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October 20, 2015

**E-PORTAL FILING**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

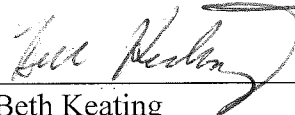
**Re: Docket No. 150162-EI- Petition for approval of 2015 depreciation study by Florida  
Public Utilities Company**

Dear Ms. Stauffer:

Attached for filing in the above-referenced docket, please find Florida Public Utilities Company's Response to Staff's Report on FPUC's 2015 Depreciation Study.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,



Beth Keating  
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MEK

Cc:// Office of Public Counsel  
Devlin Higgins, Public Utilities Analyst (FPSC)

**October 20, 2015 – Florida Public Utilities Company’s Response to Staff Report**

The Company generally agrees with the staff’s proposed account depreciation life and salvage factors taken in total. We have included additional responses and comments by account to the Staff Report, Docket No. 150162-EI, dated September 30, 2015. Additionally, we have included revised Schedules 1-5 showing concurrence with the staff life and salvage proposals along with FPUC updated proposed reserve allocations.

Account 353 – Station Equipment

FPUC concurs with the staff proposed 27-year average remaining life. FPUC continues to believe that insufficient retirement activity has incurred to warrant a change in net salvage. However, taken with the remaining lives and net salvage values staff proposed for other accounts, FPUC concurs with decreasing net salvage from 10 percent to 5 percent in this case.

Account 354 – Towers and Fixtures

FPUC believes that an S5 curve shape better depicts the expected future retirement dispersion than the staff proposed S6 curve. That said the difference between the two curves only results in a very small difference in remaining life and no difference in the resulting remaining life rate. For this reason, FPUC concurs with using an S6 curve for the purposes of the instant depreciation study.

Account 355 – Poles and Fixtures

Staff believes an R5 curve shape is more indicative of this account’s expected retirement pattern than FPUC’s use of an R4 curve shape. While this account has experienced a retirement rate less than 1 percent during the last four years, FPUC believes that more retirements should be expected in the future. Nonetheless, taken in total for all accounts, FPUC concurs with the staff proposal for purposes of the current depreciation study.

Account 355.1 – Poles and Fixtures – Concrete

Even though there has not been any retirement activity upon which to estimate net salvage, the Company continues to believe that concrete poles and fixtures should be expected to incur similar removal costs as wood poles. Regardless, FPUC concurs with the staff proposal for purposes of the current depreciation study.

Account 365 – Overhead Conductors & Devices

The staff proposed use of an R5 curve shape results in no difference in the resulting average remaining life. For this reason, FPUC concurs with the staff proposal.

Account 367 – Underground Conductors & Devices

Given the miniscule retirement activity and that the staff proposed R4 curve shape results in the same remaining life as FPUC proposed, the Company concurs with the staff proposal. FPUC notes that the staff proposed average remaining life shown in the staff report narrative and on Attachment A differ. FPUC agrees that the resulting average remaining life based on the staff proposed average service life and mortality curve shape is 23 years and is shown on Schedules 1-4 attached.

Account 369 – Services

Staff believes that an R5 curve shape is more in line with the lack of retirement activity this account has experienced. However, FPUC opines that this does not necessarily depict future retirement activity and continues to believe that an R3 curve is more indicative of future retirements. Nevertheless, FPUC concurs with the staff proposals at this time recognizing that further refinement may be needed in the next depreciation study.

Account 371 – Installation on Customers’ Premises

FPUC believes that a slight decrease in expected positive net salvage may be in order. FPUC concurs with the staff’s proposal for the purposes of this current depreciation study.

General Plant – Amortizable

Since the merger with Chesapeake Utilities, the subaccounts for the 391 accounts were changed and should have been reflected in FPUC’s 2012 Depreciation Rate Order as well as FPUC’s Responses to Staff’s First Data Request, No. 56 and Revised Schedule J, page 1 of 2 in the current depreciation docket. Even though there have been some changes, the amortization periods (AP) remain the same based on the description and details of the accounts.

See below for current and proposed subaccounts with descriptions:

<u>Description*</u>	<u>New Description</u>	<u>Current*</u>	<u>Proposed</u>	<u>AP</u>
Office Furniture & Equip	Office Furniture & Equipment	3910	3910	7yrs
Office Furniture	Office Furniture & Fixtures	3911	3913	7yrs
Office Machines	Office Furniture & Equipment	3912	3910	7yrs
Computer Equipment	Computer Equipment	3913	3912	5yrs
Software	Software	3914	3914	5yrs
New	Computers & Peripherals	None	3911	5yrs

\*Per the last Depreciation Rate Order, FPSC Order No. PSC-12-0065-PAA-EI, Docket No. 110207-EI.

Reserve Allocations

As requested in the Staff Report, FPUC has reviewed and updated its proposal of reserve allocations based on the staff proposed account life and salvage factors. These updated proposed reserve allocations are shown on the attached Schedule 5. Schedule 4 shows the calculated theoretical reserve amounts by account. In the transmission function, FPUC proposes to allocate the reserve surplus existing in Account 350.1, Land Rights, and Account 355.1, Poles and Fixtures – Concrete to help bring the reserve deficiency existing in Account 355, Poles and Fixtures more in line with its theoretical reserve level. For the distribution function, FPUC proposes to allocate the reserve surpluses existing in Account 362, Station Equipment; Account 365, Overhead Conductors & Devices; Account 366, Underground Conduit; Account 368, Line Transformers; Account 369, Services; and Account 371, Installation on Customers' Premises, to correct the calculated reserve deficiency in Account 370, Meters, and to reduce the reserve deficiency calculated for Account 364, Poles, Towers, and Fixtures. In each case, the reserve allocations help bring each affected account's book reserve more in line with its calculated theoretical reserve level based on the staff proposed depreciation life and salvage values shown on Schedule 4. Schedules 1-3 reflect the result of staff proposed depreciation components with FPUC's proposed reserve allocations. The effect of these changes is shown on Schedule 3 and result in an annual decrease of depreciation expense of about \$229,000 based on January 1, 2015 investments.

**FLORIDA PUBLIC UTILITIES  
2014 DEPRECIATION STUDY  
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION RATES**

Schedule 1  
REVISED 10/20/2015

**RESPONSE TO STAFF REPORT**

ACCOUNT	01/01/2015 INVESTMENT	01/01/2015 RESERVE	CURRENT					COMPANY REVISED PROPOSAL CONCURRING WITH STAFF PROPOSALS				
			AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	AGE (YRS.)	CURVE	AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	(Sch. M) AGE (YRS.)	CURVE
<b>TRANSMISSION PLANT</b>												
350.1 - Land Rights	\$23,842	\$15,163 *	65.0	25.0	0.0	40.0	SQ	70.0	26.0	0.0	44.2	SQ
352 - Structures and Improvements	\$197,760	\$17,516	55.0	29.0	0.0	26.0	S5	55.0	50.0	0.0	5.2	S5
353 - Station Equipment	\$3,748,521	\$948,485	40.0	23.0	10.0	17.0	S3	40.0	27.0	5.0	13.4	S2
354 - Towers and Fixtures	\$224,802	\$190,300	55.0	17.6	(15.0)	37.4	S5	55.0	14.5	(15.0)	40.5	S6
355 - Poles and Fixtures	\$1,578,296	\$1,117,720 *	40.0	19.3	(30.0)	20.7	R4	40.0	16.9	(40.0)	23.2	R5
355.1 - Poles and Fixtures - Concrete	\$2,656,275	\$294,847 *	45.0	40.0	(30.0)	5.0	R4	45.0	41.0	(30.0)	4.5	R4
356 - Overhead Conductors and Devices	\$2,537,738	\$744,898	45.0	31.0	(10.0)	14.0	S2	50.0	36.0	(20.0)	13.9	S2
359 - Roads and Trails	\$6,788	\$5,500	65.0	15.5	0.0	49.5	SQ	65.0	12.5	0.0	52.5	SQ
<b>Total Transmission Assets</b>	<b>\$10,974,023</b>	<b>\$3,334,429</b>										
<b>DISTRIBUTION PLANT</b>												
360.1 - Land Rights	\$56,995	\$29,540	56.0	30.0	0.0	26.0	SQ	60.0	31.0	0.0	29.5	SQ
361 - Structures and Improvements	\$174,032	\$41,158	55.0	46.0	(5.0)	9.0	SQ	60.0	47.0	(5.0)	13.0	SQ
362 - Station Equipment	\$8,854,506	\$2,514,680 *	40.0	30.0	(10.0)	10.0	S3	45.0	34.0	(10.0)	11.2	S3
364 - Poles, Towers, and Fixtures	\$14,246,551	\$7,163,362 *	38.0	23.0	(45.0)	15.0	R4	38.0	24.0	(45.0)	14.4	R4
365 - Overhead Conductors & Devices	\$13,103,924	\$8,334,096 *	37.0	17.2	(35.0)	19.8	R5	40.0	21.0	(35.0)	19.3	R5
366 - Underground Conduit	\$5,551,124	\$832,669 *	60.0	49.0	0.0	11.0	R5	60.0	50.0	(5.0)	10.4	R5
367 - Underground Conductors & Devices	\$8,156,370	\$2,619,264	35.0	23.0	0.0	12.0	R3	35.0	23.0	(5.0)	12.2	R4
368 - Line Transformers	\$16,855,216	\$11,866,072 *	29.0	12.0	(20.0)	17.0	S6	30.0	12.4	(20.0)	17.7	S4
369 - Services	\$10,187,082	\$6,454,535 *	34.0	20.0	(35.0)	14.0	R3	37.0	19.9	(35.0)	17.1	R5
370 - Meters	\$3,913,686	\$2,581,858 *	30.0	13.2	(5.0)	16.8	R5	30.0	11.9	(10.0)	18.2	R5
371 - Installation on Customers' Premises	\$3,043,390	\$1,424,306 *	16.0	7.2	15.0	8.8	S3	20.0	9.6	10.0	10.7	S3
373 - Street Lighting & Signal Systems	\$1,446,129	\$1,054,774	22.0	8.9	(10.0)	13.1	R3	22.0	7.6	(10.0)	16.6	R3
<b>Total Distribution Assets</b>	<b>\$85,589,004</b>	<b>\$44,916,314</b>										
<b>GENERAL PLANT</b>												
390 - Structures & Improvements	\$4,490,064	\$748,472	50.0	31.0	0.0	19.7	R4	50.0	41.0	0.0	9.0	R4
392.1 - Transportation-Cars	\$50,326	\$6,747	7.0	0.0	15.0	9.3	S2	7.0	6.0	15.0	1.0	S2
392.2 - Transportation-Light Trucks & Vans	\$960,748	\$479,394	9.0	2.9	12.0	6.2	S4	9.0	4.9	12.0	4.1	S4
392.3 - Transportation - Heavy Trucks	\$3,534,619	\$1,600,669	13.0	7.0	10.0	6.0	S3	13.0	6.4	10.0	6.8	S3
392.4 - Transportation - Trailers	\$144,084	\$63,950	25.0	13.9	5.0	11.3	R4	25.0	13.8	5.0	11.4	R4
396 - Power Operated Equipment	\$302,981	\$191,566	25.0	5.5	0.0	19.5	S6	25.0	8.4	0.0	16.6	S6
<b>Total General Plant Assets</b>	<b>\$9,482,821</b>	<b>\$3,090,798</b>										
<b>GRAND TOTAL</b>	<b>106,045,848</b>	<b>51,341,541</b>										

\* Reflects restated reserve after updated Company proposed corrective reserve allocations.

FLORIDA PUBLIC UTILITIES  
2014 DEPRECIATION STUDY  
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION COMPONENTS

Schedule 2  
REVISED 10/20/2015

RESPONSE TO STAFF REPORT

ACCOUNT	CURRENT EFFECTIVE 1/1/2012			COMPANY REVISED PROPOSAL CONCURRING WITH STAFF PROPOSED LIFE AND SALVAGE AND COMPANY UPDATED RESERVE			
	AVERAGE REMAINING LIFE	NET SALVAGE	REMAINING LIFE RATE	AVERAGE REMAINING LIFE	NET SALVAGE	1/1/2015 RESERVE	REMAINING LIFE RATE
	(YRS.)	(%)	(%)	(YRS.)	(%)	(%)	(%)
<b>TRANSMISSION PLANT</b>							
350.1 - Land Rights	25.0	0.0	2.3	26.0	0.0	63.60	* 1.4
352 - Structures and Improvements	29.0	0.0	1.8	50.0	0.0	8.86	1.8
353 - Station Equipment	23.0	10.0	2.4	27.0	5.0	25.30	2.6
354 - Towers and Fixtures	17.6	(15.0)	2.1	14.5	(15.0)	84.65	2.1
355 - Poles and Fixtures	19.3	(30.0)	3.4	16.9	(40.0)	70.82	* 4.1
355.1 - Poles and Fixtures - Concrete	40.0	(30.0)	2.9	41.0	(30.0)	11.10	* 2.9
356 - Overhead Conductors and Devices	31.0	(10.0)	2.4	36.0	(20.0)	29.35	2.5
359 - Roads and Trails	15.5	0.0	1.5	12.5	0.0	81.03	1.5
<b>DISTRIBUTION PLANT</b>							
360.1 - Land Rights	30.0	0.0	1.8	31.0	0.0	51.83	1.6
361 - Structures and Improvements	46.0	(5.0)	1.9	47.0	(5.0)	23.65	1.7
362 - Station Equipment	30.0	(10.0)	2.8	34.0	(10.0)	28.40	* 2.4
364 - Poles, Towers, and Fixtures	23.0	(45.0)	4.1	24.0	(45.0)	50.28	* 3.9
365 - Overhead Conductors & Devices	17.2	(35.0)	4.1	21.0	(35.0)	63.60	* 3.4
366 - Underground Conduit	49.0	0.0	1.6	50.0	(5.0)	15.00	* 1.8
367 - Underground Conductors & Devices	23.0	0.0	2.9	23.0	(5.0)	32.11	3.2
368 - Line Transformers	12.0	(20.0)	4.3	12.4	(20.0)	70.40	* 4.0
369 - Services	20.0	(35.0)	4.0	19.9	(35.0)	63.36	* 3.6
370 - Meters	13.2	(5.0)	3.7	11.9	(10.0)	65.97	* 3.7
371 - Installation on Customers' Premises	7.2	15.0	5.7	9.6	10.0	46.80	* 4.5
373 - Street Lighting & Signal Systems	8.9	(10.0)	5.0	7.6	(10.0)	72.94	4.9
<b>GENERAL PLANT</b>							
390 - Structures & Improvements	31.0	0.0	2.0	41.0	0.0	16.67	2.0
392.1 - Transportation-Cars	0.0	15.0	12.1	6.0	15.0	13.41	11.9
392.2 - Transportation-Light Trucks & Vans	2.9	12.0	9.8	4.9	12.0	49.90	7.8
392.3 - Transportation - Heavy Trucks	7.0	10.0	6.6	6.4	10.0	45.29	7.0
392.4 - Transportation - Trailers	13.9	5.0	3.8	13.8	5.0	44.38	3.7
396 - Power Operated Equipment	5.5	0.0	2.8	8.4	0.0	63.23	4.4

\* Reflects restated reserve after updated Company proposed corrective reserve allocations.

FLORIDA PUBLIC UTILITIES  
2014 DEPRECIATION STUDY  
COMPARISON OF ANNUAL DEPRECIATION EXPENSES

Schedule 3  
REVISED 10/20/2015

RESPONSE TO STAFF REPORT

ACCOUNT	01/01/2015 INVESTMENT	01/01/2015 RESERVE	CURRENT		COMPANY REVISED PROPOSAL CONCURRING WITH STAFF PROPOSED LIFE AND SALVAGE AND COMPANY UPDATED RESERVE		
			RATE	EXPENSES	RATE	EXPENSES	CHANGE EXPENSES
<b>TRANSMISSION PLANT</b>							
350.1 - Land Rights	\$23,842	\$15,163	* 2.3	\$548	1.4 *	\$334	(\$214)
352 - Structures and Improvements	\$197,760	\$17,516	1.8	\$3,560	1.8	\$3,560	\$0
353 - Station Equipment	\$3,748,521	\$948,485	2.4	\$89,965	2.6	\$97,462	\$7,497
354 - Towers and Fixtures	\$224,802	\$190,300	2.1	\$4,721	2.1	\$4,721	\$0
355 - Poles and Fixtures	\$1,578,296	\$1,117,720	* 3.4	\$53,662	4.1 *	\$64,710	\$11,048
355.1 - Poles and Fixtures - Concrete	\$2,656,275	\$294,847	* 2.9	\$77,032	2.9 *	\$77,032	\$0
356 - Overhead Conductors and Devices	\$2,537,738	\$744,898	2.4	\$60,906	2.5	\$63,443	\$2,537
359 - Roads and Trails	\$6,788	\$5,500	1.5	\$102	1.5	\$102	\$0
<b>TOTAL TRANSMISSION PLANT</b>	<b>\$10,974,023</b>	<b>\$3,334,429</b>		<b>\$290,496</b>		<b>\$311,364</b>	<b>\$20,868</b>
<b>DISTRIBUTION PLANT</b>							
360.1 - Land Rights	\$56,995	\$29,540	1.8	\$1,026	1.6	\$912	(\$114)
361 - Structures and Improvements	\$174,032	\$41,158	1.9	\$3,307	1.7	\$2,959	(\$348)
362 - Station Equipment	\$8,854,506	\$2,514,680	* 2.8	\$247,926	2.4 *	\$212,508	(\$35,418)
364 - Poles, Towers, and Fixtures	\$14,246,551	\$7,163,362	* 4.1	\$584,109	3.9 *	\$555,615	(\$28,494)
365 - Overhead Conductors & Devices	\$13,103,924	\$8,334,096	* 4.1	\$537,261	3.4 *	\$445,533	(\$91,728)
366 - Underground Conduit	\$5,551,124	\$832,669	* 1.6	\$88,818	1.8 *	\$99,920	\$11,102
367 - Underground Conductors & Devices	\$8,156,370	\$2,619,264	2.9	\$236,535	3.2	\$261,004	\$24,469
368 - Line Transformers	\$16,855,216	\$11,866,072	* 4.3	\$724,774	4.0 *	\$674,209	(\$50,565)
369 - Services	\$10,187,082	\$6,454,535	* 4.0	\$407,483	3.6 *	\$366,735	(\$40,748)
370 - Meters	\$3,913,686	\$2,581,858	* 3.7	\$144,806	3.7 *	\$144,806	\$0
371 - Installation on Customers' Premises	\$3,043,390	\$1,424,306	* 5.7	\$173,473	4.5 *	\$136,953	(\$36,520)
373 - Street Lighting & Signal Systems	\$1,446,129	\$1,054,774	5.0	\$72,306	4.9	\$70,860	(\$1,446)
<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$85,589,004</b>	<b>\$44,916,314</b>		<b>\$3,221,824</b>		<b>\$2,972,014</b>	<b>(\$249,810)</b>
<b>GENERAL PLANT</b>							
390 - Structures & Improvements	\$4,490,064	\$748,472	2.0	\$89,801	2.0	\$89,801	\$0
392.1 - Transportation-Cars	\$50,326	\$6,747	12.1	\$6,089	11.9	\$5,989	(\$100)
392.2 - Transportation-Light Trucks & Vans	\$960,748	\$479,394	9.8	\$94,153	7.8	\$74,938	(\$19,215)
392.3 - Transportation - Heavy Trucks	\$3,534,619	\$1,600,669	6.6	\$233,285	7.0	\$247,423	\$14,138
392.4 - Transpiration - Vans	\$144,084	\$63,950	3.8	\$5,475	3.7	\$5,331	(\$144)
396 - Power Operated Equipment	\$302,981	\$191,566	2.8	\$8,483	4.4	\$13,331	\$4,848
<b>TOTAL GENERAL PROPERTY</b>	<b>\$9,482,821</b>	<b>\$3,090,798</b>		<b>\$437,286</b>		<b>\$436,813</b>	<b>(\$473)</b>
<b>TOTAL RATES</b>	<b>\$106,045,848</b>	<b>\$51,341,541</b>		<b>\$3,949,606</b>		<b>\$3,720,191</b>	<b>(\$229,415)</b>

\* Reflects restated reserve after updated Company proposed corrective reserve allocations.

FLORIDA PUBLIC UTILITIES  
2014 DEPRECIATION STUDY

Schedule 4  
REVISED 10/20/2015

COMPARISON OF ACCUMULATED BOOK RESERVE AND THEORETICAL RESERVE BASED ON CONCURRING WITH STAFF REPORT AND  
COMPANY UPDATED PROPOSED RESERVE ALLOCATIONS

RESPONSE TO STAFF REPORT

ACCOUNT	01/01/2015 INVESTMENT	01/01/2015 RESERVE	THEORETICAL RESERVE (%)	THEORETICAL RESERVE	IMBALANCE	WLR (%)	ARL (YEARS)	NET SALV (%)
<b>TRANSMISSION PLANT</b>								
350.1 - Land Rights	\$23,842	\$15,163 *	63.60	\$15,163	\$0	1.4	26.0	0.0
352 - Structures and Improvements	\$197,760	\$17,516	10.00	\$19,776	(\$2,260)	1.8	50.0	0.0
353 - Station Equipment	\$3,748,521	\$948,485	30.20	\$1,132,053	(\$183,568)	2.4	27.0	5.0
354 - Towers and Fixtures	\$224,802	\$190,300	84.55	\$190,070	\$230	2.1	14.5	(15.0)
355 - Poles and Fixtures	\$1,578,296	\$1,117,720 *	80.85	\$1,276,053	(\$158,333)	3.5	16.9	(40.0)
355.1 - Poles and Fixtures - Concrete	\$2,656,275	\$294,847 *	11.10	\$294,847	\$0	2.9	41.0	(30.0)
356 - Overhead Conductors and Devices	\$2,537,738	\$744,898	33.60	\$852,680	(\$107,782)	2.4	36.0	(20.0)
359 - Roads and Trails	\$6,788	\$5,500	81.25	\$5,515	(\$15)	1.5	12.5	0.0
<b>Total Transmission Assets</b>	<b>\$10,974,023</b>	<b>\$3,334,429</b>		<b>\$3,786,157</b>	<b>(\$451,728)</b>			
<b>DISTRIBUTION PLANT</b>								
360.1 - Land Rights	\$56,995	\$29,540	47.30	\$26,959	\$2,581	1.7	31.0	0.0
361 - Structures and Improvements	\$174,032	\$41,158	20.40	\$35,502	\$5,656	1.8	47.0	(5.0)
362 - Station Equipment	\$8,854,506	\$2,514,680 *	28.40	\$2,514,680	\$0	2.4	34.0	(10.0)
364 - Poles, Towers, and Fixtures	\$14,246,551	\$7,163,362 *	53.80	\$7,664,645	(\$501,283)	3.8	24.0	(45.0)
365 - Overhead Conductors & Devices	\$13,103,924	\$8,334,096 *	63.60	\$8,334,096	\$0	3.4	21.0	(35.0)
366 - Underground Conduit	\$5,551,124	\$832,669 *	15.00	\$832,669	\$0	1.8	50.0	(5.0)
367 - Underground Conductors & Devices	\$8,156,370	\$2,619,264	36.00	\$2,936,293	(\$317,029)	3.0	23.0	(5.0)
368 - Line Transformers	\$16,855,216	\$11,866,072 *	70.40	\$11,866,072	\$0	4.0	12.4	(20.0)
369 - Services	\$10,187,082	\$6,454,535 *	63.36	\$6,454,535	\$0	3.6	19.9	(35.0)
370 - Meters	\$3,913,686	\$2,581,858 *	65.97	\$2,581,858	\$0	3.7	11.9	(10.0)
371 - Installation on Customers' Premises	\$3,043,390	\$1,424,306 *	46.80	\$1,424,306	\$0	4.5	9.6	10.0
373 - Street Lighting & Signal Systems	\$1,446,129	\$1,054,774	72.00	\$1,041,213	\$13,561	5.0	7.6	(10.0)
<b>Total Distribution Assets</b>	<b>\$85,589,004</b>	<b>\$44,916,314</b>		<b>\$45,712,828</b>	<b>(\$796,514)</b>			
<b>GENERAL PLANT</b>								
390 - Structures & Improvements	\$4,490,064	\$748,472	18.00	\$808,211	(\$59,739)	2.0	41.0	0.0
392.1 - Transportation-Cars	\$50,326	\$6,747	12.40	\$6,240	\$507	12.1	6.0	15.0
392.2 - Transportation-Light Trucks & Vans	\$960,748	\$479,394	39.98	\$384,107	\$95,287	9.8	4.9	12.0
392.3 - Transportation - Heavy Trucks	\$3,534,619	\$1,600,669	45.84	\$1,620,269	(\$19,600)	6.9	6.4	10.0
392.4 - Transpiration - Vans	\$144,084	\$63,950	42.56	\$61,322	\$2,628	3.8	13.8	5.0
396 - Power Operated Equipment	\$302,981	\$191,566	66.40	\$201,179	(\$9,613)	4.0	8.4	0.0
<b>Total General Plant Assets</b>	<b>\$9,482,821</b>	<b>\$3,090,798</b>		<b>\$3,081,328</b>	<b>\$9,470</b>			
<b>GRAND TOTAL</b>	<b>\$106,045,848</b>	<b>\$51,341,541</b>		<b>\$52,580,313</b>	<b>(\$1,238,772)</b>			

\* Reflects restated reserve after updated Company proposed corrective reserve allocations.



FLORIDA PUBLIC UTILITIES  
2014 DEPRECIATION STUDY  
UPDATED FPUC PROPOSED RESERVE ALLOCATIONS

Schedule 5  
REVISED 10/20/2015

RESPONSE TO STAFF REPORT

ACCOUNT	1/1/2015 BOOK RESERVE	THEORETICAL RESERVE	IMBALANCE	PROPOSED RESERVE ALLOCATIONS	RESTATED RESERVE
350.1 Land Rights	18,962	15,163	3,799	(3,799)	15,163
355 Poles and Fixtures	1,073,934	1,276,053	(202,119)	43,786	1,117,720
355.1 Poles and Fixtures - Concrete	334,834	294,847	39,987	(39,987)	294,847
362 Station Equipment	2,682,209	2,514,680	167,529	(167,529)	2,514,680
364 Poles, Towers, and Fixtures	6,805,379	7,664,645	(859,266)	357,983	7,163,362
365 Overhead Conductors & Devices	8,358,899	8,334,096	24,803	(24,803)	8,334,096
366 Underground Conduit	952,686	832,669	120,017	(120,017)	832,669
368 Line Transformers	11,953,804	11,866,072	87,732	(87,732)	11,866,072
369 Services	6,560,065	6,454,535	105,530	(105,530)	6,454,535
370 Meters	2,285,299	2,581,858	(296,559)	296,559	2,581,858
371 Installation on Customers' Premises	1,573,237	1,424,306	148,931	(148,931)	1,424,306
				0	