

## BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida  
Public Utilities Company.

DOCKET NO. 030438-EI  
ORDER NO. PSC-04-0369-AS-EI  
ISSUED: April 6, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

ORDER APPROVING SETTLEMENT AND PERMANENT RATE INCREASE

BY THE COMMISSION:

BACKGROUND

This proceeding was initiated on August 14, 2003, with the filing of a petition for a permanent rate increase by Florida Public Utilities Company (FPUC or the Company). A hearing was scheduled for February 18, 2004. In Order No. PSC-03-1145-PCO-EI, issued on October 13, 2003, the Commission granted the Office of Public Counsel (OPC) intervention in this proceeding.

Through a series of noticed settlement meetings conducted by Commission staff and attended by the parties, a number of preliminarily identified issues were dropped and therefore did not require resolution by this Commission. At the February 18, 2004 hearing, the parties presented a series of stipulations with regard to the remaining outstanding issues for hearing, with the exception of Issues 128 and 137, concerning the appropriate base energy charges and closing the docket, respectively. We approved the stipulations proposed by FPUC and OPC at the February 18 hearing, and rendered our decision on Issues 128 and 137 at the March 16, 2004, Agenda Conference. Also at the March 16 Agenda Conference, we admitted composite Exhibit 4, consisting of the various proposed stipulations, which had inadvertently not been admitted into the record at the February 18 hearing.

We have jurisdiction over the subject matter pursuant to Section 366.06, Florida Statutes.

APPROVAL OF STIPULATED ISSUES

At the February 18, 2004, hearing, the parties noted that they agreed on the disposition of the outstanding issues in this docket, and that neither FPUC nor OPC intended to waive or abandon any position they had or would have taken and reserved all rights and opportunities to assert such positions in any future proceeding. The parties agreed to the stipulations for the limited purpose of resolving this docket in its entirety. The parties wished to specify that the

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stipulations did not necessarily reflect positions held by the parties and that they shall not be used as precedent in any forum or proceeding. However, we note that the stipulations will be used by this Commission for purposes of evaluating FPUC's future surveillance reports and the interim statute.

We have reviewed the stipulations proposed by the parties, and find that they provide a reasonable resolution of the outstanding issues regarding FPUC's requested rate increase. The stipulations are therefore approved as set forth below. Based upon the approved stipulations, attached hereto are Attachments 1 through 5, which respectively set forth the approved average rate base, capital structure, net operating income, net operating income multipliers, and revenue requirements.

**Issue 1:** It is appropriate for FPUC to consolidate the rates and charges of its Northeast and Northwest Electric Divisions into a single Electric Division for ratemaking purposes.

**Issue 5:** The purpose of the test year is to represent the financial operations of a company during the period in which the new rates will be in effect. With the inclusion of appropriate adjustments in this rate proceeding, the historical base year ended December 31, 2002, and the projected test year ending December 31, 2004, are appropriate as they will represent the period in which rates will be in effect.

**Issue 6:** The forecasted billing determinants for 2004 contained in MFR Schedules E-18a, E-18b, and E-18c are appropriate adjusted as follows:

(1) For the RS rate class, the appropriate number of bills is 276,846 and the appropriate kwh is 347,114,000. This leads to an increase in test year revenues at present rates of \$56,185.

(2) For the GS rate class, the appropriate number of bills is 41,644 and the appropriate kwh is 73,176,000. This leads to an increase of test year revenues at present rates of \$127,937.

(3) For the GSLD rate class, the number of bills shall be increased by 12 and the kw shall be increased by 25,468 to reflect the addition of the Family Dollar Distribution Center. This leads to an increase in test year revenues at present rates of \$71,940.

**Issue 7:** The quality of electric service provided by is FPUC adequate.

**Issue 8:** Non-Utility Accounts Receivable (Accounts 1420.2, 1420.21, and 1420.22) 2002 - \$52,203, 2004 - \$55,961, shall be removed from working capital.

**Issue 9:** FPUC's level of Plant in Service for the December 2004 projected test year shall be increased by \$11,248 which is the net effect of: an increase of \$728,162 related to the addition of the Family Dollar Store, a reduction of \$96,922 for Contributions on revenue producing projects, a reduction of \$297,378 cancelled and delayed projects, and a reduction of \$250,000 for Contributions in Aid of Construction. This amount includes a \$72,614 decrease to common plant in issue 10.

**Issue 10:** FPUC's requested level of Common Plant Allocated in the amount of \$1,721,031 for the December 2004 projected test year shall be reduced by \$72,614 for a change in projected additions.

**Issue 12:** Plant, Accumulated depreciation, and depreciation expense shall be reduced for canceled and delayed projects for the projected test year by \$297,378, \$16,617, and \$11,078, respectively.

**Issue 13:** It was not appropriate for FPUC to use an average depreciation rate for the combined Marianna and Fernandina Beach for 2003 total plant. The appropriate adjustment shall be to reduce accumulated depreciation in the projected test year in the amount of \$22,134.

**Issue 14:** Accumulated depreciation for Plant in Service for the December 2004 projected test year shall be decreased by \$81,342 which is the net of: an increase of \$13,222 for the Family Dollar Store, an increase of \$4,675 for the correction of depreciation rates, a reduction of \$16,617 for cancelled and delayed projects, a reduction of \$22,134 for average depreciation rates, a reduction of \$45,483 for depreciation rates effective 1/01/2004, and a reduction of \$3,750 for Contributions in Aid of Construction. Also, this amount includes a reduction of \$11,255 for common plant in Issue 15.

**Issue 15:** The accumulated depreciation for Common Plant Allocated in the amount of \$455,192 for the December 2004 projected test year shall be reduced by \$11,255 for a change in projected additions.

**Issue 16:** FPUC's requested level of Customer Advances for Construction in the amount of \$621,462 for the December 2004 projected test year is appropriate.

- Issue 17:** FPUC's level of Construction Work in Progress shall be increased by \$88,923 for the December 2004 projected test year.
- Issue 20:** The correct amount of cash to include in 2004 cash working capital, which includes Accounts 1310, 1340, 1310.4, and 1350, is \$135,720. The adjustment is a decrease of \$1,698,681 to 2004 working capital. The cash balance of \$135,720 represents a reasonable amount of non-interest bearing cash.
- Issue 26:** The amount of accounts receivable reflected in the 2004 working capital shall be decreased by \$149,764. The accounts receivable shall be projected based on a ratio to revenue rather than customer growth and inflation.
- Issue 27:** The accumulated provision for uncollectibles shall be reduced by \$360. The 2004 working capital shall reflect a balance of \$98,605 for this account.
- Issue 28:** The amount of prepaid insurance shall be based on the allocations used to determine the insurance expense. The correct amount of prepaid insurance to include in working capital for 2004 is \$181,270. The adjustment is a decrease of \$28,518 to working capital.
- Issue 31:** Prepaid pensions shall be reduced by \$451,268 to reflect a balance of \$331,904. The company included a positive amount of pension expense in the income statement. Therefore, the 2004 projected balance of prepaid pensions shall decline.
- Issue 32:** The 2004 working capital balance for unbilled revenue shall be decreased by \$19,326 to reflect a balance of \$493,992. The projection for 2004 unbilled revenue shall be based on kilowatt hour growth rather than customer growth and inflation.
- Issue 33:** For the purposes of resolving this issue in this docket, the parties have agreed and the Commission has approved that the balance in account 1860 - deferred debits other of \$3,376 shall be removed from 2004 working capital.
- Issue 34:** The deferred debit for the Fernandina Office Addition for \$33,554 shall be removed from 2004 working capital. This amount shall be removed because the revised 2004 balance has been projected to be zero.
- Issue 36:** The correct amount of storm damage reserve to include in working capital for 2004 is \$2,216,781. The adjustment is a decrease of \$372,585 to working capital.

- Issue 37:** The projected 2004 working capital shall be increased by \$126,621 to reverse the adjustments made by the company to the 2002 working capital amounts. The reversal of these adjustments provides a more reasonable comparison between the 2002 historical balances and projected 2004 balances of these working capital accounts.
- Issue 38:** The 2004 working capital shall be reduced by \$564,483 for the projected amount of over-recoveries for fuel of \$490,094 and for conservation of \$74,388.
- Issue 40:** The 2004 working capital shall be reduced by \$434 to remove the non-utility portion included in Account 1430.1- Accounts Receivable Other.
- Issue 41:** The 2004 working capital shall be reduced by \$8,345 to remove the non-utility portion included in Account 1430.2- Accounts Receivable Other Miscellaneous.
- Issue 42:** One-half of the updated rate case expense shall be included in working capital allowance.
- Issue 43:** Accounts Payable shall be increased by \$255,434, \$266,162, and \$273,922 for the years 2002, 2003, and 2004 respectively, to correct a posting error.
- Issue 44:** Accounts Payable shall be increased by \$13,807, \$14,387, and \$14,806 for the years 2002, 2003, and 2004 respectively, to correct a posting error.
- Issue 45:** Taxes Accrued-Gross Receipts Tax shall be reduced by \$105,693 for 2004 to remove the portion related to non-electric operations.
- Issue 46:** Based on the decisions made in other issues, the 2004 projected working capital shall be reduced by \$3,643,348 to reflect a balance of (\$3,083,353).
- Issue 47:** Based on the decisions made in other issues, the 2004 projected rate based shall be reduced by \$3,461,835 to reflect a balance of \$36,379,034.
- Issue 48:** The appropriate amount of accumulated deferred taxes to include in the capital structure is \$5,787,660. This is an increase of \$2,454,657 to the 13-month average of \$3,333,003. This adjustment consists of the company's true-up of accumulated deferred taxes based on its 2002 tax returns, bonus depreciation for 2003 and 2004, and bonus depreciation on common plant allocated. This adjustment also includes an increase of \$105,816 for accumulated deferred taxes resulting from common plant from Issue 56.

- Issue 49:** The appropriate 13-month average balance for unamortized investment tax credits at zero cost is \$2,308, and the appropriate 13-month average balance for unamortized investment tax credits at weighted cost is \$207,227.
- Issue 51:** The appropriate cost rate for short-term debt for the December 2004 projected test year is 3.21%.
- Issue 52:** The appropriate cost rate for long-term debt is 7.98%.
- Issue 56:** The accumulated deferred taxes in FPUC's filing do not include any amount for deferred taxes on common plant allocated to electric operations. The deferred tax balance shall be increased by the amount calculated by multiplying the 13-Mo. Average 2004 Net Plant - Allocated Common, decided upon in Issues 10 and 15, by 8.7852%. This results in an increase to accumulated deferred taxes of \$105,816.
- Issue 57:** All the balances in the capital structure shall be calculated on a 13-month average basis.
- Issue 59:** The appropriate cost rate for common equity is 11.5% with a range of plus or minus 100 basis points.
- Issue 60:** The appropriate weighted average cost of capital is 7.86%. This cost of capital is based on a 13 month average capital structure. An amount representing the investment in Flo-Gas Corporation, \$2,159,296, has been removed solely from common equity in reconciling rate base and capital structure. To reflect corrections and adjustments in the staff audit report, customer deposits have been adjusted to reflect a balance of \$1,817,732 with a cost rate of 6.84%.
- Issue 61:** Forfeited Discounts (Late Fees) have been understated in calculating the revenue for 2004. Forfeited Discounts shall be increased by \$64,919, from \$255,104 to \$320,023.
- Issue 63:** FPUC's projected level of Total Operating Revenue in the amount of \$14,491,924 for the December 2004 projected test year shall be increased by \$64,919 as stated in Issue 61 and by \$220,083 as stated in Issue 123, or by \$285,002 in total. It shall also be decreased by \$1,354,781 as stated in Issue 66 to remove Franchise Fees and by \$1,217,311 as stated in Issue 67 to remove Gross Receipts Tax. Based on the above, the appropriate amount of Operating Revenues is \$12,204,834.

- Issue 64:** With respect to test year escalation rates, FPUC's payroll factors of 3% for 2003 and 2004 are appropriate. The appropriate customer growth factors are 3.25% for 2003 and 2.44% for 2004. For 2003, the appropriate inflation factor is 2%. FPUC's inflation factor of 1.3% for 2004 is appropriate.
- Issue 65:** The trend rate factors shall be revised to reflect the stipulated rates for inflation, customer growth and payroll. The appropriate trend rate factors are 1.033 for inflation, 1.0577 for customer growth and 1.061 for payroll. The trend rate factors for inflation only and payroll only shall be applied to O& M Expenses. This results in a \$93,263 reduction to O&M Expenses.
- Issue 66:** Both operating revenues and taxes other than income taxes shall be reduced by \$1,354,781 to remove Franchise Fees from operating revenues and taxes other than income.
- Issue 67:** Both operating revenues and taxes other than income taxes shall be reduced by \$1,217,311 to remove the gross receipts tax, and shall be shown as a separate line item on the bill.
- Issue 68:** The appropriate amount of O&M Expense for 2004 is \$6,913,120 which represents a \$771,074 reduction.
- Issue 69:** FPUC has made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause. The corresponding balance sheet effect is addressed in Issue 38.
- Issue 70:** FPUC has made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause. The corresponding balance sheet effect is addressed in Issue 38.
- Issue 71:** Advertising Expense for year 2002 shall be reduced by \$821, as follows: Account 9131, Promotional Advertising (\$179), Account 9132, Conservation (\$240), Account 9136, Other Advertising (\$213), Account 916, Miscellaneous Sales Expense (\$189). The Company escalated these amounts by a combined customer growth and inflation factor of 1.072 from year 2002 to the projected 2004 test year. The 2004 amounts total \$880 (\$192, \$257, \$228, \$203).
- Issue 74:** FPUC's 2004 projections were double counted for costs for retiree medical benefits. Projected 2004 costs included in Account 926.2, Employee Medical Expense, shall be reduced by \$20,386.

**Issue 75:** Account 926.2, Employee Medical Expense, shall be reduced by \$122,164, based on a revised estimate resulting from the receipt of the bill for the 2003 medical insurance premium.

**Issue 77:** The projected test year 2004 pension expense shall be decreased by \$10,385.

**Issue 78:** For the purposes of resolving this issue for this docket, the 2004 storm damage accrual shall be reduced by \$103,375 to remove the projected increase in the annual accrual to maintain the annual accrual at its actual historical amount of \$121,625. However, if FPUC should experience significant storm-related damage, it can defer the amount exceeding its reserve balance and petition the Commission for appropriate regulatory treatment.

**Issue 81:** FPUC has not signed a contract for payroll outsourcing services; therefore, FPUC's 2004 projection for payroll outsourcing costs shall be adjusted, and Account 923.3 shall be reduced by \$14,000 for the projected test year 2004.

**Issue 83:** Account 923.3 shall be reduced by \$9,389 for the 2004 projected test year. This amount represents the electric portion of the reduction to tax-related corporate accounting fees.

**Issue 86:** The Economic Development Costs shall be reduced by \$1,132, which limits the amount to 95 percent of the 2004 amount projected by the Company. For any calendar year in which the company spends less than \$22,641, then 95% of the difference between the \$22,641 and the amount spent shall be credited to the Company's Storm Damage Reserve.

**Issue 88:** Overhead Cost Allocations shall be decreased by \$192,840 for the 2004 projected test year. As taken up in Issue 94, the level of overhead costs allocated to the electric operations shall be decreased by \$86,568. As taken up in Issue 98, it shall be increased by \$2,523. As taken up in Issue 99, it shall be decreased by \$108,795.

**Issue 94:** Payroll Expense for discontinued operations for 2004 shall be reduced by a net of \$86,568. This amount is comprised of the \$109,820 reduction noted in Audit Disclosure No. 10, less \$23,724 related to replacement of a Fernandina Beach employee noted in the same Audit Disclosure plus an additional \$472 to remove the electric operation payroll charges of an employee of the water utility that was not retained.



- Issue 95:** Account 903, Customer Records and Collection Expenses, shall be reduced by \$39,080 for 2004 to reflect a change in vendor cost for the printing and mailing of company bills.
- Issue 96:** Account 903, Customer Records and Collection Expenses, shall be reduced by \$15,221 for 2004 to remove costs related to propane, merchandising and jobbing, and conservation.
- Issue 98:** Account 903 shall be increased by \$2,523 for payroll related to discontinued operations that was charged to Account 904 in 2004.
- Issue 99:** Account 920, Administrative and General Salaries, shall be decreased by \$108,795 for the 2004 projected test year to correct the allocation factor. In 2003, actual expense for this account for electric was \$832,636. Allowing for an increase of \$19,057 for temporary vacant positions in 2003, increases the 2003 amount to \$851,693. Using the company-filed payroll factor of 1.03, the reduction to this account for the 2004 projected test year is \$108,795 ( $\$986,039 - (\$851,693 \times 1.03)$ ).
- Issue 101:** Account 921.5 shall be reduced by \$13,880 for 2004 to remove the uncollected franchise fees.
- Issue 102:** Account 921.5 shall be reduced by \$1,207 for 2004 to remove non-utility and out-of-period costs.
- Issue 105:** Bond Issuance Costs are a component of the effective interest cost. Account 923.2 shall be reduced by \$561 for 2004.
- Issue 107:** Account 924, Property Insurance, shall be reduced by \$3,726 for 2004 to reflect the current property insurance premium.
- Issue 108:** Account 925.1 shall be reduced by \$78,088 for 2004 to reflect current insurance premiums.
- Issue 111:** Account 930.2, Miscellaneous General Expense, shall be reduced by \$48,657 for 2002 and \$52,160 ( $\$48,657 \times 1.072$ ) for 2004. These costs were associated with a stock offering that did not materialize.
- Issue 112:** Total Rate Case Expense of \$490,862 shall be amortized over five-years, or at \$98,172 per year. Rate Case Expense for the 2004 test year shall be reduced by

\$24,544. One-half of rate case expense, or \$245,431, shall be include in Working Capital Allowance, a reduction of \$200,999.

**Issue 113:** The appropriate period for the amortization of rate case expense is five years.

**Issue 114:** Account 904 shall be increased by \$663 for the 2004 projected test year, which is a four-year average of net write-offs to revenues.

**Issue 115:** The depreciation expense for the projected test year 2004 shall be reduced by \$90,966 to reflect the effects of the updated depreciation rates as a result of Docket No. 020853-EI, which was effective January 1, 2004.

**Issue 116:** 2004 Depreciation Expense shall be reduced by \$91,915 in total. This amount includes a \$90,966 decrease accounted for in Issue 115. The additional \$949 reduction is the net of several adjustments: an increase of \$3,119 to correct mathematical errors, an increase of \$4,545 related to the Family Dollar Store substation, and an increase of \$21,468 related to the Family Dollar Store assets. Also included are reductions of \$105 for common plant, \$11,078 related to cancelled and delayed projects, \$11,398 for non-utility operations, and \$7,500 to reduce depreciation for Contributions in Aid of Construction.

**Issue 118:** An adjustment shall be made to decrease taxes other than income by \$13,794 related to property taxes and increase by \$99,411 related to payroll as reflected in Audit Exception 19. Due to adjustments made to payroll expense in Issues 94, 96, 98, and 99, payroll taxes shall be decreased by \$17,042. Adjustments made to plant increases Ad Valorem taxes by \$2,419. Based on the approved adjustments to revenue, Regulatory Assessment Fees shall be increased by \$205. Additionally, based on stipulations for Issues 66 and 67, gross receipts tax and franchise fees shall be reduced by \$1,354,781 and \$1,217,311, respectively. Therefore, the projected 2004 balance of taxes other than income shall be decreased by \$2,500,893 to reflect a balance of \$747,160.

**Issue 119:** Income Taxes Expense shall be increased by \$438,258 to \$248,020 for the effect of adjustments to NOI, Rate Base and interest synchronization.

**Issue 120:** FPUC's projected Net Operating Income in the amount of \$1,088,574 for the December 2004 projected test year shall be increased by \$638,534 to \$1,727,109.

**Issue 121:** The appropriate Revenue Expansion Factor is 0.622006 and the appropriate Net Operating Income Multiplier is 1.60770 for the projected 2004 test year. The calculations are based on removal of the Gross Receipts Tax and a change from

the Company's Bad Debt Factor of 0.1830 to Commission staff's Bad Debt Factor of 0.1996.

**Issue 122:** FPUC's requested annual operating revenue increase of \$4,117,121 for the December 2004 projected test year shall be decreased by \$2,296,748 to \$1,820,373.

**Issue 123:** The revenues from sales of electricity by rate class at present rates for the projected 2004 test year shall be adjusted upward by a total of \$220,830, as explained below. With these adjustments, FPUC has correctly calculated revenues from the sales of electricity at present rates for the test year.

1. Revenues for the GS rate class shall be adjusted upward by a total of \$133,220 due to the following: an upward adjustment of \$127,937 due to changes in the billing determinant forecast, and an upward adjustment of \$5,282 that results when the Non-profit Sports Fields Transitional Rate customers are billed under the correct rate.
2. Revenues for the RS rate class shall be adjusted upward by a total of \$56,185 due to changes in the billing determinant forecast.
3. Revenues for the GSD rate class shall be adjusted downward by a total of \$5,856 to adjust for the application of Transformer Ownership Discounts to those customers who own their own transformers.
4. Revenues for the GSLD rate class shall be adjusted upward by a total of \$37,045 due to the following: an upward adjustment of \$71,940 due to changes in the billing determinant forecast attributable to the Family Dollar facility, and a downward adjustment of \$34,659 to adjust for the application of Transformer Ownership Discounts to those customers who own their own transformers.

**Issue 124:** The appropriate methodology cost of service methodology to be used in designing FPUC's rates is the fully allocated embedded cost of service study contained in MFR Schedule E-1, as adjusted for the changes to rate base, revenues, expenses, and return approved by the Commission.

**Issue 125:** Any revenue increase granted shall be allocated to the rate classes in a manner that moves the class rate of return indices as close to parity as practicable based on the approved cost allocation methodology, subject to the following constraints: (1) no class shall receive an increase greater than 1.5 times the system average percentage increase in total, and (2) no class shall receive a decrease.

**Issue 126:** The appropriate customer charges shall be approved as follows:

<u>Rate Schedule</u>	<u>Customer Charge</u>
Residential Service	\$10.00
General Service - Non-Demand	\$14.00
General Service - Demand	\$44.00
General Service - Large Demand	\$75.00
General Service - Large Demand-1	\$600.00

**Issue 127:** The appropriate demand charges shall be approved as follows:

<u>Rate Schedule</u>	<u>Demand Charge</u>
General Service - Non-Demand	\$2.48 per kw of billing demand
General Service - Large Demand	\$2.89 per kw of billing demand

General Service - Large Demand-1

**Transmission Demand Charge:** The Transmission Demand Charge will be designed to recover, on a per-kilowatt basis, the remaining Commission-approved revenue target for the General Service-Large Demand-1 rate class after subtracting the revenues attributable to the Commission-approved Customer and Reactive Demand Charges for the class.

**Reactive Demand Charge:** \$.24 per excess kVar

**Production Demand Charge:** The Production Demand Charge for customers located in the Northwest Florida (Marianna) Division shall be the currently effective tax-adjusted purchased power coincident peak demand charge of the company's wholesale supplier for the former Northwest Florida Division. The Production Demand Charge for customers located in the Northeast Florida (Fernandina Beach) Division shall be the currently effective tax-adjusted purchased power coincident peak demand charge of the company's wholesale supplier for the former Northeast Florida Division.

**Issue 129:** The appropriate service charges shall be approved as follows:

<u>Type of Charge</u>	<u>Service Charge</u>
Initial Connect	\$44.00
Reestablish service or change existing acct.	\$19.00
Temporary Disconnect at customer request	\$27.00
Reconnect after rule violation (during hours)	\$37.00
Reconnect after rule violation (after hours)	\$60.00
Temporary Service	\$44.00
Collection Charge	\$11.50

**Issue 130:** The appropriate primary voltage transformer ownership discount for the GSD and the GSLD rate classes shall be \$0.55 per KW per month.

**Issue 131:** The Street and Outdoor Lighting energy charges shall be set, to the extent practicable, to recover the total non-fuel energy, demand and customer-related costs allocated to the classes in the Commission-approved cost of service study. The maintenance charges shall be set, to the extent practicable, to recover the total maintenance and associated A&G costs allocated to the classes in the cost of service study. The lighting fixture charges and pole charges shall be set to recover the remaining revenue requirement for the Street and Outdoor Lighting rate classes.

**Issue 132:** FPUC's Transitional Rate for Non-Profit Sports Fields shall not be eliminated. Elimination of the transitional rate would constitute a burdensome rate increase for sports field customers. Both the customer and non-fuel energy charges for the transitional rate shall be increased by the same percentage revenue increase approved for the GS rate class.

**Issue 133:** The appropriate standby service rates shall be approved as follows:

The appropriate monthly Local Facilities Charges are as follows:

\$1.89 per KW for customers who have contracted for standby service capacity of less than 500 kW

\$0.50 per KW for customers who have contracted for standby service capacity of 500 kW or greater

The Coincident Peak Demand Charge and the Energy Charge for customers located in the former Marianna Division shall be billed at the currently effective purchased power rates of the company's wholesale supplier for the former Marianna Division. The Coincident Peak Demand Charge and the Energy Charge for customers located in the former Fernandina Beach Division shall be billed at the currently effective purchased power rates of the company's wholesale supplier for the former Fernandina Beach Division.

**Issue 134:** An adjustment by rate class to account for the increase in unbilled revenues due to the Commission-approved revenue increase shall be made by applying the methodology shown in MFR Schedule E-15 to the Commission-approved revenue increase.

**Issue 135** The revised rates and charges shall become effective for meter readings on or after 30 days following the date of the Commission vote approving the rates and charges.

**Issue 136** FPUC shall be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case.

#### APPROVAL OF BASE ENERGY CHARGES

At the February 18, 2004 hearing, all issues for hearing were either noted as having been dropped or approved as a stipulation, with the exception of Issues 128 (appropriate base energy charges) and 137 (closure of the docket). At the March 16, 2004, Agenda Conference, we rendered our decision on Issues 128 and 137. We approved an allocation of the increased revenues by rate class based on the approved cost of service study. The allocation was made in a manner that moves the rate of return of each rate class closer to the system rate of return. No rate class was allocated an increase that exceeded 1.5 times the system average increase, and no rate class was given a rate decrease. This allocation to the rate classes of the approved increase of \$1.82 million is shown in Attachment 6, attached hereto and incorporated herein by reference.

In Issue 128, we also found that the appropriate base energy charges are those shown in Attachment 7, attached hereto and incorporated herein by reference. This attachment includes the approved base energy charges addressed in this Issue, as well as the previously stipulated customer charges (Issue 126), demand charges (Issue 127), and transformer ownership discounts (Issue 130). We calculated the Transmission Demand Charge for the General Service Large Demand-1 rate using the methodology contained in the approved stipulation of Issue 127. The Non-Profit Sports Fields Transitional rate was determined using the methodology described in

the approved stipulation of Issue 132. The street and outdoor lighting rates were calculated based on the methodology that was subject of the approved stipulation of Issue 131. The approved rates are designed to recover the revenues allocated to each rate class based on the approved cost of service methodology. We approved the consolidation of the base rates and charges of FPUC's two electric divisions into a single set of rates that will apply to all of FPUC's customers by the stipulation of Issue 1. By Order No. PSC-03-1375-FOF-EG, issued December 4, 2003, in Docket No. 030002-EI, In Re: Energy Conservation Cost Recovery Clause, we approved a single Conservation Cost Recovery factor that is applicable to all of FPUC's customers, effective January 1, 2004. Customers in the two divisions, however, continue to pay separate Purchased Power Cost Recovery charges. In Docket No. 031135-EI, FPUC filed a petition to implement consolidated Purchased Power Cost Recovery charges, which we have not yet considered.

The rates approved herein will result in an increase in the total 1,000 kilowatt-hour monthly residential bill for customers located in the Northwest (Marianna) Division of \$3.38, to \$66.49. Customers in the Northeast (Fernandina Beach) Division will see an increase of \$5.40, to \$55.33.

Based upon the approved stipulation in Issue 135, the revised rates shall become effective for meter readings on or after 30 days following the date of our vote approving the revised rates. Accordingly, because we approved the new rates at our March 16, 2004, Agenda Conference, the rates shall become effective on April 15, 2004. Pursuant to the requirements of Rule 25-22.0406(8), Florida Administrative Code, customers shall be notified in their first bill containing the new rates.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations proposed at the February 18, 2004 hearing are approved as set forth in the body of this Order. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that the Attachments attached hereto are incorporated herein by reference. It is further

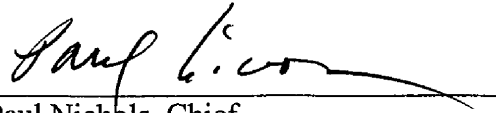
ORDERED that all outstanding issues in this docket have been addressed as final agency action. With the issuance of this Order, no further action by this Commission is necessary, and this docket shall therefore be closed.

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By ORDER of the Florida Public Service Commission this 6th day of April, 2004.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By:



Paul Nichols, Chief  
Bureau of Administrative Services

( S E A L )

JSB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.



JURISDICTIONAL  
COMPARATIVE AVERAGE RATE BASES

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 030438-EI  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

ISSUE NO.	JURIS. PER BOOKS	COMPANY ADJS.	ADJUSTED COMPANY	COMMISSION VOTE	
				ADJS.	ADJUSTED
<b>PLANT IN SERVICE</b>					
	65,722,932				
C	Common Plant Allocated	1,721,031			
C	Acquisition Adjustment	3,691			
C	Non-regulated Propane Operation	(35,088)			
9	Plant - Family Dollar			728,162	
9	Contributions in Aid of Construction (CIAC)			(250,000)	
9	Contributions on Revenue Producing Projects			(96,922)	
10	Common Plant - Revised Additions			(72,614)	
12	Canceled & Delayed Projects			(297,378)	
	<u>Total Plant In Service</u>	<u>1,689,634</u>	67,412,566	<u>11,248</u>	67,423,814
<b>ACCUMULATED DEPRECIATION AND AMORTIZATION</b>					
	(27,689,659)				
C	Common Plant Allocated	(455,192)			
C	Acquisition Adjustment	(3,691)			
16	Customer Advances for Construction	(621,462)			
C	Non-regulated Propane Operation	17,543			
9	CIAC Amortization			3,750	
12	Canceled & Delayed Projects			16,617	
13	Disallow Use of Average Rates			22,134	
14	Family Dollar			(13,222)	
14	Correction of Depreciation Rates			(4,675)	
15	Common Plant - Revised Additions			11,255	
115	Docket No. 020853-EI Updated Rates			45,483	
	<u>Total Accumulated Depreciation &amp; Amort.</u>	<u>(1,062,802)</u>	(28,752,461)	<u>81,342</u>	(28,671,119)
<b>NET PLANT IN SERVICE</b>					
	38,033,273	626,832	38,660,105	92,590	38,752,695
<b>CONSTRUCTION WORK IN PROGRESS</b>					
	621,692				
C	Non-regulated Propane Operation	(923)			
17	CWIP			88,923	
	<u>Total Construction Work in Progress</u>	<u>(923)</u>	620,769	<u>88,923</u>	709,692
<b>PLANT HELD FOR FUTURE USE</b>					
	0	0	0	0	0
<b>NET UTILITY PLANT</b>					
	38,654,965	625,909	39,280,874	181,513	39,462,387
<b>WORKING CAPITAL</b>					
	559,995				
8	Non-utility Accounts Receivable Reduction			(55,961)	
20	Cash Accounts			(1,698,681)	
26	Accounts Receivable Reduction			(149,764)	
27	Uncollectible Accounts Reduction			360	
28	Prepaid Insurance Reduction			(28,518)	
31	Prepaid Pensions			(451,268)	
32	Unbilled Revenues Reduction			(19,326)	
33	Deferred Debit (Acct. 186.0) Reduction			(3,376)	
34	Fernandina Beach Office Addition			(33,554)	
36	Storm Damage Reserve Increase			(372,585)	
37	Reverse 2002 Adjustments			126,621	
38	Over/Under Recoveries			(564,483)	
40	Other Accounts Receivable (AE#5)			(434)	
41	Other Accounts Receivable (AE#6)			(8,345)	
42	Unamortized Rate Case Expense			(200,999)	
43	Accounts Payable Increase			(273,922)	
44	Accounts Payable - Water Div. Elimination			(14,806)	
45	Non-utility Gross Receipts Tax Payable			105,693	
	<u>Total Working Capital</u>	<u>0</u>	559,995	<u>(3,643,348)</u>	(3,083,353)
<b>TOTAL RATE BASE</b>					
	39,214,960	625,909	39,840,869	(3,461,835)	36,379,034

**JURISDICTIONAL  
 COMPARATIVE CAPITAL STRUCTURES**

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

**FLORIDA PUBLIC UTILITIES COMPANY - YEAR END**

	Amount	Ratio	Cost Rate	Weighted Cost Rate
Long-Term Debt	16,520,339	41.47%	7.87%	3.26%
Short-Term Debt	0	0.00%	0.00%	0.00%
Preferred Stock	197,900	0.50%	4.75%	0.02%
Common Equity	18,157,729	45.58%	12.00%	5.47%
Customer Deposits	1,330,347	3.34%	6.00%	0.20%
Deferred Taxes	3,452,146	8.66%	0.00%	0.00%
Investment Cr. - Wt. Cost	182,409	0.46%	10.00%	0.05%
<b>Total</b>	<b>39,840,870</b>	<b>100.00%</b>		<b>9.00%</b>

**COMMISSION VOTE  
 AVERAGE CAPITAL STRUCTURE:**

	Amount	Adjustments		Adjusted Total	Ratio	Cost Rate	Weighted Cost Rate
		Specific	Pro Rata				
Long-Term Debt	16,520,339	(426,820)	(1,739,624)	14,353,895	39.46%	7.98%	3.15%
Short-Term Debt	0	729,666	(78,873)	650,793	1.79%	3.21%	0.06%
Preferred Stock	197,900	(5,720)	(20,774)	171,406	0.47%	4.75%	0.02%
Common Equity	18,157,729	(3,147,151)	(1,622,564)	13,388,014	36.80%	11.50%	4.23%
Customer Deposits	1,330,347	487,385	0	1,817,732	5.00%	6.84%	0.34%
Deferred Taxes	3,452,146	2,337,822	0	5,789,968	15.92%	0.00%	0.00%
Investment Cr. - Wt. Cost	182,409	24,818	0	207,227	0.57%	9.50%	0.05%
<b>Total</b>	<b>39,840,870</b>	<b>0</b>	<b>(3,461,835)</b>	<b>36,379,035</b>	<b>100.00%</b>		<b>7.86%</b>

**Investment Credit Weighted Cost:**

	Amount	Ratio	Cost Rate	Wtd. Cost
Long Term Debt	14,353,895	50.25%	7.98%	4.01%
Short Term Debt	650,793	2.28%	3.21%	0.07%
Preferred Stock	171,406	0.60%	4.75%	0.03%
Common Equity	13,388,014	46.87%	11.50%	5.39%
<b>Total</b>	<b>28,564,108</b>	<b>100.00%</b>		<b>9.50%</b>

**Interest Synchronization:**

	Adjustments	Cost Rate	Effect on Interest Exp.	Tax Rate	Effect on Income Taxes
Long Term Debt	(2,166,444)	7.98%	(172,882)	37.630%	65,056
Short Term Debt	650,793	3.21%	20,890	37.630%	(7,861)
Customer Deposits	487,385	6.84%	33,337	37.630%	(12,545)
Investment Cr. - Wt. Cost	24,818	9.50%	2,358	37.630%	(887)
<b>Total</b>	<b>(1,003,448)</b>		<b>(116,297)</b>		<b>43,762</b>

**Change in Cost Rates:**

	Amount	Cost Rate	Change	Tax Rate	Change
Long Term Debt	16,520,339	0.11%	\$18,172	37.630%	(6,838)
Short Term Debt	0	3.21%	0	37.630%	0
Customer Deposits	1,330,347	0.84%	11,175	37.630%	(4,205)
Investment Cr. - Wt. Cost	182,409	-0.50%	(909)	37.630%	342
<b>Total</b>	<b>16,520,339</b>		<b>18,172</b>		<b>(10,701)</b>

Total Interest Synchronization 33,061

**JURISDICTIONAL  
 COMPARATIVE NET OPERATING INCOME**

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

ISSUE NO.	JURIS. PER BOOKS	COMPANY ADJS.	ADJUSTED COMPANY	COMMISSION VOTE	
				ADJS.	ADJUSTED
<b>OPERATING REVENUES</b>	41,827,588				
C Remove Fuel Revenues		(27,112,504)			
C Remove ECCR Revenues		(466,940)			
C Add Fuel Clause Gross Receipts Tax		243,780			
61 Forfeited Discounts (Late Fees)				64,919	
66 Remove Franchise Fees				(1,354,781)	
67 Remove Gross Receipts Tax				(1,217,311)	
123 Sales Revenues Adjustment				220,083	
Total Operating Revenues	<u>41,827,588</u>	<u>(27,335,664)</u>	14,491,924	<u>(2,287,090)</u>	<u>12,204,834</u>
<b>OPERATING EXPENSES:</b>					
<b>OPERATION &amp; MAINTENANCE EXPENSE</b>	35,000,000				
C Remove Fuel Expenses		(26,852,624)			
C Remove ECCR Expenses		(463,182)			
65 Trend Rate Factors				(93,263)	
71 Advertising Expenses (913)				(880)	
74 Retiree Medical Benefits (926.2)				(20,386)	
75 Medical Insurance Premium (926.2)				(122,164)	
77 Pension Expense (926.1)				(10,385)	
78 Storm Damage Accrual (924)				(103,375)	
81 Payroll Outsourcing Services (923.3)				(14,000)	
83 Tax-related Corporate Accounting Fees (923.3)				(9,389)	
86 Economic Development Cost				(1,132)	
94 Payroll Expense - Discontinued Operations				(86,568)	
95 Billing Vendor Costs (903)				(39,080)	
96 Merchandising (903)				(15,221)	
98 Payroll - Discontinued Operations (903)				2,523	
99 Administrative & General Salaries (920)				(108,795)	
101 Misc. Office Exp. - Uncollected Franchise Fees (921.5)				(13,880)	
102 Misc. Office Exp. - Non-utility & Out-of-Period (921.5)				(1,207)	
105 Bond Issuance Costs (923.2)				(561)	
107 Property Insurance Premium (924)				(3,726)	
108 Injuries & Damages - Insurance Premium (925.1)				(78,088)	
111 Stock Offering Costs				(52,160)	
114 Bad Debt Expense (904)				663	
Total Operating & Maintenance Expense	<u>35,000,000</u>	<u>(27,315,806)</u>	7,684,194	<u>(771,074)</u>	<u>6,913,120</u>
<b>DEPRECIATION &amp; AMORTIZATION EXP.</b>	2,708,403				
9 CIAC Amortization				(7,500)	
12 Canceled & Delayed Projects				(11,078)	
115 Docket No. 020853-EI Updated Rates				(90,966)	
116 Correction of Mathematical Errors				3,119	
116 Family Dollar Store Substation				4,545	
116 Family Dollar Store				21,468	
116 Common Plant				(105)	
116 Non-utility Operations				(11,398)	
Total Depreciation & Amortization Expense	<u>2,708,403</u>	<u>0</u>	2,708,403	<u>(91,915)</u>	<u>2,616,488</u>

**JURISDICTIONAL  
COMPARATIVE NET OPERATING INCOME**

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 030438-EI  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

ISSUE NO.	JURIS. PER BOOKS	COMPANY ADJS.	ADJUSTED COMPANY	COMMISSION VOTE	
				ADJS.	ADJUSTED
<b>TAXES OTHER THAN INCOME</b>					
	3,267,910				
C	Remove Fuel Clause Revenue Taxes	(259,880)			
C	Remove ECCR Revenue Taxes	(3,758)			
C	Add Fuel & ECCR Clause Gross Receipts Tax	243,780			
66	Remove Franchise Fees			(1,354,781)	
67	Remove Gross Receipts Tax			(1,217,311)	
118	RAF Effect of Revenue Adjustments			205	
118	Property Taxes (AE#19)			(13,794)	
118	Payroll Taxes (AE#19)			99,411	
118	Staff Payroll Adjustment			(17,042)	
118	Staff Plant Adjustment			2,419	
	<b>Total Taxes Other Than Income</b>	<b>(19,858)</b>	<b>3,248,052</b>	<b>(2,500,893)</b>	<b>747,159</b>
<b>CURRENT/DEFERRED INCOME TAXES</b>					
	(190,238)				
119	Effect of NOI Adjustments			405,197	
119	Interest Synchronization			33,061	
	<b>Total Current/Deferred Income Taxes</b>	<b>0</b>	<b>(190,238)</b>	<b>438,258</b>	<b>248,020</b>
<b>INVESTMENT TAX CREDIT</b>					
	(47,062)				
	<b>Total Investment Tax Credit</b>	<b>0</b>	<b>(47,062)</b>	<b>0</b>	<b>(47,062)</b>
<b>(GAIN)/LOSS ON SALE OF PROPERTY</b>					
	0				
	<b>Total (Gain)/Loss on Sale of Property</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING EXPENSES</b>					
	<b>40,739,013</b>	<b>(27,335,664)</b>	<b>13,403,349</b>	<b>(2,925,624)</b>	<b>10,477,725</b>
120	<b>NET OPERATING INCOME</b>	<b>0</b>	<b>1,088,575</b>	<b>638,534</b>	<b>1,727,109</b>

**COMPARATIVE NET OPERATING INCOME MULTIPLIERS**

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 030438-EI  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

	Company <u>As Filed</u>	COMMISSION <u>VOTE</u>
Revenue Requirement	100.0000%	100.0000%
Gross Receipts Tax	-2.5000%	0.0000%
Regulatory Assessment Fee	-0.0720%	-0.0720%
Bad Debt Rate	<u>-0.1830%</u>	<u>-0.1996%</u>
Net Before Income Taxes	97.2450%	99.7284%
Income Taxes @ 37.63%	<u>-36.5933%</u>	<u>-37.5278%</u>
Revenue Expansion Factor	<u>60.6517%</u>	<u>62.2006%</u>
Net Operating Income Multiplier	<u>1.64876</u>	<u>1.60770</u>

**COMPARATIVE REVENUE REQUIREMENTS**

FLORIDA PUBLIC UTILITIES COMPANY  
DOCKET NO. 030438-EI  
PROJECTED TEST YEAR ENDING DECEMBER 31, 2004

	Company <u>As Filed</u>	COMMISSION <u>VOTE</u>
Jurisdictional Adjusted Rate Base	\$39,840,870	\$36,379,034
Required Rate of Return	<u>9.00%</u>	<u>7.86%</u>
Required Net Operating Income	\$3,585,678	\$2,859,392
Achieved Net Operating Income	<u>(1,088,574)</u>	<u>(1,727,109)</u>
Net Operating Income Deficiency/(Excess)	\$2,497,104	\$1,132,283
Net Operating Income Multiplier	<u>1.64876</u>	<u>1.60770</u>
Operating Revenue Increase/(Decrease)	<u>\$4,117,121</u>	<u>\$1,820,373</u>

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 REVENUE INCREASE BY RATE CLASS  
 SUMMARY OF CLASS RATES OF RETURN AND PERCENTAGE INCREASES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
RATE CLASS	RATE BASE	PRESENT NOI	PRESENT ROR	PRESENT INDEX	INCREASE FROM SERVICE CHARGES	INCREASE FROM SALES OF ELECTRICITY	TOTAL INCREASE IN REVENUE	REQUIRED NOI	APPROVED ROR	APPROVED INDEX	PERCENTAGE INCREASE IN BASE REVENUES	NOI INCREASE
RS	\$19,879,435	\$685,674	3.45%	0.73	\$78,868	\$1,268,078	\$1,346,946	\$1,523,483	7.66%	0.98	20.2%	\$837,809
GS	\$4,044,450	\$192,877	4.77%	1.00	\$10,758	\$192,000	\$202,758	\$318,994	7.89%	1.00	13.0%	\$126,117
GSD	\$6,492,933	\$737,585	11.36%	2.39	\$2,232	\$90,000	\$92,232	\$794,954	12.24%	1.56	4.2%	\$57,369
GSLD	\$1,343,431	\$161,901	12.05%	2.54	\$50	\$30,000	\$30,050	\$180,592	13.44%	1.71	6.4%	\$18,691
GSLD-1	\$2,115,716	\$433,523	20.49%	4.32	\$8	\$0	\$8	\$433,528	20.49%	2.61	0.0%	\$5
OL	\$88,438	(\$15,329)	-17.33%	-3.65	\$0	\$7,750	\$7,750	(\$10,508)	-11.88%	-1.51	19.6%	\$4,821
OL2	\$1,461,116	(\$252,703)	-17.30%	-3.64	\$0	\$106,814	\$106,814	(\$186,264)	-12.75%	-1.62	19.8%	\$66,439
SL2	\$183,504	(\$59,460)	-32.40%	-6.83	\$0	\$6,210	\$6,210	(\$55,597)	-30.30%	-3.85	19.1%	\$3,863
SL3	\$770,011	(\$156,965)	-20.38%	-4.29	\$0	\$27,605	\$27,605	(\$139,795)	-18.15%	-2.31	19.1%	\$17,170
<b>TOTAL RETAIL</b>	<b><u>\$36,379,034</u></b>	<b><u>\$1,727,103</u></b>	<b><u>4.75%</u></b>	<b><u>1.00</u></b>	<b><u>\$91,916</u></b>	<b><u>\$1,728,457</u></b>	<b><u>\$1,820,373</u></b>	<b><u>\$2,859,387</u></b>	<b><u>7.86%</u></b>	<b><u>1.00</u></b>	<b><u>14.9%</u></b>	<b><u>\$1,132,284</u></b>

1.5 Times system avg increase. 22.39%

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 PRESENT AND COMMISSION APPROVED RATES

RATE COMPONENT	NORTHWEST FLORIDA (MARIANNA) PRESENT	NORTHEAST FLORIDA (FERNANDINA BEACH) PRESENT	COMMISSION APPROVED
<b>RESIDENTIAL SERVICE (RS)</b>			
CUSTOMER CHARGE (PER MONTH) *	\$8 30	\$7 00	\$10 00
BASE ENERGY CHARGE (PER KWH)	\$0 01213	\$0 01220	\$0 01373
<b>GENERAL SERVICE - NON-DEMAND (GS)</b>			
CUSTOMER CHARGE (PER MONTH) *	\$11 50	\$10 00	\$14 00
BASE ENERGY CHARGE (PER KWH)	\$0 01213	\$0 01565	\$0 01473
<b>NON-PROFIT SPORTS FIELDS TRANSITIONAL RATE</b>			
CUSTOMER CHARGE (PER MONTH) *	\$10 00	N/A	\$18 08
BASE ENERGY CHARGE (PER KWH)	\$0 02870	N/A	\$0 03244
<b>GENERAL SERVICE - DEMAND (GSD)</b>			
CUSTOMER CHARGE (PER MONTH) *	\$43 75	\$38 00	\$44 00
DEMAND CHARGE (PER KW) *	\$2 40	\$1 77	\$2 48
BASE ENERGY CHARGE (PER KWH)	\$0 000760	\$0 005480	\$0 00232
TRANSFORMER OWNERSHIP DISCOUNT - PRIMARY (PER KW) *	(\$0 74)	(\$0 44)	(\$0 55)
<b>GENERAL SERVICE - LARGE DEMAND (GSLD) **</b>			
CUSTOMER CHARGE (PER MONTH) *	\$52 50	N/A	\$75 00
DEMAND CHARGE (PER KW) *	\$2 80	N/A	\$2 89
NON-FUEL ENERGY CHARGE (PER KWH)	\$0 00000	N/A	\$0 00086
TRANS OWNERSHIP DISCOUNT - PRIMARY (PER KW) *	(\$0 74)	N/A	(\$0 55)
<b>GENERAL SERVICE - LARGE DEMAND - 1 (GSLD-1) ***</b>			
CUSTOMER CHARGE (PER MONTH) *	N/A	\$475 00	\$600 00
TRANSMISSION DEMAND CHARGE (PER KW)	N/A	\$1 14	\$1.12
REACTIVE DEMAND CHARGE (PER KVAR) *	N/A	\$0 30	\$0 24

\* Rate stipulated.

\*\* Three present Fernandina Beach GSD customers will be served under approved GSLD rate

\*\*\* Present rate is Fernandina Beach GSLD



FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 SCHEDULE OF PRESENT AND COMMISSION APPROVED STREET AND OUTDOOR LIGHTING RATES

**OUTDOOR LIGHTING - OL**

MERCURY VAPOR

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
		Marianna Present	Fernandina Present	Commission Approved	Marianna Present	Fernandina Present	Commission Approved	Marianna Present	Fernandina Present	Commission Approved	Marianna Present	Fernandina Present	Commission Approved
7,000	Cobra Head	\$1.35	\$0.37	\$2.11	\$1.80	\$0.54	\$2.16	\$1.19	\$3.02	\$0.41	\$4.34	\$3.93	\$4.68
20,000	Cobra Head	\$3.89	\$1.06	\$5.77	\$3.85	\$1.15	\$4.62	\$1.21	\$3.23	\$0.71	\$8.95	\$5.44	\$11.10
	Wood Pole	\$2.50	\$2.00	\$3.53									

**OUTDOOR LIGHTING - OL2**

HIGH-PRESSURE SODIUM

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
16,000	Acorn	\$8.10	\$9.01	\$12.50	\$1.53	\$1.53	\$1.83	\$3.37	\$3.21	\$1.51	\$13.00	\$13.75	\$15.84
16,000	ALN 440	\$15.51	\$13.40	\$18.60	\$1.53	\$1.53	\$1.83	\$5.17	\$4.54	\$2.16	\$22.21	\$19.47	\$22.59
9,500	Am Revolution	\$4.62	\$5.15	\$7.02	\$1.03	\$1.03	\$1.23	\$2.07	\$1.98	\$0.95	\$7.72	\$8.16	\$9.20
16,000	Am. Revolution	\$4.98	\$5.53	\$7.20	\$1.53	\$1.53	\$1.83	\$2.20	\$2.11	\$0.94	\$8.69	\$9.17	\$9.97
9,500	Cobra Head	\$3.98	\$2.71	\$5.31	\$1.05	\$1.05	\$1.23	\$1.40	\$2.75	\$0.79	\$6.43	\$6.51	\$7.33
22,000	Cobra Head	\$7.30	\$6.37	\$8.08	\$2.03	\$2.03	\$2.43	\$2.70	\$2.32	\$0.35	\$12.03	\$10.72	\$10.86
28,500	Cobra Head	\$6.90	\$6.03	\$9.72	\$2.53	\$2.53	\$3.03	\$2.50	\$2.24	\$1.21	\$11.93	\$10.80	\$13.96
50,000	Cobra Head	\$5.18	\$5.77	\$7.31	\$4.05	\$4.05	\$4.86	\$2.31	\$2.20	\$1.11	\$11.54	\$12.02	\$13.28
50,000	Flood	\$8.05	\$7.01	\$11.34	\$4.05	\$4.05	\$4.86	\$2.84	\$2.53	\$1.37	\$14.94	\$13.59	\$17.57
28,500	Flood	\$5.21	\$5.81	\$7.36	\$2.53	\$2.53	\$3.03	\$2.30	\$2.19	\$1.11	\$10.04	\$10.53	\$11.50
130,000	Flood	\$10.08	\$8.75	\$14.20	\$10.13	\$10.13	\$12.15	\$3.75	\$3.33	\$1.81	\$23.96	\$22.21	\$28.16
9,500	SP2 Spectra	\$13.02	\$11.27	\$15.76	\$1.03	\$1.03	\$1.23	\$4.35	\$3.82	\$2.61	\$18.40	\$16.12	\$19.60

METAL HALIDE

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
16,000	ALN 440	\$15.51	\$13.49	\$18.72	\$1.53	\$1.78	\$2.13	\$5.17	\$4.82	\$2.20	\$22.21	\$19.89	\$23.05
130,000	Flood	\$9.40	\$8.17	\$13.18	\$10.13	\$10.13	\$12.15	\$3.49	\$3.12	\$1.68	\$23.02	\$21.42	\$27.01
50,000	Flood	\$5.35	\$5.96	\$7.64	\$4.05	\$4.05	\$4.86	\$2.41	\$2.31	\$1.15	\$11.81	\$12.32	\$13.65
16,000	Shoebox	\$9.34	\$10.38	\$14.41	\$1.78	\$1.78	\$2.13	\$3.82	\$3.74	\$1.78	\$15.04	\$15.90	\$18.32
28,500	Shoebox	\$10.27	\$11.45	\$15.33	\$2.53	\$2.53	\$3.03	\$4.27	\$4.07	\$1.98	\$17.07	\$18.05	\$20.34
9,500	SP2 Spectra	\$13.02	\$11.27	\$15.64	\$1.03	\$1.03	\$1.23	\$4.45	\$3.82	\$1.82	\$18.50	\$16.12	\$18.69
130,000	Vertical Shoebox	\$13.11	\$11.35	\$18.47	\$10.13	\$10.13	\$12.15	\$4.61	\$4.08	\$2.22	\$27.85	\$25.58	\$32.84

POLES

Description	Marianna Present	Fernandina Present	Commission Approved
13' DECO CONCRETE	\$5.74	\$6.44	\$8.94
10' POLE ALUMINUM w/ARM	\$10.68	\$9.31	\$11.64
20' DECO CONCRETE	\$6.53	\$7.32	\$10.13
35' CONCRETE	\$6.91	\$7.74	\$9.89
30' WOOD POLE	\$2.50	\$2.00	\$3.35
18' FIBERGLASS	\$3.82	\$4.29	\$5.93
40' WOOD POLE	\$5.01	\$4.64	\$6.78

FLORIDA PUBLIC UTILITIES COMPANY  
 DOCKET NO. 030438-EI  
 SCHEDULE OF PRESENT AND COMMISSION APPROVED STREET AND OUTDOOR LIGHTING RATES

**STREET LIGHTING - SL-2**

MERCURY VAPOR

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
		Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved
7,000	Cobra Head	\$1.26	\$0.42	\$0.61	\$0.97	\$0.75	\$2.16	\$1.24	\$1.50	\$0.92	\$3.47	\$2.67	\$3.69
20,000	Cobra Head	\$3.42	\$1.22	\$1.02	\$2.08	\$1.60	\$4.62	\$1.27	\$1.60	\$1.05	\$6.77	\$4.42	\$6.69
	Wood Pole	\$2.50	N/A	\$3.53									

**STREET LIGHTING - SL-3**

HIGH-PRESSURE SODIUM

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
		Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved
16,000	Acorn	\$8.10	\$9.01	\$7.95	\$1.28	\$0.71	\$1.83	\$3.37	\$3.21	\$4.68	\$12.75	\$12.93	\$14.46
9,500	Am. Revolution	\$4.62	\$5.15	\$4.55	\$0.86	\$0.48	\$1.23	\$2.07	\$1.98	\$2.89	\$7.55	\$7.61	\$8.67
16,000	Am. Revolution	\$4.96	\$5.53	\$4.44	\$1.28	\$0.71	\$1.83	\$2.20	\$2.10	\$3.26	\$8.44	\$8.34	\$9.53
9,500	Cobra Head	\$3.68	\$3.89	\$3.32	\$0.88	\$0.49	\$1.23	\$1.50	\$1.36	\$2.12	\$6.04	\$5.74	\$6.67
22,000	Cobra Head	\$5.51	\$2.71	\$4.26	\$1.18	\$1.05	\$2.43	\$1.84	\$2.75	\$2.19	\$8.53	\$6.51	\$8.88
28,500	Cobra Head	\$4.50	\$5.02	\$4.08	\$2.12	\$1.18	\$3.03	\$2.04	\$1.95	\$3.00	\$8.66	\$8.15	\$10.11
50,000	Cobra Head	\$5.18	\$5.77	\$4.77	\$3.39	\$1.90	\$4.86	\$2.31	\$2.20	\$3.36	\$10.88	\$9.87	\$12.99
28,500	Flood	\$7.81	\$6.80	\$7.00	\$2.12	\$1.18	\$3.03	\$2.77	\$2.47	\$4.10	\$12.70	\$10.45	\$14.13
50,000	Flood	\$8.05	\$7.01	\$10.56	\$3.39	\$1.90	\$4.86	\$2.84	\$2.63	\$1.75	\$14.28	\$11.54	\$17.17
130,000	Flood	\$10.08	\$8.75	\$13.20	\$8.48	\$4.74	\$12.15	\$3.75	\$3.33	\$2.26	\$22.31	\$16.82	\$27.61
9,500	SP2 Spectra	\$13.02	\$11.27	\$17.03	\$0.86	\$0.48	\$1.23	\$4.45	\$3.82	\$2.64	\$18.33	\$15.57	\$20.90
16,000	ALN 440	\$15.51	\$13.40	\$20.27	\$1.28	\$0.71	\$1.83	\$5.17	\$4.54	\$3.11	\$21.96	\$18.65	\$25.21

METAL HALIDE

Lumens	Description	Facilities Charge			Energy Charge			Maintenance Charge			Total Monthly Charge		
		Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved	Mananna Present	Fernandina Present	Commission Approved
16,000	ALN 440	\$15.51	\$13.40	\$16.97	\$1.49	\$0.83	\$2.13	\$5.17	\$4.54	\$1.30	\$22.17	\$18.77	\$20.40
130,000	Flood	\$9.40	\$8.17	\$8.42	\$8.48	\$4.74	\$12.15	\$3.49	\$3.11	\$5.17	\$21.37	\$16.02	\$25.74
50,000	Flood	\$8.16	\$7.10	\$7.31	\$3.39	\$1.90	\$4.86	\$5.96	\$2.73	\$8.82	\$17.51	\$11.73	\$20.99
16,000	Shoebox	\$10.97	\$9.51	\$8.52	\$1.49	\$0.83	\$2.13	\$3.89	\$3.44	\$5.09	\$16.35	\$13.78	\$15.74
28,500	Shoebox	\$10.99	\$9.53	\$14.38	\$2.12	\$1.18	\$3.03	\$3.79	\$3.45	\$2.31	\$18.90	\$14.16	\$19.72
9,500	SP2 Spectra	\$13.02	\$11.27	\$17.03	\$0.86	\$0.48	\$1.23	\$4.45	\$3.82	\$2.64	\$18.33	\$15.57	\$20.90
130,000	Vertical Shoebox	\$13.11	\$11.35	\$17.15	\$8.48	\$4.74	\$12.15	\$4.61	\$4.08	\$2.78	\$26.20	\$20.17	\$32.08

POLES

Description	Mananna Present	Fernandina Present	Commission Approved
10' POLE ALUMINUM w/ARM	\$10.68	\$9.31	\$11.31
35' CONCRETE	\$6.91	\$7.74	\$9.71
30' WOOD POLE	\$2.50	\$2.00	\$2.78
40' WOOD POLE	\$5.01	\$4.64	\$6.85
18' FIBERGLASS	\$3.82	\$4.29	\$5.78
20' DECO CONCRETE	\$6.53	\$7.32	\$8.68
13' DECO CONCRETE	\$5.74	\$6.44	\$7.85