

FLORIDA PUBLIC SERVICE COMMISSION

**Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850**

M E M O R A N D U M

February 6, 1991

TO : DIRECTOR, RECORDS & REPORTING

FROM: DIVISION OF ELECTRIC & GAS (SLEMKEWICZ) JS
DIVISION OF LEGAL SERVICES (PALECKI, BIRCHFIELD) JDJ
MP

SUBJECT: ~~DOCKET NO. 910076-ET~~ - MINIMUM FILING REQUIREMENT REPORT
OF FLORIDA PUBLIC UTILITIES COMPANY (MARIANNA ELECTRIC
DIVISION) IN COMPLIANCE WITH 366.06(3), FLORIDA STATUTES

AGENDA: FEBRUARY 19, 1991 - CONTROVERSIAL - PROPOSED AGENCY
ACTION

CRITICAL DATES: APRIL 1, 1991 FILING DATE

CASE BACKGROUND

During its sunset review of the Public Service Commission, the Florida Legislature enacted Section 366.06(3)(a), Florida Statutes, which requires that each public utility with total annual sales in excess of 1 million megawatt-hours file a report every 4 years, or 4 years from its most recently completed rate case. All other public electric utilities are required to file on a 5 year basis. The report is to consist of, at a minimum, the modified minimum filing requirements (MMFR) then required by the Commission by rule, for rate proceedings pursuant to Section 366.06, Florida Statutes. Copies of the report are to be served on the Public Counsel and each party to the utility's most recent rate case concurrently with a filing with the Commission. Within 10 days of the receipt of the report, the Commission must make copies available to the public at no more than the actual cost of reproducing the report.

Section 366.06(3)(b), Florida Statutes, requires that the Commission implement this reporting procedure for all public utilities within 18 months of the effective date of the act, which is October 1, 1989. To accomplish this implementation, approximately one-third of the public utilities are required to file each 6 months after the effective date of the act. One criterion in determining the order of filing shall be the time

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FPSC-RECORDS/REPORTING

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interval since each utility's last rate case.

DISCUSSION OF ISSUES

ISSUE 1: Should Florida Public Utilities Company (Marianna Electric Division) be ordered to file the report required by Section 366.06(3)(a), Florida Statutes, during the third 6 month period beginning October 1, 1990 pursuant to Section 366.06(3)(b), Florida Statutes?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Per Section 366.06(3)(b), approximately one-third of the public electric utilities are required to file each 6 months after the effective date of the act, which is October 1, 1989. Section 366.06(3)(b) further states that the time interval since each utility's last rate case shall be considered in determining the order of filing of the particular electric utility.

Since there are six public electric utilities, two are required to file during each 6 month period beginning October 1, 1989. The six utilities, and the date of their last rate case orders are as follows:

Florida Power & Light Company	7/24/84
Gulf Power Company	1/25/85
Tampa Electric Company	12/13/85
Florida Power Corporation	1/04/88
Florida Public Utilities Company	
Marianna Division (FPUC-M)	7/12/89
Fernandina Beach Division (FPUC-FB)	11/27/89

Based on the above, FPUC-M should be included in the third 6 month period beginning October 1, 1990.

ISSUE 2: What base period(s) should be utilized in the report required by Section 366.06(3)(a)?

RECOMMENDATION: The report schedules should be completed on a historical 1989 calendar year basis and on a historical 1990 calendar year basis as noted in the Table of Contents of Attachment 1.

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STAFF ANALYSIS: The historical year schedules included in the report are intended to provide sufficient data to review the actual earnings of the utility for the historical 1989 and 1990 calendar years. In the staff's opinion, the use of historical data for review purposes is appropriate due to the relatively recent conclusion of the company's last rate case in July 1989. The test years evaluated in that docket were the calendar years ended 1987, 1988 and 1989.

ISSUE 3: What are the appropriate schedules to be included in the report required by Section 366.06(3)(a)?

RECOMMENDATION: The appropriate schedules to be included in the report are those presented in Attachment 1.

STAFF ANALYSIS: The schedules included in the report have been selected from the minimum filing requirements (MFRs) that were filed by FPUC-FB in its last rate case in Docket No. 881056-EI.

In the staff's opinion, it is appropriate to use schedules from the company's most recent rate case MFRs in the report. These MFRs will enable the Commission to comply with the intent of obtaining the necessary information to ascertain the reasonableness of the utility's rates and charges.

ISSUE 4: Who should receive copies of the report required by Section 366.06(3)(a)?

RECOMMENDATION: A copy of the report should be served on the Public Counsel and each party in the utility's last rate case filing, Docket No. 880558-EI, concurrently with the filing of twenty copies with the Commission.

STAFF ANALYSIS: Per Section 366.06(3)(a), the utility is required to serve a copy of the report on the Public Counsel and each party of its most recent rate case. In FPUC-M's most recent rate case filing, Docket No. 880558-EI, the only party that participated in that docket was the Public Counsel.

ISSUE 5: What is the appropriate due date for the filing of the report required by Section 366.06(3)(a)?

RECOMMENDATION: The appropriate due date is Monday, April 1, 1991.

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In addition, no extensions of time should be granted.

STAFF ANALYSIS: Per Section 366.06(3)(b), one-third of the electric utilities must file within the third 6 month period beginning October 1, 1990. In order to meet this requirement, the utility must file the report no later than Monday, April 1, 1991. Because the statute requires the filing of one-third of the reports during each 6 month period, no extensions of time for filing the report should be granted.

ISSUE 6: Under what circumstance(s) may the utility be relieved of the requirement to file the report required by Section 366.06(3)(a)?

RECOMMENDATION: The utility may be relieved of its burden to file the report only by the filing of a petition, tariffs and the minimum filing requirements necessary to initiate a rate increase or a rate decrease prior to the April 1, 1991 filing deadline.

STAFF ANALYSIS: Per Section 366.06(3)(a), the legislative intent in requiring the mandatory filing of the report is to assure that the Public Counsel and other substantially affected persons periodically receive the necessary information to ascertain the reasonableness of the utility's rates and charges. The filing of a full set of minimum filing requirements in lieu of the report meets the intent of Section 366.06(3)(a).

ATTACHMENT 1

MODIFIED MINIMUM FILING REQUIREMENTS

BASED ON MFRs FILED IN DOCKET NO. 881056-EI

FERNANDINA BEACH RATE CASE

A-1	1990	C-16c	1990
A-12	1986 - 1990	C-16d	1990
		C-16f	1990
B-2b	1990	C-17a	1990
B-2c	1990	C-17b	1990
B-3b	1989 - 1990	C-17c	1990
B-3c	1989 - 1990	C-19d	1990
B-7a	1989 - 1990	C-21	1989 - 1990
B-10a	1990	C-25	1989 - 1990
B-15a	1988 - 1990	C-32a	1986 - 1990
B-16a	1988 - 1990	C-43b	1980 - 1990
B-18			
		D-1a	1989 - 1990
C-2a	1989 - 1990	D-3	1990
C-2d	1989 - 1990	D-4a	1990
C-2e	1989 - 1990	D-4b	1990
C-2f	1989 - 1990	D-4c	1990
C-2g	1989 - 1990	D-8	1990
C-10	1989 - 1990	D-9	1980 - 1990
C-11	1989 - 1990	D-11b	1987 - 1990
C-12	1990	D-13	1986 - 1990

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the calculation of the requested revenue increase.

Type of Data Shown: Page 1 of 1
 Historic Test Year Ended 9/30/88
 Projected Test Year Ended 9/30/90
 Witness: TROY

COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO BB1056-EI

Line No.	Description	9/30/88 HISTORIC TEST YEAR REVENUE DEFICIENCY	9/30/90 PROJECTION YEAR ATTRITION ALLOWANCE	Year 1988	Year 1989	Change
5	Adjusted Rate Base (Schedule D-3b(Proj))	11,191,576	12,936,003	11,487,135		4.14
7	Requested Rate of Return (Schedule D-1a & D-1a(Proj))	9.41%	9.63%			16.2%
11	N. O. I. Requirements	1,053,127	1,245,737			18.3%
13	Less: Adjusted N. O. I. (Schedule C-2d(Proj))	746,803	995,262			33.3%
17	N. O. I. Deficiency	306,324	250,475			18.2%
19	Expansion Factor (Schedule C-12)	1.6319379	1.6319379			0.0%
23	Revenue Deficiency	499,902	408,760			17.2%
26	Total Revenue Deficiency		908,662			

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the following statistical data for the company, by calendar year for the most recent 5 years.

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DOCKET NO.: 881056-EI

Type of Data Shown:
Historic Test Year Twelve Months Ended 9/30/88

Prior Fiscal Years Ended 1987, 1986, 1985 & 1984

Witness: TROY

Item	9/30/88	1987	1986	1985	1984	Average Annual Growth Rate
THE LEVEL AND ANNUAL GROWTH RATES FOR:						
Peak Load MW	54.9	57.9	51.3	45.8	41.9	6.99%
Peak Load Per Customer (KW)	6.1	6.6	6.2	5.7	5.5	2.63%
Energy Sales (MMWH)	197,448	190,369	194,648	165,629	162,846	4.93%
Energy Sales Per Customer (KWH)	22,010	21,786	23,387	20,730	21,438	0.66%
Number of Customers (Average)	8,971	8,738	8,323	7,990	7,596	4.25%
Installed Generating Capacity (MW)	1.000	1.000	1.000	1.000	1.000	0.00%
Population of Service Area						
DOLLAR AMOUNTS IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:						
O & M Expense Less Fuel per KWH Sold	0.0064	0.0065	0.0055	0.0060	0.0054	4.60%
Revenue per KWH Sold	0.6093	0.6463	0.6310	0.6793	0.6363	-1.08%
A & G Expense per KWH Sold	0.0412	0.0438	0.0403	0.0337	0.0307	7.63%
DOLLAR AMOUNTS IN REAL TERMS (CONSTANT 1987 DOLLARS)* AND ANNUAL GROWTH RATES FOR:						
O & M Expense Less Fuel per KWH Sold	0.0064	0.0067	0.0057	0.0061	0.0055	3.69%
Revenue per KWH Sold	0.6093	0.6656	0.6540	0.6919	0.6589	-1.94%
A & G Expense per KWH Sold	0.0412	0.0451	0.0418	0.0343	0.0318	6.69%
AVERAGE CUSTOMER BY CUSTOMER TYPE:						
Residential	7,991	7,789	7,446	7,173	6,813	4.07%
Commercial/Industrial - Large	2	2	2	2	2	0.00%
Commercial/Industrial - Small	902	872	801	742	708	6.24%
Other	76	75	74	73	0	1.01%
Average Consumer Price Index - CPI-U(1982-84=100)	117.0	113.6	109.6	107.6	103.9	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the assets and other debits portion of the 13-month average jurisdictional balance sheet by primary account for the prior year.

Type of Data Shown:
Prior Year Twelve Months Ended 9/30/87COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Witness: TROY

DOCKET NO.: 881054-EI

Line No.	Primary Account	Thirteen Month Average			Method of Allocation	13-Month Average	
		Consolidated	Eliminations	Flo-Gas		FPUC	Fernandina Beach Division
1							
2	ASSETS						
3	Utility Plant:						
4	Electric Plant in Service	24,912,688		0	24,912,688	Direct Assignment	13,371,171
5	Gas Plant in Service	28,004,919		3,271,004	24,733,915		
6	Water Plant in Service	3,928,446		0	3,928,446		
7	Common Plant	1,196,644		0	1,196,644	Special Allocation	151,162
8	Plant Acquisition Adjustments	295,817		(11,274)	307,091	None	
9		-----	-----	-----	-----		-----
10	Total Utility Plant	58,338,514	0	3,259,730	55,078,784		13,522,333
11		-----	-----	-----	-----		-----
12	Accum. Provision for Depreciation	(16,695,380)		(1,404,364)	(15,291,016)	Direct Assignment	(3,268,729)
13	Accum. Provision for Amortization	(263,083)		11,274	(274,357)	None	
14		-----	-----	-----	-----		-----
15	Net Utility Plant	41,380,051	0	1,866,640	39,513,411		10,253,604
16		-----	-----	-----	-----		-----
17	Other Property & Investments:						
18	Non-utility Property	68,709		0	68,709	None	0
19	Investment in Associated Companies	0	(2,087,703)	544,427	1,543,276	None	0
20		-----	-----	-----	-----		-----
21	Total Other Property & Investments	68,709	(2,087,703)	544,427	1,611,985		0
22		-----	-----	-----	-----		-----
23	Current Assets:						
24	Cash	623,708		0	623,708	Revenue Basis	157,091
25	Sinking Fund	15,692		0	15,692	Revenue Basis	3,954
26	Working Funds	14,400		0	14,400	Direct Assignment	1,638
27	Interest Special Deposits	12,690		0	12,690	Revenue Basis	3,198
28							
29							

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the assets and other debits portion of the 13-month average jurisdictional balance sheet by primary account for the prior year.

Type of Data Shown:
Prior Year Twelve Months Ended 9/30/87COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Witness: TROY

DOCKET NO.: 881056-EI

Line No.	Primary Account	Consolidated	Thirteen Month Average			Method of Allocation	13-Month Average Fernandina Beach Division
			Eliminations	Flo-Gas	FPUC		
1							
2	LIABILITIES						
3							
4	Proprietary Capital:						
5	Common Stock	1,340,324	(10,000)	10,000	1,340,324	Special	325,283
6	Premium on Capital Stock	2,860,679		0	2,860,679	Special	695,141
7	Miscellaneous Paid in Capital	399,426		0	399,426	Special	97,039
8	Capital Stock Expense	(937)		0	(937)	Special	(227)
9	Retained Earnings	9,913,961	(2,077,703)	2,077,703	9,913,961	Special	2,408,453
10	Dividends Declared-Common	139,607	(10,227)	0	149,833	Special	36,432
11	Inactive Dividend Checks	5,507		0	5,507	Special	1,343
12	Treasury Stock	(544,427)		0	(544,427)	Special	(132,367)
13							
14	Total Common Stock Equity	14,114,140	(2,097,930)	2,087,703	14,124,366		3,431,097
15							
16							
17	Preferred Stock-A (\$100 Par)	600,000		0	600,000	Special	145,822
18	Preferred Stock-\$1.12	10,292		0	10,292	Special	2,501
19	Long-Term Debt	11,431,308		0	11,431,308	Special	2,778,262
20							
21	Total Capitalization	26,155,740	(2,097,930)	2,087,703	26,165,966		6,357,682
22							
23	Current Liabilities:						
24	Long-Term Debt-Current	204,000		0	204,000	Special	49,579
25	Notes Payable	3,707,692		0	3,707,692	Special	900,999
26	Accounts Payable	3,711,642		0	3,711,642	Special Allocation	1,050,327
27	Salaries & Wages Accrued	196,449		0	196,449	Payroll Basis	20,627
28	Other	40,755		0	40,755	Revenue Basis	10,263
29	Payables to Associated Companies	0	(237,803)	0	237,803	None	0
30	Customer Deposits	2,304,475		322,768	1,981,707	Direct Assignment	504,851
31	Taxes Accrued	669,546		68,275	601,271	Special Allocation	199,077

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO 881056-E1

EXPLANATION: Provide a schedule of 13 month average rate base as adjusted
 for the test year and the prior year (if the test year is projected).
 Provide detail of all adjustments on Schedule B-3c.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

Line No.	Description	(1) Fernandina Beach Division Per Books	(2) Non-Electric Utility (\$ch. B-3c)	(3) Electric Utility	(4) Commission Adjustments (\$ch. B-3c)	(5) Utility Adjusted Per Com.	(6) Company Adjustments (\$ch. B-3c)	(7) Total Utility Adjusted	(8) Jurisdictional Separation Factor	(9) Jurisdictional Utility Adjusted Per Co. & Com.
1	UTILITY PLANT:									
2	-----									
3	PLANT CLOSED & IN SERVICE	13,980,771	(171,153)	13,809,618		13,809,618		13,809,618	13,809,618	
4	COMMON PLANT ALLOCATED	166,696		166,696		166,696		166,696	166,696	
5	ACQUISITION ADJUSTMENT	0		0		0		0	0	
6	COMPLETED CONSTRUCTION	660,241		660,241		660,241		660,241	660,241	
7	-----									
8	TOTAL PLANT	14,807,708	(171,153)	14,636,555	0	14,636,555	0	14,636,555	14,636,555	
9	-----									
10	DEDUCTIONS:									
11	-----									
12	ACCUM. DEPR. UTIL. PLANT.	3,478,515	(55,630)	3,422,885		3,422,885	0	3,422,885	3,422,885	
13	ACCUM. DEPR. COMMON PLANT	65,058		65,058		65,058		65,058	65,058	
14	ACCUM. AMORT. ACQ. ADJUSTMENT	0		0		0		0	0	
15	CUST. ADVANCES FOR CONSTR.	547,915		547,915		547,915	(30,878)	517,037	517,037	
16	-----									
17	TOTAL DEDUCTIONS	4,091,488	(55,630)	4,035,858	0	4,035,858	(30,878)	4,004,980	4,004,980	
18	-----									
19	UTILITY PLANT - NET	10,716,220	(115,523)	10,600,697	0	10,600,697	30,878	10,631,575	10,631,575	
20	-----									
21										
22	ALLOWANCE FOR WORKING CAPITAL:									
23	-----									
24	WORKING CAPITAL - BALANCE									
25	SHEET METHOD	560,001		560,001		560,001		560,001	560,001	
26	-----									
27	TOTAL RATE BASE	11,276,221	(115,523)	11,160,698	0	11,160,698	30,878	11,191,576	11,191,576	
28	=====									

Supporting Schedules: B-5a, B-9a, B-10a, B-17, C-2b, B-3c

Recap Schedules:

347/SCRB38

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year, and the prior year if the test year is projected. Calculate the revenue impact of each adjustment, assuming the requested rate of return and expansion factor remain constant.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DOCKET NO.: 881056-E1

Witness: TROY

Line No.	Adjustment	Reason for Adjustment or Omission	Included in Last Rate Case	Total Adjustment	Increase/(Decrease) in Revenue Requirement (Adj. X for X 1.6319379)
1	NON-ELECTRIC UTILITY ADJUSTMENTS				
2	-----				
3	Decrease in Utility Plant	To remove water property from electric plant			
4		balances:			
5		389 Land	NA	(10,799)	
6		390 Structure-office	NA	(53,786)	
7		3911 Office Furniture	NA	(5,922)	
8		3912 Office Machines	NA	(3,464)	
9		3913 Computer Equipment	NA	(7,455)	
10		392 Vehicles	NA	(55,678)	
11		396 Power Operated Equipment	NA	(19,464)	
12		397 Communication Equipment	NA	(14,585)	
13				-----	
14		Total Plant		(171,153)	(26,283)
15	Decrease in Acc. Reserve	To remove water accumulated depreciation from			
16		electric reserve balances:			
17		389 Land	NA		
18		390 Structure-office	NA	(8,256)	
19		3911 Office Furniture	NA	(1,202)	
20		3912 Office Machines	NA	(573)	
21		3913 Computer Equipment	NA	(2,259)	
22		392 Vehicles	NA	(28,777)	
23		396 Power Operated Equipment	NA	(8,181)	
24		397 Communication Equipment	NA	(6,382)	
25				-----	
26		Total Reserve		(55,630)	8,543

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

FERNANDINA BEACH DIVISION

DOCKET NO.: 881054-E1

**EXPLANATION: Itemize major capital additions to and retirements from electric plant in service for the test year and the test year minus one. For purposes of this schedule, major capital items are defined as individual projects that exceed \$50,000 in per book costs.

Type of Data Shown:
Historic Test Year Ended: 09/30/88
Prior Year Ended: 09/30/87

Witness: Troy

Line No.	REQUISITION NO.	DESCRIPTION OF ADDITIONS OR RETIREMENTS	September 30,	
			1987	1988
1		ADDITIONS		
2		-----		
3	836R	Reconductoring of Atlantic Avenue-Iarpon Ave to South Fourteenth Street	91,318	
4				
5	105	Replace Cable-Southend Feeder		149,783
6	834	Provide URD Service to Long Pointe Development	87,123	87,518
7	997	1987 Reconductoring Program - Southend Feeder		183,342
8	13-1	GMC Bucket Truck #51711	68,690	
9	173	Construct 69KV Transmission Line from Woodrow Road North Along A1A to Terry Substation		175,913
10				
11	189	Relocate O/H Distribution to U/G Distribution for the Cotton Exchange		67,701
12				
13	199	Phase I Add to Step Down Substation		75,875
14	207R	Construct New Substation for Chip Hill at III Kayonier		177,731
15	257	Provide Electric Service Pirates Bay Substation		(54,603)
16				
17				
18				
19		RETIREMENTS		
20		-----		
21				
22	1752	Retire General Motors Diesel Generators-Units 9 & 10		(241,256)
23				
24				
25				
26				
27				
28				
29				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Calculate the 13-Month average working capital allowance for the test year.

Type of data shown:

Company: FLORIDA PUBLIC UTILITIES
FERMANDINA BEACH DIVISION

Prior Test Year Twelve Months Ended 9/30/87

Witness: TROY

Docket No.: 881056-EI

Line No.		September 1986	October 1986	November 1986	December 1986	January 1987	February 1987	March 1987
1								
2	Cash	90,059	342,543	225,189	35,185	139,051	246,769	393,094
3	Sinking Fund	0	9,072	0	0	0	0	0
4	Working Funds	1,663	1,636	1,636	1,636	1,636	1,636	1,636
5	Interest Special Deposits	0	0	0	41,573	0	0	0
6	Dividend Special Deposits	55,335	0	0	56,082	0	0	59,849
7	Customer Accounts Receivable	2,083,389	1,158,199	1,324,415	1,727,696	1,136,349	1,125,619	1,082,823
8	Accua. Provision for Uncollectibles	(23,877)	(25,686)	(23,676)	(25,932)	(23,857)	(26,421)	(24,375)
9	Fuel Stock	2,990	2,990	2,990	2,990	2,990	2,990	2,990
10	Materials and Supplies	414,751	416,272	444,243	418,551	425,272	405,157	374,750
11	Income Tax Receivable	56,016	33,772	0	0	0	0	0
12	Prepayments-Insurance	71,224	79,867	47,524	35,246	43,030	10,690	135,040
13	Prepayments-Pensions	0	0	4,568	7,515	7,515	7,515	7,515
14	Clearing Accounts	553	382	(23)	0	45	(4)	(3)
15	Temporary Facilities	(937)	(455)	(848)	(760)	(1,155)	45	(130)
16	Miscellaneous Deferred Debits	1,773	258	(731)	0	3,525	12,094	13,100
17								
18								
19	Total	2,752,919	2,018,850	2,025,287	2,299,782	1,734,401	1,786,090	2,047,089
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERMANUTHA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide an analysis of accumulated investment tax credits generated and amortization of investment tax credits on an annual basis beginning with the year in which the last rate case was held through to the beginning of the test year and on a monthly basis for the course of the test year. (Exception: Annual data may be substituted for monthly data for the 31 deferred ITC). Amounts provided by the 1971 Revenue Act and subsequent Acts should be shown separately from amounts applicable to prior laws. Describe the election made under Section 46(f), Internal Revenue Code. Identify progress payments separately. Explain accounting policy as to method of amortization for both progress payments ITC and other ITC.

Type of Data Shown:
 Historic Test Year Ended 09/30/88
 Prior Years Ended 1985, 1986, 9/30/87
 Witness: TROY

Summary Analysis of Investment Tax Credits

Line No.	Period	Beginning Balance	Amortization	Generation	Ending Balance
1	Prior Year 1985	\$592,704	\$24,225	\$71,333	\$639,812
2		=====	=====	=====	=====
3	Prior Year 1986	\$639,812	\$26,581	\$62,656	\$675,887
4		=====	=====	=====	=====
5	Prior Year 9/30/87				
6	Balance as of 9/30/86	\$697,612	\$29,911	(\$14,944)	\$652,757
7		=====	=====	=====	=====
8	Test Year (Per Books), 9/30/88				
9	September, 1987				\$652,757
10	October	\$652,757	\$2,570		\$650,187
11	November	650,187	2,570		\$647,617
12	December	647,617	5,228	23,521	\$665,910
13	January, 1988	665,910	2,640		\$663,270
14	February	663,270	2,640		\$660,630
15	March	660,630	2,640		\$657,990
16	April	657,990	2,640		\$655,350
17	May	655,350	2,640		\$652,710
18	June	652,710	2,640		\$650,070
19	July	650,070	2,640		\$647,430
20	August	647,430	2,640		\$644,790
21	September, 1988	644,790	2,640		\$642,150
22			-----	-----	
23	Twelve Month Total		\$34,128	\$23,521	
24			=====	=====	=====
25	Thirteen Month Average				\$653,143
26					=====

FLORIDA PUBLIC SERVICE COMMISSION
 Company: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 Docket No.: 881056-E1

EXPLANATION: For each of the accumulated deferred income tax accounts (Nos. 190, 281, 282, 283) provide (1) annual balances beginning with the year in which the last rate case was held and ending with the beginning of test year, and (2) monthly balances for the course of the test year.

Type of data shown: 09/30/88
 Historic Test Year Ended 09/30/88
 Prior Years Ended 1985, 1986, 9/30/87
 Witness: TROY

Deferred Federal and State Income Taxes

Line No.	Period	Acct 190	Acct 281	Acct 282	Acct 283	Net Deferred Income Taxes
1						
2						
3	Prior Year 1984	\$101,089	\$0	(\$1,544,371)	(\$77,460)	(\$1,520,742)
4		=====	=====	=====	=====	=====
5	Prior Year 1985	\$83,178	\$0	(\$1,692,828)	(\$61,292)	(\$1,670,942)
6		=====	=====	=====	=====	=====
7	Prior Year 9/30/86	\$88,552	\$0	(\$1,700,356)	(\$79,065)	(\$1,690,869)
8		=====	=====	=====	=====	=====
9	Test Year 9/30/88					
10						
11	September, 1987	\$79,494	\$0	(\$1,763,929)	(\$46,847)	(\$1,731,282)
12	October	81,031	0	(1,731,829)	(36,247)	(\$1,727,045)
13	November	81,281	0	(1,779,727)	(64,432)	(\$1,762,878)
14	December	114,065	0	(1,634,119)	(57,465)	(\$1,577,519)
15	January, 1988	96,938	0	(1,629,920)	(45,855)	(\$1,578,837)
16	February	97,756	0	(1,625,718)	(41,202)	(\$1,569,164)
17	March	120,141	0	(1,621,519)	(36,546)	(\$1,537,924)
18	April	120,032	0	(1,617,319)	(32,250)	(\$1,529,537)
19	May	119,222	0	(1,613,120)	(28,456)	(\$1,522,354)
20	June	120,311	0	(1,608,918)	(77,273)	(\$1,565,880)
21	July	121,759	0	(1,605,350)	(72,729)	(\$1,556,320)
22	August	123,136	0	(1,600,519)	(68,283)	(\$1,545,666)
23	September, 1988	124,052	0	(1,596,320)	(63,839)	(\$1,536,107)
24		=====	=====	=====	=====	=====
25	Total Test Year	\$1,399,218	\$0	(\$21,468,307)	(\$671,424)	(\$20,740,513)
26		=====	=====	=====	=====	=====
27	Thirteen Month Average	\$107,632	\$0	(\$1,651,408)	(\$51,648)	(\$1,595,424)
28		=====	=====	=====	=====	=====

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a statement of changes in accounting policy since the last rate case.

Type of Data Shown: Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES FERNANDINA BEACH DIVISION

Prior Year Ended 6/30/77 Witness: TROY

DOCKET NO.:881056-E1

Line No.

1
2
3 1980 - Fuel and Conservation Clauses
4 -----

5 In March, 1980, the FPSC adopted a projected fuel recovery clause which permits full recovery of fuel and
6 purchased electricity costs.
7
8

9 1981 - Medical Reserve
10 -----

11 In July, 1981, the Company established a reserve for Medical coverage for employees.
12
13

14
15 1985 - Depreciation Method
16 -----

17 On January 1, 1986 the Company adopted the remaining life method for depreciation. This method of
18 calculating depreciation rates is based on the unrecovered plant balances, less average future net salvage
19 and the average remaining life.
20
21

22 1986 - Pension Reserve
23 -----

24 In April, 1986, the Company elected early adoption of the new SFAS No. 87 on accounting for pensions. The
25 Company adopted the actuarial cost method required by the FASB.
26
27
28
29
30

16

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule of jurisdictional net operating income per books for the test year and the prior year.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Prior Year Ended 9/30/87

DOCKET NO.: 881056-EI

Witness: TROY

Line No.	Description	Test Year Ended 9/30/88	Prior Year Ended 9/30/87	Percent Increase/(Decrease)
1	Operating Revenues:			
2	Sales of Electricity	13,390,883	14,067,969	-4.81%
3	Other Operating Revenues	20,171	12,369	63.08%
4		-----	-----	
5	Total Operating Revenues	13,411,054	14,080,338	-4.75%
6		-----	-----	
7	Operating Expenses:			
8	Operation	11,210,356	11,316,573	-0.94%
9	Maintenance	453,943	438,825	3.45%
10	Depreciation	544,697	542,948	0.32%
11	Depreciation-Common Plant	11,130	10,201	9.11%
12	Taxes Other Than Income Taxes	430,095	422,783	1.73%
13	Income Taxes			
14	Federal	240,650	362,907	-33.69%
15	State	42,475	48,836	-13.03%
16	Deferred Income Taxes-Net			
17	Federal	(171,093)	32,954	-619.19%
18	State	(24,082)	8,117	-396.69%
19	Charge Equivalent to Investment Tax Credit	23,521	(14,944)	-257.39%
20	Amortization of Investment Tax Credit	(34,128)	(29,911)	
21		-----	-----	
22	Total Operating Expenses	12,727,564	13,139,289	-3.13%
23		-----	-----	
24				
25	Operating Income	\$683,490	\$941,049	-27.37%
26		-----	-----	
27				
28				
29				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of proposed and commission adjustments to net operating income per books for the test year.

Type of Data Shown:
Historic Test Year Ended 9/30/88COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DOCKET NO 881056-EI

Witness: TROY

Line No.	Description	(1) Fernandina Division Per Books	(2) Non- Electric Utility	(3) Electric Utility	(4) Commission Adjustments (Sch. C-2e)	(5) Utility Adjusted Per Com.	(6) Company Adjustments (Sch. C-2e)	(7) Total Utility Adjusted	(8) Jurisdictional Separation Factor	(9) Jurisdictional Utility Adjusted Per Co. & Com.
1	Operating Revenues:									
2	Sales of Electricity	13,390,882		13,390,882	0	13,390,882 (10,614,623)	2,776,259		2,776,259	
3	Other Operating Revenues	20,172		20,172		20,172	20,172		20,172	
4										
5	Total Operating Revenues	13,411,054	0	13,411,054	0	13,411,054 (10,614,623)	2,796,431		2,796,431	
6										
7	Operating Expenses:									
8	Operation	11,210,356		11,210,356	0	11,210,356 (10,490,790)	719,566		719,566	
9	Maintenance	453,943		453,943		453,943 (15,844)	438,099		438,099	
10	Depreciation	544,697		544,697		544,697 (5,314)	539,383		539,383	
11	Depreciation-Common Plant	11,131		11,131		11,131	11,131		11,131	
12	Taxes Other Than Income Taxes	430,095		430,095	0	430,095 (168,927)	261,168		261,168	
13	Income Taxes									
14	Federal	240,650		240,650	(20,095)	220,555	47,394		267,949	
15	State	42,474		42,474	(5,977)	36,497	5,098		41,595	
16	Deferred Income Taxes-Net									
17	Federal	(171,093)		(171,093)		(171,093)	(7,169)		(178,262)	
18	State	(24,082)		(24,082)		(24,082)	(791)		(24,873)	
19	Charge Equivalent to ITC	23,521		23,521		23,521 (15,521)	8,000		8,000	
20	Amortization of ITC	(34,128)		(34,128)		(34,128)	(34,128)		(34,128)	
21										
22	Total Operating Expenses	12,727,564	0	12,727,564	(26,072)	12,701,492 (10,651,864)	2,049,628	0	2,049,628	
23										
24	Operating Income	683,490	0	683,490	26,072	709,562	37,241	746,803	746,803	
25										
26										
27										
28										

Supporting Schedules: C-2a; C-2e; C-3

Recap Schedules:

351/SCH20

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide a schedule of proposed adjustments to NOI (from Schedule C-2d) jurisdictional components, and the revenue requirement effect on each and total. Indicate which adjustments were made in the company's last full revenue requirements case.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

Line No.	Adjustment	Reason for Adjustment or Omission	Included in Last Rate Case	Total Adjustment	Incr/(Decr) in Rev. Require. (Adj X 1.6319379)
1	Company Proposed Adjustments				
2					
3	Operating Revenue Adjustments:				
4	Eliminate Fuel Revenues	To comply with commission guidelines	NA	(10,675,247)	17,421,340
5	Eliminate Fuel Overrecoveries	To comply with commission guidelines	NA	297,235	(485,069)
6	Eliminate Energy Conservation Revenue	To comply with commission guidelines	NA	(66,588)	108,667
7	Eliminate Revenue Taxes on Fuel & Energy Conservation	To comply with commission guidelines	NA	(172,666)	281,780
9	Record Net Unbilled Revenues	To comply with commission guidelines	NA	2,643	(4,313)
11	Total Sales of Electricity			(10,614,623)	17,322,405
13	Operating Expense Adjustments:				
14	Operation				
15	Eliminate Energy Purchased for Resale	To comply with commission guidelines	NA	(10,303,697)	(16,814,994) ⁷³
16	Eliminate Underrecoveries - Fuel	To comply with commission guidelines	NA	(94,669)	(154,494)
17	Eliminate Energy Conservation Expense	To comply with commission guidelines	NA	(66,588)	(108,667) ⁸³
18	Increase in Operation Expenses	To adjust transportation expenses to the proper electric vehicle cost	NA	7,516	12,266 ⁵⁷⁷
20	Increase in Operation Expenses	To adjust accrued payroll in test year	NA	11,454	18,492
21	Decrease in Misc. General Expense	To eliminate a charitable contribution from operating expenses	NA	(1,100)	(1,795)
23	Decrease Uncollectible Accounts Expense	To adjust to the average annual charge-off rate of the past three years	NA	(6,670)	(10,885)
25	Eliminate Other Power Generation Expense	To eliminate write-off of fuel inventory	NA	(2,990)	(4,879)
26	Decrease in Outside Services-Other Expense	To write-off power supply study over four years	NA	(34,046)	(55,561) ²³
28	Total Operation			(10,490,790)	(17,120,317)

Supporting Schedules: C-6, C-10, C-11, C-14, C-30b, C-43b

4

Recap Schedules: A-10, C-2d

350/SCWC2E
 350/SCWC2E

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION
DOCKET NO.: 881956-EI

Explanation: Provide the amount of interest expense used to calculate jurisdictional net operating income taxes on Schedule Nos. C-2a, C-2b, C-2d. Explain any changes in interest expense in detail giving amount of change and reason for change. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income taxes payable, the differing bases should be clearly identified.

Type of Data Shown:
Historic Test Year Ended 9/30/88

Witness: TROY

Line No	Description	(A) 9/30/88	(B) 9/30/87	(C) INCREASE (DECREASE)	(D) PRIMARY EXPLANATION
1					
2	Total Company				
3	-----				
4	Long Term Debt	1,352,433	1,099,094	253,339	Increase in 12 month average long term debt balance
5	Bank Notes	359,792	271,414	88,378	Increase in 12 month average notes payable balance
6	Customer Deposits	191,342	187,887	23,455	Customer growth
7	Amortization of Debt Expense	22,481	15,488	7,013	Increase in amortization of debt expense(New bonds 5/88)
8	Miscellaneous	50,250	16,870	33,380	Increase in payable to associated company
9	-----				
10	Total Company Interest	1,976,298	1,570,733	405,565	
11					
12					
13					
14	Allocation To Fernandina Beach Division:				
15					
16	Factor (NOTE 1)	0.280	0.263		
17	Net Interest Expense Used To				
18	Calculate Net Operating Income				
19	Taxes Per Books	513,837	413,103	100,735	
20	-----				
21					
22	NOTE(1) INTEREST ALLOCATED BASED ON NET PLANT INVESTMENT AT YEAR END				
23					
24	NOTE(2) SEE SCHEDULE D-1, PAGE 1 FOR COMPUTATION OF INTEREST USED TO COMPUTE				
25	ADJUSTED NET OPERATING INCOME TAXES IN COL. 9 OF SCHEDULE C-2D.				
26					
27					
28					
29					

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a reconciliation of the tax expense in the filing with the tax check figure. Provide on a per book basis and at the revenue requested. If a projected test year is used, provide both on a projected and historical basis. If a year end rate base is used, provide on both a year-end and 13 months average basis. If a formula working capital is used, provide on that basis and on the basis of a balance sheet working capital calculation.

Type of Data Shown:

Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Witness: TROY

DOCKET NO.: 881056-EI

Line No.	Description	OCT - DEC 1987	JAN - SEPT 1988	YEAR ENDED 9/30/88	Adjusted
1					
2	Net Operating Income	85,601	597,889	683,490	746,803
3	ADD: Income Taxes	(28,502)	105,844	77,342	80,281
4	LESS: Interest Applicable to Operating Income	111,921	403,194	515,115	523,048
5					
6	Book Taxable Income	(54,822)	300,539	245,717	304,036
7					
8	Statutory Tax Rate	43.30%	37.63%		37.63%
9					
10					
11	Taxes at Statutory Tax Rate	(23,738)	113,093	89,355	114,409
12					
13	Adjustments				
14	-----				
15					
16	Prior Period Income Tax Adjustments			(4,080)	
17					
18					
19	Tax Check Calculation			85,275	114,409
20					
21	Tax Expense in Filing			111,470	114,409
22					
23	Difference			(26,195)	0
24					
25					
26					
27					

21

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by month, and annual total by primary account for the test year, and the prior year if the test year is projected.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION
DOCKET NO.: 881056-EI

Print Year Ending 9/30/88
Witness: TROY

Account Number	Account Title	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1														
2	SALES OF ELECTRICITY													
3	Residential Sales	491,618	383,727	475,275	641,627	647,383	526,929	434,885	434,191	567,090	755,618	807,597	738,760	6,904,700
4	Commercial and Industrial-Sm	364,399	286,926	304,204	342,976	338,228	315,969	319,186	332,382	393,391	451,719	472,545	459,156	4,381,081
5	Commercial and Industrial-Lg	141,156	216,852	192,484	177,405	165,061	166,277	173,717	158,373	102,040	177,611	182,497	156,061	2,009,534
6	Public Street & Hwy Lighting	5,653	1,720	5,667	5,709	5,725	5,766	5,891	5,912	5,912	5,912	5,913	5,913	65,693
7	Other Sales to Public Auth	20,367	16,795	18,198	17,788	16,090	16,259	17,053	18,857	20,280	23,849	23,747	22,115	231,398
8	Interdepartmental Sales	8,339	7,271	6,816	6,210	6,650	6,404	7,652	8,557	9,908	9,561	10,319	8,024	95,711
9	Over Recov Purch Electricity	(120,650)	(5,848)	(226)	16,448	(19,655)	(59,930)	(9,430)	39,293	45,918	(76,430)	26,684	(133,409)	(297,235)
10														
11	TOTAL SALES OF ELECTRICITY	910,882	907,443	1,002,418	1,208,163	1,159,482	977,674	948,954	997,565	1,144,539	1,347,840	1,529,302	1,256,620	13,390,802
12														
13														
14	OTHER OPERATING REVENUES													
15	Miscellaneous Sales Revenues	232	219	1,300	146	570	438	402	379	141	436	556	445	5,264
16	Rent from Electric Property	0	0	0	0	1,599	0	0	0	0	0	0	0	1,599
17	Other Electric Revenues	5,119	283	2,637	273	483	276	289	372	315	362	344	2,556	15,309
18														
19	TOTAL OTHER OPERATING REVENUES	5,351	502	3,937	419	2,652	714	691	751	456	798	900	3,001	20,172
20														
21														
22														
23														
24	TOTAL OPERATING REVENUES	\$916,233	\$907,945	\$1,006,355	\$1,208,582	\$1,162,134	\$978,388	\$949,645	\$998,316	\$1,144,995	\$1,348,638	\$1,530,202	\$1,259,621	\$13,411,054
25														
26														
27														
28														
29														
30														

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION: Provide the calculation of unbilled revenues for the test year, and the prior year if the test year is projected. Document the revenues received in the first month after the test year (and the prior year), the proportion of these revenues allocated to the test year and prior year as unbilled revenues, and the rationale for the proportion chosen.

Type of Data Shown:
 Historic Test Year Twelve Months Ended 9/30/88
 Prior Year Twelve Months Ended 9/30/87

Witness: TROY

LINE NO.	DESCRIPTION	UNBILLED REVENUES		
		September, 1988	September, 1987	Increase (Decrease)
1				
2	Billed Revenue:			
3	October, 1987		\$1,031,532	
4	October, 1988	\$1,214,214		
5				
6	Unbilled Revenue *	363,307	386,591	(\$23,284)
7				
8				
9	Total Unbilled kWh *	5,792,669	5,705,817	
10	Fuel Adjustment Factor			
11	and Conservation Factor	0.04835	0.05363	
12				
13				
14	Unbilled Fuel Costs	\$250,074	\$306,003	(\$25,927)
15				
16	Net Unbilled Revenues Less Fuel			
17	and ECCR Costs	\$83,231	\$60,588	\$2,643
18				

* Detailed cycle calculations are available at the company's general office. Cycle billings are apportioned on basis of number of days of billing period falling within each respective calendar month.

23

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH

DOCKET NO.: 881056-EI

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

Line No.	Description	Percent at 34% Federal Tax Rate
1	Revenue Requirement	100.0000
2		
3	Gross Receipts Tax Rate	1.5000
4		
5	Regulatory Assessment Rate	0.0833
6		
7	Uncollectible Accounts (3 yr. avg.)	0.1680
8		-----
9		
10	Net Before Income Taxes	98.2487
11		
12	State Income Tax Rate	5.50
13		-----
14		
15	State Income Tax	5.4050
16		-----
17		
18	Net Before Federal Income Tax	92.8437
19		
20	Federal Income Tax Rate	34.00
21		-----
22		
23	Federal Income Tax	31.5669
24		-----
25		
26	Revenue Expansion Factor	61.2768
27		
28	Net Operating Income Multiplier	1.6319379
29		-----
30		

FG

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION For the test year functionalized O & M expense
 please provide benchmark variances.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Page 1 of 1

Witness: TROY

Line No.	(A) Other Power Generation	(B) Other Power Supply	(C) Transmission	(D) Distribution	(E) Customer Accounts	(F) Customer Service	(G) Sales	(H) Admin. & General	(I) Total	
1										
2										
3	Actual 9/30/83 O & M Expense	1,865	8,839,957	17,515	319,294	176,971	65,829	2,713	198,057	9,622,201
4										
5										
6	FPSC O & M Adjustments	0	8,839,957	0	0	0	65,214	0	0	8,905,171
7										
8										
9	1983 Benchmark Allow. System	1,865	0	17,515	319,294	176,971	615	2,713	198,057	717,030
10										
11										
12	Compound Multiplier	1.51500	1.51500	1.51500	1.51500	1.51500	1.51500	1.51500	1.51500	1.51500
13										
14										
15	1988 Benchmark - System	2,825	0	26,535	483,730	268,111	932	4,110	300,056	1,086,299
16										
17										
18	Adjusted 1988 O & M	0	0	42,626	530,217	226,645	533	4,385	353,260	1,157,666
19										
20										
21	Benchmark Variance	(2,825)	0	16,091	46,487	(41,466)	(399)	275	53,204	71,367
22										
23										
24										
25										
26										

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the detail of adjustments made to test year per books
O & M expenses by function.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DDCKET NO.: 881056-EI

Witness: TROY

Line No.	Function	(A) 1988 System Per Books	(B) Eliminate Recoverable Fuel Expense	(C) Eliminate Recoverable ECCR	(D) Accounting & Proforma Adjustments	(E) Adjusted 1988 System Per Books
1						
2	PRODUCTION					
3						
4	Hydro	2,990			(2,990)	0
5						
6	Other Power Supply	10,398,366	(10,398,366)			0
7		-----	-----	-----	-----	-----
8	Total Production	10,401,356	(10,398,366)	0	(2,990)	0
9						
10						
11						
12	Transmission	48,357			(5,731)	42,626
13						
14	Distribution	540,598			(10,381)	530,217
15						
16	Customer Accounts	233,182			(6,537)	226,645
17						
18	Customer Service and Info	67,121		(66,588)		533
19						
20	Sales Expenses	4,385				4,385
21						
22	Administrative & General	369,301			(16,041)	353,260
23		-----	-----	-----	-----	-----
24						
25	Total O & M Expense	11,664,300	(10,398,366)	(66,588)	(41,680)	1,157,666
26		-----	-----	-----	-----	-----

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION: For each year since 1982 provide the amounts and percent increases associated with customers and average CPI. Show the calculation for each compound multiplier.

Type of Data Shown:
 Historic Test Year Ended 9/30/88
 Prior Years 1987, 1986, 1985, 1984, 1983
 Witness: TROY

Line No.	Twelve Months Ended	Total Customers		Compound Multiplier	Average CPI-U (1982-84 = 100)		Compound Multiplier	Inflation and Growth Compound Multiplier
		Amount	% Increase		Amount	% Increase		
1								
2								
3	September 1983	7,113	-	1.00000	97.4	-	1.00000	
4								
5	December 1983	7,203	1.265%	1.01265	99.6	2.259%	1.02259	1.03553
6								
7	December 1984	7,596	5.456%	1.06790	103.9	4.317%	1.06674	1.13917
8								
9	December 1985	7,990	5.187%	1.12330	107.6	3.561%	1.10472	1.24093
10								
11	December 1986	8,323	4.168%	1.17011	109.6	1.859%	1.12526	1.31668
12								
13	December 1987	8,738	4.986%	1.22845	113.6	3.650%	1.16632	1.43277
14								
15	September 1988	8,971	2.667%	1.26121	117.0	2.993%	1.20123	1.51500
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								

Supporting Schedules:

Recap Schedules:

349/SCMC16F

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION

EXPLANATION: Provide the calculation of State and Federal Income Taxes for the projection years. Provide detail on adjustments to income taxes, and investment tax credits generated.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

DOCKET NO.: 881056-EI

Line No	Description	YEAR ENDED		
		OCT-DEC 1987	JAN-SEPT 1988	9/30/88 INCOME TAXES
1				
2				
3	Utility Operating Income Before Tax Provision and Depreciation	189,000	1,125,664	1,314,664
4	Less: Allocated Interest	111,921	403,194	515,115
5				
6	Net	77,079	722,470	799,549
7				
8				
9	Effect of Fully Normalized Items:			
10	Depreciation for Tax Purposes	202,100	599,400	801,500
11	Unrecovered Purchased Power Costs	21,291	(115,960)	(94,669)
12	Ordinary Loss on ACRS Property	3,400	6,300	9,700
13	Cost of Removal ADR Property	4,100	11,700	15,800
14	Conservation Program Costs	3,561	(2,435)	1,126
15	Self Insurance Reserve	(5,889)	(9,492)	(15,381)
16	Taxable Contributions	(392,800)	(342,000)	(734,800)
17	Pension Costs	5,142	10,351	15,493
18	Unbilled Revenues	(85,170)	0	(85,170)
19	Vacation Pay	(12,823)	(31,137)	(43,960)
20	Uncollectibles	(8,360)	1,974	(6,386)
21	Nondeductible Meals Expense	(55)	(202)	(257)
22	Loss on Reacquired Debt	0	141,030	141,030
23				
24	Total Deductions	(265,503)	269,529	4,026
25				
26	TAXABLE INCOME	342,582	452,941	795,523
27				
28				
29				
30				

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION

EXPLANATION: Provide the calculation of State and Federal Deferred Income Taxes for the test year. Provide detail on other items resulting in tax deferrals besides accelerated depreciation.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

DOCKET NO.: 881056-EI

Line No	Description	OCT - DEC 1987	JAN - SEPT 1988	TWELVE MONTHS ENDED 9/30/88	TAX RATE	NET DEFERRED TAX EXPENSE PER BOOKS YEAR ENDED 9/30/88
1	Property Related Items:					
2	-----					
3	Excess Tax Depreciation	98,027	242,182	340,209	5.5%	18,711
4	Taxable Contributions	(392,800)	(342,000)	(734,800)	5.5%	(40,414)
5	ADW-Cost of Removal	4,100	11,700	15,800	5.5%	869
6	Loss on ACRS Retirements	3,400	6,300	9,700	5.5%	534
7	-----					
8	Net Property Related Items	(287,273)	(81,818)	(369,091)		(20,300)
9	-----					
10						
11	Fully Normalized Timing Items:					
12	-----					
13						
14	Unrecovered Purchased Power Cost	21,291	(115,960)	(94,669)	5.5%	(5,207)
15	Conservation Program Costs	3,561	(2,435)	1,126	5.5%	62
16	Self Insurance Reserve	(5,889)	(9,492)	(15,381)	5.5%	(846)
17	Pension Costs	5,142	10,351	15,493	5.5%	852
18	Unbilled Revenues	(85,170)		(85,170)	5.5%	(4,684)
19	Vacation Pay Accrual	(12,823)	(31,137)	(43,960)	5.5%	(2,418)
20	Loss on Reacquired Debt		141,030	141,030	5.5%	7,757
21	-----					
22	Total Normalized Items	(73,888)	(7,643)	(81,531)	5.5%	(4,484)
23	-----					
24						
25	Balance					(24,784)
26						
27	Adjustment State Deferred Income Tax Provison-1986					791
28	Adjustment Change in Allocation of Conservation, Self Insurance and Pension					(89)
29	-----					
30	Total State Deferred Income Taxes					(\$24,082)
31	-----					

Supporting Schedules: B-16a, C-6, C-20b

Recap Schedules: C-17a

Disk #349/SCHC17B

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION

EXPLANATION: Provide the calculation of State and Federal Deferred Income Taxes for the test year. Provide detail on other items resulting in tax deferrals besides accelerated depreciation.

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

DOCKET NO.: 881056-EI

Line No	Description	OCT - DEC 1987	TAX RATE	TAX EXPENSE PER BOOKS 1987	JAN - SEPT 1988	TAX RATE	TAX EXPENSE PER BOOKS 1988	NET DEFERRED TAX EXPENSE PER BOOKS YEAR ENDED 9/30/88
1	Property Related Items:							
2	-----							
3	Excess Tax Depreciation	86,094	37.80%	32,544	220,359	32.13%	70,801	103,345
4	Taxable Contributions	(392,800)	37.80%	(148,478)	(342,000)	32.13%	(109,885)	(258,363)
5	ADR-Cost of Removal	4,100	37.80%	1,550	11,700	32.13%	3,759	5,309
6	Loss on ACRS Retirements	3,400	37.80%	1,285	6,300	32.13%	2,024	3,309
7		-----		-----	-----		-----	-----
8	Net Property Related Items	(299,206)		(113,100)	(103,641)		(33,300)	(146,400)
9		-----		-----	-----		-----	-----
10								
11	Fully Normalized Timing Items:							
12	-----							
13								
14	Unrecovered Purchased Power Cost	21,291	37.80%	8,048	(115,960)	32.13%	(37,258)	(29,210)
15	Conservation Program Costs	3,561	37.80%	1,346	(2,435)	32.13%	(782)	564
16	Self Insurance Reserve	(5,889)	37.80%	(2,226)	(9,492)	32.13%	(3,050)	(5,276)
17	Pension Costs	5,142	37.80%	1,944	10,351	32.13%	3,326	5,270
18	Unbilled Revenues	(85,170)	37.80%	(32,194)	0	32.13%	0	(32,194)
19	Vacation Pay Accrual	(12,823)	37.80%	(4,847)	(31,137)	32.13%	(10,004)	(14,851)
20	Loss on Reacquired Debt	0	37.80%	0	141,030	32.13%	45,313	45,313
21		-----		-----	-----		-----	-----
22	Total Normalized Items	(73,888)		(27,930)	(7,643)		(2,456)	(30,384)
23		-----		-----	-----		-----	-----
24								
25	Balance							(176,784)
26								
27	Adjustment Federal Deferred Income Tax Provison-1986							7,169
28	Adjustment Decrease in Federal Income Tax Rate 37.80% to 32.13%							(756)
29	Adjustment Change in Allocation of Pension, Conservation, and Self-Insurance							(722)
30								-----
31	Total Federal Deferred Income Taxes							(171,093)
32								=====

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERRANDINA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide a reconciliation between the total operating income tax provision for the test period and the currently payable income taxes on operating income for the test period. The reconciling amounts should equal deferred taxes on operating income for the period. Explain any differences.

Type of Data Shown:
 Historic Test Year Ended 9/30/88
 Witness: TROY

Line No	Description	Amount	Schedule Reference
1			
2			
3			
4			
5	Current Federal Income Tax Provision	240,650	
6	Current State Income Tax Provision	42,474	
7			
8	Total Current Income Tax Provision	283,124	C-17a Page 2 of 2 (Line 20)
9			
10	Deferred Federal Income Tax Provision	(171,093)	C-17c Page 1 of 1 (Line 29)
11	Deferred State Income Tax Provision	(24,082)	C-17b Page 1 of 1 (Line 29)
12	Charge Equivalent to LTC	23,521	B-15a Page 1 of 5
13	Investment Tax Credit Amortization	(34,128)	B-15a Page 1 of 5
14			
15	Total Tax Expense	77,342	C-2d Page 1 of 1 (Col. 1, Lines 14-20)
16		=====	
17			
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28			
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Supporting Schedules:

Recap Schedules:

349/SCHC19D

UNCOLLECTIBLE ACCOUNTS

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule of balance sheet accounts for the provision of uncollectible accounts by month for the test year and the prior year.

COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION

DOCKET NO.: 881056-E1

Type of Data Shown:
 Historic Test Year Twelve Months Ended 9/30/88

Witness: TROY

Line No.	(1) Month/Year	(2) Beginning Balance Sheet	(3) Electric Provision Accrual	(4) Water Provision Accrual	(5) Bad Debts Written Off	(6) Covered by Customer Deposits	(7) Adjustments	(8) Ending Balance
3	OCTOBER, 1987	35,194	2,157	257	0		(13)	37,655
4	NOVEMBER	37,655	1,738	228	0		1,445	41,066
5	DECEMBER	41,066	2,832	371	0		(715)	43,554
6	JANUARY, 1988	43,554	2,437	319	9,360		0	36,950
7	FEBRUARY	36,950	2,430	319	6,124		390	33,965
8	MARCH	33,965	2,102	276	4,657		702	32,358
9	APRIL	32,358	1,937	254	1,123		195	33,621
10	MAY	33,621	1,982	260	1,666		361	34,538
11	JUNE	34,538	2,441	320	3,049		730	34,980
12	JULY	34,980	3,004	394	854		416	37,942
13	AUGUST	37,942	3,167	415	0		254	41,778
14	SEPTEMBER	41,778	2,942	386	3,922		395	41,579
15	12 MO. TOTALS	\$35,194	\$29,701	3,827	\$30,805		\$4,162	\$41,579

COL (6) NOT AVAILABLE
 COL (7) INCLUDES RECOVERIES OF ACCOUNTS PREVIOUSLY WRITTEN-OFF

NOTE: THE ABOVE SCHEDULE INCLUDES TOTAL ELECTRIC AND WATER.

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION: Provide a schedule, by organization, of expenses for lobbying, civic, political and related activities included in net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:
 Historic Test Year Twelve Months Ended 9/30/88
 Prior Year Twelve Months Ended 9/30/87
 Witness: TROY

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
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- 14
- 15
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- 20
- 21
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- 30
- 31
- 32
- 33

Not Applicable

Expenses for lobbying, civic, political, and related activities are recorded below the line in Account 426.

33

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide a schedule for the last four years and the test year
 of other operation and maintenance expense summary by average customers
 and annual plant additions by additional customers.

Type of Data Shown:
 Historic Test Year Twelve Months Ended 9/30/88
 Prior Year Twelve Months Ended 9/30/87
 Prior Fiscal Years Ended 1986, 1985, and 1984
 Witness: TROY

9/30/88 9/30/87 1986 1985 1984

SUMMARY OF EXPENSES (DOLLARS PER CUSTOMER)

OTHER O & M EXPENSES SUMMARY

Power Production Expense (1)	0.33	0.01	0.08	0.10	0.09
Transmission Expenses	5.39	6.97	5.00	6.74	3.32
Distribution Expenses	60.26	57.67	47.43	47.33	46.26
Customer Account Expenses	25.99	25.13	26.58	26.31	24.73
Customer Service Expenses	7.48	8.93	8.72	7.61	9.31
Sales Expenses	0.49	0.59	0.52	0.39	0.43
Administration & General Expenses	41.17	44.18	40.33	35.68	30.68
Total Other O & M Expenses	\$141.11	\$143.48	\$129.66	\$124.16	\$114.82

(1) Excludes Fuel & Purchased Power

ANNUAL PLANT ADDITIONS (DOLLARS PER ADDITIONAL CUSTOMER)

ELECTRIC PLANT IN SERVICE

Production Plant	0	0	0	0	0
Transmission Plant	678.45	0	97.15	31.37	202.45
Distribution Plant	4,561.36	1,963.94	5,251.20	2,358.89	1,582.39
General Plant	13.43	459.87	369.68	443.77	278.12
Total Plant in Service	\$5,253.24	\$2,423.97 (2)	\$5,718.03	\$2,834.03	\$2,063.96

(2) Reflects calendar year 1987

CUSTOMER DATA

Average Customer	8,971	8,654	8,323	7,990	7,596
Average Customer Increase	317	415	333	394	393

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For an historic 10 year period and for the test year, provide actual operating revenues and expense by primary account

Type of Data Shown:

Historic Test Year Twelve Months Ended 9/30/88

Prior Year Twelve Months Ended 9/30/87

Prior Fiscal Years Ended 1979-1986

Witness: TROY

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DOCKET NO.: 881056-E1

Line No.	Acct. No.	Account Title	1979	1980	1981	1982	1983
1		Operating Revenues					
2							
3	440	Residential Sales	3,316,060	4,370,498	5,207,486	4,814,684	5,517,544
4	442.1	Commercial & Industrial Sales-Small	1,913,727	2,519,701	2,891,942	2,793,388	3,028,198
5	442.2	Commercial & Industrial Sales-Large	4,092,079	4,207,963	4,842,688	4,637,371	2,556,759
6	444	Public Street & Highway Lighting	46,339	56,579	62,611	58,600	62,878
7	445	Other Sales to Public Authorities	128,319	160,821	173,727	158,146	178,859
8	448	Interdepartmental Sales	56,058	85,044	121,195	119,692	108,767
9	449	Over Rec. Purch. Elect.	0	(168,260)	(36,203)	133,831	(41,316)
10	450	Customer Refunds	0	(16,148)	(135,626)	(15,943)	0
11	451	Miscellaneous Sales Revenues	560	936	1,516	960	3006
12	454	Rent from Electric Property	1,204	1,204	1,209	1,217	2,384
13	456	Other Electric Revenues	5,907	8,507	7,035	4,753	2,221
14							
15		Total Operating Revenues	9,560,253	11,226,845	13,137,580	12,706,699	11,419,300
16							
17							
18		Operating Expenses					
19							
20		Power Production:Other Power Generation					
21	546	Operation Supervision & Engineering	184	47	0	0	0
22	547	Fuel	242	417	534	0	104
23	548	Lubricants	0	1,112	33	0	47
24	549	Misc. Other Power Generation Expenses	443	363	263	(1,348)	351
25	552	Maintenance & Structures	529	0	24	0	0
26	553	Maintenance of Generating & Electric Plant	6,620	1,305	5,579	1,524	946
27	554	Maintenance of Misc. Other Power Gen. Plant	241	456	216	534	956
28							
29		Subtotal	8,279	3,700	6,649	710	2,404
30							

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO. 881056-EI

Explanation: Provide the Company's 13-month average cost of capital for (1) the test year, (2) the prior year if the test year is projected, and (3) the test year of the last rate case. In addition, calculate cost rates for each class of capital. Provide data for (1) the test year and (2) the prior year.

Type of Data Shown:
 Historic Test Year Ended 9/30/88
 Witness: TROY

Line No.	Class of Capital	(A) Dollars	(B) Ratio	(C) Cost Rate	(D) Weighted Cost Rate	(E) Interest Expense
1						
2						
3						
4	COMMON EQUITY	3,556,486	31.78%	13.50%	4.2903%	
5	PREFERRED EQUITY	151,340	1.35%	4.75%	0.0641%	
6	LONG-TERM DEBT	3,691,010	32.98%	9.79%	3.2287%	361,350
7	BANK NOTES	1,008,932	9.02%	8.20%	0.7396%	82,732
8	CUSTOMER DEPOSITS					
9	ACTIVE	528,226	4.72%	9.00%	0.4248%	47,541
10	INACTIVE	7,011	0.06%	0.00%	0.0000%	
11	INVESTMENT TAX CREDIT					
12	3%	9,735	0.09%	0.00%	0.0000%	
13	POST '70	643,409	5.75%	11.47% (1)	0.6595%	31,425
14	DEFERRED INCOME TAXES	1,595,425	14.26%	0.00%	0.0000%	
15		-----	-----		-----	-----
16		11,191,576	100.01%		9.4070%	523,048
17		-----	-----		-----	-----
18				ROUNDED	9.41%	
19					-----	
20						
21	(1) COST RATE FOR POST '70 INVESTMENT TAX CREDIT:					
22	COMMON EQUITY	3,556,486	48.07%	13.50%	6.4895%	
23	PREFERRED EQUITY	151,340	2.05%	4.75%	0.0974%	
24	LONG-TERM DEBT	3,691,010	49.89%	9.79%	4.8842%	
25		-----	-----		-----	
26		7,398,836	100.01%		11.4711%	
27		-----	-----		-----	
28						

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the interest rate, maturity date and amount of short term debt outstanding at the end of the test year, by type of debt.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

DOCKET NO.: 881056-E1

Witness: TROY

Line No.	Month	Principal Outstanding at Month End	Maturity Date in Days	Weighted Amount Outstanding	Interest Expense
1					
2					
3	Bank Loans	October	\$4,700,000	\$145,700,000	\$53,957
4	Bank Loans	November	5,300,000	144,600,000	52,738
5	Bank Loans	December	6,200,000	170,200,000	58,466
6	Bank Loans	January	6,800,000	194,600,000	44,058
7	Bank Loans	February	8,200,000	233,400,000	51,840
8	Bank Loans	March	8,100,000	251,100,000	55,692
9	Bank Loans	April	8,100,000	245,000,000	53,296
10	Bank Loans	May	0	218,700,000	47,145
11	Bank Loans	June	0	0	0
12	Bank Loans	July	0	0	0
13	Bank Loans	August	0	0	0
14	Bank Loans	September	0	0	0
15					
16		Total:		\$1,601,300,000	\$559,192
17				365	=====
18					
19		Daily Weighted Average Amount Outstanding		\$4,387,123	
20				=====	
21		Weighted Average Cost Rate			8.20%
22					=====
23		Credit Line:			
24		Sun Bank	\$10,000,000		
25		Credit Suisse	3,000,000		
26					
27			\$13,000,000		
28			=====		

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide the specified data on long-term debt issues outstanding at the end of the test year. Arrange by type of issue (e.g., first mortgage bonds).

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date	Maturity Date	Call Provisions Special	Principal Amount Sold	Principal Amount Outstanding	Amount Due Within One Year
1	FIRST MORTGAGE BONDS						
2	-----						
3							
4	8% 30 Years	07/01/72	07/01/02	103.60	\$2,000,000	\$1,722,000	\$22,000
5							
6	4 3/4% 30 Years	06/01/65	06/01/95	101.00	1,000,000	778,000	12,000
7							
8	4 3/4% 30 Years	06/01/63	06/01/93	100.65	1,000,000	753,000	13,000
9							
10	10 3/4% 16 Years	07/01/75	07/01/91	101.44	2,500,000	1,200,000	100,000
11							
12	9.57% 30 Years	05/01/88	05/01/18	See Note 1	10,000,000	10,000,000	0
13							
14	10.03% 30 Years	05/01/88	05/01/18	See Note 1	5,500,000	5,500,000	0
15							
16	Subtotal				\$22,000,000	\$19,953,000	\$147,000
17					-----	-----	-----
18							
19							
20							
21							
22							
23							
24							

Note 1:
 Regular Call Provision is not effective until the 12 Month Period beginning May 1, 2018.

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION: Provide the specified data on long-term debt issues outstanding at the end of the test year. Arrange by type of issue (e.g., first mortgage bonds).

Type of Data Shown:
 Historic Test Year Ended 9/30/88

Witness: TROY

Line No.	(8) Description, Coupon Rate Years of Life	(9) Discount (Premium) on Principal Outstanding	(10) Issue Expense on Principal Outstanding	(11) Annual Amortization of Discount (Premium) on Principal Outstanding	(12) Annual Amortization of Issue Expense on Principal Outstanding	(13) Interest Cost (Coupon Rate) x (Principal Outstanding)	(14) Total Interest Cost (11)+(12)+(13)	(15) Effective Cost Rate (14)/(6)-(7) -(9)-(10)
1								
2	FIRST MORTGAGE BONDS							
3	-----							
4	8% 30 Years	0	\$16,065	0	\$1,283	\$136,000	\$137,283	8.15%
5								
6	4 3/4% 30 Years	0	3,429	0	539	36,385	36,924	4.84%
7								
8	4 3/4% 30 Years	0	1,515	0	335	35,150	35,485	4.81%
9								
10	10 3/4% 16 Years	0	6,236	0	2,442	118,250	120,692	11.03%
11								
12	9.57% 30 Years	0	165,532	0	7,257	957,000	964,257	9.80%
13								
14	10.03% 30 Years	542,421	102,105	18,284	3,908	551,650	573,842	11.82%
15								
16	Subtotal	\$542,421	\$294,882	\$18,284	\$15,764	\$1,834,435	\$1,868,483	9.85%
17		.....	.....	.....	.....	.....	.....	.....
18								
19								
20								
21								
22								
23								
24								
25								

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Explain significant call provisions and special restrictions on debt outstanding at the end of the test year.

Type of Data Shown:
Historic Test Year Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Witness: TROY

DOCKET NO.: 881056-EI

Series	Maturity Date	If Redeemed During The 12 Month Period Ending	Regular Redemption Price (%)
5 %	September 1, 1988	August 31, 1988	100.00
5 1/4%	July 1, 1989	June 30, 1988	100.20
10 3/4%	July 1, 1991	June 30, 1988	102.16
4 3/4%	June 1, 1993	May 31, 1988	100.80
4 1/4%	June 1, 1995	May 31, 1988	101.15
8 %	July 1, 2002	June 30, 1988	103.85
9.57 %	May 1, 2013	See Note 1	
10.01 %	May 1, 2018	See Note 1	

Narrative explanation:

The bonds are redeemable prior to maturity as a whole at any time or in part from time to time at the option of the Company (other than in the cases mentioned in the following clauses) (i) at the applicable percentage of the principal amount therefore set forth in the tabulation under the heading "Regular Redemption Price"; and (ii) by the operation of the sinking and improvement fund for the bonds, (iii) by the operation of the Renewal and Replacement fund, and (iii) with eminent domain moneys and proceeds of sales pursuant to order of governmental authorities (or in anticipation thereof) as provided in the indenture, upon payment of the principal amount thereof; together in any case with interest accrued thereon to the date fixed for redemption.

Note 1:

Regular Redemption Price % is not effective until the 12 Month Period beginning May 1, 2013 at 101.33.

PREFERRED STOCK

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-II

EXPLANATION: Provide data as specified on preferred stock for the test year.

Type of Data Shown: Historic Test Year Ended 9/30/88

Witness: TROY

Line No.	Description	(1) Issue Date	(2) Principal Amount Sold	(3) Principal Amount Outstanding Year End	(4) (Discount) or Premium on Principal Amount Sold	(5) (Discount) or Premium Associated with (3)
1						
2	4 3/4% Cumulative Preferred Stock	12/28/45	600,000	600,000	-0-	-0-
3						
4	1.12 Convertible Preference Stock, Cumulative	01/27/59	650,000	Note 1		
5						
6						
7						
8		(7)	(8)	(9)	(10)	(11)
9		Issuing Expense	Issuing Expense	Rate (Contract Rate on Face Value)	Dollar Dividend On Face Value (9) x (3)	Effective Cost Rate
10		Associated with (2)	Associated with (3)	Net Proceeds (3)+(5)+(7)		
11						
12						
13						
14						
15						
16	4 3/4% Cumulative Preferred Stock	-0-	-0-	600,000	4.75%	28,500
17						4.75%
18	1.12 Convertible Preference Stock, Cumulative					
19	Cumulative					
20						
21						
22						
23	Note 1: All 1.12 Convertible Stocks were converted or retired prior to February 29, 1988.					
24						

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, and the prior year if the test year is projected. Indicate the company policy on collecting deposits, deposit size, payment of interest, and refunds.

Type of Data Shown:
Historic Test Year Twelve Months Ended 9/30/88

COMPANY: FLORIDA PUBLIC UTILITIES
FERNANDINA BEACH DIVISION

Witness: TROY

DOCKET NO.: 881056-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Month and Year	Active Customer Deposits	Inactive Customer Deposits	Total Deposits	Interest Expense	Monthly Interest Rate % Annual
1						
2						
3	September	526,750	6,792	533,542		
4	October	519,042	6,890	525,932	3,893	0.7500%
5	November	519,946	6,902	526,848	3,900	0.7500%
6	December 1987	517,621	6,871	524,492	3,882	0.7500%
7	January 1988	515,800	6,847	522,647	3,869	0.7500%
8	February	517,728	6,872	524,600	3,883	0.7500%
9	March	516,414	6,855	523,269	3,873	0.7500%
10	April	524,646	6,764	531,410	3,935	0.7500%
11	May	527,658	7,004	534,662	3,957	0.7500%
12	June	537,766	7,139	544,905	4,033	0.7500%
13	July	544,426	7,227	551,653	4,083	0.7500%
14	August	547,172	7,263	554,435	4,104	0.7500%
15	September	551,971	7,327	559,298	4,140	0.7500%
16						
17						
18	Total	\$6,866,759	\$91,151	\$6,958,110	\$47,552	
19		.....	.....	.....	.....
20						
21						
22	Thirteen Month Average	\$528,228	\$7,012			
23		.....	.....	
24						
25						
26						

FLORIDA PUBLIC SERVICE COMMISSION
 Company: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION

EXPLANATION: Provide levels of subsidiary investment (including accounts receivable) for the past ten years, 13 monthly balances for the test year and a 13-month average balance for the test year. Indicate the source of the investment.

Type of data shown:
 Historic Test Year Ended 9/30/88
 Prior Years Ended 1979 through 1987
 Witness: TROY

Docket No.: 881056-EI

Line No.	Subsidiary Name	YEAR END BALANCES									
		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1											
2											
3											
4	FLO-GAS CORPORATION										
5	-----										
6											
7	Equity Investment in										
8	Flo-Gas Corporation	1,393,106	1,278,695	1,217,922	1,250,307	1,393,883	1,509,367	1,696,710	1,975,282	2,277,323	2,556,180
9											
10											
11	Less Flo-Gas Investment										
12	in Capital Stock of Parent	(355,953)	(355,953)	(355,953)	(355,953)	(355,953)	(669,828)	(603,123)	(546,878)	(502,066)	(481,717)
13											
14											
15	Accounts Receivable from										
16	(Payable To) Flo-Gas	112,501	481,562	907,238	793,793	613,009	662,963	398,615	(81,571)	(300,859)	(742,880)
17	Corporation										
18											
19											
20	Total	\$1,149,654	\$1,404,304	\$1,769,207	\$1,688,147	\$1,650,939	\$1,502,502	\$1,492,202	\$1,346,833	\$1,474,398	\$1,331,583
21		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
22											
23											
24											
25											
26											
27											
28											
29											
30											

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-EI

EXPLANATION: Calculate interest and preferred dividend coverage ratios (both including and excluding AFUDC credits from earnings before interest charges) for:
 1) the test year under current and proposed rates,
 2) the prior year, and
 3) three previous calendar years.

Type of Data Shown:
 Historic Test Year Twelve Months Ended 9/30/88
 Prior Year Twelve Months Ended 9/30/87
 Prior Fiscal Years Ended 1984 through 1986
 Witness: TROY

Line No.	Indicator	Twelve Months Ended December 31,			Twelve Months Ended September 30,	
		1984	1985	1986	1987	1988
1						
2						
3						
4	INCLUDING ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION:					
5	-----					
6	Earnings Before Interest (Including Allowance for Other Funds					
7	Used During Construction).	\$2,879,842	\$2,464,986	\$2,919,289	\$3,065,761	\$3,002,789
8						
9	Debt Portion of Allowance for Funds Used During Construction	3,245	16,029	17,362	11,683	14,563
10						
11	Income Taxes	1,303,030	884,763	1,072,576	942,424	603,107
12		-----	-----	-----	-----	-----
13						
14	Total Earnings Before Interest and Taxes (7) + (9) + (11)	\$4,186,117	\$3,365,778	\$4,009,227	\$4,019,868	\$3,620,459
15		-----	-----	-----	-----	-----
16	Interest (Before Deducting Allowance for Borrowed Funds Used					
17	During Construction).	\$1,340,050	\$1,377,850	\$1,553,084	\$1,581,102	\$1,963,752
18		-----	-----	-----	-----	-----
19						
20	Interest Coverage Ratio (14) / (17)	3.12	2.44	2.58	2.54	1.84
21						
22	Earnings After Interest, Before Taxes (14) - (17)	\$2,846,067	\$1,987,928	\$2,456,143	\$2,438,766	\$1,656,707
23		-----	-----	-----	-----	-----
24						
25	Preferred Dividends	\$49,339	\$44,086	\$29,106	\$29,066	\$28,587
26		-----	-----	-----	-----	-----
27						
28	Preferred Dividends Coverage Ratio (22) / (25)	57.68	45.09	84.39	83.90	57.95
29						56.79
30						

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 FERNANDINA BEACH DIVISION
 DOCKET NO.: 881056-E1

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated.

Type of Data Shown:
 Historic Test Year Ended 9/30/88
 Prior Years Ended 1984 through 1986
 and 9/30/87
 Witness: TROY

Line No.	1984	1985	1986	9/30/87	9/30/88	
1						
2						
3						
4	Market/Book Ratio	0.71	0.97	1.39	1.56	1.72
5						
6						
7	Price/Earnings Ratio	8.3	10.4	13.7	15.0	22.6
8						
9						
10	Pre-tax Interest Coverage	3.12	2.44	2.58	2.54	1.84
11						
12						
13	Earned Return on Average Book Equity	12.21	8.55	10.13	10.37	7.60
14						
15						
16	End of Year Book Value/Share	12.04	12.46	12.93	13.50	12.50
17						
18	Dividends/Share (Average)	0.67	0.80	0.93	0.87	0.91
19						
20						
21						
22	Earnings/Share (Average)	1.47	1.04	1.31	1.40	0.95
23						
24						
25	Market Value/Share (Year-end)	8.50	10.83	18.00	21.00	21.50
26						
27						
28						
29						
30						