

CLASS "A"
WATER and/or SEWER UTILITIES
(Gross Revenue of \$750,000 and Over)

ANNUAL REPORT
OF

WU077 45
Mr. Frank Cressman
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, FL 33402-3395

001-W
Certificate Number(s)



OFFICIAL COPY
DIVISION OF
WATER AND SEWER
Do Not Remove from this file

FOR THE
YEAR ENDED DECEMBER 31, 19 97

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities.
2. Interpret all accounting words and phrases in accordance with the USOA.
3. 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.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedule requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by typewriter or computer.
8. If there is not enough room on any schedule, an additional page or pages may be added, provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0950

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** Not applicable

**EXECUTIVE
SUMMARY**

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(Signature of Chief Executive Officer of the utility)

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(Signature of Chief Financial Officer of the utility)

Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE:

Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 1997

FLORIDA PUBLIC UTILITIES COMPANY
(Exact Name of Utility)

County: Palm Beach

List below the exact mailing address of the utility for which normal correspondence should be sent:

401 South Dixie Highway
P.O. Box 3395
West Palm Beach, FL 33402

Telephone: (561) 832-2461

Name and address of person to whom correspondence concerning this report should be addressed:

Cheryl Martin, Corporate Accounting Manager
Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401
Telephone: (561) 838-1725

List below the address of where the utility's books and records are located:

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

Telephone: (561) 832-2461

List below any groups auditing or reviewing the records and operations:

Deloitte & Touche; Florida Public Service Commission

Date of original organization of the utility: March 6, 1924

Check the appropriate business entity of the utility as filed with the Internal Revenue Service

Individual Partnership
 Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Essex & Company (1)	10.5%
2.	Robert L. Terry	5.7%
3.	Atlee M. Kohl (2)	6.8%
4.	Chesapeake Utilities Corporation	7.3%
5.		
6.		
7.		
8.		
9.		
10.		

- (1) Robert L. Terry, a Director of the Corporation, is Co-Trustee for trust accounts established under the wills of his parents and shares voting and dispositive powers for this stock.
(2) Atlee M. Kohl is deemed to be the beneficial owner and shares voting and dispositive powers for 38,100 shares, 30,000 shares, 30,000 shares, and 3,000 shares owned by Woodland Investment Company, Nicole Kohl Gift Trust, Woodland Investment Trust and the Atlee Kohl Family Foundation, respectively.

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

<p>YEAR OF REPORT December 31, 1997</p>

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1) & (2)	TITLE OR POSITION	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Frank C. Cressman	Chief Executive Officer	Gas, Electric & Water, Operations	Engineering, Rates, Rules, & Regulations
John T. English	President	Gas, Electric & Water, Operations	Engineering, Rates, Rules, & Regulations
C. Stein	Senior Vice President	Gas Operations	Engineering, Rates, Rules & Regulations
Darryl L. Troy	Vice President	Electric, Gas & Water Operations	Open Dockets, Accounting, Rules & Regulations
Jack Brown	Treasurer	Electric, Gas & Water Operations	Financial Items, Rules & Regulations
P. Mark Cutshaw	Division Manager	Marianna Electric Operations	Conservation, Rates, & Engineering
Patrick M. Foster	Division Manager	Fernandina Beach Electric & Water Operatons	Rates & Engineering
Michael Peacock	Director of Customer Relations	Electric Operations	Conservation
George Bachman	Director of Accounting	Electric, Gas & Water Operations	Taxes, Fuel Adjs., PGA, and Accounting
Cheryl Martin	Corporate Accounting Manager	Electric, Gas & Water Operations	Taxes, Fuel Adjs., PGA, and Accounting
Wayne Schiefelbein (850) 385-9996	Attorney	Gatlin, Schiefelbein & Cowdery	Rate Cases
Kenneth Hoffman (850) 681-6788	Attorney	Rutledge, Ecenia, Underwood, Purnell & Hoffman	Fuel Adjs., PGA, and Conservation

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

A. Brief Company History

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

The purchase of the property of the Gas Service Company of Key West was made on October 5, 1927, and sold on May 10, 1938. On May 1, 1929, the company acquired Pensacola Gas Company, but sold these properties to Gulf Power on May 28, 1934. Southern States Power Company (Marianna and Fernandina Beach, Florida) was purchased July 1, 1935. The acquisitions of Sanford Gas Company and Florida Home Gas Company of DeLand occurred on January 1, 1965 and June 1, 1967, respectively. Water property in Marianna was sold June 1, 1976 to the North Florida Water Company.

B. Operating Territory

Four areas of Florida are served by Florida Public Utilities Company. The West Palm Beach division serves 33,500 customers within eastern Palm Beach County. The Sanford division, located in the heart of central Florida, serves 5,900 customers in Seminole County. Serving 6,100 customers, the DeLand division lies in western Volusia County.

The Marianna division, located in the panhandle of Florida, serves 11,800 customers in portions of Jackson, Calhoun, and Liberty Counties. The Fernandina Beach division, which serves Amelia Island on the upper east coast of Florida, furnishes electricity and water service to 12,100 and 6,100 customers, respectively.

C. Major Goals and Objectives

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

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

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

D. Major Operating Divisions and Functions

Florida Public Utilities operate out of four divisions and is headquartered in West Palm Beach. Natural and bottled gas are provided by the West Palm Beach, Sanford, and DeLand divisions. These three divisions also serve customers in offering gas appliance sales and repairs.

Electricity is supplied by the divisions in Marianna and Fernandina Beach.

Fernandina Beach is also the sole location providing water service.

E. Current and Projected Growth Patterns (Customer Growth)

Operations	Past 3 Years	3 Year Projection
Marianna - Electric	1% Annual	2% Annual
Fernandina Beach - Electric	3% Annual	3% Annual
Fernandina Beach - Water	4% Annual	3% Annual
Gas Operations	1% Annual	2% Annual

F. Major Transactions Having a Material Effect on Operations:

None

UTILITY NAME:

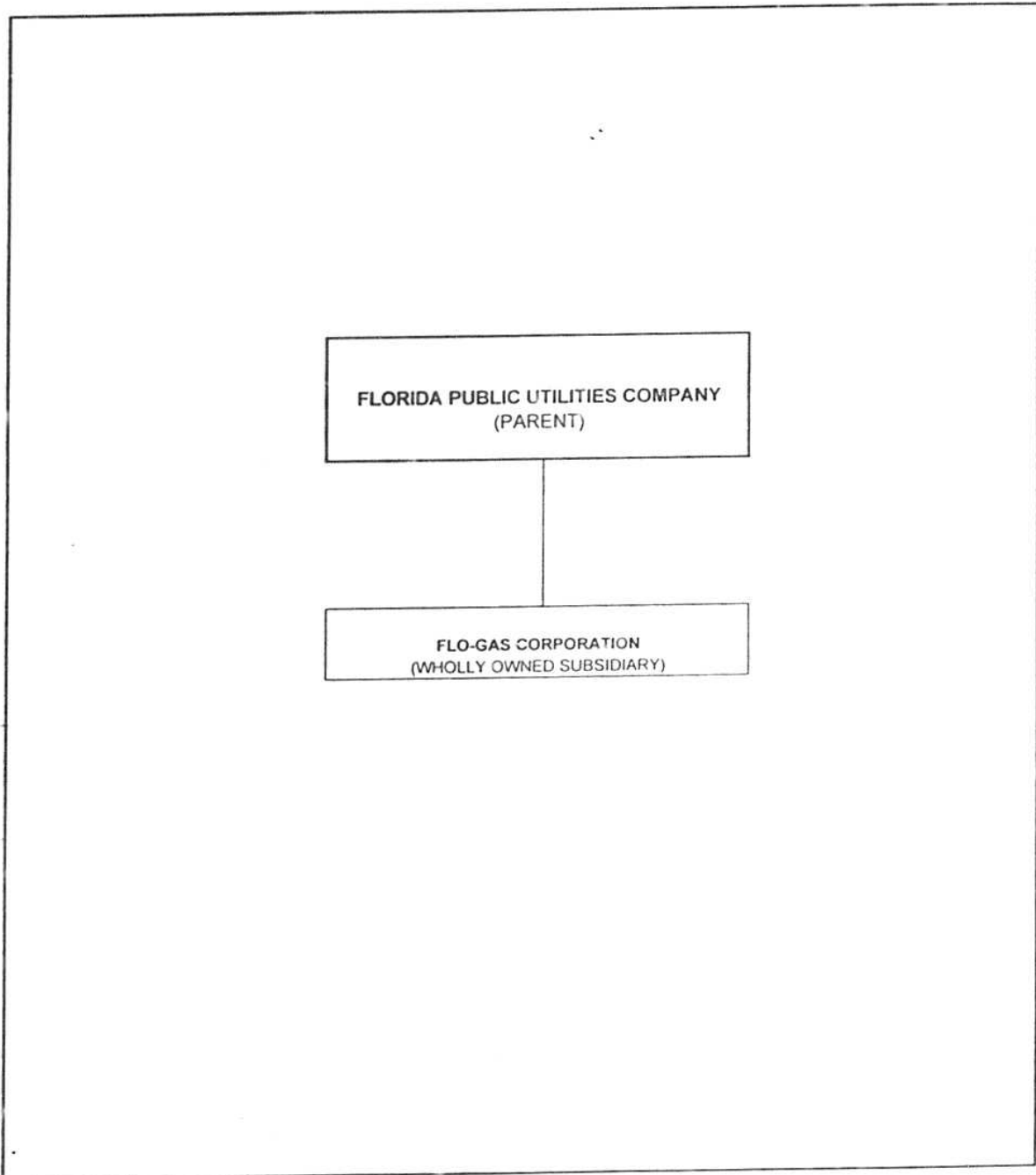
FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

PARENT/AFFILIATE ORGANIZATION CHART

Current as of December 31, 1997

Complete below an organizational chart that show all parents and subsidiaries of the utility.
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS COMPENSATION (d)
R. L. Terry	Chairman, Executive Committee	4.0%	\$ 3,000
F. C. Cressman	Chief Executive Officer	4.0%	6,121
J. R. Brown	Treasurer & Secretary	4.0%	3,902
J. T. English	President	14.0%	14,976
D. L. Troy	Vice President	4.0%	3,280
C. L. Stein	Senior Vice President	1.0%	975
W. D. Little	Assistant Secretary & Assistant Treasurer	4.5%	2,883
G. M. Bachman	Assistant Treasurer	4.5%	2,816

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
R. L. Terry	Chairman of Executive Committee	4	\$ -
F. C. Cressman	Chief Executive Officer	4	-
J. T. English	President	4	-
E. J. Carr, Jr.	Director	4	356
Daniel Downey	Director	4	237
G. O. Jerauld	Director	4	221
R. C. Hitchins	Director	4	221

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None			

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
None			

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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BUSINESSES WHICH ARE A BY PRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR WASTEWATER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and/or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
NONE	\$ -		\$ -		\$ -	

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.

2. Below are some types of transactions to include:

-management, legal and accounting services

-computer services

-engineering & construction services

-repairing and servicing of equipment

-material and supplies furnished

-leasing of structures, land, and equipment

-rental transactions

-sale, purchase or transfer of various products

	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT (e)
Flo-Gas Corporation (Subsidiary)	None	None		\$ -

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

- | | |
|--|--|
| <p>1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> -purchase, sale or transfer of equipment -purchase, sale or transfer of land and structures -purchase, sale or transfer of securities -noncash transfers of assets -noncash dividends other than stock dividends -write-off of bad debts or loans | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item reported. (column (c) - column(d)). (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|--|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCH PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
Flo-Gas Corporation	None	\$ -	\$ -	\$ -	\$ -

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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**COMPOSITE STATISTICS FOR ALL PRIVATELY OWNED
WATER AND WASTEWATER UTILITIES UNDER AGENCY JURISDICTION**

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)
PLANT (Intrastate Only) (000's Omitted):		
Plant in Service (includes Common Plant Allocation) _____	\$ 9,950	\$ Not Applicable
Construction Work In Progress _____	538	-
Plant Acquisition Adjustment _____	-	-
Plant Held For Future Use _____	-	-
Materials and Supplies _____	117	-
Less:		
Accumulated Depreciation and Accumulated Amortization _____	2,472	-
Contributions In Aid of Construction and Customer Advances _____	3,076	-
Net Book Cost _____	<u>\$ 5,057</u>	<u>\$</u>
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _____	\$ 1,911	\$ -
Depreciation and Amortization Expense _____	\$ 216	\$ -
Income Tax Expense _____	98	-
Taxes Other Than Income _____	293	-
Other Operation Expenses _____	934	-
Total Operating Expenses _____	<u>\$ 1,541</u>	<u>\$</u>
Net Operating Income _____	<u>\$ 370</u>	<u>\$ -</u>
Other Income _____	\$ -	\$ -
Other Income Deductions _____	-	-
Net Income _____	<u>\$ 370</u>	<u>\$</u>
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	5,386	-
Commercial - Yearly Average _____	454	-
Industrial - Yearly Average _____	3	-
Others - Yearly Average _____	124	-
Total _____	<u>5,967</u>	<u>-</u>
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _____	129	-
Average Annual Residential Cost Per 1,000 Gallons _____	\$ 2	\$ -
Average Residential Monthly Bill _____	\$ 20	\$ -
Gross Plant Investment Per Customer _____	\$ 2	\$ -

**FINANCIAL
SECTION**

**WATER OPERATION
SECTION**

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-106	Utility Plant (Includes 107 & 118) _____	F-5	\$ 107,896,660	\$ 102,164,745
108-110	Less: Accumulated Depreciation and Amortization (Includes 119) _____	F-6	36,983,853	34,295,158
	Net Plant _____		\$ 70,912,807	\$ 67,869,587
114-115	Utility Plant Acquisition adjustment (Net) _____	F-5	(12,039)	(12,995)
116	Other Utility Plant Adj. _____		-	-
	Total Net Utility Plant _____		\$ 70,900,768	\$ 67,856,592
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7	\$ 20,171	\$ 70,546
122	Less: Accumulated Depreciation and Amortization _____		-	12,880
	Net Nonutility Property _____		\$ 20,171	\$ 83,426
123	Investment In Associated Companies _____	F-8	1,766,258	1,795,733
124	Utility Investments _____	F-8	-	-
125	Other Investments _____	F-8	10	10
126-127	Special Funds _____	F-8	-	-
	Total Other Property & Investments _____		\$ 1,786,439	\$ 1,879,169
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		\$ 113,453	\$ (155,754)
132	Special Deposits _____	F-7	-	-
133	Other Special Deposits _____	F-7	3,023,557	2,880,714
134	Working Funds _____		9,800	9,800
135	Temporary Cash Investments _____		-	-
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts _____	F-9	6,142,387	6,307,604
145	Accounts Receivable from Associated Companies _____	F-10	1,884,866	2,208,075
146	Notes Receivable from Associated Comp _____	F-10	-	-
151-153	Materials and Supplies _____	F-11	1,688,963	1,516,758
161	Stores Expense _____		-	-
162	Prepayments _____	F-11	1,476,164	1,153,443
171	Accrued Interest and Dividends Receivable _____		-	-
172	Rents Receivable _____		-	-
173	Accrued Utility Revenues _____		1,035,116	889,767
174	Misc. Current and Accrued Assets _____		-	-
	Total Current and Accrued Assets _____		\$ 15,374,306	\$ 14,810,407

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-12	\$ 661,388	\$ 698,909
182	Extraordinary Property Losses	F-12	-	-
183	Preliminary Survey & Investigation Charges		-	-
184	Clearing Accounts		-	-
185	Temporary Facilities		(6,988)	(7,139)
186	Misc. Deferred Debits	F-11	943,654	2,094,410
187	Research & Development Expenditures		-	-
190	Accumulated Deferred Income Taxes		2,462,092	2,735,706
	Total Deferred Debits		\$ 4,060,146	\$ 5,521,886
	TOTAL ASSETS AND OTHER DEBITS		\$ 92,121,659	\$ 90,068,054
	<small>*Includes Acct. 189</small>			

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued _____	F-14	\$ 2,392,028	\$ 2,378,717
204	Preferred Stock Issued _____	F-14	600,000	600,000
202,205	Capital Stock Subscribed _____		-	-
03, 206	Capital Stock Liability for Conversion _____		-	-
207	Premium on Capital Stock _____		10,647,345	10,475,395
209	Reduction in par or stated value of Capital Stock _____		-	-
210	Gain on Resale or Cancellation of Reacquired Capital Stock _____		-	-
211	Other Paid - In Capital _____		1,014,212	946,112
212	Discount On Capital Stock _____		-	-
213	Capital Stock Expense _____		(428,441)	(428,441)
214-215	Retained Earnings _____	F-15	14,532,065	13,150,712
216	Reacquired Capital Stock _____		(1,968,084)	(2,011,327)
218	Proprietary Capital (Proprietorship and Partnership Only) _____		-	-
	Total Equity Capital _____		\$ 26,789,125	\$ 25,111,168
LONG TERM DEBT				
221	Bonds _____	F-16	23,500,000	23,500,000
222	Reacquired Bond _____		-	-
223	Advances from Associated Companies _____	F-16	-	-
224	Other Long Term Debt _____	F-14	-	-
	Total Long Term Debt _____		\$ 23,500,000	\$ 23,500,000
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable _____		5,595,529	6,220,551
2 2	Notes Payable _____	F-13	7,600,000	7,900,000
233	Accounts Payable to Associated Companies _____	F-13	-	-
234	Notes Payable to Associated Companies _____	F-13	-	-
235	Customer Deposits _____		3,291,597	3,127,421
236	Accrued Taxes _____	F-17	250,646	(232,367)
237	Accrued Interest _____	F-18	499,724	560,057
238	Accrued Dividends _____		453,697	449,219
239	Matured Long Term Debt _____		-	-
240	Matured Interest _____		-	-
241	Miscellaneous Current & Accrued Liabilities _____	F-19	1,461,012	1,295,865
	Total Current & Accrued Liabilities _____		\$ 19,152,205	\$ 19,320,746

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt _____	F-12	\$ -	\$ -
252	Advances For Construction _____	F-19	1,269,442	982,243
253	Other Deferred Credits _____		5,850,115	4,973,379
255	Accumulated Deferred Investment Tax Credits _____		1,302,937	1,414,578
	Total Deferred Credits _____		\$ 8,422,494	\$ 7,370,200
OPERATING RESERVES				
261	Property Insurance Reserve _____		\$ 1,859,565	\$ 1,438,626
262	Injuries & Damages Reserve _____		848,691	711,654
263	Pensions and Benefits Reserve _____		-	-
265	Miscellaneous Operating Reserves _____		(19,830)	174,948
	Total Operating Reserves _____		\$ 2,688,426	\$ 2,325,228
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction _____	F-20	\$ 3,140,432	\$ 2,943,761
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	428,206	348,025
	Total Net C.I.A.C. _____		\$ 2,712,226	\$ 2,595,736
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$ -	\$ -
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____		8,427,329	8,899,337
283	Accumulated Deferred Income Taxes - Other _____		429,854	945,639
	Total Accumulated Deferred Income Tax _____		\$ 8,857,183	\$ 9,844,976
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 92,121,659	\$ 90,068,054

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 74,409,370	F-3(b)	\$ 74,068,347
401	Operating Expenses (Includes Acct. 402) _____	\$ 58,518,700	F-3(b)	\$ 57,841,836
403	Depreciation Expense _____	3,293,145	F-6 - F-21	3,446,628
405	Amortization - Other Gas Plant _____	239,604		239,604
406	Amortization Expense _____ Acquisition Adjustment	(956)		(956)
408.1	Taxes Other Than Income _____	5,472,688	F-17 **	5,719,575
409.1	Income Taxes _____	821,720	F-17	1,924,806
410.10	Deferred Federal Income Taxes _____	636,369		(430,209)
410.11	Deferred State Income Taxes _____	66,968		(10,530)
411.10	Provision for Deferred Income Taxes - Credit _____			
412.10	Investment Tax Credits Deferred to Future Periods _____			
412.11	Investment Tax Credits Restored to Operating Income _____	(112,009)		(111,641)
	Utility Operating Expenses _____	\$ 68,936,229		\$ 68,619,113
	Utility Operating Income _____	\$ 5,473,141		\$ 5,449,234
413	Income From Utility Plant Leased to others _____			
414	Gains (losses) From Disposition of Utility Property _____			
	Total Utility Operating Income [Enter here and on Page F-3(c)] _____	\$ 5,473,141		\$ 5,449,234

* Includes Accruals charged to Acct. 272.

** Includes Franchise tax of \$ 1,958,969

F-3(a)

COMPARATIVE OPERATING STATEMENT (Cont'd)

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	WASTEWATER (i)	OTHER (j)
W-3	\$ <u>1,911,048</u>	S-3	\$ <u>Not Applicable</u>	\$ <u>72,157,299</u>
W-2	\$ <u>934,096</u>	S-2	\$ <u>-</u>	\$ <u>56,907,740</u>
F-6	<u>216,056</u>	F-6	<u>-</u>	<u>3,230,572</u>
	<u>-</u>		<u>-</u>	<u>239,604</u>
	<u>-</u>		<u>-</u>	<u>(956)</u>
F-17	* <u>292,569</u>	F-17	<u>-</u>	<u>5,427,006</u>
F-17	<u>59,857</u>	F-17	<u>-</u>	<u>1,864,949</u>
	<u>38,168</u>		<u>-</u>	<u>(468,377)</u>
	<u>6,820</u>		<u>-</u>	<u>(17,350)</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>(6,937)</u>		<u>-</u>	<u>(104,704)</u>
	\$ <u>1,540,629</u>		\$ <u>-</u>	\$ <u>67,078,484</u>
	\$ <u>370,419</u>		\$ <u>-</u>	\$ <u>5,078,815</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	\$ <u>370,419</u>		\$ <u>-</u>	\$ <u>5,078,815</u>

* Includes Franchise Taxes of \$ 87,916

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [from page F-3(a)]	\$ 5,473,141		\$ 5,449,234
	OTHER INCOME AND DEDUCTIONS			
	Equity in Earnings of Subsidiary	\$ 58,262		\$ (72,717)
415	Revenues-Merchandising, Jobbing, and Contract Deductions	1,759,868		1,614,882
416	Costs & Expenses of Merchandising Jobbing, and Contract Work	(1,810,938)		(1,536,344)
419	Interest and Dividend Income	30,800		29,478
420	Allowance for Funds Used During Construction	4,888		17,636
421	Nonutility Income	200		827,774
426	Miscellaneous Nonutility Expenses	(20,823)		(34,367)
	Total Other Income and Deductions	\$ 22,257		\$ 846,342
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$ -	F-17	\$ -
409.20	Income Taxes	(13,710)	F-17	350,852
410.20	Provision for Deferred Income Taxes	-		-
411.20	Provision for Deferred Income Taxes - Credit	-		-
412.20	Investment Tax Credits - Net	-		-
412.30	Investment Tax Credits Restored to Operating Income	-		-
	Total Taxes Applicable To Other Income	\$ (13,710)		\$ 350,852
	INTEREST EXPENSE			
430-432	Other	\$ 479,141		\$ 476,359
427	Interest Expense	2,235,050	F-18	2,235,050
428	Amortization of Debt Discount & Expense	43,827	F-12	42,957
429	Amortization of Premium on Debt	-	F-12	-
	Total Interest Expense	\$ 2,758,018		\$ 2,754,366
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$ -		\$ -
434	Extraordinary Deductions	-		-
409.30	Income Taxes, Extraordinary Items	-		-
	Total Extraordinary Items	\$ -		\$ -
	NET INCOME	\$ 2,751,090		\$ 3,190,358

*Includes (\$5,434) of amortization of ST Debt Credit Line expenses.

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service (Incl. 106 & 118) _____ Less:	F-5	\$ 9,949,632	\$ Not Applicable
	Nonused and Useful Plant (1) _____		-	-
108	Accumulated Depreciation (Incl. Acct. 119) _____	F-6	2,471,583	-
110	Accumulated Amortization _____	F-6	-	-
271	Contributions In Aid of Construction _____	F-20	3,140,432	-
252	Advances for Construction _____	F-19	363,543	-
	Subtotal _____		\$ 3,974,074	\$ -
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	428,206	-
	Subtotal _____		\$ 4,402,280	\$ -
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5	-	-
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5	-	-
	Working Capital Allowance (3) _____		40,716	-
	Other (Specify): _____ _____ _____		- - -	- - -
	RATE BASE _____		\$ 4,442,996	\$ -
	UTILITY OPERATING INCOME _____		\$ 370,419	\$ -
	ACHIEVED RATE OF RETURN _____		8.34%	-

NOTES :

- (1) Estimate if not Known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using the Balance Sheet Method, beginning-year end average.

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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UTILITY PLANT (ACCTS. 101-106)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts:				
102	Utility Plant In Service ___	\$ 9,949,632 *	\$ Not Applicable	\$ 95,793,631	\$ 105,743,263
102	Utility Plant Leased to Others_____	-	-	-	-
103	Property Held for Future Use_____	-	-	-	-
104	Utility Plant Purchased or Sold_____	-	-	-	-
105	Construction Work in Progress_____	537,913	-	1,615,484	2,153,397
106	Completed Construction Not Classified_____	-	-	-	-
	Total Utility Plant_____	\$ 10,487,545	\$ _____	\$ 97,409,115	\$ 107,896,660

* Includes Account 118

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition approved by the Commission, include the Order Number.

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACQUISITION ADJUSTMENTS (114):				
Marianna	\$ -	\$ -	\$ 3,691	\$ 3,691
West Palm Beach	-	-	(29,523)	(29,523)
Sanford	-	-	102,833	102,833
Deland	-	-	230,090	230,090
Total Plant Acquisition Adjs. _____	\$ _____	\$ _____	\$ 307,091	\$ 307,091
ACCUMULATED AMORTIZATION (115):				
Marianna	\$ -	\$ -	\$ 3,691	\$ 3,691
West Palm Beach	-	-	(17,484)	(17,484)
Sanford	-	-	102,833	102,833
Deland	-	-	230,090	230,090
Total Accumulated Amortization ___	\$ -	\$ -	\$ 319,130	\$ 319,130
Net Acquisition Adjustments _____	\$ -	\$ -	\$ (12,039)	\$ (12,039)

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year _____	\$ 2,206,021	\$ Not Applicable	\$ 32,089,137	\$ 34,295,158
Credit during year:				
Accruals charged to:				
Account 108.1 _____	\$ -	\$ -	\$ -	\$ -
Account 108.2 _____	-	-	-	-
Account 108.3 _____	288,019	-	3,122,995	3,411,014
Other Accounts (specify):				
Acct. 119 - Common _____	8,218	-	107,577	115,795
Transportation Clearing _____	-	-	376,240	376,240
Salvage _____	-	-	65,275	65,275
Other Credits (Specify):				
Transfers _____	-	-	42,125	42,125
Allocation % Adjustments _____	(8,275)	-	44,531	36,256
Total credits _____	\$ 287,962	\$ -	\$ 3,758,743	\$ 4,046,705
Debits during year:				
Book cost of plant retired _____	1,550	-	869,562	871,112
Cost of Removal _____	20,850	-	425,706	446,556
Other Debits (specify):				
Transfers _____	-	-	40,342	40,342
Total Debits _____	\$ 22,400	\$ -	\$ 1,335,610	\$ 1,358,010
Balance end of year _____	\$ 2,471,583	\$ -	\$ 34,512,270	\$ 36,983,853

* Includes common depreciation allocated to subsidiary company of \$16,067

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year _____	\$ Not Applicable	\$ _____	\$ _____	\$ _____
Credit during year:				
Accruals charged to:				
Account 110.1 _____	\$ _____	\$ _____	\$ _____	\$ _____
Account 110.2 _____	_____	_____	_____	_____
Other Accounts (specify):				
_____	_____	_____	_____	_____
Total credits _____	\$ _____	\$ _____	\$ _____	\$ _____
Debits during year:				
Book cost of plant retired _____	_____	_____	_____	_____
Other debits (specify):				
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance end of year _____	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

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NONUTILITY PROPERTY (ACCT. 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121. Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINING YEAR BALANCE (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
Land in Jackson County, FL	\$ 70,346	\$ -	\$ 50,375	\$ 19,971
Other	200	-	-	200
Total Nonutility Property	\$ 70,546	\$ -	\$ 50,375	\$ 20,171

SPECIAL DEPOSITS (ACCT. 132 - 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (ACCT. 132):	
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total Special Deposits	\$ _____
OTHER SPECIAL DEPOSITS (ACCT. 133):	
<u>Insurance Proceeds - Environmental Clean-up (Account 134)</u>	\$ 3,023,557
_____	_____
_____	_____
Total Special Deposits	\$ 3,023,557

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

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INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123-127)

Report hereunder all investments and special funds carried in Accounts 123 thru 127.		
DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123):		
1,000 Shares	\$ 10	\$ 10,000
Retained Earnings		1,872,520
Treasury Stock		(116,262)
Total Investment in Associated Companies -----	\$ 10	\$ 1,766,258
UTILITY INVESTMENTS (ACCT. 124):		
	\$	\$
Total Utility Investment -----	\$	\$
OTHER INVESTMENTS (ACCT. 125):		
10 Shares	\$ 1	\$ 10
Total Other Investment -----	\$ 1	\$ 10
SPECIAL FUNDS (ACCT. 126 & 127):		
		\$
Total Special Funds -----		\$

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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December 31, 1997

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCTS. 141 - 144)

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.		
DESCRIPTION (a)		TOTAL (b)
ACCOUNTS RECEIVABLE:		
Customer Accounts Receivable (Acct. 141):		
• Water (Includes Fernandina Beach Electric)_____	\$ 1,712,342	
Wastewater _____	0	
Other _____	4,513,939	
Total Customer Accounts Receivable_____		\$ 6,226,281
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Employee and Miscellaneous_____	\$ (21,664)	

Total Other Accounts Receivable_____		\$ (21,664)
NOTES RECEIVABLE (Acct. 144):		
_____	\$ _____	

Total Notes Receivable_____		\$ 0
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143)		
_____	\$ 83,053	
Add: Provision for uncollectibles for current year_____	\$ 148,648	
Collection of accounts previously written off_____	0	
Utility Accounts_____	31,568	
Others_____	662	
_____	\$ 263,931	
Deduct accounts written off during year:		
Utility Accounts_____	191,912	
Others_____	9,789	
_____	\$ 201,701	
_____		\$ 62,230
Total Accounts and Notes Receivable - Net_____		\$ 6,142,387

* Water A/R can not be shown separately. We keep accounts receivable data by division. Fernandina Beach is a site for both electric and water operations.

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
FLO- GAS CORP.	\$ 1,884,866
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ <u>1,884,866</u>

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
_____	_____	\$ -
_____	_____	-
_____	_____	-
_____	_____	-
_____	_____	-
_____	_____	-
_____	_____	-
_____	_____	-
_____	_____	-
Total _____	_____	\$ _____

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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MATERIALS AND SUPPLIES (Accts. 151 - 153)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Plant Material and Supplies (Acct. 151) _____	\$ <u>117,478</u>	\$ _____	\$ <u>1,321,304</u>	\$ <u>1,438,782</u>
Merchandise (Acct. 152) _____	_____	_____	_____	<u>250,181</u>
Other Material and Supplies (Acct. 153) _____	_____	_____	_____	_____
Total Material and Supplies _____	_____	_____	_____	\$ <u>1,688,963</u>

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ <u>293,384</u>
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____	<u>1,156,057</u>
Pensions _____	<u>26,723</u>
Maintenance Software _____	_____
Total Prepayments _____	\$ <u>1,476,164</u>

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) _____	\$ <u>38,784</u>
Other Deferred Debits (Acct. 186.2) (Includes Underrecoveries of Fuel & Misc) _____	<u>904,870</u>
Total Miscellaneous Deferred Debits _____	\$ <u>943,654</u>

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
(ACCTS. 181 & 251)**

Report the net discount and expense or premium separately for each security issue.		
DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (ACCT. 181):		
Reacquired Debt Call Premium	\$ 22,362	\$ 391,645
9.57 % bonds due 2018	7,211	110,568
10.03 % bonds due 2018	3,883	59,536
9.08 % bonds due 2022	4,067	99,639
Total Unamortized Debt Discount and Expense_____	\$ 37,523	\$ 661,388
UNAMORTIZED PREMIUM ON DEBT (ACCT. 251)		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt_____	\$ _____	\$ _____

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.	
DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (ACCT. 182):	
_____	\$ _____
_____	_____
Total Extraordinary Property Losses_____	\$ _____

UTILITY NAME:

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NOTES PAYABLE (ACCTS. 232 & 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE:					
SunTrust -	09/13/88	04/30/98	6.56%	Monthly	\$ 7,600,000
A Revolving Line of Credit			%		
			%		
			%		
			%		
			%		
Total Account 232					\$ 7,600,000
ACCOUNT 234 - NOTES PAYABLE TO ASSOC. COMPANIES:			%		\$ -
			%		-
			%		-
			%		-
			%		-
			%		-
[Total Account 234					\$ -

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
	\$ -
	-
	-
	-
	-
	-
	-
Total	\$ -

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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CAPITAL STOCK (ACCTS. 201 & 204)

DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share _____	\$ 1.50	\$ 100.00
Shares authorized _____	2,000,000	6,000
Shares issued and outstanding _____	1,594,352	6,000
Total par value of stock issued* _____	\$ 2,392,028	\$ 600,000
Dividends declared per share for year _____	\$ 1.20	4.75%

* Plus \$500 in accordance with Florida Statutes.

LONG TERM DEBT (ACCT. 224)

DESCRIPTION OF OBLIGATION (Including Nominal Date of Issue and Date of Maturity) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
_____	%	_____	\$ _____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
_____	%	_____	_____
Total _____			\$ _____

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance Beginning of Year _____	\$ 13,150,712
439	Changes to Account:	
	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: _____	\$ _____
	_____	_____
	Total Credits: _____	\$ _____
	Debits: _____	\$ _____
	_____	_____
	Total Debits: _____	\$ _____
435	Balance Transferred from Income _____	\$ 3,190,356
436	Appropriations of Retained Earnings:	
	_____	_____
	_____	_____
	Total Appropriations of Retained Earnings _____	\$ _____
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	28,500
438	Common Stock Dividends Declared _____	1,780,503
	Total Dividends Declared _____	\$ 1,809,003
	Year end Balance _____	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	_____
	_____	_____
	Total Appropriated Retained Earnings _____	\$ _____
	Total Retained Earnings _____	\$ 14,532,065
Notes to Statement of Retained Earnings:		

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

BONDS (ACCT. 221)

DESCRIPTION OF OBLIGATION (Including Nominal Date of Issue and Date of Maturity) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
9.57 % Issued 1988, Due 2018	9.57%	Semi-annually	\$ 10,000,000
10.03 % Issued 1988, Due 2018	10.03%	Semi-annually	5,500,000
9.08 % Issued 1992, Due 2022	9.08%	Semi-annually	8,000,000
Total _____			\$ 23,500,000

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each advance separately.	
DESCRIPTION (a)	TOTAL (b)
	\$ _____

Total _____	\$ _____

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year_____	\$ (119,088)	\$ NOT APPLICABLE	\$ (113,690)	\$ (232,778)
408.10	Accruals Charged: Utility Regulatory Assessment Fees_____	\$ 85,997	\$ -	\$ 156,073	\$ 242,070
408.11	Property Taxes_____	90,190	-	1,058,383	1,148,573
408.12	Payroll Taxes_____	28,794	-	544,067	572,861
408.13	Other Taxes & Licenses__	(328)	-	1,797,430	1,797,102
409.10	Federal Income Taxes___	51,309	-	1,619,083	1,670,392
409.11	State Income Taxes___	8,548	-	250,962	259,510
410.10	Taxes Applicable to Other Income				
410.11	(Accts. 408.2, 409.2, 409.3, 410.2)_____	-	-	350,852	350,852
	Total Taxes Accrued_____	\$ 264,510	\$ -	\$ 5,776,850	\$ 6,041,360
	Payroll Tax Capitalized:			248,358	248,358
408.10	Taxes Paid During Year: Utility Regulatory Assessment Fees_____	\$ 71,808	\$ 0	\$ 164,542	\$ 236,350
408.11	Property Taxes_____	90,190	0	1,058,383	1,148,573
408.12	Payroll Taxes_____	41,278	0	779,948	821,226
408.13	Other Taxes & Licenses	(329)	0	1,800,019	1,799,690
409.10	Federal Income Taxes___	37,304	0	1,177,147	1,214,451
409.11	State Income Taxes___	7,746	0	227,406	235,152
410.10	Taxes Applicable to other Income (Accts. 408.2,				
410.11	409.2, 409.3, 410.2)___	0	0	350,852	350,852
	Total Taxes Paid_____	\$ 247,997	\$ 0	\$ 5,558,297	\$ 5,806,294
	Balance End of Year_____	\$ (102,575)	\$ 0	\$ 353,221	\$ 250,646

Excludes Franchise tax of \$ 1,958,969

*Includes Accrual for 1995 income tax penalty of \$4,285 federal and 811 state.

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt: 1st Mortgage Bonds	\$ 311,975	427.3	\$ 2,235,050	\$ 2,235,050	\$ 311,975
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account No. 237.1 _____	\$ 311,975		\$ 2,235,050	\$ 2,235,050	\$ 311,975
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities:					
Customer Deposits	\$ 173,342	427.4	\$ 197,108	\$ 366,580	\$ 3,870
Notes Payable	74,740	427.2	407,220	298,081	183,879
Miscellaneous	-	427.5	5,346	5,346	
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account No. 237.2 _____	\$ 248,082		\$ 609,674	\$ 670,007	\$ 187,749
Total Account No. 237 _____	\$ 560,057		\$ 2,844,724	\$ 2,905,057	\$ 499,724

REGULATORY COMMISSION EXPENSE - AMORTIZATION
OF RATE CASE EXPENSE (ACCTS. 666 & 766)

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT RANSFERRED T ACCOUNT NO. 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Marianna - Docket No. 93-0400E1	\$ -	\$ -	666	\$ 7,056
Consolidated Gas -Docket No. 94-0620GU	-	-	666	28,199
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total _____	\$ _____	\$ _____		\$ 35,255

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Tax Collections Payable	\$ 523,513
Vacation Pay Accrual	607,068
Inactive Dividend Checks	-
Outside Audit Fees	83,750
Rate Refund Pending	-
Commission Funds	1,681
Software Maintenance	-
* Accumulated Provisions Rate Refund	245,000
Total Miscellaneous Current and Accrued Liabilities	\$ 1,461,012

* Account 2290.1

ADVANCES FOR CONSTRUCTION (ACCT. 252)

NAME OF PAYOR (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
See Attached Supplement	\$ _____		\$ _____	\$ _____	\$ _____
Total - Water	168,835		-	-	363,543
Other - Electric & Gas	813,408		-	-	905,899
Total	\$ 982,243		\$ _____	\$ _____	\$ 1,269,442

**ADVANCES FOR CONSTRUCTION - WATER
F-19 SUPPLEMENT**

Name of Payor (a)	Bal. Beg. of Year (b)	Acct. CR. (c)	Amount (d)	Credits (e)	Bal. End of Year (f)
Advances Less Than \$3,000	5,724	131	2,031		3,693
Acquiport/Amsdell	-			24,787	24,787
A Almand	47,965	131	7,546		40,419
Amelia Isl Mosquito	995				995
Amelia Landing Co.	3,000	271	9,163	9,374	3,211
Amelia River	3,332	131	3,332		-
Amelia Trace	-			3,630	3,630
Centex Homes	34,340		5,929		28,411
Centex Homes/Ocean	4,000		16,590	42,660	30,070
Dostie Bldrs/Ocean	3,000		11,060	37,819	29,759
Egmont Park	8,516	131			8,516
Jane Adam's House	-			3,500	3,500
Makley, Daniel	2,646				2,646
Midland Group	15,943	131	3,234		12,709
Ocean Hwy & Port Auth	4,801	-	4,801		-
Ocean Reach JT Ven.	5,000	-	11,319	77,405	71,086
Rayonier	-			26,425	26,425
RED Limited	9,500		19,140	63,253	53,613
Tiger Point Marina	20,073				20,073
Total-Water	168,835		94,145	288,853	363,543

F-19 Supplement

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>2,943,761</u>	\$ <u>Not Applicable</u>	\$ <u>0</u>	\$ <u>2,943,761</u>
Add credits during year:				
Contributions received from				
Capacity, Main Extension and Customer Connection Charges (Schedule "A")	\$ <u>150,452</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>150,452</u>
Contributions received from				
Developer or Contractor Agreements in cash or property (Schedule "B")	\$ <u>46,219</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>46,219</u>
Total Credits -----	\$ <u>196,671</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>196,671</u>
Less debit charged during the year (All debits charged during the year must be explained below) -----	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ _____
Total Contribution In Aid of Construction -----	\$ <u>3,140,432</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,140,432</u>

Explain all debits charged to Account 271 below:

SCHEDULE "A"
**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR**

DESCRIPTION OF CHARGES (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	WATER (d)	WASTEWATER (e)
Plant Capacity	45	\$ 75	\$ 3,375	\$ Not Applicable
Plant Capacity	1	1,928	1,928	0
Plant Capacity	15	Various	3,606	0
Main Capacity	45	390	17,550	0
Main Capacity	1	10,023	10,023	0
Main Capacity	16	Various	21,272	0
Service Connection	49	238	11,662	0
Service Connection	1	2,624	2,624	0
Service Connection	16	Various	68,162	0
Meter Installation	49	119	5,831	0
Meter Installation	5	54	270	0
Meter Installation	8	Various	2,899	0
Hydrants Installation	1	1,250	1,250	0
Total Credits			\$ 150,452	\$

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 272)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 348,025	\$ Not Applicable	\$ -	\$ 348,025
Debits during year:				
Accruals charged to:				
Account 272	\$ 80,181	\$ -	\$ -	\$ 80,181
Other debits (specify):				
Total debits	\$ 80,181	\$ -	\$ -	\$ 80,181
Credits during year:				
Total Credits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ 428,206	\$ -	\$ -	\$ 428,206

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

SCHEDULE "B"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE "CASH" OR "PROPERTY" (b)	WATER (c)	WASTEWATER (d)
Plant Capacity	Cash	\$ 6,773	\$ Not Applicable
Main Capacity	Cash	35,217	
Meter Installations	Cash	4,229	
Total Credits -----		\$ 46,219	\$ _____

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
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 intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year -----	•	\$ 3,263,073
Reconciling items for the year:		
Taxable income not reported on books:		
<u>Service Contributions</u>		<u>635,000</u>
<u>Conservation Program Costs</u>		<u>195,229</u>
<u>Underrecoveries of Purchased Energy Costs</u>		<u>1,218,468</u>
Deductions recorded on books not deducted for return:		
<u>Rate Case Expense</u>		<u>35,255</u>
<u>Meals Expense</u>		<u>8,882</u>
<u>Vacation Pay Accrual</u>		<u>12,023</u>
<u>Depreciation Study</u>		<u>15,973</u>
<u>Natural Gas Odorizer</u>		<u>2,095</u>
<u>Outside Audit Fees</u>		<u>2,000</u>
<u>Loss on Reacquired Debt</u>		<u>22,362</u>
<u>Environmental Costs</u>		<u>227,657</u>
<u>Income Taxes (Excluding Current State Income of \$ 352,100)</u>		<u>1,371,204</u>
<u>Penalties</u>		<u>5,096</u>
Income recorded on books not included in return:		
<u>Uncollectible Reserve</u>		<u>20,823</u>
Deduction on return not charged against book income:		
<u>Rate Refund Pending</u>		<u>13,000</u>
<u>Ordinary Loss on ACRS Property Retirements</u>		<u>150,000</u>
<u>Cost of Removal of ADR Property</u>		<u>80,000</u>
<u>Self-Insurance Reserve</u>		<u>14,319</u>
<u>Pention Reserve</u>		<u>169,440</u>
<u>Depreciation</u>		<u>514,724</u>
Federal tax net income -----		\$ 6,052,011
Computation of tax :		
	Tax at 34%	2,057,684
	Rounding	41
	Federal Income Tax Accrual for 1997	<u>2,057,725</u>

* Excludes Flo-Gas Net Income of \$ (72,717)

COMPLETION OF SCHEDULE ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1997

SCHEDULE "A"
SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	*1977 DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 7,265,711	33.33%	14.50%	4.83%
Preferred Stock	1,123,700	5.15%	4.81%	0.25%
Long Term Debt	9,108,000	41.78%	7.26%	3.03%
Customer Deposits	1,045,484	4.80%	6.00%	0.29%
Tax Credits - Zero Cost	128,611	0.59%	0.00%	0.00%
Tax Credits - Weighted Cost	680,109	3.12%	8.67%	0.27%
Deferred Income Taxes	2,409,158	11.05%	0.00%	0.00%
Other (Explain)	40,679	0.19%	0.00%	0.00%
Total	\$ 21,801,452	100.00%		8.67%

*The difference between 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 1997.

- (1.) Should equal amounts on Schedule B, Column (f), Page F-25.
- (2.) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission Approved AFUDC rate:	<u>8.67%</u>
Commission order approving AFUDC rate:	<u>6640</u>

COMPLETION OF SCHEDULE ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

YEAR OF REPORT
December 31, 1997

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

**SCHEDULE "B"
SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

CLASS OF CAPITAL (a)	*1977 PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
Common Equity	\$ 7,265,711	\$ _____	\$ _____	\$ _____	\$ 7,265,711
Preferred Stock	1,123,700	_____	_____	_____	1,123,700
Long Term Debt	9,108,000	_____	_____	_____	9,108,000
Customer Deposits	1,045,484	_____	_____	_____	1,045,484
Tax Credits - Zero Cost	128,611	_____	_____	_____	128,611
Tax Credits - (Weighted COC)	680,109	_____	_____	_____	680,109
Deferred Inc. Taxes	2,409,158	_____	_____	_____	2,409,158
Other Unclaimed Deposits	40,679	_____	_____	_____	40,679
Total	\$ 21,801,452	\$ _____	\$ _____	\$ _____	\$ 21,801,452

* The difference between 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 1997.

(1) Explain below all adjustments made in Column (e):

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

WATER OPERATION
SECTION

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

WATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	PREVIOUS YEAR	ADDITIONS	RETIREMENTS
(a)	(b)	(c)	(d)	(e)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	-	-	-
303	Land and Land Rights	1,940	-	-
304	Structures and Improvements	304,628	5,087	-
305	Collecting and Impounding Reservoirs	-	-	-
306	Lake, River and Other Intakes	-	-	-
307	Wells and Springs	58,969	-	-
308	Infiltration Galleries and Tunnels	-	-	-
309	Supply Mains	-	-	-
310	Power Generation Equipment	191,040	-	-
311	Pumping Equipment	590,880	-	-
320	Water Treatment Equipment	417,521	8,889	-
330	Distribution Reservoirs and Standpipes	812,856	-	-
331	Transmission and Distribution Mains	4,282,793	334,302	-
333	Services	1,314,875	139,425	1,037
334	Meters and Meter Installations	348,158	42,939	-
335	Hydrants	819,478	65,702	512
339	Other Plant and Miscellaneous Equipment	-	250	-
340	Office Furniture and Equipment	-	-	-
341	Transportation Equipment	-	-	-
342	Stores Equipment	2,161	-	-
343	Tools, Shop and Garage Equip.	39,301	5,469	-
344	Laboratory Equipment	4,207	-	-
345	Power Operated Equipment	935	-	-
346	Communication Equipment	172	-	-
347	Miscellaneous Equipment	-	-	-
	Common Plant	156,770	2,434	-
	Total Water Plant	\$ 9,346,684	\$ 604,497	\$ 1,549

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted

W-1(a)

WATER UTILITY PLANT MATRIX

CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. SOURCE OF SUPPLY AND PUMPING PLANT (h)	3. WATER TREATMENT PLANT (i)	4. TRANSMISSION AND DISTRIBUTION PLANT (j)	5. GENERAL PLANT (k)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,940	-	223	-	-	1,717
309,715	-	256,597	38,329	-	14,789
-	-	-	-	-	-
58,969	-	58,969	-	-	-
-	-	-	-	-	-
191,040	-	191,040	-	-	-
590,880	-	590,880	-	-	-
426,410	-	-	426,410	-	-
812,856	-	-	-	812,856	-
4,617,095	-	-	-	4,617,095	-
1,453,263	-	-	-	1,453,263	-
391,097	-	-	-	391,097	-
884,668	-	-	-	884,668	-
250	-	250	-	-	-
-	-	-	-	-	-
2,161	-	-	-	-	2,161
44,770	-	-	-	-	44,770
4,207	-	-	-	-	4,207
935	-	-	-	-	935
172	-	-	-	-	172
-	-	-	-	-	-
159,204	-	-	-	-	159,204
\$ 9,949,632	\$ -	\$ 1,097,959	\$ 464,739	\$ 8,158,979	\$ 227,955

W-1(b)

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)		CURRENT YEAR .	1. SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	2. SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 414,466	\$ -	\$ 4,416
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	32,512	-	-
604	Employee Pensions and Benefits	(13,422)	-	-
610	Purchased Water	-	-	-
615	Purchased Power	140,430	140,430	-
616	Fuel for Power Purchased	-	-	-
618	Chemicals	12,018	-	-
620	Materials and Supplies	23,665	-	535
631	Contractual Services-Engineering	-	-	-
632	Contractual Services - Accounting	-	-	-
633	Contractual Services - Legal	2,478	-	-
634	Contractual Services - Mgt. Fees	-	-	-
635	Contractual Services - Other	5,578	-	-
641	Rental of Building/Real Property	596	-	-
642	Rental of Equipment	-	-	-
650	Transportation Expenses	64,906	-	577
656	Insurance - Vehicle	-	-	-
657	Insurance - General Liability	42,605	-	-
658	Insurance - Workman's Comp.	1,444	-	-
659	Insurance - Other	39,171	-	-
660	Advertising Expense	-	-	-
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-	-	-
667	Regulatory Commission Expenses -Other	-	-	-
670	Bad Debt Expense	3,364	-	-
675	Miscellaneous Expenses	164,285	16,160	5,825
	Total Water Utility Expenses	\$ 934,096	\$ 156,590	\$ 11,353

W-2(a)

WATER EXPENSE ACCOUNT MATRIX

3. WATER TREATMENT EXPENSES - PERATIONS (f)	4. WATER TREATMENT EXPENSES - MAINTENANCE (g)	5. TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	6. TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	7. CUSTOMER ACCOUNTS EXPENSE (j)	8. ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 1,624	\$ 7,580	\$ 14,279	\$ 224,359	\$ 128,451	\$ 33,757
-	-	-	-	-	32,512
-	-	-	-	-	(13,422)
-	-	-	-	-	-
-	-	-	-	-	-
12,018	-	-	-	-	-
320	6	2,554	20,250	-	-
-	-	-	-	-	-
-	-	-	-	-	2,478
-	-	-	-	-	-
-	-	-	-	-	5,578
-	-	-	-	-	596
-	-	-	-	-	-
511	1,402	1,689	38,520	19,440	2,767
-	-	-	-	-	-
-	-	-	-	-	42,605
-	-	-	-	-	1,444
-	-	-	-	-	39,171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,416	3,377	30,249	49,682	3,364	3,500
24,889	12,365	48,771	332,811	196,331	150,986

W-2(b)

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

WATER OPERATING REVENUE

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	AMOUNT
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
460	Unmetered Water Revenue	-	-	\$ -
	Metered Water Revenue:			
461.1	Sales to Residential Customers	5,285	5,476	1,234,030
461.2	Sales to Commercial Customers	394	464	305,461
461.3	Sales to Industrial Customers	3	3	126,910
461.4	Sales to Public Authorities	62	64	45,267
461.5	Sales Multiple Family Dwellings	-	-	-
	Total Metered Sales	5,744	6,007	\$ 1,711,668
	Fire Protection Revenue:			
462.1	Public Fire Protection	-	-	-
462.2	Private Fire Protection	59	63	97,892
	Total Fire Protection Revenue	59	63	\$ 97,892
464	Other Sales To Public Authorities	-	-	-
465	Sales To Irrigation Customers	-	-	-
466	Sales For Resale	-	-	-
466	Interdepartmental Sales	-	-	(1,083)
467	Unbilled Revenues	-	-	-
	Totals	5,803	6,070	\$ 1,808,477
	Other Water Revenues:			
469	Guaranteed Revenues	-	-	-
470	Forfeited Discounts	-	-	-
471	Miscellaneous Service Revenues	-	-	14,655
472	Rents From Water Property	-	-	-
473	Interdepartmental Rents	-	-	-
474	Franchise Tax Revenue	-	-	87,916
	Total Other Water Revenues	-	-	\$ 102,571
	Total Water Operating Revenues	-	-	\$ 1,911,049

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT

December 31, 1997

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements_	30	-	3.3%
305	Collecting and Impounding Reservoirs_	-	-	-
306	Lake, River and Other Intakes	-	-	-
307	Wells and Springs_	30	-	3.3%
308	Infiltration Galleries and Tunnels_	-	-	-
309	Supply Mains_	-	-	-
310	Power Generation Equipment	20	-	5.0%
311	Pumping Equipment_	20	-	5.0%
320	Water Treatment Equipment_	10	-	10.0%
330	Distribution Reservoirs and Standpipes_	40	-	2.5%
331	Transmission and Distribution Mains_	43	-	2.3%
333	Services_	40	-	2.5%
334	Meters and Meter Installations	20	-	5.0%
335	Hydrants_	45	-	2.2%
339	Other Plant Miscellaneous Equipment_	-	-	-
340	Office Furniture and Equip_	-	-	-
341	Transportation Equipment_	-	-	-
342	Stores Equipment_	18	-	5.6%
343	Tools, Shop and Garage Equip.	16	-	6.3%
344	Laboratory Equipment_	15	-	6.7%
345	Power Operated Equipment_	12	5%	7.9%
346	Communication Equipment_	10	10%	9.0%
347	Miscellaneous Equipment_	-	-	-
348	Other Tangible Plant_	-	-	-
390	Structures & Improve-Gen. Water Plant Composite Depreciation Rate *	40	-	2.5%
		-	-	-

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	BALANCE AT BEGINNING OF YEAR	ACCRUALS	OTHER CREDITS *	TOTAL CREDITS (d + e)
(a)	(b)	(c)	(d)	(e)	(f)
304	Structures and Improvements	\$ 71,977	\$ 10,024	\$ -	\$ 10,024
305	Collecting and Impounding Reservoirs	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-
307	Wells and Springs	24,176	1,944	-	1,944
308	Infiltration Galleries and Tunnels	-	-	-	-
309	Supply Mains	-	-	-	-
310	Power Generation Equipment	67,430	9,552	-	9,552
311	Pumping Equipment	210,137	29,544	-	29,544
320	Water Treatment Equipment	316,725	42,248	-	42,248
330	Distribution Reservoirs and Standpipes	196,972	20,316	-	20,316
331	Transmission and Distribution Mains	799,464	100,783	-	100,783
333	Services	240,261	34,295	-	34,295
334	Meters and Meter Installations	124,018	17,778	-	17,778
335	Hydrants	95,440	18,551	-	18,551
339	Other Plant and Miscellaneous Equipment	-	-	-	-
340	Office Furniture and Equipment	-	-	-	-
341	Transportation Equipment	-	-	-	-
342	Stores Equipment	1,437	120	-	120
343	Tools, Shop and Garage Equip.	10,661	2,575	-	2,575
344	Laboratory Equipment	3,269	276	-	276
345	Power Operated Equipment	935	-	-	-
346	Communication Equipment	132	12	-	12
347	Miscellaneous Equipment	-	-	-	-
348	Other Tangible Plant	-	-	-	-
	Common Depreciation - Water	42,987	(57)	-	(57)
	Total Water Accumulated Depreciation	\$ 2,206,021	\$ 287,961	\$ -	\$ 287,961

* Specify nature of transaction
Use () to denote reversal entries.

W-5(a)

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (Cont'd)

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,001
-	-	-	-	-	-
-	-	-	-	-	26,120
-	-	-	-	-	-
-	-	-	-	-	76,982
-	-	-	-	-	239,681
-	-	-	-	-	358,973
-	-	-	-	-	217,288
-	-	16,700	-	16,700	883,547
1,037	-	65	-	1,102	273,454
512	-	4,085	-	4,597	141,796
-	-	-	-	-	109,394
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,557
-	-	-	-	-	13,236
-	-	-	-	-	3,545
-	-	-	-	-	935
-	-	-	-	-	144
-	-	-	-	-	-
-	-	-	-	-	42,930
\$ 1,549	\$ -	\$ 20,850	\$ -	\$ 22,399	\$ 2,471,583

W-5(b)

UTILITY NAME:
UTILITY SYSTEM

FLORIDA PUBLIC UTILITIES COMPANY
Water

YEAR OF REPORT
December 31, 1997

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	-	90,271	4,142	86,129	75,842
February	-	87,202	3,821	83,381	67,746
March	-	106,109	3,297	102,812	81,390
April	-	99,607	2,336	97,271	85,961
May	-	108,903	2,394	106,509	89,541
June	-	118,861	3,148	115,713	91,800
July	-	119,707	4,414	115,293	96,221
August	-	101,443	3,174	98,269	97,297
September	-	123,956	3,795	120,161	103,937
October	-	99,437	3,302	96,135	95,532
November	-	81,545	3,096	78,449	70,112
December	-	91,952	2,868	89,084	72,033
Total for year		1,228,993	39,787	1,189,206	1,027,412

If water is purchased for resale, indicate the following:

Vendor: N/A
Point of delivery: N/A

If water is sold to other water utilities for redistribution, list names of such utilities below

N/A

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): Primary
 Methods used (sedimentation, chemical, aerated, etc.): Chemical & Aeration

LIME TREATMENT

Unit rating (GPM): N/A Manufacturer: N/A

FILTRATION

Type and area:

Pressure --> Square Feet: N/A

Gravity --> GPM/Square Feet: N/A

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR (in feet)	ADDITIONS	RETIREMENTS	MAINS END OF YEAR (in feet)
<u>See Attached W-7A</u>					
Total feet of mains					

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	5,736	306	-	6,042
1"	168	6	-	174
2"	111	-	-	111
3"	25	-	-	25
4"	10	-	-	10
6"	-	-	-	-
8"	-	-	-	-
Other (Specify): _____	-	-	-	-
Total meters in service	6,050	312	-	6,362
Total meters in stock	230	-	-	230
Number of services in use	5,820	312	-	** 6,132

** This does not include locked meters of 146.

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

MAINS

TYPE OF PIPE	DIAMETER OF PIPE	MAINS BEGINNING OF YEAR	ADDITIONS (IN FEET)	RETIREMENTS	MAINS END OF YEAR (IN FEET)
PVC	3/4"	1,662			1,662
GALVANIZED	3/4"	4,091			4,091
GALVANIZED	1"	840			840
GALVANIZED	1-1/2"	530			530
PVC	1-1/2"	1,880			1,880
PVC	1-1/4"	441			441
GALVANIZED	1-1/4"	16,862			16,862
GALVANIZED	2"	45,355			45,355
PVC	2"	36,843	290		37,133
GALVANIZED	2-1/2"	660			660
PVC	3"	2,100			2,100
GALVANIZED	3"	63			63
CAST IRON	4"	12,322			12,322
TRANSITE	4"	452			452
PVC	4"	22,800	60		22,860
GALVANIZED	4"	40			40
CAST IRON	6"	18,080			18,080
TRANSITE	6"	64,851			64,851
PVC	6"	53,262	2,750		56,012
CAST IRON	8"	7,333			7,333
TRANSITE	8"	17,066			17,066
PVC	8"	112,226	2,315		114,541
CAST IRON	10"	2,578	300		2,878
TRANSITE	10"	25,242			25,242
PVC	10"	19,200	700		19,900
TRANSITE	12"	9,197			9,197
CAST IRON	12"	267			267
PVC	12"	17,087			17,087
STEEL CASING	12"	55			55
STEEL CASING	16"	34			34
TOTAL		493,419	6,415		499,834

W-7A

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1997

WELLS AND WELL PUMPS

(a)	#5 (b)	#6 (c)	#7 (d)	#8 (e)
Year Constructed	1953	1956	1965	1972
Types of Well Construction and Casing	Steel	Steel	Steel	Steel
	-	-	-	-
	-	-	-	-
Depth of Wells	1,205'	1,204'	1,204'	1,215'
Diameters of Wells	12"	12"	12"	12"
Pump-GPM	1500	1,500	1,500	1,500
Motor-HP	100	100	100	100
Yields of Wells in GPD	2,160,000	2,160,000	2,160,000	2,160,000
Auxiliary Power	280KW	400KW	400KW	175KW

RESERVOIRS

(a)	(b)	(c)	(d)	(e)	(f)
Description (steel, concrete or pneumatic)	Tank#1#1WW Concrete	Tank#2#1WW Concrete	Tank#1#2WW Concrete	Tank#2#2WW Concrete	Steel Overhead
Capacity of Tank	187,100 Gal	500,000 Gal	125,000 Gal	500,000 Gal	75,000 Gal
Ground or Elevated	Ground	Ground	Ground	Ground	Elevated

HIGH SERVICE PUMPING

MOTORS (a)	#1 (b)	#3 (c)	#4 (d)	#5 (e)	#6 (f)	#7 (g)
Manufacturer	Lincoln	AllisChalmer	Badlor	AllisChalmer	USMotors	USMotors
Type	DP	AP	4246th	GS	-	-
Rated Horsepower	40	50	40	50	75	75

PUMPS						
Manufacturer	Worthington	AllisChalmer	Peerles	Chalmer	Chalmer	Chalmer
Type	Centrifugal	Centrifugal	Centrifugal	Centrifugal	Centrifugal	Centrifugal
Capacity in GPM	625	1200	650	1000	1520	1520
Average Number of Hours Operated Per Day	1	2	Continuous	2	4	1
Auxiliary Power	Yes	Yes	No	No	Yes	No

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

SOURCE OF SUPPLY

List for each source of supply:			
Gallons per day of source _____	8,640,000 Capability	_____	_____
Type of source _____	Ground Water From Four Deep Wells	_____	_____

WATER TREATMENT FACILITIES

List for each water treatment facility:		#1WW	#2WW		
Type _____	Aeration & Chlorination	Aeration & Chlorination	_____	_____	_____
Make _____	Wallace & Tieman	Wallace & Tieman	_____	_____	_____
Gallons per day Capacity _____	4,320,000	4,564,000	_____	_____	_____
Method of Measurement _____	Electric Paddle Wheel	Electric Paddle Wheel	_____	_____	_____
	Meters	Meters	_____	_____	_____

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Present ERC's * the system can efficiently serve.
7,045
- Estimated annual increase in ERC's *.
159
- List fire fighting facilities and capacities.
Two 100 Hp, 1000 GPM Fire Pumps at #1 Water Works and 503 Hydrants
- List percent of certificated areas where service connections are installed (total for each county)
95%
- What is the current need for system upgrading and/or expansion?
The construction of a 500,000 gallon elevated storage tank in 1999 at #2 Water Works
- What are plans for future system upgrading and/or expansion?
Increasing size of selected mains and looping of large radials.
- Have questions 5 and 6 been discussed with an engineer? (if so, state name and address)
Yes; Mr. Patrick M. Foster, P.E., Florida Public Utilities, P.O. Box 418, Fernandina Beach, FL 32035-0418
- Have questions 5 and 6 been discussed with the appropriate state sanitary engineering office?
Yes

* ERC = (Total Gallons Sold / 365 days) / 350 Gallons Per Day

UTILITY NAME:
SYSTEM NAME:

FLORIDA PUBLIC UTILITIES COMPANY
Water

YEAR OF REPORT
December 31, 1997

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	6,042	6,042
3/4"	Displacement	1.5	-	-
1"	Displacement	2.5	174	435
1 1/2"	Displacement or Turbine	5.0	-	-
2"	Displacement, Compound or Turbine	8.0	111	888
3"	Displacement	15.0	-	-
3"	Compound	16.0	-	-
3"	Turbine	17.5	25	438
4"	Displacement or Compound	25.0	-	-
4"	Turbine	30.0	10	300
6"	Displacement or Compound	50.0	-	-
6"	Turbine	62.5	-	-
8"	Compound	80.0	-	-
8"	Turbine	90.0	-	-
10"	Compound	115.0	-	-
10"	Turbine	145.0	-	-
12"	Turbine	215.0	-	-
Total Water System Meter Equivalents _____				8,103

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\frac{1,027,412}{\text{(total gallons sold)}} \div 365 \text{ days} \div 350 \text{ gpd} = 8.042$$

W-10

**WASTEWATER OPERATION
SECTION**

NOT APPLICABLE