

FLORIDA
PUBLIC UTILITIES COMPANY

ORIGINAL
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West Palm Beach, FL 33402-3395

July 18, 1997

Ms. Blanca Bayo, Director
Florida Public Service Commission
Division of Records and Reporting
Capital Circle Office Center
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

RE: Docket No. 970597-E1

Dear Ms. Bayo

We are enclosing 15 copies of the following remaining exhibits in connection with the Florida Public Utilities Company's, Marianna Electric Division, depreciation study for 1997.

- 1. Computation of Asset Age (Exhibit M, Version 071197)
- 2. Proposed Depreciation Worksheet, contains comparison of current and proposed depreciation rates, expense and components (Exhibit N)
- 3. General Narrative, Explanation and Justification for Proposed Rates and Reserve Transfers (Exhibit O)

Please let me know if you have any questions or require any additional information

Sincerely,

Cheryl M. Martin

ACK

Cheryl M. Martin
Manager of Corporate Accounting

CC: George Bachman
 Jack English
 Patricia Lee - FPSC Tallahassee (3 copies & 1 disk)
 Jim Mesite
 Darryl Troy
 Marianna Depreciation Study - 1997

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DOCUMENT NUMBER DATE

07276 JUL 21 97

FPSC RECORDS/REPORTING

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA ELECTRIC DIVISION
COMPUTATION OF ASSET AGE - VERSION 071197
AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance
3601	1/1/94	BALANCE*	5.5	16,000	88,000	16,000	361	1/1/94	BALANCE	15.1	8,614	130,071	8,614
	1994	ADDITION	2.5	-	-	16,000		1994	ADDITION	2.5	-	-	8,614
	1994	RETIREMENT	-	-	-	16,000		1994	RETIREMENT	-	-	-	8,614
	1994	TRANSFERS	-	-	-	16,000		1994	TRANSFERS	-	-	-	8,614
	1994	ADJUSTMENTS	-	-	-	16,000		1994	ADJUSTMENTS	-	-	-	8,614
	1995	ADDITION	1.5	-	-	16,000		1995	ADDITION	1.5	-	-	8,614
	1995	RETIREMENT	-	-	-	16,000		1995	RETIREMENT	-	-	-	8,614
	1995	TRANSFERS	-	-	-	16,000		1995	TRANSFERS	-	-	-	8,614
	1995	ADJUSTMENTS	-	-	-	16,000		1995	ADJUSTMENTS	-	-	-	8,614
	1996	ADDITION	0.5	-	-	16,000		1996	ADDITION	0.5	-	-	8,614
1996	RETIREMENT	-	-	-	16,000	1996	RETIREMENT	-	-	-	8,614		
1996	TRANSFERS	-	-	-	16,000	1996	TRANSFERS	-	-	-	8,614		
1996	ADJUSTMENTS	-	-	-	16,000	1996	ADJUSTMENTS	-	-	-	8,614		
	TOTALS		5.5	16,000	88,000			TOTALS	15.1	8,614	130,071		
1/1/97	BALANCE		6.5	16,000	104,000		1/1/97	BALANCE	16.1	8,614	138,685		
1997	ADDITION		0.5	-	-	16,000	1997	ADDITION	0.5	-	-	8,614	
1997	RETIREMENT		16.6	-	-	16,000	1997	RETIREMENT	15.6	-	-	8,614	
12/31/97	BALANCE		6.5	16,000	104,000		12/31/97	BALANCE	16.1	8,614	138,685		
362	1/1/94	BALANCE	17.5	771,308	13,497,855	771,308	364	1/1/94	BALANCE	18.1	3,453,779	55,888,342	3,453,779
	1994	ADDITION	2.5	20,937	52,343	782,243		1994	ADDITION	2.5	272,002	680,005	3,730,781
	1994	RETIREMENT	38.5	(8,572)	(312,878)	783,671		1994	RETIREMENT	22.9	(23,894)	(547,173)	3,708,887
	1994	TRANSFERS	38.5	-	-	783,671		1994	TRANSFERS	22.9	(20,383)	(467,000)	3,688,504
	1994	ADJUSTMENTS	38.5	-	-	783,671		1994	ADJUSTMENTS	22.9	-	-	3,688,504
	1995	ADDITION	1.5	70,022	105,033	853,693		1995	ADDITION	1.5	278,485	414,728	3,962,979
	1995	RETIREMENT	-	-	-	853,693		1995	RETIREMENT	20.5	(38,587)	(790,624)	3,924,412
	1995	TRANSFERS	-	-	-	853,693		1995	TRANSFERS	20.5	-	-	3,924,412
	1995	ADJUSTMENTS	-	-	-	853,693		1995	ADJUSTMENTS	20.5	-	-	3,924,412
	1996	ADDITION	0.5	-	-	853,693		1996	ADDITION	0.5	199,125	99,563	4,123,537
1996	RETIREMENT	36.5	(8,572)	(312,878)	845,121	1996	RETIREMENT	21.2	(33,395)	(707,974)	4,090,142		
1996	TRANSFERS	36.5	-	-	845,121	1996	TRANSFERS	21.2	-	-	4,090,142		
1996	ADJUSTMENTS	36.5	-	-	845,121	1996	ADJUSTMENTS	21.2	2,258	47,870	4,092,400		
	TOTALS		15.4	845,121	13,029,475			TOTALS	13.3	4,092,400	54,415,737		
1/1/97	BALANCE		16.4	845,121	13,859,984		1/1/97	BALANCE	14.3	4,092,400	58,521,320		
1997	ADDITION		0.5	-	-	845,121	1997	ADDITION	0.5	231,500	115,750	4,323,900	
1997	RETIREMENT		15.8	(5,715)	(90,987)	839,406	1997	RETIREMENT	13.8	(31,831)	(439,165)	4,292,069	
12/31/97	BALANCE		16.4	839,406	13,769,017		12/31/97	BALANCE	13.6	4,292,069	58,197,905		

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA ELECTRIC DIVISION
COMPUTATION OF ASSET AGE - VERSION 071197
AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance
365	1/1/94	BALANCE	18.0	4,036,805	72,782,490	4,036,805	366	1/1/94	BALANCE	8.9	93,776	825,228	93,776
	1994	ADDITION	2.5	180,950	452,375	4,217,755		1994	ADDITION	2.5	8,432	21,080	102,208
	1994	RETIREMENT	25.0	(29,439)	(735,975)	4,188,316		1994	RETIREMENT	-	-	-	102,208
	1994	TRANSFERS	25.0	20,393	509,825	4,208,709		1994	TRANSFERS	-	-	-	102,208
	1994	ADJUSTMENTS	25.0	-	-	4,208,709		1994	ADJUSTMENTS	-	-	-	102,208
	1995	ADDITION	1.5	243,463	365,195	4,452,172		1995	ADDITION	1.5	2,948	14,272	99,150
	1995	RETIREMENT	24.2	(24,974)	(604,371)	4,427,198		1995	RETIREMENT	-	-	-	99,150
	1995	TRANSFERS	24.2	-	-	4,427,198		1995	TRANSFERS	-	-	-	99,360
	1995	ADJUSTMENTS	24.2	-	-	4,427,198		1995	ADJUSTMENTS	-	-	-	99,360
	1996	ADDITION	0.5	138,585	69,293	4,565,783		1996	ADDITION	0.5	1,194	54	98,266
	1996	RETIREMENT	21.9	(17,194)	(376,549)	4,548,589		1996	RETIREMENT	-	-	-	98,266
	1996	TRANSFERS	21.9	-	-	4,548,589		1996	TRANSFERS	-	-	-	98,266
	1996	ADJUSTMENTS	21.9	4,533	99,273	4,553,122		1996	ADJUSTMENTS	-	-	-	98,266
	TOTALS		15.9	4,553,122	72,441,555		TOTALS		8.6	98,266	841,490		
12/31/97	BALANCE		16.9	4,553,122	76,947,762		1/1/97	BALANCE	9.6	98,266	943,354		
1997	ADDITION	0.5	171,500	85,750	4,724,622	1997	ADDITION	0.5	-	-	98,266		
1997	RETIREMENT	18.4	(24,230)	(397,622)	4,700,392	1997	RETIREMENT	9.1	-	-	98,266		
12/31/97	BALANCE		16.3	4,700,392	78,635,890		12/31/97	BALANCE	9.6	98,266	943,354		
367	1/1/94	BALANCE	9.7	330,189	3,202,833	330,189	368	1/1/94	BALANCE	15.8	3,793,253	59,934,029	3,793,293
	1994	ADDITION	2.5	40,027	100,068	370,216		1994	ADDITION	2.5	154,981	387,403	3,948,254
	1994	RETIREMENT	-	-	-	370,216		1994	RETIREMENT	19.5	(38,803)	(758,414)	3,909,451
	1994	TRANSFERS	-	-	-	370,216		1994	TRANSFERS	19.5	-	-	3,909,451
	1994	ADJUSTMENTS	-	-	-	370,216		1994	ADJUSTMENTS	19.5	-	-	3,909,351
	1995	ADDITION	1.5	21,378	32,089	391,595		1995	ADDITION	1.5	234,083	351,095	4,143,424
	1995	RETIREMENT	15.8	(822)	(12,968)	390,773		1995	RETIREMENT	19.4	(54,385)	(1,035,089)	4,089,039
	1995	TRANSFERS	15.8	-	-	390,773		1995	TRANSFERS	19.4	67,856	1,312,528	4,156,895
	1995	ADJUSTMENTS	15.8	-	-	390,773		1995	ADJUSTMENTS	19.4	(78,689)	(1,526,567)	4,078,008
	1996	ADDITION	0.5	21,525	10,763	412,298		1996	ADDITION	0.5	230,108	115,054	4,308,114
	1996	RETIREMENT	5.8	(1,559)	(8,730)	410,739		1996	RETIREMENT	19.8	(27,713)	(544,238)	4,280,401
	1996	TRANSFERS	5.8	-	-	410,739		1996	TRANSFERS	19.8	(6,268)	(123,054)	4,274,133
	1996	ADJUSTMENTS	5.8	-	-	410,739		1996	ADJUSTMENTS	19.8	6,581	129,240	4,280,716
	TOTALS		8.1	410,739	3,324,014		TOTALS		13.6	4,280,716	58,222,008		
1/1/97	BALANCE		9.1	410,739	3,737,725		1/1/97	BALANCE	14.6	4,280,716	62,496,454		
1997	ADDITION	0.5	20,000	10,000	430,739	1997	ADDITION	0.5	182,000	98,000	4,472,716		
1997	RETIREMENT	8.8	(794)	(8,823)	429,945	1997	RETIREMENT	14.1	(40,330)	(588,883)	4,432,386		
12/31/97	BALANCE		8.7	429,945	3,740,902		12/31/97	BALANCE	14.0	4,432,386	62,025,760		

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA ELECTRIC DIVISION
COMPUTATION OF ASSET AGE - VERSION 071197
AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance
369	1/1/94	BALANCE	12.5	1,586,136	19,829,700	1,586,136	370	1/1/94	BALANCE	20.2	856,982	17,711,236	856,982
	1994	ADDITION	2.5	130,811	327,028	1,716,947		1994	ADDITION	2.5	44,254	110,635	901,236
	1994	RETIREMENT	19.5	(10,875)	(212,577)	1,706,072		1994	RETIREMENT	20.8	(3,672)	(407,426)	887,564
	1994	TRANSFERS	19.5	-	-	1,706,072		1994	TRANSFERS	20.8	-	-	887,564
	1994	ADJUSTMENTS	19.5	-	-	1,706,072		1994	ADJUSTMENTS	20.8	-	-	887,564
	1995	ADDITION	1.5	124,542	186,813	1,830,814		1995	ADDITION	1.5	41,496	62,244	929,060
	1995	RETIREMENT	20.9	(7,109)	(148,436)	1,823,505		1995	RETIREMENT	20.2	(7,597)	(255,459)	911,463
	1995	TRANSFERS	20.9	-	-	1,823,505		1995	TRANSFERS	20.2	-	-	911,463
	1995	ADJUSTMENTS	20.9	-	-	1,823,505		1995	ADJUSTMENTS	20.2	-	-	911,463
	1996	ADDITION	0.5	131,330	35,865	1,954,835		1996	ADDITION	0.5	18,506	19,252	949,969
	1996	RETIREMENT	16.3	(7,192)	(127,274)	1,947,643		1996	RETIREMENT	20.1	(2,155)	(244,315)	937,814
	1996	TRANSFERS	16.3	-	-	1,947,643		1996	TRANSFERS	20.1	-	-	937,814
	1996	ADJUSTMENTS	16.3	-	-	1,947,643		1996	ADJUSTMENTS	20.1	-	-	937,814
	TOTALS			10.2	1,947,643	19,917,919			TOTALS			17.6	1,947,643
12/31/97	BALANCE		10.2	1,947,643	21,808,882		12/31/97	BALANCE		17.6	1,947,643	21,808,882	
1997	ADDITION	0.5	125,000	62,500	2,072,043		1997	ADDITION	0.5	42,000	20,200	977,814	
1997	RETIREMENT	15.7	(8,592)	(92,191)	2,063,451		1997	RETIREMENT	18.1	(4,475)	(261,850)	963,339	
12/31/97	BALANCE		10.6	2,063,451	21,777,191		12/31/97	BALANCE		17.9	963,339	21,201,490	
371	1/1/94	BALANCE	10.6	369,690	3,918,778	369,690	373	1/1/93	BALANCE	24.6	169,806	4,211,189	169,806
	1994	ADDITION	2.5	55,420	138,550	425,116		1993	ADDITION	3.5	22,181	77,634	191,987
	1994	RETIREMENT	15.3	(14,084)	(215,485)	411,032		1993	RETIREMENT	24.3	(5,084)	(123,541)	186,903
	1994	TRANSFERS	15.3	-	-	411,032		1993	TRANSFERS	24.3	-	-	186,903
	1994	ADJUSTMENTS	15.3	-	-	411,032		1993	ADJUSTMENTS	24.3	-	-	186,903
	1995	ADDITION	1.5	58,207	87,311	469,239		1994	ADDITION	2.5	20,038	50,085	208,941
	1995	RETIREMENT	12.2	(15,149)	(184,818)	454,090		1994	RETIREMENT	23.7	(4,337)	(102,787)	202,604
	1995	TRANSFERS	12.2	-	-	454,090		1994	TRANSFERS	23.7	-	-	202,604
	1995	ADJUSTMENTS	12.2	-	-	454,090		1994	ADJUSTMENTS	23.7	-	-	202,604
	1996	ADDITION	0.5	144,956	72,478	598,048		1995	ADDITION	1.5	17,540	28,310	220,144
	1996	RETIREMENT	10.0	(20,979)	(209,917)	578,067		1995	RETIREMENT	17.4	(7,373)	(128,280)	212,771
	1996	TRANSFERS	10.0	-	-	578,067		1995	TRANSFERS	17.4	-	-	212,771
	1996	ADJUSTMENTS	10.0	-	-	578,067		1995	ADJUSTMENTS	17.4	-	-	212,771
	12/31/96	BALANCE		6.2	578,067	3,908,896			1996	ADDITION	0.5	18,488	9,244
1/1/97	BALANCE		7.2	578,067	4,162,082		1996	RETIREMENT	13.7	(10,383)	(142,247)	220,876	
1997	ADDITION	0.5	88,000	44,000	666,067		1996	TRANSFERS	13.7	-	-	220,876	
1997	RETIREMENT	6.7	(16,737)	(112,800)	648,330		1996	ADJUSTMENTS	13.7	52	712	220,828	
12/31/97	BALANCE		6.3	648,330	4,093,282		12/31/96	BALANCE		17.6	220,828	3,978,316	
1/1/97	BALANCE		18.6	220,828	4,109,281		1/1/97	BALANCE		18.6	220,828	4,109,281	
1997	ADDITION	0.5	20,000	10,000	240,928		1997	ADDITION	0.5	20,000	10,000	240,928	
1997	RETIREMENT	18.1	(7,364)	(132,955)	233,564		1997	RETIREMENT	18.1	(7,364)	(132,955)	233,564	
12/31/97	BALANCE		17.1	233,564	3,986,306		12/31/97	BALANCE		17.1	233,564	3,986,306	

**FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA ELECTRIC DIVISION
COMPUTATION OF ASSET AGE - VERSION 071197
AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance		
390	1/1/94	BALANCE	5.4	772,810	4,173,174	772,810	3921	1/1/94	BALANCE	8.3	46,886	389,154	46,886		
	1994	ADDITION	2.5	56,000	140,000	828,810		(PER	1994	ADDITION	2.5	16,001	40,003	62,887	
	1994	RETIREMENT	-	-	-	828,810		FPSC	1994	RETIREMENT	8.5	13,406	113,951	49,487	
	1994	TRANSFERS	-	-	-	828,810		STAFF)	1994	TRANSFERS	8.5	-	-	49,487	
	1994	ADJUSTMENTS	-	-	-	828,810		1994	ADJUSTMENTS	8.5	-	-	49,487		
	1995	ADDITION	1.5	3,451	5,177	832,261		1995	ADDITION	1.5	-	-	49,487		
	1995	RETIREMENT	-	-	-	832,261		1995	RETIREMENT	-	-	-	49,487		
	1995	TRANSFERS	-	-	-	832,261		1995	TRANSFERS	4.5	5,599	31,046	56,380		
	1995	ADJUSTMENTS	-	-	-	832,261		1995	ADJUSTMENTS	-	-	-	56,380		
	1996	ADDITION	0.5	91,556	45,928	924,117		1996	ADDITION	0.5	-	-	56,380		
	1996	RETIREMENT	-	-	-	924,117		1996	RETIREMENT	7.6	40,378	306,875	16,002		
	1996	TRANSFERS	-	-	-	924,117		1996	TRANSFERS	7.6	-	-	16,002		
1996	ADJUSTMENTS	-	-	-	924,117	1996	ADJUSTMENTS	7.6	-	-	16,002				
12/31/96	BALANCE	4.7	924,117	4,364,279		12/31/96	BALANCE	2.5	16,002	39,378					
1/1/97	BALANCE	5.7	924,117	5,267,467		1/1/97	BALANCE	3.5	16,002	56,006					
1997	ADDITION	0.5	-	-	924,117	1997	ADDITION	0.5	-	-	16,002				
1997	RETIREMENT	5.2	-	-	924,117	1997	RETIREMENT	3.0	-	-	16,002				
12/31/97	BALANCE	5.7	924,117	5,267,467		12/31/97	BALANCE	3.5	16,002	56,006					
3922	1/1/93	BALANCE	7.8	114,736	894,941	114,736	3923	1/1/93	BALANCE	8.3	615,235	5,106,451	615,235		
	(PER	1993	ADDITION	3.5	20,402	71,407		135,138	(PER	1993	ADDITION	3.5	250,903	878,161	866,138
	FPSC	1993	RETIREMENT	9.5	(8,466)	(89,946)		125,670	FPSC	1993	RETIREMENT	13.3	(45,743)	(608,382)	820,395
	STAFF)	1993	TRANSFERS	9.5	-	-		125,670	STAFF)	1993	TRANSFERS	-	-	-	820,395
	1993	ADJUSTMENTS	9.5	-	-	125,670		1993	ADJUSTMENTS	-	-	-	820,395		
	1994	ADDITION	2.5	45,324	113,310	170,994		1994	ADDITION	2.5	122,945	307,363	943,340		
	1994	RETIREMENT	9.5	(30,070)	(265,865)	140,924		1994	RETIREMENT	10.7	(255,256)	(2,731,230)	688,084		
	1994	TRANSFERS	9.5	-	-	140,924		1994	TRANSFERS	10.7	-	-	688,084		
	1994	ADJUSTMENTS	9.5	-	-	140,924		1994	ADJUSTMENTS	10.7	-	-	688,084		
	1995	ADDITION	1.5	28,331	42,497	169,255		1995	ADDITION	1.5	109,770	194,655	797,854		
	1995	RETIREMENT	-	-	-	169,255		1995	RETIREMENT	-	-	-	797,854		
	1995	TRANSFERS	-	-	-	169,255		1995	TRANSFERS	-	-	-	797,854		
1995	ADJUSTMENTS	-	-	-	169,255	1995	ADJUSTMENTS	-	-	-	797,854				
1996	ADDITION	0.5	-	-	169,255	1996	ADDITION	0.5	-	-	797,854				
1996	RETIREMENT	10.5	(9,025)	(94,763)	160,230	1996	RETIREMENT	8.2	(88,700)	(727,832)	709,094				
1996	TRANSFERS	10.5	-	-	160,230	1996	TRANSFERS	8.2	-	-	709,094				
1996	ADJUSTMENTS	10.5	-	-	160,230	1996	ADJUSTMENTS	8.2	-	-	709,094				
12/31/96	BALANCE	4.1	160,230	651,781		12/31/96	BALANCE	3.4	709,094	2,389,175					
1/1/97	BALANCE	5.1	160,230	817,173		1/1/97	BALANCE	4.4	709,094	3,120,014					
1997	ADDITION	0.5	33,500	16,750	193,730	1997	ADDITION	0.5	111,500	55,750	820,594				
1997	RETIREMENT-adj	8.3	(21,232)	(176,226)	172,498	1997	RETIREMENT-adj	10.5	(44,106)	(463,113)	776,488				
12/31/97	BALANCE	3.8	172,498	657,697		12/31/97	BALANCE	3.5	776,488	2,712,651					

**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA ELECTRIC DIVISION
 COMPUTATION OF ASSET AGE - VERSION 071197
 AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance	
3924	1/1/94	BALANCE	7.5	12,417	93,128	12,417	3931	12/31/92	BALANCE	18.2	18,798	305,587	18,798	
	1994	ADDITION	2.5	8,315	23,288	21,732		OK WITH	1993	ADDITION	3.5	45,898	160,043	62,694
	1994	RETIREMENT	-	-	-	21,732		FPSC	1993	RETIREMENT	-	-	-	62,694
	1994	TRANSFERS	-	-	-	21,732		STAFF	1993	TRANSFERS	-	-	-	62,694
	1994	ADJUSTMENTS	-	-	-	21,732		1993	ADJUSTMENTS	-	-	-	-	62,694
	1995	ADDITION	1.5	-	-	21,732		1994	ADDITION	2.5	-	-	-	62,694
	1995	RETIREMENT	-	-	-	21,732		1994	RETIREMENT	-	-	-	-	62,694
	1995	TRANSFERS	-	-	-	21,732		1994	TRANSFERS	-	-	-	-	62,694
	1995	ADJUSTMENTS	-	-	-	21,732		1994	ADJUSTMENTS	-	-	-	-	62,694
	1996	ADDITION	0.5	-	-	21,732		1995	ADDITION	1.5	-	-	-	62,694
	1996	RETIREMENT	-	-	-	21,732		1995	RETIREMENT	-	-	-	-	62,694
	1996	TRANSFERS	-	-	-	21,732		1995	TRANSFERS	-	-	-	-	62,694
	1996	ADJUSTMENTS	-	-	-	21,732		1995	ADJUSTMENTS	-	-	-	-	62,694
	12/31/96	BALANCE	5.4	21,732	118,415			1996	ADDITION	0.5	-	-	-	62,694
	1/1/97	BALANCE	6.4	21,732	139,085			1996	RETIREMENT	-	-	-	-	62,694
	1997	ADDITION	0.5	-	-	21,732		1996	TRANSFERS	-	-	-	-	62,694
	1997	RETIREMENT-adj	5.5	-	-	21,732		1996	ADJUSTMENTS	-	-	-	-	62,694
12/31/97	BALANCE	6.4	21,732	139,085		12/31/96	BALANCE	7.4	62,694	486,330				
3941	1/1/94	BALANCE	12.7	13,319	188,151	13,319	3951	1/1/94	BALANCE	14.7	18,904	248,489	18,904	
	1994	ADDITION	2.8	-	-	13,319		1994	ADDITION	2.5	-	-	-	18,904
	1994	RETIREMENT	-	-	-	13,319		1994	RETIREMENT	-	-	-	-	18,904
	1994	TRANSFERS	-	-	-	13,319		1994	TRANSFERS	-	-	-	-	18,904
	1994	ADJUSTMENTS	-	-	-	13,319		1994	ADJUSTMENTS	-	-	-	-	18,904
	1995	ADDITION	1.5	-	-	13,319		1995	ADDITION	1.5	-	-	-	18,904
	1995	RETIREMENT	-	-	-	13,319		1995	RETIREMENT	-	-	-	-	18,904
	1995	TRANSFERS	-	-	-	13,319		1995	TRANSFERS	-	-	-	-	18,904
	1995	ADJUSTMENTS	-	-	-	13,319		1995	ADJUSTMENTS	-	-	-	-	18,904
	1996	ADDITION	0.5	-	-	13,319		1996	ADDITION	0.5	-	-	-	18,904
	1996	RETIREMENT	-	-	-	13,319		1996	RETIREMENT	-	-	-	-	18,904
	1996	TRANSFERS	-	-	-	13,319		1996	TRANSFERS	-	-	-	-	18,904
	1996	ADJUSTMENTS	-	-	-	13,319		1996	ADJUSTMENTS	-	-	-	-	18,904
	12/31/96	BALANCE	12.7	13,319	188,151			12/31/96	BALANCE	14.7	18,904	248,489		
	1/1/97	BALANCE	13.7	13,319	182,470			1/1/97	BALANCE	15.7	18,904	265,393		
	1997	ADDITION	0.5	3,000	1,500	16,319		1997	ADDITION	0.5	-	-	-	18,904
	1997	RETIREMENT	13.2	-	-	16,319		1997	RETIREMENT	15.2	-	-	-	18,904
12/31/97	BALANCE	11.3	16,319	183,970		12/31/97	BALANCE	15.7	18,904	265,393				

**FLORIDA PUBLIC UTILITIES COMPANY
 MARIANNA ELECTRIC DIVISION
 COMPUTATION OF ASSET AGE - VERSION 071197
 AT 12/31/97**

Account	Period	Type	Age	Value	Weighted	Value Balance	Account	Period	Type	Age	Value	Weighted	Value Balance
396	12/31/92	BALANCE	8.9	60,638	539,678	60,638	397	12/31/92	BALANCE	19.3	57,173	1,103,439	57,173
PER	1993	ADDITION	3.5	-	-	60,638	1993	ADDITION	3.5	14,493	50,726	71,666	
FESC	1993	RETIREMENT-act	11.5	(34,818)	(400,407)	25,820	1993	RETIREMENT	15.3	(6,011)	91,968	65,655	
STAFF)	1993	TRANSFERS	-	-	-	25,820	1993	TRANSFERS	-	-	-	65,655	
	1993	ADJUSTMENTS	-	-	-	25,820	1993	ADJUSTMENTS	-	-	-	65,655	
	1994	ADDITION	2.5	-	-	25,820	1994	ADDITION	2.5	2,000	5,288	67,690	
	1994	RETIREMENT	-	-	-	25,820	1994	RETIREMENT	-	-	-	67,690	
	1994	TRANSFERS	-	-	-	25,820	1994	TRANSFERS	-	-	-	67,690	
	1994	ADJUSTMENTS	-	-	-	25,820	1994	ADJUSTMENTS	-	-	-	67,690	
	1995	ADDITION	1.9	1,716	2,574	27,536	1995	ADDITION	1.9	-	-	67,690	
	1995	RETIREMENT	-	-	-	27,536	1995	RETIREMENT	-	-	-	67,690	
	1995	TRANSFERS	-	-	-	27,536	1995	TRANSFERS	-	-	-	67,690	
	1995	ADJUSTMENTS	-	-	-	27,536	1995	ADJUSTMENTS	-	-	-	67,690	
	1996	ADDITION	0.5	-	-	27,536	1996	ADDITION	0.5	-	-	67,690	
	1996	RETIREMENT	-	-	-	27,536	1996	RETIREMENT	-	-	-	67,690	
	1996	TRANSFERS	-	-	-	27,536	1996	TRANSFERS	-	-	-	67,690	
	1996	ADJUSTMENTS	-	-	-	27,536	1996	ADJUSTMENTS	-	-	-	67,690	
		TOTALS	5.2	27,538	141,845			TOTALS	15.8	67,690	1,067,284		
	1/1/97	BALANCE	6.2	27,538	170,723		1/1/97	BALANCE	16.8	67,690	1,137,192		
	1997	ADDITION	0.5	-	-	27,536	1997	ADDITION	0.5	-	-	67,690	
	1997	RETIREMENT	5.7	-	-	27,536	1997	RETIREMENT	16.3	-	-	67,690	
		TOTALS	6.2	27,538	170,723			TOTALS	16.8	67,690	1,137,192		

FLORIDA PUBLIC UTILITIES - MARIANNA ELECTRIC DIVISION
 DOCKET # 970537-EI
 1997 DEPRECIATION STUDY
 COMPARISON OF EXPENSES

ACCOUNT	1/1/98 ESTIMATED INVESTMENT	1/1/98 ESTIMATED RESERVE	CURRENT		COMPANY PROPOSED		CHANGE IN EXPENSES
			RATE	EXPENSES	RATE	ESTIMATED EXPENSES	
DISTRIBUTION PLANT							
301 - Land Rights	10	2	2.3	0	1.8	0	0
302 - Structures and Improvements	9	3	2.2	0	2.3	0	0
302 - Station Equipment	839	345	2.9	24	3.0	25	1
304 - Pole Towers and Fixtures	4,292	1,670	3.5	150	3.9	167	17
305 - Overhead Conductor & Devices	4,700	1,879	3.3	155	3.7	174	19
306 - Underground Conduit	98	21	2.0	2	1.9	2	0
307 - Underground Conductor & Devices	430	98	2.8	12	2.0	12	0
308 - Line Transformers	4,433	1,910	4.0	177	4.2	186	9
309 - Services	2,063	766	4.6	95	4.7	97	2
370 - Meters	963	497	4.1	39	4.2	47	1
371 - Installation on Customers Premises	649	121	5.7	37	6.5	42	5
373 - Street Lighting & Signal Systems	234	65	2.9	7	3.9	9	2
TOTAL DISTRIBUTION PLANT	18,726	7,377		698		754	56
GENERAL PLANT							
390 - Structures & Improvements	924	98	2.1	19	2.1	19	0
392.1 - Transportation-Car	16	20	29.9	5	(20.0)	(3)	(8)
392.2 - Transportation-Light Trucks & Vans	173	71	13.0	22	14.0	24	2
392.3 - Transportation - Heavy Trucks	776	230	6.9	54	8.0	62	8
392.4 - Transportation - Vans	22	6	2.8	1	3.6	1	0
393.1 - Store Equipment-Fixed	63	22	5.3	3	3.0	2	(1)
394.1 - Tools, Shop & Garage Equipment	16	6	3.8	1	4.2	1	0
395.1 - Laboratory Equipment	17	8	3.4	1	3.7	1	0
396 - Power Operated Equipment	28	9	6.4	2	7.4	2	0
397 - Communication Equipment	68	67	8.6	6	0.4	0	(6)
TOTAL GENERAL PROPERTY	2,103	537		114		109	(5)
TOTAL RATES	20,829	7,914		812		863	51
RECOVERY SCHEDULE							
HYDRAULIC PLANT	0	0					
PCB CAPACITORS	0	0					
	0	0					
TOTAL PLANT	20,829	7,914		812		863	51

FLORIDA PUBLIC UTILITIES - MARIANNA ELECTRIC DIVISION
DOCKET # 970537-EI
1997 DEPRECIATION STUDY
COMPARISON OF RATES AND COMPONENTS

ACCOUNT	CURRENT				COMPANY PROPOSED			
	AVERAGE REMAINING LIFE	NET SALVAGE	1/1/94 RESERVE	REMAINING LIFE RATE	AVERAGE REMAINING LIFE	NET SALVAGE	ESTIMATED 1/1/98 RESERVE	REMAINING LIFE RATE
	(YRS.)	(%)	(%)	(%)	(YRS.)	(%)	(%)	(%)
HYDRAULIC PRODUCTION PLANT								
331 - Structures & Improvements								
332 - Reservoirs, dams and waterways								
333 - Wheels, turbines and generators								
334 - Auxiliary electric equipment								
335 - Miscellaneous power plant								
	(4 Year Recovery Schedule)							
DISTRIBUTION PLANT								
360 - Land Rights	42.0	0.0	3.7	2.3	50.0	0.0	12.5	1.8
361 - Structures and Improvements	34.0	0.0	26.2	2.2	29.0	0.0	33.3	2.3
362 - Station Equipment	25.0	(10.0)	37.2	2.9	23.0	(10.0)	41.1	3.0
364 - Pole Towers and fixtures	23.0	(20.0)	39.3	3.5	21.0	(20.0)	38.9	3.9
365 - Overhead Conductors & Devices	22.0	(10.0)	36.6	3.3	18.9	(10.0)	40.0	3.7
366 - Underground Conduit	45.0	0.0	11.6	2.0	41.0	0.0	21.4	1.9
367 - Underground Conductors & Devices	30.0	0.0	16.4	2.8	27.0	0.0	22.8	2.9
368 - Line Transformers	17.9	(10.0)	38.2	4.0	16.0	(10.0)	43.1	4.2
369 - Services	18.5	(15.0)	30.1	4.6	16.4	(15.0)	37.1	4.7
370 - Meters	15.2	(10.0)	48.4	4.1	13.8	(10.0)	51.6	4.2
371 - Installation on Customers' Premises	10.2	20.0	22.0	5.7	9.4	20.0	18.6	6.5
373 - Street Lighting & Signal Systems	18.6	5.0	40.7	2.9	17.3	5.0	27.8	3.9
GENERAL PLANT								
390 - Structures & Improvements	49.0	(5.0)	3.6	2.1	44.0	(5.0)	10.6	2.1
392.1 - Transportation-Cars	1.7	15.0	34.1	29.9	2.0	15.0	125.0	(20.0)
392.2 - Transportation-Light Trucks & Vans	3.7	10.0	41.7	13.0	3.5	10.0	41.0	14.0
392.3 - Transportation - Heavy Trucks	6.8	10.0	43.0	6.9	7.5	10.0	29.6	8.0
392.4 - Transportation - Vans	22.0	5.0	32.8	2.8	18.6	5.0	27.3	3.6
393.1 - Store Equipment-Fixed	15.8	0.0	16.7	5.3	22.0	0.0	34.9	3.0
394.1 - Tools, Shop & Garage Equipment	19.5	0.0	25.9	3.8	14.9	0.0	37.5	4.2
395.1 - Laboratory Equipment	19.6	0.0	34.2	3.4	14.3	0.0	47.1	3.7
396 - Power Operated Equipment	12.5	10.0	10.0	6.4	7.8	10.0	32.1	7.4
397 - Communication Equipment	4.7	0.0	59.4	8.6	3.3	0.0	98.5	0.4

FLORIDA PUBLIC UTILITIES - MARIANNA ELECTRIC DIVISION
DOCKET # 970537-EI
1997 DEPRECIATION STUDY
DATA ENTRY SHEET

ACCOUNT	1/1/98 INVESTMENT (Estimated) (000)	1/1/98 RESERVE (Estimated) (000)	CURRENT					COMPANY PROPOSED				
			AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	AGE (YRS)	CURVE	AVERAGE SERVICE LIFE (YRS)	AVERAGE REMAINING LIFE (YRS)	NET SALVAGE (%)	AGE (YRS)	CURVE
HYDRAULIC PRODUCTION PLANT												
331 - Structures & Improvements	0	0										
332 - Reservoirs, dams, and waterways	0	0										
333 - Wharls, turbines and generators	0	0										
334 - Accessory electric equipment	0	0										
335 - Miscellaneous power plant	0	0										
Total Support Assets	0	0										
DISTRIBUTION PLANT												
303.1 - Land Rights	16	2	56.0	42.0	0.0	14.1	R3	56.0	50.0	0.0	8.5	SQ
301 - Structures and Improvements	9	3	45.0	34.0	0.0	11.1	SQ	45.0	28.0	0.0	16.1	SQ
302 - Station Equipment	839	345	38.0	25.0	(10.0)	13.5	R3	38.0	23.0	(10.0)	16.4	R3
304 - Pole Towers and Fixtures	4,292	1,670	33.0	23.0	(20.0)	12.1	R2.5	33.0	21.0	(20.0)	13.6	R2.5
305 - Overhead Conductors & Devices	4,700	1,879	34.0	22.0	(10.0)	14.0	R3	34.0	19.0	(10.0)	16.3	R3
306 - Underground Conduit	98	21	50.0	45.0	0.0	4.8	R3	50.0	41.0	0.0	9.6	R3
307 - Underground Conductors & Devices	430	98	35.0	30.0	0.0	5.7	R2	35.0	27.0	0.0	8.7	R2.5
308 - Line Transformers	4,433	1,910	29.0	17.9	(10.0)	11.8	R3	29.0	18.0	(10.0)	14.0	R3
309 - Services	2,063	766	27.0	18.5	(15.0)	8.5	S4	27.0	16.4	(15.0)	10.6	S4
370 - Meters	963	497	30.0	15.2	(10.0)	16.2	R3	30.0	13.8	(10.0)	17.8	R3
371 - Installation on Customers' Premises	649	121	15.0	10.2	20.0	6.6	L1	15.0	9.4	20.0	6.3	L2
373 - Street Lighting & Signal Systems	234	65	29.0	18.6	5.0	20.8	SC	29.0	17.3	5.0	17.1	R1
Total Distribution Assets	18,726	7,377										
GENERAL PLANT												
390 - Structures & Improvements	924	98	50.0	48.0	(5.0)	1.4	SQ	50.0	44.0	(5.0)	5.7	S6
392.1 - Transportation-Car	16	20	5.0	1.7	15.0	4.3	S2	5.0	2.0	15.0	3.5	
392.2 - Transportation-Light Trucks & Vans	173	71	7.0	3.7	10.0	3.8	S2	7.0	3.5	10.0	3.8	
392.3 - Transportation - Heavy Trucks	776	230	11.0	8.8	10.0	4.3	R4	11.0	7.5	10.0	3.5	R4
392.4 - Transportation - Vans	22	6	25.0	22.0	5.0	3.5	S6	25.0	18.8	5.0	6.4	S6
393.1 - Stone Equipment-Fixed	63	22	30.0	15.8	0.0	14.2	S6	30.0	22.0	0.0	6.4	S6
394.1 - Tools, Shop & Garage Equipment	16	6	28.0	19.3	0.0	8.7	R4	28.0	14.9	0.0	11.3	R4
395.1 - Laboratory Equipment	17	8	30.0	19.6	0.0	10.7	R5	30.0	14.3	0.0	15.7	R5
396 - Power Operated Equipment	28	9	14.0	12.5	10.0	4.9	SQ	14.0	7.8	10.0	6.2	SQ
397 - Communication Equipment	68	67	20.0	4.7	0.0	15.3	S6	20.0	3.3	0.0	16.6	S6
Total General Plant Assets	2,103	537										
GRAND TOTAL	20,829	7,914										

FLORIDA PUBLIC UTILITIES - MARLANNA ELECTRIC DIVISION
DOCKET # 970537-E1
1997 DEPRECIATION STUDY
THEORETICAL RESERVE CALCULATIONS - USING PROPOSED RATES

ACCOUNT	1/1/98 INVESTMENT (\$)	1/1/98 RESERVE (\$)	THEORETICAL RESERVE (%)	THEORETICAL RESERVE (\$)	IMBALANCE	WLR (%)	ARL (YEARS)	NET SALV (%)
DISTRIBUTION PLANT								
360.1 - Land Rights	16	2	10.00	2	0	1.8	50.0	0.0
361 - Structures and Improvements	9	3	36.20	3	0	2.2	29.0	0.0
362 - Station Equipment	839	345	43.30	363	18	2.9	23.0	(10.0)
364 - Poles, Towers, and Fixtures	4,292	1,670	44.40	1,906	236	3.6	21.0	(20.0)
365 - Overhead Conductors & Devices	4,700	1,879	49.52	2,327	448	3.2	18.9	(10.0)
366 - Underground Conduit	98	21	11.00	18	(3)	2.0	41.0	0.0
367 - Underground Conductors & Devices	430	98	21.70	93	(5)	2.9	27.0	0.0
368 - Line Transformers	4,433	1,910	49.20	2,181	271	3.8	16.0	(10.0)
369 - Services	2,063	766	44.48	918	152	4.3	16.4	(15.0)
370 - Meters	963	497	58.94	568	71	3.7	13.8	(10.0)
371 - Installation on Customers' Premises	649	121	30.18	196	75	5.3	9.4	20.0
373 - Street Lighting & Signal Systems	234	65	37.91	89	24	3.3	17.3	5.0
Total Distribution Plant	18,726	7,377						
GENERAL PLANT								
390 - Structures & Improvements	924	98	12.60	116	18	2.1	44.0	(5.0)
392.1 - Transportation-Cars	16	20	51.00	8	(12)	17.0	2.0	15.0
392.2 - Transportation-Light Trucks & Vans	173	71	44.85	78	7	12.9	3.5	10.0
392.3 - Transportation - Heavy Trucks	776	230	28.50	221	(9)	8.2	7.5	10.0
392.4 - Transportation - Vans	22	6	24.32	5	(1)	3.8	18.6	5.0
393.1 - Stores Equipment-Fixed	63	22	27.40	17	(5)	3.3	22.0	0.0
394.1 - Tools, Shop & Garage Equipment	16	6	43.38	7	1	3.8	14.9	0.0
395.1 - Laboratory Equipment	17	8	52.81	9	1	3.3	14.3	0.0
396 - Power Operated Equipment	28	9	40.08	11	2	6.4	7.8	10.0
397 - Communication Equipment	68	67	83.50	57	(10)	5.0	3.3	0.0
Total General Plant	2,103	637						
ERR								
GRAND TOTAL	20829	7914						

Exhibit O

Florida Public Utilities Company Marianna Electric Division General Narrative, Explanation and Justification for Proposed Rates and Reserve Transfers

General Narrative

Florida Public Utilities Company (Marianna Division) has not had any significant changes to the service environment since our last depreciation study. During this study the one factor that we need to consider is the impact that Hurricanes Opal and Erin had on our historical data. The historical age of retirements may be affected by the early disposition of some assets due to storm damage, and accordingly, should be considered when determining future expected lives.

Explanation and Justification

This is our first in-house study. The depreciation study was based on previous methodology as well as assistance from the FPSC staff.

The determination of the asset age was based on actual historical activity through 1996 and projected data for 1997. Since we have not experienced many significant changes other than storm damage, we have kept many components consistent with the previous study. Some of the curve shapes have been changed per discussions with Ms. Patricia Lee. The proposed rates seem to be reflective of industry averages. The changes in depreciation rates have resulted in a projected depreciation expense increase of \$ 51,000 per year.

Some corrective reserve transfers may be needed for accounts 365, 366, 368, and 369. These accounts have lives greater than 20 years. Some of the remaining accounts, with lives that are relatively short, may also require reserve transfers. We would like to request the staff's assistance in determining the appropriate reserve transfers.