,268)	(290,630)	(295,991)	(301,352)	(313,849)	(322,778)	(331,707)	(340,638)	(349,567)	(358,496)	(367,425)	(376,354)	(350,228)	(329,560)
46	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)	(103,488)	(98,336)
47	3932	STORES EQUIPMENT-PORTABLE	(762)	(769)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(762)
48	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(30,624)	(31,055)	(31,486)	(31,917)	(32,347)	(32,779)	(33,209)	(33,639)	(34,070)	(34,501)	(34,932)	(35,362)	(35,794)	(33,209)
49	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(67,101)	(67,747)	(68,352)	(67,281)	(67,906)	(68,532)	(69,157)	(69,783)	(70,408)	(71,034)	(71,659)	(72,756)	(73,381)	(69,623)
50	3951	LABORATORY EQUIPMENT-FIXED	(45,101)	(45,790)	(46,479)	(47,168)	(47,857)	(48,546)	(49,236)	(49,925)	(50,614)	(51,303)	(51,991)	(52,680)	(53,369)	(49,235)
51	3952	LABORATORY EQUIPMENT-PORTABLE	(25,451)	(25,630)	(25,839)	(26,033)	(26,227)	(26,421)	(26,616)	(26,810)	(27,004)	(27,198)	(27,392)	(27,587)	(27,781)	(26,615)
52	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)
53																
54		Total General Plant	(1,409,517)	(1,426,746)	(1,440,471)	(1,445,390)	(1,468,033)	(1,487,114)	(1,483,340)	(1,502,432)	(1,521,693)	(1,539,355)	(1,558,443)	(1,637,437)	(1,609,709)	(1,502,283)

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:
Historic Year Ended 12/31/2006
Witness: Jim Mesite

Line No.	Account Sub-account Number	Account Sub-account Title	Allocation Rate	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
55		Transportation Equipment															
56																	
57	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)
58	3922	LIGHT TRUCKS & VANS		(314,076)	(318,935)	(323,794)	(328,653)	(321,625)	(319,124)	(323,777)	(311,190)	(316,770)	(321,473)	(326,176)	(330,879)	(365,860)	(324,795)
59	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)	(1,166,218)	(1,149,518)
60	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)
61																	
62		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)	(1,637,950)	(1,573,711)
63																	
64		TOTAL ACCUM. PROVISION FOR DEPR.		(29,761,890)	(29,988,364)	(30,208,766)	(30,388,495)	(30,378,592)	(30,537,663)	(30,714,841)	(30,892,332)	(31,110,821)	(31,339,987)	(31,542,571)	(31,800,699)	(31,928,074)	(30,814,853)
65																	
66		COMMON PLANT															
67																	
68	303	MISC INTANGIBLE PLANT		-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	389	GENERAL PLANT-LAND		-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	390	STRUCTURES AND IMPROVEMENTS		(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)
71	3911	OFFICE FURNITURE		(7,710)	(7,828)	(7,946)	(8,082)	(7,706)	(9,675)	(9,827)	(9,979)	(10,131)	(10,283)	(10,435)	(10,587)	(10,739)	(9,302)
72	3912	OFFICE MACHINES		(32,039)	(32,981)	(33,923)	(34,865)	(27,458)	(28,348)	(29,238)	(30,128)	(31,018)	(31,908)	(32,798)	(33,688)	(34,578)	(31,767)
73	3913	COMPUTER EQUIPMENT		(429,486)	(436,459)	(443,441)	(444,487)	(217,972)	(202,271)	(189,188)	(192,268)	(196,901)	(201,534)	(206,168)	(142,811)	(146,783)	(265,367)
74	391305	SOFTWARE		(1,074,344)	(1,091,604)	(1,108,864)	(1,126,124)	(1,143,384)	(1,160,659)	(1,177,934)	(1,195,209)	(1,212,504)	(1,229,799)	(1,247,094)	(1,096,289)	(1,112,156)	(1,151,997)
75	3921	PASSENGER CARS		(30,421)	(42,316)	(43,216)	(33,466)	(25,792)	(26,301)	(26,810)	(27,602)	(28,394)	(29,186)	(29,978)	(30,770)	(31,562)	(31,216)
76	3922	LIGHT TRUCKS & VANS		(15,310)	(15,648)	(16,148)	(16,853)	(17,558)	(18,410)	(19,262)	(20,114)	(20,966)	(21,818)	(22,670)	(23,522)	(24,374)	(19,435)
77	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	34,311	32,969	38,506
78	398	MISCELLANEOUS EQUIPMENT		(99)	(110)	(121)	(132)	(143)	(154)	(165)	(176)	(187)	(198)	(209)	(220)	(231)	(165)
79	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)
80																	
81																	
82		Total Common Plant		(1,978,173)	(2,020,913)	(2,052,829)	(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)
83																	
84		AS ALLOCATED (Electric Division)															
85																	
86	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	389	GENERAL PLANT-LAND	30%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	390	STRUCTURES AND IMPROVEMENTS	30%	(128,807)	(130,115)	(131,423)	(132,731)	(134,038)	(135,346)	(136,654)	(137,970)	(139,286)	(140,602)	(141,918)	(143,234)	(128,834)	(135,458)
89	3911	OFFICE FURNITURE	30%	(2,313)	(2,348)	(2,384)	(2,425)	(2,312)	(2,903)	(2,948)	(2,994)	(3,039)	(3,085)	(3,131)	(3,176)	(3,222)	(2,791)
90	3912	OFFICE MACHINES	30%	(9,612)	(9,894)	(10,177)	(10,460)	(8,237)	(8,504)	(8,771)	(9,038)	(9,305)	(9,572)	(9,839)	(10,106)	(10,373)	(9,530)
91	3913	COMPUTER EQUIPMENT	29%	(124,551)	(126,573)	(128,598)	(128,901)	(63,212)	(58,659)	(54,865)	(55,758)	(57,101)	(58,445)	(59,789)	(41,415)	(42,567)	(76,956)
92	391305	SOFTWARE	29%	(311,560)	(316,565)	(321,571)	(326,576)	(331,581)	(336,591)	(341,601)	(346,611)	(351,626)	(356,642)	(361,657)	(317,924)	(322,525)	(334,079)
93	3921	PASSENGER CARS	30%	(9,126)	(12,695)	(12,965)	(10,040)	(7,738)	(7,890)	(8,043)	(8,281)	(8,518)	(8,756)	(8,993)	(9,231)	(9,469)	(9,365)
94	3922	LIGHT TRUCKS & VANS	30%	(4,593)	(4,694)	(4,844)	(5,056)	(5,267)	(5,523)	(5,779)	(6,034)	(6,290)	(6,545)	(6,801)	(7,057)	(7,312)	(5,830)
95	397	COMMUNICATION EQUIPMENT	30%	12,927	12,705	12,483	12,261	12,039	11,817	11,595	11,373	11,151	10,929	10,707	10,293	9,891	11,552
96	398	MISCELLANEOUS EQUIPMENT	30%	(30)	(33)	(36)	(40)	(43)	(46)	(50)	(53)	(56)	(59)	(63)	(66)	(69)	(50)
97	399	MISCELLANEOUS TANGIBLE	30%	(749)	(780)	(812)	(843)	(874)	(905)	(936)	(968)	(999)	(1,030)	(1,061)	(1,092)	(1,124)	(936)
98																	
99																	
100																	
101		Total Allocated Common Plant		(578,414)	(590,993)	(600,326)	(604,808)	(541,263)	(544,550)	(548,051)	(556,332)	(565,069)	(573,807)	(582,545)	(523,008)	(515,604)	(563,444)

Supporting Schedules: B-6 (2006), B-9 (2006), B-10 (2006)

Recap Schedules: B-1 (2006), B-9 (2006)

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 12/31/2007
Historic Year Ended 12/31/2006
Witness: Jim Mesite

(A) Preliminary Engineering Growth Classification	(B) Amount
Environmental	
Availability/Reliability	
Heat Rate	
Replace Existing Plant	Not Applicable
Safety	
Energy Conservation	
Capacity	
Aid to Construction and Maintenance	
Regulatory	
Total In-Service Additions	$

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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.

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2007
Historic Year Ended 12/31/2006
Witness: Jim Mesite

We do not have any AFUDC eligible CWIP in rate base.
Not applicable.

Supporting Schedules:

Recap Schedules:

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 12/31/2007
Historic Year Ended 12/31/2006
Witness: Jim Mesite

Item No.	Description of Item	(1) Prior Year 12/31/2007 13 Month Average	(2) Test Year 12/31/2008 13 Month Average	(3) Test Year Jurisdictional Factor	(4) Test Year Jurisdictional Amount (2) x (3)
	NONE				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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.

($000)

Type of Data Shown:
Projected Test Year Ended 12/31/2008
Prior Year Ended 12/31/2007
Historic Year Ended 12/31/2006
Witness: Jim Mesite

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:

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 12/31/2007
Historic Year Ended 12/31/2006
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 Inventory
- Coal
- 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

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 grouped by classes.

Type of Data Shown:
Historic Year Ended 12/31/2006
Witness: Cheryl Martin

Line No.	Description	Balance at Beginning of Year	Debits	Credits Account	Credits Amount	Balance at End of Year
1	1860.21- O/U RECOVERY-FUEL	1,611,846	3,550,516	4010.5551	(3,454,684)	1,707,678
2	1860.61- O/U RECOVERY-CONSERVATION	-	130	4010.9061	(130)	-
3	1860.3 - MISC DEFERRED P/R	-	183,013	2320.8	(183,013)	-
4	1860.1 - MISC DIRECT DEFERRED	31,491	16,909	4010.928	-	48,400
5	1860.1 - MISC DIRECT DEFERRED-RATE CASE	275,458	-	4010.928	(84,756)	190,702
6						
7						
8						
9	Totals	1,918,795	3,750,568		(3,722,583)	1,946,780

Supporting Schedules:

Recap Schedules: B-3 (2006)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Historic Year Ended 12/31/2006
Witness: Cheryl Martin

Line No.	Description	Balance at Beginning of Year	Debits		Credits	Balance at End of Year
			Contra Accounts	Amount		
1	2530.21 Over-recovery Fuel	(1,152,894)	4000.4561	1,448,868	(1,141,438)	(845,464)
2	2530.61 Over-recovery Conservation	(107,034)	4000.4566	196,798	(134,416)	(44,652)
3						
4						
5						
6						
7	Total	(1,259,928)		1,645,666	(1,275,854)	(890,116)

Supporting Schedules: B-3 (2006)

Recap Schedules:

Schedule B-21

ACCUMULATED PROVISION ACCOUNTS -
228.1, 228.2, and 228.4

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO 070304-EI

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 12/31/2007
Historic Year Ended 12/31/2006
Witness: Cheryl Martin

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	
1	Account 228.1 - Storm Reserve									
2	2006 and 2007 - Based on provisions of Order# PSC-00-1883-PAA-EI at $121,620/yr	2006	1,506,886	121,620	16,759	9,147	N/A	1,636,118	storm related expenses	121,620
3	up to $2,900,000	2007	1,636,118	121,620	-	50,001	N/A	1,707,737	storm related expenses	121,620
4	2008 Per Projection in This Rate Proceeding	2008	1,707,737	203,880	-	-	N/A	1,911,617	storm related expenses	203,880
5										
6										
7										
8	Account 228.2									
9	Liability Insurance	2006	296,132	-	-	114,689	N/A	181,443	general & auto liability claims	-
10	Allocate Electric (Adj. Gross Profit)		94.762			36.701		58,062		-
11										
12	Liability Insurance	2007	181,443	477,500	-	502,363	N/A	156,580	general & auto liability claims	477,500
13	Allocate Electric (Adj. Gross Profit)		56.247	195.000		155.733		48,540		195,000
14										
15	Liability Insurance	2008	156,580	278,000		184,000	N/A	250,580	general & auto liability claims	278,000
16	Allocate Electric (Adj. Gross Profit)		48.540	108.420		57.040		77,680		108,420
17										
18										
19										
20	Account 228.4		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Supporting Schedules: B-3 (2006), B-3 (2007), B-3 (2008)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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:
Projected Test Year Ended 12/31/08
Prior Year Ended 12/31/07
Historical Years Ended 12/31/2002 - 2006
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)	Adjustments Underrecovery Fuel Costs	Adjustments Regulatory Deferred Tax	Adjusted Accumulated Deferred Income Taxes Cr(Dr)
1	2002	276,744	-	(3,553,950)	(463,922)	(3,741,128)	174,163	316,217	(3,250,748)
2	2003	381,597	-	(4,191,991)	(621,861)	(4,432,255)	327,246	291,221	(3,813,788)
3	2004	177,124	-	(4,977,989)	(837,951)	(5,638,816)	633,357	234,753	(4,770,706)
4	2005	997,076	-	(5,689,568)	(606,968)	(5,299,460)	606,537	167,691	(4,525,232)
5	2006	1,048,453	-	(6,423,856)	(514,205)	(5,889,608)	642,599	102,592	(5,144,417)
6	2007	1,167,843	-	(7,110,276)	294,888	(5,647,545)	-	-	(5,647,545)
7	2008	1,253,227	-	(7,904,475)	442,548	(6,208,701)	-	-	(6,208,701)

Supporting Schedules:

Recap Recap. Schedules: B-3 (2006), B-3 (2007), B-3 (2008)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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
Prior Year Ended 12/31/07
Historical Years Ended 12/31/2002 - 2006
Witness: Mehrdad Khojasteh

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
6	2007	124,961	29,538	95,423
7	2008	95,423	27,935	67,488

Supporting Schedules: B-3 (2006), B-3 (2007), B-3 (2008)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

EXPLANATION: Provide the data specified for leasing arrangements in effect during the test year and prior 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: 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:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 070304-EI

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 12/31/2007
Historic Year Ended 12/31/2006
Witness: Cheryl Martin

We do not have any changes in accounting policy.

Supporting Schedules:

Recap Schedules:

Clara Leider

From: Mike Welsh [mpwelsh@CAEnergy.com]
Sent: Monday, August 13, 2007 3:22 PM
To: Martin Cheryl
Cc: Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: RE: Rate case schedules
Attachments: B-MFRS-8-13-07-NolLinks.xls; HB-MFRS-8-13-08-NoLinks.xls

Here are the B Schedules

From: Martin Cheryl [mailto:cherylmartin@fpuc.com]
Sent: Monday, August 13, 2007 11:54 AM
To: Mike Welsh
Cc: Robert Camfield; Cox Doreen; Khojasteh Mehrdad; Mesite Jim
Subject: Rate case schedules

Please send the Bs, Cs, Ds, Gs and Fs for a final review before they get ready for print version. We can review them one more time for critical items. Send to both Jim and Mehrdad and Doreen since I will be out until Wed. Mark will be your contact if you need anything relating to Cost of service or rates . If you do need to talk to me before Wed, just let Mehrdad know. Thanks Cheryl

Cheryl Martin
Controller
Florida Public Utilities Company
(561) 838-1725