

**BUREAU OF REVENUE REQUIREMENTS
ELECTRIC & GAS ACCOUNTING**

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FLORIDA PUBLIC SERVICE
COMMISSION

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FINANCIAL ANALYSIS DIV

ANNUAL REPORT OF NATURAL GAS UTILITIES

FLORIDA PUBLIC UTILITIES COMPANY

(EXACT NAME OF RESPONDENT)

PO BOX 3395

WEST PALM BEACH FL 33402-3395

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1995

Officer or other person to whom correspondence should be addressed concerning this report:

Name George M. Bachman

Title Assistant Treasurer

**INSTRUCTIONS FOR FILING THE
ANNUAL REPORT OF NATURAL GAS UTILITIES**

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (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 Mcf) 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 to dollars 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 that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. 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 different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot --The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.



INDEPENDENT AUDITORS' REPORT

Florida Public Utilities Company
West Palm Beach, Florida:

We have audited the balance sheet of Florida Public Utilities Company (the "Company") as of December 31, 1995, and the related statements of income, retained earnings, and cash flows for the year then ended, included on pages 10 through 19-h of the accompanying Annual Report of Natural Gas Utilities to the Florida Public Service Commission. 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 generally accepted auditing standards. 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.

As required by the Federal Energy Regulatory Commission, the Company accounts for its investment in a wholly-owned subsidiary on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of the subsidiary, as required by generally accepted accounting principles. If generally accepted accounting principles were followed, investments and current assets would be decreased by \$2,195,724 and \$808,813, respectively, and current liabilities and property would be increased by \$1,494,817 and \$2,092,779, respectively, as of December 31, 1995. Furthermore, operating revenues would be increased by \$4,135,581, operating expenses would be increased by \$3,948,312, and equity in earnings of subsidiary companies would be decreased by \$46,077 for the year ended December 31, 1995. Accounting for the investment in a wholly-owned subsidiary on the equity method rather than in accordance with generally accepted accounting principles has no effect on net income or retained earnings. The 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 sheet and income statement in which an investment in a wholly-owned subsidiary is accounted for on the equity method.

In our opinion, except for the effects of not consolidating its wholly-owned subsidiary as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Public Utilities Company at December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the information presented in the financial statements referred to above

is presented fairly, in all material respects, in accordance with 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 of utility operating income by utility departments on the statement of income 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.

Deloitte & Touche LLP

February 16, 1996

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent FLORIDA PUBLIC UTILITIES COMPANY	02 Year of Report December 31, 1995
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 Director of Accounting & Asst. Treasurer
07 Address of Contact Person (Street, City, State, Zip Code) Same as above	
08 Telephone of Contact Person, Including Area Code (407) 838-1731	09 Date of Report (Mo, Da, Yr) April 26, 1996

ATTESTATION

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, 1995 to December 31, 1995, 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:

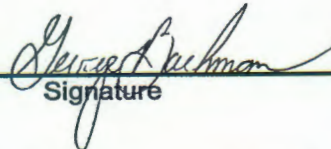
Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

4/19/96

Date

George Bachman

Name



Signature

Director of Accounting & Asst. Treasurer

Title

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Dec. 31, 1995

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, Director of Accounting & Asst. Treasurer
401 South Dixie Highway, P.O. Box 3395
West Palm Beach, Florida 33402-3395

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 type of utility and nonutility services furnished by respondent during the year in each State in which the respondent operated.

Distribution of electricity, gas and water 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.
 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

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.

any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.
 3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.

2. If a change was made during the year in the incumbent of

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Executive Committee	Robert L. Terry	\$75,163
2			
3	President	Franklin C. Cressman	* \$147,479
4			
5	Senior Vice President	John T. English	\$95,516
6			
7	Vice President	Darryl L. Troy	\$75,651
8			
9	Vice President	Charles L. Stein	\$88,988
10			
11	Treasurer	Jack R. Brown	\$95,382
12			
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21	*Information obtained from Proxy Statement for Annual Meeting of Stockholders dated March 6, 1996		
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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)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
R. L. Terry** Chairman of the Executive Committee	401 South Dixie Highway West Palm Beach, Florida	4	-
F. C. Cressman* President & Chief Executive Officer	401 South Dixie Highway West Palm Beach, Florida	4	-
D. Downey*	400 Royal Palm Way Palm Beach, Florida	4	1,600
G. O. Jerauld	700 Osprey Way No. Palm Beach, Florida	4	1,600
C. A. Benoit, Jr.	Box 1023 Palm Beach, Florida	2	800
E. James Carr, Jr.	217 Tom O'Shanter Drive Palm Springs, Florida	4	1,600
J. T. English Senior Vice President	401 South Dixie Highway West Palm Beach, Florida	4	-
R. C. Hitchins	325 South Olive Avenue West Palm Beach, Florida	-	-

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and

give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent: if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to the end year, and state the purpose of such closing:

December 5, 1995
Dividend Record Date

2. State the total number of votes cast at the latest general meeting prior to the end of year for the election of directors of the respondents and number of such votes cast by proxy.

Total: 1,314,480
By Proxy: 1,314,480

3. Give the date and place of such meeting:

04/18/95
401 S. Dixie Hwy.
West Palm Beach, FL

VOTING SECURITIES
Number of votes as of (date): 12/5/95

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	1,577,782	1,577,782	-	NONE
5	TOTAL number of security holders	1,304	1,304	-	
6	TOTAL votes of security holders listed below	1,201,288	1,201,288	-	
7	*Cede & Company	809,952	809,952	-	
8	P. O. Box 20, New York, NY 10274				
9					
10	Chesapeakes Utilities Corp.	102,732	102,732	-	
11	Box 615, Dover, DE 19903				
12					
13	Atlee M. Kohl	101,100	101,100	-	
14	3007 Skyway Circle North, Irving, TX 75038				
15					
16	Robert L. Terry, Chairman, Exec. Comm.	85,500	85,500	-	
17	137 King Rd., Palm Beach, FL 33402				
18					
19	Dino Casali	31,217	31,217	-	
20	Box 886, Keene, NH 03431-0886				
21					
22	George F. Parris, Jr.	21,560	21,560	-	
23	P. O. Box 21909, Long Beach, CA 90801				
24					
25	Ralph Peidcop Grau	11,800	11,800	-	
26	P. O. Box 381, Punta Gorda, FL 33951				
27					
28					
29					
30					
31	*Includes 156,777 shares held in trust. Robert L. Terry, a Director of the				
32	Corporation, is co-trustee for trust accounts established under the wills				
33	of his parents and shares voting and dispositive powers for his stock.				

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
21 22	Philadep & Co Box 8068-475, Philadelphia, PA 19177	11,281	11,281	-	NONE
23 24	A. P. Maheu 250 Lakeview Dr. Sanford, FL	11,155	11,155	-	
25 26	Franklin C. Cressman 7990 W Lake Dr., West Palm Beach, FL	9,150	9,150	-	
27 28	Eduardo & Catharine Arcentales 209 Avila Road, West Palm Beach, FL	6,936	6,936	-	
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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 or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.
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. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 8, 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. Estimate increase or decrease in annual revenues due to important rate changes: State effective rate and approximate amount of increase or decrease from each revenue classification. State the number of customers affected.
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 attached to this page.

1. NONE
2. NONE
3. NONE
4. NONE
5. NONE
6. NONE
7. NONE
8. NONE
9. NONE
10. NONE
- 11.

CONSOLIDATED GAS RATE INCREASE

INTERIM	\$387,000	12/15/1994
FINAL	\$1,282,000	05/06/1995

12. NONE

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	20-21	\$90,263,747	95,696,572
3	Construction Work in Progress (107)	20-21	626,093	765,145
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		90,889,840	96,461,717
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	20-21	(29,705,004)	(32,276,717)
6	Net Utility Plant (Enter Total of line 4 less 5)		61,184,836	64,185,000
7	Utility Plant Adjustments (116)	19	-	-
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-	-	-
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-	68,709	70,546
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-	73,490	30,364
12	Investments in Associated Companies (123)	-	-	-
13	Investment in Subsidiary Companies (123.1)	-	2,119,886	2,195,724
14	Other Investments (124)	-	10	10
15	Special Funds (125-128)	-	-	-
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		2,262,095	2,296,644
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	836,410	(326,540)
19	Special Deposits (132-134)	-	1,992,409	2,737,025
20	Working Funds (135)	-	11,398	12,300
21	Temporary Cash Investments (136)	-	-	-
22	Notes Receivable (141)	-	-	-
23	Customer Accounts Receivable (142)	-	4,950,640	5,881,986
24	Other Accounts Receivable (143)	-	45,352	52,612
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	(67,771)	(72,475)
26	Notes Receivable from Associated Companies (145)	-	-	-
27	Accounts Receivable from Assoc. Companies (146)	-	2,074,070	2,053,418
28	Fuel Stock (151)	-	-	-
29	Fuel Stock Expense Undistributed (152)	-	-	-
30	Residuals (Elec) and Extracted Products (Gas) (153)	-	-	-
31	Plant Material and Operating Supplies (154)	-	1,113,455	1,207,007
32	Merchandise (155)	-	300,387	395,547
33	Other Material and Supplies (156)	-	-	-
34	Stores Expenses Undistributed (163)	-	-	-
35	Gas Stored Undgrd. & Liq. Nat. Gas Stored (164.1-164.3)	-	-	-
36	Prepayments (165)	32	831,585	804,126
37	Advances for Gas (166-167)	-	-	-
38	Interest and Dividends Receivable (171)	-	-	-
39	Rents Receivable (172)	-	-	-
40	Accrued Utility Revenues (173)	-	699,183	938,501
41	Miscellaneous Current and Accrued Assets (174)	-	-	-
42	TOTAL Current and Accrued Assets (Enter Total of lines 18 through 41)		12,787,118	13,683,507
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	315,429	300,065
45	Extraordinary Property Losses (182.1)	32	-	-
46	Unrecovered Plant and Regulatory Study Costs (182.2)	32	-	-
47	Other Regulatory Assets (182.3)	33	-	-
48	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)	-	-	-
49	Clearing Accounts (184)	-	-	-
50	Temporary Facilities (185)	-	17,429	(1,145)
51	Miscellaneous Deferred Debits (186)	34	102,021	234,446
52	Def. Losses from Disposition of Utility Plant. (187)	-	-	-
53	Research, Devel. and Demonstration Expend. (188)	-	-	-
54	Unamortized Loss on Reacquired Debt (189)	-	458,729	436,367
55	Accumulated Deferred Income Taxes (190)	35	3,671,807	3,934,310
56	Unrecovered Purchased Gas Costs (191)	-	312,399	467,802
57	TOTAL Deferred Debits (Enter Total of lines 44 through 56)		4,877,814	5,371,845
58	TOTAL Assets and other Debits (Enter Total of lines 6, 7, 8, 16, 42, 57)		81,111,863	85,536,996

Dec. 31, 1995

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-	\$12,518,303	\$12,702,249
3	Preferred Stock Issued (204)	-	600,000	600,000
4	Other Paid-In Capital (208-211) & Accounts 212, 213, 214	-	429,583	461,884
5	Retained Earnings (215, 215.1, 216)	15-16	9,128,518	9,803,959
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	15-16	2,340,898	2,386,975
7	(Less) Reacquired Capital Stock (217)	-	(2,082,834)	(2,053,073)
8	TOTAL Proprietary Capital (Enter Total of lines 2 through 7)		22,934,468	23,901,994
9	LONG-TERM DEBT			
10	Bonds (221)	37	24,173,000	23,500,000
11	(Less) Reacquired Bonds (222)	37	-	-
12	Advances from Associated Companies (223)	37	-	-
13	Other Long-Term Debt (224)	37	-	-
14	Unamortized Premium on Long-Term Debt (225)	38	-	-
15	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	38	-	-
16	TOTAL Long-Term Debt (Enter Total of lines 10 through 15)		24,173,000	23,500,000
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-	-	-
19	Accumulated Provision for Property Insurance (228.1)	-	721,736	744,698
20	Accumulated Provision for Injuries and Damages (228.2)	-	-	-
21	Accumulated Provision for Pensions and Benefits (228.3)	-	358,795	697,073
22	Accumulated Miscellaneous Operating Provisions (228.4)	-	-	-
23	Accumulated Provision for Rate Refunds (229)	-	-	-
24	TOTAL Other Noncurrent Liabilities (Enter Total of lines 18 through 23)		1,080,531	1,441,771
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-	4,000,000	5,600,000
27	Accounts Payable (232)	-	3,917,519	5,076,454
28	Notes Payable to Associated Companies (233)	-	-	-
29	Accounts Payable to Associated Companies (234)	-	-	-
30	Customer Deposits (235)	-	3,002,378	3,042,958
31	Taxes Accrued (236)	41	406,692	810,502
32	Interest Accrued (237)	-	522,792	533,812
33	Dividends Declared (238)	-	425,360	430,553
34	Matured Long-Term Debt (239)	-	-	-
35	Matured Interest (240)	-	-	-
36	Tax Collections Payable (241)	-	492,634	620,732
37	Miscellaneous Current and Accrued Liabilities (242)	43	537,142	652,788
38	Obligations Under Capital Leases-Current (243)	-	-	-
39				
40	TOTAL Current and Accrued Liabilities (Enter Total of lines 26 through 39)		\$13,304,517	\$16,767,799
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	1,127,939	808,714
43	Other Deferred Credits & CIAC (253,271)	-	6,875,846	7,249,888
44	Other Regulatory Liabilities (254)	45	-	-
45	Accumulated Deferred Investment Tax Credits (255)	42	1,639,110	1,526,587
46	Deferred Gains from Disposition of Utility Plant (256)	-	-	-
47	Unamortized Gain on Reacquired Debt (257)	39	-	-
48	Accumulated Deferred Income Taxes (281-283)	44	9,976,452	10,340,243
49	TOTAL Deferred Credits (Enter Total of lines 42 through 48)		19,619,347	19,925,432
50				
51	TOTAL Liabilities and Other Credits (Enter Total of lines 8, 16, 24, 40 and 49)		\$81,111,863	\$85,536,996
52				

STATEMENT OF INCOME

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 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 19 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations on page 19 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 on page 19 concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	46-47	\$65,196,268	\$58,354,051
3	Operating Expenses			
4	Operation Expenses (401)	49-51	51,126,760	45,727,239
5	Maintenance Expenses (402)	49-51	2,154,895	1,938,811
6	Depreciation Expense (403)	59	3,360,872	3,347,167
7	Amort. & Depl. of Utility Plant (404-405)	59	-	-
8	Amort. of Utility Plant Acq. Adj. (406)	-	(956)	(956)
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-	-	-
10	Amort. of Conversion Expenses (407.2)	-	-	-
11	Regulatory Debits (407.3)	-	-	-
12	(Less) Regulatory Credits (407.4)	-	-	-
13	Taxes Other Than Income Taxes (408.1)	41	2,246,932	2,231,974
14	Income Taxes - Federal (409.1)	41	1,075,745	1,647,528
15	- Other (409.1)	41	266,672	251,266
16	Provision for Deferred Inc. Taxes (410.1)	35, 44	101,288	(881,290)
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	35, 44	-	-
18	Investment Tax Credit Adj. - Net (411.4)	42	(112,523)	(100,078)
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)	-	-	-
23	TOTAL Utility Operating Expenses (Total of lines 4 -22)		60,219,685	54,161,661
24	Net Utility Operating Income (Total of line 2 less 23) (Carry forward to page 14, line 25)		4,976,583	4,192,390

STATEMENT OF INCOME (Continued)

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 19.

8. Enter on page 19 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 2 to 22, and report the information in the blank space on page 19 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
\$38,369,721	\$36,070,325	\$25,230,806	\$20,767,411	\$1,595,741	\$1,516,315	2
						3
31,577,180	29,431,269	18,992,530	15,804,550	557,050	491,420	4
1,129,602	1,064,250	721,775	610,844	303,518	263,717	5
1,494,870	1,495,956	1,653,513	1,650,445	212,489	200,766	6
-	-	-	-	-	-	7
-	-	(956)	(956)	-	-	8
						9
-	-	-	-	-	-	10
-	-	-	-	-	-	11
-	-	-	-	-	-	12
1,089,768	1,132,845	961,969	917,106	195,195	182,023	13
364,795	654,863	625,133	1,045,308	85,817	(52,643)	14
107,086	77,083	140,652	166,308	18,934	7,875	15
261,251	(52,708)	(110,229)	(945,919)	(49,734)	117,337	16
-	-	-	-	-	-	17
(50,437)	(54,426)	(55,149)	(38,738)	(6,937)	(6,914)	18
-	-	-	-	-	-	19
-	-	-	-	-	-	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
35,974,115	33,749,132	22,929,238	19,208,948	1,316,332	1,203,581	23
						24
2,395,606	2,321,193	2,301,568	1,558,463	279,409	312,734	

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 12)		\$4,976,583	\$4,192,390
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	1,540,572	1,375,320
	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	(1,523,592)	(1,390,523)
31	Revenues From Nonutility Operations (417)	-	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	-	-	-
33	Nonoperating Rental Income (418)	-	(7,463)	(1,353)
34	Equity in Earnings of Subsidiary Companies (418.1)	15-16	46,077	56,200
35	Interest and Dividend Income (419)	-	71,677	92,662
36	Allowance for Other Funds Used During Construction (419.1)	-	5,886	8,729
37	Miscellaneous Nonoperating Income (421)	-	-	-
38	Gain on Disposition of Property (421.1)	-	-	-
39	TOTAL Other Income (Enter Total of lines 29 through 38)		133,157	141,035
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	-	-
42	Miscellaneous Amortization (425)	56	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	56	23,326	22,003
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		23,326	22,003
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	41	-	-
47	Income Taxes - Federal (409.2)	41	19,887	20,313
48	Income Taxes - Other (409.2)	41	3,354	3,514
49	Provision for Deferred Income Taxes (410.2)	35, 44	-	-
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	35, 44	-	-
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)		23,241	23,827
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		86,590	95,205
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	2,248,370	2,267,572
57	Amortization of Debt Disc. and Expense (428)	38	44,030	44,637
58	Amortization of Loss on Reacquired Debt (428.1)	-	-	-
59	(Less) Amort. of Premium on Debt - Credit (429)	38	-	-
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-	-	-
61	Interest on Debt to Assoc. Companies (430)	56	(124,530)	(81,061)
62	Other Interest Expense (431)	56	461,318	344,837
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	-	(3,853)	(5,716)
64	Net Interest Charges (Total of lines 56 through 63)		2,625,335	2,570,269
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)		2,437,838	1,717,326
66	Extraordinary Items			
67	Extraordinary Income (434)	-	-	-
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)	41	-	-
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		-	-
72	Net Income (Enter Total of lines 65 and 71)		\$2,437,838	\$1,717,326

STATEMENT OF RETAINED EARNINGS

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 19.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$9,128,518
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		-
5	Credit:		-
6	Credit:		-
7	Credit:		-
8	Credit:		-
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		-
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)		2,391,764
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 20)		-
23	Dividends Declared - Preferred Stock (Account 437)		
24		2380	28,500
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 27)		28,500
30	Dividends Declared - Common Stock (Account 438)		
31			1,687,823
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 34)		1,687,823
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)		\$9,803,959

STATEMENT OF RETAINED EARNINGS (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 (Account 215.1)	
	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)(Enter Total of lines 45 & 46)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)(Enter Total of lines 38 and 47)	<u>\$9,803,959</u>
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	2,340,898
50	Equity in Earnings for Year (Credit) (Account 418.1)	46,077
51	(Less) Dividends Received (Debit)	
52	Other Changes (Explain)	
53	Balance - End of year	<u>2,386,975</u>

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 19. Information about noncash investing and financing activities should be provided on page 19. Provide also on page 19 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

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 19 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

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

Line No.	*****CASH FLOW ON A CONSOLIDATED BASIS***** (a)	Amounts (b)
1	Net Cash Flow From Operating Activities:	
2	Net Income (Line 72(c) on page 14)	\$2,437,838
3	Non-Cash Charges (Credits) to Income:	
4	Depreciation and Depletion	3,695,075
5	Amortization of (Specify)	(956)
6	Doubtful Accounts	116,475
7	Deferred Income Taxes (Net)	366,768
8	Investment Tax Credit Adjustments (Net)	(121,147)
9	Net (Increase) Decreases in Receivables	(1,396,328)
10	Net (Increase) Decreases in Inventory	(193,028)
11	Net (Increase) Decreases in Allowances Inventory	-
12	Net (Decrease) Increase in Payables and Accrued Expenses	2,606,659
13	Net (Increase) Decreases in Other Regulatory Assets	-
14	Net (Decrease) Increase in Other Regulatory Liabilities	-
15	(Less) Allowance for Other Funds Used During Construction	(9,739)
16	(Less) Undistributed Earnings from Subsidiary Companies	-
17	Other: Depreciation charged to transportation	433,649
18	Amortization of Debt expenses	44,030
19	Underrecoveries of energy costs	(1,400,371)
20	Other	846,647
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 20)	7,425,572
22		
23	Cash Flows from Investment Activities:	
24	Construction and Acquisition of Plant(including land):	
25	Gross Additions to Utility Plant	(6,907,937)
26	Gross Additions to Common Utility Plant	480,819
27	Gross Additions to Nonutility Plant	-
28	(Less) Allowance for Other Funds Used During Construction	25,641
29	Other: Customer Advances for Construction	(319,225)
30	Other: Purchase of Long-Term Investments	(2,737,025)
31		
32		
33	Cash Outflows for Plant (Total of lines 24 through 32)	(9,457,727)
34		
35	Acquisition of Other Noncurrent Assets (d)	-
36	Proceeds from Disposal of Noncurrent Assets (d)	-
37	Investment in and Advances to Assoc. and Subsidiary Companies	-
38	Contributions and Advances from Assoc. and Subsidiary Companies	-
39	Disposition of Investments in (and Advances to)	
40	Associated and Subsidiary Companies	-
41	Purchases of Investment Securities (a)	-
42	Proceeds from Sales of Investment Securities (a)	-

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

5. Codes used:

Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 19.

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 19.

- (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 19 clarifications and explanations.

Line No.	*****CASH FLOW ON A CONSOLIDATED BASIS***** (a)	Amounts (b)
46	Loans Made or Purchased	-
47	Collections on Loans	-
48		
49	Net (Increase) Decrease in Receivables	-
50	Net (Increase) Decrease in Inventory	-
51	Net (Increase) Decrease in	-
52	Allowances Held for Speculation	-
53	Net Increase (Decrease) in Payables and Accrued Expenses	-
54	Other:	-
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 35 through 55)	(9,457,727)
58		
59	Cash Flows From Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	-
62	Preferred Stock	-
63	Common Stock	246,008
64	Other	-
65		-
66	Net Increase in Short-term Debt (c)	7,950,000
67	Other:	
68		
69		
70	Cash provided by Outside Sources (Total of lines 61 through 69)	8,196,008
71		
72	Payments of Retirement of:	
73	Long-Term Debt (b)	(673,000)
74	Preferred Stock	-
75	Common Stock	-
76	Other:	-
77		
78	Net Decrease in Short-Term Debt (c)	(6,350,000)
79		
80	Dividends on Preferred Stock	-
81	Dividends on Common Stock	(1,711,130)
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 through 81)	(538,122)
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 21, 57, and 83)	(2,570,277)
87		
88	Cash and Cash Equivalents at Beginning of Year	2,840,217
89		
90	Cash and Cash Equivalents at End of Year	269,940

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 amount, 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 12-18, such notes may be attached hereto.

SEE ATTACHED ANNUAL REPORT SUPPLEMENTS.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting and Reporting Policies

Business and Regulation Florida Public Utilities Company (the Company) 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. The Company is subject to the jurisdiction of the Florida Public Service Commission (FPSC) with respect to its electric, natural gas and water operations. The suppliers of electrical power to the Marianna division and of natural gas to the natural gas divisions are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). The Fernandina Beach division is supplied most of its electrical power by a municipality which is exempt from FERC and FPSC regulation. The Company also distributes propane gas through a non-regulated subsidiary. The Company's accounting policies and practices conform to generally accepted accounting principles as applied to regulated public utilities and are in accordance with the accounting requirements and rate making practices of the FPSC.

The Company prepares its financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 71 - "Accounting for the Effects of Certain Types of Regulation" (SFAS 71). In general, SFAS 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, the Company has deferred certain costs, some of which are material and some of which are not, which are being amortized over various periods. Such costs relate to deferred income taxes, employees' postretirement benefits other than pensions, unamortized debt, and unamortized rate case expense. The Company believes that the FPSC will continue to allow the Company to recover its regulatory assets.

Revenues The Company records utility revenues as service is provided and bills its customers monthly on a cycle billing basis. Accordingly, at the end of each month, the Company accrues for estimated unbilled revenues.

The rates of the Company 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, the Company operates four distinct "entities", i.e., Marianna electric, Fernandina Beach electric, Fernandina Beach water, and natural gas, consisting of Palm Beach County, Sanford and DeLand. Thus, for the Company to recover through rate relief the effects of inflation for all such "entities," a request for an increase in base revenues would require the filing of four separate rate cases. At the present time, the Company does not have the resources to file more than one rate case per year. However, the FPSC allows for an annual automatic rate increase for water operations through the use of a price index. 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 the Company and its wholly-owned subsidiary, Flo-Gas Corporation. All significant intercompany balances and transactions have been eliminated.

Certain reclassifications have been made to the prior years' financial statements and other financial information contained herein to conform with the 1995 presentation.

Utility Plant and Depreciation Utility plant is stated at original cost. The costs of additions to utility plant include contracted services, direct labor, materials and allowances for borrowed and equity funds used during construction. 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 to be less than units of property are charged to operating expenses. Substantially all of the utility plant and the shares of Flo-Gas Corporation collateralize the Company's First Mortgage Bonds.

Depreciation is computed using the composite straight-line method at rates prescribed by the FPSC for financial accounting purposes. Such rates are based on estimated service lives of the various classes of property. Depreciation provisions on average depreciable property approximates 4.0% per year.

Income Taxes As of January 1, 1993, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", which required a change from the deferred method to the liability method of accounting for income taxes. Under the liability method, the tax effect of temporary differences between the financial statement and tax basis of assets and liabilities are reported as deferred taxes measured at currently enacted rates. In accordance with SFAS No. 109, an increase in the net accumulated deferred income tax liability and a corresponding regulatory asset were recognized on the accompanying consolidated balance sheets to give effect to temporary differences for which deferred taxes were not previously required to be provided under APB No. 11. Adoption of this standard had no effect on results of operations.

The Company provides for deferred income taxes on substantially all temporary differences that give rise to the deferred tax assets and liabilities. Investment tax credits have been deferred and are amortized based upon the average useful life of the related property.

Deferred Charges Deferred charges consist principally of unamortized debt issuance expense and early extinguishment premium. Such expenses are being amortized over the lives of the issues to which they pertain.

Use of Estimates Inherent in the accounting process is the use of estimates when preparing financial statements in accordance with generally accepted accounting principles. Accordingly, the Company has used estimates in the preparation of its financial statements and the only such estimate that might result in a material change is the accrual for uninsured liability claims. The Company is self-insured for the first \$250,000 of each 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. The Company's portion of liability claims incurred for the ten year period ended in 1995 averaged approximately \$95,000 per

year and the accrual for such claims was approximately \$425,000 at December 31, 1995. The Company believes that its accrual for potential liability claims is adequate in all material respects.

Notes Payable

The Company has a line of credit agreement with its primary bank providing for a \$15,000,000 loan with interest at LIBOR plus 1/2%. \$14,000,000 of such loan is available for general corporate purposes, with the remaining \$1,000,000 reserved as a contingency for major storm repairs in the Marianna electric division. At December 31, 1995 there was a balance outstanding of \$5,600,000. The weighted-average interest rates at December 31, 1995 and 1994 were 6.4% and 6.6%, respectively.

Capitalization

Common Shares Reserved The Company has reserved 35,068 common shares for issuance under the Dividend Reinvestment Plan and 16,992 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, 1995 approximately \$3,600,000 of retained earnings were free of such restriction.

Maturities of Long-Term Debt Sinking fund payments are scheduled to begin in 2008.

Rate Matters

On September 23, 1994, the Company filed a request with the FPSC for an increase in annual natural gas revenues of \$2,079,000 and requested that the interim rates be put into effect pending final action on the permanent increase. In December 1994, the FPSC granted an interim rate increase of \$387,000. The final order granting a permanent increase of \$1,282,000 was effective May 6, 1995. The principal reasons for the increase in base rates were attributed to increased operating and plant replacement costs, a deteriorated return on the Company's investment and an aggressive marketing plan to attract new customers.

On September 1, 1993, the Company filed a request with the FPSC for an increase of \$858,000 in annual electric revenues in the Marianna division and requested that the interim rates be put into effect pending final action on the permanent increase. In November 1993, the FPSC granted an interim rate increase of \$137,000 that was effective November 18, 1993. On January 18, 1994, the FPSC authorized a permanent increase of \$515,000 that became effective February 17, 1994. The principal reason for the final increase being lower than the Company's request was that the

FPSC authorized the use of a lower return on common equity capital and approved smaller increases in storm reserve and tree trimming expenses than the Company had requested.

Following FPSC rules for water utilities, the Company in mid-1995 filed for and was granted a price index revenue increase in the Fernandina Beach water division. This increase, approximating \$14,000 on an annual basis, was placed into effect on July 7, 1995. A similar price index filing is planned for 1996.

Segment Information

The Company operates distribution systems providing natural and propane gas service in three locations in central and southern Florida, electric service in two locations in northern Florida and water service in one location in northern Florida. There are no material intersegment sales or transfers.

Operating profit consists of revenues less operating

expenses and does not include other income, interest income, interest expense and income taxes.

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

Business segment information for 1995, 1994 and 1993 is summarized as follows (in thousands):

	REGULATED				NON-REGULATED	Consolidated
	Gas	Electric	Water	Common	Propane Gas	
1995						
Revenues	\$ 25,231	\$ 38,370	\$ 1,596	\$	\$ 4,135	\$ 69,332
Operating profit	2,902	3,078	328		212	6,520
Identifiable assets	32,115	32,155	4,508	10,596	5,866	85,240
Depreciation	1,578	1,453	204	125	334	3,694
Construction expenditures	3,245	2,533	(17)	312	328	6,401
1994						
Revenues	20,768	36,070	1,516		4,046	62,400
Operating profit	1,786	2,946	378		180	5,290
Identifiable assets	29,093	31,189	4,721	11,532	5,746	82,281
Depreciation	1,566	1,449	190	141	326	3,672
Construction expenditures	2,617	2,400	195	351	375	5,938
1993						
Revenues	22,414	38,307	1,504		4,359	66,584
Operating profit	1,916	2,750	352		329	5,347
Identifiable assets	28,500	30,512	4,696	8,568	5,759	78,035
Depreciation	1,504	1,390	184	136	319	3,533
Construction expenditures	2,250	2,519	89	147	374	5,379

Income Taxes

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

	1995	1994	1993
Current payable			
Federal	\$ 871	\$ 1,471	\$ 523
State	239	192	73
	<u>1,110</u>	<u>1,663</u>	<u>596</u>
Deferred			
Federal	387	(574)	307
State	(20)	(37)	71
	<u>367</u>	<u>(611)</u>	<u>378</u>
Investment tax credits	<u>(121)</u>	<u>(109)</u>	<u>(107)</u>
Total	<u>\$ 1,356</u>	<u>\$ 943</u>	<u>\$ 867</u>

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

	1995	1994	1993
Federal income tax at statutory rate	\$ 1,298	\$ 912	\$ 881
Effect of state income taxes	219	155	144
Investment tax credit	(121)	(109)	(107)
Other	<u>(40)</u>	<u>(15)</u>	<u>(51)</u>
Provision for income taxes	<u>\$ 1,356</u>	<u>\$ 943</u>	<u>\$ 867</u>

The tax effects of temporary differences producing accumulated deferred income tax assets and liabilities in accordance with SFAS No. 109 as reflected in the accompanying consolidated balance sheets are as follows (in thousands):

	1995	1994
Deferred tax assets		
Environmental	\$ 1,689	\$ 1,227
Alternative minimum tax credit	428	656
Other	<u>336</u>	<u>271</u>
Total deferred tax assets	<u>\$ 2,453</u>	<u>\$ 2,154</u>
Deferred tax liabilities		
Utility plant related	\$ 8,837	\$ 9,766
Other	<u>480</u>	<u>476</u>
Total deferred tax liabilities	<u>\$ 9,317</u>	<u>\$10,242</u>

Employee Benefit Plans

Pension Plan The Company has a noncontributory defined benefit pension plan covering substantially all its employees. The benefits are based on the employee's credited service and average compensation, generally during the last five years before retirement. The Company's policy is to fund pension costs in accordance with contribution guidelines established by The Employee Retirement Income Security Act of 1974. Plan assets consist of stocks, bonds and short-term investments.

The components of net pension income are as follows (in thousands):

	1995	1994	1993
Service cost	\$ 513	\$ 473	\$ 445
Interest cost	875	791	728
Actual return on assets	(4,499)	230	(2,791)
Net amortization and deferral	<u>3,061</u>	<u>(1,644)</u>	<u>1,519</u>
Net periodic pension income	<u>\$ (50)</u>	<u>\$ (150)</u>	<u>\$ (99)</u>

The Plan's funded status of the plan at December 31, 1995 and 1994, is as follows (in thousands):

	1995	1994
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$ (10,289)	\$ (9,098)
Accumulated benefit obligation	<u>\$ (10,878)</u>	<u>\$ (9,602)</u>
Projected benefit obligation	\$ (13,530)	\$ (12,206)
Plan assets at fair value	<u>21,790</u>	<u>18,060</u>
Plan assets in excess of projected benefit obligation	8,260	5,854
Unrecognized net gain	(8,030)	(4,836)
Unrecognized prior service cost	1,354	699
Unrecognized net asset at January 1, 1986 being recognized over 15 years	<u>(916)</u>	<u>(1,100)</u>
Prepaid pension cost	<u>\$ 668</u>	<u>\$ 617</u>
Actuarial assumptions:		
Discount rate	7%	7%
Rate of increase in future compensation levels	5½%	5½%
Expected long-term rate of return on assets	8%	8%

Health Plan The Company is principally self-insured for its employee and retiree medical insurance plan. The Company's health care liability under the plan is limited to \$60,000 per individual per year, with a maximum total liability currently approximating \$925,000.

A reserve for future benefit payments for active employees is maintained at a level sufficient to provide for estimated outstanding claims under the plan net of amounts contributed by employees. Net health care benefits paid by the Company for active employees were approximately \$493,000, \$622,000 and \$548,000 for 1995, 1994 and 1993, respectively.

Other Postretirement Benefits As of January 1, 1993, the Company adopted SFAS No. 106, "Employers Accounting for Postretirement Benefits other than Pensions". The Statement requires accrual of postretirement benefits during the years an employee provides service. The Company provides postretirement health care benefits for certain retired employees and their eligible dependents and reduced postretirement life insurance benefits for retired employees. The accumulated health care postretirement benefit obligation (transition obligation) under SFAS No. 106 is being amortized over 20 years beginning 1993. The Company estimates that it recovered approximately 93% from its customers through rates in 1995 and expects to recover about 93% in 1996. The Company is not accruing for reduced postretirement life insurance benefits as the actual outlay to the Company is offset by employee contributions.

The components of postretirement benefit costs are as follows (in thousands):

	<u>1995</u>	<u>1994</u>
Service cost	\$ 69	\$ 65
Interest cost	76	80
Amortization of transition obligation	43	43
Net amortization and deferral	<u>0</u>	<u>6</u>
Periodic postretirement benefit cost	<u>\$ 188</u>	<u>\$ 194</u>

The Plan's funded status at December 31, 1995 and 1994, is as follows (in thousands):

	<u>1995</u>	<u>1994</u>
Accumulated postretirement benefit obligation (APBO):		
Retirees	\$ (231)	\$ (448)
Fully eligible active plan participants	(108)	(48)
Other active plan participants	(884)	(761)
Total APBO	<u>(1,223)</u>	<u>(1,257)</u>
Plan assets	0	0
APBO less than plan assets	<u>(1,223)</u>	<u>(1,257)</u>
Unamortized transition obligation	730	772
Unrecognized (gain) loss	83	236
Accrued post benefit obligation	<u>\$ (410)</u>	<u>\$ (249)</u>

The measurement of the APBO assumes a 7% discount rate and a health care cost trend rate of 10.4% in 1995 decreasing to 5.5% by the year 2007 and beyond. A one-percentage point increase in the assumed health care cost trend rate would increase the APBO by approximately 14% and the periodic cost by about 13%.

Employee Stock Purchase Plan The Company's Employee Stock Purchase Plan offers common stock at a discount to qualified employees. During 1995, 1994 and 1993, 3,774, 5,062 and 5,099 shares, respectively, were issued under the Plan for aggregate consideration of \$55,000, \$81,000 and \$93,000 respectively.

Financial Instruments

In 1995, the Company adopted SFAS No. 107 - "Disclosures about Fair Value of Financial Instruments". The carrying amounts reported in the balance sheet for cash and overnight investments, investments held in escrow for environmental costs, notes payable, taxes accrued and other accrued liabilities approximate fair value. The Company does not enjoy a debt rating and therefore the Company has no reasonable way of estimating the current rate at which similar first mortgage bonds would be made to borrowers with similar debt ratings and maturities. However, the current bonds outstanding were issued in 1988 and 1992 and since that time interest rates have declined, and thus it is reasonable to assume that the fair value of existing first mortgage bonds would be more if the same bonds were issued today.

Contingencies

The Company 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 and other federal and state agencies. Except as discussed below, the Company does not expect to incur material future expenditures for compliance with existing environmental laws and regulations.

West Palm Beach Site The Company is currently conducting a contamination assessment investigation of a parcel of property owned by it in West Palm Beach, Florida. After a preliminary contamination assessment investigation indicated soil and groundwater impacts, the Company entered into a consent order with the FDEP. The consent order requires the Company to delineate the extent of soil and groundwater impacts associated with the prior operation of a gasification plant on the property and requires the Company to remediate any soil and groundwater impacts, if necessary. In June 1992, the FDEP approved the Company's proposed contamination assessment plan and the Company commenced the contamination assessment investigation. The Company completed the additional contamination assessment activities in December 1995, and submitted a report to FDEP summarizing the results of such activities. At present, the Company does not anticipate that additional assessment work will be required to be performed. Since the FDEP has not yet completed its review of the report, it is not possible to determine the complete extent or cost of remedial action, if any, which may be required. However, preliminary estimates from the Company's environmental consultant suggest that total contamination assessment and remediation costs for this site may reach approximately \$3,250,000. Until the FDEP determines the contamination assessment investigation is completed, it is not possible at this time to determine when and how much of such costs the Company will have to pay. A portion of the on-site impacts on the site have been determined to be eligible for reimbursement from a state fund and the FDEP has determined that a portion of the work conducted off-site is eligible for reimbursement under state law. Due to the rate relief granted to the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which

are being held in escrow, as well as the potential for reimbursement from the state for a portion of the assessment and remediation, the Company believes that it will not incur material future expenditures to achieve compliance for this site with existing environmental laws and regulations.

Sanford Site The Company owns a parcel of property located in Sanford, Florida. Prior to the Company's acquisition of this property, it had been the site of a gasification plant. The FDEP issued a Warning Notice to the Company which required the Company to conduct a contamination assessment investigation of the property. A preliminary investigation revealed that soil was impacted throughout the center of the property.

In 1992, the Company brought suit in federal court in Orlando against former owners and operators of the gasification plant to seek recovery of the Company's compliance costs at this property. The Company later entered into a cost sharing agreement with four former owners/operators of the gasification plant. Under that agreement, the parties agreed to share equally in the cost of the contamination assessment investigation of the property. The Company dismissed the cost recovery action in 1995.

The initial contamination assessment investigation was completed and a Contamination Assessment Report (CAR) was delivered to FDEP on February 4, 1994. In April 1995, FDEP provided the parties with its response to the CAR requiring additional soil and groundwater sampling. At present, the parties have been unable to reach agreement with FDEP on the scope of the additional assessment activities in the vicinity of the site. On March 14, 1995, representatives of FDEP and EPA conducted a site walkover of the former gasification plant site. The walkover was to further evaluate the scope of future action at the site for possible inclusion on the National Priorities List (NPL). By letter, dated May 9, 1995, EPA, Region IV, extended an offer to the Company to conduct an Expanded Site Investigation (ESI) and a Remedial Investigation/Feasibility Study (RI/FS). The Company declined to fund or perform the ESI because the primary scope of the ESI was focused on off-site areas where historical practices may have resulted in contamination many years before FPUC acquired title to the real property on which the gasification plant was located. In July 1995, EPA advised the Company that EPA will proceed with

the ESI. Pending completion of the ESI and RI/FS by EPA, we are unable to determine, to an acceptable degree of certainty, the extent or cost of remediation by EPA or FDEP at this site and it is not possible to determine the complete extent or cost of remedial action, if any, which may be required. However, preliminary estimates from the Company's environmental consultant suggest that total contamination assessment and remedial costs for the site may reach approximately \$2,750,000. Pending completion of the ESI and RI/FS by EPA, it is not possible to determine when and how much of such costs the Company will have to pay. Due to the rate relief granted to the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, as well as the potential for recovery of a portion of the assessment and remediation costs from several owners/operators of the gasification plant, the Company believes that it will not incur material future expenditures to achieve compliance for this site with existing environmental laws and regulations.

Pensacola Site The FDEP notified the Company and other alleged responsible parties to conduct additional soils and groundwater sampling to determine the extent of soil and groundwater impacts at a property previously the site of a gasification plant in Pensacola, Florida. The Company was a former owner/operator of the gasification plant for several years. The Company and other alleged responsible parties have agreed to share equally the costs of such an investigation.

A contamination assessment report (CAR) describing the results of the contamination assessment investigations was delivered to FDEP in January 1994. With the exception of security fencing, the CAR recommended no further action at this site. After its review of the CAR in November 1994, the FDEP notified the Company and other alleged responsible parties that additional soil and groundwater sampling was necessary at this site. The additional work was conducted in 1995 and a CAR Addendum was submitted to FDEP in November 1995. Prior to completion of negotiations with FDEP over the substance of the CAR Addendum, we are unable to determine the extent or cost of remedial action, if any, which may be required by FDEP. Until the negotiations with FDEP are completed, it is not possible to determine when and how much of such costs the Company will have to pay. Due to the rate relief granted to the Company for environmental costs

and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, as well as the potential for recovery of a portion of the assessment and remediation costs from several current and former owners/operators of the site, the Company believes that it will not incur material future expenditures to achieve compliance for this site with existing environmental laws and regulations.

Georgia Transformer Site In October 1994, the Environmental Protection Agency (EPA) issued a Notice of Potential Liability to the Company in which the EPA identified the Company as a potentially responsible party (PRP) in connection with a site in Georgia where the Company was alleged to have sent transformers for repair. In the notice, the EPA demanded that PRPs for the site reimburse the EPA for response costs that it had incurred through August 1994 in connection with soil remediation efforts.

The Company, along with the PRPs, entered into a settlement agreement in 1995 with the EPA and the Company paid its share of the response costs in the amount of approximately \$8,300. Since the EPA and the State of Georgia are currently evaluating whether additional contamination assessment and remedial action may be required at this site, it is not possible to determine the nature and extent of soil or groundwater impacts on the site, nor is it possible to determine the extent or cost of additional remedial action which may be required. Based on the Company's volumetric share of materials sent to the site, the Company believes that it will not incur significant future expenditures to satisfy its obligations at this site.

Insurance Claims and Rate Relief The Company notified its insurance carriers of environmental impacts detected at each of the former manufactured gas plant (MGP) sites discussed above.

As a result of negotiations with the Company's major insurance carriers that concluded in 1995, such carriers paid settlement proceeds totaling approximately \$4,200,000 for certain environmental costs to be paid to the Company over the period of time ending in December 1995. In addition, the Florida Public Service Commission has allowed the Company to recover through rate relief environmental expenses of approximately \$2,400,000 over a ten-year period at the rate of approximately \$240,000 per year.

Due to the rate relief granted the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, the Company believes that any future contamination assessment and remedial costs arising from any of these sites will not be material to the Company's operating results or liquidity.

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 southern Florida during the winter season. (In thousands, except per share amounts):

	1995	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues		\$ 17,841	\$ 17,055	\$ 17,023	\$ 17,413
Operating margin		7,044	5,876	5,980	6,501
Operating profit		2,453	1,204	1,216	1,647
Net income		1,113	352	354	619
Earnings per share		.76	.24	.24	.42
1994					
Revenues		\$ 17,900	\$ 15,085	\$ 15,571	\$ 13,844
Operating margin		6,472	5,496	5,396	5,799
Operating profit		2,074	1,047	789	1,380
Net income		937	258	103	419
Earnings per share ¹		.65	.18	.07	.29

¹The sum of the quarterly earnings per share amounts does not equal the annual earnings per share amount reflected in the consolidated statement of income due to the effect of changes in average common shares outstanding during the fiscal year.

Dec. 31, 1995

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	101 Plant in Service (Classified)	95,389,482	42,727,777
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	-	-
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	-	-
9	105 Held for Future Use	-	-
10	114 Acquisition Adjustments	307,090	3,690
11	TOTAL Utility Plant (Enter Total of lines 3 through 10)	95,696,572	42,731,467
12	107 Construction Work in Progress	765,145	243,281
13	Accum. Prov. for Depr., Amort., & Depl.	32,276,717	14,845,010
14	Net Utility Plant (Enter total of lines 11 plus 12 less line 13)	64,185,000	28,129,738
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	31,955,676	14,841,319
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights	-	
19	111 Amort. of Underground Storage Land and Land Rights	-	
20	119 Amort. of Other Utility Plant	-	-
21	TOTAL in Service (Enter Total of lines 17 through 20)	31,955,676	14,841,319
22	Leased to Others		
23	108 Depreciation	-	-
24	111 Amortization and Depletion	-	-
25	TOTAL Leased to Others (Enter Total of lines 23 and 24)	-	-
26	Held for Future Use		
27	108 Depreciation	-	-
28	111 Amortization	-	-
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)	-	-
30	111 Abandonment of Leases (Natural Gas)	-	
31	115 Amort. of Plant Acquisition Adjustment	321,041	3,691
32	TOTAL Acc. Provisions (Should agree with line 14 above) (Enter Total of lines 21, 25, 29, 30, and 31)	32,276,717	14,845,010

Dec. 31, 1995

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
41,962,575	8,737,946	Not Applicable	Not Applicable	1,961,184	3
-	-			-	4
-	-			-	5
-	-			-	6
-	-			-	7
-	-			-	8
-	-			-	9
303,400	-			-	10
42,265,975	8,737,946			1,961,184	11
309,568	146,345			65,951	12
14,712,845	1,919,980			798,882	13
					14
27,862,698	6,964,311			1,228,253	15
					16
14,395,495	1,919,980			798,882	17
-					18
-					19
-	-			-	20
14,395,495	1,919,980			798,882	21
					22
-	-			-	23
-	-			-	24
-	-			-	25
					26
-	-			-	27
-	-			-	28
-	-			-	29
-					30
317,350	-			-	31
					32
14,712,845	1,919,980			798,882	

Annual Status Report Analysis of Plant in Service Accounts

Company: FLORIDA PUBLIC UTILITIES COMPANY
For the Year Ended December 31, 1995

Page 1 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land - Distribution		85,172	0	0	0	0	0	85,172
389	Land - General		53,013	0	0	0	0	0	53,013
	Land - Other - Common		341,869	57	0	0	0	0	341,926
Amortizable General Plant Assets:									
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
DISTRIBUTION PLANT									
3741	Land Rights	3.20%	35,142	(7,435)	0	0	0	0	27,707
375	Structures and Improvements	2.70%	511,623	1,369	4,039	0	0	0	508,953
3761	Mains - Plastic	3.00%	5,432,568	808,262	0	0	0	4,515	6,245,345
3762	Mains - Other	3.20%	16,214,657	736,120	9,405	0	0	0	16,941,372
378	Meas. and Reg. Sta. Equipment - General	3.70%	152,458	5,900	0	0	0	0	158,358
379	Meas. and Reg. Sta. Equipment - City Gate	3.40%	670,127	13,954	0	0	0	0	684,081
3801	Services - Plastic	3.20%	6,889,082	782,001	42,900	0	0	5,010	7,633,193
3802	Services - Other	6.70%	1,727,233	318	49,878	0	0	0	1,677,673
380299	Accum. Depreciation - Service - Contra accts.	0.00%	0	0	16,898	0	0	0	(16,898)
381	Meters	3.60%	2,743,594	120,477	37,352	0	(20,956)	17,444	2,823,207
382	Meter Installations	3.30%	634,396	27,794	8,907	0	0	0	653,283
383	House Regulators	3.40%	795,596	14,047	5,823	0	(9,543)	6,797	801,074
384	House Reg. Installations	3.00%	315,790	22,791	3,075	0	0	0	335,506
385	Industrial Meas. and Reg. Sta. Equipment	4.10%	86,476	(3,019)	0	0	0	0	83,457
387	Other Equipment	3.60%	181,660	1,669	4,833	0	0	5,401	183,897
TOTAL DISTRIBUTION PLANT			36,475,574	2,524,248	183,110	0	(30,499)	39,167	38,825,380
GENERAL PLANT									
390	Structures and Improvements	2.60%	393,836	1,450	0	0	0	0	395,286
3911	Office Furniture	6.40%	54,656	0	(265)	0	0	0	54,921
3912	Office Equipment	12.60%	39,703	7,114	17,110	0	0	6,721	49,550
3913	EDP Equipment	11.70%	228,693	49,374	75,829	0	0	688	271,972
3921	Accum. Dep. - Transportation - Cars	27.50%	344,414	30,639	108,971	0	0	0	317,274
3922	Accum. Dep. - Transportation - Light Trucks, va	13.30%	1,138,028	251,781	69,717	0	0	0	1,320,092
3924	Accum. Dep. - Transportation - Trailers	18.20%	16,955	0	0	0	0	0	16,955
393	Stores Equipment	7.30%	11,428	684	(2,583)	0	(684)	0	14,011

Annual Status Report Analysis of Plant in Service Accounts

Company: FLORIDA PUBLIC UTILITIES COMPANY
For the Year Ended December 31, 1995

Page 2 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
394	Tools, Shop, and Garage Equipment	5.00%	281,646	16,181	(4,590)	0	(4,718)	0	297,699
395	Laboratory Equipment	0.00%	0	0	(659)	0	0	0	659
396	Power Operated Equipment	6.70%	133,075	12,436	(1,515)	0	0	0	147,026
397	Communication Equipment	5.90%	172,379	5,030	0	0	0	0	174,860
398	Miscellaneous Equipment	10.40%	14,568	9,309	0	0	0	0	23,877
	SUBTOTAL		2,882,394	383,998	262,015	0	(5,402)	7,409	3,137,195
399	Other Tangible Property	0	0	0	0	0	0	0	0
	TOTAL General Plant		2,882,394	383,998	262,015	0	(5,402)	7,409	3,137,195
	TOTAL (Accounts 101 and 106)		39,357,968	2,908,246	445,125	0	(35,901)	46,576	41,962,575
	TOTAL GAS PLANT IN SERVICE		39,357,968	2,908,246	445,125	0	(35,901)	46,576	41,962,575
Capital Recovery Schedules:									
	NONE								
Total Account 101*			39,357,968	2,908,246	445,125	0	(35,901)	46,576	41,962,575
Amortizable Assets:									
114	Acquisition Adjustment		303,400	0	0	0	0	0	303,400
118	Other Utility Plant Other - Common		1,777,941	257,332	66,680	0	0	(7,408)	1,961,185
Total Utility Plant			41,439,309	3,165,578	511,805	0	(35,901)	39,168	44,227,160

Note: * The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 21.

Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 1995

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
DISTRIBUTION PLANT										
	374 Land - Distribution	0	887	0	0	0	0	0	0	887
	3741 Land Rights	0	0	0	0	0	0	0	0	0
	375 Structures and Improvements	190,980	13,754	0	4,039	0	0	0	0	200,695
	3761 Mains - Plastic	937,023	170,385	0	0	0	0	0	2,824	1,110,232
	3762 Mains - Other	7,147,213	525,101	0	9,405	600	(24,245)	0	0	7,639,264
	378 Meas. and Reg. Sta. Equipment - General	10,730	5,732	0	0	0	0	0	0	16,462
	379 Meas. and Reg. Sta. Equipment - City Gat	122,926	23,167	0	0	0	0	0	0	146,093
	3801 Services - Plastic	1,188,359	232,377	0	42,900	0	(31,568)	0	2,982	1,349,250
	3802 Services - Other	982,173	113,639	0	49,878	0	(168,794)	0	0	877,140
	380299 Accum. Dep. - Service - Contra accts.	0	0	0	16,898	0	0	0	0	(16,898)
	381 Meters	922,121	100,620	0	37,352	0	0	0	(1,016)	984,373
	382 Meter Installations	230,771	21,296	0	8,907	0	0	0	0	243,160
	383 House Regulators	236,619	27,213	0	5,823	0	0	0	(852)	257,157
	384 House Reg. Installations	79,106	9,773	0	3,075	0	0	0	0	85,804
	385 Industrial Meas. and Reg. Sta. Equipment	24,802	3,576	0	0	0	0	0	0	28,378
	387 Other Equipment	50,352	6,601	0	4,833	0	0	0	2,512	54,632
	389 Land - General	0	0	0	0	0	0	0	0	0
	TOTAL DISTRIBUTION PLANT	12,123,174	1,254,121	0	183,110	600	(224,607)	0	6,450	12,976,628
GENERAL PLANT										
	390 Structures and Improvements	136,107	10,260	0	0	0	0	0	0	146,367
	3911 Office Furniture	6,370	3,517	0	(265)	0	0	0	0	10,152
	3912 Office Equipment	15,235	5,578	0	17,110	0	0	0	0	18,539
	3913 EDP Equipment	124,123	29,895	0	75,829	0	0	0	2,419	147,640
	3921 Accum. Dep. - Transportation - Cars	98,313	89,822	0	108,971	1,547	0	0	(300)	131,903
	3922 Accum. Dep. - Trans. - Light Trucks, vans	570,612	163,907	0	69,717	9,907	0	0	0	674,709
	3924 Accum. Dep. - Transportation - Trailers	8,049	3,084	0	0	0	0	0	0	11,133
	393 Stores Equipment	3,564	953	0	(2,583)	0	0	0	(8)	7,092

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 1995

Page 2 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
394	Tools, Shop, and Garage Equipment	76,724	14,638	0	(4,590)	0	0	0	(2,503)	93,449
395	Laboratory Equipment	(2,910)	12	0	(659)	0	0	0	0	(2,239)
396	Power Operated Equipment	69,046	8,894	0	(1,515)	0	0	0	0	79,455
397	Communication Equipment	85,442	10,231	0	2,549	0	0	0	0	93,124
398	Miscellaneous Equipment	5,839	1,703	0	0	0	0	0	0	7,542
	SUBTOTAL	1,196,514	342,494	0	264,564	11,454	0	0	(392)	1,418,866
399	Other Tangible Property	0	0	0	0	0	0	0	0	0
	TOTAL General Plant	1,196,514	342,494	0	264,564	11,454	0	0	(392)	1,418,866
Subtotal		13,319,689	1,596,615	0	447,674	12,054	(224,607)	0	6,058	14,395,495
COMMON PLANT										
389	Land - General	0	0	0	0	0	0	0	0	0
390	Structures and Improvements	202,095	11,796	0	0	0	0	0	0	213,891
3911	Office Furniture	21,134	2,904	0	0	0	0	0	0	24,038
3912	Office Equipment	9,447	5,547	0	(6,561)	0	0	0	0	6,719
3913	EDP Equipment	451,886	93,756	0	(34,523)	0	0	0	(1,714)	511,419
3921	Accum. Dep. - Transportation - Cars	32,979	30,549	0	(25,596)	0	0	1,500	300	39,432
397	Communication Equipment	2,699	684	0	0	0	0	0	0	3,383
Subtotal		720,240	145,236	0	(66,680)	0	0	1,500	(1,414)	798,882
Grand Total		14,039,929	1,741,851	0	380,994	12,054	(224,607)	1,500	4,644	15,194,377

Note: * The grand total of beginning and ending balances must agree to Line 17, Page 21.

FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED GAS DIVISIONS
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1995

PLANT IN SERVICE (\$)							RESERVE (\$)					(CREDIT BALANCES)				
Plant Acct.	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
304	0	0	0	0	0	0	304	0	0	0	0	0	0	0	0	0
305	0	0	0	0	0	0	305	0	0	0	0	0	0	0	0	0
311	0	0	0	0	0	0	311	0	0	0	0	0	0	0	0	0
320	0	0	0	0	0	0	320	0	0	0	0	0	0	0	0	0
360	0	0	0	0	0	0	360	0	0	0	0	0	0	0	0	0
381	0	0	0	0	0	0	381	0	0	0	0	0	0	0	0	0
362	0	0	0	0	0	0	362	0	0	0	0	0	0	0	0	0
374	85,172	0	0	0	0	85,172	374	0	0	887	0	0	0	0	0	887
3741	35,142	(7,435)	0	0	0	27,707	3741	0	0	0	0	0	0	0	0	0
375	511,623	1,369	0	0	(4,039)	508,953	375	190,980	(4,039)	13,754	0	0	0	0	0	200,695
3761	5,432,567	808,263	0	4,515	0	6,245,345	3761	937,023	0	170,385	0	0	0	2,824	0	1,110,232
3762	16,214,657	736,120	0	0	(9,405)	16,941,372	3762	7,147,213	(9,405)	525,101	600	(24,245)	0	0	0	7,639,264
377	0	0	0	0	0	0	377	0	0	0	0	0	0	0	0	0
378	152,458	5,900	0	0	0	158,358	378	10,730	0	5,732	0	0	0	0	0	16,462
379	670,127	13,954	0	0	0	684,081	379	122,926	0	23,167	0	0	0	0	0	146,093
3801	6,889,061	782,002	0	5,010	(42,900)	7,633,193	3801	1,188,359	(42,900)	232,377	0	(31,568)	0	2,982	0	1,349,250
3802	1,727,233	318	0	0	(49,878)	1,677,673	3802	982,173	(49,878)	113,639	0	(168,794)	0	0	0	877,140
380299	0	0	0	0	(16,898)	(16,898)	380299	0	(16,898)	0	0	0	0	0	0	(16,898)
381	2,743,594	120,477	(20,956)	17,444	(37,352)	2,823,207	381	922,121	(37,352)	100,620	0	0	0	(1,016)	0	984,373
382	634,395	27,795	0	0	(6,907)	653,283	382	230,771	(6,907)	21,296	0	0	0	0	0	243,160
383	795,596	14,047	(9,543)	6,797	(5,823)	801,074	383	236,619	(5,823)	27,213	0	0	0	(852)	0	257,157
384	315,789	22,792	0	0	(3,075)	335,506	384	79,106	(3,075)	9,773	0	0	0	0	0	85,804
385	86,476	(3,019)	0	0	0	83,457	385	24,802	0	3,576	0	0	0	0	0	28,378
387	181,661	1,668	0	5,401	(4,833)	183,897	387	50,352	(4,833)	6,601	0	0	0	2,512	0	54,632
389	394,882	57	0	0	0	394,939	389	0	0	0	0	0	0	0	0	0
390	847,514	13,910	0	0	0	861,424	390	338,202	0	22,056	0	0	0	0	0	360,258
3911	100,044	0	0	0	265	100,309	3911	27,504	265	6,421	0	0	0	0	0	34,190
3912	80,102	26,067	0	1	(10,549)	95,621	3912	24,682	(10,549)	11,125	0	0	0	0	0	25,258
3913	1,028,426	208,623	0	0	(41,306)	1,195,743	3913	576,009	(41,306)	123,651	0	0	0	705	0	659,059
3921	429,723	97,252	0	0	(83,375)	443,600	3921	131,292	(83,375)	120,371	1,547	0	1,500	0	0	171,335
3922	1,138,028	251,781	0	0	(69,717)	1,320,092	3922	570,612	(69,717)	163,907	9,907	0	0	0	0	674,709
3923	0	0	0	0	0	0	3923	0	0	0	0	0	0	0	0	0
3924	16,955	0	0	0	0	16,955	3924	8,049	0	3,084	0	0	0	0	0	11,133
393	11,428	684	(684)	0	2,583	14,011	393	3,564	2,583	953	0	0	0	(8)	0	7,092
394	281,648	16,179	(4,718)	0	4,590	297,699	394	76,724	4,590	14,638	0	0	0	(2,503)	0	93,449
395	0	0	0	0	659	659	395	(2,910)	659	12	0	0	0	0	0	(2,239)
396	133,076	12,435	0	0	1,515	147,026	396	69,046	1,515	8,894	0	0	0	0	0	79,455
397	183,944	5,030	0	0	(2,549)	186,425	397	88,141	(2,549)	10,915	0	0	0	0	0	96,507
398	14,568	9,309	0	0	0	23,877	398	5,839	0	1,703	0	0	0	0	0	7,542
41,135,909	3,165,578	(35,901)	39,168	(380,994)	43,923,760		14,039,929	(380,994)	1,741,851	12,054	(224,607)	1,500	4,644	0	15,194,377	

FLORIDA PUBLIC UTILITIES COMPANY
WEST PALM BEACH - GAS DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1995

PLANT IN SERVICE (\$)							RESERVE (\$)				(CREDIT BALANCES)													
Plant Acct.	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance								
304	0					0	304									0								
305	0					0	305									0								
311	0					0	311									0								
320	0					0	320									0								
380	0					0	380									0								
361	0					0	361									0								
362	0					0	362									0								
374	58,888					58,888	374			429						429								
3741	13,373					13,373	3741									0								
375	493,778	1,389			(4,039)	491,108	375	184,809	(4,039)	13,274						194,044								
3761	3,924,572	642,356		4,515		4,571,443	3761	706,522	0	123,844				2,824		833,190								
3762	13,432,328	734,401			(7,057)	14,159,670	3762	6,074,114	(7,057)	435,953	600	(16,720)				6,486,890								
377	0					0	377									0								
378	141,198	5,900				147,098	378	17,129		5,312						22,441								
379	418,928	13,954				430,882	379	57,080		14,551						71,631								
3801	5,438,710	687,115		5,010	(31,248)	6,079,587	3801	920,405	(31,248)	184,201		(24,764)		2,982		1,051,578								
3802	1,454,230	79			(43,445)	1,410,864	3802	832,004	(43,445)	95,408		(160,350)				723,617								
380299					(18,898)	(18,898)	380299		(18,898)							(18,898)								
381	2,148,957	119,889	(20,958)		(27,389)	2,220,301	381	689,873	(27,389)	79,181				(7,052)		734,613								
382	485,881	21,794			(8,826)	500,829	382	182,825	(8,826)	16,318						192,117								
383	882,051	14,047	(9,543)		(5,207)	881,348	383	201,852	(5,207)	23,256				(2,938)		216,963								
384	235,800	19,824			(2,230)	253,194	384	58,236	(2,230)	7,331						63,337								
385	89,824	491				70,115	385	19,304		2,880						22,184								
387	180,039	1,868			(4,833)	156,874	387	44,197	(4,833)	5,777						45,141								
389	40,808					40,808	389									0								
390	119,879					119,879	390	49,559		3,120						52,679								
3911	38,740				265	39,005	3911	3,836	265	2,497						6,598								
3912	31,247	7,114		6,721	(3,988)	41,084	3912	12,444	(3,988)	4,842				1,714		15,012								
3913	140,971	40,842		688	(2,810)	179,891	3913	76,283	(2,810)	18,949				405		92,807								
3921	259,395	30,839			(57,779)	232,255	3921	66,605	(57,779)	66,433	1,547					78,806								
3922	853,379	210,383			(89,717)	994,045	3922	417,789	(89,717)	124,820		9,907				482,599								
3923						0	3923									0								
3924	13,132					13,132	3924	7,865		2,388						10,053								
393	11,426				2,583	14,011	393	3,564	2,583	945						7,092								
394	214,275	9,982			4,590	228,847	394	45,925	4,590	11,176						61,691								
395					859	659	395	(2,800)	659	12						(2,129)								
396	113,972	10,074			1,515	125,561	396	58,360	1,515	7,963						65,838								
397	105,852	5,030			(2,549)	108,133	397	40,798	(2,549)	6,296						44,545								
398	10,250	7,447				17,697	398	3,576		1,163						4,739								
31,107,259							2,563,998	(30,499)	16,934	(276,403)	33,381,289	10,769,734					(276,403)	1,258,119	12,054	(201,834)	0	(2,065)	0	11,559,605
COMMON PLANT																								
389	341,889	57				341,926	389																0	
3891						0	3891																0	
390	453,878	12,460				466,138	390	202,095		11,796													213,891	
3911	45,388					45,388	3911	21,134		2,904													24,038	
3912	40,399	18,953		(6,720)	(6,561)	46,071	3912	9,447	(6,561)	5,547				(1,714)								6,719		
3913	799,733	159,249		(888)	(34,523)	923,771	3913	451,886	(34,523)	93,756				300								511,419		
3921	85,309	86,813			(25,596)	126,326	3921	32,979	(25,596)	30,549			1,500									39,432		
397	11,585					11,585	397	2,899		684													3,383	
1,777,941							257,332	0	(7,408)	(88,880)	1,961,185	720,240					(66,680)	145,236	0	0	1,500	(1,414)	0	798,882
TOTAL																								
32,885,200							2,621,330	(30,499)	9,526	(343,083)	35,342,474	11,489,974					(343,083)	1,403,355	12,054	(201,834)	1,500	(3,479)	0	12,358,487

FLORIDA PUBLIC UTILITIES COMPANY
SANFORD - GAS DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1995

PLANT IN SERVICE (\$)							RESERVE (\$)						(CREDIT BALANCES)			
Plant Acct.	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
304						0	304									0
305						0	305									0
311						0	311									0
320						0	320									0
360						0	360									0
361						0	361									0
362						0	362									0
374	28,486					28,486	374	0		458						458
3741	21,789	(7,435)				14,334	3741									0
375	13,324					13,324	375	2,064		360						2,424
3761	1,222,239	127,901				1,350,140	3761	188,360	0	37,625						225,985
3762	2,040,926	1,717			(1,747)	2,040,898	3762	720,221	(1,747)	65,436		(7,274)				776,636
377	0					0	377	0								0
378	5,102					5,102	378	(15)		192						177
379	203,591					203,591	379	56,112		6,924						63,036
3801	1,184,575	70,089			(8,352)	1,226,312	3801	216,255	(8,352)	38,387		(5,059)				241,231
3802	183,216	205			(5,176)	158,245	3802	73,886	(5,176)	10,918		(4,650)				74,978
381	374,452	65		6,445	(6,921)	374,041	381	148,586	(8,921)	13,475				2,143		157,283
382	98,466	3,434			(1,157)	100,743	382	28,978	(1,157)	3,296						31,117
383	73,848			3,471	(616)	76,503	383	26,944	(616)	2,531				1,071		29,930
384	60,652	1,870			(542)	61,980	384	14,921	(542)	1,846						16,225
385	9,326	(3,510)				5,816	385	7,701		384						8,085
387	16,244			2,065		18,309	387	4,541		612				916		6,069
389	8,436					8,436	389	0								0
390	93,657					93,657	390	35,600		2,436						38,036
3911	3,191					3,191	3911	(472)		204						(268)
3912	3,486					3,486	3912	1,332		112						1,444
3913	46,955	4,286			(3,973)	47,268	3913	26,971	(3,973)	5,761						28,759
3921	61,991					61,991	3921	33,513		17,052						50,565
3922	151,559	12,079				163,638	3922	88,118		20,585						108,703
3923	0					0	3923	0								0
3924	2,836					2,836	3924	169		516						685
393	0					0	393	0								0
394	46,595	2,861	(2,065)			47,391	394	20,207		2,347				(916)		21,638
395	0					0	395	(37)								(37)
396	11,601	924				12,525	396	4,726		805						5,531
397	31,733					31,733	397	22,533		1,871						24,404
398	3,392					3,392	398	2,191		348						2,539
	5,961,452	214,486	(2,065)	11,981	(28,484)	6,157,370		1,723,406	(28,484)	234,481	0	(16,983)	0	3,214	0	1,915,634

FLORIDA PUBLIC UTILITIES COMPANY
DELAND - GAS DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1995

PLANT IN SERVICE (\$)							RESERVE (\$)					(CREDIT BALANCES)				
Plant Acct.	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
304						0	304									0
305						0	305									0
311						0	311									0
320						0	320									0
360						0	360									0
361						0	361									0
362						0	362									0
374						0	374									0
3741																
375	4,521					4,521	375	4,107		120						4,227
3761	285,756	38,006				323,762	3761	42,141		8,916						51,057
3762	741,403	2			(601)	740,804	3762	352,878	(601)	23,712		(251)				375,738
377	0					0	377	0								0
378	6,158					6,158	378	(6,384)		228						(6,156)
379	49,608					49,608	379	9,734		1,692						11,426
3801	285,796	44,798			(3,300)	327,294	3801	51,699	(3,300)	9,789		(1,745)				56,443
3802	109,787	34			(1,257)	108,564	3802	76,283	(1,257)	7,313		(3,794)				78,545
381	220,185	723		10,999	(3,042)	228,865	381	83,662	(3,042)	7,964			3,893			92,477
382	50,068	2,567			(924)	51,711	382	19,168	(924)	1,682						19,926
383	39,897			3,326		43,223	383	7,822		1,426			1,015			10,263
384	19,337	1,298			(303)	20,332	384	5,949	(303)	596						6,242
385	7,526					7,526	385	(2,203)		312						(1,891)
387	5,378			3,336		8,714	387	1,614		212			1,596			3,422
389	3,771					3,771	389	0								0
390	180,300	1,450				181,750	390	50,948		4,704						55,652
3911	12,725					12,725	3911	3,006		816						3,822
3912	4,970					4,970	3912	1,459		624						2,083
3913	40,767	4,246				45,013	3913	20,889		5,185						26,074
3921	23,028					23,028	3921	(1,805)		6,337						4,532
3922	133,090	29,319				162,409	3922	64,705		18,702						83,407
3923	0					0	3923	0								0
3924	985					985	3924	215		180						395
393	0	684	(684)			0	393	0		8				(8)		0
394	20,778	3,336	(2,653)			21,461	394	10,592		1,115				(1,587)		10,120
395	0					0	395	(73)								(73)
396	7,503	1,437				8,940	396	7,960		126						8,086
397	34,994					34,994	397	22,111		2,064						24,175
398	926	1,862				2,788	398	72		192						264
2,289,257	129,762	(3,337)	17,661	(9,427)	2,423,916		826,549	(9,427)	104,015	0	(5,790)	0	4,909	0	920,256	

CONSTRUCTION WORK IN PROGRESS-GAS (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 (less than \$500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Gas mains and distribution system construction		
2	and data acquisition system	\$309,568	\$550,576
3			
4			
5			
6			
7			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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22			
23			
24			
34			
35			
36			
37			
38			
39			
40			
41	TOTAL	\$309,568	\$550,576

CONSTRUCTION OVERHEADS-GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. On page 30 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 30 the accounting procedures employed
- and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
4. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Administrative and General Overheads	-	
2	Payroll Taxes, Pensions, Group and Worker's	\$105,881	
3	Compensation insurance		
4	Allowance for funds used during construction	\$6,135	
5			
6			
7			
8			
9			
10			
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32			
33			
34			
35			
36			
37			
38	TOTAL	\$112,016	\$2,744,002

Dec. 31, 1995

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

Administrative and general overheads are intended to cover that portion of administrative and general expenses determined as applicable to construction. Overheads are distributed to construction jobs on the basis of direct labor costs incurred. Engineering and superintendents treated as overheads include only such portion as are not directly chargeable to specific construction jobs. All supervision costs which are directly applicable are charged to construction.

Allowance for Funds Used During Construction is applied at the rate of 8.67% per annum, except in the Marianna division which is 8.20% per annum. In electric and gas it includes projects that involve gross additions in excess of \$25,000 and are expected to be completed in excess of one year after commencement of construction. Water includes projects that involve gross additions to plant in excess of \$5,000 and rate expected to be completed in excess of 60 days after commencement. (See attached schedule for methods used to determine Allowance for Funds Used During Construction.)

Payroll taxes, pensions, group insurance and workmen's compensation insurance are all directly applied to all company labor charged to construction. The rates are revised monthly, based upon cost. Only the workmen's compensation insurance rate varies with the type of construction -- electric, gas or water -- with the basis being the cost of insurance as determined by utility experience rates.

**FLORIDA PUBLIC UTILITIES COMPANY
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION
FOR YEAR ENDING DECEMBER 31, 1995**

In order to be in compliance with the Florida Public Service Commission procedure on Allowance for Funds Used During Construction, Order No. 6640 dated April 28, 1975, the following method of allocation was used:

Source of Capital	12/31/77 **			
	Amount	Ratio	Cost	Rate (%)
Common Equity	\$7,265,711	0.3440	14.50	4.988%
Preferred Equity	1,123,700	0.0532	4.81	0.256%
Long-Term Debt	9,108,000	0.4312	7.26	3.131%
Customer Deposits	1,045,484	0.0495	6.00	0.297%
Unclaimed Deposits	40,679	0.0019		
Deferred Income Tax	2,409,158	0.1141		
Investment Tax Credit	128,611	0.0061		
Total	<u>\$21,121,343</u>	<u>1.0000</u>		<u>8.672%</u>
Rounded				<u>8.67%</u>
Equity Portion	(Account 419.1)			5.24
Debt Portion	(Account 432)			3.43

Effective October 1, 1978, in the Marianna Division only, the following was used:

Source of Capital	Amount	Ratio	Cost	Rate (%)
Common Equity	\$6,584,987	0.3402	13.25	4.51%
Preferred Equity	1,123,700	0.0581	4.84	0.28%
Long-Term Debt	9,108,000	0.4706	7.24	3.41%
Deferred Income Tax	2,409,158	0.1245		
Investment Tax Credit	128,611	0.0066		
Total	<u>\$19,354,456</u>	<u>1.0000</u>		<u>8.20%</u>

***The difference between the 12/31/77 and the 12/31/95 Sources of Capital were not material enough to merit a change in the AFUDC rates between 1978 and 1995.

FERC #1 -- 218 --
 FERC #2 -- 30 --
 USR -- 4 (e) --

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	136,426
2	Prepaid Rents	-
3	Prepaid Taxes (page 41)	-
4	Prepaid Interest	-
5	Gas Prepayments	-
6	Miscellaneous Prepayments: Pensions	667,700
7	TOTAL	804,126

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10	NONE					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	TOTAL					

OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1						
2	See Page 35					
3						
4						
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41						
42						
43	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 (amounts less than \$25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1	Energy Conservation Program	\$11,634	\$79,886	906-910	\$92,825	(\$1,305)
2	Undistributed Capital					
3	-Accrued Payroll	10,281	319,237		311,629	\$17,889
4	Amortized Piping Costs	-	353,896		235,255	\$118,641
5	Amortized Conversion Cost	-	12,691		876	\$11,815
6						
7						
8						
9						
10						
11						
12						
13						
14						
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46						
47	Misc. Work in Progress	5,871				(\$21,889)
48	Deferred Regulatory Comm. Expenses					
49	(See Pages 61 - 62)	74,239	60,912	928	25,856	\$109,295
50	TOTAL	\$102,025				\$234,446

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 listed under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410. (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS		
							Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)	
1	ELECTRIC										
2	AMT	187,996	(94,290)								93,706
3	Conservation Program & Pensions	(198)	198								-
4	Interest Not Cap. & Amort. of Dept	4,734	(89)								4,645
5	Regulatory	1,205,366	(18,727)								1,186,639
6	Self Insurance Res. & Audit Fee	26,313	14,936								41,249
7	Uncollectible	13,559	16,056								29,615
8	Vacation Pay	42,753	2,236								44,989
9	TOTAL Electric (Lines 2 - 9)	1,480,523	(79,680)								1,400,843
10	GAS										
11	AMT	179,912	(101,653)								78,259
12	Interest Not Cap. & Amort. of Dept	4,573	(86)								4,487
13	Regulatory	847,860	(438,599)								409,261
14	Self Insurance Res. & Audit Fee	38,102	34,955								73,057
15	Uncollectible	11,943	(3,036)								8,907
16	Vacation Pay	86,621	4,030								90,651
17	Environmental	-	1,688,595								1,688,595
18	TOTAL Gas (Lines 11 - 18)	1,169,011	1,184,206								2,353,217
19	Other (Specify) Water Division	1,022,273	(842,023)								180,250
20	TOTAL (Account 190) (Enter Total of lines 9,18 & 19)	3,671,807	262,503								3,934,310
21	WATER DIVISION										
22	AMT	36,387	(17,672)								18,715
23	Interest Not Cap. & Amort. of Dept	870	(14)								856
24	Regulatory	973,057	(827,867)								145,190
25	Self Insurance Res. & Audit Fee	4,781	2,482								7,263
26	Vacation Pay	7,178	1,048								8,226
27	TOTAL WATER (line 19 above)	1,022,273	(842,023)								180,250

NOTES

Dec. 31, 1995

SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate,

nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

On June 1, 1995, \$673,000.00 principal amount of First Mortgage 4 3/4% Bonds, series due 1995, was redeemed through operation of the Eighth Supplemental Indenture dated June 1, 1995, of the Indenture of Mortgage and Deed of Trust dated as of September 1, 1942.

The following entry was recorded on the books to reflect the retirement of the above mentioned bonds:

	221 First Mortgage Bond, 4 3/4% Series	\$673,000.00	
	131 Cash		\$673,000.00

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

1. Report by balance sheet Account the 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. 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 the 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. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give particulars (details) concerning any long-term debt authorized by a regulatory Commission but not yet issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	INTEREST FOR YEAR		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	FIRST MORGAGE BONDS: (all privately held)						
2							
3							
4							
5	9.57% Series Due 2018	5/1/88	5/1/18	10,000,000	9.57%	957,000	10,000,000
6	10.03% Series Due 2018	5/1/88	5/1/18	5,500,000	10.03%	551,650	5,500,000
7	9.08% Series Due 2022	6/1/92	6/1/22	8,000,000	9.08%	726,400	8,000,000
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27	TOTAL			23,500,000		2,235,050	23,500,000

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. 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 Uniform System of Accounts.

6. Identify separately indispensed amounts applicable to issues which were redeemed in prior years.

7. 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.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at Beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	FIRST MORTGAGE BONDS:							
2								
3	9.57% Series Due 2018	10,000,000	180,273	5/1/88	5/1/18	132,201	(7,211)	124,990
4	10.03% Series Due 2018	5,500,000	97,070	5/1/88	5/1/18	71,185	(3,883)	67,302
5	9.08% Series Due 2022	8,000,000	121,967	6/1/92	6/1/22	111,840	(4,067)	107,773
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	NOTE: Account 189 - \$5,000,000 Reacquired Bond originally due in 1998 has reacquired debt loss and is amortized in Account 4280.1.							
17	The associated amount for 1995 was \$18,284. \$2,000,000 Reacquired Bond originally due in 2002 has reacquired debt loss and is							
18	amortized in Account 428. The associated amount for 1995 is \$4,078.							
19								
20	Expenses incurred to obtain a \$13,000,000 line of credit is amortized in Account 4280.3 by the amount of \$6,304 for 1995.							
21								
22	The amortization of debt discount occurs in Account 4280.2. The associated amount for 1995 was \$15,363.98							
23								
24	Total Account 4280 = \$44,030							
25								
26								
27								
28								
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31								
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37								
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41								
42								
43								
44								
45								
46		23,500,000	399,310			315,226	(15,161)	300,065

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
 2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
 3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with

General Instruction 17 of the Uniform Systems of Accounts.
 4. Show loss amounts by enclosing the figures in parentheses.
 5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Unamortized Loss on Reaquired Debt 12.5% Due 1998 Maturity date of new issue - 5/1/18	5/1/88	5,000,000	548,516	446,431	409,863
2						
3						
4						
5						
6						
7	Unamortized Loss on Reaquired Debt 8% Due 2002	7/1/93	2,000,000	36,699	34,660	26,504
8						
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43						
44						
45						
46						
						436,367

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)	\$2,437,838
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Service Contributions	467,000
6		
7	Deductions Recorded on Books Not Deducted for Return	
8	Environmental Costs	988,365
9	Income taxes (Excluding Current State Income Taxes)	1,119,523
10	Loss on Required Debt	(4,214)
11	Vacation Pay	19,091
12	Rate Refund	30,000
13	Outside Audit Fees	59,000
14		
15	Income Recorded on Books Not Included in Return	
16	Depreciation Study	(16,207)
17	Pension Reserve	(126,073)
18	Rate Case Expenses	35,056
19	Uncollectible Reserve	(4,705)
20	Underrecoveries of Purchased Energy Costs	155,403
21	Equity in Subsidiary	46,077
22		
23	Deductions on Return Not Charged Against Book Income	
24	Conservation Program Costs	(12,938)
25	Cost of Removal ADR	72,000
26	Depreciation	890,088
27	Meals Expense	(7,267)
28	Ordinary Loss on ACRS Property	185,000
29	Self - Insurance Reserve	(160,174)
30	Natural Gas Oderizer	20,948
31		
32	Federal Tax Net Income	4,039,395
33	Show Computation of Tax:	
34		
35	Tax at 34%	1,373,394
36	Rounding	6
37	TOTAL Federal Income Tax Payable	1,373,400
38		

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

	Name of Taxing Authority	Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
1	TAXES (ACCRUED)/PREPAID BEG. OF YEAR	(172,398)	(78,061)	0	0	0	(552)	(36,686)	(118,995)	0	0	(406,692)
2	Taxes Charged During Year											
3												
4	Federal Taxes	1,095,632					777,883			5,354		1,878,869
5												
6	State of Florida Taxes		270,026			10,804	13,583	528,314	190,940	(6,424)	200	1,007,443
7												
8	Local Taxes			992,980							6,991	999,971
9												
10												
11												
12	TOTAL TAXES CHARGED DURING YEAR (Lines 3-11)	1,095,632	270,026	992,980	0	10,804	791,466	528,314	190,940	(1,070)	7,191	3,886,283
13	Taxes Paid During Year											
14												
15	Federal Taxes	761,149					777,795			5,354		1,544,298
16												
17	State of Florida Taxes		216,266			10,804	13,554	523,782	180,022	(6,424)	200	938,204
18												
19	Local Taxes			992,980							6,991	999,971
20												
21												
22												
23	TOTAL TAXES PAID DURING YEAR (Lines 14-22)	761,149	216,266	992,980	0	10,804	791,349	523,782	180,022	(1,070)	7,191	3,482,473
24	Adjustments (list)											
25												
26												
27	TOTAL ADJUSTMENTS (Lines 24-26)	0										
28	TAXES (ACCRUED)/PREPAID END OF YEAR (Lines 1+12-23+/-27)	(506,881)	(131,821)	0	0	0	(669)	(41,218)	(129,913)	0	0	(810,502)

DISTRIBUTION OF TAXES CHARGED

		Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
29												
30	Electric (Account 408.1, 409.1)	364,795	107,086	400,523	0	6,725	122,322	528,314	31,953	(502)	433	1,561,649
31	Gas (Account 408.1, 409.1)	625,133	140,652	497,758	0	4,079	366,768	0	87,178	(489)	6,675	1,727,754
32	Other Utility Departments (408.1, 409.1)	85,817	18,934	94,699	0	0	28,683	0	71,809	(79)	83	299,946
33	Other Income and Deductions (408.2, 409.2)	19,887	3,354	0	0	0	0	0	0	0	0	23,241
34	Extraordinary Items (Account 409.3)											
35	Other Utility Operating Income (408.1, 409.1)											
36	Adjust. to Retained Earnings (Account 439)											
37	CWIP (Account 207)											
38	Other Balance Sheet Accounts & Merch. & Jobbing						273,693					273,693
39												
40												
41												
42	TOTAL (Should equal Lines 12+/-Line 27, If applicable)	1,095,632	270,026	992,980	0	10,804	791,466	528,314	190,940	(1,070)	7,191	3,886,283

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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		Allocations to Current Year's Income		Adjustments (g)	Balance at End Year (h)	Average Period of Allocation to Income (i)
			Acct. No. (c)	Amount (d)	Acct. No. (e)	Amount (f)			
1	Gas Utility								
2	3%	25,039			4110.4	4,089		20,950	35 YEARS
3	4%	32,202			4110.4	3,300		28,902	35 YEARS
4	7%	-				-		-	
5	10%	725,571			4110.4	47,760		677,811	35 YEARS
6	Prior Period Adjustment	(49)						(49)	
7									
8	TOTAL	782,763				55,149		727,614	
9	ELECTRIC Utility								
10	3%	4,089			4110.4	1,658		2,431	28 YEARS
11	4%	46,409			4110.4	5,810		40,599	28 YEARS
12	7%	-				-		-	
13	10%	678,183			4110.4	42,969		635,214	28 YEARS
14	Prior Period Adjustment	(7,769)						(7,769)	
15	TOTAL	720,912				50,437		670,475	
16	WATER Utility								
17	3%	1,033			4110.4	118		915	34 YEARS
18	4%	2,827			4110.4	218		2,609	34 YEARS
19	7%	-				-		-	
20	10%	131,552			4110.4	6,601		124,951	34 YEARS
21	Prior Period Adjustment	23						23	
22	TOTAL	135,435				6,937		128,498	
23									
24	TOTAL UTILITY	1,639,110				112,523		1,526,587	
25	NOTES								
26	1. Use this space to explain any adjustments made in this period.								
27	2. Use this space to list by year generated and by amount any ITCs that have not been utilized and have not expired by the end of the period.								
28									
29									
30									

Dec. 31, 1995

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.

2. Minor items (less than \$50,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1		
2	Vacation Pay	563,512
3	Inactive Dividend Checks	239
4	Outside Audit Fees	59,000
5	Rate Refund	30,000
6	Commission Funds	37
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	TOTAL	652,788

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.

amortization.

2. For any deferred credit being amortized, show the period of

3. Minor Items (less than \$25,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Over Recovery of Fuel Adjustment -	471,141	456.1	1,227,011	1,179,694	423,824
2	Electric (Amortized over succeeding		456.11			
3	six month period)					
4						
5	Over Recovery of Fuel Adjustment -	1,109,170	495.1	3,437,609	2,239,958	(88,481)
6	Gas (Amortized over succeeding		495			
7	twelve month period)					
8						
9	Environmental Insurance Proceeds	3,184,572	1860.1		1,201,268	4,385,840
10						
11						
12						
13						
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16						
17						
18						
19						
20						
21	TOTAL	\$4,764,883		\$4,664,620	\$4,620,920	\$4,721,183

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.	Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
		Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		
						Account No.	Amount	Account No.	Amount	
1										
2	ACCOUNT 281 - ACCELERATED AMORTIZATION PROPERTY									
3	Electric									
4	Gas									
5	Other									
6										
7	TOTAL ACCOUNT 281 (Lines 3 thru 6)	0	0	0	0	0	0	0	0	0
8										
9	ACCOUNT 282 - OTHER PROPERTY									
10	Electric	4,826,318	288,556	113,182						4,981,692
11	Gas	4,965,733	381,678	496,175						4,831,236
12	Other	948,181	4,598	893,194						59,585
13										
14	TOTAL ACCOUNT 282 (Lines 10 thru 13)	10,740,232	634,832	1,502,551	0	0	0	0	0	9,872,513
15										
16	ACCOUNT 283 - OTHER									
17	Electric	270,745	26,197							296,942
18	Gas	(1,054,448)	1,208,474							154,026
19	Other - Water	19,923	(3,161)							16,762
20										
21	TOTAL ACCOUNT 283 - OTHER (Lines 17 thru 20)	(763,780)	1,231,510	0	0	0	0	0	0	467,730
22										
23	ELECTRIC									
24	Federal Income Tax	654,863	(290,068)							364,795
25	State Income Tax	77,083	30,003							107,086
26										
27	TOTAL ELECTRIC (Lines 24 thru 26)	731,946	(260,065)	0	0	0	0	0	0	471,881
28										
29	GAS									
30	Federal Income Tax	1,045,308	(420,175)							625,133
31	State Income Tax	168,308	(25,656)							140,652
32										
33	TOTAL GAS (Lines 30 thru 32)	1,211,616	(445,831)	0	0	0	0	0	0	765,785
34										
35	OTHER - WATER									
36	Federal Income Tax	(52,843)	138,460							85,617
37	State Income Tax	7,875	11,059							18,934
38										
39	TOTAL OTHER (Lines 36 thru 38)	(44,768)	149,519	0	0	0	0	0	0	104,751
40										
41	TOTAL (Total of lines 7, 14, 21 and Lines 27, 33, 39)	11,875,246	1,309,965	1,502,551	0	0	0	0	0	11,682,660
42										

NOTES

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 Acco 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)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1						
2	See Page 44					
3						
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41	TOTAL					

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account in total.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate 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.
4. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
5. Report gas service revenues and therms sold by rate schedule.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	FIRM SALES SERVICE		
3	480 Residential Sales	7,908,064	7,812,333
4	480.3 Commercial & Industrial Sales - Small	3,109,514	2,197,525
5	481 Commercial & Industrial Sales - Large	8,342,559	9,485,463
6	481		
7	481		
8	481		
9	INTERRUPTIBLE SALES SERVICE		
10	481 Commercial & Industrial Sales - Interruptible	1,341,804	1,203,062
11	481		
12	FIRM TRANSPORTATION SERVICE		
13	489	757,335	431,985
14	489		
15	489		
16	INTERRUPTIBLE TRANSPORTATION SERVICE		
17	489		
18	482 Other Sales to Public Authorities	512,725	524,360
19	484 Flex Rate - Refund		
20	TOTAL Sales to Ultimate Consumers	21,972,001	21,654,728
21	495 Unbilled Revenue	248,010	2,787
22	483 Sales for Resale	-	-
23	Off-System Sales	156,350	-
24	TOTAL Nat. Gas Service Revenues	22,376,361	21,657,515
25	TOTAL Gas Service Revenues	22,376,361	21,657,515
26	OTHER OPERATING REVENUES		
27	485 Intracompany Transfers	-	-
28	487 Forfeited Discounts	-	-
29	488 Misc. Service Revenues	225,436	204,299
30	489 Rev. from Trans. of Gas of Others (not included in above rate schedules)	-	-
31			
32	493 Rent from Gas Property	-	500
33	494 Interdepartmental Rents	-	-
34	495 Other Gas Revenues		
35	Initial Connection	-	-
36	Reconnect for Cause	-	-
37	Collection in lieu of disconnect	-	-
38	Return Checks	-	-
39	Other	1,431,358	14,267
40	495.1 Overrecoveries Purchased Gas	1,197,651	(1,109,170)
41	TOTAL Other Operating Revenues	2,854,445	(890,104)
42	TOTAL Gas Operating Revenues	25,230,806	20,767,411
43	(Less) 496 Provision for Rate Refunds	-	-
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	25,230,806	20,767,411
45	Sales for Resale	-	-
46	Other Sales to Public Authority	-	-
47	Interdepartmental Sales	-	-
48	TOTAL	25,230,806	20,767,411

GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

6. 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.

7. See page 9, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year	Number for Previous Year (g)	
				1
				2
9,020,020	8,391,390	31,123	31,026	3
6,218,740	4,111,340	1,932	1,512	4
20,348,370	20,941,340	1,076	1,409	5
				6
				7
				8
				9
4,324,180	3,795,340	13	13	10
				11
				12
20,828,260	19,719,750	2	1	13
				14
				15
				16
				17
1,178,200	1,110,500	193	176	18
				19
61,917,770	58,069,660	34,339	34,137	20
980,730	(209,350)			21
-	-			22
1,970,700	-	1	-	23
64,869,200	57,860,310	34,340	34,137	24
				25
				26
				27
				28
				29
				30
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				37
				38
				39
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				47
64,869,200	57,860,310			48

NOTES

RESIDENTIAL AND COMMERCIAL SPACE HEATING CUSTOMERS

A residential space heating customer is a customer whose major fuel for heating is gas.

Line No.	Item (a)	Residential (b)	Commercial (c)
1	Average Number of Space Heating Customers for the Year (Estimate if not known. Designate with an asterisk if estimated.)	16,836	1,610
2	For Space Heating Only, Estimated Average Therms (14.73 psia at 60 degrees F) Per Customer for the Year	180	400
3	Number of Space Heating Customers Added During the Year	48	47
4	Number of Unfilled Application for Space Heating at End of Year	NONE	NONE

INTERRUPTIBLE, OFF PEAK, AND FIRM SALES TO DISTRIBUTION SYSTEM INDUSTRIAL CUSTOMERS

- Report below the average number of interruptible, off peak, and firm industrial customers on local distribution systems of the respondent, and the Therms of gas sales to these customers for the year.
- Interruptible customers are those to whom service may be interrupted under terms of the customer's gas contract, or to whom service is required to be interrupted, regardless of the contractual arrangements in emergency periods,
- by law, ordinance, directive, or other requirement of government authority. State in a footnote the basis on which interruptible customers are reported.
- Off peak sales are seasonal and other sales which do not occur during wintertime demands.
- Report pressure base of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Item (a)	Number/Amount (b)
1	Interruptible Customers	
2	Average Number of Customers for the Year	13
3	Therms of Gas Sales for the Year	4,324,180
4	Off Peak Customers	
5	Average Number of Customers for the Year	
6	Therms of Gas Sales for the Year	
7	Firm Customers	
8	Average Number of Customers for the Year	
9	Therms of Gas Sales for the Year	
10	TOTAL Industrial Customers	
11	Average Number of Customers for the Year	13
12	Therms of Gas Sales for the Year	4,324,180

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GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production	-	-
3	B. TOTAL Natural Gas Prod. and Gathering (Enter Total of Accts. 750 - 769)	-	-
4	C. TOTAL Products Extraction (Enter Total of Accounts 770 through 791)	-	-
5	D. TOTAL Exploration and Development (Enter Total of Accts. 795 through 798)	-	-
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases	-	-
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	-	-
10	801 Natural Gas Field Line Purchases	6,800,144	6,446,292
11	802 Natural Gas Gasoline Plant Outlet Purchases	-	-
12	803 Natural Gas Transmission Line Purchases	-	-
13	804 Natural Gas City Gate Purchases	5,966,430	3,539,691
14	804.1 Liquefied Natural Gas Purchases	-	-
15	805 Other Gas Purchases	-	15,985
16	(Less) 805.1 Purchased Gas Cost Adjustments	-	-
17	TOTAL Purchased Gas (Enter Total of Lines 8 to 16)	12,766,574	10,001,968
18	806 Exchange Gas	-	-
19	Purchased Gas Expenses		
20	807.1 Well Expenses—Purchased Gas	-	-
21	807.2 Operation of Purchased Gas Measuring Stations	-	-
22	807.3 Maintenance of Purchased Gas Measuring Stations	-	-
23	807.4 Purchased Gas Calculations Expenses	-	-
24	807.5 Other Purchased Gas Expenses	31	-
25	TOTAL Purchased Gas Expenses (Enter Total of lines 20 through 24)	31	-
26	808.1 Gas Withdrawn from Storage—Debit	-	-
27	(Less) 808.2 Gas Delivered to Storage—Credit	-	-
28	809.1 Withdrawals of Liquefied Natural Gas for Processing—Debit	-	-
29	(Less) 809.2 Deliveries of Natural Gas for Processing—Credit	-	-
30	Gas Used in Utility Operations—Credit		
31	810 Gas Used for Compressor Station Fuel—Credit	-	-
32	811 Gas Used for Products Extraction—Credit	-	-
33	812 Gas Used for Other Utility Operations—Credit	-	-
34	TOTAL Gas Used in Utility Operations—Credit (Lines 31 through 33)	-	-
35	813 Other Gas Supply Expenses	71,228	61,059
36	TOTAL Other Gas Supp. Exp. (Total of Lines 17,18,25,26 through 29,34,35)	12,837,833	10,063,027
37	TOTAL Production Expenses (Enter Total of Lines 2,3,4,5 and 36)	12,837,833	10,063,027
38	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)	-	-
40	B. TOTAL Other Storage Expenses (Enter Total of Accounts 840 through 843.9)	-	-
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Enter Total of Accounts 844.1 through 847.8)	-	-
42	TOTAL Natural Gas Storage (Enter Total of lines 39, 40, and 41)	-	-
43	3. TRANSMISSION EXPENSES		
44	TOTAL Transmission Expenses (Enter Total of Accounts 850 through 867)	-	-
45			
46			

Dec. 31, 1995

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. DISTRIBUTION EXPENSES		
48	Operation		
49	870 Operation Supervision and Engineering	155,010	154,109
50	871 Distribution Load Dispatching	15,136	22,016
51	872 Compressor Station Labor and Expenses	-	45
52	873 Compressor Station Fuel and Power	3	4
53	874 Mains and Services Expenses	485,552	408,223
54	875 Measuring and Regulating Station Expenses—General	13	89
55	876 Measuring and Regulating Station Expenses—Industrial	6,718	684
56	877 Measuring and Regulating Station Expenses—City Gate Check Sta.	20,573	22,410
57	878 Meter and House Regulator Expenses	848,944	765,842
58	879 Customer Installations Expenses	172,813	183,794
59	880 Other Expenses	503,436	496,552
60	881 Rents	3,005	7,603
61	TOTAL Operation (Enter Total of lines 49 through 60)	2,211,203	2,061,371
62	Maintenance		
63	885 Maintenance Supervision and Engineering	48,826	40,746
64	886 Maintenance of Structures and Improvements	9,555	8,311
65	887 Maintenance of Mains	304,245	220,336
66	888 Maintenance of Compressor Station Equipment	-	-
67	889 Maintenance of Meas. and Reg. Sta. Equip.—General	2,970	3,810
68	890 Maintenance of Meas. and Reg. Sta. Equip.—Industrial	1,871	473
69	891 Maintenance of Meas. and Reg. Sta. Equip.—City Gate Check Sta.	26,851	12,365
70	892 Maintenance of Services	81,658	85,653
71	893 Maintenance of Meters and House Regulators	160,874	161,557
72	894 Maintenance of Other Equipment	1,084	323
73	TOTAL Maintenance (Enter Total of Lines 63 through 72)	637,934	533,574
74	TOTAL Distribution Expenses (Enter Total of Lines 61 and 73)	2,849,137	2,594,945
75	5. CUSTOMER ACCOUNTS EXPENSES		
76	Operation		
77	901 Supervision	38,139	61,153
78	902 Meter Reading Expenses	258,034	245,404
79	903 Customer Records and Collection Expenses	627,666	618,569
80	904 Uncollectible Accounts	30,952	15,980
81	905 Miscellaneous Customer Accounts Expenses	52,008	48,714
82	TOTAL Customer Accounts Expenses (Enter Total of Lines 77 through 81)	1,006,799	989,820
83	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
84	Operation		
85	907 Supervision	-	-
86	908 Customer Assistance Expenses	36	3,097
87	909 Informational and Instructional Expenses	-	-
88	910 Miscellaneous Customer Service and Informational Expenses	-	-
89	TOTAL Customer Service and Informational Expenses (Enter Total of Lines 85 through 88)	36	3,097
90	7. SALES EXPENSES		
91	Operation		
92	911 Supervision	77,553	119,149
93	912 Demonstrating and Selling Expenses	532,808	400,453
94	913 Advertising Expenses	60,567	43,037
95	916 Miscellaneous Sales Expenses	148,689	250,774
96	TOTAL Sales Expenses (Enter Total of lines 92 through 95)	819,617	813,413
97			

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. ADMINISTRATIVE AND GENERAL EXPENSES		
99	Operation		
100	920 Administrative and General Salaries	680,395	670,524
101	921 Office Supplies and Expenses	146,283	137,135
102	(Less) (922) Administrative Expenses Transferred-Cr.	-	-
103	923 Outside Services Employed	86,523	77,774
104	924 Property Insurance	33,559	20,260
105	925 Injuries and Damages	580,531	520,946
106	926 Employee Pensions and Benefits	467,350	345,620
107	927 Franchise Requirements	-	9,317
108	928 Regulatory Commission Expenses	50,231	14,439
109	(Less) (929) Duplicate Charges-Cr.	-	-
110	930.1 General Advertising Expenses	231	240
111	930.2 Miscellaneous General Expenses	65,782	71,811
112	931 Rents	6,158	5,755
113	TOTAL Operation (Enter Total of lines 100 through 112)	2,117,043	1,873,821
114	Maintenance		
115	935 Maintenance of General Plant	83,840	77,271
116	TOTAL Administrative and General Exp. (Total of lines 113 and 115)	2,200,883	1,951,092
117	TOTAL Gas O. and M. Exp. (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	19,714,305	16,415,394

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129			

NUMBER OF GAS DEPARTMENT EMPLOYEES

131

132 1. The data on number of employees should be reported for payroll period ending nearest to October 31,

133 or any payroll period ending 60 days before or after October 31.

134 2. If the respondent's payroll for the reporting period includes any special construction personnel,

135 include such employees on line 3, and show the number of such special construction employees in a footnote.

136 3. The number of employees assignable to the gas department from joint functions of combination utilities

137 may be determined by estimate, on the basis of employee equivalents. Show the estimated number of

138 equivalent employees attributed to the gas department from joint functions.

139		
140	1. Payroll Period Ended (Date)	12/7/95
141	2. Total Regular Full-Time Employees	226
142	3. Total Part-Time and Temporary Employees	2
143	4. Total Employees	228
144		
145		
146		
147		

Dec. 31, 1995

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)

1. Provide totals for the following accounts:

- 800 Natural Gas Well Head Purchases
- 800.1 Natural Gas Well Head Purchases,
Intracompany Transfers
- 801 Natural Gas Field Line Purchases
- 802 Natural Gas Gasoline Plant Outlet Purchases
- 803 Natural Gas Transmission Line Purchases
- 804 Natural Gas City Gate Purchases
- 804.1 Liquefied Natural Gas Purchases
- 805 Other Gas Purchases
- 805.1 Purchase Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.

2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.

3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).

4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased-Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases	22,847,160	1,954,515	8.555
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases	39,873,920	10,816,525	27.127
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases			
9	805.1 - Purchased Gas Cost Adjustments			
10	TOTAL (Enter Total of lines 1 through 9)	62,721,080	12,771,040	35.682

NOTES TO GAS PURCHASES

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas		Manufactured Gas	
				Amount of Credit (d)	Amount per Therm (In cents) (e)	Therms of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel - Cr.		-	-	-	-	-
2	811 Gas used for Products Extraction - Cr.		-	-	-	-	-
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.		-	-	-	-	-
4	Gas Shrinkage, Etc. for Respondent's Gas Processed by Others		-	-	-	-	-
5	812 Gas used for Other Util. Oprs - Cr. (Report separately for each principal uses. Group minor uses)						
6							
7	Heat, Hot Water, A/C	812	84,930	-	-	-	-
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL		84,930				

Dec. 31, 1995

OTHER GAS SUPPLY EXPENSES (Account 813)

Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.

Line No.	Description (a)	Amount (in dollars) (b)
1		
2	Natural Gas Procurement	71,228
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14	TOTAL	

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$18,575
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	-
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent	31,426
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)	
5		
6	Chamber of Commerce (4 items)	712
7	Directors Fees and Expenses (20 items)	4,228
8	Miscellaneous Expenses (44 items)	10,841
9		
10		
11		
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13		
14		
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16		
17		
18		
19	TOTAL	65,782

Dec. 31, 1995

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403,404.1,404.2,404.3,405)
(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification	Depreciation Expense (Account 403)	Amortization & Depletion of Prod. Nat. Gas Land & Land Rights (Account 404.1)	Amortization of Underground Storage Land & Land Rights (Account (404.2)	Amortization of Other Limited-term Gas Plant (Account 404.3)	Amortization of Other Gas Plant (Account 405)	Total (b to f) (g)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Intangible Plant	-	-	-	-	-	-
2	Production plant, manufactured gas	-	-	-	-	-	-
3	Production and gathering plant, nat. gas	-	-	-	-	-	-
4	Products extraction plant	-	-	-	-	-	-
5	Underground gas storage plant	-	-	-	-	-	-
6	Other storage plant	-	-	-	-	-	-
7	Base load LNG term. & proces. plant	-	-	-	-	-	-
8	Transmission Plant	-	-	-	-	-	-
9	Distribution Plant	1,254,123	-	-	-	-	1,254,123
10	General Plant	85,676	-	-	-	-	85,676
11	Common Plant-Gas						74,110
12	Environmental Clean Up	-	-	-	-	239,604	239,604
13							
14							
15							
16							
17							
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34							
35							
36							
37	TOTAL	\$1,339,799				239,604	1,653,513

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	6,915
5	426.12 Charitable Contributions: Outside Service Area	\$500
6	426.13 Civic and Social Club Dues	5,727
7	426.3 Penalties	161
8	426.4 Expenditures for Lobbying and Other Politically Related Activities	125
9	426.5 Other	
10	Chamber of Commerce	9,898
11	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	23,326
12		
13		
14	Account 430: Interest on Debt to Associated Company	
15	Accounts Payable at 4.844% (12 mo. avg. of the interest rates applied)	(\$124,530)
16		
17		
18	Account 431: Other Interest Expense	
19	431.1 Interest on Customer Deposits	177,617
20	431.2 Interest on Notes Payable	273,443
21	431.3 Interest on Miscellaneous	\$10,258
22	TOTAL OTHER INTEREST EXPENSE	461,318
23		
24		
25		
26		
27		

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	TOTAL Operation and Maintenance - Electric	1,539,013	133,447	1,672,460
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.	57,179		
6	Transmission	-		
7	Distribution	1,695,154		
8	Customer Accounts	660,766		
9	Customer Service and Informational	-		
10	Sales	607,614		
11	Administrative and General	194,197		
12	TOTAL Operation (Enter Total of lines 5 through 11)	3,214,910		
13	Maintenance			
14	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.	-		
15	Transmission	-		
16	Distribution	396,077		
17	Administrative and General	18,372		
18	TOTAL Maintenance (Enter Total of lines 14 through 17)	414,449		
19	Total Operation and Maintenance			
20	Production - Manufd. Gas & Nat. Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.	57,179		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Enter Total of lines 7 and 16)	2,091,231		
23	Customer Accounts (Transcribe from line 8)	660,766		
24	Customer Service and Informational (Transcribe from line 9)	-		
25	Sales (Transcribe from line 10)	607,614		
26	Administrative and General (Enter Total of lines 11 and 17)	212,569		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	3,629,359	358,952	3,988,311
28	Other Utility Departments			
29	Operation and Maintenance - Water	336,568	24,383	360,951
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	5,504,940	516,782	6,021,722
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant	716,497	-	716,497
34	Gas Plant	661,166	-	661,166
35	Other	105,676	-	105,676
36	TOTAL Construction (Enter Total of lines 33 through 35)	1,483,339	-	1,483,339
37	Plant Removal (By Utility Department)			
38	Electric Plant	84,013	-	84,013
39	Gas Plant	172,683	-	172,683
40	Other	97	-	97
41	TOTAL Plant Removal (Enter Total of lines 38 through 40)	256,793	-	256,793
42				
43	Other Accounts (Specify):			
44	Other Accounts Receivable/Employee	126,399	-	126,399
45	Temporary Facilities	14,457	-	14,457
46	Stores Expense	263,049	-	263,049
47	Clearing Accounts	118,351	-	118,351
48	Miscellaneous Deferred Debits	188,372	-	188,372
49	Merchandise and Jobbing	464,522	-	464,522
50	Taxes other Than Income Taxes-Electric/Gas/Water	(273,693)	-	(273,693)
51	Vacation Pay	(28,026)	-	(28,026)
52	Other Accounts Receivable	1,511,334	-	1,511,334
53	TOTAL Other Accounts	2,384,765	-	2,384,765
54	TOTAL SALARIES AND WAGES	9,629,837	516,782	10,146,619

REGULATORY COMMISSION EXPENSES (Account 928)

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. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

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 to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	Legal Fees and Miscellaneous Expenses				
2	Incurred by the Company in its Filings for				
3	Rate Relief on Docket Number 9330400-EI		27,802	27,802	22,344
4					
5	Legal Fees and Miscellaneous Expenses				
6	Incurred by the Company in its Filings for				
7	Rate Relief on Docket Number 940620-GU		112,807	112,807	51,895
8					
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38					
39					
40	TOTAL		140,609	140,609	74,239

REGULATORY COMMISSION EXPENSES (Account 928) (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

for Account 186.

5. List in column (f), (g) and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 34

6. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR		Deferred in Account 186 End of Year (l)	Line No.	
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)			Amount (k)
Department (f)	Account No. (g)	Amount (h)					
						1	
						2	
Electric		-	-	928	7,056	3	
						4	
						5	
						6	
Gas		-	60,912	928	18,800	7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
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						36	
						37	
						38	
						39	
		-	60,912		25,856	109,295	40

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain

Civic, Political and Related Activities.

(a) Name and address of person or organization rendering services,

(b) description of services received during year and project or case to which services relate,

(c) basis of charges,

(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

1	Description (a)	Amount (b)
2		
3	1. (a) Deloitte & Touche, 1645 Palm Beach Lakes Boulevard, West Palm Beach, Fl 33401	
4	(b) Miscellaneous Professional Services.	
5	(c) Based on services rendered.	
6	(d) Total charges for services and utility departments and accounts charged:	
7		
8		
9	923 Electric Department	6,755
10	923 Gas Department	8,587
11	923 Water Department	1,014
12	146 Flo-Gas Corporation	8,643
13	186 Common	-
14		<u>25,000</u>
15		
16		
17	2. (a) Stone and Webster Management Consultants, 250 West 34th Street at Seventh Avenue, New York, NY 10119	
18	(b) Subject to complete direction and control of the Board of Directors of the Company, Stone & Webster Management Consultants, Inc. furnish advisory and other services, including expert services and advice on matters incidental to operation, expansion of business and properties, customer relations, taxation and accounting, credit and financing, and personnel.	
19	(c) Cost: Minimum \$50,000 per annum.	
20	(d) Total charges for services utility departments and accounts charged:	
21		
22		
23		
24		
25		
26		
27		
28	923 Electric Department	12,222
29	923 Gas Department	15,537
30	923 Water Department	1,835
31	186 Electric Department	-
32	186 Gas Department	11,746
33	186 Flo-Gas Department	-
34	928 Electric	50,136
35		<u>91,475</u>
36		
37		

DELOITTE & TOUCHE ANALYSIS
For the Year Ended 1995

MONTH	ACCT #	AMOUNT
12/95	100.2420.3	25,000
	<u>TOTAL</u>	<u>25,000</u>
	Utility	Allocation %
	GAS	0.525
	ELECTRIC	0.413
	WATER	0.062
	FLO-GAS	
	COMMON	
	<u>TOTAL</u>	<u>25,000.00</u>

0.00	FOR ELECTRIC
0.00	FOR WATER
0.00	FOR GAS
0.00	FOR FLO-GAS
0.00	FOR COMMON
25,000.00	TOTAL

STONE & WEBSTER ANALYSIS
 1995

MONTH	ACCT NO.	AMOUNT
1/95	100.1840.9231	\$9,319.06
2/95	100.1840.9231	2,935.40
2/95	100.1860.1 Gas Rate Case	1,248.29
3/95	100.1840.9231	(145.89)
3/95	115.4010.9231 Fdna. Power Sup.Study	1,140.00
3/95	100.1860.1 Gas Depr. Study	3,185.00
4/95	100.1840.9231	(9,011.00)
4/95	100.1860.1 Gas Rate Case	7,303.78
4/95	115.1430.2 Fdna. Power Sup.Study	7,270.00
5/95	100.1840.9231	(5,313.00)
5/95	115.1430.2 Fdna. Franch. Renew.	9,480.00
6/95	100.1840.9231	(4,933.00)
6/95	115.1430.2 Fdna. Power Sup.Study	9,100.00
6/95	100.1860.1 Gas Rate Case	9.25
7/95	100.1840.9231	(4,580.75)
7/95	115.1430.2 Fdna. Power Sup.Study	11,572.50
8/95	100.1840.9231	6,383.15
8/95	115.1430.2 Fdna. Power Sup.Study	1,398.03
9/95	100.1840.9231	14,409.60
9/95	115.1430.2 Fdna. Power Sup.Study	560.00
10/95	100.1840.9231	10,589.10
10/95	115.1430.2 Fdna. Power Sup.Study	7,775.00
11/95	100.1840.9231	5,773.80
11/95	115.1430.2 Fdna. Power Sup.Study	720.14
12/95	100.1840.9231	4,167.00
10/94	115.1430.2 Fdna. Power Sup.Study	1,120.00
TOTALS		<u>91,475.46</u>
	100.1840.9231	29,593.47
	100.1860.1	11,746.32
	115.1430.2	48,995.67
	115.4010.9231	1,140.00
TOTALS		<u>91,475.46</u>
TOTALS	923 ELECTRIC	0.413 12,222.10
	923 GAS	0.525 15,536.57
	923 WATER	0.062 1,834.80
	186 ELECTRIC	0.00
	186 GAS	11,746.32
	186 WATER	0.00
	186 FLO-GAS	0.00
	928 ELECTRIC	<u>50,135.67</u>
		<u>91,475.46</u>

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

Company: **FLORIDA PUBLIC UTILITIES COMPANY**

For the Year Ended December 31, 1995

For the current year, reconcile the gross operating revenues as reported on Page 46 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) Description	(b) Gross Operating Revenues per Page 46	(c) Interstate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Intrastate Gross Operating Revenues per RAF Return	(f) Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	\$21,972,001		\$21,972,001	\$21,214,666	\$757,335
2	Sales for Resale (483)	404,360		\$404,360		404,360
3	Total Natural Gas Service Revenues	\$22,376,361		\$22,376,361	\$21,214,666	1,161,695
4	Total Other Operating Revenues (485-495)	\$2,854,445		\$2,854,445	\$4,016,140	(1,161,695)
5	Total Gas Operating Revenues	\$25,230,806		\$25,230,806	\$25,230,806	-
6	Provision for Rate Refunds (496)	-		-	-	
7	Other (Specify)	-		-		
8						
9						
10	Total Gross Operating Revenues	\$25,230,806		\$25,230,806	\$25,230,806	-

Notes:

Transportation and unbilled revenues were reported in other operating revenues on the Regulatory Assessment Fee Return. On page 46 of FERC 2, transportation was included in Total Sales to Ultimate Customers and unbilled revenues were reported as Sales for Resale.

CORPORATE STRUCTURE

Company: FLORIDA PUBLIC UTILITIES COMPANY
For the Year Ended December 31, 1995

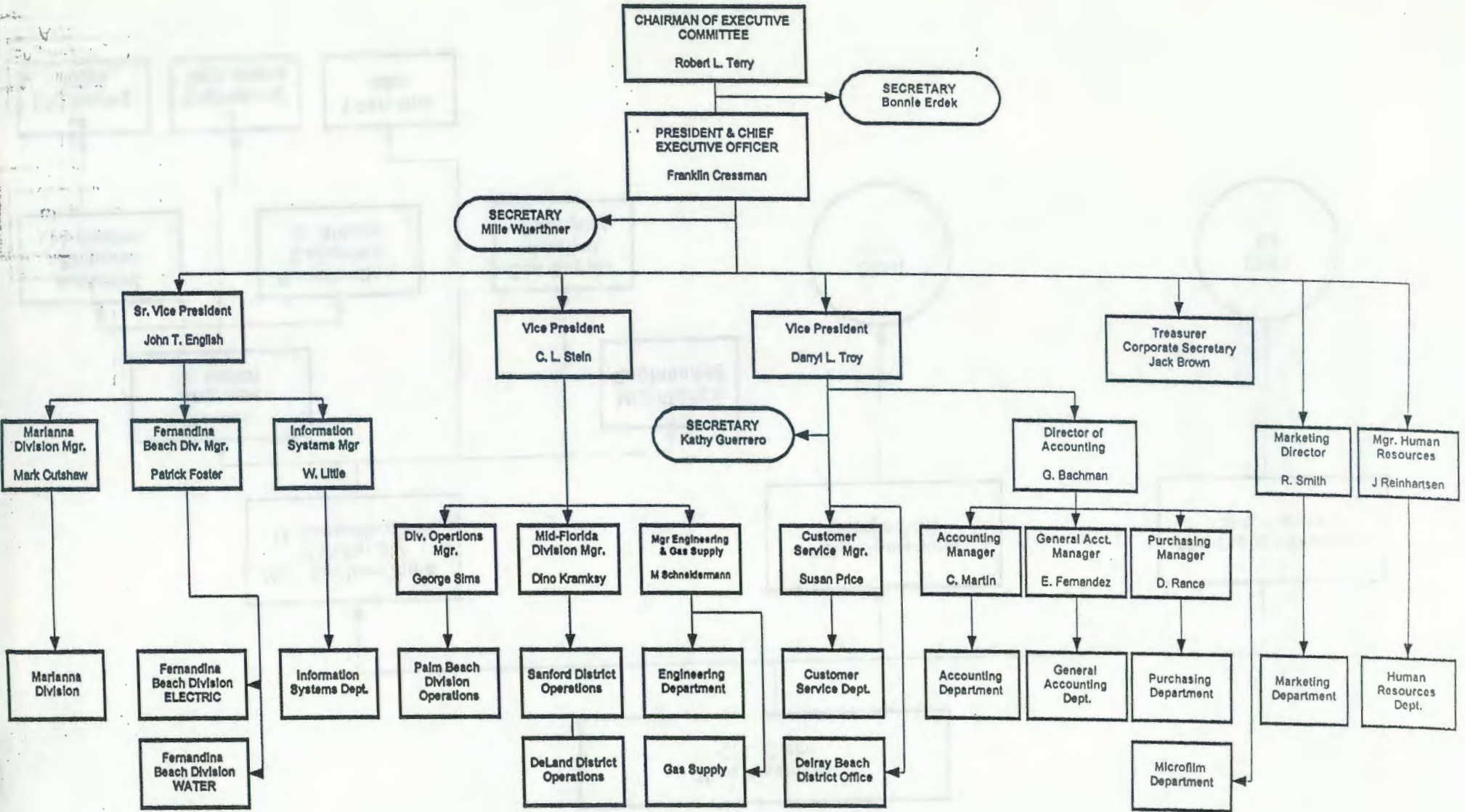
Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective
Date

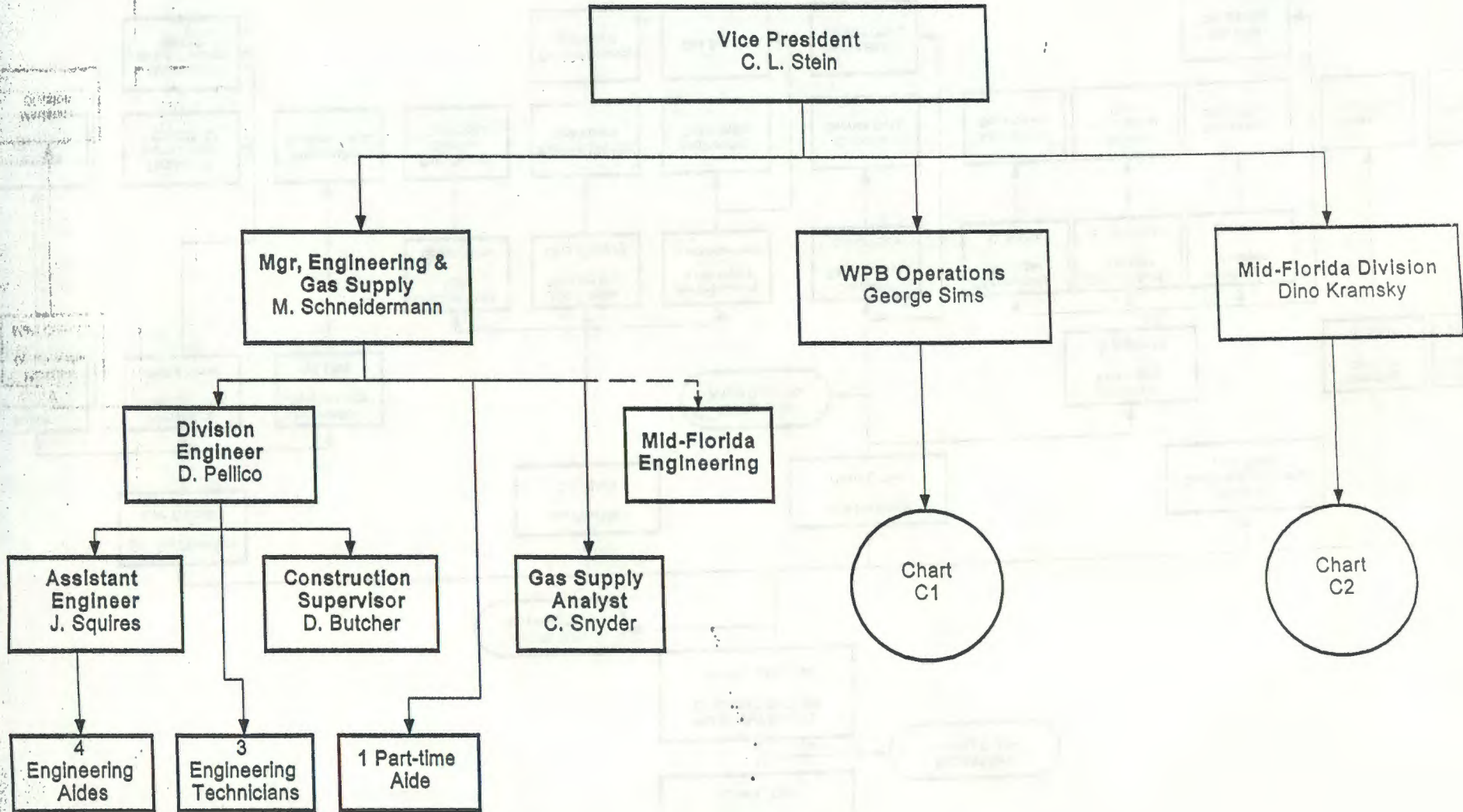
We have enclosed copies of our updated Organizational Charts for Florida Public Utilities Company.

Flo-Gas Corporation does not have any employees.

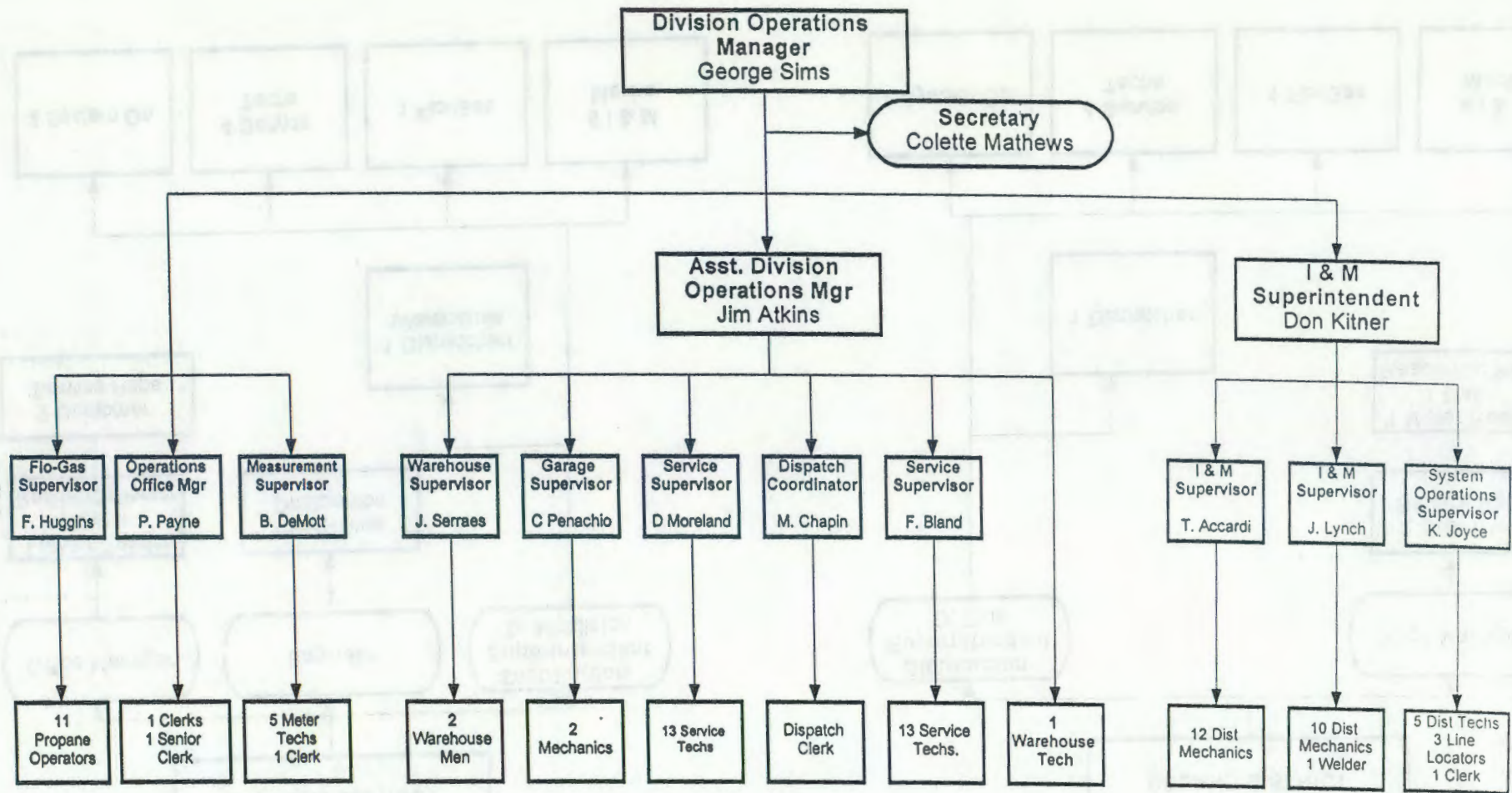
FLORIDA PUBLIC UTILITIES COMPANY
Organizational Chart
Chart A



FLORIDA PUBLIC UTILITIES COMPANY
Gas Operations Organizational Chart
Chart B

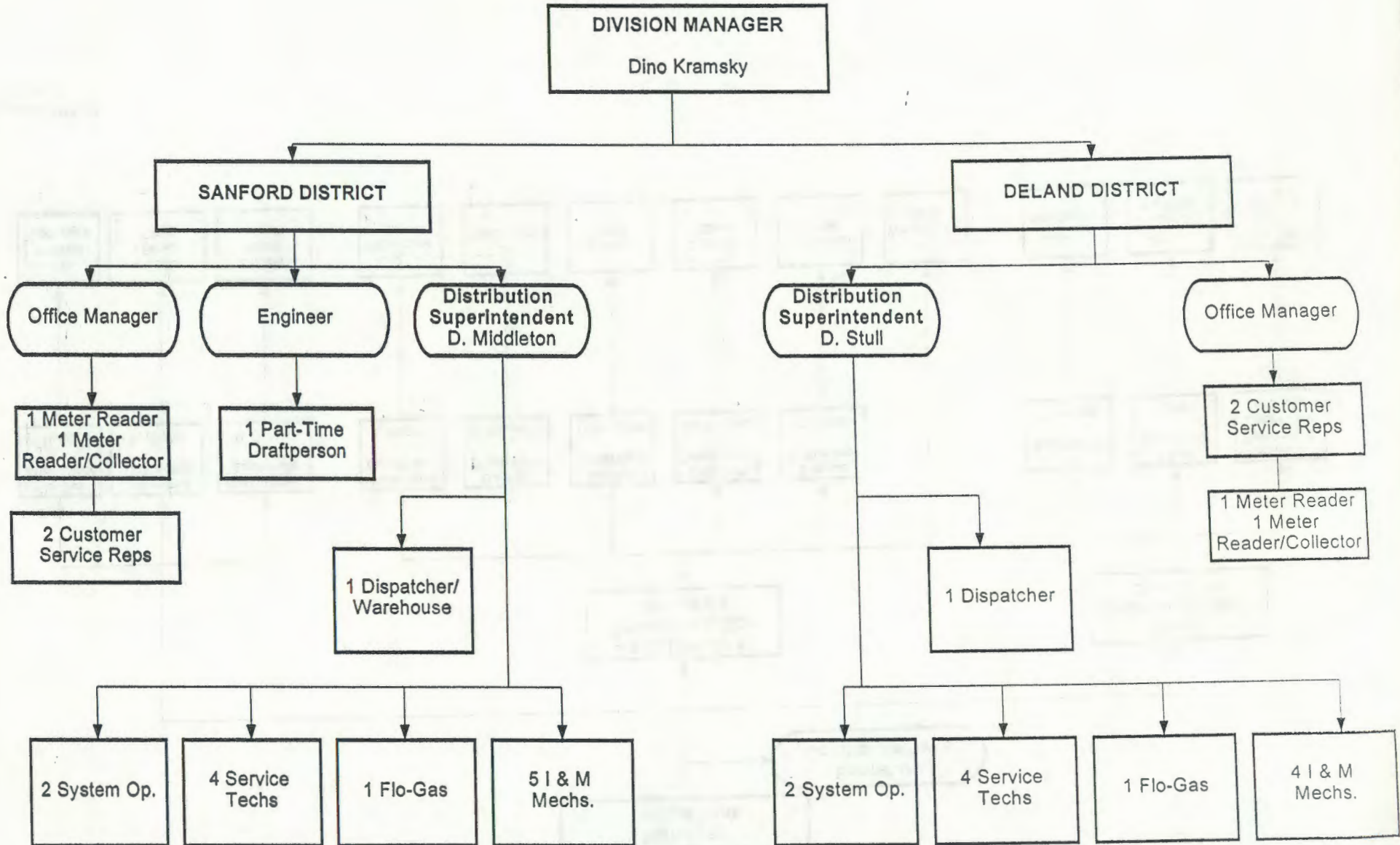


FLORIDA PUBLIC UTILITIES COMPANY
 West Palm Beach Gas Operations Organizational Chart
 Chart C1

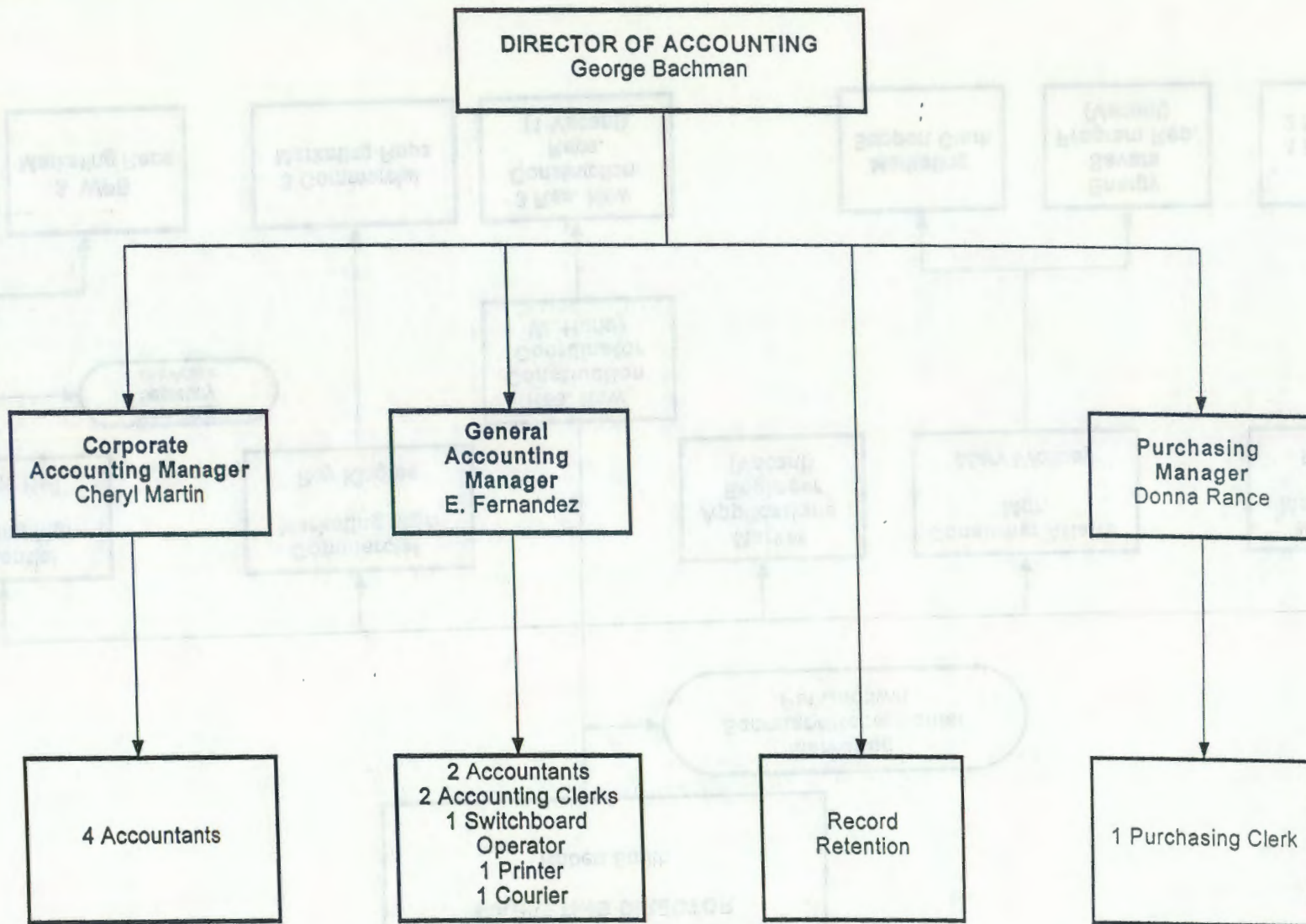


Revised 3/15/96

FLORIDA PUBLIC UTILITIES COMPANY
 Mid-Florida Division Organizational Chart
 Chart C2

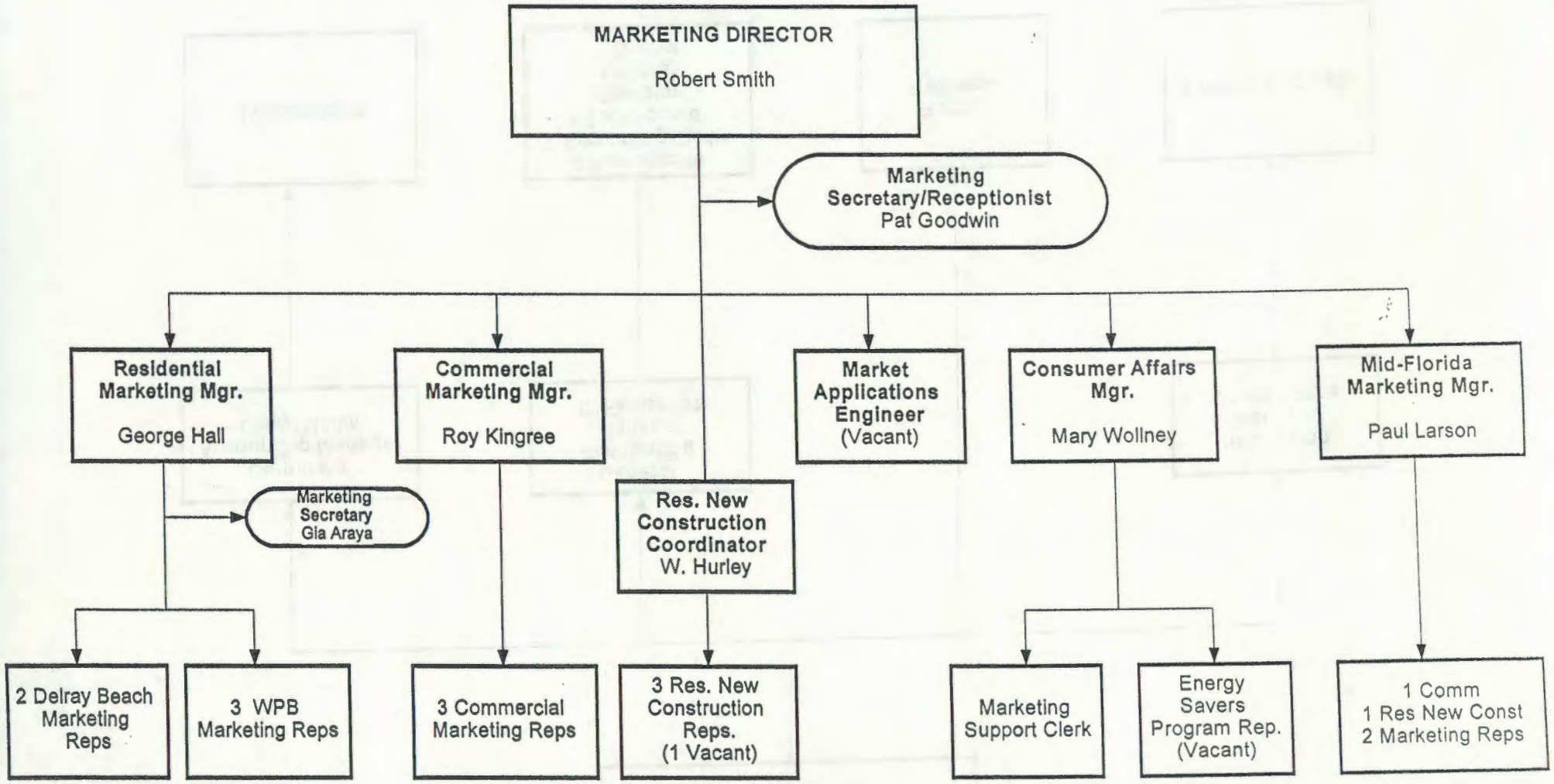


FLORIDA PUBLIC UTILITIES COMPANY
General Office Organizational Chart
Chart D



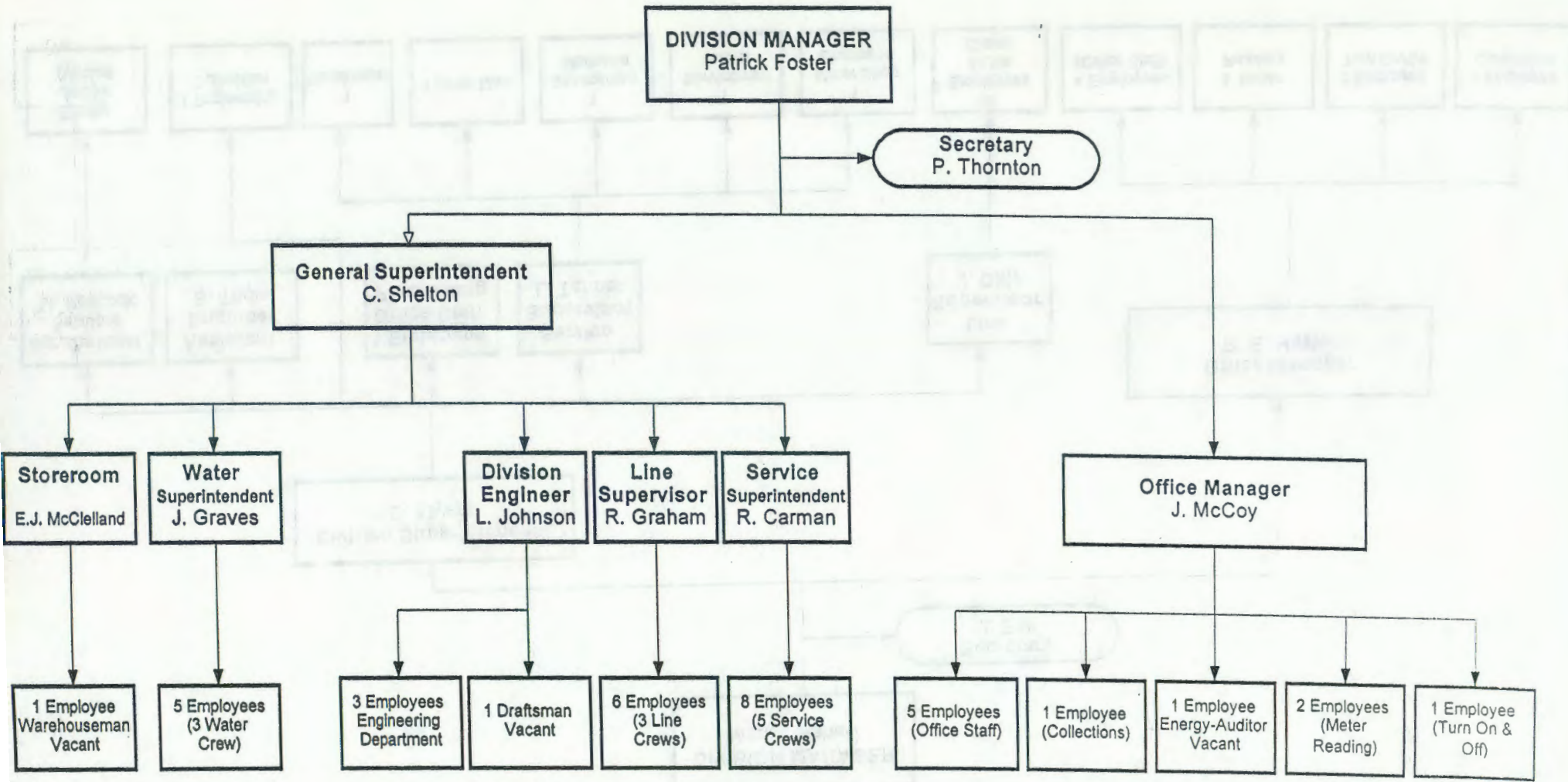
Revised 3/15/96

FLORIDA PUBLIC UTILITIES COMPANY
Marketing Department Organizational Chart
Chart E



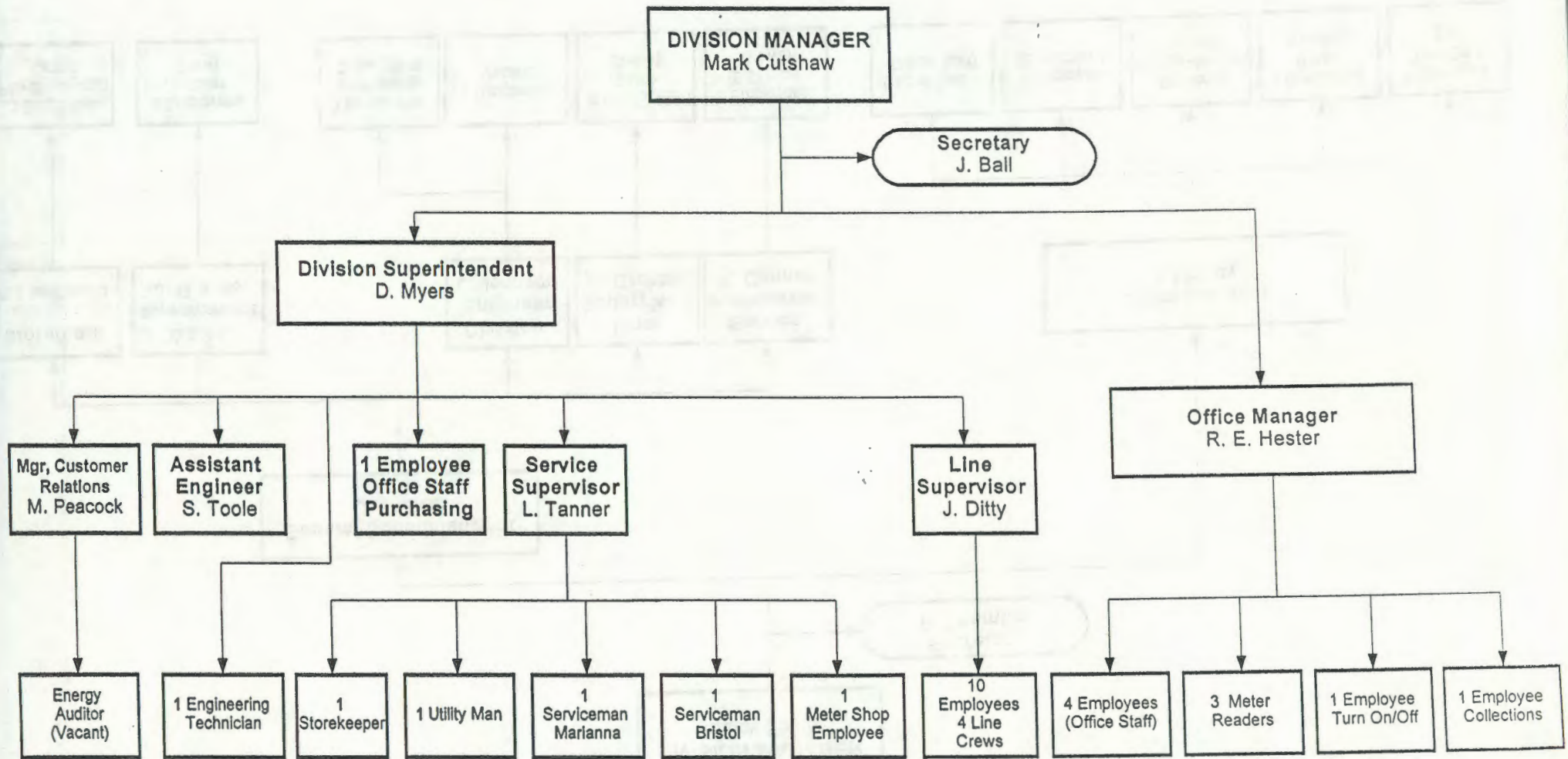
Revised 3/15/96

FLORIDA PUBLIC UTILITIES COMPANY
 Organizational Chart for Fernandina Beach Division
 Chart F

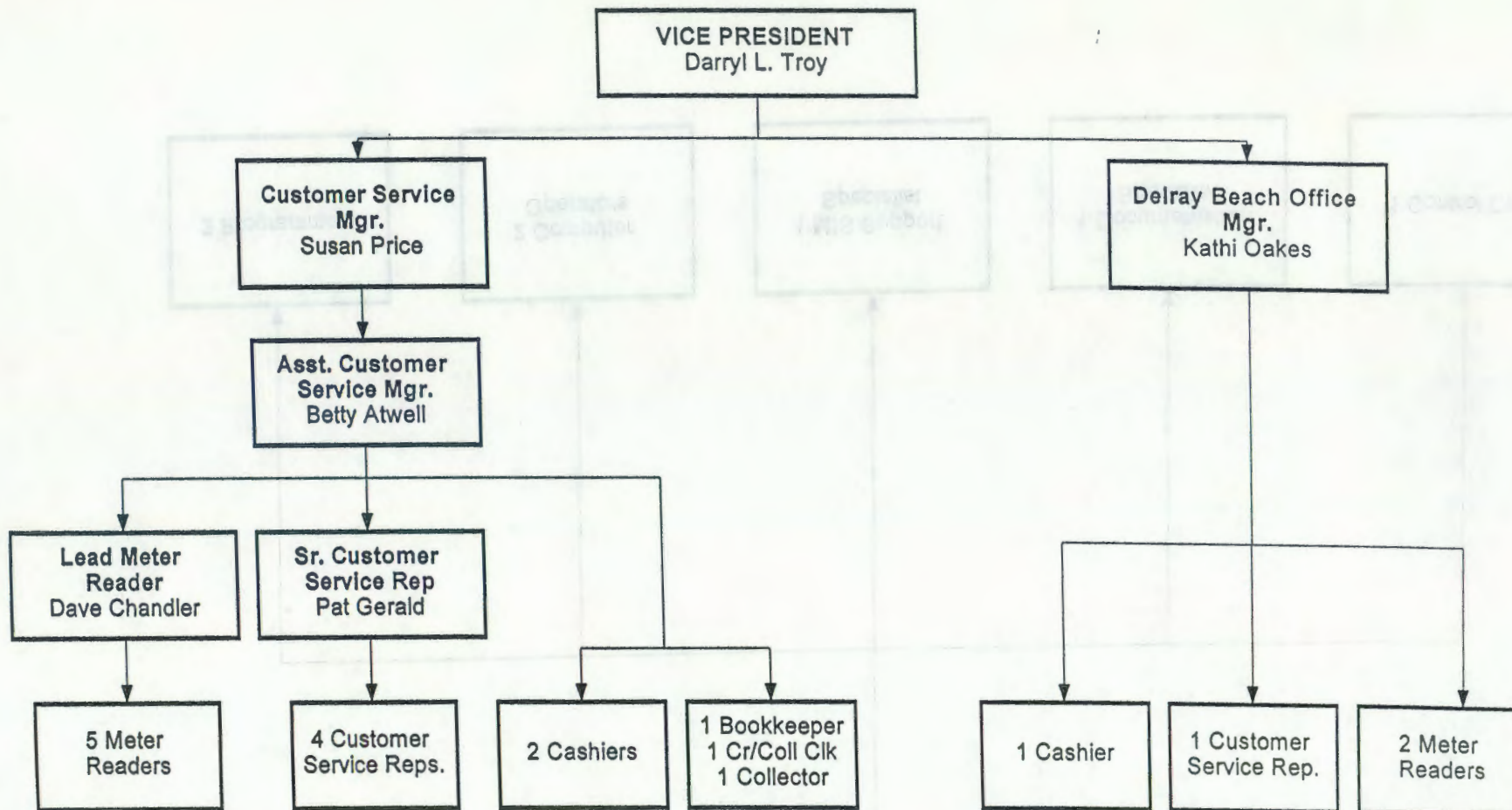


Revised 3/15/96

FLORIDA PUBLIC UTILITIES COMPANY
 Organizational Chart for Marianna Division
 Chart G

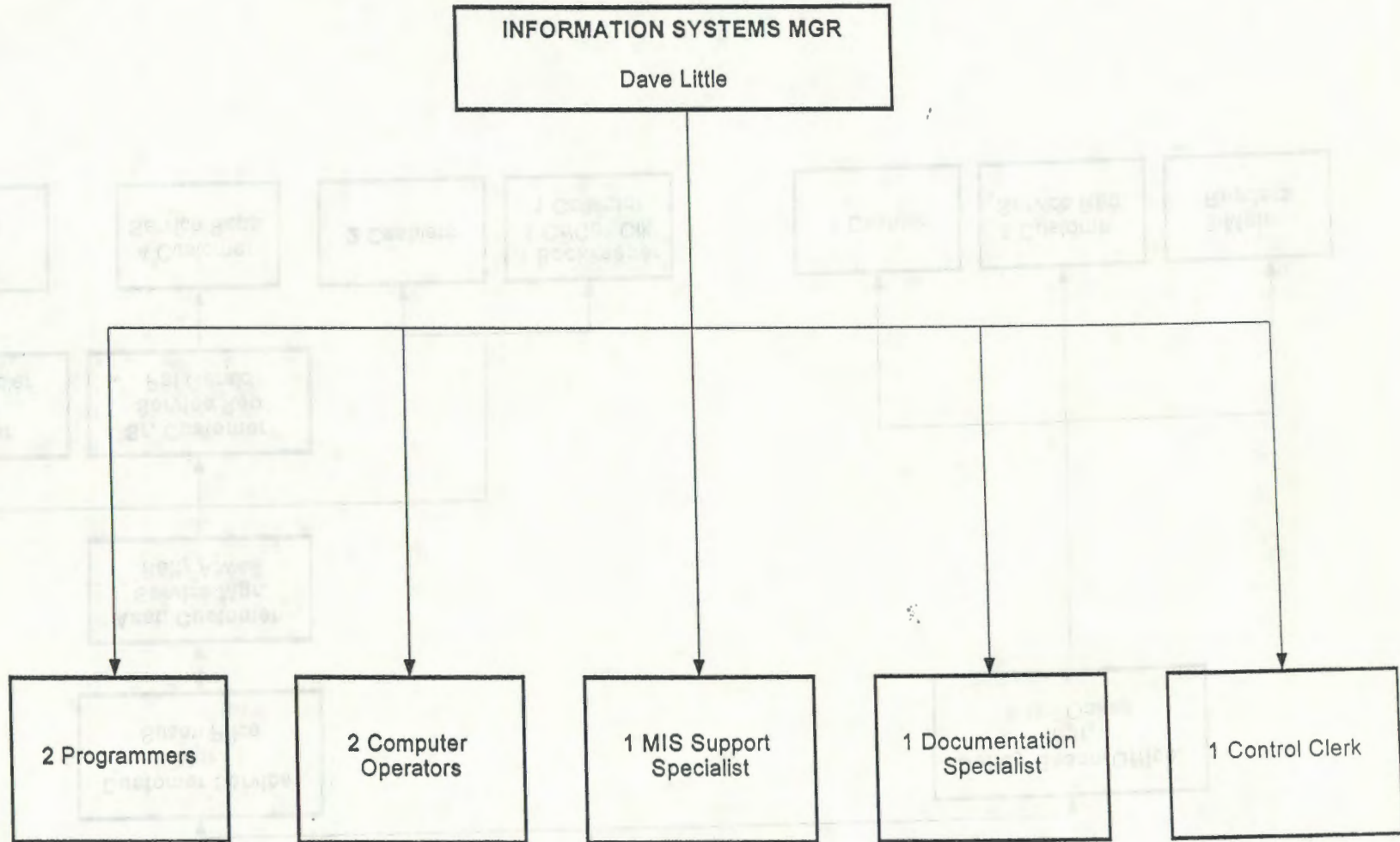


FLORIDA PUBLIC UTILITIES COMPANY
 Customer Service Organizational Chart
 Chart H



Revised 3/15/96

FLORIDA PUBLIC UTILITIES COMPANY
Management Information Systems (MIS) Organizational Chart
Chart I



Revised 3/15/96

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 1995

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

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Company: **FLORIDA PUBLIC UTILITIES COMPANY**

For the Year Ended December 31, 1995

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
<i>Flo-Gas Corporation</i>	<i>Federal Income Taxes Payment by Florida Public Utilities Company for Flo-Gas Corporation. Taxes paid in April 1995. Non-recurring.</i>	26,935
<i>Flo-Gas Corporation</i>	<i>Payroll Payment by Florida Public Utilities Company for Flo-Gas Corporation. Recurring.</i>	1,537,672
<i>Flo-Gas Corporation</i>	<i>Cash Receipts - Recurring.</i>	(4,177,637)

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Company: **FLORIDA PUBLIC UTILITIES COMPANY**

For the Year Ended December 31, 1995

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)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
SEE ATTACHED SCHEDULES					

ANALYSIS OF DIVERSIFICATION ACTIVITY REPORT

Currently, we have been providing details of material intercompany transactions on a quarterly basis. 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 this 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 in 1990.
- 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 thru 3)

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
INCOME STATEMENT
12 MONTHS ENDING 12/31/95

	Year - To - Date Actual	Last Year - To - Date Actual
Operating Revenues	\$4,135,581	\$4,046,390
Operation Expenses	3,280,645	3,235,415
Maintenance Expenses	254,770	253,786
Depreciation Expense	334,203	326,292
Amortization of Utility Plant - Acquisition Adjustment	-	-
Tax Other Than Income Tax-Utility Operation Expense	54,450	51,459
Income Tax - Federal - Utility Operating Income	(204,296)	(176,640)
Income Tax - State - Utility Operating Income	(28,316)	(59,383)
Deferred Income Tax - Utility Operating Income	265,480	269,966
Investment Tax Credit - Utility Operating Income	(8,624)	(8,974)
Operating Income	187,269	154,469
 Other Income and Deductions		
Interest and Dividend Income	-	-
Misc. Non-Operating Income	-	-
Other Income Deductions	-	-
Taxes Other Than Income - Other	-	-
Income Taxes - Federal - Other Income	-	-
Income Taxes - State - Other Income	-	-
Other (Income) and Deductions	-	-
 Interest Charges		
Interest on Debt to Associated Companies	124,530	81,061
Other Interest Expense	16,662	17,208
Interest Charges	141,192	98,269
 Extraordinary Items		
Cumulative Effect - Change in Accounting Principles - Net	-	-
Net Income	\$46,077	\$56,200

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT

Page 2

FLO-GAS
BALANCE SHEET - 09
AS OF DECEMBER 31, 1995

<u>Assets and Other Debits</u>	<u>Current</u>	<u>Last Year End</u>
<i>Utility Plant</i>		
Utility Plant in Service	\$6,997,090	\$6,830,908
Utility Plant Purchased/Sold	-	-
Completed Construction Not Classified	-	-
Construction Work in Progress	-	-
Utility Plant	<u>6,997,090</u>	<u>6,830,908</u>
<i>Accumulated Depreciation</i>		
Accumulated Dep. - Utility Plant in Service	(2,020,483)	(1,865,797)
Accumulated Dep. - Transportation Equip.	(355,124)	(325,544)
Retirement Work in Progress	-	-
Accumulated Dep. - Rental Equipment	-	-
Accumulated Depreciation	<u>(2,375,607)</u>	<u>(2,191,341)</u>
<i>Other Utility Plant</i>		
Utility Plant Acquisition Adj.	-	-
Accum. Amort. - Utility Acq. Adj.	-	-
Other Utility Plant	<u>-</u>	<u>-</u>
<i>Other Property and Investments</i>		
Investment in Assoc. Companies - Common Stock	201,251	231,012
Other Property and Investments	<u>201,251</u>	<u>231,012</u>
<i>Current and Accrued Assets</i>		
Customer Accounts Receivable	415,568	312,599
Allowance for Uncollectible Accounts	(13,587)	(17,252)
Accounts Rec. from Associated Companies	-	-
Operating Supplies - Propane	748,817	717,042
Prepayments - Taxes	-	-
Interest and Dividends Receivable	-	-
Accrued Utility Revenues	93,797	93,797
Current and Accrued Assets	<u>1,244,595</u>	<u>1,106,186</u>
<i>Deferred Debits</i>		
Misc. Deferred Debits - Other W.I.P.	-	-
Misc. Deferred Debits - Miscellaneous	6,644	12,661
Accum. Deferred Income Taxes	359,823	801,195
Deferred Debits	<u>366,467</u>	<u>813,856</u>
ASSETS AND OTHER DEBITS	<u>\$6,433,796</u>	<u>\$6,790,621</u>

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT

Page 3

FLO-GAS
BALANCE SHEET - 09
AS OF DECEMBER 31, 1995

<i>Liabilities and Other Credits</i>	<u>Current</u>	<u>Last Year End</u>
<i>Proprietary Capital</i>		
Common Stock Issued	\$10,000	\$10,000
Appropriated Retained Earnings	-	-
Unappropriated Retained Earnings	2,340,898	2,784,698
Proprietary Capital	<u>2,350,898</u>	<u>2,794,698</u>
<i>Current and Accrued Liabilities</i>		
Accounts Payable to Assoc. Companies	2,053,418	2,074,070
Customer Deposits	506,583	499,400
Taxes Accrued	(501,139)	(292,634)
Interest Accrued	14,970	14,953
Dividends Declared	-	(500,000)
Tax Collections Payable	32,623	29,052
Misc. Current and Accrued Liabilities	-	-
Customer Advances for Construction	-	-
Other Deferred Credits	-	-
Accumulated Deferred I.T.C.	55,515	64,139
Current and Accrued Liabilities	<u>2,161,970</u>	<u>1,888,980</u>
<i>Operating Reserves</i>		
Misc. Operating Reserves	-	-
Accum. Deferred Income Tax - Liberalized Depreciation	1,874,851	2,050,743
Accum. Deferred Income Taxes - Other	-	-
Operating Reserves	<u>1,874,851</u>	<u>2,050,743</u>
Year-to-Date Income/Loss	<u>46,077</u>	<u>56,200</u>
LIABILITIES AND OTHER CREDITS	<u>\$6,433,796</u>	<u>\$6,790,621</u>

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

Company: **FLORIDA PUBLIC UTILITIES COMPANY**

For the Year Ended December 31, 1995

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:		\$	\$	\$	\$	\$	
Total			NONE			\$	
Sales to Affiliates:		\$	\$	\$	\$	Sales Price	
Total						\$	

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**FLORIDA PUBLIC UTILITIES COMPANY
MARKETING PROGRAMS
1995 Annual Report**

PROGRAM	1995 HISTORICAL EXPENSES	1995 (1) ESTIMATED REVENUES	1996 PROJECTED EXPENSES	1996 (2) PROJECTED REVENUES
Energy Savers Program (ESP)	\$24,401	\$166,004	\$85,000	\$77,352
Residential Energy Efficiency Program (REEP)	\$ 1,882	\$12,711	\$ 1,500	\$53,976
Residential Energy Audit Program (REAP)	(3)	(3)	(3)	(3)
Home Owners Maximized Energy Savings (HOMES)	(4)	(4)	\$ 8,800	\$20,241
Business Energy Efficiency Plan (BEEP)	(4)	(4)	\$ 900	\$74,160
Appliance Conservation and Education (ACE) Program	(4)	(4)	\$28,100	\$13,740
Utility Service and Information Program (USIP)	\$ 87 (4)	\$ 568 (4)	\$ 9,100	Not applicable (5)

Consumer Affairs Service (CAS)	\$ 1,531.40 (4)	\$10,434	\$ 4,500	Not applicable (5)
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Notes:

- (1) As stated during discussions with FPSC staff, the funds appropriated to these programs are for advertising. Collectively, each of the programs have impact on revenue generation. The 1995 revenue calculations for each campaign are based in proportion to the total advertising dollars spent for all new marketing programs and excludes 20% of the revenues generated as a result of weather sensitivity.
- (2) The 1996 projected revenues have been calculated using estimated customer growth and therms.
- (3) This program and the associated advertising campaign has been eliminated for lack of compliance to the criteria for energy audits as stated in Section 25-17.003 in the Rules of the Florida Public Service Commission. The funds assigned to this program will be transferred to REEP.
- (4) These programs and the associated advertising campaigns were not completely implemented during 1995 due to the long-term illness of the Marketing Director (who was unable to fulfil his responsibilities from August 1995 to mid-January 1996). These programs are in progress in 1996.
- (5) These two programs are customer information and education programs which assist in customer retention.