EI803-03-AR

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Item 1: ☐	An Initial (Original) Submission	OR	Resubmission No. _____
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OMB No. 1902-0021
(Expires 11/30/2001)

OFFICIAL COPY
Division of
Economic Regulation
FPSC

FERC Form No. 1
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a) and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company	Year of Report
Florida Public Utilities Company	Dec. 31, 2003

BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place
Centurion Plaza, Suite 904
West Palm Beach, Florida 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

INDEPENDENT AUDITORS' REPORT

Florida Public Utilities Company
West Palm Beach, Florida

We have audited the balance sheet – regulatory basis of Florida Public Utilities Company (the "Company") as of December 31, 2003, and the related statements of income – regulatory basis, retained earnings – regulatory basis, and the consolidated statement of cash flows for the year then ended, included on pages 110 through 122, excluding additional information on pages 114f – Northeast Division, 114m – Northwest Division and 115 – Electric, Gas and Other Utility Divisions, of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These financial statements were prepared in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements for the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("generally accepted accounting principles"). The principal differences from generally accepted accounting principles include accounting for the Company's investment in a wholly owned subsidiary under the equity method rather than consolidating the assets, liabilities, revenues, and expenses of the subsidiary, the inclusion of certain accumulated provisions in other non-current liabilities rather than current liabilities, and the classification of all deferred tax accounts on a gross basis as non-current.

The consolidated statement of cash flows and the accompanying notes to the financial statements are prepared on a consolidated basis as presented with the Company's consolidated financial statements included in its Annual Report to Shareholders. Such consolidated statement of cash flows and notes are not comparable in certain respects with the accompanying balance sheets – regulatory basis and income statements – regulatory basis in which an investment in a wholly owned subsidiary is accounted for under the equity method.

BDO

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2003, and the results of its operations and its cash flows for the year ended December 31, 2003, in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 114f – Northeast Division, 114m – Northwest Division, and 115 – Electric, Gas, and Other Utility Divisions is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

BDO Seidman, LLP

BDO Seidman, LLP
February 13, 2004

EXECUTIVE SUMMARY

SUPPLEMENT TO ANNUAL REPORT

OF

FLORIDA PUBLIC UTILITIES COMPANY

FOR THE YEAR

2003

EXECUTIVE SUMMARY

INSTRUCTIONS

Purpose of Executive Summary:

The Executive Summary provides the Florida Public Service Commission management with contact persons, positions and telephone numbers, a brief narrative of the company profile, corporate records and corporate organization. The Executive Summary is both more readable and shorter than an annual report. It contains nontechnical data of general interest and applicability to individuals who are not intimately familiar with the individual utility.

Part I - Telephone Numbers:

The utility's primary telephone number for its main administrative office is to be included in Section A on Page 2. The name, title, and telephone number (other than the universal number in Section A) for officers of the utility are to be included in Section B. Include the name of the directors, their position title and employer, and telephone number in Section C.

Part II - Company Profile:

The company profile is a brief synopsis, which should be approximately three pages long for a major utility, in narrative format with a few statistics included. The six areas covered are:

A. Brief Company History - Year and state of the organization, whether as a subsidiary or parent name changes and other pertinent data.

B. Operating Territory - Provide the area of state or states served, and a few statistics such as the number of cities served, the number of customers or similar available statistics that provide a reader a basic understanding of the scope and nature of the operations of the utility.

C. Major Goals and Objectives - State the goals and objectives of the utility such as desired return on equity, increased productivity by a specific percentage and other such goals. Specific goals such as "to achieve a rate of return on equity of 14.5% is preferable to general statements of goals and such as to achieve a reasonable return on equity."

D. Major Operating Divisions and Functions - Provide the major operating divisions and activities performed by each. For some companies, the vice presidents or other officers and their respective responsibilities may correspond to major operating divisions. For instance, the Vice president of Finance may constitute a major operating division and accounting, corporate and treasury, and rates and regulatory matters may be the related functions assigned to the Vice President.

E. Affiliates and Relationships - List all affiliates and their relationship to the utility.

F. Current and Projected Growth Patterns - Provide a concise estimate of future annual growth for the next two to four years. A short table may be used to provide this data. For instance, a table for three years showing the KWH sales, revenue, and customers would be sufficient for an electric utility. Major assumptions such as "revenue forecasts based on current rates" may be provided.

Part III - Corporate Records:

The principal location and any important secondary locations of records should be provided in Section A on Page 5. The chart of accounts used, the location of any copies of the corporate records and a description of the types of records maintained at secondary locations should be furnished in Section B. Under Section C, list any outside auditors, regulatory agencies or internal auditors from affiliates that audit the books and records.

Part IV - Parent/Affiliate Organizational Chart:

Provide an organizational chart showing the relationship of affiliates involved either directly or indirectly in providing utility services including the furnishing of any management services to the utility. All other affiliates, those that are irrelevant to the provision of utility services may be omitted from the organizational chart.

Part V - Liaison Personnel Directory:

All employees or outside professionals who are in regular recurring contact with the Florida Public Service Commission on behalf of the utility should be listed under Section A on Page 7, together with the title, position, organizational unit, name of immediate supervisor and area (s) of responsibility. Employees who infrequently contact or are contacted by the Florida Public Service commission need not be listed unless contact occurs on important issues. Organizational charts covering the employees listed as liaison personnel should be included in Section B.

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	A. List	
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PART I - TELEPHONE NUMBERS

A. Company's Universal Telephone Number: (561) 832-2461

B. Direct Telephone Number for Officer (s)

Officer (s) Name	Title	Telephone Numbers
1. John T. English	President & Chief Executive Officer	(561) 838-1762
2. Charles L. Stein	Senior Vice President	(561) 838-1760
3 Jack Brown	Vice President & Secretary	(561) 838-1729
4 George Bachman	Chief Financial Officer & Treasurer	(561) 838-1731

C. Direct Telephone Number for Director (s)

Officer (s) Name	Title	Telephone Numbers
1. Ellen Terry Benoit	Director	(561) 845-3766
2. John T. English	President & Chief Executive Officer	(561) 838-1762
3. Richard C. Hitchins	Director	(561) 832-8833
4. Paul L. Maddock, Jr	Director	(561) 655-1483
5. Rudy E. Schupp	Director	(561) 840-7838

PART II - COMPANY PROFILE

(Provide Brief Narrative)

A. Brief Company History

Florida Public Utilities Company was incorporated March 6, 1924, as the Palm Beach Gas Company, and the name was changed to the present title on October 24, 1927. The company was reincorporated on April 29, 1925.

The purchase of the property of the Gas Service Company of Key West was made on October 5, 1927, and sold on May 10, 1938. On May 1, 1929, the company acquired Pensacola Gas Company, but sold these properties to Gulf Power on May 28, 1934 . Southern States Power Company (Marianna and Fernandina, Florida) was purchased July 1, 1935. The acquisitions of Sanford Gas Company and Florida Home Gas Company of DeLand occurred on January 1, 1965, and June 1, 1967, respectively. Water property in Marianna was sold June 1, 1976, to the North Florida Water Company. The acquisition of Z-Gas Company Inc. took place on October 29, 2001. Net assets of Atlantic Utilities were acquired on December 15, 2001. In November 2002, the Company acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction

B. Operating Territory

Four areas of Florida are served by Florida Public Utilities Company. The South Florida division serves 37,100 customers within Palm Beach and Broward Counties. The Central Florida division serves 19,600 customers in Seminole, Volusia and Marion Counties. Nature Coast division serves 2230 customers in Levy County.

The Northwest division, located in the panhandle of Florida, serves 12,500 customers in portions of Jackson, Calhoun, and Liberty Counties. The Northeast division, which serves Amelia Island on the upper east coast of Florida, furnishes electricity and propane services to 14,000 and 1,250 customers, respectively.

C. Major Goals and Objectives

To provide reliable utility service to present and prospective customers in an efficient and courteous manner at the most reasonable cost possible.

To provide our stockholders with a reasonable return on their investments.

To promote conservation of energy (electricity and natural gas) through programs presently in effect, and future programs which may be adopted.

PART II - COMPANY PROFILE (continued)

(Provide Brief Narrative)

D. Major Operating Divisions and Functions

Florida Public Utilities Company operates out of four divisions and is headquartered in West Palm Beach. Natural gas is provided by the West Palm Beach (South Florida) and Central Florida divisions. These two divisions also service customers in offering gas appliance sales and repairs.

Propane gas is provided by the West Palm Beach (South Florida), Central Florida, Fernandina Beach (Northeast Florida), and Nature Coast divisions.

Electricity is supplied by the divisions in Marianna (Northwest Florida) and Fernandina (Northeast Florida). Fernandina Beach is also the sole location providing water service.

E. Affiliates and Relationships

The wholly-owned subsidiary, Flo-Gas Corporation, sells bottled gas in the West Palm Beach, Central Florida and Fernandina Beach areas.

F. Current and Projected Growth Patterns

Operations	Past 3 Years		3 Years Projection
Marianna - Electric	1%	Annually	2 % Annual
Fernandina Beach - Electric	2%	Annually	3 % Annual
Gas Operations	7%	Annually	3 % Annual

PART III - CORPORATE RECORDS

A. Location

Divisional Offices	Address
West Palm Beach (South Florida)	401 South Dixie Highway, West Palm Beach
Sanford (Central Florida)	830 West 6th Street, Sanford
DeLand (Central Florida)	401 N. Stone Street, DeLand
Marianna (Northwest Florida)	2825 Pennsylvania Avenue, Marianna
Fernandina Beach (Northeast Florida)	911 S. 8th Street, Fernandina Beach
Nature Coast	19510 SE Diana Street, Inglis

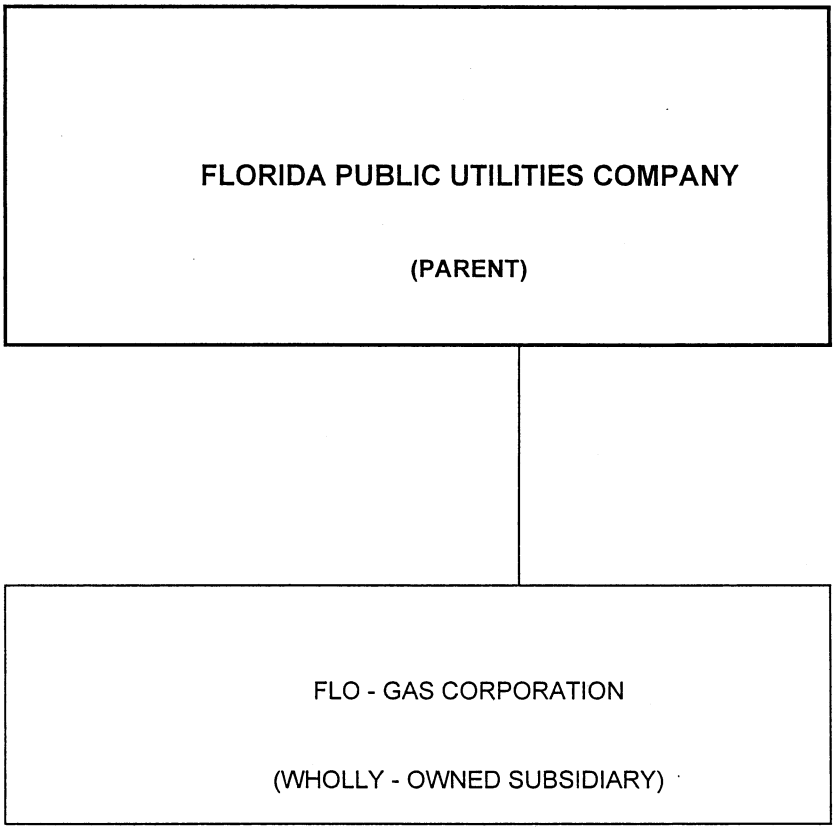
Each divisional office has on file records limited to individual divisional operations. The general office in West Palm Beach contains the general corporate accounting records for Company-wide operations.

C. List Audit Groups Reviewing Records and Operations

BDO Seidman, LLP - Annual and quarterly corporate audits. Review of income tax return.
Florida Public Service Commission - Electric, gas, and water operations.

PART IV - PARENT / AFFILIATE ORGANIZATION CHART

CURRENT AS OF : **December 31, 2003**



PART V - LIAISON PERSONNEL DIRECTORY (4)

A. List

Name of Company (1) (2) Representative	Title or Position	Organizational Unit (3) Title (Dept/Div/Etc.)	Name of Immediate Supervisor	Area (s) Responsible
John T. English	President & Chief Operating Officer	Electric, Gas, and Water Operations		Engineering, Rates Rules and Regulations
Charles L. Stein	Senior Vice President	Electric, Gas, and Water Operations	J. T. English	Engineering, Rates Rules and Regulations
P. Mark Cutshaw	Director - North West Florida	Marianna Electric Operations	J. T. English	Conservation, Rates and Engineering
Mario Lacaci	Director - North East Florida	Fernandina Beach Electric and Water Operations	J. T. English	Rates and Engineering
Michael Peacock	Customer Development Manager	Electric and Gas Operations	P. Mark Cutshaw	Conservation
George Bachman	Chief Financial Officer & Treasurer	Electric, Gas, and Water Operations	J. T. English	Open Dockets, Accounting, Rules and Regulations
Cheryl Martin	Controller	Electric, Gas, and Water Operations	G. M. Bachman	Open Dockets, Accounting, Rules and Regulations
Norman Horton, Jr. (850) 222-0720	Attorney	Messer, Caparello, & Self	-	Fuel Adj., PGA, and Conservation, All Divisions

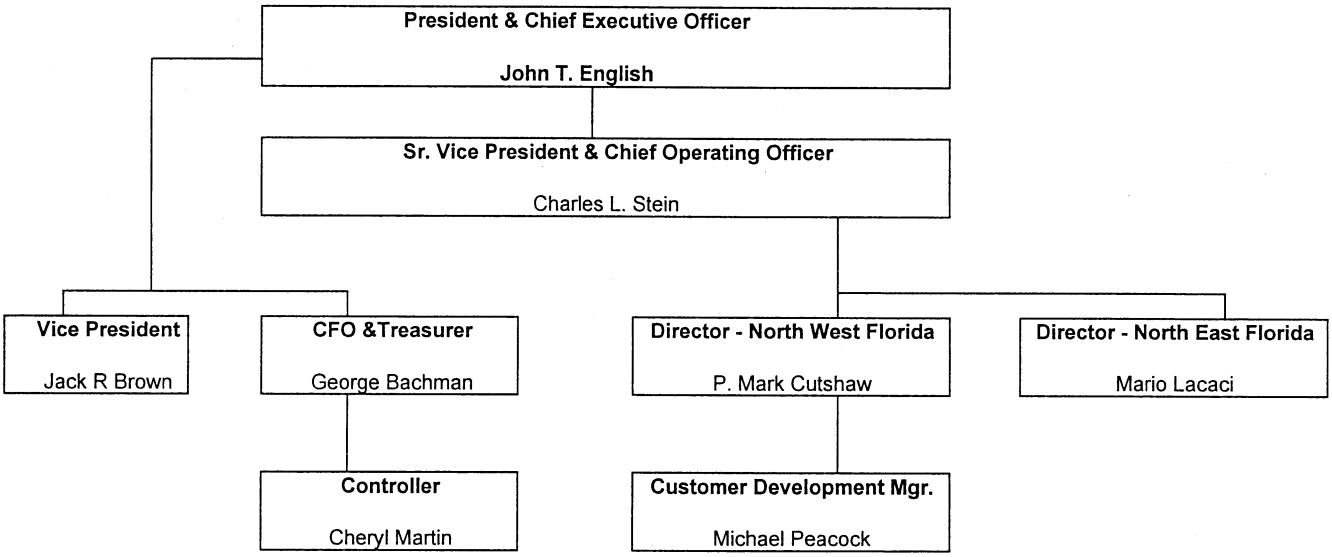
(1) Also list appropriate legal counsels, and others who may not be on the general payroll.
(2) Please provide individual telephone numbers it the person cannot be reached through the Company's operator.
(3) Pleas provide appropriate organization charts for all persons listed within the Company.
(4) Defined as personal visits or telephone call as a result of either routine interface, rate cases, or audits.

PART V - LIAISON PERSONNEL

B. Organizational Chart (for reporting chain for all personnel listed on Page 7)

CURRENT AS OF: April 1, 2001

FLORIDA PUBLIC UTILITIES COMPANY



SIGNATURE PAGE

I certify that I am the responsible accounting officer of

Florida Public Utilities Company;

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2003 to December 31, 2003, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

> Whoever knowingly makes a false statement in writing
>
> performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

05/26/04	/s/ George M. Bachman
Date	**Signature**
George Bachman	Chief Financial Officer & Treasurer
Name	**Title**

INSTRUCTIONS FOR FILING THE FERC FORM NO. 1

GENERAL INFORMATION

I. Purpose

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, Licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

II. Who Must Submit

Each major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of The Federal Power Act (18 CFR 101), must submit this form.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds
one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus Losses).

III. What and Where to Submit

(a) Submit this form electronically through the Form 1 Submission Software and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as the electronic filing, that the signer knows the contents of the paper copies and electronic filing, and that the contents as stated in the copies and electronic filing are true to the best knowledge and belief of the signer.

(b) Submit, immediately upon publication, four (4) copies of the Latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE.
Washington, DC 20426

(c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a Letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

(i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) Signed by independent certified public accountants or an independent Licensed public accountant certified or Licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10-41.12 for specific qualifications.)

III. What and Where to Submit (Continued)

(c) Continued

Schedules	Reference Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

When accompanying this form, insert the Letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the office of the Secretary at the address indicated at III (a).

Use the following format for the Letter or report unless unusual circumstances or conditions, explained in the Letter or report, demand that it be varied . Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____. We have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch
Federal Energy Regulatory Commission
888 First Street, NE. Room 2A ES-1
Washington, DC 20426
(202) 208-2474

IV. When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 1,217 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street N.E., Washington, DC 20426 (Attention: Mr. Michael Miller, CI-1); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if this collection of information does not display a valid control number. (44 U.S.C. 3512(a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2, 3, and 4.

V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII. For any resubmissions, submit the electronic filing using the Form 1 Submission Software and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a). Resubmissions must be numbered sequentially on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).

VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

Federal Power Act, 16 U.S.C. 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:
...(3) "Corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shalt not include 'municipalities, as hereinafter defined;

(4) "Person" means an individual or a corporation;

(5) "Licensee" means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) "Municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry an the business of developing, transmitting, unitizing, or distributing power;..."

(11) "Project" means a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or Lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered:

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission my prescribe the manner and form in which such reports shalt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information of document required by the Commission in the course of an investigation conducted under this Act ... shall forfeit to the United States an amount not exceeding $1,000 to be fixed by the Commission after notice and opportunity for hearing..."

FERC FORM NO. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent **FLORIDA PUBLIC UTILITIES COMPANY**	02 Year of Report **December 31, 2003**
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) **401 South Dixie Highway, West Palm Beach, FL 33401-5807**	
05 Name of Contact Person **George Bachman**	06 Title of Contact Person **Chief Financial Officer & Treasurer**
07 Address of Contact Person (Street, City, State, Zip Code) **Same as above**	

08 Telephone of Contact Person, Including Area Code **(561) 838-1731**	09 This Report Is (1) [X] **An Original** (2) [ ] **A Resubmission**	10 Date of Report (Mo, Da, Yr) **December 31, 2003**

ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

01 Name **George Bachman**	02 Title **Chief Financial Officer & Treasurer**
03 Signature	04 Date Signed (Mo, Da, Yr)

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2003	December 31, 2003

LIST OF SCHEDULES (Electric Utility)

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101	Ed. 12-87	
Control Over Respondent	102	Ed. 12-87	None
Corporations Controlled by Respondent	103	Ed. 12-95	
Officers	104	Ed. 12-87	
Directors	105	Ed. 12-95	
Security Holders and Voting Powers	106-107	Ed. 12-87	None
Important Changes During the Year	108-109	Ed. 12-90	
Comparative Balance Sheet	110-113	Rev. 12-94	
Statement of Income for the Year	114-117	Rev. 12-95	Pg. 116-None
Statement of Retained Earnings for the Year	118-119	Ed. 12-94	
Statement of Cash Flows	120-121	Rev. 12-94	
Notes to Financial Statements	122-123	Ed. 12-88	Pg. 123-None
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201	Ed. 12-89	
Nuclear Fuel Materials	202-203	Ed. 12-89	None
Electric Plant in Service	204-207	Rev. 12-95	
Electric Plant Leased to Others	213	Rev. 12-95	None
Electric Plant Held for Future Use	214	Ed. 12-89	None
Construction Work in Progress-Electric	216	Ed. 12-87	
Construction Overheads-Electric	217	Ed. 12-89	None
General Description of Construction Overhead Procedure	218	Ed. 12-88	None
Accumulated Provision for Depreciation of Electric Utility Plant	219	Ed. 12-88	
Nonutility Property	221	Ed. 12-95	See page 461
Investment in Subsidiary Companies	224-225	Ed. 12-89	
Materials and Supplies	227	Ed. 12-89	
Allowances	228-229	Ed. 12-95	None
Extraordinary Property Losses	230	Ed. 12-93	None
Unrecovered Plant and Regulatory Study Costs	230	Ed. 12-93	None
Other Regulatory Assets	232	New 12-93	
Miscellaneous Deferred Debits	233	Ed. 12-94	
Accumulated Deferred Income Taxes (Account 190)	234	Ed. 12-88	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other credits)			
Capital Stock	250-251	Ed. 12-90	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	Rev. 12-95	None
Other Paid-in Capital	253	Ed. 12-87	
Discount on Capital Stock	254	Ed. 12-87	None
Capital Stock Expense	254	Ed. 12-86	None
Long-Term Debt	256-257	Ed. 12-91	

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2003	December 31, 2003

LIST OF SCHEDULES (Electric Utility)(Continued)

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Reconciliation of Reporting Net Income with Taxable Income for Federal Income Taxes	261	Ed. 12-88	
Taxes Accrued, Prepaid and Changed During Year	262-263	Rev. 12-95	
Accumulated Deferred Investment Tax Credits	266-267	Ed. 12-89	
Other Deferred Credits	269	Ed. 12-88	
Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	Ed. 12-94	None
Accumulated Deferred Income Taxes-Other Property	274-275	Ed. 12-94	
Accumulated Deferred Income Taxes-Other	276-277	Ed. 12-94	
Other Regulatory Liabilities	278	Ed. 12-94	
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	300-301	Ed. 12-90	
Sales of Electricity by Rate Schedules	304	Ed. 12-95	
Sales for Resale	310-311	Ed. 12-88	None
Electric Operation and Maintenance Expenses	320-323	Ed. 12-95	
Number of Electric Department Employees	323	Ed. 12-93	See page 462
Purchase Power	326-327	Ed. 12-95	
Transmission of Electricity for Others	328-330	Ed. 12-90	None
Transmission of Electricity by Others	332	Ed. 12-90	None
Miscellaneous General Expenses-Electric	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant	336-338	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340	Ed. 12-87	See page 463
COMMON SECTION			
Regulatory Commission Expenses	350-351	Ed. 12-90	
Research, Development and Demonstration Activities	352-353	Ed. 12-87	None
Distribution of Salaries and Wages	354-355	Ed. 12-88	
Common Utility Plant and Expenses	356	Ed. 12-87	
ELECTRIC PLANT STATISTICAL DATA			
Electric Energy Account	401	Rev. 12-90	
Monthly Peaks and Output	401	Rev. 12-90	
Steam -Electric Generating Plant Statistics (Large Plants)	402-403	Ed. 12-89	None
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	Ed. 12-89	None
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	Ed. 12-88	None
Generating Plant Statistics (Small Plant)	410-411	Ed. 12-87	None

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2003	December 31, 2003

LIST OF SCHEDULES (Electric Utility)(Continued)

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
ELECTRIC PLANT STATISTICAL DATA (CONTINUED)			
Transmission Line Statistics	422-423	Ed. 12-87	
Transmission Lines Added During Year	424-425	Ed. 12-86	None
Substations	426-427	Ed. 12-96	
Electric Distribution Meters and Line Transformers	429	Ed. 12-88	None
Environmental Protection Facilities	430	Ed. 12-88	None
Environmental Protection Expenses	431	Ed. 12-88	None
Footnote Data	450	Ed. 12-87	None
Marianna Division Section			
Statement of Income for the Year	114M		
Electric Plant in Service	204M-207M		
Accumulated Provision for Depreciation of Electric Utility Plant	219M		
Electric Operating Revenues	300M-301M		
Electric Operation and Maintenance Expense	320M-323M		
Depreciation and Amortization of Electric Plant	336M		
Fernandina Beach Division Section			
Statement of Income for the Year	114F		
Electric Plant in Service	204F-207F		
Accumulated Provision for Depreciation of Electric Utility Plant	219F		
Electric Operating Revenues	300F-301F		
Electric Operation and Maintenance Expense	321F-323F		
Depreciation and Amortization of Electric Plant	336F		
Marianna Storm Reserve			
Stockholders' Reports — Check appropriate box: [X] Four Copies will be submitted. [ ] No annual report to stockholders is prepared.			

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

George Bachman, Chief Financial Officer & Treasurer
401 South Dixie Highway, P.O. Box 3395
West Palm Beach, Florida 33401

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Florida
March 6, 1924; Reincorporated April 25, 1929

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Distribution of electricity and gas in the state of Florida.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) YES ...Enter the date when such independent accountant was initially engaged: _____

(2) X NO

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
Flo - Gas Corporation	Propane Gas	100%	

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President & Chief Executive Officer	John T. English	$234,000
2			
3	Senior Vice President & Chief Operating Officer	Charles L. Stein	$180,000
4			
5	Vice President & Secretary	Jack R. Brown	$157,000
6			
7	Chief Financial Officer & Treasurer	George M. Bachman	$149,000
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FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended

December 31, 2003

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)
J.T. English** Chairman & Chief Executive Officer	401 South Dixie Highway West Palm Beach, Florida
R.C. Hitchins	325 South Olive Avenue West Palm Beach, Florida
P.L. Maddock, Jr	275 S County Road Palm Beach, Florida
R. E. Schupp*	4400 Congress Avenue West Palm Beach, Florida
Ellen Terry Benoit	250 El Pueblo Way Palm Beach, Florida

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights:
Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less.
Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION

IMPORTANT CHANGES DURING THE YEAR

1. NONE
2. In November 2002, the Company acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction.
3. On December 3, 2002 the Company entered into an agreement to sell the assets of its water utility system to the City of Fernandina Beach. The sale was finalized on March 27, 2003.
4. NONE
5. NONE
6. NONE
7. NONE
8. NONE
9. NONE
10. NONE
11. NONE
12. NONE

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	159,583,472	148,230,930
3	Construction Work in Progress (107)	200-201	3,477,432	3,455,074
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		163,060,904	151,686,004
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	** 200-201	(50,181,617)	(48,811,453)
6	Net Utility Plant (Enter Total of line 4 less 5)		112,879,287	102,874,551
7	Nuclear Fuel (120.1-102.4, 120.6)	202-203	-	-
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	-	-
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		-	-
10	Net Utility Plant (Enter Total of lines 6 and 9)		112,879,287	102,874,551
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)			
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	0	-
15	(Less) Accum. Prov. for Depr. and Amort. (122)		-	-
16	Investments in Associated Company (123)	224-225	-	-
17	Investment in Subsidiary Companies (123.1)	224-225	2,504,312	1,563,071
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)		-	
19	Noncurrent Portion of Allowances	228-229		
20	Other Investments (124-128, 171)		41,694	5,671,752
21	Special Funds		-	-
22	TOTAL Other Property and Investments (Total of lines 14 through 20)		2,546,006	7,234,823
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		3,186,558	843,698
25	Special Deposits (132-133)		2,814,812	3,148,987
26	Working Funds (135)		13,500	14,400
27	Temporary Cash Investments (136)		-	-
28	Notes Receivable (141)		-	243,931
29	Customer Accounts Receivable (142)		8,130,224	8,225,436
30	Other Accounts Receivable (143)		270,532	277,458
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(285,672)	(140,444)
32	Notes Receivable from Associated Companies (145)		-	-
33	Accounts Receivable from Assoc. Companies (146)		8,350,800	10,628,339
34	Fuel Stock (151)	227	-	-
35	Fuel Stock Expense Undistributed (152)	227	-	-
36	Residuals (Elec) and Extracted Products (Gas) (153)	227	-	-
37	Plant Material and Operating Supplies (154)	227	1,413,399	1,169,512
38	Merchandise (155)	227	628,254	247,166
39	Other Material and Supplies (156)	227	-	-
40	Nuclear Materials Held for Sale (157)	202-203/227	-	-
41	Allowances (158.1 and 158.2)	228-229	-	-
42	(Less) Noncurrent Portion of Allowances	228-229	-	-
43	Stores Expenses Undistributed (163)		-	-
44	Gas Stored Underground - Current (164.1)		-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		-	-
46	Prepayments (165)		3,135,290	6,563,863
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenues (173)		1,372,298	1,354,460
51	Miscellaneous Current and Accrued Assets (174)		-	-
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 through 51)		$29,029,995	$32,576,806

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS, cont.)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
53	DEFERRED DEBITS			
54	Unamortized Debt Expense (181)		$2,132,724	$2,046,433
55	Extraordinary Property Losses (182.1)		-	-
56	Unrecovered Plant and Regulatory Study Costs (182.2)		-	-
57	Other Regulatory Assets (182.3)		-	9,127,000
58	Prelim. Survey and Investigation Charges (Electric) (183)		-	-
59	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
60	Clearing Accounts (184)		-	-
61	Temporary Facilities (185)		13,975	18,380
62	Miscellaneous Deferred Debits (186)	233	5,537,183	5,925,402
63	Def. Losses from Disposition of Utility Plant. (187)		-	-
64	Research, Devel. and Demonstration Expend. (188)	352-353	-	-
65	Unamortized Loss on Reacquired Debt (189)		281,876	263,594
66	Accumulated Deferred Income Taxes (190)	234	3,273,967	3,204,953
67	Unrecovered Purchased Gas Costs (191)		462,827	869,639
68	0			
69	TOTAL Deferred Debits (Enter Total of lines 54 through 67)		11,702,552	21,455,401
70	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		156,157,840	164,141,581

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	$6,494,570	$6,515,327
3	Preferred Stock Issued (204)	250-251	600,000	600,000
4	Capital Stock Subscribed (202, 205)		-	-
5	Stock Liability for Conversion (203, 206)		-	-
6	Premium on Capital Stock (207)		7,479,668	7,672,004
7	Other Paid-In Capital (208-211)	253	1,419,471	1,462,592
8	Installments Received on Capital Stock (212)		-	-
9	(Less) Discount on Capital Stock (213)		-	-
10	(Less) Capital Stock Expense (214)		(428,441)	(428,441)
11	Retained Earnings (215, 215.1, 216)	118-119	18,034,504	29,084,452
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,494,312	1,553,071
13	(Less) Reacquired Capital Stock (217)	250-251	(4,611,507)	(4,395,577)
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		31,482,577	42,063,428
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	52,500,000	52,500,000
17	(Less) Reacquired Bonds (222)	256-257	-	-
18	Advances from Associated Companies (223)	256-257	-	-
19	Other Long-Term Debt (224)	256-257	-	-
20	Unamortized Premium on Long-Term Debt (225)		-	-
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)		-	-
22	TOTAL Long-Term Debt (Enter Total of lines 16 through 21)		52,500,000	52,500,000
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		-	-
25	Accumulated Provision for Property Insurance (228.1)		2,163,367	2,259,721
26	Accumulated Provision for Injuries and Damages (228.2)		599,938	421,513
27	Accumulated Provision for Pensions and Benefits (228.3)		1,764,250	1,816,675
28	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
29	Accumulated Provision for Rate Refunds (229)		-	-
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		4,527,555	4,497,909
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		19,183,000	2,278,000
33	Accounts Payable (232)		7,471,568	8,863,503
34	Notes Payable to Associated Companies (233)		-	-
35	Accounts Payable to Associated Companies (234)		-	-
36	Customer Deposits (235)		5,143,772	5,618,430
37	Taxes Accrued (236)	262-263	676,235	358,759
38	Interest Accrued (237)		920,177	932,608
39	Dividends Declared (238)		560,251	584,793
40	Matured Long-Term Debt (239)		-	-
41	Matured Interest (240)		-	-
42	Tax Collections Payable (241)		1,028,997	1,569,855
43	Miscellaneous Current and Accrued Liabilities (242)		1,015,737	1,192,693
44	Obligations Under Capital Leases-Current (243)		-	-
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		$35,999,737	$21,398,641

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS, continued)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		2,687,945	1,580,734
48	Accumulated Deferred Investment Tax Credits (255)	266-267	743,430	570,027
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	12,133,489	17,129,072
51	Other Regulatory Liabilities (254)	** 278	7,209,149	7,335,883
52	Unamortized Gain on Reacquired Debt (257)	269	0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	8,873,958	17,065,887
54	TOTAL Deferred Credits (Enter Total of lines 47 through 53)		31,647,971	43,681,603
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72	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,30 45 and 53)		$156,157,840	$164,141,581

* * Beginning balance changed due to a prior years adjustment of COR for SFAS no. 143

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 02 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122-123 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year ©	TOTAL Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	$93,129,724	$84,185,422
3	Operating Expenses			
4	Operation Expenses (401)	320-323	70,665,235	61,341,749
5	Maintenance Expenses (402)	320-323	2,519,906	2,473,804
6	Depreciation Expense (403)	336-337	4,732,379	4,599,211
7	Amort. & Depl. of Utility Plant (404-405)	336-337	252,596	366,225
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	(956)	(956)
9	Amort. of Property Losses, Unrecovered Plant and		-	-
	Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)	262-263	7,521,839	7,226,029
14	Income Taxes - Federal (409.1)	262-263	(757,705)	1,510,907
15	- Other (409.1)	262-263	(129,622)	257,390
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	2,017,251	(449,081)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(93,434)	(105,448)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-22)		86,727,489	77,219,830
24	Net Utility Operating Income (Total of line 2 less 23)		$6,402,235	$6,965,592
	(Carry forward to page 117, line 25)			

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	Line No.
						1
$39,519,249	$40,929,682	$53,610,475	$40,139,641	$0	$3,116,099	2
						3
30,110,901	31,110,224	40,554,334	29,262,014	0	969,511	4
1,442,296	1,363,154	1,077,610	797,255	-	313,395	5
2,416,847	2,187,520	2,315,532	2,037,146	-	374,545	6
-	-	252,596	366,225	-	-	7
-	-	(956)	(956)	-	-	8
-	-	-	-	-	-	9
-	-	-	-	-	-	
-	-	-	-	-	-	10
-	-	-	-	-	-	11
-	-	-	-	-	-	12
3,300,646	3,288,947	4,221,193	3,386,993	-	550,089	13
(368,677)	567,731	(389,028)	684,491	-	258,685	14
(63,132)	96,657	(66,490)	116,607	-	44,126	15
664,128	(315,568)	1,353,123	(17,995)	-	(115,518)	16
-	-	-	-	-	-	17
(52,123)	(56,525)	(41,311)	(42,010)	-	(6,913)	18
-	-	-	-	-	-	19
-	-	-	-	-	-	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
37,450,886	38,242,140	49,276,603	36,589,770	0	2,387,920	23
$2,068,363	$2,687,542	$4,333,872	$3,549,871	$0	$728,179	24

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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account	Ref. Page No.	TOTAL Current Year	TOTAL Previous Year
25	Net Utility Operating Income (Carried forward from page 114)	--	6,402,235	6,965,592
26	Other Income and Deductions			
27	Other Income	--		
28	Nonutility Operating Income	--		
29	Revenues From Merchandising, Jobbing and Contract Work (415)	--	2,487,526	2,703,225
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	--	(2,372,455)	(2,537,302)
31	Revenues From Nonutility Operations (417)	--	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	--	-	-
33	Nonoperating Rental Income (418)	--	400	800
34	Equity in Earnings of Subsidiary Companies (418.1)	119	58,759	354,240
35	Interest and Dividend Income (419)	--	189,660	455,781
36	Allowance for Other Funds Used During Construction (419.1)	--	50	3,758
37	Miscellaneous Nonoperating Income (421)	*	204,120	129,013
38	Gain on Disposition of Property (421.1)	--	15,871,571	-
		--	-	
39	TOTAL Other Income (Enter Total of lines 29 through 38)	--	16,439,631	1,109,515
40	Other Income Deductions	--		
41	Loss on Disposition of Property (421.2)	--	-	-
42	Miscellaneous Amortization (425)	340	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	340	19,170	16,946
			-	
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		19,170	16,946
45	Taxes Applic. to Other Income and Deductions	--		
46	Taxes Other Than Income Taxes (408.2)	262-263	-	-
47	Income Taxes - Federal (409.2)	262-263	99,775	292,517
48	Income Taxes - Other (409.2)	262-263	16,333	50,051
49	Provision for Deferred Income Taxes (410.2)	234,272-277	5,968,936	-
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277	-	-
51	Investment Tax Credit Adj.- Net (411.5)	--	-	-
52	(Less) Investment Tax Credits (420)	--	-	-
			-	
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)	--	6,085,044	342,568
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	--	10,335,417	750,001
55	Interest Charges			
56	Interest on Long-Term Debt (427)	--	3,948,550	3,937,289
57	Amortization of Debt Disc. and Expense (428)	--	128,746	139,336
58	Amortization of Loss on Reacquired Debt (428.1)	--	-	-
59	(Less) Amort. of Premium on Debt - Credit (429)	--	-	-
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	--	-	-
61	Interest on Debt to Assoc. Companies (430)	340	(172,149)	(156,402)
62	Other Interest Expense (431)	340	410,271	612,618
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	--	(33)	(180,181)
			-	
64	Net Interest Charges (Total of lines 56 through 63)	--	4,315,385	4,352,660
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	--	12,422,267	3,362,933
66	Extraordinary Items			
67	Extraordinary Income (434) Cum.	--	-	-
68	(Less) Extraordinary Deductions (435)	--	-	-
69	Net Extraordinary Items (Enter Total of line 67 less line 68)	--	-	-
70	Income Taxes - Federal and Other (409.3)	262-263	-	-
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)	--	-	-
72	Net Income (Enter Total of lines 65 and 71)		12,422,267	3,362,933
	Earnings Per Share		3.17	0.86

* Includes Income from Discontinued Operations from the sale of the Water Division 193,371

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount ©
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		$18,034,504
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		1,000,000
5	Credit:		-
6	Credit:		-
7	Credit:		-
8	Credit:		-
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		1,000,000
10	Debit:		-
11	Debit:		-
12	Debit:		-
13	Debit:		-
14	Debit:		-
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)		12,363,508
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 21)		-
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred	2380	28,500
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 28)		28,500
30	Dividends Declared - Common Stock (Account 438)		
31	Common - Cash	2380	2,285,060
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 35)		2,285,060
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		-
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		$29,084,452

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)	$29,084,452
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	2,494,312
50	Equity in Earnings for Year (Credit) (Account 418.1)	58,759
51	(Less) Dividends Received (Debit)	(1,000,000)
52	Other Changes (Explain) Cost of shares issued for employee stock plan	
53	Balance - End of year (Total of Lines 49 Thru 52)	1,553,071

CONSOLIDATED STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 122-123. Information about noncash investing and financing activities should be provided on page 122-123. Provide also on page 122-123 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
1		
2	Net Income (Line 72(c) on page 14)	12,422,263
3	Less Net Income from Disc. Operation	-
4	Non-Cash Charges (Credits) to Income:	
5	Depreciation and Depletion	5,240,079
6	Amortization of (Specify)	251,640
7	Amortization of Gain on Sale of Non-Utility Property	120,377
8	Net Gain on Sale of Discontinued Operations	(10,090,846)
9	Deferred Income Taxes (Net)	8,408,184
10	Bad Debt Expense	173,947
11	Investment Tax Credit Adjustments (Net)	(96,713)
12	Net (Increase) Decreases in Receivables	(1,293,165)
13	Net (Increase) Decreases in Unbilled Receivables	-
14	Net (Increase) Decreases in Inventory	(4,633,104)
15	Net (Increase) Decreases in Allowances Inventory	-
16	Net (Decrease) Increase in Payables and Accrued Expenses	(3,555,302)
17	Net (Increase) Decreases in Other Regulatory Assets	-
18	Net (Decrease) Increase in Other Regulatory Liabilities	-
19	(Less) Allowance for Other Funds Used During Construction	(83)
20	(Less) Undistributed Earnings from Subsidiary Companies	-
21	Other:Storm Damage Reserve	96,354
22	Other Depreciation and Amortization	297,713
23	Over/(Under) Recovery of Energy Costs	40,317
24	Area Expansion Program deferred costs	(430,642)
25	Environmental Liability	(450,976)
26	Other Assets	483,308
27		
28	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 22)	6,983,351
29		
30		
31	Cash Flows from Investment Activities:	
32	Construction and Acquisition of Plant(including land):	
33	Gross Additions to Utility Plant	(9,692,970)
34	Purchase of Atlantic Assets	-
35	Purchase of Z Gas Assets	(409)
36	Purchase of Nature Coast Assets	(14,751)
37	Miscellaneous Construction	-
38	Gross Additions to Nonutility Plant	-
39	(Less) Allowance for Other Funds Used During Construction	-
40	Other: Customer Advances for Construction	168,166
41	Other: Purchase of Long-Term Investments	(334,175)
42	Other: Deposit Held in Escrow for Dividend Payment	-
43	Other: Miscellaneous Deferred Credits	19,371,710
44	Cash Outflows for Plant (Total of lines 28 through 35)	9,497,571
45	-	
46		
47		
48		
49		
50		
51		

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122-123.
Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122-123.

5. Codes used:

(a) Net proceeds or payments
(b) Bonds, debentures and other long-term debt.
(c) Include commercial paper
(d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 122-123 clarifications and explanations.

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
51		
52	Net Cash Provided by (Used in) Investing Activities	9,497,571
53		
54		
55	Cash Flows From Financing Activities:	
56	Proceeds from Issuance of:	
57	Long-Term Debt (b)	(2,422)
58	Preferred Stock	-
59	Common Stock	-
60	Other:	-
61		
62	Net Increase in Short-term Debt (c)	21,793,000
63	Other:	-
64		
65		
66	Cash provided by Outside Sources (Total of lines 61 through 69)	21,790,578
67		
68	Payments of Retirement of:	
69	Long-Term Debt (b)	-
70	Preferred Stock	-
71	Common Stock	472,144
72	Other:	-
73		
74	Net Decrease in Short-Term Debt (c)	(38,698,000)
75		
76	Dividends on Preferred Stock	
77	Dividends on Common Stock	(2,289,011)
78		
79	Net Cash Provided by (Used in) Financing Activities	(18,724,289)
80	(Total of lines 70 through 81)	
81		
82	Net Cash Provided by Discontinued Operations	(97,881)
83		
84	Net Increase (Decrease) in Cash and Cash Equivalents	(2,341,248)
85	(Total of lines 22,57, and 83)	
86		
87	Cash and Cash Equivalents at Beginning of Year	3,200,158
88		
89	Cash and Cash Equivalents at End of Year	858,910

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such , debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

SEE ATTACHED 10K SUPPLEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting and Reporting Policies

Business and Regulation FPU is an operating public utility engaged principally in the purchase, transmission, distribution and sale of electricity and in the purchase, transmission, distribution, sale and transportation of natural gas. FPU is subject to the jurisdiction of the FPSC with respect to its natural gas and electric operations. The suppliers of electric power to the Northwest Florida division and of natural gas to the natural gas divisions are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). The Northeast Florida division is supplied most of its electric power by a municipality which is exempt from FERC and FPSC regulation. FPU also distributes propane gas through a non-regulated subsidiary. FPU's accounting policies and practices conform to accounting principles generally accepted in the United States of America as applied to regulated public utilities and are in accordance with the accounting requirements and rate making practices of the FPSC.

FPU prepares its financial statements in accordance with the provisions of SFAS No. 71 – "Accounting for the Effects of Certain Types of Regulation". In general, SFAS No. 71 recognizes that accounting for rate-regulated enterprises should reflect the relationship of costs and revenues introduced by rate regulation. As a result, a regulated utility may defer recognition of a cost (a regulatory asset) or recognize an obligation (a regulatory liability) if it is probable that, through the rate making process, there will be a corresponding increase or decrease in revenues. Accordingly, FPU has recognized certain regulatory assets and regulatory liabilities in the consolidated balance sheets. FPU believes that the FPSC will continue to allow it to recover such items through its rates. In the event that a portion of FPU's operations are no longer

subject to the provisions of SFAS No. 71, it would be required to write off related regulatory assets and liabilities that are not specifically recoverable through regulated rates. In addition, FPU would be required to determine if an impairment related to other assets exists, including plant, and write down the assets, if impaired, to their fair value. A summary of such items is as follows (dollars in thousands):

	2003	2002
Assets		
Deferred development costs (1)	$3,927	$3,496
Other regulatory assets – environmental (3)	9,127	-
Under recovery of conservation and unbundling	-	36
Unamortized piping and conversion costs (1)	1,441	1,501
Unamortized loss on reacquired debt (1)	264	282
Total Regulatory Assets	$14,759	$5,315
Liabilities		
Regulatory tax liabilities	$1,243	$1,413
Environmental liability	4,873	5,204
Regulatory liability – cost of removal (2)	6,093	5,797
Storm damage	2,260	2,163
Over recovery of fuel costs, conservation and unbundling	1,811	1,807
Total Regulatory Liabilities	$16,280	$16,384

(1) Deferred development costs, unamortized piping and conversion costs, and unamortized loss on reacquired debt are included in deferred charges in the consolidated balance sheets.

(1) Prior periods have been restated to conform to SFAS No. 143 (for additional information see "Impact of Recent Accounting Standards" in the Notes to Consolidated Financial Statements).

(2) FPU has accrued $9 million as a regulatory asset pending future rate recovery to be authorized by the FPSC. The regulatory liability excludes the $9 million as it represents a legal but not regulatory liability.

FPU has agreed with the FPSC staff to limit its earned return on equity for its regulated natural gas and electric operations. The disposition of any over earnings is left to the discretion of the FPSC, with alternatives including a refund to customers, recording the over earnings to the storm damage reserves, or the reduction of any depreciation reserve deficiency. The over earnings for 1997, 1998 and 1999 at one of FPU's electric divisions were ordered by the FPSC to be added to that division's storm damage reserve. Since that last order on the 1999 disposition of over earnings, the FPSC has allowed FPU the automatic flexibility of recording the over earnings to the storm damage reserves each year thereafter through use of the over earnings and allowing additional storm damage accruals up to a cap in those reserves of $1.5 million and $1.4 million in the Northeast and Northwest electric divisions, respectively. FPU recorded an additional $237,000 relating to 2000 over earnings and $9,500 relating to 2002 over earnings in its Northeast electric storm reserve. FPU recorded an additional $16,300 relating to 2002 over earnings to its Northwest electric storm reserve. In 2001 and 2003 FPU did not have any over earnings and accordingly has not recorded any additional amounts to its storm damage reserves. As of the end of 2003, the Northeast and Northwest electric storm reserves were at approximately $1.2 million and $964,000, respectively. FPU also expects that the FPSC will grant it permission to record the 2002 natural gas over earnings of $105,000 to its environmental reserves. Finalization of this over earnings review is expected in early 2004. In accordance with FPSC guidance, FPU has recorded to its environmental reserve any over earnings.

FPU filed tariff sheets for its unbundled program to give its commercial natural gas customers the option of purchasing their gas supplies from third parties. FPU officially offered unbundled services to commercial customers on August 1, 2001. Even though FPU has had among the lowest overall gas costs in the Florida market, third party suppliers may be

able to offer its customers additional programs, which a regulated gas company cannot offer. Furthermore, by purchasing their gas supplies from third parties, FPU's commercial customers may avoid certain taxes and fees, which FPU is required to collect and impose on the sale of natural gas. FPU's operating results will not be affected as it realizes the same gross profit regardless of whether the customer purchases the gas from FPU or uses FPU's system to transport the gas since it does not profit on the fuel sales. The FPSC approved various mechanisms, which will allow FPU to be reimbursed for the incremental cost of providing unbundled services. For years after 2004, FPU will request recovery through base rates instead of being reimbursed.

Revenue FPU bills utility customers on a monthly cycle basis; however, the billing cycle periods for most customers do not coincide with the accounting periods used for financial reporting. FPU accrues estimated revenue for gas and electric customers not yet billed during the accounting period. Determination of unbilled revenue relies on the use of estimates, fuel purchases, and historical data.

FPU's rates include base revenues, fuel adjustment charges and the pass-through of certain governmental imposed taxes based on revenues. The base revenues are determined by the FPSC and remain constant until a request for an increase in such rates is filed and approved by the FPSC. From the FPSC perspective, FPU previously operated three distinct "entities", i.e., Northwest Florida electric, Northeast Florida electric and its natural gas division, consisting of Palm Beach County, and the Sanford and DeLand area in Central Florida. Thus, for FPU to recover through rate relief the effects of inflation and construction expenditures for all such "entities", a request for an increase in base revenues would have required the filing of three separate rate cases. In 2003 FPU successfully filed for electric rate increases and petitioned to consolidate the two electric "entities" into one. FPU anticipates filing for natural gas rate increases in 2004. Fuel adjustment charges are estimated for customer billing purposes and any under/over-recovery difference between the incurred cost of fuel and estimated amounts billed to customers is deferred for future recovery or refund and either charged or credited to customers. Interest accrues on such under/over-recoveries and is included in the subsequent adjustment.

Consolidation The consolidated financial statements include the accounts of FPU and its wholly owned subsidiary, Flo-Gas Corporation. All significant intercompany balances and transactions have been eliminated.

Certain reclassifications may have been made to the prior years' financial statements and other financial information contained herein to conform to the 2003 presentation.

Utility Plant and Depreciation Utility plant is stated at original cost. Propane utility plant that has been acquired in acquisitions is stated at fair market value at the time of each acquisition. The costs of additions to utility plant include contracted services, direct labor, transportation and materials. The costs of units of property retired are removed from utility plant, and such costs plus removal costs, less salvage, are charged to accumulated depreciation. Maintenance and repairs of property and replacement and renewal of items determined not to be units of property are charged to operating expenses. Substantially all of the utility plant and the shares of Flo-Gas Corporation collateralize FPU's First Mortgage Bonds.

Depreciation is computed using the composite straight-line method at rates prescribed by the FPSC for financial accounting purposes. Propane depreciation is computed using a composite straight-line method at an average rate based on estimate life of approximately 20 years. Such rates are based on estimated service lives of the various classes of property. Depreciation provisions on average depreciable property approximate 3.4% in 2003, 3.3% in 2002, and 3.4% in 2001.

Income Taxes Deferred income taxes are provided on all significant temporary differences between the financial statements and tax basis of assets and liabilities at currently enacted tax rates. Investment tax credits have been deferred and are amortized based upon the average useful life of the related property in accordance with the rate treatment.

Use of Estimates Inherent in the accounting process is the use of estimates when preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates. FPU used estimates in the preparation of its financial statements including the accrual for pensions, environmental liabilities, and uninsured liability claims. An actuary calculates the estimated pension liability in accordance with FASB 87. Environmental liabilities are subject to certain unknown future events. FPU is self-insured for the first

$250,000 of each general and auto liability claim and therefore accrues for estimated losses occurring from both asserted and unasserted claims. The estimate for unasserted claims arising from unreported incidents is based on an analysis of historical claims data and judgment. FPU became fully insured for medical in December 2003 and will no longer require accrual of estimated claims. Management believes that the accruals for potential liabilities are adequate.

2. Impact of Recent Accounting Standards

Financial Accounting Standard No. 143

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." The statement requires that the fair value of an asset retirement obligation be recognized at the time those obligations are incurred. Upon initial recognition of a legal liability, costs are capitalized as part of the related long-lived asset and allocated to expense over the useful life of the asset. SFAS No. 143 also requires that components of previously recorded depreciation related to the cost of removal of assets upon retirement, whether legal asset retirement obligations or not, be removed from a company's accumulated depreciation reserve. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. FPU adopted the provisions of the Statement as of January 1, 2003, as prescribed by the FPSC. Under FPSC guidelines, the estimated cost of removal expenses for normal retirements related to regulated fixed assets are reserved through the depreciation expense and accumulated reserves. At December 31, 2003, FPU reclassified the estimated cost of removal from accumulated depreciation to a regulatory liability for the obligation. The estimated value of the reserve that has been accumulated for future cost of removal as of December 31, 2003 and 2002 was approximately $6.1 million and $5.8 million, respectively. All prior period amounts have been restated to conform to the current year presentation.

Financial Accounting Standard No. 149

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement clarifies the circumstances under which a contract with an initial net investment becomes a derivative, and clarifies when a derivative contains a financing component. As FPU has designated all material contracts meeting the definition of possible derivative instruments as "normal purchases and sales" under SFAS No. 133, "Accounting for Derivatives", this statement had no impact on the current financial statements issued by FPU but could impact future financial statements.

Financial Accounting Standard No. 150

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. SFAS No. 150 had no impact on current financial instruments issued by FPU, but may impact any future financial instruments issued.

3. Notes Payable

On April 1, 2003 FPU opened a $12.0 million, thirty-nine month line of credit, the current outstanding balance of which is $2.3 million. The $20.0 million line of credit held until April 2003 expired. The old line of credit had $19.2 million borrowed at the end of 2002 and provided for interest at LIBOR plus fifty basis points. FPU reserves $1.0 million of the LOC to cover expenses for any major storm repairs in its Northwest Florida division. An additional $250,000 of the LOC is reserved for a 'letter of credit' insuring propane facilities. The interest rates for the line of credit at December 31, 2003, 2002, and 2001 were approximately 2.0%, 1.9% and 2.4%, respectively.

4. Acquisitions

In October 2001, FPU acquired Z-Gas Company, Inc., a propane gas service distribution company, in a stock for stock transaction valued at approximately $600,000. The acquisition added about 1,000 customers to the propane gas operation in the Northeast Florida division.

In December 2001, FPU acquired certain net assets of Atlantic Utilities, the Florida operation of Southern Union Company

in a cash transaction valued at approximately $10.0 million. Atlantic Utilities served about 4,400 natural gas customers in New Smyrna Beach and about 1,900 propane gas customers in Central and South Florida.

The excess of the consideration paid over the estimated fair value, or the depreciated original cost for regulated entities, of net assets including intangibles acquired in both the Atlantic Utilities and Z-Gas acquisitions was approximately $3.1 million. This was recorded as goodwill and in accordance with SFAS No. 142, is not being amortized. The natural gas portion of this amount is approximately $1.5 million.

Fair Market Value of Assets Acquired and Liabilities Assumed in 2001
(dollars in thousands)

	ATLANTIC	Z-GAS
Utility plant		
Natural gas	$ 4,802	$ -
Propane gas	1,246	333
Accumulated depreciation and amortization	(2,195)	-
Net utility plant	3,853	333
Current Assets		
Cash	-	14
Accounts receivable	99	23
Inventories	212	17
Total current assets	311	54
Goodwill-Natural gas	1,514	-
Goodwill-Propane gas	1,412	199
Intangibles-Natural gas	1,900	-
Intangibles-Propane gas	930	5
Deferred charges	348	-
Total other assets	6,104	204
Current Liabilities		
Interest accrued	(12)	-
Other accruals and payables	(279)	(12)
Customer deposits	(260)	-
Total current liabilities	(551)	(12)
Total acquisition cost	$ 9,717	$ 579

The following unaudited pro forma information combines the consolidated results of operations of FPU with those of Z-Gas and Atlantic Utilities as if these acquisitions had occurred at the beginning of 2001. The pro forma results are not necessarily an indication of the results that would have been achieved had the transactions been consummated as of the date indicated, or of the results that may be achieved in the future. The 2001 information includes actual amounts for November and December information for the results of Z-Gas and December 15-31 information for the results of Atlantic Utilities. The income statement for 2002 includes all the effects from these two acquisitions and no pro forma adjustments are necessary.

Pro Forma Results
(dollars in thousands except for per share data)

	Year ended December 31, 2001
Revenues	$ 95,096

Cost of fuel and taxes based on revenues	62,560
Gross Profit	32,536
Operating Income from continuing operations	6,507
Income from continuing operations	3,204
Earnings for Common Stock from continuing operations	3,175
Average Shares Outstanding	3,837,251
Earnings per Common Share from continuing operations	$ .82

In November 2002, FPU acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction valued at approximately $740,000. The acquisition added about 1,200 customers to FPU's new Nature Coast division located in West Central Florida.

The excess of the consideration paid over the fair value of assets acquired and liabilities assumed associated with this acquisition, resulted in goodwill of approximately $223,000 and in accordance with SFAS No. 142, it is not being amortized. In 2003, subsequent acquisition adjustments have increased the goodwill to $240,000. There are no other intangible assets identified with this acquisition.

5. Goodwill and Intangible Assets

Effective January 1, 2002, FPU adopted SFAS No. 142, "Goodwill and Other Intangible Assets." Under this statement, the amortization of goodwill is no longer permitted and intangible assets with an indefinite life will not be amortized. The standard requires goodwill to be periodically tested for impairment and written down to fair value if considered impaired. The reporting units have been determined to be propane gas and natural gas for the purposes of impairment testing.

Intangible assets associated with FPU's acquisitions have been identified and are shown as separate line items on the balance sheet. The intangibles subject to amortization over a five-year period are non-compete agreements totaling $35,000. The related amortization of $14,162 is included in the net intangible asset on the balance sheet. The remaining intangibles identified are customer distribution rights of $1.9 million and customer relationships of $900,000, both of which have indefinite lives and are not subject to amortization.

All goodwill relates to the natural and propane gas acquisitions and accordingly, there is no amortization of goodwill reported in the accompanying consolidated financial statements. Goodwill is $1.5 million in the natural gas segment and $1.9 million in the propane gas segment. The initial test for goodwill impairment was performed for the reporting segments as of January 1, 2002 and the test results showed no impairment for either operating segment. A subsequent impairment test was performed as of January 1, 2003 and showed no impairment for either reporting segment.

6. Discontinued Operations

Water Service

On December 3, 2002, FPU entered into an agreement to sell certain assets comprising its water utility system to the City of Fernandina Beach. The closing of this transaction took place on March 27, 2003. The City paid FPU $19.2 million in cash at closing, as well as future consideration of approximately $7.4 million to be received (as summarized below) until February 15, 2010, when FPU will receive the final payment from the City. The net proceeds from the sale resulted in the payoff of the notes payable balance. FPU recognized and recorded the present value of the long-term receivable in the amount of $5.7 million, using a discount rate of 4.34%. The long-term receivable has been subsequently increased to recognize interest income in the amount of $190,000. The fair value of the consideration is approximately $25.0 million. The gain on the disposal of Discontinued Operations including the income from discontinued operations for the first quarter of 2003, was $15.8 million or $9.9 million after tax, and has subsequently been adjusted to $15.9 million or $9.9 million after tax due to adjustments to sales related expenses that were previously estimated.

The accompanying consolidated financial statements have been restated for all periods presented for the discontinued operations of the water division. FPU did not cease recording depreciation expense due to the regulatory requirements and continued to record depreciation through the sale date of March 27, 2003. The total net plant amounted to approximately $9.7 million, and the net assets less liabilities amounted to approximately $8.9 million at the date of sale. The assets and liabilities of the water division have been included in current assets and current liabilities as of December 31, 2002, as

assets and liabilities held for sale.

Estimated Annual Future Value of Consideration due from the City for years following December 31, 2003 is as follows (in thousands):

	Estimated Timing of Payments	Present Value of Long Term Receivable
2004	$ 245	$ 244
2005	371	353
2006	375	342
2007	375	328
2008	375	314
2009	375	300
2010	5,250	4,025
Total	$ 7,366	$ 5,906

Results of discontinued operations were as follows:

Results of Water Division (in thousands):	Year Ended December 31, 2003	2002
Revenues	$ 679	$ 3,116
Gross profit	651	2,983
Income from discontinued operations before income taxes	149	908
Income taxes	(16)	(306)
Income from discontinued operations	$ 133	$ 602

The major balance sheet classes included in assets and liabilities of discontinued operations in the Consolidated Balance Sheets, as of December 31, 2002, are as follows:

Major Balance Sheet Classifications - Water Division (in thousands):	December 31, 2002
Assets	
Utility plant, net	$ 9,782
Current assets	396
Total	$ 10,178
Liabilities	
Current liabilities	$ 15
Customer advances for construction	1,257
Total	$ 1,272

7. Gain on Sale of Property

FPU sold property held in Delray Beach, in its South Florida division, for a gain of approximately $529,000 in the first quarter of 2002. This property was primarily regulated property and accordingly the majority of the gain was deferred awaiting FPSC approval on the disposition of that gain. FPU has been granted approval by the FPSC to allow amortization of the gain with an offset to depreciation expense over five years beginning April 2002. The non-regulated portion of the gain has been recognized in 2002 and amounted to $53,000, net of income taxes.

FPU sold property held in DeLand, in its Central Florida division, for a gain of approximately $186,000 during 2002. This property was primarily regulated property and accordingly the majority of the gain was deferred awaiting FPSC approval on the disposition of that gain. FPU has been granted approval by the FPSC to allow amortization of the gain with an offset to depreciation expense over five years beginning August 2002. The non-regulated portion of the gain was recognized in 2002 and amounted to $17,000, net of income taxes.

8. Capitalization

Common Stock Split

In July 2002, FPU affected a four-for-three stock split in the form of a stock dividend and, accordingly, transferred from paid-in capital to common stock, an amount equal to the aggregate par value of the additional shares. All per share data included herein have been retroactively restated to reflect the stock split.

Common Shares Reserved

FPU has reserved 91,049 common shares for issuance under the Dividend Reinvestment Plan and 8,750 common shares for issuance under the Employee Stock Purchase Plan.

Dividend Restriction

The Indenture of Mortgage and Deed of Trust and supplements thereto provide for restriction of the payment of cash dividends. At December 31, 2003 approximately $4.3 million of retained earnings were free of such restriction, and therefore available for the payment of dividends.

9. Debt

FPU issued its First Mortgage Bond, 6.85% Series due 2031 on September 27, 2001 in the aggregate principal amount of $15.0 million as security for the 6.85% Secured Insured Quarterly Notes, due October 1, 2031 (IQ Notes). Interest on the pledged bond accrues at the rate of 6.85% per annum payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, payable initially on January 1, 2002. The pledged bond constitutes the Fourteenth Series of FPU's First Mortgage Bonds.

FPU issued $14.0 million of Palm Beach County municipal bonds (Industrial Development Revenue Bonds) on November 14, 2001 to finance development in the area. The interest rate on the thirty-year callable bonds is 4.90%. The bond proceeds were restricted and held in trust until construction expenditures were actually incurred by FPU. In 2002 the remaining $8 million was drawn from the restricted funds held by the trustee.

In 1992, FPU issued its First Mortgage Bond 9.08% Series in the amount of $8.0 million. The thirty-year bond is due in June 2022.

FPU issued two of its First Mortgage bond series on May 1, 1988; the 9.57% Series due 2018 in the amount of $10.0 million and 10.03% Series due 2018 in the amount of $5.5 million. The pledged bonds constitute the Twelfth Series of FPU's First Mortgage Bonds. These two issuances require sinking fund payments of $909,000 and $500,000 respectively, beginning in

2008.

On April 1, 2003 FPU changed banks and opened a $12.0 million, thirty-nine month line of credit, the current outstanding balance of which is $2,278,000. FPU reserves $1 million of the LOC to cover expenses for any major storm repairs in its Northwest Florida division. An additional $250,000 of the LOC is reserved for a 'letter of credit' insuring propane facilities.

10. Segment Information

FPU is organized into two continuing regulated business segments: natural gas and electric and one non-regulated business segment, propane gas. Water, a regulated segment, has been classified as discontinued operations and has been eliminated from segment information with the exception of Identifiable assets that are shown for 2002 and 2001. There are no material inter-segment sales or transfers.

Identifiable assets are those assets used in FPU's operations in each business segment. Common assets are principally cash and overnight investments, deferred tax assets and common plant.

Business segment information for 2003, 2002 and 2001 is summarized as follows:
(in thousands)

	2003	2002	2001
Revenues			
Natural gas	$ 53,610	$ 40,140	$ 44,729
Electric	39,519	40,930	39,050
Propane gas	9,594	7,391	5,399
Consolidated	$ 102,723	$ 88,461	$ 89,178
Operating income from continuing operations excluding income tax			
Natural gas	$ 5,190	$ 4,291	$ 3,295
Electric	2,249	2,980	2,893
Propane gas	254	498	431
Consolidated	$ 7,693	$ 7,769	$ 6,619
Identifiable assets			
Natural gas	$ 80,924	$ 60,439	$ 55,300
Electric	43,476	42,557	40,609
Propane gas	14,348	10,288	10,728
Water operations – held for sale	-	10,096	9,579
Common	24,242	27,240	29,195
Consolidated	$ 162,990	$ 150,620	$ 145,411

Prior periods have been restated to conform to SFAS No. 143 (for additional information see "Impact of Recent Accounting Standards" in the Notes to Consolidated Financial Statements).

Depreciation and amortization

Natural gas	$ 2,414	$ 2,272	$ 1,963
Electric	2,333	2,116	2,070
Propane gas	508	436	322
Common	237	202	170
Consolidated	$ 5,492	$ 5,026	$ 4,525

Construction expenditures			
Natural gas	$ 4,331	$ 9,373	$ 7,508
Electric	3,504	3,278	4,418
Propane gas	1,333	1,298	1,147
Common	525	187	369
Consolidated	$ 9,693	$ 14,136	$ 13,442

Continuing operations income tax expense			
Natural gas	$ 856	$ 741	$ 547
Electric	180	292	397
Propane gas	21	151	84
Common	110	218	211
Consolidated	$ 1,167	$ 1,402	$ 1,239

11. Income Taxes

On March 27, 2003, FPU sold substantially all of its assets of the water division to the City of Fernandina Beach. The sale was made pursuant to a "threat of condemnation" during the fourth quarter of 2002. FPU has elected (for tax purposes) to defer the gain on the sale of the assets pursuant to Code Section 1033 of the Internal Revenue Code of 1986 (IRC). Section 1033 allows nonrecognition of gain if property is disposed as a result of threat of condemnation and property that is similar or related in service or use is purchased to replace the property disposed. To qualify, the replacement property must be purchased within the replacement period which begins on the earlier of date of disposition (March 27, 2003) or date of threat of condemnation (December 31, 2002) and ending two years after the close of the year of sale (December 31, 2005). For real property, the replacement period is extended to three years (December 31, 2006). FPU intends to purchase property that is similar or related in service or use within the replacement period. In the first, second and third quarter the related deferred tax liability was included in current taxes. As of year end, it is included in deferred taxes payable.

The provision (benefit) for income taxes consists of the following (in thousands):

	2003	2002	2001
Current payable			
Federal	$ (1,007)	$ 1,609	$ 1,413
State	(174)	274	240

	(1,181)	1,883	1,653
Deferred			
Federal	2,070	(338)	(275)
State	375	(40)	(32)
	2,445	(378)	(307)
Investment tax credit	(97)	(103)	(107)
Income taxes – continuing operations	1,167	1,402	1,239
Income taxes – discontinued operations	5,971	306	301
Total	$ 7,138	$ 1,708	$ 1,540

The difference between the effective income tax rate and the statutory federal income tax
rate applied to pretax income is accounted for as follows (dollars in thousands):

	2003	2002	2001
Federal income tax at statutory rate	$ 1,254	$ 1,415	$ 1,256
State income taxes, net of federal benefit	134	151	134
Investment tax credit	(97)	(110)	(114)
Other	(124)	(54)	(37)
Total provision for income taxes from continuing operations	$ 1,167	$ 1,402	$ 1,239

The tax effects of temporary differences producing deferred income taxes
in the accompanying consolidated balance sheets are as follows (in thousands):

	2003	2002
Deferred tax assets:		
Environmental	$ 1,988	$ 2,112
Self insurance	684	664
General Liability	(165)	(66)
Storm reserve liability	100	0
Vacation pay	291	277
Other deferred credits – Gain	146	197
AMT	208	0
Other	107	110
Total deferred tax assets	3,359	3,294
Deferred tax liabilities:		
Utility plant related	18,203	9,422
Under recovery of fuel costs	327	174
Pension	588	804

Rate case expense	128	7
Other	178	253
Total deferred tax liabilities	19,424	10,660
Net deferred income taxes	$ 16,065	$ 7,366

12. Employee Benefit Plans

Pension Plan

FPU sponsors a qualified pension plan for its employees. The following tables provide a reconciliation of the changes in the plan's benefit obligations and fair value of assets over the 2-year period ending
December 31, 2003 and a statement of the funded status as of December 31, 2003 and 2002:

Benefit Obligations and Funded Status

		Year Ending December 31, 2003	2002
(1)	Change in Projected Benefit Obligation		
(a)	Projected Benefit Obligation at the Beginning of the Year	$28,283,326	$26,164,049
(b)	Service Cost	1,012,149	895,888
(c)	Interest Cost	1,877,987	1,818,276
(d)	Actuarial (Gain) or Loss	1,653,212	591,406
(e)	Benefits Paid	(1,285,732)	(1,186,293)
(f)	Change in Plan Provisions	-	-
(g)	Plan Participant Contributions	-	-
(h)	Acquisition	-	-
(i)	Curtailment	-	-
(j)	Settlement	-	-
(k)	Special Termination Benefits	-	-
(l)	Projected Benefit Obligation at the End of the Year	$31,540,942	$28,283,326
(m)	Accumulated Benefit Obligation at the End of the Year	$26,810,146	$23,443,150
(2)	Change in Plan Assets		
(a)	Fair Value of Plan Assets at the Beginning of the Year	$26,953,318	$32,007,418
(b)	Actual Return on Plan Assets	5,413,477	(3,867,807)
(c)	Benefits Paid	(1,285,732)	(1,186,293)
(d)	Employer Contributions	-	-
(e)	Plan Participant Contributions	-	-
(f)	Acquisition	-	-
(g)	Settlement	-	-
(h)	Fair Value of Assets at the End of the Year	$31,081,063	$26,953,318
(3)	Net Amount Recognized		

(a)	Funded Status: (2)(h) - (1)(l)	$(459,879)	$(1,330,008)
(b)	Unrecognized Transition Obligation (Asset)	-	-
(c)	Unrecognized Prior Service Cost	5,580,092	6,292,020
(d)	Unrecognized Net (Gain) or Loss	(3,262,796)	(2,531,878)
(e)	Net Amount Recognized: (a) + (b) + (c) + (d)	$1,857,417	$2,430,134
(4)	Amounts Recognized in the Statement of Financial Position		
(a)	Prepaid Benefit Cost	$1,857,417	$2,430,134
(b)	Accrued Benefit Cost	-	-
(c)	Intangible Asset	-	-
(d)	Accumulated Other Comprehensive Income	-	-
(e)	Net Amount Recognized: (a) + (b) + (c) + (d)	$1,857,417	$2,430,134
(5)	Information for pension plans with an accumulated benefit obligation in excess of plan assets		
(a)	Projected Benefit Obligation	$31,540,942	$28,283,326
(b)	Accumulated Benefit Obligation	26,810,146	23,443,150
(c)	Fair Value of Plan Assets	31,081,063	26,953,318
(6)	Weighted Average Assumptions at the End of the Year		
(a)	Discount Rate	6.25%	6.75%
(b)	Rate of Compensation Increase	3.50%	4.00%

The following table provides the components of net periodic benefit cost for the plans for fiscal years 2003, 2002 and 2001:

Net Periodic Pension Cost

		Year Ending December 31,		
		2003	2002	2001
(1)	Service Cost	$ 1,012,149	$ 895,888	$ 901,220
(2)	Interest Cost	1,877,987	1,818,276	1,780,967
(3)	Expected Return on Plan Assets	(2,668,854)	(2,800,350)	(2,821,040)
(4)	Amortization of Transition Obligation/ (Asset)	-	-	-
(5)	Amortization of Prior Service Cost	711,928	714,353	722,015
(6)	Amortization of Net (Gain) or Loss	(360,493)	(787,137)	(829,342)
(7)	Total FAS 87 Net Periodic Pension Cost	572,717	(158,970)	(246,180)
(8)	FAS 88 Charges / (Credits)			
	(a) Settlement	-	-	-
	(b) Curtailment	-	-	-
	(c) Special Termination Benefits	-	-	-
	(d) Total	-	-	-
(9)	Total Net Periodic Pension Cost	$ 572,717	$ (158,970)	(246,180)
(10)	Additional Information			
	(a) Increase in Minimum Liability Included in Other Comprehensive Income	$ -	$ -	-
(11)	Weighted Average Assumptions			

(a)	Discount Rate	6.75%	7.25%	7.00%
(b)	Expected Return on Plan Assets	8.50%	8.50%	8.50%
(c)	Rate of Compensation Increase	4.00%	4.50%	5.50%

Plan Assets

		Target Allocation 2004	Percentage of Plan Assets at December 31 2003	2002
(1)	Plan Assets			
(a)	Equity Securities	60%	61%	57%
(b)	Debt Securities	35	37	37
(c)	Real Estate	0	0	0
(d)	Other	5	2	6
(e)	Total	100%	100%	100%

Expected Return on Plan Assets

The expected rate of return on plan assets is 8.5%. FPU expects 8.5% to fall within the 50 to 60-percentile range of returns on investment portfolios with asset diversification similar to that of the Pension Plan's target asset allocation.

Investment Policy and Strategy

FPU has established and maintains an investment policy designed to achieve a long-term rate of return, including investment income and appreciation, sufficient to meet the actuarial requirements of the Pension Plan. FPU seeks to accomplish its return objectives by investing in a diversified portfolio of equity, fixed income and cash securities seeking a balance of growth and stability as well as an adequate level of liquidity for pension distributions as they fall due. Plan assets are constrained such that no more than 10% of the portfolio will be invested in any one issue.

Cash Flows

(1)	Expected Contributions for Fiscal Year Ending December 31, 2004	
(a)	Expected Employer Contributions	$ -
(b)	Expected Employee Contributions	-
(2)	Estimated Future Benefit Payments Reflecting Expected Future Service for the Years Ending December 31,	
	2004	$ 1,400,265
	2005	1,457,715
	2006	1,543,183
	2007	1,642,854
	2008	1,722,508
	2009 - 2013	10,148,549

Other Accounting Items

		Year Ending December 31, 2003	2002	2001
(1)	Market-Related Value of Assets	$31,222,154	$32,050,201	$33,547,064
(2)	Amount of Future Annual Benefits of Plan Participants Covered by Insurance Contracts Issued by the Employer or Related Parties	$ -	$ -	$ -
(3)	Alternative Amortization Methods Used to Amortize			
	(a) Prior Service Cost	Straight-line	Straight-line	Straight-line
	(b) Unrecognized Net (Gain) or Loss	Straight-line	Straight-line	Straight-line
(4)	Employer Commitments to Make Future Plan Amendments (that Serve as the Basis for the Employer's Accounting for the Plan)	None	None	None
(5)	Description of Special or Contractual Termination Benefits Recognized During the Period	N/A	N/A	N/A
(6)	Cost of Benefits Described in (5)	N/A	N/A	N/A
(7)	Explanation of Any Significant Change in Benefit Obligation or Plan Assets not Otherwise Apparent in the Above Disclosures	N/A	N/A	N/A
(8)	Measurement Date Used December 31,	2003	2002	2001

The amount included within other comprehensive income arising from a change in the additional minimum pension liability was $0 for each of the three years in the period ended December 31, 2003.

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

Medical Plan

FPU sponsors a postretirement medical program. The medical plan is contributory with participants' contributions adjusted annually. The following tables provide required financial disclosures over the 2-year period ending December 31, 2003:

Benefit Obligations and Funded Status

		Year Ending December 31, 2003	2002
(1)	Change in Accumulated Postretirement Benefit Obligation		
(a)	Accumulated Postretirement Benefit Obligation at the Beginning of the Year	$1,725,639	$1,410,368
(b)	Service Cost	66,117	59,873

(c)	Interest Cost	108,849	111,207
(d)	Actuarial (Gain) or Loss	(23,328)	184,631
(e)	Benefits Paid	(91,909)	(60,938)
(f)	Change in Plan Provisions	-	-
(g)	Plan Participant's Contributions	22,631	20,498
(h)	Acquisition	-	-
(i)	Curtailment	-	-
(j)	Settlement	-	-
(k)	Special Termination Benefits	-	-
(l)	Accumulated Postretirement Benefit Obligation at the End of the Year	$1,807,999	$1,725,639

(2) Change in Plan Assets

(a)	Fair Value of Plan Assets at the Beginning of the Year	$ -	$ -
(b)	Actual Return on Plan Assets	-	-
(c)	Benefits Paid	(91,909)	(60,938)
(d)	Employer Contributions	69,278	40,440
(e)	Plan Participant's Contributions	22,631	20,498
(f)	Acquisition	-	-
(g)	Settlement	-	-
(h)	Fair Value of Assets at the End of the Year	$ -	$ -

(3) Net Amount Recognized

(a)	Funded Status: (2)(h) - (1)(l)	$(1,807,999)	$(1,725,639)
(b)	Unrecognized Transition Obligation (Asset)	386,054	428,950
(c)	Unrecognized Prior Service Cost	-	-
(d)	Unrecognized Net (Gain) or Loss	(223,196)	(207,989)
(e)	Net Amount Recognized: (a) + (b) + (c) + (d)	$(1,645,141)	$ (1,504,678)

(4)	Amounts Recognized in the Statement of Financial Position		
(a)	Prepaid Benefit Cost	$ -	$ -
(b)	Accrued Benefit Liability	(1,645,141)	(1,504,678)
(c)	Intangible Asset	-	-
(d)	Accumulated Other Comprehensive Income	-	-
(e)	Net Amount Recognized: (a) + (b) + (c) + (d)	$(1,645,141)	$(1,504,678)
(5)	Weighted Average Assumptions at the End of the Year		
(a)	Discount Rate	6.25%	6.75%
(b)	Rate of Compensation Increase	N/A	N/A
(6)	Assumed Health Care Cost Trend Rates		
(a)	Health Care Cost Trend Rate Assumed for Next Year	5.25%	5.50%
(b)	Ultimate Rate	4.00%	4.50%
(c)	Year that the Ultimate Rate is Reached	2009	2007

Net Periodic Postretirement Benefit Cost

		Year Ending December 31,		
		2003	2002	2001
(1)	Service Cost	$ 66,117	$ 59,873	$ 77,425
(2)	Interest Cost	108,849	111,207	103,649
(3)	Expected Return on Plan Assets	-	-	-
(4)	Amortization of Transition Obligation/ (Asset)	42,896	42,896	42,896
(5)	Amortization of Prior Service Cost	-	-	-
(6)	Amortization of Net (Gain) or Loss	(8,121)	(4,822)	(4,778)
(7)	Total FAS 106 Net Periodic Benefit Cost	209,741	209,154	219,192
(8)	Other Charges / (Credits)			
(a)	Settlement	-	-	-
(b)	Curtailment	-	-	-
(c)	Special Termination Benefits	-	-	-

(d)	Total	-	-	-
(9)	Total Net Periodic Benefit Cost	$ 209,741	$209,154	$ 219,192
(10)	Weighted Average Assumptions			
(a)	Discount Rate	6.75%	7.25%	7.00%
(b)	Expected Return on Plan Assets	N/A	N/A	N/A
(c)	Rate of Compensation Increase	N/A	N/A	N/A
(11)	Assumed Health Care Cost Trend Rates			
(a)	Health Care Cost Trend Rate Assumed for Current Year	5.50%	6.25%	7.00%
(b)	Ultimate Rate	4.50%	5.00%	5.50%
(c)	Year that the Ultimate Rate is Reached	2007	2007	2007
(12)	Impact of One-Percentage-Point Change in Assumed Health Care Cost Trend Rates	Increase	Decrease	
(a)	Effect on Service Cost + Interest Cost	$ 23,608	$ (19,800)	
(b)	Effect on Postretirement Benefit Obligation	212,288	(180,693)	

Plan Assets

	Target Allocation 2004	Percentage of Plan Assets at December 31 2003	2002
(1) Plan Assets			
(a) Equity Securities	N/A	N/A	N/A
(b) Debt Securities	N/A	N/A	N/A
(c) Real Estate	N/A	N/A	N/A
(d) Other	N/A	N/A	N/A
(e) Total	N/A	N/A	N/A

Cash Flows

(1)	Expected contributions for year ending December 31, 2004	
(a)	Expected employer contributions	$93,258
(b)	Expected employee contributions	$18,868
(2)	Estimated future benefit payments reflecting expected future service for the years ending December 31,	
(a)	2004	$112,126
(b)	2005	$123,611
(c)	2006	$144,339
(d)	2007	$107,390
(e)	2008	$122,923
(f)	2009 - 2013	$739,086

Other Accounting Items

		Year Ending December 31		
		2003	2002	2001
(1)	Market-Related Value of Assets	N/A	N/A	N/A
(2)	Amount of Future Annual Benefits of Plan Participants Covered by Insurance Contracts Issued by the Employer or Related Parties	N/A	N/A	N/A
(3)	Alternative Amortization Methods Used to Amortize			
	(a) Prior Service Cost	Straight-Line	Straight-Line	Straight-Line
	(b) Unrecognized Net (Gain) or Loss	Straight-Line	Straight-Line	Straight-Line
(4)	Employer Commitments to Make Future Plan Amendments (that Serve as the Basis for the Employer's Accounting for the Plan)	None	None	None
(5)	Description of Special or Contractual Termination Benefits Recognized During the Period	N/A	N/A	N/A
(6)	Cost of Benefits Described in (5)	N/A	N/A	N/A
(7)	Explanation of Any Significant Change in Benefit Obligation or Plan Assets not Otherwise Apparent in the Above Disclosures	N/A	N/A	N/A
(8)	Measurement Date Used, December 31,	2003	2002	2001

FPU, as an entity that sponsors a postretirement health care plan that provides prescription drug benefits, has elected to defer recognition of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 signed into law December 8, 2003, in its consolidated financial statements, as provided by FASB Staff Position (FSP) No. FAS 106-1. In accordance with the FSP, any measures of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost in the consolidated financial statements or accompanying notes to the consolidated financial statements do not reflect the effects of the Act on the plan. Furthermore, specific authoritative guidance on the accounting for the federal subsidy is pending and that guidance, when issued, could require FPU to change previously reported information.

For measurement purposes, the annual rate of increase in the per capita cost of covered health care benefits during 2003 was 5.5%. These rates were assumed to decrease gradually each year to a rate of 4.50% for 2007 and remain at that level thereafter.

Health Plan

In December 2003, FPU became fully insured for its employees and retiree medical insurance plan and therefore will no longer incur the risks associated with self-insurance in 2004. An estimated reserve has been accrued for the remaining claims at December 31, 2003 in the amount of $179,000.

Net health care benefits paid by FPU for active employees were approximately $1,069,000, $732,000 and $629,000 and for 2003, 2002 and 2001 excluding administrative and stop-loss insurance.

Employee Stock Purchase Plan

FPU's Employee Stock Purchase Plan offers common stock at a discount to qualified employees. During 2003, 2002 and 2001, 18,974, 17,589 and 15,699 shares were issued under the Plan for aggregate consideration of $229,000, $195,000 and

$162,000.

Dividend Reinvestment Plan
During 2003, 2002 and 2001, 13,838, 13,413 and 16,404 shares were issued under FPU's Dividend Reinvestment Plan for aggregate consideration of $213,000, $185,000 and $196,000.

13. Fair Value of Financial Instruments
The carrying amounts reported in the balance sheet for investments held in escrow for environmental costs, notes payable, taxes accrued and other accrued liabilities approximate fair value. As the older bonds contain 'make whole' provisions it would negate any fluctuation in interest rates. The fair value of long-term debt is estimated by discounting the future cash flows of each issuance at rates currently offered to FPU for similar debt instruments of comparable maturities. The current year and the values in the prior year are shown below.

	2003		2002	
	Carrying Amounts	Approximate Fair Value	Carrying Amounts	Approximate Fair Value
Long-term debt	$ 52,500,000	$ 62,752,000	$52,500,000	$ 60,215,000

14. Contingencies

Environmental
FPU is subject to federal and state legislation with respect to soil, groundwater and employee health and safety matters and to environmental regulations issued by the Florida Department of Environmental Protection (FDEP), the United States Environmental Protection Agency (EPA) and other federal and state agencies. Except as discussed below, FPU does not expect to incur material future expenditures for compliance with existing environmental laws and regulations.

West Palm Beach Site.
FPU is currently evaluating remedial options to respond to environmental impacts to soil and groundwater at and in the immediate vicinity of a parcel of property owned by it in West Palm Beach, Florida upon which FPU previously operated a gasification plant. FPU entered into a consent order with the Florida Department of Environmental Protection ("FDEP") effective April 8, 1991, that requires FPU to delineate the extent of soil and groundwater impacts associated with the prior operation of the gasification plant and to remediate such soil and groundwater impacts, if necessary. Numerous reports have been submitted by FPU to FDEP, describing the results of soil and groundwater sampling conducted at the site. A Supplemental Contamination Assessment Report Addendum ("SCARA") was submitted to FDEP in December 2001, summarizing the results of past investigations and providing the results of additional field work conducted in 2001, in response to comments received previously from FDEP. On September 29, 2003, FPU submitted to FDEP a Comprehensive Soil and Groundwater Assessment Report, that described the results of substantial additional field work undertaken in 2003 to respond to FDEP's comments to the SCARA.

On January 30, 2004, FPU's consultant, Jacques Whitford Company, submitted its Internal Feasibility Study, which identified likely remedial alternatives to address the impacts now characterized at the West Palm Beach site. The Internal Feasibility Study evaluated a wide range of remedial alternatives. Based on the likely acceptability of proven remedial technologies implemented at similar sites in other states, consulting/remediation costs are now projected to range from $10 million - $15 million. This range of costs covers such remedies as in situ solidification, slurry wall and cap containment, air sparge/soil vapor extraction, or in situ chemical oxidation, or some combination of these remedies.

Prior to FDEP's approval of a final remedy for the site, FPU is unable to determine the complete extent or cost of remedial action which may be required. Based on findings from the recently completed Internal Feasibility Study, remediation costs (including attorneys' fees and costs) for this site are currently project to range from $10.3 million to $15.3 million.

Sanford Site.

FPU owns a parcel of property located in Sanford, Florida, upon which a gasification plant was operated prior to FPU's acquisition of the property. Following discovery of soil and groundwater impacts on the property, FPU has participated with four former owners and operators of the gasification plant in the funding of numerous investigations of the extent of the impacts and the identification of an appropriate remedy. On or about March 25, 1998, FPU executed an Administrative Order on Consent ("AOC") with the four former owners and operators (collectively, the "Group") and the United States Environmental Protection Agency ("EPA") that obligated the Group to implement a Remedial Investigation/Feasibility Study ("RI/FS") task and to pay EPA's past and future oversight costs for the RI/FS. The Group also entered into a Participation Agreement and an Escrow Agreement on or about April 13, 1998 ("RI/FS Participation Agreement"). These agreements governed the manner and means by which all parties were to satisfy their respective obligations under the AOC for the RI/FS task. FPU agreed to pay approximately 13.7% of the cost for the RI/FS. Field work for the RI/FS was initiated in 1998. A final RI report was submitted to EPA in July 1999. The Group also submitted a Baseline Risk Assessment to EPA in January 2000, including an Ecological Risk Assessment ("ERA"). FPU's share of the cost of these tasks was previously paid in full. The RI/FS Participation Agreement was amended on September 18, 2003, to authorize an additional $400,000 to be incurred by the Group to complete the ecological risk assessment and cover EPA oversight costs for the RI/FS. FPU paid its share ($54,822) of the additional RI/FS funding in November 2003.

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

FPU is a party to the Second Participation Agreement entered into by members of the Group on August 1, 2000, as amended through June 19, 2002. The Second Participation Agreement provides for funding the remedial design/remedial action task for OU1 and OU2. FPU's share of costs for implementation of the remedial design/remedial action task for OU1 and OU2, including the pre-remedial design fieldwork described below, is 10.5%, as long as the total cost of the remedial design/remedial action task, including the pre-remedial design fieldwork, does not exceed $6 million.

Pre-remedial design field work was performed in 2002-03 to assist in the design of the final remedy for OU1 and OU2. Based on the pre-remedial design field work, it is now anticipated that the final cost of the remedy for OU1 and OU2 will significantly exceed the $6 million combined estimate provided in the RODs for OU1 and OU2. In 2002, FPU paid $210,178 to the Escrow Agent pursuant to a first call for funds under the Second Participation Agreement. FPU's remaining obligation under the Second Participation Agreement for the remedial design/remedial action task for OU1 and OU2 is $420,356. This assumes FPU's total allocated share remains no greater than 10.5089% of $6 million, as currently set forth in the Second Participation Agreement, as amended through June 19, 2002. FPU has notified Group members that FPU will oppose any effort by the Group to increase FPU's share of total remedial costs above 10.5089% of the current $6 million cap, since the increased remedial cost is due to the discovery of additional impacted soils on property not owned by FPU.

In addition, FPU will be obligated to pay for a share of EPA's oversight costs for the remedial design/remedial action task for OU1 and OU2. It is anticipated that FPU's share of these costs will be 10.5089% of EPA's total bill. It is not possible at this time to calculate, to a reasonable degree of certainty, EPA's oversight cost.
Prior to EPA's approval of a final remedy for the site, and the completion of negotiations among members of the Group on FPU's maximum allocated share, FPU is unable to determine the complete extent of remaining exposure at this site.

Based on existing information, FPU believes that all future contamination assessment and remedial costs, legal fees and other related costs will not be in excess of the rate relief granted in favor of and insurance settlement proceeds received by FPU.

Insurance Claims and Rate Relief
On December 21, 2003 the estimated remaining costs for consulting and remediation, legal expenses, and other related expenses for all sites is approximately $14 million. FPU currently has $14 million reserved as an environmental liability. The Company has $5 million remaining from insurance and rate recovery and $9 million as a regulatory asset pending future rate recovery authorized by the FPSC. Based on existing information, management believes that all future contamination assessment and remedial costs, legal fees and other related costs will not be in excess of the rate relief granted by the FPSC and was granted the right to apply any over earnings in the gas division to the environmental

reserve.

Other

Violet Skipper, PC Buyers, Inc. and Thomas Wade Skipper v. Florida Public Utilities Company, Case No. CL 00-10131-AF, Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida. On October 18, 2000, Plaintiffs sued FPU for damages allegedly resulting from a fire on Plaintiffs' property. Plaintiffs allege that FPU failed to properly install and/or maintain electrical power lines, utility poles and related equipment located on Plaintiffs' land and that FPU's negligence caused a fire that spread to and destroyed a warehouse. FPU denied Plaintiffs' claims and defended same on the theory that the fire started within the warehouse/office facility and not from its electrical equipment. Plaintiffs alleged damages in excess of $1,000,000. The warehouse served as the office for PC Buyers, Inc. PC Buyers, Inc. was in the business of purchasing surplus vehicles and heavy equipment for resale. The warehouse contained property waiting to be resold. Much of this property was destroyed in the fire. Trial in this matter occurred during the week of December 2, 2003-December 5, 2003. The jury returned a verdict in favor of FPU, finding no liability on the part of FPU for the fire. The Court recently entered a final judgment on the jury's verdict on January 21, 2004. Plaintiffs had thirty (30) days or until February 20, 2004 to file an appeal of the final judgment. Similarly, FPU had until February 20, 2004 to file a motion to tax costs. FPU proposed to Plaintiffs that it would waive its right to recover costs and potential attorney fees if Plaintiffs do not pursue an appeal of the final judgment. FPU received a letter from Plaintiffs' counsel advising that Plaintiffs agreed to waive any right to appeal in exchange for FPU waiving its right to seek attorney's fees and costs against the Plaintiffs. On March 29, 2004, Counsel for FPU was informed by the Court's Clerk that the Court has signed and entered the Dismissal Order. A copy is in the mail at the present time. Hence, this matter is closed, with no further appeals.

Glen Simon v. Florida Public Utilities Company, Gapss, Inc. and James Celi, Case No. CA03-02209 AJ, Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida. This case arises out of an explosion in the garage of co-Defendant James Celi ("Celi") that allegedly resulted from the negligent installation of a water heater by co-Defendant Gapss, Inc. ("Gapss"). Prior to the explosion, FPU had contracted with Gapss to install a water heater and stand in co-Defendant Celi's garage. Plaintiff filed his Complaint on February 27, 2003 against FPU, Gapss and Celi. Plaintiff has voluntarily dismissed FPU from this case without prejudice. FPU previously asserted a cross-claim against Celi for contribution and a cross-claim against Gapss for contribution, indemnification, and breach of contract. Celi also asserted a cross-claim against FPU for contribution. Both FPU and Celi have dismissed their respective cross-claims against each other without prejudice. FPU will be dismissing its cross-claim against Gapss without prejudice. Upon the filing of FPU's dismissal of its cross-claim against Gapss, FPU will no longer be a party to this action.

James F. Celi v. Gapss, Inc. a/k/a Gas Appliance Piping Sales & Service, Inc., Case No. 502003CA009110XXONAJ, Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida. This case arises out of an explosion in Claimant James Celi's ("Celi") garage that allegedly resulted from the negligent installation of a water heater by Gapss, Inc. ("Gapss"). Prior to the explosion, FPU had contracted with Gapss to install a water heater and stand in Celi's garage. Although Mr. Celi previously indicated he was considering filing a claim against FPU, Mr. Celi has filed a lawsuit against Gapss only on August 25, 2003. In the event a lawsuit is filed against FPU, FPU intends to vigorously defend against the claim.

Pipeline Contract On July 21, 2000, FPU entered into a Gas Transportation Agreement ("GTA") with Lake Worth Generation, LLC ("LWG"), that provided for: (i) the construction of a natural gas pipeline ("LWG Lateral") by FPU to a power generation project being developed by LWG on behalf of the City of Lake Worth, Florida ("LWG Project"); (ii) FPU's agreement to transport natural gas to the LWG Project via the LWG Lateral; and (iii) LWG's commitment to pay certain charges for the gas transportation services provided by FPU over a 30 year period. The charges for gas transportation services were set at an amount that would permit FPU to recover a return of 11.17% on its undepreciated investment in the construction of the LWG Lateral, plus recover its operation and maintenance ("O&M") expenses. LWG's obligation to pay for the gas transportation services was secured by an irrevocable letter of credit ("LC") issued on July 6, 2001, and provided to FPU in the amount of the initial estimated cost of construction of $5,490,449. The GTA required monthly payments by LWG in the amount of $109,423 for the first year of the contract, adjusted annually thereafter to account for depreciation of the LWG Lateral. The GTA also required LWG to increase the amount of the

LC to cover the actual cost of construction of the LWG Lateral, plus $37,900. In the fourth quarter of 2002, LWG notified FPU that, due to financial difficulties encountered by LWG and its contractors in connection with the LWG Project, LWG would not be able to increase the LC, as required by the GTA, or make monthly payments prospectively beginning in December for services performed in November 2002. FPU, LWG and the City of Lake Worth subsequently entered into a Forbearance Agreement, dated December 31, 2002, and an Amended Forbearance Agreement, dated February 19, 2003. Pursuant to the terms and conditions of these agreements, the City and FPU negotiated a new gas transportation agreement to replace the GTA, that provides for FPU's agreement to provide gas transportation services to the City on the LWG Lateral, subject to payment by the City of transportation charges that is set initially to permit FPU to recover a return of 8.77% on its undepreciated investment in the construction of the LWG Lateral, plus O&M expenses. FPU's rates are subject to adjustment in subsequent rate proceedings before the FPSC. FPU and the City successfully executed a new gas transportation agreement by March 31, 2003, therefore, FPU received payment for the shortfalls in monthly payments under the GTA through March 31, 2003, plus interest, plus a termination fee of $1.5 million dollars, plus other expenses.

15. Commitments

To ensure a reliable supply of power and natural gas at competitive prices, FPU has entered into long-term purchase and transportation contracts with various suppliers and producers, which expire at various dates through 2015. Purchase prices under these contracts are determined by formulas either based on market prices or at fixed prices. At December 31, 2003, FPU has firm purchase and transportation commitments adequate to supply its expected future sales requirements. FPU is committed to pay demand or similar fixed charges of approximately $18.8 million during 2003 related to gas purchase agreements. Substantially all costs incurred under the electric and gas purchase agreements are recoverable from customers through fuel adjustment clause mechanisms.

Contractual Obligations Payments due by period (dollars in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt	$ 52,500	$ -	$ -	$ -	$ 52,500
Operating Lease Obligations	96	48	43	5	-
Gas Purchase Obligations	55,527	18,789	14,779	9,840	12,119
Electric Purchase Obligations	33	7	13	13	-
Other Purchase Obligations	356	190	162	4	-
Total	$108,512	$ 19,034	$ 14,997	$ 9,862	$ 64,619

16. Quarterly Financial Data (Unaudited)

The quarterly financial data presented below reflects the influence of, among other things, seasonal weather conditions, the timing of rate increases and the migration of winter residents and tourists to Central and South Florida during the winter season. The water division has been classified as discontinued operations and is excluded from revenues, gross profit, and operating income excluding income tax. (dollars in thousands, except per share amounts):

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
2003				
Revenues	$ 31,149	$ 24,409	$ 21,628	$ 25,537
Gross profit	11,241	9,144	8,106	9,242
Operating income from continuing operations excluding income tax	4,135	1,651	707	1,200
Income from continuing operations, net of income				

taxes	1,813	482	(82)	309
Income from discontinued operations, net of income taxes	9,882	(61)	(5)	85
Net Income	11,695	421	(87)	394
Earnings per common share (basic and diluted):				
Continuing operations	0.46	0.13	(0.02)	0.08
Discontinued operations	2.54	(0.02)	-	0.02
Total	3.00	0.11	(0.02)	0.10
2002				
Revenues	$ 23,717	$ 20,707	$ 20,283	$ 23,754
Gross profit	9,632	8,292	8,110	8,895
Operating income from continuing operations excluding income tax	3,161	1,731	1,316	1,561
Income from continuing operations, net of income taxes	1,466	489	275	531
Income from discontinued operations, net of income taxes	108	205	195	94
Net Income	1,574	694	470	625
Earnings per common share (basic and diluted):				
Continuing operations	0.38	0.12	0.07	0.13
Discontinued operations	0.03	0.05	0.05	0.02
Total	0.41	0.17	0.12	0.15

Florida Public Utilities Company An Original December 31, 2003

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	145,945,476	61,283,805
4	Property Under Capital Leases	-	-
5	Plant Purchased or Sold	-	-
6	Completed Construction not Classified	74,040	52,223
7	Experimental Plant Unclassified	-	-
8	TOTAL (Enter Total of lines 3 thru 7)	146,019,516	61,336,028
9	Leased to Others	391,144	-
10	Held for Future Use	-	-
11	Construction Work in Progress	3,455,074	1,063,573
12	TOTAL (Enter Total of lines 3 thru 7)	1,820,270	3,691
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	151,686,004	62,403,292
14	Accum. Prov. for Depr., Amort., & Depl.	48,811,453	23,327,917
15	Net Utility Plant (Enter total of line 13 less 14)	102,874,551	39,075,375
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	48,498,060	23,324,226
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights	-	
20	Amort. of Underground Storage Land and Land Rights	-	
21	Amort. of Other Utility Plant	-	
22	TOTAL in Service (Enter Total of lines 18 thru 21)	48,498,060	23,324,226
23	Leased to Others		
24	Depreciation	-	
25	Amortization and Depletion	-	
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	-	-
27	Held for Future Use		
28	Depreciation	-	
29	Amortization	-	
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	-	-
31	Abandonment of Leases (Natural Gas)	-	
32	Amort. of Plant Acquisition Adjustment	313,393	3,691
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	48,811,453	23,327,917

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)

Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
79,161,820	-	Not Applicable	Not Applicable	5,499,851	3
-	-			-	4
-	-			-	5
21,817	-			-	6
-	-			-	7
79,183,637	-	-	-	5,499,851	8
391,144.00	-			-	9
-	-			-	10
2,391,501	-			-	11
1,816,579	-			-	12
83,782,861	-	-	-	5,499,851	13
24,120,907	-			1,362,629	14
59,661,954	-	-	-	4,137,222	15
					16
					17
23,811,205	0			1,362,629	18
					19
					20
					21
23,811,205	0	-	-	1,362,629	22
					23
					24
					25
-	-	-	-	-	26
					27
					28
					29
-	-	-	-	-	30
					31
309,702	-				32
					33
24,120,907	0	-	-	1,362,629	

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified) this page and the nest include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of un-classified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and4)	0	0
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights		
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classifications of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			$0	(301)	2
			0	(302)	3
			0	(303)	4
0	0	0	0		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
0	0	0	0		15
					16
			0	(320)	17
			0	(321)	18
			0	(322)	19
			0	(323)	20
			0	(324)	21
			0	(325)	22
0	0	0	0		23
					24
		0	0	(330)	25
			0	(331)	26
			0	(332)	27
			0	(333)	28
			0	(334)	29
			0	(335)	30
			0	(336)	31
0	0	0	0		32
					33
			0	(340)	34
			0	(341)	35
			0	(342)	36
			0	(343)	37
			0	(344)	38
			0	(345)	39

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	0	0
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	0	0
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	74,148	0
45	(352) Structures and Improvements	26,401	0
46	(353) Station Equipment	1,962,230	0
47	(354) Towers and Fixtures	244,665	0
48	(355) Poles and Fixtures	2,457,138	14,539
49	(356) Overhead Conductors and Devices	2,001,539	9,141
50	(357) Underground Conduit	0	0
51	(358) Underground Conductors and Devices	0	0
52	(359) Roads and Trails	6,788	0
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	6,772,909	23,680
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	27,260	0
56	(361) Structures and Improvements	96,042	0
57	(362) Station Equipment	3,317,022	48,559
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	7,271,848	366,203
60	(365) Overhead Conductors and Devices	8,331,788	275,742
61	(366) Underground Conduit	1,735,671	159,378
62	(367) Underground Conductors and Devices	3,539,708	169,485
63	(368) Line Transformers	11,194,435	539,291
64	(369) Services	6,586,448	435,140
65	(370) Meters	2,893,452	188,821
66	(371) Installations on Customer Premises	1,463,527	181,186
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	1,070,014	47,470
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	47,527,215	2,411,275
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	72,462	0
72	(390) Structures and Improvements	1,359,363	9,039
73	(391) Office Furniture and Equipment	557,206	16,580
74	(392) Transportation Equipment	2,394,447	482,104
75	(393) Stores Equipment	107,679	0
76	(394) Tools, Shop and Garage Equipment	123,457	4,304
77	(395) Laboratory Equipment	102,805	0
78	(396) Power Operated Equipment	116,642	0
79	(397) Communication Equipment	128,694	0
80	(398) Miscellaneous Equipment	20,037	3,332
81	SUBTOTAL (Enter Total of lines 71 through 80)	4,982,792	515,359
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	4,982,792	515,359
84	TOTAL (Accounts 101 and 106)	59,282,916	2,950,314
85	(102) Electric Plant Purchased	0	0
86	(Less) (102) Electric Plant Sold	0	0
87	(103) Experimental Plant Unclassified	0	0
88	TOTAL Electric Plant in Service	59,282,916	2,950,314

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	(346)	40
0	0	0	0		41
0	0	0	0		42
					43
0	0	0	74,148	(350)	44
0	0	0	26,401	(352)	45
0	0	0	1,962,230	(353)	46
0	0	0	244,665	(354)	47
(121,162)	0	0	2,350,515	(355)	48
(201,446)	0	0	1,809,234	(356)	49
0	0	0	0	(357)	50
0	0	0	0	(358)	51
0	0	0	6,788	(359)	52
(322,608)	0	0	6,473,981		53
					54
0	0	0	27,260	(360)	55
0	0	0	96,042	(361)	56
(49,041)	0	0	3,316,540	(362)	57
0	0	0	0	(363)	58
(71,088)	0	0	7,566,963	(364)	59
(30,345)	0	446	8,577,631	(365)	60
0	0	0	1,895,049	(366)	61
(21,638)	0	0	3,687,555	(367)	62
(113,403)	0	0	11,620,323	(368)	63
(36,122)	0	0	6,985,466	(369)	64
(40,057)	0	0	3,042,216	(370)	65
(48,085)	0	0	1,596,628	(371)	66
0	0	0	0	(372)	67
(17,479)	0	0	1,100,005	(373)	68
(427,258)	0	446	49,511,678		69
					70
0	0	0	72,462	(389)	71
0	0	0	1,368,402	(390)	72
(1,660)	0	(6,042)	566,084	(391)	73
(183,385)	0	(14,057)	2,679,109	(392)	74
0	0	0	107,679	(393)	75
(1,155)	0	0	126,606	(394)	76
(582)	0	0	102,223	(395)	77
0	0	0	116,642	(396)	78
0	0	0	128,694	(397)	79
(2,677)	0	0	20,692	(398)	80
(189,459)	0	(20,099)	5,288,593		81
				(399)	82
(189,459)	0	(20,099)	5,288,593		83
(939,325)	0	(19,653)	61,274,252		84
0	0	0	0	(102)	85
0	0	0			86
0	0	0	0	(103)	87
(939,325)	0	(19,653)	61,274,252		88

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CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (5% of the Balance End of the Year for Account 107 or $100,000, whichever is less) may be grouped

Line No.	Description of Project	Construction Work in Progress-Electric (Acct. 107)
1	NORTHWEST DIVISION	
2		
3	Line Extension/Underground Conduit	* 243,957
4	Other	* 98,485
5		
6		
7		
9		
10		
11		
12		
13		
14		
15	NORTHEAST DIVISION	
16		
17	Line Extension/Underground Conduit	* 570,842
18	Other	* 150,289
19		
20		
21		
22		
23		
24		
34		
35		
36	* Grouped Items	
37		
38		
39	TOTAL	$1,063,573
		1063573

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Item	25,082,141	25,082,141		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	2,333,466	2,333,466		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	229,875	229,875		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(8,696)	(8,696)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	2,554,645	2,554,645		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(939,325)	(939,325)		
12.	Cost of Removal	(109,826)	(109,826)		
13.	Salvage (Credit)	31,903	31,903		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(1,017,248)	(1,017,248)		
15.	Other Debit or Credit Items (Describe)-Rounding				
16.	Reclassification for SFAS no. 143. COR	(3,295,312)	(3,295,312)		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	23,324,226	23,324,226		

Section B. Balances at End of Year According to Functional Classifications

18.	Steam Production				
19.	Nuclear Production				
20.	Hydraulic Production - Conventional	0	0		
21.	Hydraulic Production - Pumped Storage		0		
22.	Other Production				
23.	Transmission	1,957,358	1,957,358		
24.	Distribution	22,136,680	22,136,680		
25.	General	2,525,501	2,525,501		
26.	TOTAL (Enter Total of lines 18 thru 25)	26,619,539	26,619,539		

INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder the information called below. Subtotal by company and give a total in columns (e), (f) (g) and (h).
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. WIth respect to each advance show whether the advance is a note or open account. List each note giving. date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed. subsidiary earnings since acquistion. The total in column (e) should equal the amount entered for Account 418.1

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Flo-Gas Corporation	May 1949		
2	Common Stock			2,504,312
3	less treasury stock			0
4				
5				
6				
7				
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36				
37	TOTAL Cost of Account 123.1: 10,000		TOTAL	2,504,312

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designated such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between the cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 37, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	
				1
58,759	(1,000,000)	1,563,071		2
0		0		3
				4
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				29
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				31
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				36
58,759	(1,000,000)	1,563,071		37

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during year (in a footnote) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) Affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	1,060,049	877,134	Electric, Gas &
6	Assigned to - Operations and Maintenance			Water
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	353,350	292,378	Electric, Gas &
10	Assigned to - Other			Water
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	1,413,399	1,169,512	
12	Merchandise (Account 155)	628,254	247,166	Gas
13	Other Materials and Supplies (Account 156)	0	0	Gas
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials and Supplies (per Balance Sheet)	$2,041,653	$1,416,678	

Physical Inventories were taken and the appropriate adjustments recorded in the following:

	Amount	Account Debited	Account Creditied
South Florida - Materials & Supplies	109	1540.1	1630.3
Northeast Electric Division - Materials & Supplies	49,184	1540.1	1630.3
Northwest Electric Division - Materials & Supplies	144	1540.1	1630.3
Central Florida Gas Division - Materials & Supplies	373	1630.3	1540.1
Central Florida Gas Division - Merchandise	564	1540.1	1630.4
South Florida Gas Division - Merchandise	64	1540.1	1630.4

OTHER REGULATORY ASSETS

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $50,000, whichever is less) may be grouped by classes.

	Description and Purpose of Other Regulatory Assets (a)		Debits (b)	Credits Account Charged (c)	Credits Amounts (d)	Balance End of Year (e)
1						
2	See Page 234					
3						
4						
5						
6						
7						
8						
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38						
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40						
41	TOTAL					

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Credit Account Charged (d)	Credit Amount (e)	Balance End of Year (f)
1	Energy Conservation Program	$0	$0		$0	$0
2	Undistributed Capital					
3	- Accrued Payroll	46,389	0		4,439	$50,828
4	Amortize Piping Costs	1,287,224	0		(67,548)	$1,219,676
5	Amortized Conversion Costs	167,021	0		3,637	$170,658
6	Underrecovery Conservation	156,915	0		(111,543)	$45,372
7	AEP	3,496,474	0		430,642	$3,927,116
8	Underrecovery Unbundling	1,799	0		(1,238)	$561
9	Penny Elimination	0	0		0	$0
10						
11						
12						
13						
14						
15						
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36						
37	Misc. Work in Progress	361,617				$851,696
38	Deferred Regulatory Comm. Expenses					
39	(See Pages 350 - 351)	19,744	(346,192)	928	14,057	($340,505)
40						
41	TOTAL	$5,537,183				$5,925,402

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. If more space is needed, use separate pages as required.
4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	AMT	-	43,591
3	Self Insurance Reserve and Audit Fees	219,299	227,414
	Conservation Program & Pensions	-	-
1	Uncollectible	16,138	23,472
2	Vacation Pay	74,664	73,128
3	Misc. Accrual	(4,449)	(2,775)
4	Interest Not Cap & Amort of Debt	-	-
5	Rate Refund	-	-
6	General Liability	(28,908)	(71,456)
7	Regulatory	-	-
8	Gain on Hydroplant	-	(5,089)
9	Storm Reserve		93,312
10	TOTAL Electric (Lines 2 thru 13)	276,744	381,597
11	Gas		
12	AMT	-	46,562
13	Self Insurance Reserve and Audit Fees	439,301	525,643
14	Vacation Pay	157,624	175,509
15	Misc. Accrual	(9,185)	(6,791)
16	Uncollectible	88,955	29,377
17	Interest Not Cap & Amort Of Debt	-	-
18	Regulatory	-	-
19	Environmental	2,112,077	1,987,673
20	General Liability	(30,878)	(93,777)
21	Deferred Gains	196,536	151,241
22	Storm Reserve		4,383
23	TOTAL Gas (Lines 15 thru 25)	2,954,430	2,819,820
24	Other (Specify) Water Division	42,793	-
25	Other (Specify) Common	-	3,536
26	TOTAL (Account 190)(Lines 12, 23 & 24)	3,273,967	3,204,953

NOTES (a)	(b)	(c)
Other (Specify) Water Division		
Self Insurance Reserve &Audit Fees	35,955	-
Vacation Pay	11,062	-
General Liability	(5,913)	-
AMT	-	-
Uncollectible	2,407	-
Interest Not Capitalized	-	-
Regulatory	-	-
Misc. Accruals	(718)	-
TOTAL WATER (LINE 27 ABOVE)	42,793	-
Classification of Total:		
Federal Income Tax	2,795,446	2,736,160
State Income Tax	478,521	468,793

CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the no. of shares authorized by the articles of incorp. as amended to end of year.
3. Give particulars (deatils) concerning sharesof any class and

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common Stock	6,000,000	$1.50	
	Additional Reacquired Stock Held By Flo-Gas Corporation (a wholly owned subsidiary)			
	TOTAL Common Stock	6,000,000	$1.50	
2	Preferred Stock	6,000	$100.00	
3				
4				
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7				
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CAPITAL STOCK (Accounts 201 and 204) (Continued)

series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledge and purpose of pledge.

Outstanding Per Balance Sheet		Held by Respondent As Reacquired Stock (Account 217)		Held by Respondent In Sinking and Other Funds		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
4,343,220	* $6,515,327	426,825	$4,395,577			1
		0	0			
4,343,220	6,515,327	426,825	4,395,577			
6,000	$600,000					2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
	* The Common Shares dollar amount includes $500 in accordance with Florida Statutes					23
						24
						25
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						30
						31
						32
						33
						34
						35

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account , as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the account entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give brief explanationof the orgin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	ACCOUNT 211:	
2	Item	$1,419,471
3	Gain on Resale of Reacquired Common Stock	$43,121
4	Miscellaneous Paid in Capital - Ending Balance	$1,462,592
5		
6		
7		
8		
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17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32	TOTAL	$1,462,592
33		

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet the account particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated companies, and 224, Other Long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on note and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers' certificates, show in column (a) the named of the court and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in-parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the

Line No.	(a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)
1	FIRST MORTGAGE BONDS:		
2			
3			
4	9.57% Series Due 2018	10,000,000	7,211
5	10.03% Series Due 2018	5,500,000	3,882
6	9.08% Series Due 2022	8,000,000	4,067
7	4.90% Series Due 2031	14,000,000	23,434
8	6.85% Series Due 2031	15,000,000	44,029
9			
10			
11			
12			
13			
14			
15	0		
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29	TOTAL	52,500,000	82,624

LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)

Uniform System of Accounts.
10. Identify separate undisclosed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and expense, or credited to Account 429, Amortization of Premium on Debt- Credit.
12. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote. including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or acquired before end of year , include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
						3
5/1/88	5/1/18	5/1/88	5/1/18	10,000,000	957,000	4
5/1/88	5/1/18	5/1/88	5/1/18	5,500,000	551,650	5
6/1/92	6/1/22	6/1/92	6/1/22	8,000,000	726,400	6
11/1/01	11/1/31	11/1/01	11/1/31	14,000,000	686,000	7
10/1/01	10/1/31	10/1/01	10/1/31	15,000,000	1,027,500	8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
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						26
						27
						32
				52,500,000	3,948,550	33

FLORIDA PUBLIC UTILITIES COMPANY | For the Year Ended December 31, 2003

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 14) * *	$12,363,508
2	Reconciling Items for the Year	
3		
4	**Taxable Income Not Reported on Books**	
5	Service Contributions	454,000
6	Depreciation	584,019
7	Conservation Program Costs	174,517
8	Pension Reserve	572,718
9	Self - Insurance Reserve	52,426
10	Outside Audit Fees	103,035
11	**Deductions Recorded on Books Not Deducted for Return**	
12	Meals Expense	15,069
13	Vacation Pay	36,096
14	Depreciation Study	-
15	Loss on Reacquired Debt	18,283
16	Income Taxes (excluding current state income of $ 210,400)	6,911,135
17	Refurbish Project	5,037
18	Gas Unbundling	23,300
19	Misc. Deferrals	12,711
20		-
21	**Income Recorded on Books Not Included in Return**	
22	Environmental Costs	230,599
23	Natural Gas Odorizer	24,507
24	Rate Case Expense	340,505
25	Deferred Gain	120,377
26	Uncollectible Reserve	138,833
27	General Liability	178,425
28	Deferred Gain on Sale of Water Assets	15,871,571
29	Interrest on Water installment Payment	189,967
30	**Deductions on Return Not Charged Against Book Income**	
31	Ordinary Loss on ACRS Property Retirements	180,000
32	Cost of Removal ADR Propertry	54,000
33	Under/Over Recoveries-Unbundling Cost	66,897
34	Penalties	-
35	Underrecoveries of Purchased Energy Costs	406,812
36		-
37		-
38	Federal Tax Net Income	3,619,714
39	Show Computation of Tax:	-
40		-
41	Tax at 34%	1,230,703
42	Rounding	(2)
43	**TOTAL Federal Income Tax Payable**	1,230,701
44	* Excludes Flo-Gas Net Income of	58,759

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. If any tax (exclude Federal and State income taxes)

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
1	**Federal Taxes:**					
2	Income Tax	267,184		(657,930)	2,983,230	
3	Unemployment Tax - Current	830		21,734	21,986	
4	Environmental Tax - Prior	0		0	0	
5	Environmental Tax - Current	0		0	0	
6	F I C A - Current	(1,017)		1,131,686	1,106,749	
7	**Total Federal Taxes**	266,997	-	495,490	4,111,965	
8						
9	**State of Florida:**					
10	Income	41,166		(113,289)	510,172	
11	Emergency Excise Tax - Prior	0		(15,736)	(15,736)	
12	Emergency Excise Tax - Current	0		0	0	
13	Gross Receipts - Prior	0		0	0	
14	Gross Receipts - Current	192,097		2,158,231	2,144,922	
15	FPSC Assessment - Prior	0		0	0	
16	FPSC Assessment - Current	175,384		294,672	341,687	
17	Intangible Personal Prop.-Current	0		0	0	
18	Unemployment - Prior	0		0	0	
19	Unemployment - Current	591		18,192	18,297	
20	Licenses - Current	0		0	0	
21	**Total State of Florida Taxes**	409,238		2,342,070	2,999,342	0
22						
23	**Local:**					
24	Advalorem - Prior	-		0	0	
25	Advalorem - Current	-		1,505,628	1,505,628	
26	Licenses - Current	-	0	5,230	5,230	
27	City Franchise Tax	-		0	0	
28	**Total Local Taxes**	-	0	1,510,858	1,510,858	
29						
30	**Reclassified to Prepaid Taxes**					
31	**Federal Taxes:**					
32	Income Tax					
33	**State of Florida:**					
34	Income					
35						
36						
37						
38	**TOTAL**	676,235	0	4,348,418	8,622,165	

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll footnote. Designate debit adjustments by parentheses. deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in column (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (l) the taxes charged to utility plant or other balance sheet accounts.

9. For any tax appartioned to more than on utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustment to Ret. Earnings (Account 439) (k)	Other (l)	Line No.
						1
(3,373,976)	0	(368,677)			99,775	2
578	0	21,650			16,045	3
0	0	0			0	4
0	0	0			0	5
23,920	0	194,407			373,314	6
(3,349,478)	0	(152,620)			489,134	7
						8
						9
(582,295)	0	(63,132)			16,333	10
0	0	(7,608)			0	11
0	0	0			0	12
0	0	0			0	13
205,406	0	980,625			0	14
0	0	0			0	15
128,369	0	28,884			0	16
0	0	0			0	17
0	0	0			0	18
486	0	18,040			8,729	19
0	0	0			0	20
(248,034)		956,809			25,062	21
						22
						23
0	0	0			0	24
0	0	523,703			0	25
0	0	622			0	26
0	0	0			0	27
0	0	524,325			0	28
						29
						30
						31
3,373,976						32
						33
582,295						34
						35
						36
						37
358,759	0	1,328,514			514,196	38

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year Account No. (c)	Deferred for Year Amount (d)	Allocations to Current Year's Income Account No. (e)	Allocations to Current Year's Income Amount (f)	Adjustments (g)
1	**Electric Utility**						
2	3%	1,543			411.4	27	0
3	4%	549			411.4	547	0
4	7%	50,756				6,031	0
5	8 & 10%	231,275			411.4	45,518	(746)
6	Prior Period Adjustment	0				-	745
7							
8	**TOTAL**	284,123		0		52,123	(1)
9	Other List separately						
10	and show 3%, 4%, 7%,						
11	10% and TOTAL						
12							
13	**Gas Utility**						
14	3%	232			4110.4	226	0
15	4%	7,737			4110.4	2,655	0
16	7%	37,466				2,854	0
17	8 & 10%	333,904			4110.4	35,576	0
18	Prior Period Adjustment	0					0
19							
20	**TOTAL**	379,339		0		41,311	
21							
22	**Water Utility**						
23	3%	119			4110.4	0	119
24	4%	1,089			4110.4	0	1,089
25	7%	28,300				0	28,300
26	8 & 10%	50,460			4110.4	0	50,460
27	Prior Period Adjustment	0					0
28							
29	**TOTAL**	79,968		0		0	79,968
30							
31							
32	**TOTAL UTILITIES**	743,430		0		93,434	79,967
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)

Balance at End Year (h)	Averge Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
1,516	28 YEARS		2
2	28 YEARS		3
44,725			4
185,011	28 YEARS		5
745			6
			7
231,999			8
			9
			10
			11
			12
			13
6	35 YEARS		14
5,082	35 YEARS		15
34,612			16
298,328	35 YEARS		17
0			18
			19
338,028			20
			21
			22
0	34 YEARS		23
0	34 YEARS		24
0			25
0	34 YEARS		26
0			27
			28
0			29
			30
			31
570,027			32
			33
			34
			35
			36
			37
			38
			39
			40
			41
			42
			43
			44

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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $10,000, whichever is greater) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Over Recovery of Fuel Adjustment-Electric	1,557,241	456.1	1,718,419	2,244,437	2,083,259
2	(Amortized over succeeding six month		456.11			
3	period)					
4						
5	Over Recovery of Fuel Adjustment-Gas	712,802	495.1	1,718,404	1,531,895	526,293
6	(Amortized over succeeding twelve month		495			
7	period)					
8						
9	Environmental Insurance Proceeds	5,203,973	1860.1	825,680	9,622,081	14,000,374
10						
11	Over Recovery Conservation (Electric)	43,606	456.6	48,567	111,541	106,580
12						
13	Over Recovery Conservation (Gas)	0	495.7	578,464	578,464	0
14						
15	Over Recovery Unbundling (Gas)	78,788	495.8	129,758	61,622	10,652
16						
17	Gain on Sale of Property	0	4030.1	0	0	0
18						
19	Other Deferred Credit - Cashier	0	4030.1	6,796	6,796	0
20	Overage/Shortage					
21						
22	Gain on sale of property (Gas)	522,291		120,420	43	401,914
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	TOTAL	$8,118,701		$5,146,508	$14,156,879	$17,129,072
43						
44						

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent`s accounting for deferred income taxes relating to property not subject to accelerated amortization.

Line No.	Account Subdivisions	Balance at Beginning of Year	CHANGES DURING YEAR Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	6,664,838	(2,472,847)	
3	Gas	8,337,136	(1,395,356)	
4	Other - Water	(137,517)	(61,339)	
5	Other - Common	0	5,972,472	
6	TOTAL (Lines 2 thru 4)	14,864,457	2,042,930	0
7	Other (Specify)			
8				
9				
10				
11	TOTAL Account 282 (Lines 5 thru 8)	$14,864,457	$2,042,930	$0
12				
13	Classification of TOTAL			
14	Federal Income Tax	13,705,279	839,986	
15	State Income Tax	1,159,178	1,202,944	
16	Local Income Tax			
	Total	14,864,457	2,042,930	

* Beginning balance changed due to a prior years adjustment of COR for SFAS no. 143

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282) (Continued)

2. For Other (Specify), include deferrals relating to other income and deductions.
3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited (Account 410.2)	Amounts Credited (Account 411.2)	Credits		Debits		Balance at End of Year	Line No.
		Acct. Debited	Amount	Acct. Credited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
		1080	3,295,312		0	7,487,303	2
		1080	2,797,734		0	9,739,514	3
		1860	198,856		0	0	4
			0		0	5,972,472	
0	0		6,291,902		0	23,199,289	5
						0	6
						0	7
						0	8
$0	$0		$6,291,902		$0	$23,199,289	9
							10
			6,291,902		0	20,837,167	11
						2,362,122	12
							13
			6,291,902		0	23,199,289	

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING THE YEAR Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)
1	Account 283			
2	**Electric**			
3	Underrecoveries	174,163	153,083	
4	Pension Costs	259,496	(82,073)	
5	Conservation Costs	(16,409)	(23,697)	
6	Loss on Reacquired Debt	46,672	(5,012)	
7	Underrecoveries	0	0	
8	Rate Case	0	115,638	
9	Depreciation Study	0	0	
10				
11	TOTAL Electric (Total Lines 3-9)	463,922	157,939	0
12				
13				
14	**Gas**			
15	Underrecoveries	0	0	
16	Pension Costs	483,289	(91,652)	
17	Loss on Reacquired Debt	49,852	7,679	
18	Deltona Repairs	6,355	(1,895)	
19	Rate Case	0	12,495	
20	Conservation Cost	59,046	(41,972)	
21	Depreciation Study	0	0	
22	Odorizer	0	9,222	
23	AEP	72,844	0	
24	Unbundled	24,124	(8,767)	
25				
26	TOTAL Gas (Total Lines 15 - 23)	695,510	(114,890)	0
27	**Other - Water**	59,218	(59,218)	0
28				
29	TOTAL Account 283 (Total lines 11,			
30	25 and 26)	$1,218,650	($16,169)	$0
31				
32	Classification of TOTAL			
33	Federal Income Tax	1,040,403	(13,807)	
34	State Income Tax	178,247	(2,362)	
35	Local Income Tax	0		

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)(Continued)

3. Provide in the space below explanations for pages 276 and 277. Include amounts relating to insignificant items under Other.
4. Use footnotes required.

Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits Acct. Credited (g)	Debits Amount (h)	Credits Acct. Debited (i)	Credits Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
0	0					327,246	3
0	0					177,423	4
0	0					(40,106)	5
0	0					41,660	6
0	0					0	7
0	0					115,638	8
						0	9
							10
0	0		0		0	621,861	11
							12
							13
							14
						0	15
			0			391,637	16
						57,531	17
						4,460	18
0	0		0			12,495	19
						17,074	20
						0	21
						9,222	22
						72,844	23
						15,357	24
							25
0	0		0		0	580,620	26
0	0		0		0	0	27
							28
							29
$0	$0		$0		$0	$1,202,481	30
							31
							32
0	0					1,026,596	33
0	0		0		0	175,885	34
						0	35

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OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS Account Credited (b)	DEBITS Amount (c)	Credits (d)	Balance End of Year (e)
1					
2	See Page 274				
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ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where seperate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	$19,962,956	$21,041,663
3	(442) Commercial and Industrial Sales	-	-
4	Small (or Commercial)	4,446,012	4,567,817
5	Large (or Industrial)	14,780,476	15,347,721
6	(444) Public Street and Highway Lighting	249,549	233,997
7	(445) Other Sales to Public Authorities	-	-
8	(456.3) Unbilled Revenues	24,393	(24,246)
9	(448) Interdepartmental Sales	39,468	144,506
10			
11	TOTAL Sales to Ultimate Consumers	39,502,854	41,311,458
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	39,502,854	41,311,458
15	(Less) (449.1) Provision for Rate Refunds	4,200	(30,000)
16			
17	TOTAL Revenue Net of Provision for Refunds	39,507,054	41,281,458
18	Other Operating Revenues		
19	(450) Forfeited Discounts	351,358	125,095
20	(451) Miscellaneous Service Revenues	125,457	165,206
21	(453) Sales of Water and Water Power	-	-
22	(454) Rent from Electric Property	105,327	103,874
23	(455) Interdepartmental Rents	-	-
24	(456.2) Other Electric Revenues	19,045	15,360
25	(456.1) Overrecoveries Purchase Electric	(526,018)	(742,099)
26	(456.6) Overrecoveries Conservation	(62,974)	(19,212)
27			
28			
29	TOTAL Other Operating Revenues	12,195	(351,776)
30			
31	TOTAL Electric Operating Revenues	$39,519,249	$40,929,682

ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5.See page 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5,and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
328,038	333,069	22,632	22,243	2
				3
64,695	65,180	3,499	3,376	4
327,497	340,677	647	622	5
2,025	1,865	14	18	6
0	-	0	0	7
794	(2,600)	0	0	8
774	2,847	5	7	9
				10
723,823	741,038	26,797	26,266	11
				12
				13
723,823	741,038	26,797	26,266	14
				15
				16
723,823	741,038	26,797	26,266	17
				18
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				31

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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale which is reported on pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenues account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
1	*					
2						
3						
4						
5						
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36						
37						
38						
39						
40	Total Billed	723,029,000	39,478,461	26,797	26,981.7	0.055
41	Total Unbilled Rev.	794,000	24,393			
42	Rate Refund		4,200			
43	TOTAL	723,823,000	39,507,054	26,797	27,011.3	0.055

* Breakdown per each rate is not readily available.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

	Account (a)	Amount for Current Year (b)	Amount for Previous Year ©
1	(1) POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	-	-
5	(501) Fuel	-	-
6	(502) Steam Expenses	-	-
7	(503) Steam from Other Sources	-	-
8	(Less) (504) Steam Transferred-Cr.	-	-
9	(505) Electric Expenses	-	-
10	(506) Miscellaneous Steam Power Expenses	-	-
11	(507) Rents	-	-
12	TOTAL Operation	-	-
13	Maintenance		
14	(510) Maintenance Supervision and Engineering	-	-
15	(511) Maintenance of Structures	-	-
16	(512) Maintenance of Boiler Plant	-	-
17	(513) Maintenance of Electric Plant	-	-
18	(514) Maintenance of Miscellaneous Steam Plant	-	-
19	TOTAL Maintenance	-	-
20	TOTAL Power Production Expenses-Steam Plant	-	-
21	B. Nuclear Power Generation		
22	Operation		
23	(517) Operation Supervision and Engineering	-	-
24	(518) Fuel	-	-
25	(519) Coolants and Water	-	-
26	(520) Steam Expenses	-	-
27	(521) Steam from Other Sources	-	-
28	(Less) (522) Steam Transferred-Cr.	-	-
29	(523) Electric Expenses	-	-
30	(524) Miscellaneous Nuclear Power Expenses	-	-
31	(525) Rents	-	-
32	TOTAL Operation	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering	-	-
35	(529) Maintenance of Structures	-	-
36	(530) Maintenance of Reactor Plant Equipment	-	-
37	(531) Maintenance of Electric Plant	-	-
38	(532) Maintenance of Miscellaneous Nuclear Plant	-	-
39	TOTAL Maintenance	-	-
40	TOTAL Power Production Expenses-Nuclear Power	-	-
41	C. Hydraulic Power Generation		
42	Operation		
43	(535) Operation Supervision and Engineering	-	-
44	(536) Water for Power	-	-
45	(537) Hydraulic Expenses	-	-
46	(538) Electric Expenses	-	-
47	(539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48	(540) Rents	-	-
49	TOTAL Operation	-	-

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	-	-
53	(542) Maintenance of Structures	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55	(544) Maintenance of Electric Plant	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant	-	-
57	TOTAL Maintenance	-	-
58	TOTAL Power Production Expenses-Hydraulic Power	-	-
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	-	-
62	(547) Fuel	-	-
63	(548) Generation Expenses	-	-
64	(549) Miscellaneous Other Power Generation Expenses	-	-
65	(550) Rents	-	-
66	TOTAL Operation	-	-
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	-	-
69	(552) Maintenance of Structures	-	-
70	(553) Maintenance of Generating and Electric Plant	-	-
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	7
72	TOTAL Maintenance	-	7
73	TOTAL Power Production Expenses-Other Power	-	7
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	25,084,836	26,497,851
76	(556) System Control and Load Dispatching	-	-
77	(557) Other Expenses	-	-
78	TOTAL Other Power Supply Expenses	25,084,836	26,497,851
79	TOTAL Power Production Expenses	25,084,836	26,497,858
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	-	-
83	(561) Load Dispatching	-	-
84	(562) Station Expenses	16,130	12,569
85	(563) Overhead Line Expenses	-	-
86	(564) Underground Line Expenses	-	-
87	(565) Transmission of Electricity by Others	-	-
88	(566) Miscellaneous Transmission Expenses	1,600	7,541
89	(567) Rents	-	-
90	TOTAL Operation	17,730	20,110
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	-	-
93	(569) Maintenance of Structures	-	-
94	(570) Maintenance of Station Equipment	31,799	20,483
95	(571) Maintenance of Overhead Lines	9,265	23,583
96	(572) Maintenance of Underground Lines	-	-
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-
98	TOTAL Maintenance	41,064	44,066
99	TOTAL Transmission Expenses	58,794	64,176
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	246,870	236,209
103	(581) Load Dispatching	-	297

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105	(581) Load Dispatching		
106	(582) Station Expenses	40,582	34,779
107	(583) Overhead Line Expenses	62,582	89,323
108	(584) Underground Line Expenses	35,749	35,310
109	(585) Street Lighting and Signal System Expenses	17,698	28,908
110	(586) Meter Expenses	228,832	209,728
111	(587) Customer Installations Expenses	101,568	99,769
112	(588) Miscellaneous Distribution Expenses	167,714	162,651
113	(589) Rents	6,478	13,087
114	TOTAL Operation	908,073	910,061
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	83,654	61,053
117	(591) Maintenance of Structures	3,297	8,122
118	(592) Maintenance of Station Equipment	57,322	75,116
119	(593) Maintenance of Overhead Lines	854,973	804,504
120	(594) Maintenance of Underground Lines	102,676	136,634
121	(595) Maintenance of Line Transformers	116,732	86,676
122	(596) Maintenance of Street Lighting and Signal Systems	23,488	18,407
123	(597) Maintenance of Meters	33,256	38,364
124	(598) Maintenance of Miscellaneous Distribution Plant	60,396	52,281
125	TOTAL Maintenance	1,335,794	1,281,157
126	TOTAL Distribution Expenses	2,243,867	2,191,218
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	121,590	96,330
130	(902) Meter Reading Expenses	242,352	220,661
131	(903) Customer Records and Collection Expenses	730,439	685,164
132	(904) Uncollectible Accounts	66,215	27,468
133	(905) Miscellaneous Customer Accounts Expenses	86,198	76,607
134	TOTAL Customer Accounts Expenses	1,246,794	1,106,230
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(907) Supervision	74,661	79,477
138	(908) Customer Assistance Expenses	166,515	211,384
139	(909) Informational and Instructional Expenses	129,127	115,372
140	(910) Miscellaneous Customer Service and Informational Expenses	11,260	80,407
141	TOTAL Cust. Service and Informational Expenses	381,563	486,640
142	6. SALES EXPENSES		
143	Operation		
144	(911) Supervision	-	-
145	(912) Demonstrating and Selling Expenses	151	-
146	(913) Advertising Expenses	6,969	2,995
147	(916) Miscellaneous Sales Expenses	2,403	189
148	TOTAL Sales Expenses	9,523	3,184
149	7. ADMINISTRATIVE AND GENERAL EXPENSES		
150	Operation		
151	(920) Administrative and General Salaries	832,637	847,946
152	(921) Office Supplies and Expenses	187,842	229,329
153	(Less) (922) Administrative expenses Transferred-Cr.	-	-
154	(923) Outside Services Employed	155,805	94,186
155	(924) Property Insurance	162,182	157,714
156	(925) Injuries and Damages	591,001	362,413
157	(926) Employee Pensions and Benefits	440,715	254,692

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
157	7. ADMINISTRATIVE AND GENERAL EXPENSES		
158	(927) Franchise Requirements	-	-
159	(928) Regulatory Commission Expenses	9,133	5,442
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	283	713
162	(930.2) Miscellaneous General Expenses	78,026	129,675
163	(931) Rents	4,758	4,038
164	TOTAL Operation	2,462,382	2,086,148
165	Maintenance		
166	(935) Maintenance of General Plant	65,438	37,924
167	TOTAL Administrative and General Expenses	2,527,820	2,124,072
168	TOTAL Electric Operation and Maintenance Expenses	31,553,197	32,473,378

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

See page 462

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity(i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column(a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column(b), enter a Statistical Classification Code based on the original contractual terms and conditions of the services as follows:

RQ-for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis(i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF-for long-term service. "Long-term" means five years longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions(e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF-for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years.

SF-for short-term firm service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU-for long-term service from a designated generating unit. Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU-for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.

EX-For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Jacksonville Electric Authority	RQ	MS	72.05	NA	NA
2	Jefferson Smurfit Corporation	OS		NA	NA	NA
3	Gulf Power Company	RQ	RE	55.52	NA	NA

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

OS-for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from designated units of less than one year. Describe the nature of the service in a footnote.

AD-for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column(c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column(b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly aveage billing demand in column(d), the average monthly non-coincident peak(NCP) demand in column(e), and the average monthly coincident peak(CP) demand in column(f). For all other types of service, enter NA in columns(d),(e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP Demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawats. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column(g) the megawatthours shown on bills rendered to the respondent. Report in columns(h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column(j), energy charges in column(k), and the total of any other types of charges including out-of-period adjustments,in column(l). Explain in a footnote all components of the amount shown in column(l). Report in column(m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column(m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount(1) includes credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement,provide an explanatory footnote.
8. The data in columns(g) through (m) must be totalled on the last line of the schedule. The total amount in column(g) must be reported as Purchases on page 401, line 10. The total amount in column(h) must be reported as Exchange Received on page 401, line 12. The total amount in column(i) must be reported as Exchange Delivered on page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

	POWER EXCHANGES		COST/SETTLEMENT OF POWER				
Megawatthours Purchased (g)	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) or Settlement ($) (m)	Line No.
433,624			5,187,572	711,142	7,747,215	13,645,929	1
6,263				117,118	0	117,118	2
323,993			4,437,082	416,268	6,875,250	11,728,600	3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
763,880			9,624,654	1,244,528	14,622,465	25,491,647	14

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	$4,649
2		
3	Nuclear Power Research Expenses	
4		
5	Other Experimental and General Research Expenses	
6		
7	Publishing and Distributing Information and	
8	Reports to Stockholders; Trustee, Registrar, and	
9	Transfer Agent Fees and Expenses, and Other	
10	Expenses of Servicing Outstanding Securities	
11	of the Respondent	24,124
12		
13	Other Expenses (List items of $5000 or more in	
14	this column showing the (1) purpose, (2) recipient	
15	and (3) amount of such items. Group amounts of	
16	less than $5,000 by classes if the number of items	
17	so grouped is shown)	
18		
19	Directors Fees and Expenses (33 items)	10,653
20	Miscellaneous Expenses (32 items)	7,533
21	Chamber of Commerce (6 items)	1,886
22	Stock Insurance	24,181
23	Economic Development Expense	5,000
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47	TOTAL	$78,026

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant	0			
2	Steam Production Plant	0			
3	Nuclear Production Plant	0			
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage**	0			0
6	Other Production Plant *	0			0
7	Transmission Plant	204,834			204,834
8	Distribution Plant	1,944,139			1,944,139
9	General Plant	184,493			184,493
10	Common Plant-Electric *	83,381			83,381
11	TOTAL	$2,416,847	$0	$0	$2,416,847

B. Basis for Amortization Charges

* Not included on page 219, Line 3.
** Not Included on page 219, Line 3 (Amortization of deferred gain on sale of hydro plant).

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
12			**NORTHWEST DIVISION**				
13							
14							
15	331	4,822	N/A	4 Year Recovery Schedule			
16	332	61,479	N/A	4 Year Recovery Schedule			
17	333	98,267	N/A	4 Year Recovery Schedule			
18	334	62,084	N/A	4 Year Recovery Schedule			
19	335	375	N/A	4 Year Recovery Schedule			
20							
21	360	22,841	N/A		1.8		50.0
22	361	8,614	N/A		2.2		29.0
23	362	752,334	N/A	(10)	3.0		23.0
24	364	3,272,761	N/A	(20)	4.1		21.0
25	365	3,817,877	N/A	(10)	3.9		18.9
26	366	109,340	N/A		1.9		41.0
27	367	300,351	N/A		2.9		27.0
28	368	3,727,180	N/A	(10)	4.2		16.0
29	369	1,473,665	N/A	(15)	4.3		19.4
30	370	831,754	N/A	(10)	4.2		13.8
31	371	328,909	N/A	20	7.1		9.4
32	373	169,806	N/A	5	5.7		13.5
33							
34	390	687,132	N/A	(5)	2.2		44.0
35	391.1	17,807		7 Years Amortization			
36	391.2	13,056		7 Years Amortization			
37	391.3	34,651		5 Years Amortization			
38	392.1	46,885	N/A	15	17.0		2.0
39	392.2	114,737	N/A	10	13.9		3.5
40	392.3	615,236	N/A	10	8.2		7.5
41	392.4	11,672	N/A	5	3.5		18.6
42	393.1	16,796	N/A		3.3		22.0
43	393.2	547		7 Years Amortization			
44	394.1	13,319	N/A		4.2		14.9
45	394.2	27,462		7 Years Amortization			
46	395.1	16,904	N/A		3.6		14.3
47	395.2	9,193		7 Years Amortization			
48	396	60,638	N/A	10	7.1		7.8
49	397	57,173	N/A		5.3		3.1
50	398	3,343		7 Years Amortization			
51							
52							
53							
54							
55							
56							
57							
58							
59							
60							
61							
62							
63							

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
64				**NORTHEAST DIVISION**			
65							
66							
67	341	0					
68	342	0					
69	343	0					
70	344	0					
71	346	0					
72							
73	350	56,519		0	2.1		27.0
74	352	17,304	45	0	2.1		32.0
75	353	1,780,065	40	10	2.5		23.0
76	354	248,395	50	(10)	1.8		28.0
77	355	1,381,300	25	(20)	3.8		27.0
78	356	931,383	35	(10)	3.1		23.0
79	359	1,961	55	0	3.9		18.9
80							
81	360	188		0	5.0		19.9
82	361	33,577	44	0	2.2		23.0
83	362	1,456,419	23	10	3.9		17.7
84	364	1,279,531	25	(10)	4.9		18.3
85	365	2,358,377	33	(15)	4.5		21.0
86	366	965,825	50	0	2.0		40.0
87	367	1,817,435	30	0	2.8		23.0
88	368	3,753,926	29	(35)	4.4		17.8
89	369	2,072,020	20	(20)	3.8		25.0
90	370	1,369,322	38	(20)	3.5		16.9
91	371	186,970	18	5	6.1		7.6
92	373	290,773	22	0	4.3		15.3
93							
94	390	406,628	64	0	2.0		32.0
95	391.1	20,517		7 Year Amortization			
96	391.2	17,081		7 Year Amortization			
97	391.3	41,659		5 Year Amortization			
98	392.1	44,541	5	15	6.1		4.2
99	392.2	227,105	7	20	13.0		2.9
100	392.3	477,806	12	10	8.4		8.5
101	392.4	14,075	25	0	2.6		12.6
102	393.1	20,488	27	0	4.4		8.5
103	393.2	3,251		7 Year Amortization			
104	394.1	11,323	0	0	3.5		26.0
105	394.2	43,890		7 Year Amortization			
106	395.1	14,660	0	0	3.5		22.0
107	395.2	17,688		7 Year Amortization			
108	396	93,087	5	0	4.2		5.3
109	397	87,250	0	0	8.1		4.4
110	398	25,767		7 Year Amortization			
111							
112							
113							
114							
115							

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + ©	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3					
4					
5	All expenses incurred by the company in its				
6	filings for Rate Relief for water. Docket				
7	Number 990535-WU		15,036	15,036	12,530
8					
9	All expenses incurred by the company in its				
10	Limited proceedings for the water division.				
11	Docket Number 001806-WU		7,962	7,962	7,214
12					
13	All expenses incurred by the company in its				
14	filings for Rate Relief for electric. Docket				
15	Number 030438-EI		10,803	10,803	
16					
17	All expenses incurred by the company in its				
18	filings for Rate Relief for Gas. Docket				
19	Number 040216-GU				
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
41					
46	TOTAL		33,801	33,801	19,744

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. The totals of columns (f), (g) and (h) expenses incurred during year which were charged currently to income, plant or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CHARGED CURRENTLY TO			Deferred to	Contra		Deferred in Account 186	
Department	Account No.	Amount	Account 186	Account	Amount	End of Year	Line
(f)	(g)	(h)	(i)	(j)	(k)	(l)	No.
							1
							2
				928			3
							4
							5
							6
Water - 15261		(10,024)	(10,024)	928	2,506	(0)	7
							8
							9
							10
Water - 3370	4,210	(6,466)	(6,466)	928 & 6668	748	(0)	11
							12
							13
							14
Electric-33556		(296,497)	(296,497)	928	10,803	(307,300)	15
							16
							17
							18
Gas - 33800		(33,205)	(33,205)	928		(33,205)	19
							20
							21
							22
							23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							39
							42
		(346,192)	(346,192)		14,057	(340,505)	46

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	**Electric**			
2	Operation			
3	Production	-		
4	Transmission	8,093		
5	Distribution	583,598		
6	Customer Accounts	639,672		
7	Customer Service and Informational	143,826		
8	Sales	-		
9	Administrative and General	(154,619)		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,220,570		
11	Maintenance			
12	Production			
13	Transmission	9,226		
14	Distribution	653,276		
15	Administrative and General	4,989		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	667,491		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	-		
19	Transmission (Enter Total of lines 4 and 13)	17,319		
20	Distribution (Enter Total of lines 5 and 14)	1,236,874		
21	Customer Accounts (Transcribe from line 6)	639,672		
22	Customer Service and Information (Transcribe from line 7)	143,826		
23	Sales (Transcribe from line 8)	-		
24	Administrative and General (Enter Total of lines 9 and 15)	(149,630)		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	1,888,061	498,770	2,386,831
26	**Gas**			
27	Operation			
28	Production - Manufactured Gas	-		
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	125,158		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	2,097,827		
34	Customer Accounts	1,063,001		
35	Customer Service and Informational	187,484		
36	Sales	771,369		
37	Administrative and General	(293,422)		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	3,951,417		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission	-		
45	Distribution	536,658		
46	Administrative and General	2,870		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	539,528		

DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas (Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)	125,158		
52	Storage, LNG, Terminaling and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)			
54	Distribution (Enter Total of lines 33 and 45)	2,634,485		
55	Customer Accounts (Transcribe from line 34)	1,063,001		
56	Customer Service and Informational (From line 35)	187,484		
57	Sales (Transcribe from line 36)	771,369		
58	Administrative and General (Total of lines 37 and 46)	(290,552)		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	4,490,945	1,191,601	5,682,546
60	**Other Utility Departments - Water**			
61	Operation and Maintenance	88,976	-	88,976
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	6,467,982	1,690,370	8,158,352
63	**Utility Plant**			
64	Construction (By Utility Departments)			
65	Electric Plant	1,071,649		1,071,649
66	Gas Plant	1,070,203		1,070,203
67	Other - Water & Common	32,507		32,507
68	TOTAL Construction (Enter Total of lines 65 thru 67)	2,174,360	-	2,174,360
69	Plant Removal (By Utility Department)			
70	Electric Plant	73,767		73,767
71	Gas Plant	207,111		207,111
72	Other - Water	3,416		3,416
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	284,294		284,294
74	Other Accounts (Specify):			
75				
76				
77	Other Accounts Receivable/Employee	218,126		218,126
78	Temporary Facilities	31,559		31,559
79	Stores Expense	392,441		392,441
80	Clearing Accounts	237,155		237,155
81	Miscellaneous Deferred Debits	143,013		143,013
82	Merchandise and Jobbing	871,256		871,256
83	Taxes Other Than Income Taxes-Electric	(110,071)		(110,071)
84	Taxes Other Than Income Taxes-Gas	(286,061)		(286,061)
85	Taxes Other Than Income Taxes-Water	(1,956)		(1,956)
86	Vacation Pay	(53,641)		(53,641)
87	Non-Operating and Rental Income	-		-
88	Other Accounts Receivable	2,938,016	366,950	3,304,966
89	Environmental Cost	559		559
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	4,380,397	366,950	4,747,347
96	TOTAL SALARIES AND WAGES	13,307,032	2,057,320	15,364,353

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by account as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utilityplant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Account 118: Common Utility Plant	
General Office Buildings and Land	
Land & Land Rights	$343,759
Structures & Improvements	2,090,343
Office Furniture & Equipment	2,814,733
Communications Equipment	244,774
Miscellaneous Taggible	6,244
	$5,499,853
Account 119: Accumulated Provision for Depreciation of Common Utility Plant	$1,363,960

SEE ATTACHED SCHEDULES FOR ALLOCATIONS

Note 1: Expenses of Operation and Maintenance are charged to clearing accounts "X" 921 and "X" 932 and to Flo-Gas Corporation (Account 146) on the basis of allocation of Common Utility Plant at 6-30-96 per schedule attached.

FLORIDA PUBLIC UTILITIES
ALLOCATION OF COMMON UTILITY PLANT
AS OF JUNE 30, 2002

Description	Amount (1180, 1070)
Land	$341,926
Structures & Improvements	2,076,771
Sub-Total	2,418,697
Misc. Intangible Plant	1,833
Office Furniture & Equipment	23,915
Office Machines	72,696
EDP Equipment	2,163,228
Transportation Equipment-Cars	133,905
Communication Equipment	134,860
Total Common Plant	$4,949,134

Allocation of Land & Structures & Improvements	Allocation Per Study Sq. Footage	Allocation Per Study %	Common Land & Structures	
Common - All Divisions	17,255	60.3%	1,458,474	
Local - South FL*	10,247	35.8%	865,894	(A)
Local - Merchandising	1,118	3.9%	94,329	(B)
Total	28,620	100.00%	2,418,697	

Total Common Land & Structures & Improvements $2,418,697

Allocation of Local - South FL*	6/30/2002 12 mos. Ave. Customers *	Allocation Per Study %	Common Land & Structures	
FPU	29,349	83.2%	720,424	
Propane (Non-Regulated)	5,907	16.8%	145,470	
Total	35,256	100.0%	865,894	(A)

Common Plant (1180)	4,949,134	
Less Direct to WPB	960,223	(A+B)
Remaining Common	3,988,911	
Less EDP to allocated	2,163,228	
Remaining Common Excl. EDP to allocate	1,825,683	

* (996) Cust. as of 6/02, for Nature Coast of 1,300 and Dunnelon of 1,237 were used.
Dunnelon cust. were subtracted from 993 cust.
Nature Coast has an approx. 500,000 in plant FMV of which 300,000 is from CF propane and removed its plant.

Allocation of Utility Plant All Division	(A) Utility Plant (101,106,107)	(B) Acquisition Adjust & GW (114)	(C) Direct Common Loc & Mer	(D) Water Contrib. (2710)	(E) Sub-Total (A+B+C+D)	(F) Note 1 Allocation %	(G) Remaining Common	(H) Common EDP Equip	Adj. Plant (E+G+H)	Consolidated Allocation %	FPU Allocation %
Florida Public Utilities											
Northwest Electric	$25,040,293	$3,691			$25,043,984	17%	$310,366	$324,484	$25,678,834	17%	18%
Northeast Electric	33,073,371				33,073,371	22%	401,650	367,749	33,842,770	22%	24%
South FL NG	51,730,981	(29,523)	720,424		52,421,882	36%	657,246	778,762	53,857,890	36%	39%
Central Florida NG	23,894,394	1,843,512			25,737,906	17%	310,366	367,749	26,416,021	17%	19%
Merchandising	0		94,329		94,329	0%	-	43,265	137,594	0%	
Garbage and Sewer					-	0%	-	0	0	0%	
Propane Operations											
South FL Propane	6,744,163		145,470		6,889,633	5%	91,284	151,426	7,132,343	5%	
Central FL Propane *	2,567,936				2,567,936	2%	36,514	43,265	2,647,715	2%	
Northeast Propane	1,083,864				1,083,864	1%	18,257	21,632	1,123,753	1%	
Nature Coast (996)*	500,000				500,000	0%	-	64,897	564,897	0%	
Total	$144,635,002	$1,817,680	960,223	0	$147,412,905	100%	1,825,683	2,163,229	151,401,817	100%	100%

	EDP Equipment				Remaining Common					
	Customers 12 mos. Ave. 6/30/2002	Allocation %	Common EDP	FPUC Allocation %	Remaining Common	Direct Common	Total Remaining Common	Allocation %	Total Common	Allocation %
Florida Public Utilities										
Northwest Electric	12,214	15%	324,484	18%	310,366	-	310,366	13%	739,635	14%
Northeast Electric	13,858	17%	367,749	20%	401,650	-	401,650	14%	769,399	15%
South FL NG	29,349	36%	778,762	42%	657,246	720,424	1,377,670	49%	2,156,432	43%
Central Florida NG	14,048	17%	367,749	20%	310,366	-	310,366	11%	678,115	14%
Merchandising	1,713	2%	43,265		0	94,329	94,329	3%	137,594	3%
Garbage and Sewer (Bus. Seg.)	186	0%	0		0	-	0	0%	0	0%
Propane Operations										
South FL Propane	5,907	7%	151,426		91,284	145,470	236,754	8%	388,180	8%
Central FL Propane *	1,863	2%	43,265		36,514	-	36,514	1%	79,779	2%
Northeast Propane	967	1%	21,632		18,257	-	18,257	1%	39,889	1%
Nature Coast (996)*	2,537	3%	64,897		-	-	-	0%		
Total	82,642	100%	2,163,229	100%	1,825,683	960,223	2,785,906	100%	4,989,023	100%

Merchandise	Allocation %	Total M & J Common EDP	Total M & J Remain Comm	Total M & J Comm Plant
South FL	62.0%	26,824	58,484	85,308
Central FL	31.0%	13,412	29,242	42,654
Northeast	2.0%	865	1,887	2,752
Nature Coast (946)*	5.0%	2,163	4,716	6,880
Total	100.0%	43,264	94,329	137,594

* (996) Cust. as of 6/02, for Nature Coast of 1,300 and Dunnelon of 1,237 were used.
Dunnelon cust. were subtracted from 993 cust.
Nature Coast has an approx. 500,000 in plant FMV of which 300,000 is from CF propane and removed its plant.

	Adj. Plant	Materials & Supplies SJ 45-69	Total	Note 2 Allocation %	Note 5 Allocation 80%
Florida Public Utilities					
Northwest Electric	25,678,834	239,128	25,917,962	19%	16%
Northeast Electric	33,842,770	630,385	34,473,155	24%	19%
South FL NG	53,857,890	300,901	54,158,791	38%	30%
Central Florida NG	26,416,021	318,761	26,734,782	19%	15%
Total	139,795,515	1,489,175	141,284,690	100%	80%

	Note 1 Allocation %	Note 3 Allocation 70%	Note 4 Allocation 20%
Florida Public Utilities			
Northwest Electric	17%	13%	5%
Northeast Electric	22%	15%	4%
South FL NG	36%	25%	7%
Central Florida NG	17%	12%	3%
Merchandising	0%	0%	0%
Garbage and Sewer	0%	0%	0%
Propane Operations			
South FL Propane	5%	4%	1%
Central FL Propane *	2%	1%	0%
Northeast Propane	1%	1%	0%
Nature Coast (996)*	0%	0%	0%
Total	100%	71%	20%

* (996) Cust. as of 6/02, for Nature Coast of 1,300 and Dunnelon of 1,237 were used.
Dunnelon cust. were subtracted from 993 cust.
Nature Coast has an approx. 500,000 in plant FMV of which 300,000 is from CF propane and removed its plant.

FLORIDA PUBLIC UTILITIES COMPANY An Original December 31, 2003

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged, and wheeled during the year.

Line No.	Item (a)	Megawatt Hours (b)
1	SOURCES OF ENERGY	
2	Generation (Excluding Station Use):	
3	Steam	
4	Nuclear	
5	Hydro-Conventional	
6	Hydro-Pumped Storage	
7	Other	
8	Less Energy for Pumping	
9	Net Generation (Enter Total of lines 3 thru 8)	0
10	Purchases	763,877
11	Interchanges:	
12	Received	
13	Delivered	
14	Purchases	0
15	Transmission for/by Others (Wheeling)	
16	Received (MWh)	
17	Delivered (MWh)	
18	Net Transmission for Other (Lines 16 minus 17)	0
19	Transmission By Other Losses	
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	763,877

Line No.	Item (a)	Megawatt Hours (b)
21	DISPOSITION OF ENERGY	
22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	723,029
23	Requirements Sales For Resale (See instruction 4, page 311)	
24	Non-Requirements Sales For Resale (See instruction 4, page 311)	
25	Energy Furnished Without Charge	
26	Energy Used by the Company (Electric Department Only, Excluding Station Use)	871
27	Total Energy Losses	39,977
28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	763,877

MONTHLY PEAKS AND OUTPUT

1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.
3. Report in column © a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. Include in the monthly amounts any energy and energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.
4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and ©.
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Required Sales for Resale & Associated Losses ©	MONTHLY PEAK Megawatts (d)	Day of Month (e)	Hour (f)
29	January					
30	February					
31	March					
32	April					
33	May					
34	June		SEE ATTACHED	SCHEDULES		
35	July					
36	August					
37	September					
38	October					
39	November					
40	December					
41	TOTAL					

MONTHLY PEAKS AND OUTPUT
NORTHWEST FLORIDA SYSTEM

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	81.3	24	7:15 a.m.	15 Min. Int.	31,260
February	55.3	11	7:15 a.m.	15 Min. Int.	22,332
March	46.7	31	6:45 a.m.	15 Min. Int.	21,940
April	47.0	30	3:00 p.m.	15 Min. Int.	22,156
May	58.5	7	3:00 p.m.	15 Min. Int.	28,083
June	62.2	16	4:30 p.m.	15 Min. Int.	29,700
July	63.1	17	3:45 p.m.	15 Min. Int.	30,482
August	63.6	25	3:15 p.m.	15 Min. Int.	31,981
September	62.2	4	4:00 p.m.	15 Min. Int.	28,455
October	45.9	6	3:30 p.m.	15 Min. Int.	23,915
November	46.0	25	7:15 a.m.	15 Min. Int.	23,742
December	58.6	18	7:00 a.m.	15 Min. Int.	29,943
TOTAL					323,989

MONTHLY PEAKS AND OUTPUT
NORTHEAST FLORIDA SYSTEM

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	103.3	24	7:30 a.m.	15 Min. Int.	41,565
February	77.4	18	7:00 p.m.	15 Min. Int.	31,482
March	64.8	28	7:30 p.m.	15 Min. Int.	31,957
April	52.6	1	7:00 a.m.	15 Min. Int.	28,275
May	68.9	8	5:00 p.m.	15 Min. Int.	36,238
June	72.9	11	4:00 p.m.	15 Min. Int.	39,630
July	80.5	7	5:30 p.m.	15 Min. Int.	41,253
August	74.4	28	4:30 p.m.	15 Min. Int.	39,818
September	76.0	30	5:30 p.m.	15 Min. Int.	44,136
October	58.4	14	7:15 p.m.	15 Min. Int.	34,882
November	61.8	12	6:00 p.m.	15 Min. Int.	28,517
December	73.4	20	8:45 a.m.	15 Min. Int.	42,135
TOTAL					439,888

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood, or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line desigated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION From (a)	DESIGNATION To (b)	VOLTAGE Operating (c)	VOLTAGE Designed (d)	Type of Supporting Structure (e)	LENGTH On Structures of Line Designated (f)	LENGTH On Structures of Another Line (g)	Number of Circuits (h)
1	Yulee, FL	Block 97						
2		Fernandina			Steel Pole	1.35		
3		Beach, FL	138,000	138,000	Concrete Pole	10.1	NONE	1
4					Wood Pole	0.00		
5	Block 97	Block 83						
6	Fernandina	Fernandina						
7	Beach, FL	Beach, FL	69,000	69,000	Wood Pole	3.5	NONE	1
8								
9	Block 97							
10	Fernandina	State Road 105			Concrete Pole	0.8		
11	Beach, FL	and Julia St.	69,000	69,000	Wood Pole	5.2	NONE	1
12								
13	Block 83	Container						
14	Fernandina	Corporation						
15	Beach, FL	of America	69,000	69,000	Wood Pole	1.66	NONE	1
16								
17	Block 83							
18	Fernandina	ITT Rayonier						
19	Beach, FL	Inc.	69,000	69,000	Wood Pole	0.65	NONE	1
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30					TOTAL	23.21		

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and pole miles of the other line(s) in column (g).
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or share in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	Land (j)	COST OF LINE Construction and Other Costs (k)	Total Cost (l)	EXPENSES, EXCEPT DEPRECIATION AND TAXES** Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	Line no.
								1
								2
394.6MCM Alum.								3
477 MCM Alum.	* 25,803	1,185,925	1,211,728					4
								5
4/0 Alum.								6
394.6MCM Alum.		474,069	474,069					7
652MCM Alum.								8
								9
								10
477MCM Alum.	32,677	489,789	522,466					11
								12
								13
								14
394.6MCM Alum.		90,636	90,636					15
								16
								17
								18
4/0 Alum.								19
								20
								21
								22
*Includes Roads and Trails								23
**Expenses Shown Below Include All Transmission Lines								24
								25
								26
								27
								28
								29
	58,480	2,240,419	2,298,899	15,858	47,202		63,060	30

SUBSTATIONS

1. Report below the information called for concerning substations for the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities for less than 10,000 Kva except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Fernandina Beach, Fl	Distribution			
2	Jesse L. Terry, Substation	Unattended	69M	12.4M	
3					
4	Amelia Plantation Substation	Distribution	69M	12.4M	
5		Unattended			
6					
7	Rayonier Chip Mill	Distribution	69M	12.4M	
8					
9	Stepdown Substation	Transmission and Distribution			
10		Unattended	138M	69M	
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					

SUBSTATIONS (Continued)

5. Show in columns (i), (j) and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reasaon of sole onwership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other rhan reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Trans-formers In Service (g)	Number of Spare Trans-formers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (k)	Line No.
						1
50	3	0	Fans Added			2
						3
40	2	0	Fans Added			4
						5
						6
8	1	0	Fans Added			7
						8
150	3	0	Fans Added			9
30	2	0	Fans Added			10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36

FLORIDA PUBLIC SERVICE COMMISSION

DIVERSIFICATION REPORT

PSC/AFA 16 (12/94)

Affiliation of Officers and Directors

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliatin or Connection	Name and Address
Directors			
Ellen Terry Benoit	Investor Palm Beach, Florida		
John T. English	President Florida Public Utilities Company		
Paul L. Maddock, Jr	President of Palamad Development Co. West Palm Beach, FL	President	McLean-Maddock multi family housing and land development Telluride, CO
Richard C. Hitchins	President of R.C. Hitchins & Co., P.A., a CPA firm, West Palm Beach, FL		
Rudy E. Schupp	Chairman and Chief Executive Officer of Republic Security Bank West Palm Beach, FL	President	Florida Bankers Association PO Box 1117 Tallahassee, FL 32302
Officers			
Charles L. Stein	Senior Vice President		
John T. English	President & Chief Executive Officer		
Jack R. Brown	Vice President & Secretary		
George M. Bachman	Treasurer & Chief Financial Officer		

Business Contracts with Officers, Directors, and Affiliates

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation- related to position with respondent) between the respondent and each officer and director listed in Part 1 of the Executive Summary. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

Note* Business agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service

NONE

*Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Reconciliation of Gross Operating Revenues
Annual Report versus Regulatory Assessment Fee Return

FLORIDA PUBLIC UTILITIES COMPANY **For the Year Ended December 31, 2003**

For the current year, reconcile the gross operating revenues as reported on Page 300 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Gross Operating Revenues per Page 300	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Gross Operating Revenues per RAF Return	Intrastate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 448)	39,502,854		39,502,854	39,478,461		39,478,461	24,393
2	Sales for Resale (447)	-		-	-			-
3	Total Sales of Electricity	39,502,854		39,502,854	39,478,461		39,478,461	24,393
4	Provision for Rate Refunds (449.1)	4,200		4,200	4,200		4,200	-
								-
5	Total Net Sales of Electricity	39,507,054		39,507,054	39,482,661		39,482,661	24,393
								-
6	Total Other Operating Revenues (450-456)	12,195		12,195	36,587		36,587	(24,392)
7	Total Electric Operating Revenues	39,519,249		39,519,249	39,519,248		39,519,248	1
8	Other (specify): Refund of Fuel Overrecoveries						-	-
9								
10	**Total Gross Operating Revenues**	39,519,249		39,519,249	39,519,248		39,519,248	1

Notes:

On page 300, total sales to ultimate customers include unbilled revenues of 24,393
Unbilled revenue is included in total other operating revenues on RAF return. 24,393

Refund of Fuel Overrecoveries for $761,311 are reversed to pay RAF only on the actual collected revenue.
(The original payment of the RAF occurred when the actual revenues were collected.)

Analysis of Diversification Activity

Changes in Corporate Structure

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

Provide any changes in Corporate Structure including partnerships, minority interest, and joint ventures and an updated organizational chart.

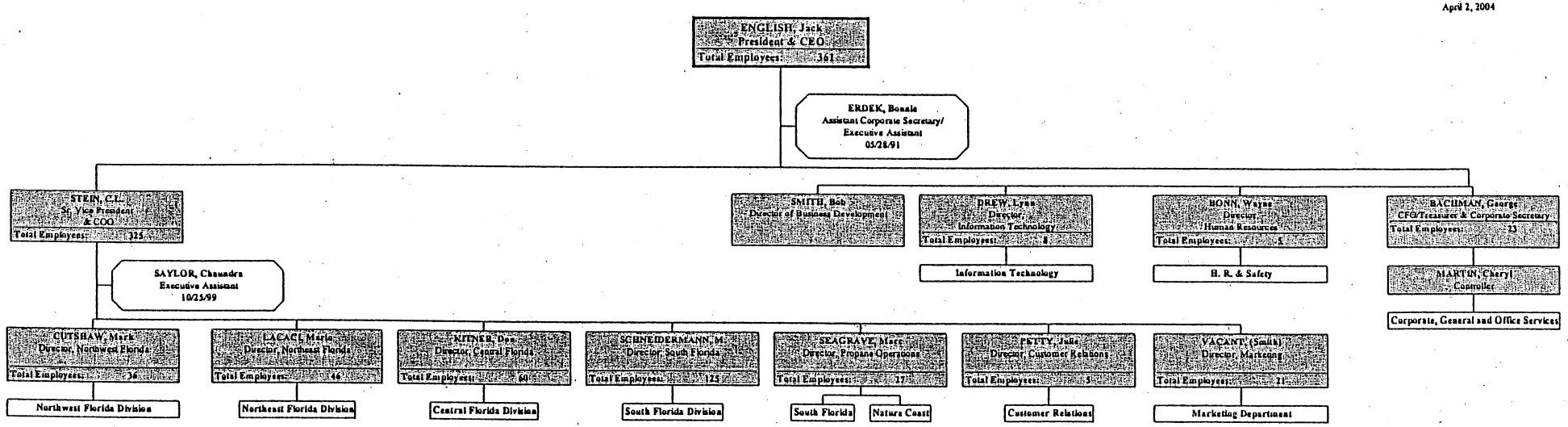
Effective Date (a)	Description of Change (b)
	We have enclosed copies of our updated Organizational Chart for Florida Public Utilities Company Flo-Gas does not have any employees.

CORPORATE STRUCTURE

FLORIDA PUBLIC UTILITIES

SENIOR MANAGEMENT TEAM

April 2, 2004



Positions	Total	Full-Time	Part-Time
WPB Ops	125	122	3
Flo-Gas	19	19	-
Nature Coast	8	8	-
Marketing	21	20	1
I.T.	8	7	1
Accounting	23	21	2
H.R.	5	4	1
Cust. Relations	5	5	-
Central FL	60	60	-
Northwest FL	36	36	-
Northeast FL	46	45	1
Execs.*	5	5	-
	361	352	9

Vacancies	Total	Full-Time	Part-Time
WPB Ops	9	8	1
Flo-Gas	2	2	-
NC	2	2	-
Marketing	5	4	1
I.T.	-	-	-
Accounting	-	-	-
H.R.	-	-	-
CIS	-	-	-
Central FL	2	2	-
Northwest FL	-	-	-
Northeast FL	2	1	1
	22	19	3

	Total	Full-Time	Part-Time
Number of Positions	361	352	9
Total Vacancies	22	19	3
Active Employees	339	333	6

Corporate Structure.xls

SOUTH FLORIDA GAS OPERATIONS - ORGANIZATIONAL CHART

FLORIDA PUBLIC UTILITIES

04/02/04

SCHNEIDERMANN, Steve
Director, South Florida
02/21/99
125

DEZELAN, Greta
Office Assistant
07/17/01

FAVORS, Calvin
SF Operations Mgr
08/25/03
No. of Employees 84

PETERSON, Brenda
Dist. Office Clerk
12/02/81

VACANT, (Suarez)
Corporate Fleet Manager
01/25/94
No. of Employees 3

ILAASE, Bruce
Garage Mechanic
05/22/89

ALLEWELT, Harold
Garage Mechanic
12/09/96

CANINO, Chris
S FL Engineering Mgr
07/06/98
No. of Employees 10

LINKIEWICZ, Chris
Engineer
02/19/01

KREPPS, Vince
Assistant Engineer
05/27/03

TAYLOR, Kim
Assistant Engineer
01/12/04

STUDENSKI, Frank
Engineering Tech
02/01/93

ZELINSKI, James
Engineering Tech
11/05/01

VACANT, (Fields)
Engineering Tech
Vacant since 12/05/03

VACANT, (Durand)
P/T Dfg & Maint
Vacant since 01/30/04

MOLOZEVSKI, Igor
P/T Eng Aide (Temp)
11/24/03

CONLEY, Scott
P/T Engineering Tech
08/01/02

OGLE, Jonathan
Customer Service Mgr.
04/22/02
No. of Employees 34

HULL, Lori
Supv., Customer Service
08/19/91

CHANDLER, Dave
Collector
08/23/73

SICKELS, Richard
Collector
12/02/98

LOVE, Karen
Lead Meter Reader
06/25/01

BRIGGS, Joyce
Meter Reader
02/22/82

FAZIO, George
Meter Reader
08/11/98

MALDONADO, Carlos
Meter Reader
06/26/03

MANUEL, Anthony
Meter Reader
02/03/03

MONTGOMERY, Dave
Meter Reader
05/31/90

PORTALES, Adiel
Meter Reader
03/10/04

VACANT, (Lane)
Meter Reader
Vacant Since 04/01/04

SYNDER, Chris
Gas Supply Mgr.
07/08/91
No. of Employees 1

VACANT, (Crespo)
Gas Supply Assistant
Vacant since 02/20/04

NARDI, Mike
Mgr. of I & M
01/03/94
No. of Employees 38

VACANT, (Turner)
Office Clerk
Vacant since 04/02/04

BUTCHER, Dale
I & M Supervisor
04/25/83

BELL, James
Dist. Mech I
07/26/73

WEITZ, Andy
Dist. Mech I
12/02/91

BASH, Dale
Dist. Mech I/Inspector
01/12/82

HOWELL, Gary
Dist. Mech I/Inspector
10/22/98

BULLINGTON, Troy
Dist. Mech II
10/09/02

HERNANDEZ, Jose
Gas Utility Worker
09/22/03

LYONS, David
Gas Utility Worker
11/20/03

TOLAND, Casey
Gas Utility Worker
03/23/04

WEBSTER, Steve
Gas Utility Worker
09/10/03

WILSON, Devin
Gas Utility Worker
06/19/02

ANDRE, Mike
Welder
01/08/81

GEORGE, David
I & M Supervisor
10/04/76

JOHNSON, Ira
Dist. Mech I
02/23/81

WALKER, Marvin
Dist. Mech I
12/02/91

BURKE, John
Dist. Mech II
02/08/99

FLORES, Jose
Dist. Mech II
10/04/94

FORDE, Karl
Dist. Mech II
10/12/99

GIBBS, Ivan
Dist. Mech II
11/08/99

RYAN, Matt
Dist. Mech II
10/07/02

VACANT, (Petrofsky)
Dist. Mech II
Vacant since 03/22/04

COLLINS, Brad
Gas Utility Worker
01/21/03

COWART, Joshua
Gas Utility Worker
02/02/04

ESPARZA, Raymond
Gas Utility Worker
01/30/03

NUMA, Rudolph
Gas Utility Worker
12/08/03

SANTIAGO, Miguel
Gas Utility Worker
07/28/03

MORELAND, Doug
Mgr., of Service & Operations
06/23/78
No. of Employees 36

FRUSCIANTE, Donna
Communications Supv
06/25/86

JONES, Tamyka
Dispatcher
03/22/99

CASSIDY, Eileen
Evening Dispatcher
08/09/01

LEWIS, Duane
Service Supervisor
10/13/86

CASTELLANOS, Rick
Gas Utility Worker
01/05/04

MOBLEY, James
Gas Utility Worker
03/05/01

SINGLETARY, R.
Gas Utility Worker
03/06/00

WALLACE, Robert
Gas Utility Worker
05/10/93

CAMACHO, Gene
Service Tech I
12/22/80

HEARN, Don
Service Tech I
02/07/96

KNAPP, James
Service Tech I
07/05/78

LARMONDE, Claude
Service Tech I
09/29/97

LICHTMAN, Ray
Service Tech I
03/09/92

FLYNN, John
Service Tech II
02/20/96

GARFIELD, Don
Service Tech II
12/03/91

JEZEWSKI, Todd
Service Tech II
08/14/85

SHATZER, Robert
Service Tech II
09/09/96

VACANT, (Knight)
Service Supervisor
Vacant since 03/30/04

KITTERICK, Tom
Gas Utility Worker
09/19/88

VILLARREAL, Rene
Gas Utility Worker
08/04/03

ANDERSON, Norman
Service Tech I
01/03/76

BOWEN, Frank
Service Tech I
09/19/74

ERDEK, Joe
Service Tech I
07/28/72

OAKES, Tom
Service Tech I
04/10/67

REITZ, Jeff
Service Tech I
07/17/95

RUSSELL, Fred
Service Tech I
04/06/83

CONNLEY, Scott
Service Tech II
10/17/01

GAUGLER, Bryan
Service Tech II
12/13/94

REUTER, Glenn
Service Tech II
4/29/02

RIPPEY, Shane
Service Tech II
05/22/00

WAGONER, Larry
Service Tech II
03/06/00

KNIGHT, Richard
I & M Supervisor
04/19/93

BITTLE, Sarah
Sr. Dist. Office Clerk
01/31/02

RODRIGUEZ, Billy
Field Supp & Permitting
06/03/96

PIPING AND INSTALLATION CREWS

KLEMAS, John
Svce Tech/Warehouse
01/04/82

SERRAES, John
Warehouse Supervisor
06/19/72

JOSE, Emerson
Warehouseman
10/05/88

PERRY, David
Warehouseman
11/22/99

JOYCE, Kevin
Systems Ops Supv.
06/07/76

GILMORE, Al
Dist. Tech I
08/19/74

PARKER, Roland
Dist. Tech I
01/06/86

PAYNE, Robert
Dist. Tech I
01/03/79

ROLLE, James
Dist. Tech I
08/01/84

ROSALES, Jose
Dist. Tech III
08/13/79

CUADRAS, Conrado
Engineering Tech
06/15/92

BRUTZMAN, Bill
Engineering Aide
02/08/01

LINE LOCATING GROUP

TORONNAN, Mike
Measurement Supv.
03/08/04

SEATON, Paula
Dist. Office Clerk
02/14/00

PETROFSKY, John
Gas Utility Worker
09/11/2000

DAWSON, Marvin
Meter Spec. I
11/08/83

DEPASTINO, Gary
Meter Spec. I
03/16/87

GRAY, Joe
Meter Spec. I
04/06/87

DIX, Frank
Meter Spec. II
10/28/85

DAVILA, Jose
Cust. Svce. Rep.
08/25/03

MARTIN, Dwayne
Cust. Svce. Rep.
06/03/03

AMMONS, Kenn
Cust. Svce. Rep. (Cashier)
02/09/04

VACANT, (Frank)
Cust. Svce. Rep.
Vacant since 03/12/04

PORTAL, Joy
Cust. Svce. Rep.
12/17/01

RUSH, Beverly
Cust. Svce. Rep. (Cashier)
01/30/02

HAGANS, William
Cust. Svce. Rep.
10/08/01

HILL, Tara
Cust. Svce. Rep.
9/10/02

SAVAGE, Lori
Cust. Svce. Rep.
08/13/98

SIMPSON, Sheila
Cust. Svce. Rep. (Bookkeeper)
01/20/97

FEDINA, Pat
Sr. Cust. Svce. Rep.
04/06/88

RATTLER, Sandra
Sr. Cust. Svce. Rep.
05/08/89

Additions

Acquisition/Startup Additions

PIPING & INSTALLATION CREWS

S FL Operations	Total	Full-Time	Part-Time
Number of Positions	125	122	3
Total Vacancies	9	8	1
Active Employees	116	114	2

Propane Operations Organizational Chart

FLORIDA PUBLIC UTILITIES

SEAGRAVE, Marc
Director, Propane Operations
07/19/99
Total Employees: 27

KARA, Al
Business Development Mgr.
01/07/02

VACANT, (Schwartz)
Propane District Manager
Vacant since 03/01/04
No. of Employees: 17

VACANT, (Morrison)
Propane District Mgr
Vacant since 12/31/03
No. of Employees: 8

Central Florida Propane Operations

Northeast Florida Propane Operations

HUGGINS, Frankie
Propane Operations Supv
05/25/77

CAUDLE, Tony
Gas Utility Worker
11/03/03

DAVIS, Carlton
Gas Utility Worker
08/20/01

FIELDS, Tim
Propane Op. I
08/26/80

MOONEY, Phil
Propane Op. I
01/30/89

FLEISCHMAN, Jeff
Propane Op. II
08/29/83

MORGAN, Garfield
Propane Op. II
12/11/89

VACANT, (Sleeman)
Gas Utility Worker
Vacant Since 04/08/04

GILCHRIEST, Sam
Propane Op. I
12/15/72

CROSS, George
Propane Op. II
02/21/89

RUDERMAN, Joel
Propane Op. II
12/15/01

GONZALEZ, Reinaldo
Gas Utility Worker
07/30/03

BUCCI, Jim
Propane Op. II
05/10/88

MITCHELL, Henry
Propane Op. II
05/26/92

WADE, Sharon
Sr. Flo-Gas Clerk
08/26/97

GRIFFITH, Brandy
Flo-Gas Clerk
08/14/01

BAIRD, Hope
Customer Service Rep.
11/01/02

BERNIER, Raymond
Gas Utility Worker
11/01/02

YOUNG, Mark
Gas Utility Wrkr B
06/01/87

HUGHES, Wade
Service Technician
06/30/03

VACANT, (Walsh)
Customer Service Rep.
Vacant Since 03/19/04

TAMARAZZO, Victor
Gas Utility Worker
11/01/02

NORDLUND, Roland
Propane Driver (Temp)
02/03/04

SF Propane Ops	Total	Full-Time	Part-Time
Number of Positions	19	19	0
Total Vacancies	2	2	0
Active Employees	17	17	0

NC Propane Ops	Total	Full-Time	Part-Time
Number of Positions	8	8	0
Total Vacancies	2	2	0
Active Employees	6	6	0

Additions

Acquisition/Startup Additions

04/02/04

Gas.opx

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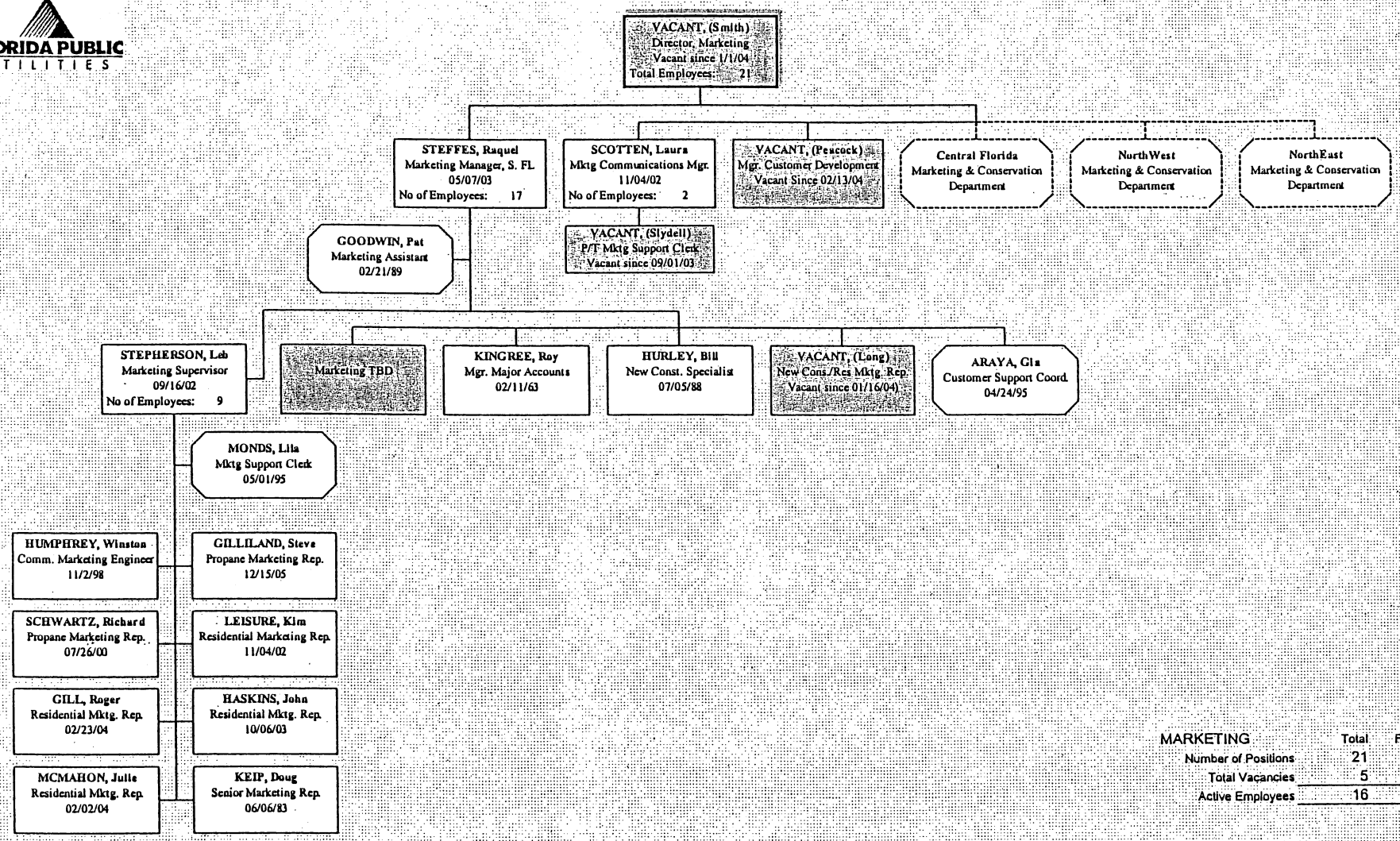
MARKETING DEPARTMENT

FLORIDA PUBLIC UTILITIES

04/02/04



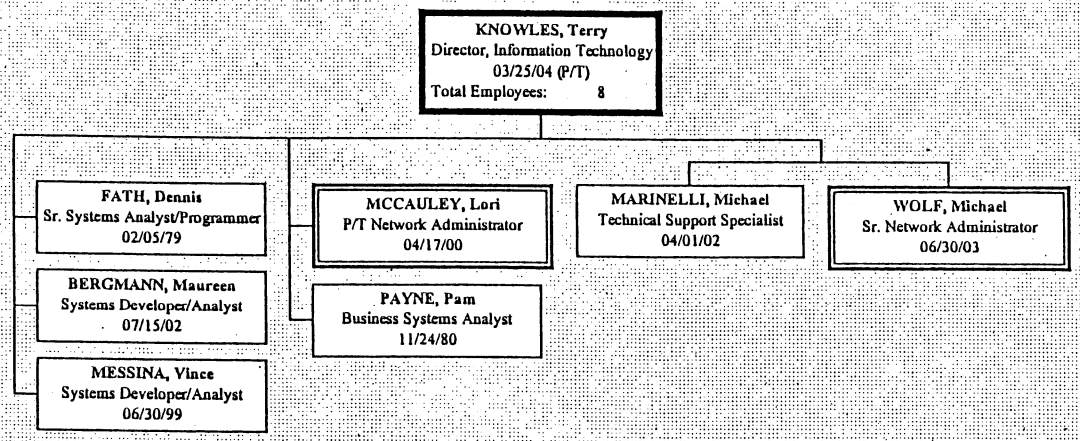
MARKETING	Total	Full-Time	Part-Time
Number of Positions	21	20	1
Total Vacancies	5	4	1
Active Employees	16	16	0

Marketing2.opx

INFORMATION TECHNOLOGY DEPARTMENT (IT)

FLORIDA PUBLIC UTILITIES

04/02/04



Additions

Acquisition/Startup Additions

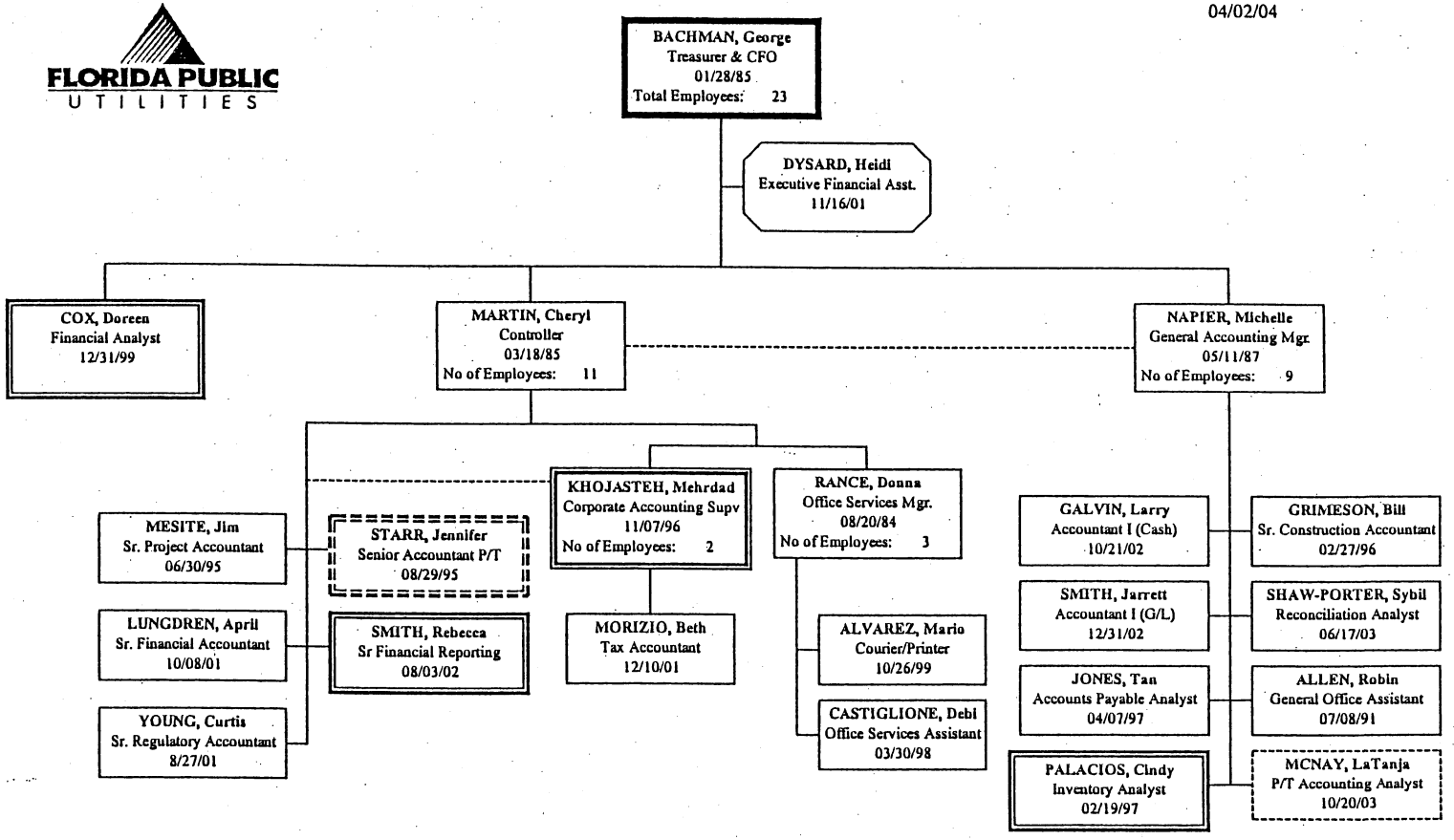
IT DEPT	Total	Full-Time	Part-Time
Number of Positions	8	7	1
Total Vacancies	0	0	0
Active Employees	8	7	1

InfoTech.opx

ACCOUNTING DEPARTMENT

FLORIDA PUBLIC UTILITIES

04/02/04



Additions

Acquisition/Startup Additions

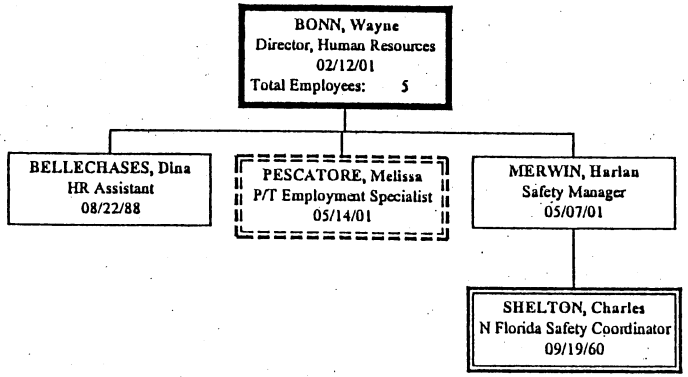
ACCOUNTING	Total	Full-Time	Part-Time
Number of Positions	23	21	2
Total Vacancies	0	0	-
Active Employees	23	21	2

Accounting.opx

HUMAN RESOURCES DEPARTMENT

FLORIDA PUBLIC UTILITIES

04/02/04



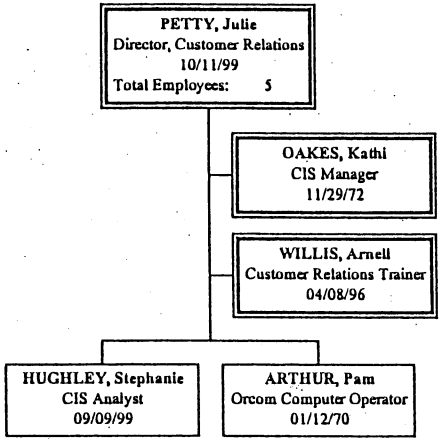
Human Resources	Total	Full-Time	Part-Time
Number of Positions	5	4	1
Total Vacancies	0	0	0
Active Employees	5	4	1

HumanResources.opx

CUSTOMER RELATIONS DEPARTMENT

FLORIDA PUBLIC UTILITIES

04/02/04



Additions

Acquisition/Startup Additions

Customer Relations	Total	Full-Time	Part-Time
Number of Positions	5	5	0
Total Vacancies	0	0	0
Active Employees	5	5	0

CustomerRel.opx

CENTRAL FLORIDA DIVISION

FLORIDA PUBLIC UTILITIES

April 1, 2004

KITNER, Don
Director, Central Florida
02/20/90
Total Employees: 60

SCRIBBEN, Dan
Engineering Manager
06/24/81
No. of Employees: 1

- CARLTON, Ron — Inspector — 01/06/82
- WINSOR, Shawn — Engineering Tech — 04/04/94

MILLETT, Don
Customer Service Mgr.
08/30/93
No. of Employees: 14

- HARTMAN, Marty — Customer Service Supv. — 06/29/78
  - BALDWIN, John — Meter Rdr/Collector — 09/23/74
  - CRUZ, Cindy — Meter Rdr/Collector — 02/17/03
  - PIERCE, Gary — Meter Rdr/Collector — 05/24/89
  - PREVATT, Ronnie — Meter Rdr/Collector — 06/21/77
  - SAUER, Wayne — Meter Rdr/Collector — 01/30/89
- VACANT, (Abernathy) — Cust. Svce. Rep. — Vacant Since 02/19/04
- DAVIS, Katrina — Cust. Svce. Rep. — 12/27/93
- HENSON, Susan — Cust. Svce. Rep. — 07/05/00
- MARTIN, Colette — Cust. Svce. Rep. — 07/18/95
- QUIRINDONGO, Delilah — Cust. Svce. Rep. — 06/02/03
- RIVERA, Michelle — Cust. Svce. Rep. — 12/17/01
- RYANS, Lory — Sr. Cust. Svce. Rep. — 10/22/01

MIDDLETON, Don
Gas Operations Manager
03/14/94
No. of Employees: 31

- THOMAS, Andy — Gas Operations Supv. — 10/31/77
  - BONEHILL, Gary — Service Tech A — 08/04/86
  - LOVE, Tim — Service Tech A — 02/18/86
  - PAGE, Curtis — Service Tech A — 05/13/85
  - SILER, Mark — Service Tech A — 07/13/81
  - WHEATON, Ted — Service Tech A — 07/18/88
  - COTCAMP, Tom — Service Tech A — 03/10/80
  - MCDANIEL, Bill — Service Tech A — 01/26/87
  - PONDER, Mike — Service Tech A — 10/29/84
  - SPEERIN, George — Service Tech A — 07/18/88
  - WHITAKER, Jim — Service Tech A — 02/21/84
- BLAND, Fred — Gas Operations Supv. — 8/17/81
  - PRUETT, Mark — Dist. Mech. A — 02/07/90
  - TRACEY, Steve — Dist. Mech. A — 08/15/89
  - INGALLS, Jim — Gas Utility Worker B — 05/28/02
  - WILLIAMS, Chris — Gas Utility Worker B — 11/15/99
  - DANIELS, Scott — Gas Utility Worker C — 03/08/04
  - VACANT, (Thibault) — Gas Utility Worker B — Vacant since 11/24/03
  - STAFFORD, Ron — Dist. Mech. A — 11/10/86
  - BRADLEY, Mike — Dist. Tech. A — 05/16/88
  - SLUKA, Frank — Gas Utility Worker B — 03/13/00
  - GARFOLA, Jason — Gas Utility Worker B — 05/21/01
  - PLANTE, Michael — Gas Utility Worker C — 05/14/01
- PENDLETON, Glenn — Gas Operations Supv — 12/27/83
  - LACKEY, Mike — Dist. Tech. A — 01/01/92
  - O'BRIEN, Craig — Dist. Tech. A — 09/23/74
  - KENNEDY, Ken — Gas Utility Wrkr B — 11/08/82
  - THIBAULT, Ray — Dist. Line Locator — 09/16/91
- REGISTER, Wayne — Stores Supervisor — 12/05/83
- CLIFFORD, Rita — Dispatcher — 01/22/00

MCKENNA, Jim
Marketing Mgr.
08/12/98
No. of Employees: 7

- BLAZINA, Greg — Commercial Mktg Rep — 05/28/02
- GLADUE, Alicia — Marketing Coordinator — 06/14/99
- PAPADEAS, Mike — New Const. Mktg Rep — 08/06/01
- ZIEGLER, Barbara — New Const. Mktg Rep — 12/18/00
- RECK, Eulyna — Res Mktg Rep — 10/21/02
- THISTEL, Robert — Propane Mktg Rep — 08/25/03

FOREST, Brian
Propane District Mgr.
01/07/02
No. of Employees: 4

- FLOWERS, David — Propane Operator A — 09/23/85
- HALL, Keith — Propane Operator — 04/30/01
- BIANCO, Sandra — Cust. Svce. Rep. — 08/21/00

Additions

Acquisition/Startup Additions

Central Florida	Total	Full-Time	Part-Time
Number of Positions	60	60	0
Total Vacancies	2	2	0
Active Employees	58	58	0

Central Florida02.ppt

Northwest Florida Division - Organizational Chart

FLORIDA PUBLIC UTILITIES

CUTSHAW, Mark
Director, Northwest Florida
05/13/91
Total Employees: 36

TOOLE, Steve
Engineering Mgr.
06/28/93
No. of Employees: 3

- O'PRY, Broward — Assistant Engineer — 09/13/82
- TEW, Donnie — Engineering Tech — 04/27/92

MYERS, Don
Electric Operations Mgr
05/22/89
No. of Employees: 19

- MORRIS, Clarlece — Stores Supervisor — 05/26/87
  - JONES, Doug — Warehouseman — 03/28/00
- TANNER, Lynwood — Service Operations Supervisor — 09/03/74
  - CHATWOOD, Frank — Working Foreman — 08/15/66
  - GRAY, Rhondon — Appr. Lineman A — 10/19/92
  - LEWIS, Jerry — Lineman — 04/06/87
- DITTY, Jacky — Line Operations Supervisor — 09/29/69
  - ELMORE, Jimmy — Working Foreman — 08/06/73
  - GROOMS, Darryl — Working Foreman — 06/03/85
  - SEE, Bobby — App. Lineman A — 03/27/89
  - HALL, Woody — 09/06/94 — App. Lineman A
  - USSERY, Jim — App. Lineman B — 03/30/98
  - FORAN, Brady — Working Foreman — 11/25/85
  - MATHIS, Danny — Working Foreman — 09/21/87
  - GRIFFIN, John — App. Lineman A — 08/05/91
  - BEVIS, Andy — App. Lineman B — 10/25/99
- DANIELS, Terry — IMC Technician I — 06/17/68
- WILLIAMS, Bill — IMC Technician II — 02/19/74

NEW, Beverly
Customer Service Mgr.
05/21/97
No. of Employees: 13

- FOWLER, Donna — Customer Service Supv. — 04/28/97
  - HARRIS, Kevin — Meter Reader — 03/01/04
  - MEALY, Barbara — Meter Reader — 07/05/94
  - HUGHES, Bobby — Serviceman — 02/01/82
  - HOLDEN, Claude — Meter Reader — 06/13/77
  - BROGDON, Wayne — Serviceman — 10/07/68
- JONES, Sarah — Customer Service Rep — 10/09/98
- DEAN, Tammy — Energy Marketing Rep — 09/08/97
- BARBER, Deborah — Sr. Cust. Svce. Rep — 01/26/87
- STEPHENS, Kim — Customer Service Rep — 09/05/00
- MCCOY, Laura — Payment Processing Rep — 11/19/03
- CALHOUN, Pam — Sr. Cust. Svce. Rep — 03/15/93

04/02/04

Additions

Acquisition/Startup Additions

NORTHWEST FLORIDA	Total	Full-Time	Part-Time
Number of Positions	36	36	0
Total Vacancies	0	0	0
Active Employees	36	36	0

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NORTHEAST FLORIDA DIVISION - ORGANIZATIONAL CHART

FLORIDA PUBLIC UTILITIES

04/02/04

LACACI, Mario
Director, Northeast Florida
06/18/01
Total Employees: 46

JOHNSON, Louie
Engineering Mgr.
12/01/80
No. of Employees: 3

- ANDERSON, Carl — Senior Engineer — 01/13/69
- ATKINS, Mary — Engineering Technician — 06/26/00

SCHAAK, Cliff
Propane District Mgr
03/24/2003
No. of Employees: 10

- FORSTROM, Michelle — Customer Service Rep — 01/26/04
- WENING, Donald — Gas Service Tech A — 01/05/04
- HUNNICUTT, Kelly — Gas Utility Worker — 07/30/01
- VACANT, (Pluta) — Gas Utility Worker - Temp — 01/08/04
- WINSTON, Linda — Propane Senior Clerk — 11/16/99
- DICKS, Karen — Energy Mktg. Rep — 12/04/00
- BROWN, Clint — Gas Service Tech B — 10/02/00
- PLUTA, David — Service Technician B — 01/08/04
- MURRAY, Ryan — Gas Utility Worker — 05/21/01

PUENTES, Jorge
Electric Operations Mgr.
01/05/04
No. of Employees: 20

- THOMPSON, Vinson — Line Ops. Supv. — 09/19/94
  - MOORE, Don — App. Serviceman B — 05/17/99
  - BEST, Alvin — App. Sveeman A — 08/23/90
  - BOATRIGHT, Curtis — App. Sveeman B — 01/19/98
  - FAULK, Tom — Line Working Foreman — 10/26/81
  - NABORS, Don — App. Lineman A — 01/13/92
  - TAYLOR, Steve — Line Working Foreman — 08/16/82
- CARMAN, Robert — Service Ops. Supv. — 09/03/74
  - CLARDY, Bill — Lineman — 04/08/85
  - GAINES, Cliff — App. Lineman B — 11/15/95
  - GRIFFIN, Billy — Svce Working Foreman — 05/03/66
  - ROBINSON, Quentin — App. Sveeman B — 10/06/98
  - SCANDALIATO, Don — Meterman — 12/18/78
  - TAYLOR, Parker — Svce Working Foreman — 06/16/80
  - VANZANT, Mike — App. Sveeman A — 09/05/91
  - WELSH, John — App. Sveeman B — 05/10/99
  - WILKES, Charles — Svce Working Foreman — 08/20/73
- TYLER, William — Garage Mechanic — 09/05/00
- CAUSIER, James — Stores Supervisor — 04/08/96

PARSONS, Melanie
Cust. Service Manager
02/03/03
No. of Employees: 12

- THORNTON, Patti — Customer Service Supv. — 12/07/81
  - MCCLURE, Christine — Meter Reader/Collector — 06/22/98
  - DAVIS, Sarah — Meter Reader — 04/02/01
  - PEACOCK, Lewis — T-On/T-Off Sveeman — 02/01/88
  - SHIVELY, David — Meter Reader — 03/11/02
- BRADLEY, Gerry — Customer Service Rep — 01/12/04
- JAMES, Valerie — Customer Service Rep — 09/17/01
- VACANT, (McCoy) — Engineering Clerk P/T — Vacant since 06/06/03
- HUNT, Nioka — Customer Service Rep — 05/02/00
- DOUGLAS, Neil — Energy Mktg Rep — 01/26/04
- KENNEDY, Rena — Sr Customer Service Rep — 09/14/92

Additions

Acquisition/Startup Additions

NORTHEAST FLORIDA	Total	Full-Time	Part-Time
Number of Positions	46	45	1
Total Vacancies	2	1	1
Active Employees	44	44	0

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Analysis of Diversification Activity

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 2003

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliated Company (a)	Synopsis of Contract (b)
	NONE

(Schedules 2,3 & 4)

ANALYSIS OF DIVERSIFICATION ACTIVITY REPORT

Flo-Gas Corporation is a wholly-owned subsidiary of Florida Public Utilities Company and transactions that exceed $300 annually are numerous. Therefore, the enclosed summaries of Flo-Gas' Income Statement and Balance Sheet should be sufficient to meet the requirements of the report.

- Items relating specifically to Flo-Gas are charged directly.
- Corporate general expenses relating to both companies are allocated using factors previously reviewed by the Florida Public Service Commission during our last rate proceeding.
- Items that typically create intercompany transactions include payroll, cash Payments and receipts, and propane purchases.
- Flo-Gas does not have employees or cash.

Detailed transactions are available at our corporate office. If you require additional information, please let us know.

NOTE: Flo-Gas' Income Statement and Balance Sheet (Supplement pages 1 through 3).

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
INCOME STATEMENT
12 MONTHS ENDING 12/31/03

	Year-to-Date Actual	Last Year-to-Date Actual
Operating Revenue	9,593,690	7,391,107
Operation Expenses	8,354,317	5,981,311
Maintenance Expenses	361,025	389,831
Depreciation Expense	507,699	436,388
Amortization of Utility Plant-Acquisition Adjustment	-	-
Tax Other Than Income Tax-Utility Operation Expense	116,737	85,915
Income Tax - Federal - Utility Operating Income	(311,224)	9,408
Income Tax - State - Utility Operating Income	(53,112)	1,443
Deferred Income Tax - Utility Operating Income	386,546	81,264
Investment Tax Credit - Utility Operating Income	(3,280)	(4,318)
Operating Income	234,982	409,865
Other Income and Deductions		
Interest and Dividend Income	-	-
Misc. Non-Operating Income	311,513	410,328
Other Income Deductions	(317,298)	(240,792)
Taxes Other Than Income - Other	-	(912)
Income Taxes-Federal-Other Income	2,200	(63,491)
Income Taxes-State-Other Income	-	-
Other (Income) and Deductions	(3,585)	105,133
Interest Charges		
Interest on Debt to Associated Companies	172,149	156,402
Other Interest Expense	489	4,357
Interest Charges	172,638	160,759
Extraordinary Items		
Cumulative Effect - Change in Accounting Principles - Net	-	-
Net Income	58,759	354,239

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
BALANCE SHEET - 09
December 31, 2003

Assets and Other Debits	Current	Last Year End
Utility Plant		
Utility Plant in Service	12,805,761	11,744,153
Utility Plant Purchased/Sold	-	-
Completed Construction Not Classified		
Construction Work in Progress	499,968	422,640
Utility Plant	13,305,729	12,166,793
Accumulated Depreciation		
Accumulated Dep. - Utility Plant in Service	(2,996,932)	(2,680,529)
Accumulated Dep. - Transportation Equip.	(507,330)	(476,566)
Retirement Work in Progress		
Accumulated Dep. - Rental Equipment	-	-
Accumulated Depreciation	(3,504,262)	(3,157,095)
Other Utility Plant		
Utility Plant Acquisition Adj.	-	-
Accum. Amort. - Utility Acq. Adj.	-	-
Other Utility Plant	-	-
Other Property and Investments		
Investment in Assoc. Companies - Common Stock	-	-
Other Property and Investments	-	-
Current and Accrued Assets		
Customer Accounts Receivable	1,111,997	874,095
Allowance for Uncollectible Accounts	(39,629)	(24,301)
Accounts Rec. from Associated Companies		
Operating Supplies - Propane	1,207,710	1,148,381
Prepayments - Taxes	-	1,720
Interest and Dividends Receivable		
Merchandise-Applian.& Supplies		
Accrued Utility Revenues	318,116	207,884
Current and Accrued Assets	2,598,194	2,207,779
Deferred Debits		
Goodwill	1,852,435	1,835,163
Misc. Deferred Debits - Other W.I.P.		
Misc. Deferred Debits - Miscellaneous	96,592	137,958
Accum. Deferred Income Taxes	154,267	20,414
Deferred Debits	2,103,294	1,993,535
ASSETS AND OTHER DEBITS	14,502,955	13,211,012

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
BALANCE SHEET - 09
December 31, 2003

Liabilities and Other Credits	Current	Last Year End
Proprietary Capital		
Common Stock Issued	10,000	10,000
Appropriated Retained Earnings	-	-
Unappropriated Retained Earnings	1,494,313	2,140,071
Proprietary Capital	1,504,313	2,150,071
Current and Accrued Liabilities		
Accounts Payable to Assoc. Companies	10,628,339	8,350,800
Customer Deposits	515,569	486,730
Taxes Accrued	(811,317)	(139,008)
Interest Accrued	2,451	5,605
Dividends Declared	-	-
Tax Collections Payable	73,578	58,704
Misc. Current and Accrued Liabilities	-	-
Customer Advances for Construction	168,277	149,473
Other Deferred Income Taxes - Other	-	-
Accumlated Deferred I.T.C.	4,424	7,705
Current and Accrued Liabilities	10,581,321	8,920,009
Operating Reserves		
Misc. Operating Reserves	-	-
Accum. Deferred Income Tax - Liberalized Depreciation	2,358,563	1,786,693
Accum. Deferred Income Taxes - Other	-	-
Operating Reserves	2,358,563	1,786,693
Year-to-Date Income/Loss	58,759	354,239
LIABILITIES AND OTHER CREDITS	14,502,956	13,211,012

Analysis of Diversification Activity

Summary of Affiliated Transfers and Cost Allocations

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of $300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.
(a) Enter name of affiliate.
(b) Give description of type of service, or name the product involved.
(C) Enter contract or agreement effective dates.
(d) Enter the letter "p" if the service or product is a purchased by the Respondent: "s" if the service or product is sold by the Respondent.
(e) Enter utility account number in which charges are recorded.
(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (C). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (C)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
	SEE ATTACHED SCHEDULES				

Analysis of Diversification Activity

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 2003

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		6,436	995	5,441	$ N/A	$ N/A	N/A
Flo-Gas Corporation	Meters	1,636	867	769	N/A	Transfer	N/A
	Computer Equipment	4,800	128	4,672	N/A	Transfer	N/A
Sales to Affiliates:		22,766	6,924	15,842	$ N/A	Sales Price	N/A
	Computer Equipment	3,601	1,048	2,553	N/A	Transfer	N/A
	Meters	15,668	4,799	10,869	N/A	Transfer	N/A
	Regulators	3,497	1,077	2,420	N/A	Transfer	N/A
Total						$	

Analysis of Diversification Activity

Employee Transfers

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

List employees earning more than $30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Flo-Gas Does Not Have Any Transfers				

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items (5% of the Balance at the End of the Year for Account 121 or $100,000, whichever is less) may be grouped by (1) previously devoted to public service (line 39), or (2) other nonutility property (line 40).

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	Minor Items Previously Donated to Public Service			
40	Minor Items - Other Nonutility Property			
41	TOTAL	$0	$0	$0

Number of Electric Department Employees

Company: Florida Public Utilities Company

For the Year Ended December 31, 2003

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	11/02/03
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	80
3	Total Part-Time and Temporary Employees	-
4	Total Employees	80

Operations	2003 Customers Current Year	2002 Customers Prior Year	2001 Customers Two Years Prior	Current Year increase	Prior year Increase	Average Increase
Marianna - Electric	12,497	12,266	12,172	2%	1%	1%
Fernandina Beach - Electric	14,300	14,000	13,662	2%	2%	2%
Fernandina Beach - Water	-	7,056	6,943	#DIV/0!	2%	#DIV/0!
Gas Operations	47,121	45,954	40,914	2%	11%	7%

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities: and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $25,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425: Miscellaneous Amortization	None
2		
3	Account 426: Miscellaneous Income Deductions	
4	426.11 Charitable Contributions: Inside Service Area	12,610
5	426.12 Charitable Contributions: Outside Service Area	0
6	426.13 Civic and Social Club Dues	2,768
7	426.2 Life Insurance	0
8	426.3 Penalties	0
9	426.4 Expenditures for Lobbying and Other Politically Related Activities	106
10	426.5 Other	
11	Chamber of Commerce	3,686
12	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	19,170
13		
14		
15	Account 430: Interest on Debt to Associated Company	
16	Accounts Payable at 4.844% (12 mo. avg. of the interest rates applied)	(172,149)
17		
18		
19	Account 431: Other Interest Expense	
20	431.1 Interest on Customer Deposits	335,030
21	431.2 Interest on Notes Payable	75,241
22	431.3 Interest on Miscellaneous	0
23	TOTAL OTHER INTEREST EXPENSE	410,271
24		
25		
26		
27		
28		

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FLORIDA PUBLIC UTILITIES COMPANY | An Original | December 31, 2003
Northwest Division

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 20 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account	Ref. Page No.	Total Current Year	Total Previous Year
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	$18,284,176	$19,097,409
3	Operating Expenses			
4	Operation Expenses (401)	320-323	13,751,969	14,519,562
5	Maintenance Expenses (402)	320-323	825,592	772,820
6	Depreciation Expense (403,405)	336-337	1,062,882	977,326
7	Amort. & Depl. of Utility Plant (404-405)	336-337	-	-
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	-	-
9	Amort. of Property Losses, Unrecovered Plant and		-	-
	Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,650,807	1,689,287
14	Income Taxes - Federal (409.1)		(262,733)	131,716
15	- Other (409.1)		(44,598)	22,258
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	413,901	(69,460)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266	(18,903)	(21,026)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-18)		17,378,917	18,022,483
24	Net Utility Operating Income (Total of line 2 less 19)		$905,259	$1,074,926
	(Carry forward to page 117, line 25)			

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified) this page and the nest include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and4)	0	0
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	0	
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classifications of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			$0	(301)	2
			0	(302)	3
			0	(303)	4
0	0	0	0		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
0	0	0	0		15
					16
			0	(320)	17
			0	(321)	18
			0	(322)	19
			0	(323)	20
			0	(324)	21
			0	(325)	22
0	0	0	0		23
					24
		0	0	(330)	25
			0	(331)	26
			0	(332)	27
			0	(333)	28
			0	(334)	29
			0	(335)	30
			0	(336)	31
0	0	0	0		32
					33
			0	(340)	34
			0	(341)	35
			0	(342)	36
			0	(343)	37
			0	(344)	38
			0	(345)	39

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	-	-
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	-	-
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	-	-
45	(352) Structures and Improvements	-	-
46	(353) Station Equipment	-	-
47	(354) Towers and Fixtures	-	-
48	(355) Poles and Fixtures	-	-
49	(356) Overhead Conductors and Devices	-	-
50	(357) Underground Conduit	-	-
51	(358) Underground Conductors and Devices	-	-
52	(359) Roads and Trails	-	-
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	-	-
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	17,100	-
56	(361) Structures and Improvements	-	-
57	(362) Station Equipment	909,900	20,484
58	(363) Storage Battery Equipment	-	-
59	(364) Poles, Towers, and Fixtures	5,481,210	206,377
60	(365) Overhead Conductors and Devices	5,480,180	147,467
61	(366) Underground Conduit	117,613	2,693
62	(367) Underground Conductors and Devices	554,339	39,202
63	(368) Line Transformers	5,264,628	211,162
64	(369) Services	2,774,866	152,733
65	(370) Meters	1,057,450	103,304
66	(371) Installations on Customer Premises	943,878	84,205
67	(372) Leased Property on Customer Premises	-	-
68	(373) Street Lighting and Signal Systems	339,203	11,264
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	22,940,367	978,891
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	3,766	-
72	(390) Structures and Improvements	912,235	6,420
73	(391) Office Furniture and Equipment	99,478	3,014
74	(392) Transportation Equipment	1,260,108	474,034
75	(393) Stores Equipment	87,191	-
76	(394) Tools, Shop and Garage Equipment	24,974	-
77	(395) Laboratory Equipment	54,894	-
78	(396) Power Operated Equipment	5,103	-
79	(397) Communication Equipment	21,225	-
80	(398) Miscellaneous Equipment	8,857	3,332
81	SUBTOTAL (Enter Total of lines 71 through 80)	2,477,831	486,800
82	(399) Other Tangible Property	-	-
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,477,831	486,800
84	TOTAL (Accounts 101 and 106)	25,418,198	1,465,691
85	(102) Electric Plant Purchased	-	-
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	-	-
88	TOTAL Electric Plant in Service	25,418,198	1,465,691

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	(346)	40
-	-	-	-		41
-	-		-		42
					43
-		-	-	(350)	44
-		-	-	(352)	45
-		-	-	(353)	46
-		-	-	(354)	47
-		-	-	(355)	48
-		-	-	(356)	49
-		-	-	(357)	50
-		-	-	(358)	51
-		-	-	(359)	52
-	-	-	-		53
					54
-		-	17,100	(360)	55
-		-	-	(361)	56
(293)		-	930,091	(362)	57
-		-	-	(363)	58
(66,212)	-	-	5,621,375	(364)	59
(25,103)	-	-	5,602,544	(365)	60
-		-	120,306	(366)	61
(572)		-	592,969	(367)	62
(29,667)	-	-	5,446,123	(368)	63
(29,007)		-	2,898,592	(369)	64
(12,497)		-	1,148,257	(370)	65
(32,813)		-	995,270	(371)	66
-	-	-	-	(372)	67
(6,045)	-	-	344,422	(373)	68
(202,209)	-	-	23,717,049		69
					70
-	-	-	3,766	(389)	71
-		-	918,655	(390)	72
-	-	4,959	107,451	(391)	73
(156,993)		(14,057)	1,563,092	(392)	74
-		-	87,191	(393)	75
-		-	24,974	(394)	76
(582)		-	54,312	(395)	77
-		-	5,103	(396)	78
-		-	21,225	(397)	79
(2,677)		-	9,512	(398)	80
(160,252)	-	(9,098)	2,795,281		81
-	-	-		(399)	82
(160,252)	-	(9,098)	2,795,281		83
(362,461)	-	(9,098)	26,512,330		84
			-	(102)	85
					86
			-	(103)	87
(362,461)	-	(9,098)	26,512,330		88

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
	Section A. Balances and Changes During Year				
1.	Balance Beginning of Year	11,686,960	11,686,960		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,024,319	1,024,319		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	124,326	124,326		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(5,309)	(5,309)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,143,336	1,143,336		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(362,461)	(362,461)		
12.	Cost of Removal	(58,395)	(58,395)		
13.	Salvage (Credit)	29,191	29,191		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(391,665)	(391,665)		
15.	Other Debit or Credit Items (Describe)				
16.	Reclassification for SFAS no. 143. COR	(1,694,347)	(1,694,347)		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	10,744,284	10,744,284		
	Section B. Balances at End of Year According to Functional Classifications				
18	Steam Production				
19	Nuclear Production				
20	Hydraulic Production - Conventional				
21	Hydraulic Production - Pumped Storage				
22	Other Production				
23	Transmission				
24	Distribution	11,436,871	11,436,871		
25	General	1,001,760	1,001,760		
26	Adjustment	(1,694,347)	(1,694,347)		
27	TOTAL (Enter Total of lines 18 thru 25)	12,438,631	12,438,631		

FLORIDA PUBLIC UTILITIES COMPANY An Original December 31, 2003
NORTHWEST DIVISION

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where seperate meter readings are added for billing purposes, one customer counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	$9,050,040	$9,571,932
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	2,340,214	2,418,437
5	Large (or Industrial)	6,296,024	6,805,607
6	(444) Public Street and Highway Lighting	137,266	135,188
7	(445) Other Sales to Public Authorities	0	0
8	(456.3) Unbilled Revenues	4,044	(49,994)
9	(448) Interdepartmental Sales		
10			
11	TOTAL Sales to Ultimate Consumers	17,827,588	18,881,170
12	(447) Sales for Resale	0	0
13			
14	TOTAL Sales of Electricity	17,827,588	18,881,170
15	(Less) (449.1) Provision for Rate Refunds	(16,300)	0
16			
17	TOTAL Revenue Net of Provision for Refunds	17,811,288	18,881,170
18	Other Operating Revenues		
19	(450) Forfeited Discounts	170,074	54,691
20	(451) Miscellaneous Service Revenues	91,359	101,494
21	(453) Sales of Water and Water Power	0	0
22	(454) Rent from Electric Property	76,106	75,353
23	(455) Interdepartmental Rents	0	0
24	(456.2) Other Electric Revenues	6,832	218
25	(456.1) Overrecoveries Purchase Electric	142,522	(23,208)
26	(456.6) Conservation Overrecoveries	(14,005)	7,691
27			
28			
29	TOTAL Other Operating Revenues	472,888	216,239
30			
31	TOTAL Electric Operating Revenues	$18,284,176	$19,097,409

ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respodent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5.See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5,and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
141,257	144,884	10,021	9,853	2
				3
30,928	31,328	2,064	2,010	4
132,423	138,116	403	392	5
1,174	1,120	9	11	6
0	0	0	0	7
(420)	(4,690)			8
	0			9
				10
305,362	310,758	12,497	12,266	11
				12
				13
305,362	310,758	12,497	12,266	14
				15
				16
305,362	310,758	12,497	12,266	17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

	Account	Amount for Current Year	Amount for Previous Year
1	(1) POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	TOTAL Operation	-	-
13	Maintenance		
14	(510) Maintenance Supervision and Engineering		
15	(511) Maintenance of Structures		
16	(512) Maintenance of Boiler Plant		
17	(513) Maintenance of Electric Plant		
18	(514) Maintenance of Miscellaneous Steam Plant		
19	TOTAL Maintenance	-	-
20	TOTAL Power Production Expenses-Steam Plant	-	-
21	B. Nuclear Power Generation		
22	Operation		
23	(517) Operation Supervision and Engineering		
24	(518) Fuel		
25	(519) Coolants and Water		
26	(520) Steam Expenses		
27	(521) Steam from Other Sources		
28	(Less) (522) Steam Transferred-Cr.		
29	(523) Electric Expenses		
30	(524) Miscellaneous Nuclear Power Expenses		
31	(525) Rents		
32	TOTAL Operation	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering		
35	(529) Maintenance of Structures		
36	(530) Maintenance of Reactor Plant Equipment		
37	(531) Maintenance of Electric Plant		
38	(532) Maintenance of Miscellaneous Nuclear Plant		
39	TOTAL Maintenance	-	-
40	TOTAL Power Production Expenses-Nuclear Power	-	-
41	C. Hydraulic Power Generation		
42	Operation		
43	(535) Operation Supervision and Engineering	-	-
44	(536) Water for Power		
45	(537) Hydraulic Expenses	-	-
46	(538) Electric Expenses	-	-
47	(539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48	(540) Rents		
49	TOTAL Operation	-	-

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering		
53	(542) Maintenance of Structures	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55	(544) Maintenance of Electric Plant	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant		
57	TOTAL Maintenance	-	-
58	TOTAL Power Production Expenses-Hydraulic Power	-	-
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering		
62	(547) Fuel		
63	(548) Generation Expenses		
64	(549) Miscellaneous Other Power Generation Expenses		
65	(550) Rents		
66	TOTAL Operation	-	-
67	Maintenance		
68	(551) Maintenance Supervision and Engineering		
69	(552) Maintenance of Structures		
70	(553) Maintenance of Generating and Electric Plant		
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	
72	TOTAL Maintenance	-	-
73	TOTAL Power Production Expenses-Other Power	-	-
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	11,321,191	12,128,866
76	(556) System Control and Load Dispatching		
77	(557) Other Expenses		
78	TOTAL Other Power Supply Expenses	11,321,191	12,128,866
79	TOTAL Power Production Expenses	11,321,191	12,128,866
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering		
83	(561) Load Dispatching		
84	(562) Station Expenses		
85	(563) Overhead Line Expenses		
86	(564) Underground Line Expenses		
87	(565) Transmission of Electricity by Others		
88	(566) Miscellaneous Transmission Expenses		
89	(567) Rents		
90	TOTAL Operation	-	-
91	Maintenance		
92	(568) Maintenance Supervision and Engineering		
93	(569) Maintenance of Structures		
94	(570) Maintenance of Station Equipment		
95	(571) Maintenance of Overhead Lines		
96	(572) Maintenance of Underground Lines		
97	(573) Maintenance of Miscellaneous Transmission Plant		
98	TOTAL Maintenance	-	-
99	TOTAL Transmission Expenses	-	-
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	148,965	151,658
103	(581) Load Dispatching		

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105			
106	(582) Station Expenses	10,077	11,293
107	(583) Overhead Line Expenses	56,872	65,919
108	(584) Underground Line Expenses	1,349	1,215
109	(585) Street Lighting and Signal System Expenses	8,313	11,432
110	(586) Meter Expenses	147,076	132,819
111	(587) Customer Installations Expenses	53,043	53,445
112	(588) Miscellaneous Distribution Expenses	73,498	67,286
113	(589) Rents	960	645
114	TOTAL Operation	500,153	495,712
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	25,640	24,806
117	(591) Maintenance of Structures	0	0
118	(592) Maintenance of Station Equipment	8,534	14,454
119	(593) Maintenance of Overhead Lines	639,423	596,512
120	(594) Maintenance of Underground Lines	7,215	9,701
121	(595) Maintenance of Line Transformers	51,421	55,848
122	(596) Maintenance of Street Lighting and Signal Systems	9,794	6,793
123	(597) Maintenance of Meters	13,866	13,228
124	(598) Maintenance of Miscellaneous Distribution Plant	34,333	31,527
125	TOTAL Maintenance	790,226	752,869
126	TOTAL Distribution Expenses	1,290,379	1,248,581
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	54,440	50,596
130	(902) Meter Reading Expenses	146,440	149,049
131	(903) Customer Records and Collection Expenses	322,296	348,317
132	(904) Uncollectible Accounts	44,914	19,970
133	(905) Miscellaneous Customer Accounts Expenses	30,461	32,001
134	TOTAL Customer Accounts Expenses	598,551	599,933
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(907) Supervision	42,389	47,768
138	(908) Customer Assistance Expenses	102,629	110,026
139	(909) Informational and Instructional Expenses	75,101	65,677
140	(910) Misc. Cust. Service & Informational -Includes underrecovery (906)	7,403	45,391
141	TOTAL Cust. Service and Informational Expenses	227,522	268,862
142	6. SALES EXPENSES		
143	Operation		
144	(911) Supervision		
145	(912) Demonstrating and Selling Expenses	-	-
146	(913) Advertising Expenses	1,692	869
147	(916) Miscellaneous Sales Expenses	7	63
148	TOTAL Sales Expenses	1,699	932
149	7. ADMINISTRATIVE AND GENERAL EXPENSES		
150	Operation		
151	(920) Administrative and General Salaries	361,751	356,601
152	(921) Office Supplies and Expenses	92,773	104,269
153	(Less) (922) Administrative expenses Transferred-Cr.	-	-
154	(923) Outside Services Employed	82,803	46,523
155	(924) Property Insurance	117,413	115,582
156	(925) Injuries and Damages	161,367	200,239
157	(926) Employee Pensions and Benefits	240,149	129,083

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
157	7. ADMINISTRATIVE AND GENERAL EXPENSES		
158	(927) Franchise Requirements		
159	(928) Regulatory Commission Expenses	4,409	2,618
160	(Less) (929) Duplicate Charges-Cr.		
161	(930.1) General Advertising Expenses	0	0
162	(930.2) Miscellaneous General Expenses	39,741	68,323
163	(931) Rents	2,447	2,019
164	TOTAL Operation	1,102,853	1,025,257
165	Maintenance		
166	(935) Maintenance of General Plant	35,366	19,951
167	TOTAL Administrative and General Expenses	1,138,219	1,045,208
168	TOTAL Electric Operation and Maintenance Expenses	14,577,561	15,292,382

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	11/2/2003
2	Total Regular Full-Time Employees	36
3	Total Part-Time and Temporary Employees	-
4	Total Employees	36

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).

2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				
2	Steam Production Plant				
3	Nuclear Production Plant				
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage **	0			0
6	Other Production Plant	0			0
7	Transmission Plant	0			0
8	Distribution Plant	961,960			961,960
9	General Plant	62,359			62,359
10	Common Plant-Electric	38,564			38,564
11	TOTAL	$1,062,883	$0	$0	$1,062,883

B. Basis for Amortization Charges

* Not included on page 219, Line 3.
** Not Included on page 219, Line 3 (Amortization of deferred gain on sale of hydro plant).

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2003

PLANT IN SERVICE ($)

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	-					-
3501	-					-
352	-					-
353	-					-
354	-					-
355	-					-
356	-					-
359	-					-
360	1,100					1,100
3601	16,000					16,000
361	-					-
362	909,900	20,484			(293)	930,091
364	5,481,210	206,377			(66,212)	5,621,375
365	5,480,180	147,467			(25,103)	5,602,544
366	117,613	2,693				120,306
367	554,339	39,202			(572)	592,969
368	5,264,628	211,162			(29,667)	5,446,123
369	2,774,866	152,733			(29,007)	2,898,592
370	1,057,450	103,304			(12,497)	1,148,257
371	943,878	84,205			(32,813)	995,270
373	339,203	11,264			(6,045)	344,422
389	3,766					3,766
390	912,235	6,420				918,655
3911	2,657					2,657
3912	13,755					13,755
3913	83,066	3,014		4,959		91,039
3921	41,517					41,517
3922	217,029	35,647		(14,057)	(13,191)	225,428
3923	929,016	438,357			(139,602)	1,227,771
3924	72,546	30			(4,200)	68,376
3931	86,430					86,430
3932	761					761
3941	4,952					4,952
3942	20,022					20,022
3951	33,572				(582)	32,990
3952	21,322					21,322
396	5,103					5,103
397	21,225					21,225
398	8,857	3,332			(2,677)	9,512
390	-	5,000				5,000
Reclassification for SFAS no. 143. COR						
	25,418,198	1,470,691	-	(9,098)	(362,461)	26,517,330

RESERVE ($) (CREDIT BALANCES)

Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassi-fications	Ending Balance
350	-	-							-
3501	-	-							-
352	-	-							-
353	-	-							-
354	-	-							-
355	-	-							-
356	-	-							-
359	-	-							-
360	(4,645)	-	(3,381)						(8,026)
3601	1,185	-	3,681						4,866
361	-	-							-
362	446,170	(293)	26,437		(823)				471,491
364	2,302,784	(66,212)	216,780	2,999	(31,888)				2,424,463
365	2,776,035	(25,103)	237,876	7,338	(16,885)				2,979,261
366	28,439	-	2,374	30					30,843
367	139,538	(572)	16,680	364	(59)				155,951
368	2,805,998	(29,667)	214,319	549	(2,755)				2,988,444
369	1,233,424	(29,007)	124,489	2,266	(2,967)				1,328,205
370	663,429	(12,497)	40,863	1,011	(37)				692,769
371	254,978	(32,813)	63,065	2,504	(2,545)				285,189
373	70,991	(6,045)	18,777	128	(436)				83,415
389	-	-							-
390	159,368	-	19,164						178,532
3911	2,655	-							2,655
3912	5,804	-	2,408						8,212
3913	40,883	-	15,399				3,387		59,669
3921	19,115	-	7,056						26,171
3922	122,591	(13,191)	27,306	501			(8,696)		128,511
3923	509,272	(139,602)	87,217	10,500					467,387
3924	10,676	(4,200)	2,747	800					10,023
3931	45,352	-	9,631						54,983
3932	459	-	111						570
3941	2,575	-	588						3,163
3942	16,863	-	1,044						17,907
3951	4,981	(582)	4,572						8,971
3952	10,591	-	2,126						12,717
396	1,482	-	348						1,830
397	12,696	-	4,593						17,289
398	3,271	(2,677)	2,375	201					3,170
390	0	-							-
								(1,694,347)	(1,694,347)
	11,686,960	(362,461)	1,148,645	29,191	(58,395)	-	(5,309)	(1,694,347)	10,744,284

FLORIDA PUBLIC UTILITIES COMPANY | An Original | December 31, 2003
NORTHEAST DIVISION

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 20 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account	Ref. Page No.	Total Current Year	Total Previous Year
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	$21,235,073	$21,832,273
3	Operating Expenses			
4	Operation Expenses (401)	320-323	16,358,932	16,590,662
5	Maintenance Expenses (402)	320-323	616,704	590,334
6	Depreciation Expense (403,405)	336-337	1,353,965	1,210,194
7	Amort. & Depl. of Utility Plant (404-405)	336-337	-	-
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	-	-
9	Amort. of Property Losses, Unrecovered Plant and		-	-
	Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,649,839	1,599,660
14	Income Taxes - Federal (409.1)		(105,944)	436,015
15	- Other (409.1)		(18,534)	74,399
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	250,227	(246,108)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266	(33,220)	(35,499)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-18)		20,071,969	20,219,657
24	Net Utility Operating Income (Total of line 2 less 19)		$1,163,104	$1,612,616
	(Carry forward to page 117, line 25)			

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified) this page and the nest include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and4)	0	0
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	0	
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classifications of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			$0	(301)	2
			0	(302)	3
			0	(303)	4
0	0	0	0		5
					6
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
			0	(316)	14
0	0	0	0		15
					16
			0	(320)	17
			0	(321)	18
			0	(322)	19
			0	(323)	20
			0	(324)	21
			0	(325)	22
0	0	0	0		23
					24
		0	0	(330)	25
			0	(331)	26
			0	(332)	27
			0	(333)	28
			0	(334)	29
			0	(335)	30
			0	(336)	31
0	0	0	0		32
					33
			0	(340)	34
			0	(341)	35
			0	(342)	36
			0	(343)	37
			0	(344)	38
			0	(345)	39

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	0	0
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	0	0
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	74,148	0
45	(352) Structures and Improvements	26,401	0
46	(353) Station Equipment	1,962,230	0
47	(354) Towers and Fixtures	244,665	0
48	(355) Poles and Fixtures	2,457,138	14,539
49	(356) Overhead Conductors and Devices	2,001,539	9,141
50	(357) Underground Conduit	0	0
51	(358) Underground Conductors and Devices	0	0
52	(359) Roads and Trails	6,788	0
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	6,772,909	23,680
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	10,160	0
56	(361) Structures and Improvements	96,042	0
57	(362) Station Equipment	2,407,122	28,075
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	1,790,638	159,826
60	(365) Overhead Conductors and Devices	2,851,608	128,275
61	(366) Underground Conduit	1,618,058	156,685
62	(367) Underground Conductors and Devices	2,985,369	130,283
63	(368) Line Transformers	5,929,807	328,129
64	(369) Services	3,811,582	282,407
65	(370) Meters	1,836,002	85,517
66	(371) Installations on Customer Premises	519,649	96,981
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	730,811	36,206
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	24,586,848	1,432,384
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	68,696	0
72	(390) Structures and Improvements	447,128	2,619
73	(391) Office Furniture and Equipment	457,728	13,566
74	(392) Transportation Equipment	1,134,339	8,070
75	(393) Stores Equipment	20,488	0
76	(394) Tools, Shop and Garage Equipment	98,483	4,304
77	(395) Laboratory Equipment	47,911	0
78	(396) Power Operated Equipment	111,539	0
79	(397) Communication Equipment	107,469	0
80	(398) Miscellaneous Equipment	11,180	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	2,504,961	28,559
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,504,961	28,559
84	TOTAL (Accounts 101 and 106)	33,864,718	1,484,623
85	(102) Electric Plant Purchased	0	0
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	0	0
88	TOTAL Electric Plant in Service	$33,864,718	$1,484,623

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	(346)	40
0	0	0	0		41
0	0	0	0		42
					43
0	0	0	74,148	(350)	44
0	0	0	26,401	(352)	45
0	0	0	1,962,230	(353)	46
0	0	0	244,665	(354)	47
(121,162)	0	0	2,350,515	(355)	48
(201,446)	0	0	1,809,234	(356)	49
0	0	0	0	(357)	50
0	0	0	0	(358)	51
0	0	0	6,788	(359)	52
(322,608)	0	0	6,473,981		53
					54
0	0	0	10,160	(360)	55
0	0	0	96,042	(361)	56
(48,748)	0	0	2,386,449	(362)	57
0	0	0	0	(363)	58
(4,876)	0	0	1,945,588	(364)	59
(5,242)	0	446	2,975,087	(365)	60
0	0	0	1,774,743	(366)	61
(21,066)	0	0	3,094,586	(367)	62
(83,736)	0	0	6,174,200	(368)	63
(7,115)	0	0	4,086,874	(369)	64
(27,560)	0	0	1,893,959	(370)	65
(15,272)	0	0	601,358	(371)	66
0	0	0	0	(372)	67
(11,434)	0	0	755,583	(373)	68
(225,049)	0	446	25,794,629		69
					70
0	0	0	68,696	(389)	71
0	0	0	449,747	(390)	72
(1,660)	0	(11,001)	458,633	(391)	73
(26,392)	0	0	1,116,017	(392)	74
0	0	0	20,488	(393)	75
(1,155)	0	0	101,632	(394)	76
0	0	0	47,911	(395)	77
0	0	0	111,539	(396)	78
0	0	0	107,469	(397)	79
0	0	0	11,180	(398)	80
(29,207)	0	(11,001)	2,493,312		81
				(399)	82
(29,207)	0	(11,001)	2,493,312		83
(576,864)	0	(10,555)	34,761,922		84
0			0	(102)	85
					86
0			0	(103)	87
($576,864)	$0	($10,555)	34,761,922		88

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item (a)	Section A. Balances and Changes During Year: Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Balance Beginning of Year	13,395,181	13,395,181		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,309,147	1,309,147		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	105,549	105,549		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(3,387)	(3,387)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,411,309	1,411,309		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(576,864)	(576,864)		
12.	Cost of Removal	(51,431)	(51,431)		
13.	Salvage (Credit)	2,712	2,712		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(625,583)	(625,583)		
15.	Other Debit or Credit Items (Describe)				
16.	Reclassification for SFAS no. 143. COR	(1,600,965)	(1,600,965)		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	12,579,942	12,579,942		
	Section B. Balances at End of Year According to Functional Classifications				
18	Steam Production				
19	Nuclear Production				
20	Hydraulic Production - Conventional	0	0		
21	Hydraulic Production - Pumped Storage				
22	Other Production	0	0		
23	Transmission	1,957,358	1,957,358		
24	Distribution	10,699,809	10,699,809		
25	General	1,523,740	1,523,740		
26	Adjustments	(1,600,965)	(1,600,965)		
27	TOTAL (Enter Total of lines 18 thru 25)	14,180,907	12,579,942		

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where seperate meter readings are added for billing purposes, one customer counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	$10,912,916	$11,469,731
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	2,105,798	2,149,380
5	Large (or Industrial)	8,484,452	8,542,114
6	(444) Public Street and Highway Lighting	112,283	98,809
7	(445) Other Sales to Public Authorities	0	0
8	(456.3) Unbilled Revenues	20,349	25,748
9	(448) Interdepartmental Sales	39,468	144,506
10			
11	TOTAL Sales to Ultimate Consumers	21,675,266	22,430,288
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	21,675,266	22,430,288
15	(Less) (449.1) Provision for Rate Refunds	20,500	(30,000)
16			
17	TOTAL Revenue Net of Provision for Refunds	21,695,766	22,400,288
18	Other Operating Revenues		
19	(450) Forfeited Discounts	181,284	70,404
20	(451) Miscellaneous Service Revenues	34,098	63,712
21	(453) Sales of Water and Water Power	0	0
22	(454) Rent from Electric Property	29,221	28,521
23	(455) Interdepartmental Rents	0	0
24	(456.2) Other Electric Revenues	12,213	15,142
25	(456.1) Overrecoveries Purchase Electric	(668,540)	(718,891)
26	(456.6) Overrecoveries Conservation	(48,969)	(26,903)
27			
28			
29	TOTAL Other Operating Revenues	(460,693)	(568,015)
30			
31	TOTAL Electric Operating Revenues	$21,235,073	$21,832,273

ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respodent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5.See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5,and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
186,781	188,185	12,611	12,390	2
				3
33,767	33,852	1,435	1,366	4
195,074	202,561	244	230	5
851	745	5	7	6
0	0	0	0	7
1,214	2,090			8
774	2,847	5	7	9
				10
418,461	430,280	14,300	14,000	11
				12
				13
418,461	430,280	14,300	14,000	14
				15
				16
418,461	430,280	14,300	14,000	17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

	Account	Amount for Current Year	Amount for Previous Year
1	(1) POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	TOTAL Operation	-	-
13	Maintenance		
14	(510) Maintenance Supervision and Engineering		
15	(511) Maintenance of Structures		
16	(512) Maintenance of Boiler Plant		
17	(513) Maintenance of Electric Plant		
18	(514) Maintenance of Miscellaneous Steam Plant		
19	TOTAL Maintenance	-	-
20	TOTAL Power Production Expenses-Steam Plant	-	-
21	B. Nuclear Power Generation		
22	Operation		
23	(517) Operation Supervision and Engineering		
24	(518) Fuel		
25	(519) Coolants and Water		
26	(520) Steam Expenses		
27	(521) Steam from Other Sources		
28	(Less) (522) Steam Transferred-Cr.		
29	(523) Electric Expenses		
30	(524) Miscellaneous Nuclear Power Expenses		
31	(525) Rents		
32	TOTAL Operation	-	-
33	Maintenance		
34	(528) Maintenance Supervision and Engineering		
35	(529) Maintenance of Structures		
36	(530) Maintenance of Reactor Plant Equipment		
37	(531) Maintenance of Electric Plant		
38	(532) Maintenance of Miscellaneous Nuclear Plant		
39	TOTAL Maintenance	-	-
40	TOTAL Power Production Expenses-Nuclear Power	-	-
41	C. Hydraulic Power Generation		
42	Operation		
43	(535) Operation Supervision and Engineering	-	-
44	(536) Water for Power		
45	(537) Hydraulic Expenses	-	-
46	(538) Electric Expenses	-	-
47	(539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48	(540) Rents		
49	TOTAL Operation	-	-

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering		
53	(542) Maintenance of Structures	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55	(544) Maintenance of Electric Plant	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant		
57	TOTAL Maintenance	-	-
58	TOTAL Power Production Expenses-Hydraulic Power	-	-
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering		
62	(547) Fuel		
63	(548) Generation Expenses		
64	(549) Miscellaneous Other Power Generation Expenses		
65	(550) Rents		
66	TOTAL Operation	-	-
67	Maintenance		
68	(551) Maintenance Supervision and Engineering		
69	(552) Maintenance of Structures		
70	(553) Maintenance of Generating and Electric Plant		
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	7
72	TOTAL Maintenance	-	7
73	TOTAL Power Production Expenses-Other Power	-	7
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	13,763,645	14,368,985
76	(556) System Control and Load Dispatching		
77	(557) Other Expenses		
78	TOTAL Other Power Supply Expenses	13,763,645	14,368,985
79	TOTAL Power Production Expenses	13,763,645	14,368,992
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering		
83	(561) Load Dispatching		
84	(562) Station Expenses	16,130	12,569
85	(563) Overhead Line Expenses		
86	(564) Underground Line Expenses		
87	(565) Transmission of Electricity by Others		
88	(566) Miscellaneous Transmission Expenses	1,600	7,541
89	(567) Rents		
90	TOTAL Operation	17,730	20,110
91	Maintenance		
92	(568) Maintenance Supervision and Engineering		
93	(569) Maintenance of Structures		
94	(570) Maintenance of Station Equipment	31,799	20,483
95	(571) Maintenance of Overhead Lines	9,265	23,583
96	(572) Maintenance of Underground Lines		
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-
98	TOTAL Maintenance	41,064	44,066
99	TOTAL Transmission Expenses	58,794	64,176
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	97,905	84,551
103	(581) Load Dispatching	-	297

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105			
106	(582) Station Expenses	30,505	23,486
107	(583) Overhead Line Expenses	5,710	23,404
108	(584) Underground Line Expenses	34,400	34,095
109	(585) Street Lighting and Signal System Expenses	9,385	17,476
110	(586) Meter Expenses	81,756	76,909
111	(587) Customer Installations Expenses	48,525	46,324
112	(588) Miscellaneous Distribution Expenses	94,216	95,365
113	(589) Rents	5,518	12,442
114	TOTAL Operation	407,920	414,349
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	58,014	36,247
117	(591) Maintenance of Structures	3,297	8,122
118	(592) Maintenance of Station Equipment	48,788	60,662
119	(593) Maintenance of Overhead Lines	215,550	207,992
120	(594) Maintenance of Underground Lines	95,461	126,933
121	(595) Maintenance of Line Transformers	65,311	30,828
122	(596) Maintenance of Street Lighting and Signal Systems	13,694	11,614
123	(597) Maintenance of Meters	19,390	25,136
124	(598) Maintenance of Miscellaneous Distribution Plant	26,063	20,754
125	TOTAL Maintenance	545,568	528,288
126	TOTAL Distribution Expenses	953,488	942,637
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	67,150	45,734
130	(902) Meter Reading Expenses	95,912	71,612
131	(903) Customer Records and Collection Expenses	408,143	336,847
132	(904) Uncollectible Accounts	21,301	7,498
133	(905) Miscellaneous Customer Accounts Expenses	55,737	44,606
134	TOTAL Customer Accounts Expenses	648,243	506,297
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(907) Supervision	32,272	31,709
138	(908) Customer Assistance Expenses	63,886	101,358
139	(909) Informational and Instructional Expenses	54,026	49,695
140	(910) Misc. Cust. Service and Informational -Includes underrecovery	3,857	35,016
141	TOTAL Cust. Service and Informational Expenses	154,041	217,778
142	6. SALES EXPENSES		
143	Operation		
144	(911) Supervision		
145	(912) Demonstrating and Selling Expenses	151	-
146	(913) Advertising Expenses	5,277	2,126
147	(916) Miscellaneous Sales Expenses	2,396	126
148	TOTAL Sales Expenses	7,824	2,252
149	7. ADMINISTRATIVE AND GENERAL EXPENSES		
150	Operation		
151	(920) Administrative and General Salaries	470,885	491,345
152	(921) Office Supplies and Expenses	95,068	125,060
153	(Less) (922) Administrative expenses Transferred-Cr.	-	-
154	(923) Outside Services Employed	73,002	47,663
155	(924) Property Insurance	44,768	42,132
156	(925) Injuries and Damages	429,633	162,174
157	(926) Employee Pensions and Benefits	200,565	125,609

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
157	7. ADMINISTRATIVE AND GENERAL EXPENSES		
158	(927) Franchise Requirements		
159	(928) Regulatory Commission Expenses	4,724	2,824
160	(Less) (929) Duplicate Charges-Cr.		
161	(930.1) General Advertising Expenses	283	713
162	(930.2) Miscellaneous General Expenses	38,290	61,352
163	(931) Rents	2,311	2,019
164	TOTAL Operation	1,359,529	1,060,891
165	Maintenance		
166	(935) Maintenance of General Plant	30,072	17,973
167	TOTAL Administrative and General Expenses	1,389,601	1,078,864
168	TOTAL Electric Operation and Maintenance Expenses	16,975,636	17,180,996

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	11/2/2003
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	44
3	Total Part-Time and Temporary Employees	
4	Total Employees	44

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).

2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				
2	Steam Production Plant				
3	Nuclear Production Plant				
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage	0			0
6	Other Production Plant	0			0
7	Transmission Plant	204,834			204,834
8	Distribution Plant	982,179			982,179
9	General Plant	122,134			122,134
10	Common Plant-Electric *	44,817			44,817
11	TOTAL	$1,353,964	$0	$0	$1,353,964

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2003

PLANT IN SERVICE ($)

Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	17,629					17,629
3501	56,519					56,519
352	26,401					26,401
353	1,962,230					1,962,230
354	244,665					244,665
355	2,457,138	14,539			(121,162)	2,350,515
356	2,001,539	9,141		(447)	(201,446)	1,808,787
359	6,788					6,788
360	9,972					9,972
3601	188					188
361	96,042					96,042
362	2,407,122	28,075			(48,748)	2,386,449
364	1,790,638	159,826			(4,876)	1,945,588
365	2,851,608	128,275		446	(5,242)	2,975,087
366	1,618,058	156,685				1,774,743
367	2,985,369	130,283			(21,066)	3,094,586
368	5,929,807	328,129			(83,736)	6,174,200
369	3,811,582	282,407			(7,115)	4,086,874
370	1,836,002	85,517			(27,560)	1,893,959
371	519,649	96,981			(15,272)	601,358
373	730,811	36,206			(11,434)	755,583
389	68,696					68,696
390	447,128	2,619				449,747
3911	4,713					4,713
3912	23,961				(1,660)	22,301
3913	429,054	13,566		(11,001)		431,619
3921	54,504					54,504
3922	319,918				(18,969)	300,949
3923	726,038					726,038
3924	33,879	8,070			(7,423)	34,526
3931	20,488					20,488
3932	-					-
3941	32,821					32,821
3942	65,662	4,304			(1,155)	68,811
3951	30,675					30,675
3952	17,236					17,236
396	111,539					111,539
397	107,469					107,469
398	11,180					11,180
399	-	5,000				5,000
Reclassification for SFAS no. 143. COR						
	33,864,718	1,489,623	-	(11,002)	(576,864)	34,766,475

RESERVE ($) (CREDIT BALANCES)

Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassi-fications	Ending Balance
350	28,856	-	(28,856)						-
3501	-	-	30,044						30,044
352	12,395	-	552						12,947
353	811,761	-	49,056						860,817
354	161,763	-	4,404						166,167
355	664,409	(121,162)	90,972	.	(1,466)				632,753
356	394,847	(201,446)	58,398		(201)		(93)		251,505
359	2,861	-	264						3,125
360	121	-	(121)						-
3601	-	-	133						133
361	22,171	-	2,112						24,283
362	997,690	(48,748)	92,933		(8,029)				1,033,846
364	829,472	(4,876)	91,534		(11,938)				904,192
365	1,356,082	(5,242)	130,995	1,209	(4,382)		93		1,478,755
366	350,454	-	34,086			-			384,540
367	1,046,816	(21,066)	85,410		(2,287)	-			1,108,873
368	2,571,669	(83,736)	264,571		(13,033)				2,739,471
369	1,497,046	(7,115)	149,593		(5,621)				1,633,903
370	941,981	(27,560)	65,221		(1,320)				978,322
371	164,221	(15,272)	33,886		(2,031)				180,804
373	213,368	(11,434)	31,826		(1,073)				232,687
389	6,704	-							6,704
390	193,896	-	8,970						202,866
3911	2,924	-	460						3,384
3912	18,104	(1,660)	1,992						18,436
3913	233,676	-	74,429				(3,387)		304,718
3921	24,383	-	3,324						27,707
3922	183,154	(18,969)	40,356	1,102					205,643
3923	394,447	-	60,984						455,431
3924	9,364	(7,423)	885	301					3,127
3931	16,632	-	960						17,592
3932	-	-							-
3941	14,329	-	4,641						18,970
3942	39,673	(1,155)	6,886	100	(50)				45,454
3951	15,896	-	3,695						19,591
3952	15,530	-	432						15,962
396	72,462	-	4,680						77,142
397	78,033	-	14,023						92,056
398	7,991	-	966						8,957
390	0	-	-						-
								(1,600,965)	(1,600,965)
	13,395,181	(576,864)	1,414,696	2,712	(51,431)	-	(3,387)	(1,600,965)	12,579,942

FLORIDA PUBLIC UTILITIES COMPANY
ANNUAL STATUS REPORT FOR
STORM DAMAGE RESERVE (MARIANNA)

Status of Reserve

Beginning Balance 01/01/2003		847,212
Accruals under Docket #93-0400 EI (001/03 - 12/03)	116,296	
Total Accruals During 2003		116,296
Additional Accrual from Overrecovery		0
Total Charges During 2003		0
Ending Balance, 12/31/03		$963,508

Reasonableness of Reserve

Distribution Plant - Book Cost

Storm Damage Reserve Balance @ 12/31/2003	$963,508
Total Distribution Plant (per books) @ 12/31/2003	$23,717,049
Ratio of Reserve to Distribution Plant	4.06%

Distribution Plant - Replacement Cost

Storm Damage Reserve Balance @ 12/31/2003	$963,508
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/02 times 2)	$47,434,098
Ratio of Reserve to Replacement Distribution Plant	2.03%

Availability of Distribution Systems Insurance

Insurance for the Distribution Systems is now available but the costs would be significant.