

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate) DOCKET NO. 940620-GU
increase by FLORIDA PUBLIC) ORDER NO. PSC-95-0435-PHO-GU
UTILITIES COMPANY.) ISSUED: March 31, 1995
_____)

Pursuant to Notice, a Prehearing Conference was held on March 20, 1995, in Tallahassee, Florida, before Chairman Susan F. Clark, as Prehearing Officer.

APPEARANCES:

Wayne L. Schiefelbein, Esquire, Gatlin, Woods, Carlson & Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308
On behalf of Florida Public Utilities Company.

Michael Palecki, Esquire, and Vicki D. Johnson, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0863
On behalf of the Commission Staff.

PREHEARING ORDER

I. CASE BACKGROUND

On September 23, 1994, Florida Public Utilities Company (FPUC or Company) filed a petition for increased rates and charges pursuant to Sections 366.06 and 366.071, Florida Statutes. A Prehearing Conference was held on March 20, 1995. The Hearing is scheduled for April 6, 1995.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality

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has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information.

Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all

parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

IV. ORDER OF WITNESSES

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>Direct</u>		
Charles L. Stein	FPUC	4, 8, 11, 12, 41, 44, 64
William L. Pence	FPUC	37
Robert L. Smith	FPUC	3, 34, 38, 43, 48-50
George M. Bachman	FPUC	2, 3, 11, 12, 18, 19-23, 32-33, 35, 37-40, 42, 45-46, 50-53, 55-56, 58-62
Cheryl M. Martin	FPUC	5-6, 9, 10, 13-17, 24-27, 29, 30, 36, 47, 54, 57
Marc L. Schneidermann	FPUC	3, 7, 8, 31, 63, 65-67
Robert S. Jackson	FPUC	28
Nancy E. Pruitt	Staff	1
Pete Lester (1)	Staff	28

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>Rebuttal</u>		
Pete Lester (1)	Staff	28
Robert S. Jackson	FPUC	28

(1) Witness Lester's Direct and Rebuttal Testimony are contained in one document.

V. BASIC POSITIONS

FPUC: The Company's existing gas rates and charges cannot produce a fair return on its property used and useful in serving the public. FPUC therefore seeks approval to permanently increase its gas rates and charges so as to generate increased annual revenues in accordance with the stipulated resolution of this case as set forth in the issues herein below.

STAFF: If the proposed stipulation on the issues herein is approved by the Commission, the Company will require additional revenues of \$1,282,001 based on a rate of return of 8.44%, including a return on equity of 11.40%, and a rate base of \$27,241,536.

VI. ISSUES AND POSITIONS

QUALITY OF SERVICE

STIPULATED

ISSUE 1: Is FPUC's quality of service adequate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes.

TEST YEAR AND FORECASTING

STIPULATED

ISSUE 2: Is FPUC's request for permanent rate relief based on a historical test period of calendar year 1993 and a projected test period of calendar year 1995 appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes.

STIPULATED

ISSUE 3: Are the Company's business-as-usual test year forecasts for customers and therm sales by revenue categories appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes.

STIPULATED

ISSUE 4: Are FPUC's test year forecasts of initial connections and reconnections appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes.

RATE BASE

STIPULATED

ISSUE 5: What is the appropriate projected test year Plant in Service?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate amount is \$39,864,953. This amount includes adjustments discussed in Issues 6, 7, 9 and 14, as well as a \$37,800 increase to restate estimated December 31, 1994, balances to actual balances.

STIPULATED

ISSUE 6: Should rate base and expenses be increased to include blanket construction projects omitted from 1995 projections? (Audit Disclosure No. 11)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Increase Plant in Service \$520,743; increase Accumulated Depreciation \$5,693; and increase Depreciation Expense by \$16,734.

STIPULATED

ISSUE 7: Should rate base be reduced to remove inactive service lines that have been inactive for more than five years? (Audit Disclosure No. 1; Engineering Report p. 5)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Test year Plant in Service should be reduced \$22,531; Depreciation Reserve should be reduced \$23,286; and Depreciation Expense should be reduced \$1,510, based on newly approved depreciation rates.

STIPULATED

ISSUE 8: Will FPUC complete the survey of inactive service lines as ordered in Commission Order No. 24094 in Docket No. 900151-GU and physically retire the inactive service lines as required by Rule 25-12.045, Florida Administrative Code?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. The Company will be unable to complete the survey on time because of unforeseen difficulty with the physical survey and insufficient resources allocated in the last rate case. Staff believes that the survey for inactive service lines and the physical retirement of the inactive service lines that will not serve the public should be a high priority for the reasons of fiscal accuracy, system operations efficiencies and public safety. Staff believes the Company should complete the survey program no later than December 31, 1998. Service lines that are inactive at the time of discovery should be retired within six months, unless the period of inactivity can be documented; in those cases the service should be retired as required by Rule 25-12.045. The Company should file status reports on the survey activity and service line retirements each quarter. The Gas Engineering & Safety Section will specify the reports format and content requirements.

STIPULATED

ISSUE 9: Should an adjustment be made to reduce Plant, Accumulated Depreciation, and Depreciation Expense to remove non-utility operations? (Audit Disclosure No. 6; Engineering Report p. 3)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Recognizing 1995 blanket construction projects and 1994 actual plant, test year Plant in Service should

be reduced \$22,300; Accumulated Depreciation reduced \$26,783; and Depreciation Expense reduced by \$7,367 to remove nonutility operations.

STIPULATED

ISSUE 10: Should an adjustment be made for common plant additions, such as the addition to the general office?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Since construction has not been started on the new addition to the general office building it would be appropriate to reduce allocated common plant \$337,195; reduce Accumulated Depreciation on common plant \$11,462; and increase common plant Depreciation Expense \$2,038. This adjustment also updates the projections to actual 1994 amounts and reflects the new depreciation rates and the revised common plant allocation factors. The consolidated gas division's allocated rate base associated with the expansion of the corporate headquarters and its related allocated expenses, such as depreciation, property taxes and moving expense, may properly be the subject of a limited proceeding for a rate increase under the appropriate circumstances (i.e., the Company is not in an overearning position, timeliness, etc.).

STIPULATED

ISSUE 11: Has the Company properly recorded the Gun Club Estates conversion from LP to natural gas? (Audit Disclosure No. 13)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. The Company properly recorded the Gun Club Estates conversions at original cost.

STIPULATED

ISSUE 12: Has the Company properly recorded the IBIS conversion from LP to natural gas?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. The Company properly recorded the IBIS conversion at original cost.

STIPULATED

ISSUE 13: Should the Commission require the Company to include all gas plant under construction in rate base?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. The Commission should require Florida Public Utilities-Gas Division to include all gas plant under construction in rate base for all future purposes, such as surveillance reports and interim purposes, effective June 1, 1995. Also, the Company's related allowance for funds used during construction (AFUDC) rate should be eliminated.

STIPULATED

ISSUE 14: What is the appropriate amount of Construction Work in Progress for the projected test year?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate amount is \$298,194. Since the Company originally did not project any CWIP for the projected test year, this adjustment increases CWIP by \$298,194, reduces Plant in Service by \$298,194, reduces Accumulated Depreciation \$5,099 and decreases Depreciation Expense \$10,198.

STIPULATED

ISSUE 15: What are the appropriate depreciation rates to be used?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate depreciation rates to be used in this proceeding are the rates approved by the Commission in Docket No. 940734-GU.

STIPULATED

ISSUE 16: What is the appropriate projected test year Depreciation Reserve?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate projected test year Depreciation Reserve, excluding the common plant reserve, is \$13,517,000 which represents a reduction in the reserve of \$542,571. The \$13,517,000 considers adjustments discussed in Issues 6, 7, 9 and 14, as well

as a \$493,096 reduction resulting from depreciation rate changes. This adjustment also updates projections to actual 1994 amounts.

STIPULATED

ISSUE 17: What is the appropriate amount of Customer Advances for Construction for the projected test year?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate amount is \$267,798.

STIPULATED

ISSUE 18: What is the appropriate amount of cash to be included in working capital?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate level of cash is \$219,550. In addition, revenues should be increased by \$7,735 for interest earned on this cash. See Issue 31.

STIPULATED

ISSUE 19: Should unamortized rate case expense be included in working capital?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: One half of the allowed rate case expense or \$56,500 should be allowed. This would result in a \$70,213 reduction to Working Capital. The amount of rate case expense allowed in Working Capital is reflective of a compromise of Staff's philosophy and FPUC's philosophy and is not intended to have precedential value beyond this proceeding.

STIPULATED

ISSUE 20: Should the Company's projected net gas cost underrecovery be excluded from working capital?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Working capital should be reduced \$84,763 to remove the Company's projected net gas cost underrecovery.

STIPULATED

ISSUE 21: Should an adjustment be made to accrued taxes payable such that the rate base effect of adjustments discussed in Audit Disclosure No. 3 is revenue neutral, and if so, what is the appropriate adjustment?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Accrued taxes payable-income should be reduced and Working Capital Allowance should be increased by \$37,471 for 1995. Also, corresponding adjustments to accumulated deferred income taxes (ADITs) are necessary. The corresponding adjustments to ADITs are dispensed within Issue 26. The adjustments to accrued taxes payable-income and ADITs are to produce parallel treatment of the balance sheet and income statement effect of the environmental insurance proceeds.

STIPULATED

ISSUE 22: What is the appropriate projected test year working capital allowance?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate projected test year working capital allowance is \$362,923. (See Attachment 1A)

STIPULATED

ISSUE 23: What is the appropriate projected test year rate base?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate test year rate base is \$27,241,536. (See Attachment 1)

CAPITAL STRUCTURE

STIPULATED

ISSUE 24: Should an adjustment be made to investment tax credits?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No adjustments should be made to ITC balances. The appropriate 1995 projected balances of unamortized ITCs are \$22,170 for zero cost ITCs and \$741,282 for weighted cost ITCs.

STIPULATED

ISSUE 25: What are the appropriate cost rates for investment tax credits?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate cost rate of the 3% unamortized ITCs is zero. The appropriate cost rate of the weighted cost unamortized ITCs is 10.24%, which is a calculation based on Staff's recommended capital structure and Staff's recommended cost rates, as reflected on Attachment 3.

STIPULATED

ISSUE 26: Should an adjustment be made to accumulated deferred income taxes (ADITs)?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Accumulated deferred income taxes should be increased by \$140,939. Of the \$140,939, \$83,790 relates to Issues 5 and 6 and \$57,149 relates to Issue 21. The \$83,790 reflects a pro rata amount of ADITs associated with Staff's recommendation to include blanket construction projects omitted from its original 1995 projections as well as the recommended increase in Plant in Service to restate projected December 31, 1994, plant balances to actual December 31, 1994, plant balances. The \$57,149 increase to ADITs is to produce parallel treatment of the balance sheet and income statement effect of the environmental insurance proceeds.

STIPULATED

ISSUE 27: Should the Commission remove an amount from equity for non-utility and common plant allocated to other operations in reconciling capital structure to rate base?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. A specific adjustment should be made, reducing equity by \$14,718, which is the estimated net nonutility plant adjustment that Staff recommends be removed from rate base in Issue 9 (\$22,300 for plant less \$7,582 for estimated depreciation reserve). However, the common plant adjustment in Issue 10 should be removed pro rata from all investor sources of capital.

STIPULATED

ISSUE 28: What is the appropriate cost rate for common equity?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate cost rate for common equity is 11.40%, with a range of plus or minus 100 basis points.

STIPULATED

ISSUE 29: What is the appropriate cost rate for short-term debt?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate cost rate for short-term debt is 6.93% per Exhibit CMM-3.

STIPULATED

ISSUE 30: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the projected test year ending December 31, 1995?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate weighted average cost of capital for the projected test year ending December 31, 1995 is 8.44%. The Company's treasury stock and nonutility investment in Flo-Gas were removed from common equity at the consolidated level before investor capital was allocated to the gas division. An adjustment addressed in Issue 27 reduces projected equity by \$14,718 and an adjustment addressed in Issue 26 increases projected accumulated deferred income taxes by \$140,939. All other adjustments, including Staff's adjustment to common plant, were spread pro rata over investor sources of capital. Further, the return on common equity is 11.40%, the long-term debt rate is 9.93% and the cost rate for short-term debt is 6.93%. The proper components, amounts and cost rates are shown on Attachment 3.

NET OPERATING INCOME

STIPULATED

ISSUE 31: What is the appropriate level of total operating revenues for the 1995 projected test year?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate level of operating revenue, including interest income of \$7,735 (Issue 18) and imputed revenues of \$100,703 for marketing programs and related staffing (Issue 48) is \$11,426,240.

STIPULATED

ISSUE 32: Has the Company properly removed Chamber of Commerce dues and other membership dues from expenses?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. The Company should remove \$718 in dues from Account 930.2 and \$1,221 in dues from Account 912 for 1995. The total adjustment is \$1,939.

STIPULATED

ISSUE 33: What is the appropriate amount of rate case expense and what is the appropriate amortization period?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate amount of rate case expense is \$113,000 amortized over four years beginning the month new rates go into effect. Therefore, the appropriate rate case amortization is \$28,250, a reduction of \$7,954.

STIPULATED

ISSUE 34: Should there be an adjustment to Accounts 913 or 930 to remove image building or other inappropriate advertising expenses?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No adjustment is needed to Account 930. Account 913 should be reduced \$7,871 in 1995 for production of a corporate video, printing of money flyers, advertising for non-regulated functions, and image building.

STIPULATED

ISSUE 35: Is FPUC's requested level of outside services for the 1995 projected year appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. Expenses should be reduced by \$10,326 to reduce legal expenses for certain personnel matters to a more reasonable level.

STIPULATED

ISSUE 36: Should an adjustment be made to forecasted ESOP costs, and if so, what is the appropriate adjustment? (Audit Disclosure No. 5)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No adjustment is necessary.

STIPULATED

ISSUE 37: What is the proper amount and ratemaking treatment of expenses associated with the environmental clean-up of manufactured gas plant sites?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The current accrual of \$240,000 per year that was established in Docket No. 900151-GU shall be continued for the remainder of the approved 10-year accrual period.

STIPULATED

ISSUE 38: What is the appropriate ratemaking treatment for piping allowances? Is the amount and the amortization of the piping allowances appropriate? (Audit Disclosure No. 9)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The costs should be capitalized and amortized over seven years. Therefore, reduce Account 916 by \$39,000; increase Working Capital by \$54,878; and increase Amortization Expense by \$8,376.

STIPULATED

ISSUE 39: What is the appropriate ratemaking treatment for conversion expenses? Is the amount and the amortization of the conversion expenses appropriate? (Audit Disclosure No. 9)

FPUC'S POSITION: The Company agrees with Staff's position.

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STAFF'S POSITION: The cost should be capitalized and amortized over five years. Reduce Account 916 by \$65,093; increase Working Capital by \$85,643; and increase Amortization Expense by \$19,571.

STIPULATED

ISSUE 40: Should an adjustment be made to the insurance reserves and insurance expense for property, liability, auto, workers compensation, and medical?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Medical self insurance expense should be reduced by \$100,162 based on the 3-year average actual claims history. Injuries and Damages expense should be reduced by \$28,499 to correct an error made by the Company in trending the capitalized payroll and increased by \$29,954 to recognize additional executive risk and general liability premiums. The total reduction to expense is \$98,707. In addition, Working Capital should be increased by \$49,354. No adjustment is necessary to property insurance.

STIPULATED

ISSUE 41: Should an adjustment be made to meter change-out expense?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Meter change-out expense should be reduced by \$8,121 based on a 4-year average of the number of meters changed out.

STIPULATED

ISSUE 42: Should pension and post retirement benefits expense be adjusted to reflect the updated discount rate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. The proper discount rate used to calculate post-retirement benefits expense should be the most recent monthly average AA utility bond rate. The February 1995 average AA utility bond rate is 8.33%. This adjustment decreases FASB 106 expense in account 926.3 by \$26,088 and increases working capital \$13,044.

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STIPULATED

ISSUE 43: Should expenses be reduced to remove selling expenses not amortized? (Audit Exception No. 2)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Account 912 should be reduced by \$2,104 for two-thirds of a 3-year supply of color posters pocket folders.

STIPULATED

ISSUE 44: The Company made an adjustment to increase Accounts 878, Meter & House Regulator Expense, and 887, Maintenance of Mains, to normalize for lost time due to above average medical related absences. Is this adjustment appropriate? (Audit Disclosure No. 15)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. Account 878, Meter & House Regulator Expense, should be reduced by \$11,158 to remove a portion of the salary of a Service Technician who retired in 1993 and has not been replaced to date. In addition, Account 893, Maintenance of Meters & House Regulators, should be reduced by \$15,600 to remove a portion of the wages that the Company added to Account 887 to normalize for medical related absences. The total reduction to expense is \$26,758.

STIPULATED

ISSUE 45: The Company made an adjustment to increase Account 904, Uncollectible Accounts, to adjust to the 3-year average charge offs. Is this adjustment appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. Reduce Account 904, Bad Debt Expense, by \$5,980 and Working Capital by \$12,362 based on a 3-year average of net write-offs as a percent of sales.

STIPULATED

ISSUE 46: The Company made an adjustment to increase Account 921, Office Supplies & Expense, for the Company use portion of purchased gas. Is this adjustment appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. Since the Company use portion of purchased gas is currently recovered through the Purchased Gas Adjustment Clause, Account 921 should be reduced by \$25,268 for 1995.

STIPULATED

ISSUE 47: Should an adjustment be made to reduce expenses for the depreciation study? (Audit Disclosure No. 7)

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No adjustment is necessary based on a 4-year amortization period.

STIPULATED

ISSUE 48: Should various marketing programs and associated staffing proposed by the Company be recovered through base rates? If so, are the expenses and revenues appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Expenses for the below listed programs are appropriate for recovery through base rates. Staff believes that certain adjustments to projected expenses should be made. In addition, related revenues should be imputed:

- Energy Savers Program
- Residential Energy Efficiency Program
- Residential Energy Audit Program
- Homeowners Maximized Energy Savings Program
- Business Energy Efficiency Plan
- Consumer Affairs Services
- Utility Service and Information Program
- Appliance Conservation and Education Program

Staff recommends that a portion of the directly related expenses for the allowed marketing programs in Account 912 be reduced \$3,334; Account 913 be reduced \$31,758; Account 916 be reduced by \$15,667 and expenses in Account 912 related to the new positions be reduced \$50,370. In addition, revenues of \$100,703 associated with the approved programs and related staffing should be imputed. The total amount of disallowed expenses is \$101,129. Since the Company did not increase expenses to allow for the higher growth rate of customers, Staff has also changed the factor for customer growth in the trend schedules which has the effect of increasing O & M expenses \$31,914. The net effect of trend factor adjustments is reflected in Issue 52.

STIPULATED

ISSUE 49: Should the Market Development & Demonstration Program and the Business Energy Savings Team be recovered through base rates? If so, are the revenues and expenses appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Expenses for these programs should not be recovered through base rates and all associated expenses should be disallowed. Account 913 should be reduced \$5,000 and Account 916 should be reduced \$50,000 for the directly related expenses associated with the two disallowed programs. The total amount of disallowed expenses is \$55,000.

STIPULATED

ISSUE 50: Has FPUC justified its benchmark variance in the Sales functional area?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. Account 916 should be reduced \$4,573 in 1995 for expenses associated with merchandise and jobbing.

STIPULATED

ISSUE 51: What are the appropriate trending factors to be used in deriving projected operating expenses?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate 1994 and 1995 trending factors are as follows:

Trending Factor	1994	1995
Customer growth	100.73%	102.54%
Payroll	103.00%	103.50%
Inflation	102.60%	102.90%
Sales/Units	99.01%	106.21%
Revenues/\$	98.71%	108.20%
Payroll x Customer growth	103.75%	106.13%
Inflation x Customer growth	103.35%	105.51%

STIPULATED

ISSUE 52: Should the projected test year expense be adjusted for the effect of changing the trend factors?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes, due to changes in the trending factors, increase overall Operating & Maintenance expense by \$20,246. This adjustment includes the \$31,914 adjustment discussed in Issue 48.

STIPULATED

ISSUE 53: What is the appropriate amount of projected test year Operating & Maintenance Expense?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate projected test year O & M expenses are \$7,150,125. (See Attachment 3A)

STIPULATED

ISSUE 54: What is the appropriate amount of projected test year Depreciation and Amortization Expense?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate amount of Depreciation and Amortization Expense is \$1,429,620. This amount includes adjustments discussed in Issues 6, 7, 9, 10, 14, 38 and 39 as well as a \$210,542 reduction resulting from new depreciation rates. These adjustments also reflect the update of projections to 1994 actuals.

STIPULATED

ISSUE 55: What is the appropriate level of property taxes, including adjustments for nonutility property and common plant allocated to nonutility operations?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate level of property taxes is \$526,053, a reduction of \$21,445 which corrects the 1994 plant trend factor to 105.39 and the 1995 trend factor to 105.95, as well as correcting for the revised common plant allocation factor.

STIPULATED

ISSUE 56: Should an adjustment be made to Taxes Other, and if so, what is the appropriate adjustment?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Taxes Other should be reduced by \$29,380. The reduction encompasses the \$21,445 reduction to property taxes in Issue 55; an increase of \$378 for regulatory assessment fees related to Staff's adjustment increasing revenue; and a decrease of \$8,313 for the payroll taxes related to Staff's recommended payroll adjustments.

STIPULATED

ISSUE 57: Should an adjustment be made to income tax expense, including ITC synchronization and interest reconciliation, and if so, what is the appropriate adjustment?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. Income tax expense should be increased by \$269,907. For other Staff adjustments to NOI, federal income tax expense should be increased by \$252,664 and state income tax expense should be increased by \$43,251. The result of reconciling Staff's recommended capital structure to Staff's recommended rate base decreases income tax expense by \$26,009 for interest reconciliation and ITC synchronization.

STIPULATED

ISSUE 58: Is FPUC's requested level of net operating income (NOI) in the amount of \$988,052 for the 1995 projected test year appropriate?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No. The appropriate level of 1995 NOI before increased rates is \$1,504,527. (See Attachment 3)

REVENUE DEFICIENCY

STIPULATED

ISSUE 59: What is the appropriate test year revenue expansion factor to be used in calculating the revenue deficiency?

FPUC'S POSITION: The Company agrees with Staff's position.

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STAFF'S POSITION: The appropriate test year revenue expansion factor is 1.6134. Staff's recommended bad debt expense adjustment is the reason for the difference between the Company's original filing and Staff's position. (See Attachment 4)

STIPULATED

ISSUE 60: What is the appropriate projected test year revenue deficiency?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The projected test year revenue deficiency is \$1,282,001. (See Attachment 5)

STIPULATED

ISSUE 61: Should any portion of the \$386,927 interim increase granted by Order No. PSC-94-1519-FOF-GU issued on December 9, 1994, be refunded to the customers?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: No.

STIPULATED

ISSUE 62: Should FPUC-GAS be required to file, within 60 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements and books and records that will be required as a result of the Commission's findings in this rate case?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes. The utility should be required to fully describe the entries and adjustments that will be either recorded or used in preparing reports submitted to the Commission. In addition, the Company shall file with its annual report, the historical expenses and estimated revenues for each program listed in Issue 48 and its projections for the following year for the same programs.

RATE DESIGN AND COST OF SERVICE

STIPULATED

ISSUE 63: What are the appropriate billing determinants to be used in the projected test year?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate forecast for customers and their sales by rate class and billing determinants to be used during the projected test-year are shown in Attachment 6.

STIPULATED

ISSUE 64: What should the miscellaneous service charges be?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate miscellaneous service charges are:

Initial Connection	\$25.00
Initial Connection - LVS	\$57.00
Reconnect after Disconnect for Cause	\$21.00
Reconnect after Disconnect for Cause - LVS	\$48.00
Reconnect after Disconnect for Non-Pay	\$31.00
Reconnect after Disconnect for Non-Pay - LVS	\$58.00
Bill Collection in Lieu of Disconnect	\$ 9.00
Change of Account	\$12.00
Returned Check Charge	\$20.00

STIPULATED

ISSUE 65: What is the appropriate cost of service methodology to be used in allocating costs to the various rate classes?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The appropriate cost of service methodology to be used in allocating costs to the various rate classes is reflected in Staff's cost of service study. The study reflects the adjustment made by the Company and Staff's adjustment made to rate base, operations maintenance expense, and net operating income.

STIPULATED

ISSUE 66: If any revenue increase is granted, what should be the rates and charges for Florida Public Utilities Company resulting from the allocation of the increase among customer classes?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: The rates and charges for Florida Public Utilities Company resulting from the allocation of the increase among customer classes are shown in Attachment 6.

STIPULATED

ISSUE 67: Should the transportation administration charge be approved?

FPUC'S POSITION: The Company agrees with Staff's position.

STAFF'S POSITION: Yes.

VII. EXHIBIT LIST

Exhibits which are preceded by an asterisk (*) were not filed with prefiled testimony, therefore, copies will be provided at the hearing. In addition, the Staff Audit Report and Selected Workpapers; Engineering Report and Exhibits; and FPUC Response to Staff Audit Report have been stipulated into the record per agreement between the Company and Staff.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Bachman, Martin, Schneidermann, Stein, Smith, Jackson	FPUC	_____ (Composite 1)	Volume 2, Minimum Filing Require- ments Section A - Executive Summary Schedules Section G - Projected Test Year Schedules

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Bachman, Martin, Schneidermann, Stein, Smith, Jackson	FPUC	<u>(Composite 2)</u>	Volume 3, Minimum Filing Require- ments Section B - Rate Base Schedules Section C - Net Operating Income Schedule Section D - Cost of Capital Schedules Section F - Interim Rate Relief Schedules
Schneidermann, Stein, Bachman	FPUC	<u>(Composite 3)</u>	Volume 4, Minimum Filing Require- ments Section E - Cost- of-Service Schedules (in- cluding tariffs) Section H - Cost of Service Pro- gram Section I - Engineering Schedules
Bachman	FPUC	<u>(GMB-1)</u>	List of MFR Schedules Sponsored by George M. Bachman
*Bachman	FPUC	<u>(GMB-2)</u>	Updated rate case Expense
*Bachman	FPUC	<u>(GMB-3)</u>	Updated Insurance Expense
Martin	FPUC	<u>(CMM-1)</u>	List of MFR Schedules Sponsored by Cheryl M. Martin

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Martin	FPUC	_____ (CMM-2)	Supplemental Schedules
*Martin	FPUC	_____ (CMM-3)	Updated Cost of Short-term Debt
Jackson	FPUC	_____ (RSJ-1)	Analysis & Detail on Cost of Equity Calculation (Schedules 1 - 8, Appendices A - F)
Pence	FPUC	_____ (WLP-1)	Exhibit A - Current Resume of William L. Pence Exhibit B - Excerpts of EPA Survey Exhibit C - March 25, 1986, FDEP Letter to Public Service Commission Exhibit D - October 5, 1990, FDEP Letter to Florida Public Utilities Company Composite Exhibit E - Status Reports from William L. Pence to Public Service Commission
Stein	FPUC	_____ (CLS-1)	List of MFR Schedules Sponsored by Charles L. Stein
Schneidermann	FPUC	_____ (MLS-1)	List of MFR Schedules Sponsored by Marc L. Schneidermann

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Smith	FPUC	<u> </u> (RLS-1)	List of MFR Schedules Sponsored by Robert L. Smith
Schneidermann	FPUC	<u> </u> (MLS-2)	List of Supplemental MFR Schedules Sponsored by Marc L. Schneidermann; Supplemental MFR Schedules E-1 (p. 3); E-2 (pp. 1 & 2); E-5 (pp. 1 - 6); E-8 (p. 1); E-9 (pp. 4 - 8); H-1 (pp. 1 - 6); H-2 (pp. 1 - 5)
Lester	Staff	<u> </u> (PHL-1)	Index
Lester	Staff	<u> </u> (PHL-2)	Moody's Investment Characteristics
Lester	Staff	<u> </u> (PHL-3)	Basic DCF Equation
Lester	Staff	<u> </u> (PHL-4)	Two-Stage Annually Compounded DCF Model
Lester	Staff	<u> </u> (PHL-5)	DCF Inputs & Results
Lester	Staff	<u> </u> (PHL-6)	Basic Premium Calculation & Data
Lester	Staff	<u> </u> (PHL-7)	Risk Premium Calculation & Data

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Lester	Staff	_____ (PHL-8)	Moody's Capitalization & Sales Volume
Lester	Staff	_____ (PHL-9)	Spread Between Bond Yields
Lester	Staff	_____ (PHL-10)	Range for FPUC
Lester	Staff	_____ (PHL-11)	S & P Benchmark Ratios
Pruitt	Staff	_____ (NEP-1)	FPUC Nine Year Comparison
Pruitt	Staff	_____ (NEP-2)	FPUC Complaint Rate by Type - 1994
Pruitt	Staff	_____ (NEP-3)	FPUC Complaint Rate Comparison
Pruitt	Staff	_____ (NEP-4)	FPUC Complaint Justification Comparison
	*Staff	_____ (Composite 1)	Staff Audit Report and Workpapers
	*Staff	_____ (Composite 2)	Staff Engineering Report and Exhibits
<u>Rebuttal</u>			
Jackson	FPUC	_____ (RSJ-2)	Analysis of Gas Rate Decisions
	*FPUC	_____ ()	FPUC's Response to Staff Audit Report

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

The Company has agreed with Staff's position on all issues.

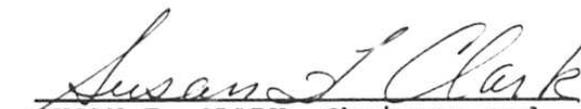
IX. PENDING MOTIONS

There are no pending motions at this time.

It is therefore,

ORDERED by Chairman Susan F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman Susan F. Clark, as Prehearing Officer, this 31st day of March, 1995.


SUSAN F. CLARK, Chairman and
Prehearing Officer

(S E A L)

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET 940620-GU
COMPARATIVE AVERAGE RATE BASES
TYE 12/31/95

ATTACHMENT 1
30-MARCH-95

ISSUE NO.	COMPANY					STAFF		
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	COMPANY REVISIONS	COMPANY REVISED	STAFF ADJS.	STAFF ADJUSTED	
	Plant in Service	37,740,981	1,908,454	39,649,435		39,649,435	39,649,435	
5	Restate to 12/31/94 actual			0	37,800	37,800	37,800	
6	Blanket construction projects			0	520,743	520,743	520,743	
7	Inactive service lines			0	0	(22,531)	(22,531)	
9	Nonutility Plant			0	(22,300)	(22,300)	(22,300)	
14	Reclassify from plant to CWIP			0	0	(298,194)	(298,194)	
	Total Plant in Service	<u>37,740,981</u>	<u>1,908,454</u>	<u>39,649,435</u>	<u>536,243</u>	<u>40,185,678</u>	<u>215,518</u>	
10	Common Plant Allocated	827,599	403,995	1,231,594	(98,864)	1,132,730	(337,195)	
	Acquisition Adjustment	303,400		303,400		303,400		
14	Construction Work in Progress			0		0	298,194	
	TOTAL ADDITIONS	<u>38,871,980</u>	<u>2,312,449</u>	<u>41,184,429</u>	<u>437,379</u>	<u>41,621,808</u>	<u>176,517</u>	
	DEDUCTIONS							
	Accum. Depr. - Plant in Service	12,748,170	1,311,401	14,059,571		14,059,571	14,059,571	
6	Blanket construction projects			0		0	5,693	
7	Inactive service lines			0		0	(23,286)	
9	Nonutility plant			0		0	(26,783)	
14	Reclassify from Plant to CWIP			0		0	(5,099)	
16	Depreciation rate change (decrease), etc.			0	(514,748)	(514,748)	(493,096)	
		<u>12,748,170</u>	<u>1,311,401</u>	<u>14,059,571</u>	<u>(514,748)</u>	<u>13,544,823</u>	<u>(542,571)</u>	
10	Common plant allocated, etc.	313,698	77,470	391,168	(9,456)	381,712	(11,462)	
	Accum. Amort. - Acq. Adj.	318,785	(956)	317,829		317,829		
	Customer Adv. for Const.	272,209	(4,411)	267,798		267,798		
	TOTAL DEDUCTIONS	<u>13,652,862</u>	<u>1,383,504</u>	<u>15,036,366</u>	<u>(524,204)</u>	<u>14,512,162</u>	<u>(554,033)</u>	
	NET	<u>25,219,118</u>	<u>928,945</u>	<u>26,148,063</u>	<u>961,583</u>	<u>27,109,646</u>	<u>730,550</u>	
	WORKING CAPITAL ALLOWANCE	<u>186,805</u>	<u>103,066</u>	<u>289,871</u>	<u>0</u>	<u>289,871</u>	<u>73,052</u>	
	TOTAL RATE BASE	<u>25,405,923</u>	<u>1,032,011</u>	<u>26,437,934</u>	<u>961,583</u>	<u>27,399,517</u>	<u>803,602</u>	

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 DOCKET NO. 940620-GU
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FLORIDA PUBLIC UTILITIES COMPANY
 DOCKET NO. 940620-GU
 COMPARATIVE WORKING CAPITAL COMPONENTS
 TYE 12/31/95

ATTACHMENT 1A
 30-MARCH-95

<u>ISSUE NO.</u>	<u>ADJUSTED PER CO.</u>	<u>STAFF ADJS.</u>	<u>STAFF ADJUSTED</u>
WORKING CAPITAL	289,871		289,871
19 Remove unamortized rate case		(70,213)	(70,213)
20 Remove net gas underrecovery		(84,763)	(84,763)
21 Remove environmental tax liability		37,471	37,471
38 Deferred debit for piping allowances		54,878	54,878
39 Deferred debit for conversions		85,643	85,643
40 Insurance reserves and expenses		49,354	49,354
42 Decrease in FASB 106 expense		13,044	13,044
45 Uncollectible accounts		(12,362)	(12,362)
		0	0
		0	0
		0	0
TOTALS	<u>289,871</u>	<u>73,052</u>	<u>362,923</u>

DOCKET NO. 940620-GU
 FPUC CONSOLIDATED GAS DIVISION
 PROJECTED TEST YEAR ENDING DECEMBER 31, 1995

ATTACHMENT 2
 30-MARCH-95

	PER BOOKS	STAFF ADJUSTMENTS		ADJUSTED	WEIGHT	COST RATE	WEIGHTED COST
		SPECIFIC	PRO RATA				
COMMON EQUITY	8,754,189	(14,718)	296,886	9,036,357	33.17%	11.40%	3.78%
PREFERRED STOCK	239,458	0	8,135	247,593	0.91%	4.75%	0.04%
LONG TERM DEBT	9,173,242	0	311,622	9,484,864	34.82%	9.93%	3.46%
SHORT TERM DEBT	1,787,954	0	60,738	1,848,692	6.79%	6.93%	0.47%
CUSTOMER DEPOSITS	1,712,702	0		1,712,702	6.29%	6.50%	0.41%
TAX CREDITS-ZERO COST	22,170	0		22,170	0.08%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	741,282	0		741,282	2.72%	10.24%	0.28%
ACC DEF INC TAXES-ZERO COST	4,006,937	140,939		4,147,876	15.23%	0.00%	0.00%
	<u>\$26,437,934</u>	<u>\$126,221</u>	<u>\$677,381</u>	<u>\$27,241,536</u>	100.00%		<u>8.44%</u>
						OVERALL RATE OF RETURN	8.44%
						EQUITY RATIO	44%

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 DOCKET NO. 940620-GU
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FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 940620-GU
COMPARATIVE NO. 1
TYE 12/31/95

30-MARCH-95

ISSUE NO.	COMPANY					STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	COMPANY REVISIONS	COMPANY REVISED	STAFF ADJS.	STAFF ADJUSTED
OPERATING REVENUES	27,190,339		27,190,339		27,190,339		27,190,339
Fuel Revenue Adjustment		(16,080,700)	(16,080,700)		(16,080,700)		(16,080,700)
Other Operating Revenues	208,163		208,163		208,163		208,163
18 Interest Income			0		0	7,735	7,735
48 Approved marketing programs & staffing			0		0	100,703	100,703
Totals	<u>27,398,502</u>	<u>(16,080,700)</u>	<u>11,317,802</u>	<u>0</u>	<u>11,317,802</u>	<u>108,438</u>	<u>11,426,240</u>
OPERATING EXPENSES:							
Operation and Maintenance	23,636,390		23,636,390		23,636,390		23,636,390
Fuel Revenue Adjustment		(16,020,600)	(16,020,600)		(16,020,600)		(16,020,600)
32 Chamber of Commerce dues (930.2; 912)			0		0	(1,939)	(1,939)
33 Rate case expense (928)			0		0	(7,954)	(7,954)
34 Image building advertising (913)			0		0	(7,871)	(7,871)
35 Legal expenses (923.2)			0		0	(10,326)	(10,326)
38 Piping allowances (916)			0		0	(39,000)	(39,000)
39 Conversions (916)			0		0	(65,093)	(65,093)
40 Insurance res. and exp. (926.2; 925)			0		0	(98,707)	(98,707)
41 Meter changeouts three-year average (878)			0		0	(8,121)	(8,121)
42 FASB 106 expense (926.3)			0		0	(26,088)	(26,088)
43 Color poster pocket folders (912)			0		0	(2,104)	(2,104)
44 Medical related absences (878; 893)			0		0	(26,758)	(26,758)
45 Uncollectible accounts (904)			0		0	(5,980)	(5,980)
46 Company use gas (921)			0		0	(25,268)	(25,268)
48 Approved marketing programs & staffing			0		0	(101,129)	(101,129)
49 Disapproved marketing prog. & staffing			0		0	(55,000)	(55,000)
50 Sales benchmark variance			0		0	(4,573)	(4,573)
52 Effect of changing trend factors			0		0	20,246	20,246
Total O & M Expense	<u>23,636,390</u>	<u>(16,020,600)</u>	<u>7,615,790</u>	<u>0</u>	<u>7,615,790</u>	<u>(465,665)</u>	<u>7,150,125</u>

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 940620-GU
COMPARATIVE NO. 10
TYE 12/31/95

ATTACHMENT 3
Page 2 of 2
30-MARCH-95

ISSUE NO.	COMPANY					STAFF		
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	COMPANY REVISIONS	COMPANY REVISED	STAFF ADJS.	STAFF ADJUSTED	
	Depreciation and Amortization	1,612,518		1,612,518	(202,299)	1,410,219		1,612,518
6	Blanket construction projects			0		0	16,734	16,734
7	Remove inactive service lines			0		0	(1,510)	(1,510)
9	Nonutility plant			0		0	(7,367)	(7,367)
10	Common plant allocated			0		0	2,038	2,038
14	Reclassify plant to CWIP			0		0	(10,198)	(10,198)
38	Piping allowances (916)			0		0	8,376	8,376
39	Conversions (916)			0		0	19,571	19,571
54	Reduction due to new rates, etc.			0		0	(210,542)	(210,542)
	Total Depreciation and Amort.	1,612,518	0	1,612,518	(202,299)	1,410,219	(182,098)	1,429,620
	Environmental accrual	240,000		240,000		240,000		240,000
	Taxes Other Than Income	1,043,331	(60,100)					
55	Property taxes			547,498		547,498	(21,445)	526,053
56	Payroll taxes			382,709		382,709	(8,313)	374,396
56	Revenue taxes			41,878		41,878	378	42,256
	Other			11,146		11,146		11,146
	Total Taxes Other than income	1,043,331	(60,100)	983,231	0	983,231	(29,380)	953,851
57	Income Taxes - Federal	(70,246)		(70,246)	64,998	(5,248)	252,664	182,418
57	Income Taxes - State	(12,853)		(12,853)	11,126	(1,727)	43,251	30,398
	ITC Amortization	(38,690)	0	(38,690)		(38,690)	0	(38,690)
57	Interest Synch/Rec. Adj.			0		0	(26,009)	(26,009)
	Total Income Taxes	(121,789)	0	(121,789)	76,124	(45,665)	269,907	148,118
	TOTAL OPERATING EXPENSES	26,410,450	(16,080,700)	10,329,750	(126,175)	10,203,575	(408,037)	9,921,713
	OPERATING INCOME	988,052	0	988,052	126,175	1,114,227	516,475	1,504,527

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
 O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
 30-MAR-95

TREND BASIS	PROJECTION YEARS		
	1994	1995	
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	98.71%	108.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO. PRIMARY ACCOUNTS	ADJUSTED HISTORIC YEAR	PROJECTION YEARS		TREND BASIS
		1993	1994	
Other Gas Supply Expenses:				
813 Other Gas Supply Expense				
Payroll Trended	48,416	49,868	51,613	3
Non Payroll Trended	9,734	10,060	10,614	6
Other Non-Trended	4,423	4,549	32,705	8
Total	<u>62,573</u>	<u>64,477</u>	<u>94,932</u>	
Total Other Gas Supply Expense	<u>62,573</u>	<u>64,477</u>	<u>94,932</u>	
Distribution Expense:				
870 Operation Supervision & Engineering				
Payroll Trended	139,870	144,066	149,108	3
Non Payroll Trended	17,410	17,863	18,381	1
Other Non-Trended				
Total	<u>157,280</u>	<u>161,929</u>	<u>167,489</u>	
871 Distribution Load Dispatching				
Payroll Trended	2,996	3,086	3,194	3
Non Payroll Trended	15,300	15,698	16,153	1
Other Non-Trended				
Total	<u>18,296</u>	<u>18,784</u>	<u>19,347</u>	
872 Compressor Station Labor & Expense				
Payroll Trended				
Non Payroll Trended	3			1
Other Non-Trended				
Total	<u>3</u>	<u>0</u>	<u>0</u>	
874 Main & Service Expense				
Payroll Trended	264,106	274,010	290,807	7
Non Payroll Trended	89,280	92,271	97,355	6
Other Non-Trended		16,100	46,032	8
Total	<u>353,386</u>	<u>382,381</u>	<u>434,194</u>	
875 Measuring & Regulating Station - General	(4)			3
Non Payroll Trended				
Other Non-Trended				
Total	<u>(4)</u>	<u>0</u>	<u>0</u>	
876 Measure & Regulating Station - Industrial				
Payroll Trended	490	505	523	3
Non Payroll Trended	1,943	1,994	2,052	1
Other Non-Trended				
Total	<u>2,433</u>	<u>2,499</u>	<u>2,575</u>	

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
 O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
 30 - MAR - 95

TREND BASIS		PROJECTION YEARS	
		1994	1995
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll Increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	98.71%	108.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO.	PRIMARY ACCOUNTS	ADJUSTED HISTORIC YEAR 1993	PROJECTION YEARS		TREND BASIS
			1994	1995	
877	Measure & Regulating Station - City Gate				
	Payroll Trended	4,195	4,321	4,472	3
	Non Payroll Trended	9,153	9,391	9,663	1
	Other Non-Trended				
	Total	13,348	13,712	14,135	
878	Meter & House Regulator Expense				
	Payroll Trended	587,006	609,021	646,354	7
	Non Payroll Trended	170,826	176,549	178,156	6
	Other Non-Trended		25,750	15,622	8
	Total	757,834	811,320	840,132	
879	Customer Service Expense				
	Payroll Trended	230,916	239,575	254,261	7
	Non Payroll Trended	(69,216)	(71,812)	(76,214)	7
	Other Non-Trended				
	Total	161,700	167,763	178,047	
880	Other Expense Maps & Records				
	Payroll Trended	345,204	358,149	380,104	7
	Non Payroll Trended	138,886	143,539	151,448	6
	Other Non-Trended		5,000	19,572	8
	Total	484,090	506,688	551,124	
881	Rents				
	Payroll Trended				
	Non Payroll Trended	6,939	7,119	7,325	1
	Other Non-Trended				
	Total	6,939	7,119	7,325	
	Total Distribution Expense	1,955,305	2,072,195	2,214,388	
Distribution Maintenance Expense:					
885	Maintenance Supervision & Engineering				
	Payroll Trended	39,018	40,189	41,596	3
	Non Payroll Trended	4,879	5,006	5,151	1
	Other Non-Trended				
	Total	43,897	45,195	46,747	
886	Maintenance of Structures & Improvements				
	Payroll Trended	31	32	33	3
	Non Payroll Trended	1,603	1,645	1,693	1
	Other Non-Trended				
	Total	1,634	1,677	1,726	

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
30-MAR-95

TREND BASIS	PROJECTION YEARS		
	1994	1995	
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll Increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	98.71%	108.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO.	PRIMARY ACCOUNTS	ADJUSTED HISTORIC YEAR 1993	PROJECTION YEARS		TREND BASIS
			1994	1995	
887	Maintenance of Mains				
	Payroll Trended	162,520	168,615	178,951	7
	Non Payroll Trended	112,469	116,237	122,642	6
	Other Non-Trended		30,000	31,200	8
	Total	274,989	314,852	332,793	
889	Maintenance of Meas. & Reg. Station - General				
	Payroll Trended	1,277	1,315	1,361	3
	Non Payroll Trended	567	582	599	1
	Other Non-Trended				
	Total	1,844	1,897	1,960	
890	Maintenance of Meas. & Reg. Station - Industrial				
	Payroll Trended	41	42	43	3
	Non Payroll Trended	562	577	594	1
	Other Non-Trended				
	Total	603	619	637	
891	Maintenance of Meas. & Reg. Station - City Gate				
	Payroll Trended	16,165	16,650	17,233	3
	Non Payroll Trended	8,844	9,074	9,337	1
	Other Non-Trended				
	Total	25,009	25,724	26,570	
892	Maintenance of Services				
	Payroll Trended	49,478	51,333	54,480	7
	Non Payroll Trended	15,071	15,576	16,434	6
	Other Non-Trended				
	Total	64,549	66,909	70,914	
893	Maintenance of Meters & House Regulators				
	Payroll Trended	129,068	133,929	126,539	7
	Non Payroll Trended	19,049	19,687	20,772	6
	Other Non-Trended				
	Total	148,117	153,616	147,311	
894	Maintenance of Other Equipment				
	Payroll Trended	524	544	577	7
	Non Payroll Trended	118	122	129	6
	Other Non-Trended		0		
	Total	642	666	706	
	Total Distribution Maintenance	561,304	611,155	629,364	

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
 O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
 30 - MAR - 95

	TREND BASIS	PROJECTION YEARS	
		1994	1995
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll Increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	98.71%	106.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO.	PRIMARY ACCOUNTS	ADJUSTED	PROJECTION YEARS		TREND BASIS
		HISTORIC YEAR 1993	1994	1995	
Customer Account Expense:					
901	Supervision				
	Payroll Trended	56,196	57,872	59,898	3
	Non Payroll Trended	4,265	4,376	4,503	1
	Other Non-Trended				
	Total	60,451	62,248	64,401	
902	Meter Reading Expenses				
	Payroll Trended	201,428	206,962	221,793	7
	Non Payroll Trended	41,355	42,740	45,095	6
	Other Non-Trended				
	Total	242,783	251,722	266,888	
903	Customer Records & Collections				
	Payroll Trended	386,458	400,950	425,528	7
	Non Payroll Trended	202,417	209,198	220,725	6
	Other Non-Trended				
	Total	588,875	610,148	646,253	
904	Uncollectible Accounts				
	Payroll Trended				
	Non Payroll Trended	55,196	54,484	52,972	5
	Other Non-Trended				
	Total	55,196	54,484	52,972	
905	Miscellaneous Customer Account				
	Payroll Trended	11,501	11,932	12,663	7
	Non Payroll Trended	33,416	34,535	36,438	6
	Other Non-Trended				
	Total	44,917	46,467	49,101	
	Total Customer Acct. Expense	992,222	1,025,069	1,079,615	
Customer Service & Info. Expense:					
908	Customer Assistance				
	Payroll Trended	530	548	0	6
	Non Payroll Trended			0	
	Other Non-Trended			0	
	Total	530	548	0	
909	Informational & Instructional Advertising				
	Payroll Trended				
	Non Payroll Trended			0	
	Other Non-Trended			0	
	Total	0	0	0	
	Total Customer Service & Info Expense	530	548	0	

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
30 - MAR - 95

	TREND BASIS	PROJECTION YEARS	
		1994	1995
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll Increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	98.71%	108.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO.	PRIMARY ACCOUNTS	ADJUSTED HISTORIC YEAR 1993	PROJECTION YEARS		TREND BASIS
			1994	1995	
Sales Expense:					
911	Supervision				
	Payroll Trended	82,784	85,268	88,252	3
	Non Payroll Trended	14,247	14,617	15,041	1
	Other Non-Trended				
	Total	97,031	99,885	103,293	
912	Selling & Demonstrating Expense				
	Payroll Trended	308,422	319,988	339,603	7
	Non Payroll Trended	60,150	62,165	58,931	6
	Other Non-Trended		17,733	82,090	8
	Total	368,572	399,886	480,624	
913	Advertising Expense				
	Payroll Trended	33,821	34,954	36,880	6
	Non Payroll Trended			119,171	8
	Other Non-Trended				
	Total	33,821	34,954	156,051	
916	Miscellaneous Sales Expense				
	Payroll Trended	87,506	90,787	96,352	7
	Non Payroll Trended	147,366	152,303	106,029	6
	Other Non-Trended			18,333	8
	Total	234,872	243,090	220,714	
	Total Sales Expense	734,296	777,815	960,682	
Administrative & General Expenses:					
920	Administrative & General Salaries				
	Payroll Trended	655,935	675,613	699,259	3
	Non Payroll Trended				
	Other Non-Trended				
	Total	655,935	675,613	699,259	
921	Office Supplies & Expenses				
	Payroll Trended	228	235	243	3
	Non Payroll Trended	182,953	187,190	146,771	1
	Other Non-Trended				
	Total	183,181	187,425	147,014	
923	Outside Service Employees - Supervisory Fees				
	Payroll Trended				
	Non Payroll Trended	30,695	31,493	32,406	1
	Other Non-Trended	2,940	2,940	5,652	8
	Total	33,635	34,433	38,058	

FLORIDA PUBLIC UTILITIES COMPANY - GAS DIVISION
 O & M FORECAST WORKSHEET - PROJECTED TEST YEAR CALCULATION

Attachment 3A
 30 - MAR - 95

TREND BASIS	PROJECTION YEARS		
	1994	1995	
Inflation only (CPI)	1	102.60%	102.90%
Customer Growth	2	100.73%	102.54%
Payroll Increases	3	103.00%	103.50%
Sales/Units	4	99.01%	106.21%
Revenues/\$	5	96.71%	108.20%
Inflation X Customer Growth	6	103.35%	105.51%
Payroll X Customer Growth	7	103.75%	106.13%
Other	8	NONTRENDED	

ACCT. NO. PRIMARY ACCOUNTS	ADJUSTED HISTORIC YEAR	PROJECTION YEARS		TREND BASIS
		1993	1994	
923 Outside Service Employees - Legal Fees				
Payroll Trended				
Non Payroll Trended	26,953	27,654	18,130	1
Other Non-Trended				
Total	26,953	27,654	18,130	
923 Outside Service Employees - Other				
Payroll Trended				
Non Payroll Trended	44,730	45,893	47,224	1
Other Non-Trended				
Total	44,730	45,893	47,224	
924 Property Insurance				
Payroll Trended				
Non Payroll Trended	18,303	20,263	21,276	8
Other Non-Trended				
Total	18,303	20,263	21,276	
925 Injuries & Damages				
Payroll Trended	(42,715)	(43,996)	(45,536)	3
Non Payroll Trended	573,049	563,890	610,013	8
Other Non-Trended				
Total	530,334	519,894	564,477	
926 Employee Pensions/Benefits - Pensions				
Payroll Trended				
Non Payroll Trended	(74,803)	(22,135)	(15,168)	8
Other Non-Trended				
Total	(74,803)	(22,135)	(15,168)	
926 Employee Pensions/Benefits - Other				
Payroll Trended	(81,144)	(83,578)	(86,503)	3
Non Payroll Trended	414,003	449,391	364,643	8
Other Non-Trended				
Total	332,859	365,813	278,140	
926 Retirees Benefits - Post Retirement				
Payroll Trended				
Non Payroll Trended	118,733	149,659	129,384	8
Other Non-Trended				
Total	118,733	149,659	129,384	
926 Regulatory Commission Expense				
Payroll Trended				
Non Payroll Trended	65,584	67,289	69,240	1
Other Non-Trended	13,915		28,250	8
Total	79,499	67,289	97,490	

FLORIDA PUBLIC UTILITIES COMPANY—GAS DIVISION
 O & M FORECAST WORKSHEET – PROJECTED TEST YEAR CALCULATION

Attachment 3A
 30—MAR—95

TREND BASIS		PROJECTION YEARS		
		1994	1995	
Inflation only (CPI)	1	102.60%	102.90%	
Customer Growth	2	100.73%	102.54%	
Payroll Increases	3	103.00%	103.50%	
Sales/Units	4	99.01%	106.21%	
Revenues/\$	5	98.71%	108.20%	
Inflation X Customer Growth	6	103.35%	105.51%	
Payroll X Customer Growth	7	103.75%	106.13%	
Other	8	NONTRENDED		

ACCT. NO.	PRIMARY ACCOUNTS	ADJUSTED	PROJECTION YEARS		TREND BASIS
		HISTORIC YEAR 1993	1994	1995	
930	Institutional & Goodwill Advertising				
	Payroll Trended				
	Non Payroll Trended	1,411	1,448	1,490	1
	Other Non-Trended				
	Total	1,411	1,448	1,490	
930	Miscellaneous General Expenses				
	Payroll Trended				
	Non Payroll Trended	41,761	42,847	43,372	1
	Other Non-Trended				
	Total	41,761	42,847	43,372	
930	Industry Association Dues				
	Payroll Trended				
	Non Payroll Trended	21,497	22,056	22,696	1
	Other Non-Trended		3,000	3,133	8
	Total	21,497	25,056	25,799	
931	Rents				
	Payroll Trended				
	Non Payroll Trended	4,565	4,684	4,820	1
	Other Non-Trended				
	Total	4,565	4,684	4,820	
935	Maintenance of General Plant				
	Payroll Trended	16,020	16,501	17,079	3
	Non Payroll Trended	50,504	51,817	53,320	1
	Other Non-Trended				
	Total	66,524	68,318	70,399	
	Total Administrative & General	2,065,117	2,194,344	2,171,164	
TOTAL OPERATION & MAINTENANCE EXPENSES		6,371,347	6,745,603	7,150,125	
	Payroll Trended	3,780,063	3,914,153	4,110,132	
	Non-Payroll Trended	1,520,721	1,565,120	1,528,115	
	Other Non-Trended	1,070,563	1,266,330	1,511,878	
Total Operation & Maintenance Expense		6,371,347	6,745,603	7,150,125	

FLORIDA PUBLIC UTILITIES – GAS DIVISION
 DOCKET NO. 940620-GU
 NET OPERATING INCOME MULTIPLIER
 PTY 12/31/95

ATTACHMENT 4
 30-MARCH-1995

<u>DESCRIPTION</u>	<u>COMPANY AS FILED</u>	<u>STAFF</u>
REVENUE REQUIREMENT	100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	0.0000%	0.0000%
REGULATORY ASSESSMENT FEE	0.3750%	0.3750%
BAD DEBT RATE	0.2800%	0.2500%
NET BEFORE INCOME TAXES	<u>99.3450%</u>	<u>99.3750%</u>
STATE INCOME TAX RATE	5.5000%	5.5000%
STATE INCOME TAX	5.4640%	5.4656%
NET BEFORE FED. INCOME TAXES	<u>93.8810%</u>	<u>93.9094%</u>
FEDERAL INCOME TAX RATE	34.0000%	34.0000%
FEDERAL INCOME TAXES	31.9195%	31.9292%
REVENUE EXPANSION FACTOR	<u>61.9615%</u>	<u>61.9802%</u>
NET OPERATING INCOME MULTIPLIER	<u>1.6139</u>	<u>1.6134</u>

FLORIDA PUBLIC UTILITIES COMPANY
 DOCKET 940620-GU
 COMPARATIVE DEFICIENCY CALCULATIONS
 TYE 12/31/95

ATTACHMENT 5
 30-MARCH-95

	<u>COMPANY ADJUSTED</u>	<u>COMPANY REVISED</u>	<u>STAFF ADJUSTED</u>
RATE BASE (AVERAGE)	\$26,437,934	\$27,399,517	\$27,241,536
RATE OF RETURN REQUIRED NOI	X <u>8.61%</u> <u>\$2,276,306</u>	X <u>8.61%</u> <u>\$2,359,098</u>	X <u>8.44%</u> <u>\$2,299,122</u>
Operating Revenues	<u>11,317,802</u>	<u>11,317,802</u>	<u>11,426,240</u>
Operating Expenses:			
Operation & Maintenance	7,615,790	7,615,790	7,150,125
Depreciation & Amortization	1,612,518	1,410,219	1,429,620
Amortization of Environ. Costs	240,000	240,000	240,000
Taxes Other than Income Taxes	983,231	983,231	953,851
Income Taxes	(121,789)	(45,665)	148,118
Total Operating Expenses	<u>10,329,750</u>	<u>10,203,575</u>	<u>9,921,713</u>
Achieved NOI	<u>988,052</u>	<u>1,114,227</u>	<u>1,504,527</u>
Net Revenue Deficiency	1,288,254	1,244,871	794,596
	<u>1.6139</u>	<u>1.6139</u>	<u>1.6134</u>
TOTAL REVENUE DEFICIENCY	<u>\$2,079,120</u>	<u>\$2,009,105</u>	<u>\$1,282,001</u>
PERCENT OF ORIGINAL REQUESTED INCREASE		96.63%	61.66%

COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

SCHEDULE - A (COST OF SERVICE)
CLASSIFICATION OF RATE BASE
(Page 1 of 2: PLANT)

ATTACHMENT 6

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT	0		0		100% capacity
INTANGIBLE PLANT:	0		0		*
PRODUCTION PLANT	0		0		*
DISTRIBUTION PLANT:					
374 Land and Land Rights	110093		110093		*
375 Structures and Improvements	404182		404182		*
376 Mains	22342854		22342854		*
377 Comp.Sta.Eq.	0		0		*
378 Meas. & Reg.Sta.Eq.-Gen	159533		159533		*
379 Meas. & Reg.Sta.Eq.-CG	1014055		1014055		*
380 Services	8871878	8871878			100% customer
381-382 Meters	3442527	3442527			*
383-384 House Regulators	1123996	1123996			*
385 Industrial Meas. & Reg.Eq.	95301		95301		100% capacity
386 Property on Customer Premises	0	0	0	0	ac 374-385
387 Other Equipment	141896	50691	91005	0	ac 374-386
Total Distribution Plant	37706115	13489092	24217023	0	37706115
GENERAL PLANT:	3053237	1526619	1526619		50% customer, 50%, capacity
PLANT ACQUISITIONS:	303400		303400		100% capacity
GAS PLANT FOR FUTURE USE:	0		0		*
CWIP:	298194	106677	191517	0	dist.plant
TOTAL PLANT	41360946	15122387	26236559	0	41360946 checksum

ORDER NO. PSC-95-0435-PHO-GU
DOCKET NO. 940620-GU
PAGE 45

COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

SCHEDULE - A (COST OF SERVICE)
CLASSIFICATION OF RATE BASE
(Page 2 of 2: ACCUMULATED DEPRECIATION)

ATTACHMENT 6

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	related plant
INTANGIBLE PLANT:	0	0	0	0	rel.plant account
PRODUCTION PLANT	0		0		"
DISTRIBUTION PLANT:					
375 Structures and Improvements	156573	0	156573	0	"
376 Mains	8434399	0	8434399	0	"
377 Compressor Sta. Eq.	0	0	0	0	"
378 Meas. & Reg. Sta. Eq. - Gen	13672	0	13672	0	"
379 Meas. & Reg. Sta. Eq. - CG	134827	0	134827	0	"
380 Services	2296259	2296259	0	0	"
381 - 382 Meters	1205511	1205511	0	0	"
383 - 384 House Regulators	331768	331768	0	0	"
385 Indust. Meas. & Reg. Sta. Eq.	25812	0	25812	0	"
386 Property on Customer Premises	0	0	0	0	"
387 Other Equipment	41891	14986	26905	0	"
Total A.D. on Dist. Plant	12640712	3848524	8792188	0	12640712 checksum
GENERAL PLANT:	1255994	627997	627997	0	general plant
PLANT ACQUISITIONS:	317829	0	317829	0	plant acquisitions
RETIREMENT WORK IN PROGRESS:	0	0	0	0	distribution plant
TOTAL ACCUMULATED DEPRECIATION	14214535	4476521	9738014	0	14214535 checksum
NET PLANT (Plant less Accum.Dep.)	27146411	10645866	16500545	0	27146411 checksum
less: CUSTOMER ADVANCES	-267798	-133899	-133899		50% cust 50% cap
plus: WORKING CAPITAL	362923	277547	81329	4047	oper. and maint. exp.
equals: TOTAL RATE BASE	27241536	10789514	16447975	4047	27241536 checksum

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DOCKET NO. 940620-GU
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COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

SCHEDULE - B (COST OF SERVICE)
CLASSIFICATION OF EXPENSES
(Page 1 of 2)

ATTACHMENT 8

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
PRODUCTION PLANT	0		0		100% capacity
DISTRIBUTION:					
870 Operation Supervision & Eng.	167489	123156	44333	0	ac 871-879
871 Dist.Load Dispatch	19347		19347		100% capacity
872 Compr.Sta.Lab. & Ex.	0	0	0	0	ac 377
873 Compr.Sta.Fuel & Power	0			0	100% commodity
874 Mains and Services	434194	123407	310787	0	ac376+ac380
875 Meas.& Reg. Sta.Eq.-Gen	0	0	0	0	ac 378
876 Meas.& Reg. Sta.Eq.-Ind.	2575	0	2575	0	ac 385
877 Meas.& Reg. Sta.Eq.-CG	14135	0	14135	0	ac 379
878 Meter and House Reg.	840132	840132	0	0	ac381+ac383
879 Customer Instal.	0	0	0	0	ac 386
880 Other Expenses	801362	501274	300088	0	ac 387
881 Rents	7325		7325		100% capacity
885 Maintenance Supervision	46747	17531	29216	0	ac886-894
886 Maint. of Struct. and Improv.	1726	0	1726	0	ac375
887 Maintenance of Mains	332793	0	332793	0	ac376
888 Maint. of Comp.Sta.Eq.	0	0	0	0	ac 377
889 Maint. of Meas.& Reg. Sta.Eq.-Gen	1960	0	1960	0	ac 378
890 Maint. of Meas.& Reg. Sta.Eq.-Ind.	637	0	637	0	ac 385
891 Maint. of Meas.& Reg.Sta.Eq.-CG	26570	0	26570	0	ac 379
892 Maintenance of Services	70914	70914	0	0	ac 380
893 Maint. of Meters and House Reg.	147311	147311	0	0	ac381-383
894 Maint. of Other Equipment	706	265	441	0	ac387
Total Distribution Expenses	2915923	1823990	1091933	0	* checksum
CUSTOMER ACCOUNTS:					
901 Supervision	64401	64401			100% customer
902 Meter-Reading Expense	266888	266888			"
903 Records and Collection Exp.	646253	646253			"
904 Uncollectible Accounts	56092			56092	100% commodity
905 Mlec. Expenses	49101	49101			100% customer
Total Customer Accounts	1082735	1026643	0	56092	
(907-910) CUSTOMER SERV.& INFO. EXP.	0	0			"
(911-916) SALES EXPENSE	960682	960682			"
(932) MAINT. OF GEN. PLANT	70399	35200	35200	0	general plant
(920-931) ADMINISTRATION AND GENERAL	2100765	1606569	470768	23428	0 O&M excl. A&G
TOTAL O&M EXPENSE	7130504	5453084	1597901	79520	* checksum

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DOCKET NO. 940620-GU

SCHEDULE - B (COST OF SERVICE)
CLASSIFICATION OF EXPENSES
(Page 2 of 2)

ATTACHMENT 6

DEPRECIATION AND AMORTIZATION EXPENSE:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
Depreciation Expense	1429620	560647	868973	0		net plant
Amort. of Other Gas Plant	0		0			100% capacity
Amort. of Environmental Matters	240000			240000		100% commodity
Amort. of Limited-term Inv.	0	0	0	0		intangible plant
Amort. of Acquisition Adj.	0	0	0	0		intan/dist/gen plant
Amort. of Conversion Costs	0			0		100% commodity
Total Deprec. and Amort. Expense	1669620	560647	868973	240000	0	* checksum
TAXES OTHER THAN INCOME TAXES:						
Revenue Related	47064				47064	100% revenue
Other	911595	357495	554100	0		net plant
Total Taxes other than Income Taxes	958659	357495	554100	0	47064	
REV.CRDT TO COS(NEG.OF OTHR OPR.REV)	-239328	-239328				100% customer
RETURN (REQUIRED NOI)	2299122	910610	1386171	342		rate base
INCOME TAXES	627520	248541	378979	93	0	return(not)
TOTAL OVERALL COST OF SERVICE	12446097	7291046	4788030	319955	47064	* checksum

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SCHEDULE - C (COST OF SERVICE)

ATTACHMENT 6

COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

CUSTOMER COSTS	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE VOL.	INTERRUPT	LQ. VOL. INTERRUPT
No. of Customers	35004	31715	1697	1577	0	14
Weighting	NA	1	1	4	0	18
Weighted No. of Customers	41443	31715	2418	7051	0	259
Allocation Factors	1	0.76527176127	0.0583464458	0.17014302861	0	0.00623874
	1	0.77007608909	0.0587127396	0.17121117133	0	
CAPACITY COSTS						
Peak & Avg. Month Sales Vol. (therms)	11083080	1954710	1056472	4329868	0	696196
Allocation Factors	1	0.17636884332	0.0953229608	0.39067371164	0	0.06281611
	1	0.26627117374	0.143912928	0.58981589827	0	0.27481837
COMMODITY COSTS						
Annual Sales Vol. (therms)	61754535	880933	4737322	24065650	0	4160160
Allocation Factors	1	0.14348635286	0.0767121313	0.38969850554	0	0.06736806
						0.32273865
REVENUE-RELATED COSTS						
Tax on Cust, Cap, & Commod.	45829	25638	4146	15442	0	803
Allocation Factors	1	0.55943208651	0.0904683174	0.33884387521	0	0.01315572
						0

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COMPANY NAME: FLORIDA PUBLIC UTILITIES
 DOCKET NO. 940620 - GU

SCHEDULE - D (COST OF SERVICE)
 ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

ATTACHMENT 6

RATE BASE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	COMMERCIAL	LARGE VOL.		INTERRUPT	L.G. VOL. INTERRUPT
DIRECT AND SPECIAL ASSIGNMENTS:							
Customer							
Meters	2237018	1711925	130522	380613	0	13956	0
House Regulators	792228	792228	0	0	0	0	0
Services	6575619	5032138	383664	1118798	0	41024	0
All Other	1184651	906580	69120	201560	0	7391	0
Total	10789514	8442869	583306	1700968	0	62371	0
Capacity							
Industrial Meas.& Reg. Sta. Eq.	69489	0	0	54896	0	0	14593
Meas.&Reg.Sta.Eq.-Gen.	145861	25725	13904	56984	0	9162	40085
Mains	13908455	3660270	1978285	8107845	0	118948	43108
All Other	2324170	562807	304183	1246671	0	210508	0
Total	16447975	4248802	2296372	9466396	0	338618	97786
Commodity							
Account #	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0
All Other	4047	581	310	1577	0	273	1308
Total	4047	581	310	1577	0	273	1308
TOTAL	27241538	12892252	2879988	11168942	0	401262	99092

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COMPANY NAME: FLORIDA PUBLIC UTILITIES
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SCHEDULE - E (COST OF SERVICE)
ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
(Page 1 of 2)

ATTACHMENT 6

	TOTAL	RESIDENTIAL	COMMERCIAL	LARGE VOL.		INTERRUPT	L.G. VOL INTERRUPT
Customer	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Commodity	0	0	0	0	0	0	0
Revenue	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
OPERATIONS AND MAINTENANCE EXPENSE:							
DIRECT AND SPECIAL ASSIGNMENTS:							
Customer							
878 Meters and House Regulators	840132	642929	49019	142943	0	5241	0
893 Maint. of Meters & House Reg.	147311	112733	8595	25064	0	919	0
874 Mains & Services	123407	89597	6831	19920	0	5934	1125
892 Maint. of Services	70914	54268	4138	12068	0	442	0
All Other	4271320	3268720	249216	726735	0	26648	0
Total	5453084	4168248	317799	926727	0	39184	1125
Capacity							
876 Measuring & Reg. Sta. Eq. - I	2575	0	0	2034	0	0	541
890 Maint. of Meas. & Reg. Sta. Eq. - I	637	0	0	503	0	0	134
874 Mains and Services	310787	81684	44148	180938	0	2053	1963
887 Maint. of Mains	332793	87498	47291	193817	0	2141	2048
All Other	951109	250302	135282	554443	0	8134	2948
Total	1597901	419485	226721	931738	0	12328	7631
Commodity							
Account #	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0
Account #	0	0	0	0	0	0	0
All Other	79520	11410	6100	30989	0	5357	25664
Total	79520	11410	6100	30989	0	5357	25664
TOTAL O&M	7130504	4599142	550620	1889452	0	56870	34420
DEPRECIATION EXPENSE:							
Customer	560847	427594	32601	95087 *	0	2183	3221
Capacity	868973	214081	115705	474209 *	0	28063	36916
Total	1429820	641675	148306	569276	0	30226	40137
AMORT. OF GAS PLANT:							
Capacity	0	0	0	0	0	0	0
AMORT. OF ENVIRONMENTAL MATTERS:							
Commodity	240000	34437	18411	93528	0	16168	77457
AMORT. OF LIMITED TERM INVEST.							
Capacity	0	0	0	0	0	0	0
AMORT. OF ACQUISITION ADJ.:							
Customer	0	0	0	0	0	0	0
Capacity	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
AMORT. OF CONVERSION COSTS:							
Commodity	0	0	0	0	0	0	0

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COMPANY NAME: FLORIDA PUBLIC UTILITIES
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SCHEDULE - E (COST OF SERVICE)
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 2 of 2)

ATTACHMENT 8

	TOTAL	RESIDENTIAL	COMMERCIAL	LARGE VOL.		INTERRUPT	LG. VOL. INTERRUPT
TAXES OTHER THAN INCOME TAXES:							
Customer	357495	273015	20815	60700	0	1780	1175
Capacity	554100	140423	75895	311050	0	12615	14117
Subtotal	911595	413438	96710	371749	0	14405	15292
Revenue	47064	26329	4258	15858	0	619	0
Total	958659	439767	100968	387607	0	15024	15292
RETURN (NOI)							
Customer	910610	712558	49230	143558	0	5264	0
Capacity	1388171	358589	193808	798942	0	28579	8253
Commodity	342	49	26	133	0	23	110
Total	2289122	1071196	243064	942833	0	33866	8363
INCOME TAXES							
Customer	248541	194485	13437	39183	0	1437	0
Capacity	378886	97873	52898	218062	0	7800	2253
Commodity	93	13	7	36	0	6	30
Total	627520	292371	66342	257281	0	9243	2283
REVENUE CREDITED TO COB:							
Customer	-238328	-215395	-17833	-6100	0	0	0
TOTAL COST OF SERVICE:							
Customer	7291048	5580506	418049	1259134	0	49838	5521
Capacity	5028030	1264887	683438	2827528	0	105553	148827
Commodity	79955	11472	6133	31158	0	5386	25804
Subtotal	12399033	6836865	1105621	4117818	0	180777	177952
Revenue	47064	26329	4258	15858	0	619	0
Total	12446097	6863194	1109878	4133676	0	181396	177952
SUMMARY							

COMPANY NAME: FLORIDA PUBLIC UTILITIES
 DOCKET NO. 940620-GU

SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

ATTACHMENT 6

COST OF SERVICE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	GENERAL			INTERRUPT	LG. VOL INTERRUPT
			SERVICE	LARGE VOL.			
CUSTOMER COSTS	7,291,048	5,560,506	416,049	1,259,134	0	49,394	5,521
CAPACITY COSTS	5,028,030	1,264,867	683,438	2,827,526	0	104,875	146,525
COMMODITY COSTS	79,955	11,472	6,133	31,158	0	5,899	28,262
REVENUE COSTS	47,064	26,329	4,258	15,858	0	617	0
TOTAL	12,446,097	6,863,194	1,109,878	4,133,676	0	160,785	180,308
less: REVENUE AT PRESENT RATES (in the projected test year)	11,210,341	5,653,347	1,182,459	3,925,660	0	244,546	204,329
equals: GAS SALES REVENUE DEFICIENCY	1,235,756	1,209,847	(72,581)	208,016	0	(83,761)	(24,021)
plus: DEFICIENCY IN OTHER OPERATING REV.	46,171	34,382	5,689	6,100	0	0	0
equals: TOTAL BASE-REVENUE DEFICIENCY	1,281,927	1,244,229	(66,892)	214,116	0	(83,761)	(24,021)
UNIT COSTS:							
Customer	17.357697	14.610418	20.432618	66.550444	0.000000	294.012661	460.083333
Capacity	0.453667	0.647097	0.646906	0.653028	0.000000	0.150640	0.048107
Commodity	0.001295	0.001295	0.001295	0.001295	0.000000	0.001418	0.001418

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COMPANY NAME: FLORIDA PUBLIC UTILITIES
 DOCKET NO. 940620-GU

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2:PRESENT RATES)

ATTACHMENT 6

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE VOL.		INTERRUPT	LG. VOL INTERRUPT
REVENUES: (projected test year)							
Gas Sales (due to growth)	11,210,341	5,653,347	1,182,459	3,925,660	0	244,546	204,329
Other Operating Revenue	193,157	181,013	12,144	0	0	0	0
Total	11,403,498	5,834,360	1,194,603	3,925,660	0	244,546	204,329
EXPENSES:							
Purchased Gas Cost	0	0	0	0	0	0	0
O&M Expenses	7,130,504	4,599,142	550,620	1,889,452	0	56,385	34,578
Depreciation Expenses	1,429,620	641,675	148,306	569,276	0	30,226	40,137
Amortization Expenses	240,000	34,437	18,411	93,528	0	16,668	79,852
Taxes Other Than Income--Fixed	911,595	413,438	96,710	371,749	0	14,405	15,292
Taxes Other Than Income--Revenue	42,039	21,200	4,434	14,721	0	917	766
Total Expees excl. Income Taxes	9,753,758	5,709,892	818,482	2,938,726	0	118,601	170,825
INCOME TAXES:	148,118	69,010	15,659	60,728	0	2,179	536
NET OPERATING INCOME:	1,501,622	55,457	360,462	926,206	0	123,766	33,168
RATE BASE:	27,241,536	12,692,252	2,879,988	11,168,942	0	400,695	96,554
RATE OF RETURN	0.055123	0.004369	0.125161	0.082927	0.000000	0.308679	0.336549

COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

SCHEDULE - G (COST OF SERVICE)
RATE OF RETURN BY CUSTOMER CLASS
(Page 2 of 2: PROPOSED RATES)

ATTACHMENT 6

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE VOL.		INTERRUPT	LG. VOL. INTERRUPT
REVENUES:							
Gas Sales	12,446,097	6,014,128	1,324,513	4,575,326	0	315,409	216,686
Other Operating Revenue	239,328	215,395	17,833	6,100	0	0	0
Total	12,685,425	6,229,523	1,342,381	4,581,426	0	315,409	216,686
EXPENSES:							
Purchased Gas Cost	0	0	0	0	0	0	0
O&M Expenses	7,130,504	4,599,142	550,620	1,869,452	0	56,365	34,578
Depreciation Expenses	1,429,620	641,675	148,306	569,276	0	30,226	40,137
Amortization Expenses	240,000	34,437	18,411	93,528	0	16,668	79,852
Taxes Other Than Income---Fixed	911,595	413,438	96,710	371,749	0	14,405	15,292
Taxes Other Than Income---Revenue	47,064	22,553	4,967	17,157	0	1,183	813
Total Expenses excl. Income Taxes	9,758,783	5,711,245	819,014	2,941,162	0	118,867	170,671
PRE TAX NOI:	2,926,642	518,278	523,366	1,640,264	0	196,542	46,015
INCOME TAXES:	627,520	111,127	112,218	351,899	0	42,142	9,866
NET OPERATING INCOME:	2,299,122	407,151	411,148	1,288,564	0	154,400	36,149
<hr/>							
RATE BASE:	27,241,536	12,692,252	2,879,988	11,168,942	0	400,695	98,554
RATE OF RETURN	0.084398	0.032079	0.142760	0.115370	0.000000	0.385331	0.366768

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COST OF SERVICE SUMMARY
PROPOSED RATE DESIGN

COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE VOL		INTERRUPT	LG. VOL INTERRUPT
PRESENT RATES (projected test year)							
GAS SALES (due to growth)	11,210,341	5,653,347	1,182,459	3,925,660	0	244,546	204,329
OTHER OPERATING REVENUE	193,157	181,013	12,144	0	0	0	0
TOTAL	11,403,498	5,834,360	1,194,603	3,925,660	0	244,546	204,329
RATE OF RETURN	5.51%	0.44%	12.52%	8.29%	0.00%	30.89%	33.65%
INDEX	1.00	0.06	2.27	1.50	0.00	5.60	6.11
PROPOSED RATES							
GAS SALES	12,446,097	6,014,126	1,324,548	4,575,326	0	315,409	216,666
OTHER OPERATING REVENUE	239,328	215,395	17,833	6,100	0	0	0
TOTAL	12,685,425	6,229,523	1,342,381	4,581,426	0	315,409	216,666
TOTAL REVENUE INCREASE	1,261,927	395,183	147,778	655,766	0	70,863	12,357
PERCENT INCREASE	11.24%	6.77%	12.37%	16.70%	0.00%	28.96%	6.05%
RATE OF RETURN	8.44%	3.21%	14.28%	11.54%	0.00%	38.53%	36.66%
INDEX	1.00	0.38	1.69	1.37	0.00	4.57	4.35

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COMPANY NAME: FLORIDA PUBLIC UTILITIES
DOCKET NO. 940620-GU

COST OF SERVICE SUMMARY
CALCULATION OF PROPOSED RATES

ATTACHMENT 6

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE VOL.		INTERRUPT	LG. VOL. INTERRUPT
PROPOSED TOTAL TARGET REVENUES	12,685,425	6,229,523	1,342,381	4,581,426	0	315,409	216,686
LESS: OTHER OPERATING REVENUE	239,328	215,395	17,833	6,100	0	0	0
LESS: CUSTOMER CHARGE REVENUES							
PROPOSED CUSTOMER CHARGES		\$8.00	\$15.00	\$45.00	\$0.00	\$240.00	\$1,000.00
TIMES: NUMBER OF BILLS	420,047	380,585	20,362	18,920	0	168	12
EQUALS: CUSTOMER CHARGE REVENUES	4,253,830	3,044,680	305,430	851,400	0	40,320	12,000
LESS: OTHER NON-THERM-RATE REVENUES							
EQUALS: PER-THERM TARGET REVENUES	8,192,267	2,969,448	1,019,118	3,723,926	0	275,089	204,686
DIVIDED BY: NUMBER OF THERMS	61,754,535	8,860,933	4,737,322	24,065,650	0	4,160,160	19,930,470
EQUALS: PER-THERM RATES (UNRNDDED)		0.335117	0.215125	0.154740	0.000000	0.066125	0.010270
PER-THERM RATES (RNDDED)		0.33512	0.21513	0.15474	0.00000	0.06612	0.01027
PER-THERM-RATE REVENUES (RNDDED RATES)	8,192,290	2,969,476	1,019,140	3,723,919	0	275,070	204,686
SUMMARY: PROPOSED TARIFF RATES							
CUSTOMER CHARGES		\$8.00	\$15.00	\$45.00	\$0.00	\$240.00	\$1,000.00
ENERGY CHARGES							
NON-GAS (CENTS PER THERM)		33.512	21.513	15.474	0.000	6.612	1.027
PURCHASED GAS ADJUSTMENT		17.430	17.430	17.430	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		50.942	38.943	32.904	0.000	6.612	1.027
SUMMARY: PRESENT TARIFF RATES							
CUSTOMER CHARGES		\$8.00	\$10.00	\$30.00	\$0.00	\$180.00	\$1,000.00
ENERGY CHARGES							
NON-GAS (CENTS PER THERM)		31.799	21.552	14.544	0.000	5.407	1.002
PURCHASED GAS ADJUSTMENT		17.430	17.430	17.430	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		49.229	38.982	31.974	0.000	5.407	1.002
SUMMARY: OTHER OPERATING REVENUE							
		PRESENT CHARGE	REVENUE	PROPOSED CHARGE		REVENUE	
INITIAL CONNECTION	\$21.00	\$12,701	\$25.00	\$13,125			
INITIAL CONNECTION - LVS	\$0.00	\$0	\$57.00	\$4,560			
RECONNECT AFTER DISCONNECT FOR CAUSE	\$17.00	\$88,511	\$21.00	\$108,927			
RECONNECT AFTER DISCONNECT FOR CAUSE - LVS	\$0.00	\$0	\$48.00	\$960			
RECONNECT AFTER DISCONNECT FOR NON-PAY	\$25.00	\$42,943	\$31.00	\$52,948			
RECONNECT AFTER DISCONNECT FOR NON-PAY - LVS	\$0.00	\$0	\$58.00	\$580			
BILL COLLECTION IN LIEU OF DISCONNECT	\$7.00	\$14,560	\$9.00	\$18,720			
CHANGE OF ACCOUNT	\$8.00	\$10,110	\$12.00	\$15,168			
RETURNED CHECK CHARGE	\$20.00	\$24,332	\$20.00	\$24,340			

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COST OF SERVICE SUMMARY
 RATE COMPARISON

FLORIDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

RATE SCHEDULE: RESIDENTIAL

PRESENT RATES

Customer Charge
 8.00

Energy Charge

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	31.799

PROPOSED RATES

Customer Charge
 8.00

Energy Charge

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	34.631

GAS COST CENTS/THERM
 17.43

THERM USAGE INCREMENT
 5

therm usage	<u>PRESENT</u>		<u>PROPOSED</u>		percent increase w/o fuel	percent increase with fuel	Dollar Increase
	monthly bill w/o fuel	monthly bill with fuel	monthly bill w/o fuel	monthly bill with fuel			
0	8.00	8.00	8.00	8.00	0.00	0.00	0.00
5	9.59	10.46	9.73	10.60	1.48	1.35	0.14
10	11.18	12.92	11.46	13.21	2.53	2.19	0.28
15	12.77	15.38	13.19	15.81	3.33	2.76	0.42
20	14.36	17.85	14.93	18.41	3.94	3.17	0.57
25	15.95	20.31	16.66	21.02	4.44	3.49	0.71
30	17.54	22.77	18.39	23.62	4.84	3.73	0.85
35	19.13	25.23	20.12	26.22	5.18	3.93	0.99
40	20.72	27.69	21.85	28.82	5.47	4.09	1.13
45	22.31	30.15	23.58	31.43	5.71	4.23	1.27
50	23.90	32.61	25.32	34.03	5.92	4.34	1.42
55	25.49	35.08	27.05	36.63	6.11	4.44	1.56
60	27.08	37.54	28.78	39.24	6.27	4.53	1.70
65	28.67	40.00	30.51	41.84	6.42	4.60	1.84
70	30.26	42.46	32.24	44.44	6.55	4.67	1.98
75	31.85	44.92	33.97	47.05	6.67	4.73	2.12
80	33.44	47.38	35.70	49.65	6.78	4.78	2.27
85	35.03	49.84	37.44	52.25	6.87	4.83	2.41
90	36.62	52.31	39.17	54.85	6.96	4.87	2.55
95	38.21	54.77	40.90	57.46	7.04	4.91	2.69

FLOIRDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

**COST OF SERVICE SUMMARY
 RATE COMPARISON**

RATE SCHEDULE: GENERAL SERVICE

PRESENT RATES

Customer Charge

10.00

Energy Charge

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	21.552

PROPOSED RATES

Customer Charge

15.00

Energy Charge

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	21.513

GAS COST CENTS/THERM

17.43

THERM USAGE INCREMENT

25

<u>therm usage</u>	<u>PRESENT</u>		<u>PROPOSED</u>		<u>percent increase w/o fuel</u>	<u>percent increase with fuel</u>	<u>Dollar Increase</u>
	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>			
0	10.00	10.00	15.00	15.00	50.00	50.00	5.00
25	15.39	19.75	20.38	24.74	32.43	25.27	4.99
50	20.78	29.49	25.76	34.47	23.97	16.89	4.98
75	26.16	39.24	31.13	44.21	19.00	12.67	4.97
100	31.55	48.98	36.51	53.94	15.72	10.13	4.96
125	36.94	58.73	41.89	63.68	13.40	8.43	4.95
150	42.33	68.47	47.27	73.41	11.67	7.22	4.94
175	47.72	78.22	52.65	83.15	10.34	6.31	4.93
200	53.10	87.96	58.03	92.89	9.27	5.60	4.92
225	58.49	97.71	63.40	102.62	8.40	5.03	4.91
250	63.88	107.46	68.78	112.36	7.67	4.56	4.90
275	69.27	117.20	74.16	122.09	7.06	4.17	4.89
300	74.66	126.95	79.54	131.83	6.54	3.85	4.88
325	80.04	136.69	84.92	141.56	6.09	3.57	4.87
350	85.43	146.44	90.30	151.30	5.69	3.32	4.86
375	90.82	156.18	95.67	161.04	5.34	3.11	4.85
400	96.21	165.93	101.05	170.77	5.03	2.92	4.84
425	101.60	175.67	106.43	180.51	4.76	2.75	4.83
450	106.98	185.42	111.81	190.24	4.51	2.60	4.82
475	112.37	195.16	117.19	199.98	4.28	2.47	4.81

COST OF SERVICE SUMMARY
 RATE COMPARISON

FLOIRDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

RATE SCHEDULE: GENERAL SERVICE LARGE VOLUME

PRESENT RATES

Customer Charge
 30.00

Energy Charge

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	14.544

PROPOSED RATES

Customer Charge
 45.00

Energy Charge

Beginning therms	Ending therms	cents per therm
0	0	0
0	N/A	15.062

GAS COST CENTS/THERM
 17.43

THERM USAGE INCREMENT
 250

therm usage	<u>PRESENT</u>		<u>PROPOSED</u>		percent increase w/o fuel	percent increase with fuel	Dollar Increase
	monthly bill w/o fuel	monthly bill with fuel	monthly bill w/o fuel	monthly bill with fuel			
0	30.00	30.00	45.00	45.00	50.00	50.00	15.00
250	66.36	109.94	82.66	126.23	24.56	14.82	16.29
500	102.72	189.87	120.31	207.46	17.12	9.26	17.59
750	139.08	269.81	157.97	288.69	13.58	7.00	18.88
1000	175.44	349.74	195.62	369.92	11.50	5.77	20.18
1250	211.80	429.66	233.28	451.15	10.14	5.00	21.47
1500	248.16	509.61	270.93	532.38	9.18	4.47	22.77
1750	284.52	589.55	308.59	613.61	8.46	4.08	24.06
2000	320.88	669.48	346.24	694.84	7.90	3.79	25.36
2250	357.24	749.42	383.90	776.07	7.46	3.56	26.66
2500	393.60	829.35	421.55	857.30	7.10	3.37	27.95
2750	429.96	909.29	459.21	938.53	6.80	3.22	29.24
3000	466.32	989.22	496.86	1,019.76	6.55	3.09	30.54
3250	502.68	1,069.16	534.52	1,100.99	6.33	2.98	31.84
3500	539.04	1,149.09	572.17	1,182.22	6.15	2.88	33.13
3750	575.40	1,229.03	609.83	1,263.45	5.98	2.80	34.42
4000	611.76	1,308.96	647.48	1,344.68	5.84	2.73	35.72
4250	648.12	1,388.90	685.14	1,425.91	5.71	2.67	37.02
4500	684.48	1,468.83	722.79	1,507.14	5.60	2.61	38.31
4750	720.84	1,548.77	760.45	1,588.37	5.49	2.56	39.60

COST OF SERVICE SUMMARY
 RATE COMPARISON

FLOIRDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

RATE SCHEDULE: PUBLIC HOUSING AUTH.

PRESENT RATES

PROPOSED RATES

Customer Charge

8.00

Customer Charge

8.00

Energy Charge

Energy Charge

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	23.982

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	34.631

GAS COST CENTS/THERM
17.43

THERM USAGE INCREMENT
5

<u>therm usage</u>	<u>PRESENT</u>		<u>PROPOSED</u>		<u>percent increase w/o fuel</u>	<u>percent increase with fuel</u>	<u>Dollar Increase</u>
	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>			
0	8.00	8.00	8.00	8.00	0.00	0.00	0.00
5	9.20	10.07	9.73	10.60	5.80	5.30	0.53
10	10.40	12.14	11.46	13.21	10.26	8.79	1.07
15	11.59	14.21	13.19	15.81	13.80	11.26	1.60
20	12.79	16.28	14.93	18.41	16.68	13.11	2.13
25	13.99	18.35	16.66	21.02	19.06	14.54	2.67
30	15.19	20.42	18.39	23.62	21.07	15.68	3.20
35	16.39	22.49	20.12	26.22	22.79	16.61	3.73
40	17.58	24.56	21.85	28.82	24.27	17.38	4.27
45	18.78	26.63	23.58	31.43	25.56	18.03	4.80
50	19.98	28.70	25.32	34.03	26.70	18.59	5.33
55	21.18	30.77	27.05	36.63	27.71	19.07	5.87
60	22.38	32.84	28.78	39.24	28.61	19.50	6.40
65	23.58	34.90	30.51	41.84	29.42	19.87	6.93
70	24.77	36.97	32.24	44.44	30.15	20.20	7.47
75	25.97	39.04	33.97	47.05	30.81	20.49	8.00
80	27.17	41.11	35.70	49.65	31.41	20.76	8.54
85	28.37	43.18	37.44	52.25	31.97	21.00	9.07
90	29.57	45.25	39.17	54.85	32.48	21.22	9.60
95	30.76	47.32	40.90	57.46	32.95	21.42	10.14

**COST OF SERVICE SUMMARY
 RATE COMPARISON**

FLOIRDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

RATE SCHEDULE: INTERRUPTIBLE

PRESENT RATES

PROPOSED RATES

Customer Charge
 160.00

Customer Charge
 240.00

Energy Charge

Energy Charge

<u>Beginning</u> <u>therms</u>	<u>Ending</u> <u>therms</u>	<u>cents</u> <u>per therm</u>
0	0	0
0	N/A	5.407

<u>Beginning</u> <u>therms</u>	<u>Ending</u> <u>therms</u>	<u>cents</u> <u>per therm</u>
0	0	0
0	N/A	6.612

GAS COST CENTS/THERM
 0

THERM USAGE INCREMENT
 2500

<u>therm</u> <u>usage</u>	<u>PRESENT</u>		<u>PROPOSED</u>		<u>percent</u> <u>increase</u> <u>w/o fuel</u>	<u>percent</u> <u>increase</u> <u>with fuel</u>	<u>Dollar</u> <u>Increase</u>
	<u>monthly</u> <u>bill</u> <u>w/o fuel</u>	<u>monthly</u> <u>bill</u> <u>with fuel</u>	<u>monthly</u> <u>bill</u> <u>w/o fuel</u>	<u>monthly</u> <u>bill</u> <u>with fuel</u>			
0	160.00	160.00	240.00	240.00	50.00	50.00	80.00
2500	295.18	295.18	405.30	405.30	37.31	37.31	110.13
5000	430.35	430.35	570.60	570.60	32.59	32.59	140.25
7500	565.53	565.53	735.90	735.90	30.13	30.13	170.38
10000	700.70	700.70	901.20	901.20	28.61	28.61	200.50
12500	835.88	835.88	1,066.50	1,066.50	27.59	27.59	230.63
15000	971.05	971.05	1,231.80	1,231.80	26.85	26.85	260.75
17500	1,106.23	1,106.23	1,397.10	1,397.10	26.29	26.29	290.88
20000	1,241.40	1,241.40	1,562.40	1,562.40	25.86	25.86	321.00
22500	1,376.58	1,376.58	1,727.70	1,727.70	25.51	25.51	351.13
25000	1,511.75	1,511.75	1,893.00	1,893.00	25.22	25.22	381.25
27500	1,646.93	1,646.93	2,058.30	2,058.30	24.98	24.98	411.38
30000	1,782.10	1,782.10	2,223.60	2,223.60	24.77	24.77	441.50
32500	1,917.28	1,917.28	2,388.90	2,388.90	24.60	24.60	471.62
35000	2,052.45	2,052.45	2,554.20	2,554.20	24.45	24.45	501.75
37500	2,187.63	2,187.63	2,719.50	2,719.50	24.31	24.31	531.88
40000	2,322.80	2,322.80	2,884.80	2,884.80	24.19	24.19	562.00
42500	2,457.98	2,457.98	3,050.10	3,050.10	24.09	24.09	592.13
45000	2,593.15	2,593.15	3,215.40	3,215.40	24.00	24.00	622.25
47500	2,728.33	2,728.33	3,380.70	3,380.70	23.91	23.91	652.38

FLOIRDA PUBLIC UTILITIES CO.
 DOCKET NO. 940620-GU

**COST OF SERVICE SUMMARY
 RATE COMPARISON**

RATE SCHEDULE: INTERRUPTIBLE LARGE VOLUME

PRESENT RATES

Customer Charge

1000.00

Energy Charge

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	1.002

PROPOSED RATES

Customer Charge

1000.00

Energy Charge

<u>Beginning therms</u>	<u>Ending therms</u>	<u>cents per therm</u>
0	0	0
0	N/A	1.027

GAS COST CENTS/THERM

0

THERM USAGE INCREMENT

200000

<u>therm usage</u>	<u>PRESENT</u>		<u>PROPOSED</u>		<u>percent increase w/o fuel</u>	<u>percent increase with fuel</u>	<u>Dollar Increase</u>
	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>	<u>monthly bill w/o fuel</u>	<u>monthly bill with fuel</u>			
0	1,000.00	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00
200000	3,004.00	3,004.00	3,054.00	3,054.00	1.66	1.66	50.00
400000	5,008.00	5,008.00	5,108.00	5,108.00	2.00	2.00	100.00
600000	7,012.00	7,012.00	7,162.00	7,162.00	2.14	2.14	150.00
800000	9,016.00	9,016.00	9,216.00	9,216.00	2.22	2.22	200.00
1000000	11,020.00	11,020.00	11,270.00	11,270.00	2.27	2.27	250.00
1200000	13,024.00	13,024.00	13,324.00	13,324.00	2.30	2.30	300.00
1400000	15,028.00	15,028.00	15,378.00	15,378.00	2.33	2.33	350.00
1600000	17,032.00	17,032.00	17,432.00	17,432.00	2.35	2.35	400.00
1800000	19,036.00	19,036.00	19,486.00	19,486.00	2.36	2.36	450.00
2000000	21,040.00	21,040.00	21,540.00	21,540.00	2.38	2.38	500.00
2200000	23,044.00	23,044.00	23,594.00	23,594.00	2.39	2.39	550.00
2400000	25,048.00	25,048.00	25,648.00	25,648.00	2.40	2.40	600.00
2600000	27,052.00	27,052.00	27,702.00	27,702.00	2.40	2.40	650.00
2800000	29,056.00	29,056.00	29,756.00	29,756.00	2.41	2.41	700.00
3000000	31,060.00	31,060.00	31,810.00	31,810.00	2.41	2.41	750.00
3200000	33,064.00	33,064.00	33,864.00	33,864.00	2.42	2.42	800.00
3400000	35,068.00	35,068.00	35,918.00	35,918.00	2.42	2.42	850.00
3600000	37,072.00	37,072.00	37,972.00	37,972.00	2.43	2.43	900.00
3800000	39,076.00	39,076.00	40,026.00	40,026.00	2.43	2.43	950.00