

CLASS "A"

WATER and/or SEWER UTILITIES

(Gross Revenue of \$750,000 and Over)

ANNUAL REPORT

OF

WU077 45
Mr. John T. English
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, FL 33402-3395

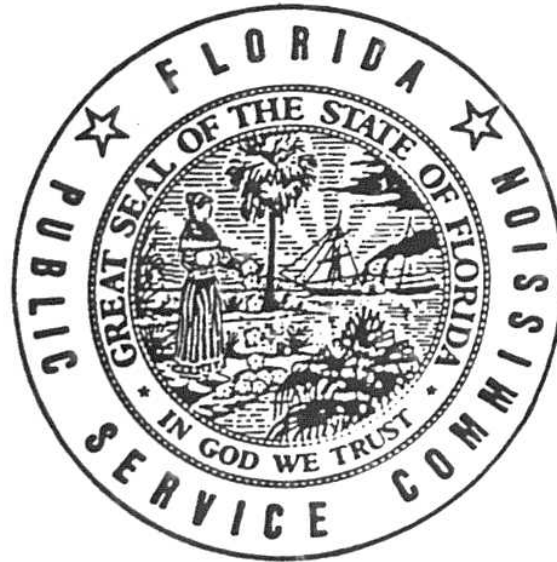
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Florida Public Service Commission
Division of Water and Wastewater



FOR THE
YEAR ENDED DECEMBER 31, 19 98

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, 1998

CERTIFICATION OF ANNUAL REPORT

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

YES

NO

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

YES

NO

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

YES

NO

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

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.
X	X	X	X



(Signature of Chief Executive Officer of the utility)

1.	2.	3.	4.
X	X	X	X



(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, 1998
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FLORIDA PUBLIC UTILITIES COMPANY County: Palm Beach
 (Exact Name of Utility)

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)	10.4%
2.	Robert L. Terry	5.7%
3.	Atlee M. Kohl (2)	6.1%
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**

YEAR OF REPORT December 31, 1998

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
John T. English	Chief Operating Officer President	Gas, Electric & Water, Operations	Engineering, Rates, Rules, & Regulations
C. Stein	Senior Vice President	Gas, Electric & Water, 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

- (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, 1998

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 33,700 customers within eastern Palm Beach County. The Sanford division, located in the heart of central Florida, serves 6,200 customers in Seminole County. Serving 6,000 customers, the DeLand division lies in western Volusia County.

The Marianna division, located in the panhandle of Florida, serves 11,700 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 12,500 and 6,400 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 operates 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	4% 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

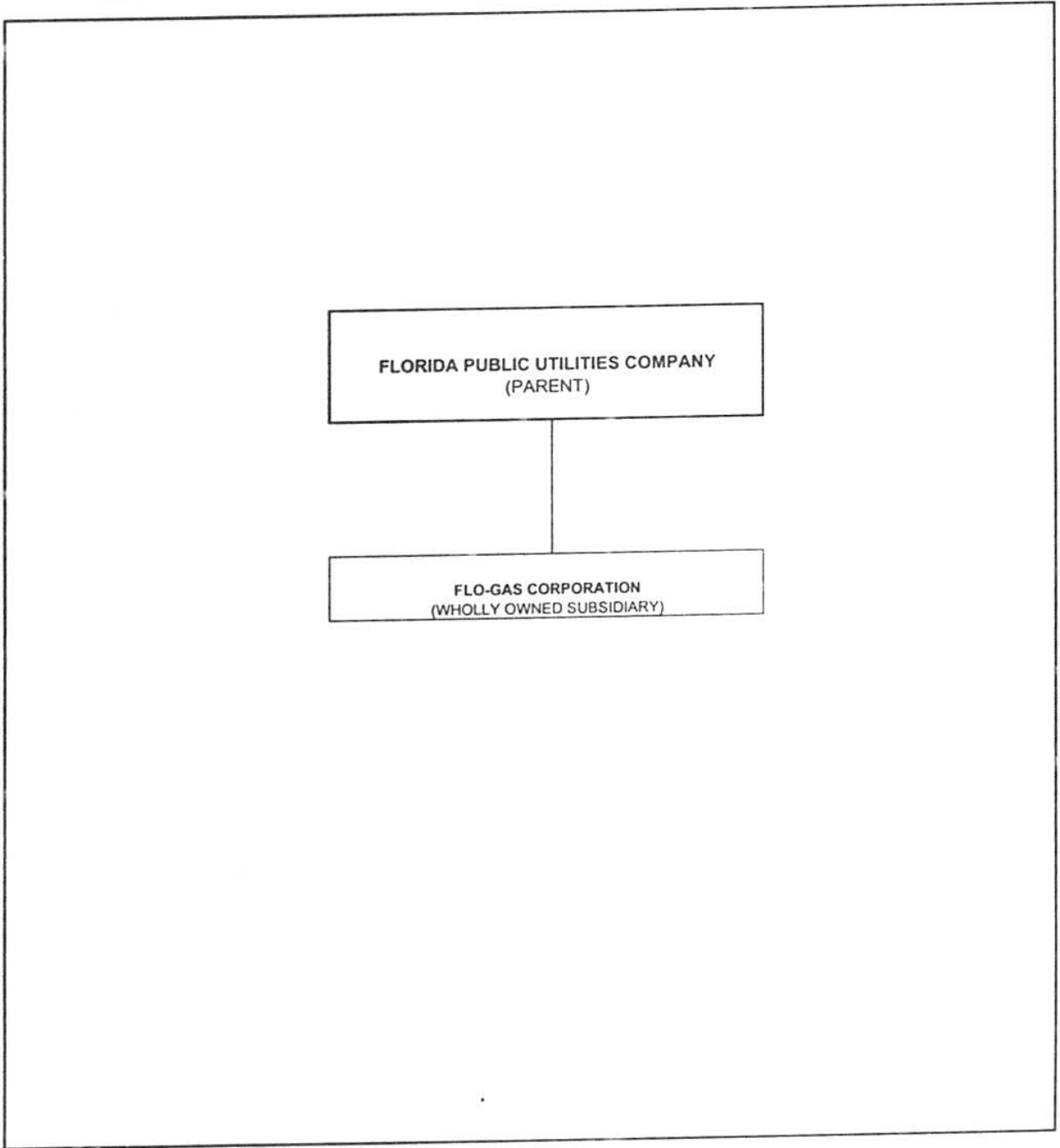
UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1998

PARENT/AFFILIATE ORGANIZATION CHART
Current as of December 31, 1998

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
December 31, 1998

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%	\$ 3,164
F. C. Cressman	Chief Executive Officer (retired 10/1/98)	4 0%	5,437
J. R. Brown	Treasurer & Secretary	4 0%	4,313
J. T. English	President / Chief Executive Officer	11.0%	14,026
D. L. Troy	Vice President	4 0%	3,456
C. L. Stein	Senior Vice President	2 0%	2,106
W. D. Little	Assistant Secretary & Assistant Treasurer	4 2%	2,803
G. M. Bachman	Assistant Treasurer	4 2%	2,738

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 (retired 10/1/98)	4	46
J. T. English	President / Chief Executive Officer	4	-
E. J. Carr, Jr.	Director	4	371
D. Downey	Director	4	290
G. O. Jerauld	Director	4	272
R. C. Hitchins	Director	4	272
P. Maddock	Director	1	24
R. Schupp	Director	1	24

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1998

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
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BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one 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)

<p align="center">Part II. Specific Instructions: Sale, Purchase and Transfer of Assets</p>					
<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) _____	\$ 11,212	\$ Not Applicable
Construction Work In Progress _____	353	-
Plant Acquisition Adjustment _____	-	-
Plant Held For Future Use _____	-	-
Materials and Supplies _____	108	-
Less:		
Accumulated Depreciation and Accumulated Amortization _____	2,745	-
Contributions In Aid of Construction and Customer Advances _____	3,240	-
Net Book Cost _____	<u>\$ 5,688</u>	<u>\$</u>
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _____	\$ 2,161	\$ -
Depreciation and Amortization Expense _____	\$ 233	\$ -
Income Tax Expense _____	157	-
Taxes Other Than Income _____	364	-
Other Operation Expenses _____	965	-
Total Operating Expenses _____	\$ 1,719	\$
Net Operating Income _____	\$ 442	\$ -
Other Income _____	\$ -	\$ -
Other Income Deductions _____	-	-
Net Income _____	<u>\$ 442</u>	<u>\$</u>
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	5,633	-
Commercial - Yearly Average _____	469	-
Industrial - Yearly Average _____	3	-
Others - Yearly Average _____	129	-
Total _____	<u>6,234</u>	<u>-</u>
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _____	146	-
Average Annual Residential Cost Per 1,000 Gallons _____	\$ 1.80	\$ -
Average Residential Monthly Bill _____	\$ 21.88	\$ -
Gross Plant Investment Per Customer _____	\$ 1.87	\$ -

**FINANCIAL
SECTION**

**WATER OPERATION
SECTION**

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1998
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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)
	UTILITY PLANT			
101-106	Utility Plant (Includes 107 & 118) _____	F-5	\$ 114,049,031	\$ 107,896,660
108-110	Less: Accumulated Depreciation and Amortization (Includes 119) _____	F-6	40,025,068	36,983,853
	Net Plant _____		\$ 74,023,963	\$ 70,912,807
114-115	Utility Plant Acquisition adjustment (Net) _____	F-5	(11,083)	(12,039)
116	Other Utility Plant Adj. _____			-
	Total Net Utility Plant _____		\$ 74,012,880	\$ 70,900,768
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7	\$ 20,171	\$ 20,171
122	Less: Accumulated Depreciation and Amortization _____		-	-
	Net Nonutility Property _____		\$ 20,171	\$ 20,171
123	Investment In Associated Companies _____	F-8	1,910,646	1,766,258
124	Utility Investments _____	F-8	-	-
125	Other Investments _____	F-8	15,001	10
126-127	Special Funds _____	F-8	-	-
	Total Other Property & Investments _____		\$ 1,945,818	\$ 1,786,439
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		\$ (105,276)	\$ 113,453
132	Special Deposits _____	F-7	-	-
133	Other Special Deposits _____	F-7	3,133,468	3,023,557
134	Working Funds _____		10,660	9,800
135	Temporary Cash Investments _____		-	-
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts _____	F-9	6,331,069	6,142,387
145	Accounts Receivable from Associated Companies _____	F-10	1,024,748	1,884,866
146	Notes Receivable from Associated Comp Materials and Supplies _____	F-10	-	-
151-153	Stores Expense _____	F-11	1,520,415	1,688,963
161	Prepayments _____		-	-
162	Accrued Interest and Dividends Receivable	F-11	1,637,345	1,476,164
171	Rents Receivable _____		-	-
172	Accrued Utility Revenues _____		1,009,261	1,035,116
173	Misc. Current and Accrued Assets _____		-	-
174	Total Current and Accrued Assets _____		\$ 14,561,690	\$ 15,374,306

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	\$ 623,865	\$ 661,388
182	Extraordinary Property Losses _	F-12	-	-
183	Preliminary Survey & Investigation Charges		-	-
184	Clearing Accounts _		-	-
185	Temporary Facilities _		2,447	(6,988)
186	Misc. Deferred Debits _	F-11	713,421	943,654
187	Research & Development Expenditures _		-	-
190	Accumulated Deferred Income Taxes _		2,545,639	2,462,092
	Total Deferred Debits _		\$ 3,885,372	\$ 4,060,146
	TOTAL ASSETS AND OTHER DEBITS		\$ 94,405,760	\$ 92,121,659
	*Includes Acct. 189			

NOTES TO THE BALANCE SHEET

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

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1998

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	\$ 4,801,790	\$ 2,392,028
204	Preferred Stock Issued _____	F-14	600,000	600,000
202,205	Capital Stock Subscribed _____		-	-
203, 206	Capital Stock Liability for Conversion _____		-	-
207	Premium on Capital Stock _____		8,406,382	10,647,345
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 _____		1,086,890	1,014,212
212	Discount On Capital Stock _____		-	-
213	Capital Stock Expense _____		(428,441)	(428,441)
214-215	Retained Earnings _____	F-15	15,686,201	14,532,065
216	Reacquired Capital Stock _____		(1,930,341)	(1,968,084)
218	Proprietary Capital (Proprietorship and Partnership Only) _____		-	-
	Total Equity Capital _____		\$ 28,222,481	\$ 26,789,125
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 _____		4,729,635	5,595,529
232	Notes Payable _____	F-13	8,200,000	7,600,000
233	Accounts Payable to Associated Companies _____	F-13	-	-
234	Notes Payable to Associated Companies _____	F-13	-	-
235	Customer Deposits _____		3,380,514	3,291,597
236	Accrued Taxes _____	F-17	317,928	250,646
237	Accrued Interest _____	F-18	580,324	499,724
238	Accrued Dividends _____		486,630	453,697
239	Matured Long Term Debt _____		-	-
240	Matured Interest _____		-	-
241	Miscellaneous Current & Accrued Liabilities _____	F-19	1,404,939	1,461,012
	Total Current & Accrued Liabilities _____		\$ 19,099,970	\$ 19,152,205

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1998

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	1,317,224	1,269,442
253	Other Deferred Credits _____		6,184,299	5,850,115
255	Accumulated Deferred Investment Tax Credits _____		1,191,026	1,302,937
	Total Deferred Credits _____		\$ 8,692,549	\$ 8,422,494
	OPERATING RESERVES			
261	Property Insurance Reserve _____		\$ 2,205,484	\$ 1,859,565
262	Injuries & Damages Reserve _____		978,934	848,691
263	Pensions and Benefits Reserve _____		-	-
265	Miscellaneous Operating Reserves _____		-	(19,830)
	Total Operating Reserves _____		\$ 3,184,418	\$ 2,688,426
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
27	Contributions in Aid of Construction _____	F-20	\$ 3,358,756	\$ 3,140,432
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	514,869	428,206
	Total Net C.I.A.C. _____		\$ 2,843,887	\$ 2,712,226
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____		8,618,736	8,427,329
283	Accumulated Deferred Income Taxes - Other _____		243,719	429,854
	Total Accumulated Deferred Income Tax _____		\$ 8,862,455	\$ 8,857,183
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 94,405,760	\$ 92,121,659

F-2(b)

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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 _____	\$ 74,068,347	F-3(b)	\$ 72,148,901
401	Operating Expenses (Includes Acct. 402) _____	\$ 57,841,836	F-3(b)	\$ 54,944,145
403	Depreciation Expense _____	3,446,628	F-6 - F-21	3,674,723
405	Amortization - Other Gas Plant _____	239,604		255,044
406	Amortization Expense _____ Acquisition Adjustment	(956)		(956)
408.1	Taxes Other Than Income _____	5,719,575	F-17 **	6,019,386
409.1	Income Taxes _____	1,924,806	F-17	1,750,130
410.10	Deferred Federal Income Taxes _____	(430,209)		(55,271)
410.11	Deferred State Income Taxes _____	(10,530)		(23,004)
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 _____	(111,641)		(111,911)
	Utility Operating Expenses _____	\$ 68,619,113		\$ 66,452,286
	Utility Operating Income _____	\$ 5,449,234		\$ 5,696,615
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)] _____	\$ 5,449,234		\$ 5,696,615

* Includes Accruals charged to Acct. 272.

** Includes Franchise tax of \$ 2,160,096

F-3(a)

COMPARATIVE OPERATING STATEMENT (Cont'd)

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	WASTEWATER (i)	OTHER (j)
W-3	\$ <u>2,160,904</u>	S-3	\$ <u>Not Applicable</u>	\$ <u>69,987,997</u>
W-2	\$ <u>965,124</u>	S-2	\$ <u>-</u>	\$ <u>53,979,021</u>
F-6	<u>232,883</u>	F-6	<u>-</u>	<u>3,441,840</u>
	<u>-</u>		<u>-</u>	<u>255,044</u>
	<u>-</u>		<u>-</u>	<u>(956)</u>
F-17	* <u>363,671</u>	F-17	<u>-</u>	<u>5,655,715</u>
F-17	<u>41,032</u>	F-17	<u>-</u>	<u>1,709,098</u>
	<u>107,251</u>		<u>-</u>	<u>(162,522)</u>
	<u>15,765</u>		<u>-</u>	<u>(38,769)</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>(6,937)</u>		<u>-</u>	<u>(104,974)</u>
	\$ <u>1,718,789</u>		\$ <u>-</u>	\$ <u>64,733,497</u>
	\$ <u>442,115</u>		\$ <u>-</u>	\$ <u>5,254,500</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	<u>-</u>		<u>-</u>	<u>-</u>
	\$ <u>442,115</u>		\$ <u>-</u>	\$ <u>5,254,500</u>

* Includes Franchise Taxes of \$ 97,354

F-3(b)

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)]	\$ 5,449,234		\$ 5,696,615
	OTHER INCOME AND DEDUCTIONS			
	Equity in Earnings of Subsidiary	\$ (72,717)		\$ 106,646
415	Revenues-Merchandising, Jobbing, and Contract Deductions	1,614,882		1,520,383
416	Costs & Expenses of Merchandising Jobbing, and Contract Work	(1,536,344)		(1,532,768)
419	Interest and Dividend Income	29,478		39,365
420	Allowance for Funds Used During Construction	17,636		24,672
421	Nonutility Income	827,774		200
426	Miscellaneous Nonutility Expenses	(34,367)		(23,268)
	Total Other Income and Deductions	\$ 846,342		\$ 135,230
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$ -	F-17	\$ -
409.20	Income Taxes	350,852	F-17	16,901
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	\$ 350,852		\$ 16,901
	INTEREST EXPENSE			
430-432	Other	\$ 476,359		\$ 469,552
427	Interest Expense	2,235,050	F-18	2,235,050
428	Amortization of Debt Discount & Expense	42,957	F-12	42,522
429	Amortization of Premium on Debt	-	F-12	-
	Total Interest Expense	\$ 2,754,366		\$ 2,747,124
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$ -		\$ -
434	Extraordinary Deductions	-		-
409.30	Income Taxes, Extraordinary Items	-		-
	Total Extraordinary Items	\$ -		\$ -
	NET INCOME	\$ 3,190,358		\$ 3,067,820

*Includes (\$4,999) of amortization of ST Debt Credit Line expenses.

** Includes AFUDC (\$16,146) and Interest on debt to associated company (\$77,110).

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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 & 116) _____	F-5	\$ 11,211,513	\$ Not Applicable
	Less:			
	Nonused and Useful Plant (1) _____		-	-
108	Accumulated Depreciation (Incl. Acct. 119) _____	F-6	2,745,138	-
110	Accumulated Amortization _____	F-6	-	-
271	Contributions In Aid of Construction _____	F-20	3,358,756	-
252	Advances for Construction _____	F-19	396,599	-
	Subtotal _____		\$ 4,711,020	\$ -
	Additions:			
272	Accumulated Amortization of Contributions In Aid of Construction _____	F-21	514,869	-
	Subtotal _____		\$ 5,225,889	\$ -
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5	-	-
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5	-	-
	Working Capital Allowance (3) _____		47,177	-
	Other (Specify): _____		-	-
	_____		-	-
	_____		-	-
	_____		-	-
	RATE BASE _____		\$ 5,273,066	\$ -
	UTILITY OPERATING INCOME _____		\$ 442,115	\$ -
	ACHIEVED RATE OF RETURN _____		8.38%	-

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

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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)
	Plant Accounts:				
101	Utility Plant In Service ___	\$ 11,211,513 *	\$ Not Applicable	\$ 101,363,244	\$ 112,574,757
102	Utility Plant Leased to Others _____	-	-	-	-
103	Property Held for Future Use _____	-	-	-	-
104	Utility Plant Purchased or Sold _____	-	-	-	-
105	Construction Work in Progress _____	353,065	-	1,121,209	1,474,274
106	Completed Construction Not Classified _____	-	-	-	-
	Total Utility Plant _____	\$ 11,564,578	\$ -	\$ 102,484,453	\$ 114,049,031

* 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	-	-	(18,440)	(18,440)
Sanford	-	-	102,833	102,833
Deland	-	-	230,090	230,090
Total Accumulated Amortization ___	\$ -	\$ -	\$ 318,174	\$ 318,174
Net Acquisition Adjustments _____	\$ -	\$ -	\$ (11,083)	\$ (11,083)

UTILITY NAME:

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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_____	\$ 2,471,583	\$ Not Applicable	\$ 34,512,270	\$ 36,983,853
Credit during year:				
Accruals charged to:				
Account 108.1_____	\$ -	\$ -	\$ -	\$ -
Account 108.2_____	-	-	-	-
Account 108.3_____	309,980	-	3,316,223	3,626,203
Other Accounts (specify):				
Acct. 119 - Common_____	9,566	-	125,617	135,183
Transportation Clearing_____	-	-	432,279	432,279
Salvage_____	-	-	119,917	119,917
Other Credits (Specify):				
Transfers_____	18,565	-	260,069	278,634
Allocation % Adjustments_____	(3,003)	-	40,898	37,895
Total credits_____	\$ 335,108	\$ -	\$ 4,295,003	\$ 4,630,111
Debits during year:				
Book cost of plant retired_____	61,553	-	1,168,518	1,230,071
Cost of Removal_____	-	-	285,893	285,893
Other Debits (specify):				
Transfers_____	-	-	72,932	72,932
Total Debits_____	\$ 61,553	\$ -	\$ 1,527,343	\$ 1,588,896
Balance end of year_____	\$ 2,745,138	\$ -	\$ 37,279,930	\$ 40,025,068

* Includes common depreciation allocated to subsidiary company of \$17,701

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	\$ 19,971	\$ -	\$ -	\$ 19,971
Other	200	-	-	200
Total Nonutility Property	\$ 20,171	\$ -	\$ -	\$ 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):	
Insurance Proceeds - Environmental Clean-up (Account 134)	\$ 3,133,468
_____	_____
_____	_____
Total Special Deposits _____	\$ 3,133,468

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		1,979,165
Treasury Stock		(78,519)
Total Investment in Associated Companies _____	\$ 10	\$ 1,910,646
UTILITY INVESTMENTS (ACCT. 124):		
	\$ _____	\$ _____
Total Utility Investment _____	\$ _____	\$ _____
OTHER INVESTMENTS (ACCT. 125):		
1 Shares	\$ 1	\$ 1
Insurance Claim Fund		15,000
Total Other Investment _____	\$ 1	\$ 15,001
SPECIAL FUNDS (ACCT. 126 & 127):		
		\$ _____
Total Special Funds _____		\$ _____

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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.			TOTAL (b)
DESCRIPTION (a)			
ACCOUNTS RECEIVABLE:			
Customer Accounts Receivable (Acct. 141):			
Water (Includes Fernandina Beach Electric) _____	\$ 2,025,337		
Wastewater _____	0		
Other _____	4,351,723		
Total Customer Accounts Receivable _____			\$ 6,377,060
OTHER ACCOUNTS RECEIVABLE (Acct. 142):			
Employee and Miscellaneous _____	\$ 62,441		

Total Other Accounts Receivable _____			\$ 62,441
NOTES RECEIVABLE (Acct. 144):			
_____	\$ _____		

Total Notes Receivable _____			\$ 0
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143)			
_____	\$ 62,230		
Add: Provision for uncollectibles for current year _____	\$ 217,406		
Collection of accounts previously written off _____	0		
Utility Accounts _____	24,648		
Others _____	12,227		

_____	\$ 316,511		
Deduct accounts written off during year:			
Utility Accounts _____	194,375		
Others _____	13,704		

_____	\$ 208,079		

Total Accounts and Notes Receivable - Net _____			\$ 108,432
			\$ 6,331,069

* 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

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ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
FLO- GAS CORP.	\$ 1,024,748
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ 1,024,748

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>107,793</u>	\$ _____	\$ <u>1,195,857</u>	\$ <u>1,303,650</u>
Merchandise (Acct. 152) _____	_____	_____	_____	<u>216,765</u>
Other Material and Supplies (Acct. 153) _____	_____	_____	_____	_____
Total Material and Supplies _____	_____	_____	_____	\$ <u>1,520,415</u>

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ <u>311,444</u>
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____	_____
Pensions _____	<u>1,296,311</u>
Maintenance Software _____	<u>29,590</u>
Total Prepayments _____	\$ <u>1,637,345</u>

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) _____	\$ <u>9,455</u>
Other Deferred Debits (Acct. 186.2) (Includes Underrecoveries of Fuel & Misc.) _____	<u>703,966</u>
Total Miscellaneous Deferred Debits _____	\$ <u>713,421</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	\$ 369,282
9.57 % bonds due 2018	7,211	103,358
10.03 % bonds due 2018	3,883	55,653
9.08 % bonds due 2022	4,067	95,572
Total Unamortized Debt Discount and Expense _____	\$ 37,523	\$ 623,865
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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NOTE 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	04/30/99	6.04%	Monthly	\$ 8,200,000
A Revolving Line of Credit			%		
			%		
			%		
			%		
			%		
Total Account 232_____					\$ 8,200,000
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 _____	3,200,860	6,000
Total par value of stock issued* _____	\$ 4,801,790	\$ 600,000
Dividends declared per share for year _____	\$ 0.63	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

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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 _____	\$ 14,532,065
	Changes to Account:	
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: _____	\$ _____
	_____	_____
	Total Credits: _____	\$ _____
	Debits: _____	\$ _____
	_____	_____
	Total Debits: _____	\$ _____
435	Balance Transferred from Income _____	\$ 3,067,820
436	Appropriations of Retained Earnings:	
	_____	_____
	_____	_____
	Total Appropriations of Retained Earnings _____	\$ _____
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	28,500
438	Common Stock Dividends Declared _____	1,885,184
	Total Dividends Declared _____	\$ 1,913,684
	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 _____	\$ 15,686,201
Notes to Statement of Retained Earnings:		

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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
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ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$ (102,575)	\$ NOT APPLICABLE	\$ 353,221	\$ 250,646
408.10	Accruals Charged: Utility Regulatory Assessment Fees	\$ 97,243	\$ -	\$ 143,622	\$ 240,865
408.11	Property Taxes	140,577	-	1,159,586	1,300,163
408.12	Payroll Taxes	28,880	-	545,128	574,008
408.13	Other Taxes & Licenses	(383)	-	1,744,637	1,744,254
409.10	Federal Income Taxes	33,863	-	1,441,001	1,474,864
409.11	State Income Taxes	7,169	-	268,097	275,266
410.10	Taxes Applicable to Other Income				
410.11	(Accts. 408.2, 409.2, 409.3, 410.2)	-	-	16,901	16,901
	Total Taxes Accrued	\$ 307,349	\$ -	\$ 5,318,972	\$ 5,626,321
	Payroll Tax Capitalized:			285,692	285,692
					5,912,013
408.10	Taxes Paid During Year: Utility Regulatory Assessment Fees	\$ 97,241	\$ 0	\$ 137,822	\$ 235,063
408.11	Property Taxes	140,577	0	1,159,586	1,300,163
408.12	Payroll Taxes	42,593	0	803,961	846,554
408.13	Other Taxes & Licenses	(387)	0	1,758,854	1,758,467
409.10	Federal Income Taxes	32,634	0	1,388,720	1,421,354
409.11	State Income Taxes	6,934	0	259,295	266,229
410.10	Taxes Applicable to other Income (Accts. 408.2, 409.2, 409.3, 410.2)	0	0	16,901	16,901
410.11					
	Total Taxes Paid	\$ 319,592	\$ 0	\$ 5,525,139	\$ 5,844,731
	Balance End of Year	\$ (114,818)	\$ 0	\$ 432,746	\$ 317,928

Excludes Franchise tax of \$ 2,160,096

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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	\$ 183,879	431.1	\$ 201,166	\$ 203,860	\$ 181,185
Notes Payable	3,870	431.2	354,786	271,492	87,164
Miscellaneous	-	431.3	6,856	6,856	
Total Account No. 237.2	\$ 187,749		\$ 562,808	\$ 482,208	\$ 268,349
Total Account No. 237	\$ 499,724		\$ 2,797,858	\$ 2,717,258	\$ 580,324

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT NO. 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Marianna - Docket No. 93-0400E1	\$ -	\$ -	666	\$ 1,176
Consolidated Gas -Docket No. 94-0620GU	-	-	666	28,199
Fernandina Beach Water	-	46		
Total	\$ -	\$ 46		\$ 29,375

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Tax Collections Payable	\$ 563,370
Vacation Pay Accrual	647,642
Inactive Dividend Checks	-
Outside Audit Fees	94,750
Rate Refund Pending	-
Commission Funds	9,977
Software Maintenance	-
Bank analysis charges	14,200
* Accumulated Provisions Rate Refund	75,000
Total Miscellaneous Current and Accrued Liabilities	\$ 1,404,939

* 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	363,543		-	-	396,599
Other - Electric & Gas	905,899		-	-	920,625
Total	\$ 1,269,442		\$ _____	\$ _____	\$ 1,317,224

**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	4,688		6,319		(1,631)
Acquiport/Amsdell	24,787	131	2,149		22,638
A Almand	40,419	131	19,712		20,707
A Almand, Jr	-	131	6,251		(6,251)
Amelia Landing Co.	3,211	131	1,078		2,133
Amelia Park	-			3,500	3,500
Amelia Trace	3,630	107		17,554	21,184
Antonnpou, Michael	-	131	13,944		(13,944)
Baptist Medical Center	-	107		23,020	23,020
Centex Homes	28,411				28,411
Centex Homes/Ocean	30,070				30,070
Dostie Bldrs/Ocean	29,759	131	15,106		14,653
Edmont Park	8,516				8,516
Jane Adam's House	3,500	107	1,700	22,934	24,734
Makley, Daniel	2,646	252		3,500	6,146
Magnolia Point	-	271		10,000	10,000
Midland Group	12,709	131	12,709		-
Ocean Reach JT Ven.	71,086	107	6,092	29,386	94,380
Rayonier	26,425	107	737	23,495	49,183
RED Limited	53,613		22,036	3,500	35,077
River Oak	-			4,000	4,000
Tiger Point Marina	20,073				20,073
Total-Water	363,543		107,833	140,889	396,599

F-19 Supplement

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	61	\$ 75	\$ 4,575	\$ Not Applicable
Plant Capacity	1	714	714	0
Plant Capacity	9	Various	2,281	0
Main Capacity	62	390	24,180	0
Main Capacity	1	1,131	1,131	0
Main Capacity	8	Various	2,235	0
Service Connection	68	238	16,184	0
Service Connection	1	1,693	1,693	0
Service Connection	3	Various	2,360	0
Meter Installation	67	119	7,973	0
Meter Installation	2	357	714	0
Meter Installation	4	Various	400	0
Total Credits			\$ 64,440	\$

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	\$ 428,206	\$ Not Applicable	\$ -	\$ 428,206
Debits during year:				
Accruals charged to:				
Account 272	\$ 86,663	\$ -	\$ -	\$ 86,663
Other debits (specify):				
Total debits	\$ 86,663	\$ -	\$ -	\$ 86,663
Credits during year:				
Total Credits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ 514,869	\$ -	\$ -	\$ 514,869

UTILITY NAME: **FLORIDA PUBLIC UTILITIES COMPANY**

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

- 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.
- 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 -----	.	\$ 2,961,174
Reconciling items for the year:		
Taxable income not reported on books:		
Service Contributions		635,000
Conservation Program Costs		37,360
Uncollectible Reserve		46,202
Underrecoveries of Purchased Energy Costs		553,111
Deductions recorded on books not deducted for return:		
Self-Insurance Reserve		142,726
Rate Case Expense		29,329
Meals Expense		11,187
Vacation Pay Accrual		29,356
Depreciation Study		14,056
Natural Gas Odorizer		5,191
Outside Audit Fees		11,000
Loss on Reacquired Debt		22,362
Environmental Costs		27,096
Income Taxes (Excluding Current State Income of \$ 287,900)		1,288,959
Sun Trust Analysis Charge		14,200
Income recorded on books not included in return:		
AEP		193,188
Deduction on return not charged against book income:		
Rate Refund Pending		170,000
Ordinary Loss on ACRS Property Retirements		150,000
Cost of Removal of ADR Property		80,000
Pension Reserve		13,857
Depreciation		271,189
Federal tax net income -----		\$ 4,950,075
Computation of tax :		
	Tax at 34%	1,683,026
	Rounding	74
	Federal Income Tax Accrual for 1998	1,683,100

* Excludes Flo-Gas Net Income of \$ 106,646

COMPLETION OF SCHEDULE ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

UTILITY NAME: FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT December 31, 1998

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 1998.

- (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>

**WATER OPERATION
SECTION**

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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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	309,715	255,499	-
305	Collecting and Impounding Reservoirs	-	-	-
306	Lake, River and Other Intakes	-	-	1,665
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	138,246	30,595
320	Water Treatment Equipment	426,410	11,024	-
330	Distribution Reservoirs and Standpipes	812,856	501	-
331	Transmission and Distribution Mains	4,617,095	429,397	-
333	Services	1,453,263	182,645	-
334	Meters and Meter Installations	391,097	131,603	29,294
335	Hydrants	884,668	32,657	-
339	Other Plant and Miscellaneous Equipment	250	14,097	-
340	Office Furniture and Equipment	-	-	-
341	Transportation Equipment	-	98,689	-
342	Stores Equipment	2,161	-	-
343	Tools, Shop and Garage Equip.	44,770	79	-
344	Laboratory Equipment	4,207	-	-
345	Power Operated Equipment	935	15,338	-
346	Communication Equipment	172	-	-
347	Miscellaneous Equipment	-	-	-
	Common Plant	159,204	13,659	-
	Total Water Plant	\$ 9,949,632	\$ 1,323,434	\$ 61,554

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
565,214	-	509,143	39,961	-	16,110
-	-	-	-	-	-
57,304	-	57,304	-	-	-
-	-	-	-	-	-
191,040	-	191,040	-	-	-
698,531	-	698,531	-	-	-
437,434	-	-	437,434	-	-
813,357	-	-	-	813,357	-
5,046,492	-	-	-	5,046,492	-
1,635,908	-	-	-	1,635,908	-
493,406	-	-	-	493,406	-
917,325	-	-	-	917,325	-
14,347	-	14,347	-	-	-
-	-	-	-	-	-
98,689	-	-	-	-	98,689
2,161	-	-	-	-	2,161
44,849	-	-	-	-	44,849
4,207	-	-	-	-	4,207
16,273	-	-	-	-	16,273
172	-	-	-	-	172
-	-	-	-	-	-
172,863	-	-	-	-	172,863
\$ 11,211,512	\$ -	\$ 1,470,588	\$ 477,395	\$ 8,906,488	\$ 357,041

W-1(b)

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YFAR OF REPORT
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WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.		CURRENT YEAR	1. SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	2. SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
(a)				
601	Salaries and Wages - Employees	\$ 399,993	\$ -	\$ 19,424
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	31,935	-	-
604	Employee Pensions and Benefits	(4,955)	-	-
610	Purchased Water	-	-	-
615	Purchased Power	135,739	135,739	-
616	Fuel for Power Purchased	-	-	-
618	Chemicals	19,636	-	-
620	Materials and Supplies	27,192	-	71
631	Contractual Services-Engineering	-	-	-
632	Contractual Services - Accounting	-	-	-
633	Contractual Services - Legal	190	-	-
634	Contractual Services - Mgt. Fees	-	-	-
635	Contractual Services - Other	6,640	-	-
641	Rental of Building/Real Property	390	-	-
642	Rental of Equipment	-	-	-
650	Transportation Expenses	75,010	-	2,788
656	Insurance - Vehicle	-	-	-
657	Insurance - General Liability	40,540	-	-
658	Insurance - Workman's Comp.	(586)	-	-
659	Insurance - Other	37,083	-	-
660	Advertising Expense	-	-	-
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-	-	-
667	Regulatory Commission Expenses -Other	-	-	-
670	Bad Debt Expense	3,844	-	-
675	Miscellaneous Expenses	192,473	8,073	10,014
	Total Water Utility Expenses	\$ 965,124	\$ 143,812	\$ 32,297

W-2(a)

WATER EXPENSE ACCOUNT MATRIX

3. WATER TREATMENT EXPENSES - OPERATIONS (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)
\$ 7,630	\$ 9,507	\$ 17,944	\$ 185,873	\$ 126,041	\$ 33,574
-	-	-	-	-	31,935
-	-	-	-	-	(4,955)
-	-	-	-	-	-
19,636	-	-	-	-	-
229	631	-	26,192	69	-
-	-	-	-	-	-
-	-	-	-	-	190
-	-	-	-	-	6,640
-	-	-	-	-	390
-	-	-	-	-	-
2,020	1,790	2,990	41,202	22,079	2,141
-	-	-	-	-	40,540
-	-	-	-	-	(586)
-	-	-	-	-	37,083
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,844	-
11,135	2,130	37,904	69,449	37,264	16,504
\$ 40,650	\$ 14,058	\$ 58,838	\$ 322,716	\$ 189,297	\$ 163,456

W-2(b)

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	5,476	5,754	1,411,530
461.2	Sales to Commercial Customers	464	471	345,234
461.3	Sales to Industrial Customers	3	3	118,125
461.4	Sales to Public Authorities	64	66	60,839
461.5	Sales Multiple Family Dwellings	-	-	-
	Total Metered Sales	6,007	6,294	\$ 1,935,728
	Fire Protection Revenue:			
462.1	Public Fire Protection	-	-	-
462.2	Private Fire Protection	63	67	105,831
	Total Fire Protection Revenue	63	67	\$ 105,831
	Other Sales To Public Authorities			
464	Sales To Irrigation Customers	-	-	-
465	Sales For Resale	-	-	-
466	Interdepartmental Sales	-	-	5,311
467	Unbilled Revenues	-	-	-
	Totals	6,070	6,361	\$ 2,046,870
	Other Water Revenues:			
469	Guaranteed Revenues	-	-	-
470	Forfeited Discounts	-	-	16,680
471	Miscellaneous Service Revenues	-	-	-
472	Rents From Water Property	-	-	-
473	Interdepartmental Rents	-	-	97,354
474	Franchise Tax Revenue	-	-	-
	Total Other Water Revenues			\$ 114,034
	Total Water Operating Revenues			\$ 2,160,904

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

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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

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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	\$ 82,001	\$ 11,498	\$ -	\$ 11,498
305	Collecting and Impounding Reservoirs	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-
307	Wells and Springs	26,120	1,944	-	1,944
308	Infiltration Galleries and Tunnels	-	-	-	-
309	Supply Mains	-	-	-	-
310	Power Generation Equipment	76,982	9,552	-	9,552
311	Pumping Equipment	239,681	30,744	-	30,744
320	Water Treatment Equipment	358,973	42,820	-	42,820
330	Distribution Reservoirs and Standpipes	217,288	20,318	-	20,318
331	Transmission and Distribution Mains	883,547	109,243	-	109,243
333	Services	273,454	38,390	-	38,390
334	Meters and Meter Installations	141,796	21,415	-	21,415
335	Hydrants	109,394	19,945	-	19,945
339	Other Plant and Miscellaneous Equipment	-	384	-	384
340	Office Furniture and Equipment	-	-	-	-
341	Transportation Equipment	-	-	-	-
342	Stores Equipment	1,557	120	-	120
343	Tools, Shop and Garage Equip.	13,236	2,821	-	2,821
344	Laboratory Equipment	3,545	276	-	276
345	Power Operated Equipment	935	499	-	499
346	Communication Equipment	144	12	-	12
347	Miscellaneous Equipment	-	-	-	-
348	Other Tangible Plant	-	-	-	-
	Common Depreciation - Water	42,930	6,563	-	6,563
	Total Water Accumulated Depreciation	\$ 2,471,583	\$ 316,544	\$ -	\$ 316,544

* 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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,499
-	-	-	-	-	-
1,665	-	-	-	1,665	26,399
-	-	-	-	-	-
-	-	-	-	-	86,534
30,595	-	-	-	30,595	239,830
-	-	-	-	-	401,793
-	-	-	-	-	237,606
-	-	-	-	-	992,790
-	-	-	-	-	311,844
29,294	-	-	-	29,294	133,917
-	-	-	-	-	129,339
-	-	-	-	-	384
-	-	-	-	-	-
-	-	-	(18,565)	(18,565)	18,565
-	-	-	-	-	1,677
-	-	-	-	-	16,057
-	-	-	-	-	3,821
-	-	-	-	-	1,434
-	-	-	-	-	156
-	-	-	-	-	-
-	-	-	-	-	49,493
\$ 61,554	\$ -	\$ -	\$ (18,565)	\$ 42,989	\$ 2,745,138

W-5(b)

UTILITY NAME:
UTILITY SYSTEM

FLORIDA PUBLIC UTILITIES COMPANY
Water

YEAR OF REPORT
December 31, 1998

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	-	81,349	3,427	77,922	72,264
February	-	83,588	3,746	79,842	65,167
March	-	75,982	3,298	72,684	67,194
April	-	102,094	2,546	99,548	84,896
May	-	142,539	3,066	139,473	103,014
June	-	165,578	2,777	162,801	141,777
July	-	136,516	3,614	132,902	144,414
August	-	129,037	2,394	126,643	103,895
September	-	131,373	3,211	128,162	102,467
October	-	123,804	4,059	119,745	97,547
November	-	135,733	3,691	132,042	103,622
December	-	107,752	3,383	104,369	102,300
Total for year		1,415,345	39,212	1,376,133	1,188,557

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, 1998

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): _____
 Methods used (sedimentation, chemical, aerated, etc.): _____

Primary _____
 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)
See Attached W-7A	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total feet of mains	_____	_____	_____	_____	_____

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	6,042	960	618	6,384
1"	174	22	36	160
2"	111	15	-	126
3"	25	1	-	26
4"	10	1	-	11
6"	-	-	-	-
8"	-	-	-	-
Other (Specify): _____	-	-	-	-
Total meters in service _____	6,362	999	654	6,707
Total meters in stock _____	230	74	-	304
Number of services in use _____	6,132	925	654.00	6,403

** This does not include locked meters of 146.

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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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		300	45,055
PVC	2"	37,133	920		38,053
GALVANIZED	2-1/2"	660			660
PVC	3"	2,100			2,100
GALVANIZED	3"	63			63
GALVANIZED	3"	12,322			12,322
CAST IRON	4"	452			452
TRANSITE	4"	22,860	500		23,360
PVC	4"	40			40
GALVANIZED	4"	18,080	72		18,152
CAST IRON	6"	64,851			64,851
TRANSITE	6"	56,012	4,080		60,092
PVC	6"	7,333			7,333
CAST IRON	8"	17,066			17,066
TRANSITE	8"	114,541	4,380		118,921
PVC	8"	2,878			2,878
CAST IRON	10"	25,242			25,242
TRANSITE	10"	19,900	1,400		21,300
PVC	10"	9,197			9,197
TRANSITE	12"	267			267
CAST IRON	12"	17,087	2,140		19,227
PVC	12"	55			55
STEEL CASING	16"	34			34
TOTAL		499,834	13,492	300	513,026

W-7A

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
December 31, 1998

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) Capacity of Tank Ground or Elevated	Tank#1#1WW	Tank#2#1WW	Tank#1#2WW	Tank#2#2WW	Steel Overhead
	Concrete	Concrete	Concrete	Concrete	75,000Gal
	187,100Gal	500,000Gal	125,000Gal	500,000Gal	Elevated
	Ground	Ground	Ground	Ground	

HIGH SERVICE PUMPING

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

PUMPS

	#1	#3	#4	#5	#6	#7
Manufacturer	Worthington	AllisChalmers	Peerles	Chalmers	Chalmers	Chalmers
Type	Centrifugal	Centrifugal	Centrifugal	Centrifugal	Centrifugal	Centrifugal
Capacity in GPM	625	1200	650	1000	1520	1520
Average Number of Hours Operated Per Day	0.00	2.42	Continuous	2	15.90	8.36
Auxiliary Power	Yes	Yes	No	No	Yes	No

MOTORS (a)	#21 (h)	#22 (i)	#23 (j)	#24 (k)
Manufacturer	US Moter	US Moter	US Moter	US Moter
Volts	430	430	4246th	GS
Rated Horsepower	40	75	40	50

PUMPS

	#21	#22	#23	#24
Manufacturer	ITT	ITT	ITT	ITT
Type	Centrifugal	Centrifugal	Centrifugal	Centrifugal
Capacity in GPM	600	1500.00	1500	2400
Average Number of Hours Operated Per Day	1	Continuous	0	0
Auxiliary Power	Yes	Yes		

UTILITY NAME:

FLORIDA PUBLIC UTILITIES COMPANY

YEAR OF REPORT
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SOURCE OF SUPPLY

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

WATER TREATMENT FACILITIES

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

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.
9,304
- Estimated annual increase in ERC's *.
329
- List fire fighting facilities and capacities.
Two 100 Hp, 1000 GPM Fire Pumps at #1 Water Works and 503 Hydrants and one 2500 GPM Fire Pump at #2 water works.
- 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 #1 Water Works.
- What are plans for future system upgrading and/or expansion?
Increasing size of selected mains and looping of large radials.
500,000 gallon tank at #1 Water Works and high service pump upgrades at #1 Water Works.
- 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
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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	6,384	6,384
3/4"	Displacement	1.5	-	-
1"	Displacement	2.5	160	400
1 1/2"	Displacement or Turbine	5.0	-	-
2"	Displacement, Compound or Turbine	8.0	126	1,008
3"	Displacement	15.0	-	-
3"	Compound	16.0	-	-
3"	Turbine	17.5	26	455
4"	Displacement or Compound	25.0	-	-
4"	Turbine	30.0	11	330
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 _____				8,577

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{1,188,557}{365 \text{ days}} \right) / 350 \text{ gpd} = \frac{9.304}{\text{(total gallons sold)}}$$

**WASTEWATER OPERATION
SECTION**

NOT APPLICABLE