

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
DIRECT TESTIMONY AND EXHIBITS

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MINIMUM REQUIREMENTS INDEX

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DIRECT TESTIMONY

GEORGE M. BACHMAN

ROBERT J. CAMFIELD

COST OF EQUITY AND RATE OF RETURN REQUIREMENTS

for

FLORIDA PUBLIC UTILITIES COMPANY

1 **Q. Please state your name, title, and business address.**

2 A. Witness Bachman. My name is George Bachman. I am the Chief Financial
3 Officer and Treasurer of Florida Public Utilities Company. My business
4 address is 401 South Dixie Highway, West Palm Beach, Florida, 33401.

5 Witness Camfield. My name is Robert Camfield. I am a Vice President with
6 Laurits R. Christensen Associates, Inc. and my business address is Suite 700,
7 4610 University Avenue, Madison, Wisconsin, 53705.

8 **Q. What is the scope of your testimony?**

9 A. The topics of our testimony are twofold. First, we provide evidence and
10 recommendations to the Florida Public Service Commission regarding the cost
11 of equity capital and overall rate of return requirements of Florida Public
12 Utilities Company. Our rate of return recommendations should be used by the
13 Commission to set the retail electricity prices of Florida Public Utilities
14 Company in the current docket.

15 Second, we demonstrate that Florida Public Utilities, in the process of
16 providing reliable electricity services, has and continues to realize superior price

1 and cost performance. Indeed, the retail electricity prices and costs of Florida
2 Public Utilities appear to be sharply lower than that of comparable utilities.
3 Florida Public Utilities' superior performance translates directly into benefits to
4 retail customers as a whole. Accordingly, we respectfully request that the
5 Florida Public Service Commission include a cost performance award of 100
6 Basis Points in the allowed return on common equity.

7 **Q. Please review your professional background and experience that qualifies**
8 **you to provide such recommendations.**

9 A. Witness Bachman. I have Bachelor of Science Degree in Business
10 Administration from Indiana University in 1981, with a concentration in
11 Accounting. I subsequently joined Southeastern Public Service Company, and
12 served as the Assistant Controller at the time of my departure in January 1985,
13 when I joined Florida Public Utilities Company. My positions through 1998
14 included General Accounting Office Manager, Accounting Manager, and
15 Controller.

16 In 1999 I was appointed to my current position, Chief Financial Officer and
17 Treasurer of Florida Public Utilities Company. As the senior financial and
18 accounting official of the Company I have overall fiduciary responsibility and
19 oversee the accounting and finance department with all related functions. The
20 accounting and finance staff maintains the accounting systems and carries out
21 day-to-day functions such as revenue accounting, cost accounting, cash
22 management, tax accounting, and payroll. Our area maintains the financial
23 records of the Company and reports financial results. The accounting and

1 finance department is also responsible for various studies in support of
2 accounting activities, such as determination of depreciation rates. As Chief
3 Financial Officer, I represent the Company before the investment community
4 including investment and commercial banks. Finally, I am responsible to the
5 Chief Executive Officer for the development of financial policy, and I am
6 involved in determination of overall business strategy at the highest level.

7 I have been an expert witness in numerous fuel, purchased gas, and rate relief
8 proceedings before the Florida Public Service Commission for electric, gas, and
9 water.

10 Witness Camfield. I am a graduate of Interlochen Arts Academy, and hold a
11 Bachelor of Science Degree in Business Administration from Ferris State
12 University with an emphasis in Management, graduating in 1969. I earned a
13 Master of Arts Degree in Economics at Western Michigan University in 1975,
14 with a concentration in Monetary Theory and Policy.

15 I joined the Michigan Public Service Commission in 1976 as a staff economist.
16 During my tenure with the Michigan Commission, I was involved in several
17 retail electricity and natural gas pricing issues, and I testified in several rate case
18 proceedings regarding cost of capital and retail gas prices. I joined the New
19 Hampshire Public Service Commission in 1979 as senior economist, and held
20 the position of chief economist beginning in 1981. In these positions, I was
21 responsible for the development, administration, and training of the economics
22 staff. I oversaw economic analysis and the development and delivery of

1 testimony, and provided policy advice to the Commission on a variety of issues
2 such as construction work and progress, financial planning, and the
3 determination of PURPA Section 133 rates. I joined Southern Company in
4 1983, and held positions in several departments including Pricing and Economic
5 Analysis at Georgia Power Company, Costing Analysis of Southern Company
6 Services, and Southern Company's Strategic Planning Group. In 1994, I joined
7 Laurits R. Christensen Associates, Inc. as senior economist, and currently hold
8 the position of Vice President.

9 My experience covers a gamut of issues facing regulated industries. I have
10 represented regulatory agencies, consumer advocates, independent generation
11 companies, utilities, and transmission companies before nine regulatory
12 agencies regarding cost of capital, electricity forecasting, retail rates, cost of
13 service allocation, generation planning, and transmission issues. I have been
14 involved in the negotiation of power supply contracts and the terms for
15 franchise licenses. My overseas assignments are several, and I recently
16 managed a large market restructuring project in Central Europe. I have served
17 on national and regional advisory panels, and I have advised electric companies
18 on numerous policy and technical issues. Innovations include two-part tariffs
19 for transmission services, web-based self-designing retail electric products,
20 marginal cost-based cost-of-service methods, and efficient pricing of
21 distribution services. I have published chapters in books, reports, and articles in
22 noted journals such as *The Electricity Journal* and *IEEE Transactions on Power*
23 *Systems*. Currently, I am the Program Director of EEI's Market Design and

1 Transmission Pricing School. My resume including the list of formal
2 appearances before regulatory agencies is attached.

3 **Q. What factors have led to the need for a rate increase at this time?**

4 A. A number of factors have led to this required increase, including:

- 5 • The events of September 11, 2001, the subsequent stock market decline,
6 and industry events have resulted in greatly increased insurance costs.
- 7 • Accounting, auditing, and tax service expenses are increasing by an
8 estimated \$200,000 annually, or approximately \$70,000 for the electric
9 divisions. This is due to additional work requirements of recent
10 regulations on the external auditors including Sarbanes-Oxley Act and an
11 expanded internal audit and tax program.
- 12 • On December 3, 2002 the Company entered into an agreement to sell
13 certain assets comprising its water utility system to the City of Fernandina
14 Beach. Condemnation by the city had also been a concern and was a
15 factor in our decision to sell the water division. The sale and closing of
16 this transaction took place on March 27, 2003. The company lost
17 synergies in payroll, local expenses and corporate overheads as a result of
18 this sale.
- 19 • The current storm reserves are found to be deficient. Details on this
20 adjustment are described in the testimony of Mark Cutshaw.
- 21 • Additional reliability and safety measures are necessary and are expected
22 to result in additional tree trimming crews, system monitoring equipment,
23 safety programs, and associated software, etc.

- 1 • Inflationary effect on new and replacement utility plant and on operating
2 expenses over the 10 to 15 year period since our last rate cases.
- 3 • The decline of the pension plan assets currently has increased pension
4 expenses during 2003.
- 5 • Adjustments in annual depreciation expense that may result from revised
6 new depreciation rates effective with the finalization of our consolidated
7 electric depreciation study to be filed in conjunction with this rate
8 proceeding.

9 **Q. What has FPU done to minimize the required increase?**

- 10 A. We have strived to minimize the necessary increase in rates through a number
11 of measures, including:
- 12 • Managing capital expenditures to stay in line with expected increases in
13 customer growth and inflation.
 - 14 • Reviewing capital expenditures to try and ensure the increase in net plant
15 investment per customer is kept consistent.
 - 16 • Improving productivity in the construction crews by purchasing improved
17 equipment and implementing the use of two-man crews.
 - 18 • Consolidated certain functions in the electric areas to gain synergies such as
19 in safety and rate proceedings.
 - 20 • Improving efficiencies in office productivity by expanding the use of
21 computers.
 - 22 • Issuing short-term and long-term debt with favorable interest rates to assist
23 in the financing requirements of capital and operating expenditures.

- 1 • Changing external audit firms to help offset the cost increases associated
2 with expanding requirements from the SEC and accounting regulations.
- 3 • Selling the water division at a favorable price reduced our need for debt, and
4 allowed us to pay down our line of credit. This will allow us to delay the
5 need to obtain additional equity financing sources at a higher cost to the
6 customers.
- 7 • To hold down rising medical insurance costs, we have made changes in
8 medical programs, premiums and deductibles over the years including 2002.
- 9 • The company consistently has been able to manage costs and keep them in
10 line with inflation and customer growth. Steps have been taken to budget
11 and find ways to keep costs down on a continual basis.

12 **Q. Can you please review the statutory mandates that guide the determination**
13 **of rate of return for public utilities?**

14 A. Yes, the statutory principles for rate of return for public utilities substantially
15 rest with two decisions of the Supreme Court of the United States. In the
16 Bluefield Water Works and Improvement Co. v. Public Service Commission of
17 West Virginia case (262 U.S. 679, 1923), the U.S. Supreme Court set forth its
18 view on fair rate of return, as follows:

19 "...A public utility is entitled to such rates as will permit it to earn a
20 return on the value of the property which it employs for the
21 convenience of the public equal to that generally being made at the
22 same time and in the same general part of the country on investments
23 in other business undertakings which are attended by corresponding
24 risks and uncertainties; but it has no constitutional right to profits such
25 as are realized or anticipated in highly profitable enterprises or
26 speculative ventures. The return should be reasonably sufficient to
27 assure confidence in the financial soundness of the utility and should
28 be adequate, under efficient and economical management, to maintain

1 and support its credit and enable it to raise the money necessary for the
2 proper discharge of its public duties. A rate of return may be
3 reasonable at one time and become too high or too low by changes
4 affecting opportunities for investment, the money market and business
5 conditions generally.”

6 A second U.S. Supreme Court decision regarding the fair return to capital
7 committed to public utilities is the Federal Power Commission v. Hope Natural
8 Gas Company case (320 U.S. 391, 1944). This latter decision elaborates on the
9 “Bluefield” decision. A most relevant passage of the decision states:

10 “From the investor or company point of view it is important that there
11 be enough revenue not only for operating expenses but also for the
12 capital costs of the business. These include service on the debt and
13 dividends on the stock... By that standard the return to the equity
14 owner should be commensurate with return on investments in other
15 enterprises having corresponding risks. That return, moreover, should
16 be sufficient to assure confidence in the financial integrity of the
17 enterprise, so as to maintain its credit and attract capital.”

18 These longstanding decisions provide the recognized framework for the fair rate
19 of return on capital committed by investors to public service. In these decisions,
20 the U.S. Supreme Court codified, in clear and readily understandable terms, a
21 statutory benchmark that serves as the basis to set fair and equitable prices for
22 retail public services, such as electricity, while also providing a fair rate of
23 return on the capital provided by investors. Though they reach back many
24 years, these decisions remain to this day the cornerstone for the determination of
25 rate of return requirements. The challenge for both regulators and regulated
26 utilities is to operationalize these principles in contemporary regulatory
27 processes.

28 **Q. Please provide an overview of your approach to the determination of the**
29 **rate of return requirements for Florida Public Utilities Company.**

1 A. Our approach follows the methodology used by the Florida Public Service
2 Commission to determine the overall rate of return. Specifically, we develop a
3 forward-looking consolidated capital structure for the year 2004 including the
4 key elements of long-term debt, short-term debt, preferred stock, and common
5 equity. In addition, the capital structure incorporates customer deposits,
6 investment tax credits, and deferred taxes associated with the resources of the
7 Company dedicated to providing retail electricity services. Traditional elements
8 of the capital structure are scaled pro rata to match the rate base attributable to
9 electricity services.

10 The recommended capital structure is a year-end statement of the capital of the
11 Company. Going forward, the 2004 year-end capital structure contains the
12 appropriate balance of equity and debt, and represents the means by which
13 Florida Public Utilities Company's plans to underwrite its assets and rate base.
14 Specifically, the business, regulatory, and financial risks of the electricity
15 industry have risen in recent years. Consequently, and consistent with our
16 business objectives of providing low-cost service, Florida Public Utilities must
17 fund its assets with larger equity participation in total capital.

18 The year capital structure cost rates applied to the 2004 year-end balances of
19 long-term debt and preferred stock include the interest rate on the face amount
20 and issuance costs for each individual issue. Customer deposits are included at
21 a rate of 6.00% as defined by the Commission. Deferred taxes and most though
22 not all accumulated balances of investment tax credits are incorporated into the
23 capital structure at zero cost. A relatively small amount of investment tax credit

1 is incorporated at Florida Public Utilities' overall cost of debt, preferred stock,
2 and common equity.

3 The rate of return for common equity is determined by applying four capital
4 cost assessment approaches including discounted cash flow, capital asset pricing
5 model, and the measurement of historical returns as the basis for expected future
6 returns of investors. These three methods are well founded by modern finance
7 theory and are often used to determine the cost rate for common equity capital.
8 A fourth methodology, referred to as risk premium methodology, infers the
9 underlying opportunity cost of capital on a basis of the relative capital risks of
10 debt and equity capital.

11 **Q. Can you please summarize your findings and recommendations?**

12 A. Yes. Our studies give rise to an overall rate of return recommendation of
13 9.00%. The determination of the 9.00% rate of return is shown on Exhibit 1,
14 which reveals the amounts for each element of the capital structure, the shares
15 that each element represents, the cost rate attending each of the capital elements,
16 and the overall rate of return. As mentioned above, the overall rate of return
17 recommendation is based upon a year-end 2004 capital structure. Consistent
18 with regulatory policy, this overall rate of return level incorporates customer
19 deposits, accumulated deferred income taxes, and investment tax credits.

20 The recommended 9.00% overall return level incorporates a common equity
21 return of 12.00%, which does not include the performance award request of 100
22 basis points. As mentioned, the opportunity cost of shareholders of Florida
23 Public Utilities Company is assessed with four analysis methods. The results of

1 studies employing these valuation methods are shown on Exhibit 2, along with
2 the equity return recommendation.

3 This recommendation, if adopted by the Florida Public Service Commission,
4 will enable Florida Public Utilities Company to continue to provide highly
5 reliable electricity service to its customers at low prices. At the same time, the
6 shareholders of Florida Public Utilities Company are fairly compensated on the
7 capital that they have invested. Hence, the Company is in a position to continue
8 to attract long- and short-term debt at favorable terms and interest rates that, in
9 both the short- and long-run, is in the best interest of retail electricity
10 consumers.

11 Fair and adequate allowed returns to capital are vital, and we cannot over-
12 emphasize to the Commission the importance of setting the overall rate of return
13 at a sufficient level, particularly in the current environment of considerable
14 uncertainty. The determination of an adequate return level by the Florida Public
15 Service Commission signals to the investment community including mutual
16 funds, long-term private investors, mortgage bankers, and commercial banks
17 that the business and regulatory environment in which Florida Public Utilities
18 operates has continuity and stability over the long term. Importantly, it also
19 signals that the Commission is supportive of the Company and the job that we
20 do for retail consumers.

21 **Q. Please review the notions of cost of capital, opportunity cost of capital, and**
22 **discuss how risk affects the opportunity cost of capital.**

1 A. Capital resources are the result of cumulative investment, and are obtained or
2 funded directly or indirectly from savings of households and firms over time.
3 Savings is the share of income of the economy as a whole that is not expended
4 as consumption within a current period, and is typically measured as dollars or
5 percentage shares in either quarterly or annual time steps.

6 The capital resources employed by electricity service providers include
7 computer systems, software, communications systems to support SCADA and
8 EMS, buildings, land, transmission and distribution lines, towers and poles,
9 relay systems, compensation technologies such as capacitor banks and reactors,
10 transformers, meters, trucks used by line crews, and generators. These
11 resources, like all other resources, are costly.

12 Whereas the cost of skilled labor, materials and supplies, purchased power, or
13 other inputs into the production process of utilities are expressed in money
14 terms – *e.g.*, fuel costs at \$36/MWH – the cost of capital is expressed as an
15 interest rate, typically shown as an annual percentage of the principal amount
16 committed by investors. The cost of capital – or perhaps more accurately, the
17 *cost rate of capital* – to the firm can be referred to as the required rate of *return*
18 (%) on the capital resources committed by investors. In the case of public
19 utilities, invested capital is referred to as the rate base, valued at either original
20 cost or fair market value. For the determination of setting retail prices in the
21 U.S., the regulatory convention is to value the capital of public utilities at
22 original cost.

1 To facilitate the commitment of capital (investment) by savers and their agents
2 to the firm, the firm offers property rights, including bonds or promissory notes
3 to debt holders and shares of stock to equity investors. These property rights
4 define the commercial terms and conditions under which savers and their
5 agents, as investors, commit capital to the firm. Property rights are claims on
6 the income of the firm as compensation for the commitment of capital, and are
7 the financial obligations of the firm. Shares of stock constitute ownership in the
8 firm.

9 In the case of long-term debt – *i.e.*, mortgage bonds, debentures, and long-term
10 notes – the interest on the principal (face) amount of a bond (debt) or the
11 coupon rate on the share of preferred stock defines the level of compensation.
12 Often, the interest rate is a predefined annual rate that remains fixed over the
13 term of the debt. However, long-term debt instruments can have a number of
14 other provisions that, in essence, provide for more complete contracting by
15 managing risks through risk sharing between the debt holders and the borrower
16 (the firm). These provisions can include 1) adjustments to the rate of interest to
17 reflect contemporary market conditions *and* rates of inflation, 2) participation in
18 earnings of the firm, 3) conversion rights, and 4) voting rights in the
19 management of the firm.

20 In the case of short-term promissory notes, the agreements with commercial
21 banks define the mechanism by which interest, stated in dollars, is determined.
22 Often, the commercial terms of promissory notes define interest to be paid
23 monthly on the outstanding daily balance (principal) outstanding. The rate of

1 interest applied to the outstanding balance is typically tied (indexed) to some
2 widely known short-term rate of interest – say, the London InterBank Offer
3 Rate (LIBOR) or Fed Funds – that also varies monthly basis.

4 Common stock property rights are somewhat different from other financial
5 obligations because, as owners of the firm, the returns to shareholders are
6 residual amounts following the compensation of *all* other resources employed
7 by the firm including debt obligations. Common equity is essentially
8 compensated last, and bears the burden of all business, regulatory, and financial
9 risks of the firm. For this reason, common equity is, in virtually all cases, more
10 costly than other forms or vehicles of capital.

11 As with other commodity markets, capital markets have primary and secondary
12 dimensions. Primary markets are the institutions and processes that facilitate
13 the initial sale of the financial obligations of the firm to initial investors,
14 whereas secondary markets are structured market processes that provide the
15 means by which investors can purchase and sell existing rights, includes shares
16 of stock and debt obligations. Financial instruments including many common
17 forms of debt and equity capital are actively traded in financial markets, which
18 are generally considered to be highly liquid and competitive. However, to the
19 degree that the financial obligations of firms 1) carry specialized and non-
20 common commercial terms, and 2) are of small scale, the secondary – and to a
21 lesser extent, primary markets – are less liquid. In short, the pool of buyers and
22 sellers is limited; thus, the volume of transactions is comparatively small and
23 sometimes intermittent. Relatively low levels of liquidity imply higher

1 transaction costs and risks to investors, which translates directly into higher
2 costs of capital to the firm.

3 Competition is a term that describes some markets, and markets are said to be
4 competitive if certain conditions exist. Markets can be characterized as
5 competitive if they involve: 1) a very large number of buyers and sellers, 2)
6 information relevant to the determination of prices is readily available and
7 complete, and 3) transactions costs are low. Because of the workably
8 competitive nature of financial markets, arbitrage opportunities are more or less
9 exhausted. This means that, for both primary and secondary markets, financial
10 property rights trade at levels (prices) such that perceived risks and opportunity
11 for prospective returns to capital are appropriately balanced and approximate
12 that of other investment opportunities. Thus, above-normal returns, which
13 implicitly include compensation for risks, cannot be realized by investors
14 systematically over prospective periods.

15 Competition inherent to U.S. and worldwide financial markets ensures that the
16 prices of common shares (share prices) and bonds are at a level that reflects the
17 opportunity cost of capital. As an example, assumes that the perceived risks
18 attending the returns to common shareholders of firm A are equivalent to that of
19 firm B and other firms. If the share prices of firm A suggest a market return
20 10%, while the prices of firm B and other firms of comparable risks suggest
21 (allow) market returns of 13%, the market price of firm A will fall to a level that
22 provides a basis for market returns of just 13%, prospectively. A price that
23 allowed for a 10% prospective market return is insufficient in the presence of

1 opportunities for market return of 13% on alternate investment of comparable
2 risk. Essentially, the 13% market rate of return on investment alternatives
3 constitutes the opportunity cost of capital. Most remarkable is the expedience –
4 literally, in minutes – with which share prices adjust to levels that appropriately
5 balance prospective returns to equilibrium levels *based upon perceptions of*
6 *risks*. In short, equivalent and comparable risks translate directly into
7 comparable rates of return, which is the cost of capital of common shareholders
8 in – and thus of – the firm.

9 As mentioned, the cost of capital is a function of the demand for and supply of
10 capital, investor expectations of inflation, and investor perceptions of risks.
11 Because the conditions of demand and supply as well as expectations of
12 inflation are more-or-less common to financial markets at any point in time,
13 financial vehicles are differentiated by risks. Hence, the expected returns and
14 prices of bonds and common shares (normalized for denomination and size) at
15 any point in time are only differentiated by perceptions of risk.

16 **Q. Would you please review the capital structure, interest coverage**
17 **requirements, and the implications for sufficient coverage?**

18 A. Interest coverage refers to the times that debt interest is covered by income, and
19 is the most important measure of investment risk of corporate debt. Interest
20 coverage is a major concern of Florida Public Utilities Company as it the basis
21 upon which the Company maintains its favorable credit standing with markets
22 and continues to obtain long- and short-term debt at favorable rates of interest.

1 Interest coverage under the recommended capital structure and rate return, 2.6
2 times, is shown on Exhibit 1.

3 For purposes of comparison, we also show interest coverage over the historical
4 timeframe on Exhibit 14. As can be seen the coverage implied by the
5 recommended rate of return is adequate though not at a robust level. Two
6 conclusions are reached:

- 7 1) While the implied coverage level is OK, the Company must sustain a flow
8 of earnings at consistent levels in order to maintain adequate coverage and
9 also satisfy debt covenants.
- 10 2) Contingency events and business conditions that give rise to sudden and
11 unexpected changes in revenue or cost flows can imply immediate shortfall
12 in coverage. In short, the coverage level obtained from earnings at the
13 recommended rate of return is only adequate in today's environment of
14 higher capital risks.

15 The importance of coverage cannot be overstated. Indeed, in discussions with
16 investment banks, commercial banks, and stock analysts about the financial
17 conditions and soundness of the Company, a salient point of concern continues
18 to be coverage of debt. Lending entities and investment banks continue to
19 emphasize the importance of consistently-realized adequate interest coverage as
20 the essential measure of the Company's capability to service long- and short-
21 term corporate debt.

22 As can be seen, the recommended rate of return requirement, 9.00%, provides
23 satisfactory interest coverage. And although the overall return recommendation

1 provides adequate coverage, it is certainly not abundant. Hence, it is absolutely
2 necessary that Florida Public Utilities Company realize adequate and sustained
3 flows of income to ensure that the Company satisfies credit risk requirements.
4 Coverage is our window of access to capital at favorable rates of interest and
5 under reasonable terms, enabling us to provide high-quality electricity services
6 at low prices. Setting the overall rate of return at a satisfactory level of 9.00% is
7 necessary and in the best interest of retail electricity consumers.

8 **Q. Can you please review your recommendation for the cost rate of long-term**
9 **debt?**

10 A. Florida Public Utilities Company has raised long-term debt from time to time
11 based upon the need for capital and our financial policy of maintaining a
12 balanced capital structure. Because of our conservative management
13 philosophy, we have consistently raised new debt issues at favorable rates of
14 interest at the time of issue. Contributing to favorable interest rates are the
15 conservative sinking fund provisions of the earlier higher cost debt issues of the
16 late-1980s – early-1990s.

17 The cost rate of 7.70% for long-term debt, shown in the column entitled
18 “Annual Cost Based Rate” of Exhibit 3, reflects the weighted average cost of
19 the five issues of long-term mortgage bonds of the Company, currently. These
20 debt issues have face interest rates of 4.90% to 10.03%, and were issued by
21 Company over the period 1988 – 2001. The balances shown reflect the amounts
22 that the Company expects to carry on its balance sheet at year-end 2004, and are

1 no different than that shown on the balance sheet currently. The Company does
2 not plan to issue long-term debt during the interim two years.

3 The 7.70% overall cost of long-debt reflects issuance costs and cause the
4 effective cost rate to be somewhat greater than that of the weighted cost of the
5 face interest rates alone. The 7.70% overall cost rate for long term debt is
6 calculated using the amortization schedule for debt issuance expenses. This
7 costing procedure follows the conventional accounting approach to determining
8 the cost of debt, and is consistent with the policy endorsed by the Florida Public
9 Service Commission.

10 Please note, however, that the true cost of long-term debt to the Company is
11 7.87%, as shown in the column entitled "Discounted Cost Based Rate." This
12 value is determined on a discounted basis, and reflects the timing of cash flows
13 associated with debt issues. The approach determines the *internal rate of cost*
14 incurred by the Company, given the timing of cash flows such as the realization
15 of proceeds, the incurrence of issuance costs, and the payment of interest
16 service and redemption of the principal amounts. In the case of long-term
17 issues, the net proceeds of the bond sale are "net of issuance costs." Because
18 issuance costs are incurred by the Company at the time of issuance, they are
19 more costly than implied by an amortization schedule, which reflects issuance
20 costs over the long-term life of the bonds without regard to the timing of cash
21 flows.

22 **Q. Please review the cost rate of short-term debt and related issues?**

1 A. Florida Public Utilities Company maintained through April 2003 a short-term
2 debt facility that provided short-term debt at a rate of the 30-day London
3 InterBank Offer Rate (LIBOR) plus 50 basis points. In view of the remarkably
4 low short-term interest rates recently, this facility provided short-term debt to
5 the Company at a cost rate of 2.05% during the calendar year 2002. This
6 exceptional rate cannot be sustained in the current environment, however, and
7 Florida Public Utilities Company' short-term debt costs will rise, somewhat.
8 Specifically, Florida Public Utilities from April 2003 forward will incur short-
9 term debt cost rates equal to the 30-day LIBOR plus 90 basis points. These
10 terms for short-term debt, when combined with the expected balances of short-
11 term debt for 2003 and 2004 translate into cost rates of 2.22% and 3.21%,
12 respectively, as shown on Exhibit 4.

13 The short-term debt cost rates for 2003 and 2004 are obtained by first projecting
14 the Federal Funds rates in the U.S. Then, given the historical relationship
15 between LIBOR and the rate for U.S. Fed Funds, the LIBOR rate is determined.
16 Once determined, the short-term debt cost to Florida Public Utilities is obtained
17 (estimated) by simply adding 90 basis points to LIBOR. Fed Funds have traded
18 20 Basis Points below LIBOR over the 1990 – 2000 timeframe.

19 The cost rate of Fed Funds closely follows that of short-term U.S. Treasury
20 Bills, which are determined by the monetary policy of the Board of Governors
21 of the Federal Reserve Bank. Historically, Federal Funds “trade” at interest
22 rates somewhat above that of 90-day T-Bills. In view of the somewhat stubborn
23 weakness of the U.S. economy currently, the short-term rate for 90-day Bills are

1 approaching 1%, and are likely to remain at low levels for a few months yet.
2 Thus, we project a cost rate for 90-day Bills of 1.25% for late 2003, then rising
3 steadily through 2004. Similarly, we expect that the cost of Federal Funds to
4 rise slightly to 1.50% by late 2003, and reaching 2.25% by year-end. LIBOR is
5 estimated by simply adding 20 basis points to the Federal Funds Rate, given the
6 historical relationship discussed above.

7 **Q. Please review the cost rate of preferred stock?**

8 A. Florida Public Utilities preferred stock consists of a single issue of 6000 shares
9 that dates to December 28, 1945, at a coupon rate of 4.75%, as shown on
10 Exhibit 5.

11 **Q. You briefly discussed methods for the determination of the cost of equity**
12 **capital in the summary of your approach to rate of return. Can you**
13 **elaborate on the details of the methods and analysis results?**

14 A. Yes. We begin by reiterating three essential points. First, the cost of equity of
15 the firm – and of investors in the firm – is a function of perceptions of risk, the
16 demand for and supply of capital, and expectations of inflation. Second, the
17 cost of common equity of the firm is equal to the opportunity cost of capital
18 incurred by common shareholders of the firm contemporaneously, though the
19 experience of long-term history guides the assessment of the opportunity costs.
20 Third, the opportunity cost of equity of the firm is equal to the expected market
21 rate of return on alternative investments of comparable risks available to
22 shareholders – *i.e.*, the opportunity cost of capital.

1 The determination of the opportunity cost rate for equity capital is challenging
2 for two reasons. In the case of debt, both the market price and future expected
3 cash flow returns to capital are observable by inspection. Thus, the net
4 expected yield to maturity, which reflects the opportunity cost of capital to
5 holders of debt, can be determined directly. This *is* the market rate of return, *ex*
6 *ante*. For purposes of determining the overall utility rate of return, however, the
7 cost rate of long-term debt is that set at the time of issuance in primary financial
8 markets. However, expectations of investors about the prospective cash flows
9 and market returns on common equity cannot be observed directly, and must be
10 inferred with estimation procedures.

11 In the determination of cost rate for debt obligations, investors' perceptions of
12 risks are implicit in the primary and secondary market prices of the debt
13 obligations themselves, and need not be known or even estimated. In contrast,
14 the determination of the cost of common equity involves the perceptions of
15 future risks harbored by investors, as a matter of the consensus view.
16 Perceptions of risk are also not observable directly, and thus must be inferred.

17 In short, the cost of common equity can only be discerned through the proper
18 and careful application of well-founded methods that provide the cornerstone
19 for modern finance theory. While the methods employed herein are well-
20 established, the procedures to determine the cost of equity capital require
21 estimation of key parameters.

22 The recommendation for the rate of return on equity for Florida Public Utilities
23 Company is developed by applying four estimation methods. These procedures

1 include the constant growth variation of the Discounted Cash Flow model
 2 (DCF), and the Capital Asset Pricing Model (CAPM). These models are
 3 commonly recognized within modern finance theory and are readily utilized by
 4 the investment community. The results of these two formal models of the cost
 5 of capital are augmented by historical returns realized by utility and non-utility
 6 companies of comparable risks, and results inferred from the so-called risk-
 7 premium methodology.

8 The constant growth Discounted Cash Flow (DCF) model was originally
 9 developed by Myron Gordon during the mid-1960s. The DCF model uses 1)
 10 the adjusted dividend yield and 2) expectations of future growth in cash flows to
 11 investors including dividends and future appreciation in share prices to
 12 determine the cost of equity capital. The DCF model is as follows:

$$13 \quad k_{e,j} = D_{o,j}(1 + E(g_j))/P_{0,j} + E(g_j)$$

14 with,

$$15 \quad k_{e,j} = \text{cost of equity capital, asset } j$$

$$16 \quad D_{o,j} = \text{current dividends per common share, asset } j$$

$$17 \quad E(g_j) = \text{expected growth in future cash flow returns to investors in asset } j$$

$$18 \quad P_{0,j} = \text{current price per common share, asset } j$$

19 Appendix I is a step-by-step the derivation of the discounted cash flow form, as
 20 shown above.

21 The Capital Asset Price Model (CAPM) was originally developed by William
 22 Sharpe (1961) and John Lintner (1964). CAPM was derived from mean-

1 variation analysis and, in particular, portfolio selection developed by H.
 2 Markowitz (1952). The derived CAPM shows how the valuation of a financial
 3 asset (price) is based upon two components: risk free returns and an *adjusted*
 4 *risk-based return*. Surrogates for risk free returns can be observed directly in
 5 capital markets, and include market returns on short- and intermediate-term
 6 debt. As a general rule, the cost rates and market returns on government debt
 7 obligations serve as appropriate surrogates.

8 The adjusted risk-based return is based upon three factors: 1) the covariation of
 9 the returns to the asset and that of markets for risky assets, 2) the statistical
 10 variance of returns of the market for risky assets, and 3) the *difference* between
 11 expected overall returns on risky assets, and risk free returns. The third
 12 parameter is referred to as the excess return, and is equal to the difference
 13 between the overall returns to risky assets for the market as a whole, and the
 14 risk free return rate. The CAPM is shown below:

$$15 \quad k_{e,j} = r_f + B_{jm}*(r_m - r_f) \quad \text{with, } B_{jm} = \sigma_{jm}/\sigma_m^2$$

16 where,

17 $k_{e,j}$ = cost of capital for risky asset j , stated in percentage terms

18 r_f = risk free rate of return

19 B_{jm} = ratio of the covariation between risky asset j and the market as a
 20 whole, σ_{jm} , and the variance of market returns, σ_m^2

21 r_m = rate of return on the market as a whole

22 Appendix II derives the Capital Asset Pricing Model, as shown above.

1 The efficient market hypothesis plays an essential role in the determination of
2 the cost of capital. Specifically, the working assumption, which is generally
3 born out by empirical analysis, is that capital markets are fairly efficient. This
4 means that the supply and demand for risky financial assets, as reflected in bid
5 and ask prices to buy and sell shares, result in financial assets being traded at
6 price levels where *rates of return above the cost of capital, stated in percentage*
7 *terms, cannot be systematically realized.* Above-normal returns – returns above
8 the cost of capital – are realized only randomly. Essentially, the opportunities
9 to systematically realize returns above the underlying cost of capital are
10 exhausted by the competitive market process.

11 Estimating the cost of capital, though not trivial, can be fairly straightforward
12 and both the DCF and CAPM approaches provide a useful framework. The
13 risks to investors in the electricity services industry cannot ever be known
14 directly; risks – and hence the implied cost of capital – can only be inferred.
15 Specifically, the determination of useful estimates of the cost of common equity
16 capital, within either framework requires a cautious and discerning application
17 of theory through careful and discerning analysis such as that presented herein.
18 In particular, the determination of the cost of equity capital faces two
19 overarching challenges, as follows:

- 20 • both approaches are forward looking and thus the results are highly
21 dependent upon useful estimates of investor expectations about future
22 market performance.

- 1 • The underlying assumptions for DCF and CAPM include, among other
2 things, an efficient market and rational behavior of investors such that all
3 opportunities for above- and below-normal returns to capital are exhausted
4 on an expected value basis. In short, capital markets value financial assets
5 at the implied opportunity costs of capital, given investor perceptions of
6 risk.

7 It is useful to mention that the notion of *risky assets* can apply to any real or
8 financial asset wherein the prospective returns from holding the asset are
9 uncertain. Risky assets include commodity contracts, financial property rights,
10 financial derivatives, and real assets such as transmission facilities. Risk
11 assessment and option theory, moreover, can be applied to the analysis of
12 transmission development plans. Within the context of this discussion,
13 however, risky assets refers to financial obligations of firms, common stock,
14 and asset values refers to prices of common stock as observed on major stock
15 exchanges.

16 Measurement of historical returns is increasingly used as a basis to assess
17 plausible returns in the future. As discussed, efficient markets suggest that *all*
18 financial assets are priced at levels such that the *expected* future returns of
19 individual assets are equivalent to the underlying opportunity cost of capital.
20 Thus, if historical returns guide expectations of future returns, historical returns
21 also reflect the opportunity cost of capital. The key to successfully applying
22 this approach is to identify and measure historical returns in a manner that
23 reasonable reflects expectations of investors about the future outlook.

1 Historically realized returns and future expected returns of financial assets are
2 ordered according to risks. Analysis of the risk premia between classes of risky
3 assets, though not an explicit theory or model, provides a means to infer the
4 underlying opportunity cost of capital. The underlying concept of the risk
5 premium approach is that *differences* in perceptions of risks among financial
6 assets, such as equities and debt, are revealed in differences between the
7 historical market returns. Thus, historical differences between equity and debt
8 costs – *i.e.*, the risk premium – allow for the estimation of the cost of common
9 equity, conditional upon the expected costs of debt, prospectively.

10 Application of the risk-premium approach contains two potential pitfalls, as
11 follows:

- 12 • the opportunity cost of common equity capital, stated in nominal terms, is
13 sensitivity to the demand for and supply of capital;
- 14 • the observed risk premium between debt and equity financial is very
15 sensitivity to expected inflation, and risk premium analysis must account
16 for expected inflation in the future. That is, the underlying rate of
17 inflation and conditions of the historical period over which risk premiums
18 are estimated must match that of the expected conditions of the relevant
19 period over which the common equity recommendation is being applied,
20 and over which retail electricity prices are being set.

21 **Q. You discuss the importance of comparability and measures of risk as the**
22 **basis to determine the cost of common equity. Please elaborate.**

1 A. As defined by the “Bluefield” and “Hope” decisions of the U.S. Supreme Court,
2 a public utility is (to paraphrase) entitled to a rate of return on shareholder
3 capital committed for the convenience and necessity of the public equivalent to
4 that realized by companies in other businesses of comparable risk. Thus, the
5 immediate task at hand is comparability: to identify and select companies of
6 comparable business, regulatory and financial risks to that of Florida Public
7 Utilities Company. Once selected, we determine the cost of common equity for
8 the sample(s) of comparable companies, which is the opportunity cost of capital
9 by definition.

10 The starting point is the market portfolio; that is, we begin with virtually all
11 publicly traded common shares in the U.S. Specifically, we have drawn heavily
12 though not exclusively from the ValueLine data banks, to which we have full
13 access. The ValueLine data banks cover some 8700 listings. For these listings,
14 the ValueLine reports a wide range of financial data, business descriptions and
15 classification, historical price experience, and various diagnostic statistics of
16 interest.

17 From the market portfolio we proceed to develop two samples. One sample
18 known as the Utility sample is limited to electricity service providers that have
19 modest yet significant market participation, and are of comparable risk to
20 Florida Public Utilities Company. The second sample contains no “line of
21 business” restriction, and is referred to as the Comparable Non-Utility sample.
22 However, the second sample closely matches the market participation of Florida
23 Public Utilities Company, and also satisfies comparable risk criteria.

1 The determination of the first sample involves two steps. The first step is to
2 conduct an initial screen according to the defined selection criteria. As
3 mentioned, these criteria are as follows:

- 4 • Liquidity: companies that are of modest size but yet have sufficient market
5 presence and participation to ensure sufficient market activity and
6 transaction volume; and,
- 7 • Business Line: companies whose primary business line is retail electricity
8 services.

9 This first screen produced the eighteen selected electric utility companies shown
10 on Exhibit 6-A. As can be seen, the revenues of these companies range from
11 about \$300 million for Central Vermont Public Service and Empire District, to
12 nearly \$1.9 billion for Great Plains Energy.

13 Some of these eighteen companies have substantial involvement in non-electric
14 business lines. On the surface, we might expect that such endeavors to diversify
15 the overall business would tend to reduce variation in earnings, variation in
16 internal cash flow, and variation in market returns thus reducing overall
17 investment risk. As discussed below, however, the composite experience of
18 electric utilities to diversify has not been fully successful toward diversifying
19 investment risks, largely because of the financial disappointment (losses)
20 associated with sizable non-utility operations though this has not been always the
21 case. Hence, members of the Utility sample are electric utility companies that are
22 largely if not exclusively in the retail utility business – sometimes referred to as a
23 *pure play*.

1 The second selection step of determining the utility sample applies risk criteria.

2 These criteria include three dimensions or metrics:

- 3 • the coefficient of variation in earnings per share over five and ten years;
- 4 • the coefficient of variation in internal cash flow per share over five and ten
5 years; and,
- 6 • market Beta, which as discussed above is the ratio of the covariation of the
7 market returns of the individual companies and the market as a whole; and the
8 statistical variance of the returns of the market.

9 We determine the metrics for each of the eighteen initial members of the Utility
10 sample, and then calculate the cross-sectional standard deviation of the metrics –
11 *i.e.*, across the sample. Those utility companies with risk metrics that fall within
12 one standard deviation of the sample, as first drawn, are retained in the Utility
13 sample. It is these utility companies that, by objective means, satisfy the criteria
14 of comparable risk. The results of the second screen, which constitutes the Utility
15 sample, are revealed in Exhibit 7-A.

16 It should be mentioned that we take occasional exception to the stated selection
17 criteria where historical experience contains anomalies of various types. Two
18 examples are Empire District Power which is excluded from the Utility sample.
19 Empire District has not changed its dividends over the past ten years and is not
20 expected to do so prospectively. Yet, cash flow and earnings per share
21 experience, though low and declining within recent years, have risk metrics that
22 fall within the selection criteria stated above. Another example is PNM
23 Resources, which paid no dividends over several years because of uncertain

1 financial prospects. However, the internal cash and earnings experience is not
2 unfavorable and thus PNM is incorporated in the sample. Furthermore, we have
3 included Madison Gas and Electric within the sample even though its market and
4 internal returns risks are below that of the stated criteria. Excluding Madison Gas
5 and Electric from the sample would tend to raise the estimates of the cost of
6 capital, thus increasing the implied common equity rate of return
7 recommendation.

8 Turning to the Comparable Non-Utility sample, the selection criteria is similar to
9 that for the Utility sample, and includes market participation, market Betas, and
10 the coefficient of variation in internal cash flow and earnings. We begin by
11 selecting companies with market participation that broadly approximates that of
12 Florida Public Utilities. Altogether, the first screen obtains 241 companies. The
13 second screen, market beta, gleans twenty one companies representing an
14 assortment of U.S. industries. A profile of these companies is shown on Exhibit
15 6-B.

16 The third screen, coefficient of variation in internal cash and earnings, culls the
17 sample further, giving rise to seven companies. The final sample of comparable
18 non-utility companies is shown on Exhibit 7-B, along with measures of risks. As
19 can be seen these companies are, by market capitalization, market risk (Beta), and
20 coefficient of variation in internal cash and earnings per share criteria, comparable
21 to Florida Public Utilities Company. However, we note that the coefficient of
22 variation of earnings for the sample of Comparable Non-Utilities is somewhat
23 above that of the Utility sample.

1 We estimate the cost of equity capital for these two samples that include electric
2 utilities and comparable non-utility companies. The estimate of the cost of capital
3 is reflected as a percent rate of return range that, by objective criteria of
4 comparable risks, is the opportunity cost of capital incurred by the common
5 shareholders of Florida Public Utilities Company.

6 **Q. What are the results of the analyses obtained from the four costs of**
7 **common equity methodologies?**

8 A. The task before us is to estimate the cost of capital over the relevant and
9 foreseeable timeframe for which retail electric rates are effective. This means
10 that the analyses should, to the degree possible, recognize future events and
11 market conditions that might be reasonably expected by investors.

12 As mentioned, the analyses include Discounted Cash Flow, Capital Asset
13 Pricing Model, Risk Premium methods, and Historical Market Returns, with the
14 first two approaches representing formal models of capital valuation. The
15 Discounted Cash Flow analysis is applied to the sample of electric companies
16 only.

17 The assessment of the opportunity cost of capital involves obtaining and
18 processing a considerable amount of data, and using these data in structured
19 analysis procedures. Data are obtained from several sources including Ibbotson
20 Associates, MarketVector, UBS PaineWebber, ValueLine Investment Survey,
21 and Zacks Security Market Research.

1 The DCF analyses suggest that the underlying cost of common equity capital of
2 shareholders of Florida Public Utilities is within the range of 12.2 – 12.6%, as
3 shown on Exhibit 8. These analysis results are reflected for the simple and
4 weighted average of the sample companies. While DCF analyses can
5 incorporate some nettlesome details such as quarterly dividends, issuance costs,
6 and market pressure, the essential components of the DCF model are the
7 dividend yield and expected growth. The analyses, and the resulting estimates
8 of the opportunity cost of capital, reveal yields of 6.9% - 7.0%, with
9 corresponding estimates of expected growth in cash flows of 5.2% - 5.6%.
10 Market capitalization of the sample utility is the basis to develop weighted-
11 average DCF results.

12 As discussed, the essential element of DCF analysis is appropriately assessing
13 investor expectations of growth of capitalization and dividends. The analyses
14 rely upon the historical experience of the sample companies to develop
15 reasonable estimates of growth of internal cash and earnings along with the
16 views of security analysts, as the basis for future expectations of growth.
17 Historical cash flow and earnings per share growth are measured in two ways.
18 First, growth is assessed over successive five-year periods and then averaged.
19 Second, historical cash flow and earnings growth are estimated with a
20 logarithmic trend-based analysis.

21 Finally, the DCF analyses incorporate an adjustment for issuance costs of 3%
22 into the yield component; however, we incorporate no allowance for market
23 pressure or quarterly dividends. Adjustment for quarter payment of dividends

1 accounts for, depending upon perspective, frequency of payment or frequency
2 of discounting. The result is to typically raise or decrease the estimated cost of
3 capital by about 20 – 30 basis points.

4 The Capital Asset Pricing Model is applied to both the Utility and Comparable
5 Non-Utility samples. CAPM analyses are shown on Exhibit 9A and 9B. The
6 application of CAPM requires estimates of the risk free rate, investor
7 expectations of overall market returns, and market Betas which account for and
8 embody systematic risk only.

9 As mentioned above, the cost of capital is inherently expectational. Properly
10 performed cost assessment involves implicit and explicit estimates of investor
11 expectations about inflation, interest rates, and future market performance. This
12 is particularly important, as near-term interest rates and market experience and
13 conditions do not necessarily reflect long-term expectations of and about capital
14 markets as a whole. Accordingly, the CAPM analyses draw upon the observed
15 market returns for selected historical timeframes. The basis of selection is
16 overall macroeconomic performance. That is, the CAPM analyses incorporate
17 observed market returns from timeframes where the overall economic
18 performance, measured in terms of growth in productivity and real output, are
19 equivalent to the outlook today.

20 The relationships between factor inputs and the real output of goods and
21 services of the economy are crucial to U.S. citizens, and to capital markets and
22 investors. This is because resource productivity, to a large extent, determines

1 economic well being. Productivity growth when coupled with the growth in the
2 aggregate pool of capital and labor resources translates directly into real output,
3 employment, savings, earnings, and market performance.

4 The current outlook for macro economic growth calls for prospective long-term
5 productivity to range between 2.25 – 2.75%. This is the consensus view held by
6 well-known macro economists and economic forecasters. While this range of
7 productivity is fairly high by overall long-term historical standards, it is
8 consistent with selected periods of the post-War period including the 1950's,
9 1960's, and 1990's. Specifically, productivity rose at annual rates of 2.4%,
10 3.0%, and 2.1% during the 1950s, much of the 1960s, and the latter 1990s,
11 respectively. Of particular interest and crucial to the analyses, productivity
12 increased very sharply beginning about 1994 and continuing through 1999. As
13 is commonly known, the 1970s and 1980s are decades of substantially lower
14 growth in output with relatively high inflation.

15 Of late, productivity appears to have attenuated somewhat; however, the U.S.
16 economy has continued to realize productivity gains even during periods of
17 recession and stress due to a number of factors, influences, and events of a
18 transient nature. In short, the U.S. economy is well positioned to realize and
19 sustain robust if not high rates of growth in productivity and real output along
20 with full employment and modest inflation. Investors know this and,
21 accordingly, the analyses draws upon the historically realized overall market
22 rates of return and interest rates as representative surrogates over the period of
23 time that the retail prices for Florida Public Utilities are likely to be in place.

1 The average percentage historical market return over the historical timeframes,
2 as gauged by the S&P 500 index, is 15.0%. The corresponding average rate of
3 interest for 1-year Treasury securities is 4.1%.

4 Incorporating these market rates of return and interest rates into the CAPM
5 formulation along with the market Betas results in estimates of the cost of
6 common equity for Florida Public Utilities Company. These analysis
7 procedures are applied to the sample of Electric Utilities and the sample of
8 Comparable Non-Utilities. As market beta is a key risk metric, the market betas
9 are roughly comparable across the two samples. The market Betas of the Utility
10 sample are drawn from the 2002 experience, as we observe a substantial
11 increase in market Beta for the sample vis-à-vis the average Beta over the
12 previous five years. Additionally, the 2002 Betas of the Utility sample better
13 matches the Betas experienced over a number years back. Conversely, the
14 market Betas used in the CAPM analysis for the Non-Utility sample are the
15 five-year average values, 1998-2002. The market Betas for the two samples are
16 closely comparable; thus, the CAPM analyses produce similar cost of capital
17 estimates. Specifically, CAPM analyses for the Utility sample suggests a cost
18 of common equity to Florida Public Utilities of 10.1% - 11.6 %, while the
19 corresponding analyses for the Comparable Non-Utility sample reveal 10.1% -
20 11.2%.

21 As discussed earlier, risk premium methodology infers the cost of common
22 equity capital from the risk premia of realized returns with reference to rates of
23 return on debt. We have relied upon historically observed risk premia for

1 common stocks over that of Intermediate term government debt for timeframes
2 that reflect the current outlook for the U.S. economy as regards to advance of
3 productivity and real output. Consistent with the CAPM analyses, we again
4 draw upon the 1950s, the 1960s, and the latter 1990s, as timeframes that closely
5 match the current outlook. And as presented elsewhere, these periods reveal
6 fairly robust equity market returns. And we should mention that the realized
7 market returns are, appropriately, assessed with geometric computational
8 methods, as arithmetic methods will often overstate historical realized returns.

9 Of particular interest, these timeframes experienced modest rates of inflation,
10 which is a key element in the determination of risk premium. Specifically, risk
11 premia tends to decline as inflation rises. This is because inflation risk – *i.e.*,
12 uncertainty over future expected inflation – rises with higher inflation. Unlike
13 equity returns which are somewhat hedged against inflation (higher nominal
14 revenues, operating income, and net income), high inflation implies losses for
15 debt holders. Hence, capital markets capitalize the uncertainty attending higher
16 inflation in higher market costs of debt.

17 The manifestation of inflation risk on risk premia between equity and debt is
18 shown on Exhibit 10. Whereas the 1950s, 1960s, and late-1990s reveal risk
19 premia of 7.3% - 8.2% of common stocks with correspondingly inflation of
20 2.3%, the overall period 1947 forward experienced risk premia of 5.2% - 6.1%
21 with commensurate inflation of 3.5% over the period. While other contributing
22 factors should not be ignored, experience suggests that the elasticity of risk
23 premia with respect to inflation is about -1.2, a rather high value. Nevertheless,

1 the point of this is too simply demonstrate that, for purposes of assessing capital
2 costs, risk premia must be culled from historical timeframes with underlying
3 inflation that matches that of the current and prospective period for which rate
4 of return is being determined – 2003 forward. Importantly, inflation
5 expectations are near all time lows; the analyses thus draws risk premia from
6 the 1950s, 1960s and late-1990s, where commensurate rates of change in
7 overall prices were experienced.

8 The essential elements of the risk premium analysis are the risk-free holding
9 period return, and the risk premia between equities and debt. Specifically, the
10 approach adds risk premia, as estimated, to the risk-free holding period return.
11 Consistent with the CAPM analyses, the risk premia analyses used the cost rate
12 for 1-year treasury securities, as expected over the prospective timeframe, as the
13 baseline cost rate. Essentially, 1-year treasuries serve as the risk-free holding
14 period return. Debt cost rates are differentiated by term; thus, the analyses
15 incorporate an upward adjustment for the historical spread between 1-year and
16 4-year treasuries, as the risk premia is based upon realized market returns
17 between equities and intermediate term government debt. Finally, the analyses
18 incorporate, as a matter of judgement, a downward adjustment of 2.0% - 2.5%
19 to account for the lower risks attending pure play electric utilities. The
20 estimated opportunity cost of capital obtained by the risk premia analyses is
21 11.8% - 12.3%.

22 The fourth analysis approach relies upon Historical Returns to determine
23 estimates of expectations of future returns harbored by investors. Specifically,

1 the estimates are drawn from the historical market returns over the 1993 – 2002
2 timeframe. This timeframe includes years of exceptionally low and
3 exceptionally high rates of return that, overall, are fairly well balanced. The
4 analyses are shown on Exhibits 11A and 11B. As can be seen, the historical
5 realized returns, and thus the implied cost of equity capital, are within the range
6 of 10.4% - 14.1% for the Utility sample, and 10.2% - 11.6% for the sample of
7 comparable risk Non-Utility companies. These historical returns essentially
8 conform with the formal DCF and CAPM analyses, though the range of
9 percentage realized rate of return is fairly wide, an empirical characteristic
10 inherent to capital markets. Also, excluding the experience of 2002, where
11 significant reductions in rate of market returns were realized, suggests
12 substantially higher returns for the Utility sample.

13 The analysis of the opportunity cost incurred by common shareholders of
14 Florida Public Utilities Company is summarized on Exhibit 2. The analyses
15 suggest that, for common shareholders of Florida Public Utilities Company to
16 be adequately compensated on the capital committed to public service, and to
17 fully satisfy the statutory requirements defined by the U.S. Supreme Court, the
18 rate of return on common equity must be set at level equal to 12.0% or higher.

19 **Q. Please review structural changes in the electricity markets, and how such**
20 **changes and process have affected the cost of equity and rate of return.**

21 A. It is perhaps useful to begin with a review of events, changes and ultimately
22 challenges that confront the electricity services industry. Generally, structural
23 change refers to changes in government policy, technology, and market rules.

1 Structural change within the electricity services industry (ESI) reaches back to
2 the Public Utility Regulatory Policies Act (PURPA) of 1978. PURPA
3 incorporated a number of provisions. In particular, PURPA established so-
4 called Qualifying Facilities (QFs) status, and assigned the authority for
5 determination of QF status to the Federal Energy Regulatory Commission
6 (FERC). QF status is set aside for certain renewable resources, and is mostly
7 targeted at cogeneration facilities. Once awarded QF status by the FERC, such
8 facilities are entitled to sell power to the incumbent service provider at avoided
9 costs, as determined by state regulatory authorities. QFs became known as
10 Non-Utility Generators (NUGS) and, within a few years, became a sizable
11 sector of wholesale markets within the ESI. The essence of QFs was market
12 entry into wholesale generation services.

13 The introduction of NUGs such as AES Corporation and Sythe Industries
14 appeared to be successful and, given the comparatively high cost of embedded
15 generation of the incumbent service providers, the notion of competitive
16 generation services held substantial appeal during the late-1980s. The success
17 of competitive entry coupled with the growing interest in regulatory form gave
18 rise to the inclusion of Title VII of the Energy Policy Act of 1992. The EPA
19 created Exempt Wholesale Generators (EWGs) and required incumbent
20 transmission service providers, mostly integrated electric utilities, to open their
21 networks to third parties that wished to wheel power among wholesale power
22 suppliers and purchasers.

1 We should mention that the appearance of EWGs seems to have caused the SEC
2 to liberalize its interpretation of the limitations of the Public Utility Holding
3 Company Act of 1935 (Title I) and endorse the requests by many integrated
4 electricity companies to diversify into a number of business lines other than
5 subsidiary generation. Examples include real estate, water, overseas
6 distribution wires companies, commodity trading, financial services, and
7 nuclear generation.

8 Though initially small, wholesale transaction volume expanded rapidly by 1996.
9 Flourishing wholesale markets by 1997 precipitated a number of private
10 generation companies, many of which were subsidiaries of integrated electric
11 companies, and power trading operations run by commodity trading firms such
12 as Williams Energy, Morgan Stanley, Goldman Sachs, and Enron to name a
13 few. Even public authorities such as TVA established wholesale trading floors.
14 The sheer volume of transactions coupled with the expanding growth of retail
15 loads due to the robust macro economy of the late 1990s challenged system
16 reliability within both the Eastern and Western Interconnections during this
17 timeframe.

18 Market participants including the regulators increasingly realized the need for
19 reform of market arrangements to obtain price discovery, to ensure efficient
20 management of congestion, and to achieve efficient transaction scheduling. In
21 response, the Federal Energy Regulatory Authority expended a decade in
22 implementing waves of market reform, as embodied in the Open Access
23 Transmission Tariff of Order 888, OASIS Sites of Order 889, the Capacity

1 Reservation Tariff (CRT), Order 2000 giving rise to Regional Transmission
2 Organizations (RTOs) (the so-called Millennium Order) and, most recently,
3 Standard Market Design (SMD).

4 At the same time, retail electricity markets were opened to entry in the East, in
5 California, and selectively in the upper mid-West in the post-1996 timeframe.
6 Retail market reform, perhaps superficially, appears to be less challenging than
7 that of wholesale reform. Nevertheless, retail market reform has its challenges.
8 In particular, state regulators are often constrained by legislative mandate to
9 sustain key provisions of regulated markets such as obligations to service and
10 provider of last resort, while also facilitating market entry and establishing code
11 of conduct rules.

12 Finally, the confluence of exceptionally hot weather and (thus) high demand, of
13 remarkably low output of hydro units of the Northwest due to dry weather
14 conditions, of alleged exercise of market power, of poorly designed market
15 rules and price caps, and of out-of-market *marginal* prices facing retail
16 customers gave rise to the collapse of the California market. Retail consumers
17 were left with exceptionally high prices and long-term financial obligations via
18 State government power purchases while Pacific Gas and Electric Company, at
19 one time the largest incumbent energy company the U.S., faces bankruptcy.

20 The financial collapse of Enron during the year 2001, and subsequent financial
21 declines of AES Corporation, Reliant, NRG, Dynegy, Williams, Mirant, Texas
22 Utilities, and others are notable examples of the inherent financial risks that

1 investors assume while carrying common shares of electric companies in the
2 contemporary time frame. However, this is not altogether new. The current
3 wave of financial difficulty follows that of the late 1980s and continuing into
4 the 1990s. Examples include Consumers Power, Public Service Company of
5 New Hampshire, El Paso Electric, Long Island Lighting, Kansas City Power
6 and Light, Niagara Mohawk, Tucson Electric Company (Unisource), and
7 Western Resources (WESTAR). In short, efforts by members of the ESI to
8 diversify the core utility business has been challenging and, on a whole, less
9 than fully successful.

10 The experience of the industry regarding market restructuring and
11 diversification involves considerable tribulation to say the least, and it has not
12 gone unnoticed by shareholders. The essential point is that perceived risks are
13 higher; a few highlights are noteworthy, as follows:

- 14 1) Wholesale market restructuring of the ESI affords opportunities for
15 substantial gains to retail consumers, potentially. However, key
16 attributes of power systems including non-storability and network
17 externalities imply that wholesale power prices can, inherently,
18 demonstrate unusually high levels of volatility. Unless adequately
19 hedged, price variation translates directly into substantially higher
20 business and financial risks for market participants.
- 21 2) Investors are less sure about prospective state and federal actions
22 regarding recovery of fuel and purchased power costs, the
23 determination and recovery of the wholesale prices for

1 transmission services, and regional rules of retail access and code
2 of conduct. We should mention that the FERC can and will
3 assume jurisdiction over all transmission, as transmission service is
4 considered interstate commerce and exclusively a wholesale
5 service.

6 3) Currently, a consensus on wholesale market design appears to be
7 coalescing toward locational pricing with unbundled generation
8 and financial transmission rights as the only workable and
9 sustainable market paradigm. This market design model has been
10 or will be adopted by the California ISO, RTO West, SeTrans,
11 PJM, the Midwest ISO, the New York ISO, and RTO New
12 England. The implementation of this approach raises a number of
13 issues for retail service providers and their regulators everywhere.
14 The concerns are several. Salient among them are: 1) the
15 implications from revealing hourly and daily market prices of
16 generation services vis-à-vis the embedded costs of generation
17 resources of the incumbent service providers, 2) the recovery of
18 transmission access charges, 3) the view and policy of regulators
19 on the costs and revenues associated with utility generation assets
20 participating in wholesale markets, and 4) business policy toward
21 hedging transmission costs with FTRs and other means. For sure,
22 incumbent service providers will want to unbundle costs.

1 4) Though clear and identifiable exceptions exist – such as the Flo-
2 Gas subsidiary operations of FPU, Black Hills, and Southern
3 Company with SEI – the efforts of the incumbents of ESI to
4 diversify away from regulated markets that provide stable flows of
5 revenue have, in many cases, given rise to often sizable losses and
6 shortfalls in returns to shareholders. Dividends have been cut and
7 suspended because of inadequate cash flow and without a clear
8 path to financial recovery.

9 We wish to emphasize that investors understand these dimensions of the
10 electricity industry and electricity markets. And while the outcomes regarding
11 these issues are uncertain, the implications are clear. Essentially, investors
12 perceive that higher risks attend the ESI. Private investors, commercial banks,
13 mutual funds, investment bankers, and financial rating agencies are increasingly
14 concerned about the financial stability of members of the ESI over the long
15 term. Arguably, the electricity services industry as whole carries substantially
16 larger business, regulatory, and financial risks currently than in previous eras.

17 **Q. Do these considerations warrant the concern of the Florida Public Service**
18 **Commission and the setting of electricity prices?**

19 A. Yes, absolutely. As we discuss in detail above, these risks relate to the
20 changing and more uncertain business and regulatory environment that confront
21 all members of the ESI as far as market restructuring is concerned. It is
22 essential that the Commission, in continuing fashion, authorize a return level
23 that adequately compensates common shareholders for the higher risks that

1 attend the industry today. We encourage the Florida Public Service
2 Commission to follow a path that is not unlike its current policy. Specifically,
3 we ask that the Commission set and allow a rate of return in the current docket
4 at a level that demonstrates the Commission's continue endorsement for and
5 support of Florida Public Utilities Company, its business policy, and its business
6 practices, as the Commission has done in the past.

7 **Q. Are there other considerations that the Florida Public Service Commission**
8 **should use to determine the return on equity? Specifically, should the**
9 **Commission always set the return on equity at the cost of equity?**

10 A. We encourage the Commission to consider a rate of return incentive award for
11 the superior price and cost performance achieved by Florida Public Utilities
12 Company over recent years. The Company has adopted and implemented
13 business practices and procedures that have enabled the Company to sustain a
14 clear cost advantage with respect to other electric utilities, often of larger size.
15 The cost and price advantage of the Company is substantial, and translates
16 directly into benefits to our retail customers through lower customer bills. And
17 it has been achieved without compromise to delivered reliability and service.

18 **Q. You mention rate of return incentives and rewards for the exceptional cost**
19 **and retail price performance of Florida Public Utilities. Can you elaborate**
20 **please?**

21 A. Yes. The objective of utility regulation is more than determining costs
22 measured in accounting terms, and setting prices accordingly. First, regulation
23 should achieve the lowest possible overall cost and price level, while also

1 providing regulated utilities with the sustained opportunities to earn returns
2 above the cost of capital. Second, utility regulation should also ensure high
3 reliability and responsive utility services, with service design choices and
4 offerings available to consumers. These broader objectives of regulation go a
5 long way toward enhancing value to retail consumers. Incentives are necessary;
6 history suggests that regulated utilities cannot sustain minimum cost
7 performance over the long term without the appropriate incentives.

8 A cost-performance award is a form of incentive contracting, and our request
9 for a rate of return incentive is a form of performance-based regulation.
10 Importantly, it is incentive compatible; that is, profit incentives tied to cost
11 performance is in the interest of retail electricity consumers insofar as the
12 overall price level is lower than it would otherwise be.

13 Minimum cost performance over the long term does not just happen. Economic
14 agents including retail customers, service providers, and input suppliers respond
15 to the market and institutional incentives confronting them. Thus, incentive or
16 performance-based regulatory mechanisms, as a central element of regulation,
17 are both a necessary and sufficient condition for the broader objectives of
18 regulation to be realized. Indeed, the broader objectives *cannot be achieved*
19 over the long term without confronting the service provider with earnings
20 opportunities. By incorporating a cost performance award in the overall rate of
21 return level, the Commission signals to the Company and other utilities that the
22 Commission embraces the broader objectives of utility regulation, and that the

1 low cost performance achieved by Florida Public Utilities and, potentially,
2 others translates directly into tangible earnings for shareholders.

3 **Q. Can you provide evidence? How does the cost and retail price performance**
4 **of Florida Public Utilities Company compare to that of other electricity**
5 **service providers in Florida, in the Southeast region, and of comparable**
6 **size?**

7 A. Yes. A comparison of the retail prices and distribution service costs of Florida
8 Public Utilities Company and comparison electricity service providers are
9 shown in Exhibits 12A and 12B, where the relative price and cost experience is
10 clear. Specifically, the Company's residential service price resides about 25%
11 below that of the comparison companies, whereas the commercial and industrial
12 service prices are about 12% below those of the comparison group.

13 Similarly, Florida Public Utilities costs (implicit service prices) for wires and
14 connections services are 16% below that of the comparison utilities during the
15 year 2002. Here, the costs of wires and connections services are assessed
16 according to the quantity of services delivered, where the output metrics are: 1)
17 \$/MW of peak demand, 2) \$/MWh of energy served, and 3) \$/customers served.
18 The analyses are conducted in a manner that captures the real resources
19 involved in provided distribution services over recent years, and are thus
20 insulated from the impacts of on-going inflation. And while other approaches to
21 cost assessment are availing, the methodology employed herein provides a basis
22 to capture overall resource productivity. As can be seen, the analyses suggest
23 that the trends in the unit-of-output based real costs of distribution services for

1 Florida Public Utilities is about 1.9% to 3.4% below that of the comparison
2 group.

3 **Q. If the Florida Public Service Commission incorporates an incentive**
4 **allowance into the rate of return on common equity, what is the**
5 **recommended level and how should it be incorporated? Also, what**
6 **criteria should the Commission use to assess performance ratemaking?**

7 A. We recommend that the Florida Public Service Commission incorporate a cost-
8 performance award of 100 basis points into the allowed return on common
9 equity.

10 We recommend that the Commission, as a general rule, apply cost-benefit
11 criteria to determine the appropriate performance incentive award. Specifically,
12 the Commission should ensure that the net benefits to electricity consumers
13 induced by the performance incentive are greater in magnitude than the
14 performance award, measured in dollars. If this criterion is met, consumers are
15 better off and thus well served by the incentive mechanism. The degree that net
16 benefits should exceed the performance award is a matter of judgment.
17 However, we firmly believe that the incentive award must be of sufficient
18 magnitude that it is not lost in the statistical noise of business operations, and
19 that the net benefits should be measurable.

20 **Q. Does the requested performance award satisfy the criteria suggested**
21 **above?**

22 A. Yes. The productivity advances realized by Florida Public Utilities in
23 distribution wires, connections, and customer services over recent years has

1 produced a long-term overall cost advantage of about \$3.2 million during 2002.
2 Similarly, the money cost of the performance award is about \$300 thousand.
3 Hence, the long-term net benefit to cost ratio attending the requested
4 performance incentive award is about 10 to 1, a remarkably high value. The
5 analysis clearly suggests that the business strategy and actions of the Company
6 has and will continue to pay off in substantial net benefits to retail electricity
7 consumers. By comparison, the performance awarded, is of small magnitude.
8 The requested performance award is, as it were, *in the money*.

9 In addition, the net benefit amount shown above is for distribution alone,
10 without consideration of the price and cost advantage realized by the Company
11 in long-term contracting for power supply on behalf of retail consumers. We
12 wish to mention, moreover, that the evidence suggests that the Company is
13 realizing on-going productivity advances that will provide further gains for
14 retail electricity consumers in the future.

15 **Q. Can you please summarize your analysis and findings regarding the return**
16 **on equity recommendations?**

17 A. Yes. We recommend that the Florida Public Service Commission adopt an
18 overall rate of return level of 9.00% for purposes of setting retail electricity
19 prices for Florida Public Utilities Company in the current docket. This overall
20 percentage rate of return is based upon a year end 2004 capital structure and
21 common equity rate of return recommendation of 12.00%.

1 The common equity rate of return does not include the recommendation for a
2 price and cost performance award of 100 basis discussed above. Incorporating
3 the performance award into the overall cost of capital raises the overall rate of
4 return recommendation to 9.46%.

5 **Q. Does this complete your testimony?**

6 A. Yes.

OVERALL RATE OF RETURN REQUIREMENTS
FLORIDA PUBLIC UTILITIES COMPANY

OVERALL COST OF CAPITAL BASED UPON A REGULATORY CAPITAL STRUCTURE

(YEAR-END '04)					
<u>Capital Vehicle</u>	<u>Amounts</u>	<u>Capitalization Share</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>	
Long Term Debt	\$16,520,339	41.47%	7.87%	3.26%	
Short-Term Debt	\$0	0.00%	3.21%	0.00%	
Preferrec Stock	\$197,900	0.50%	4.75%	0.02%	
Common Equity	\$18,157,729	45.58%	12.00%	5.47%	
Customer Deposits	\$1,330,347	3.34%	6.00%	0.20%	
Deferred Taxes	\$3,449,838	8.66%	0.00%	0.00%	
ITC at Zero Cost	\$2,308	0.01%	0.00%	0.00%	
ITC at Overall Cost	\$182,409	0.46%	10.00%	0.05%	
Total	\$39,840,869	100.00%		9.00%	After-Tax Interest Coverage <hr/> 2.60

OVERALL COST OF CAPITAL BASED UPON A CONVENTIONAL CAPITAL STRUCTURE

(YEAR-END '04)					
<u>Capital Vehicle</u>	<u>Amounts</u>	<u>Capitalization Share</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>	
Long Term Debt	\$50,086,856	47.37%	7.87%	3.73%	
Short-Term Debt	\$0	0.00%	3.21%	0.00%	
Preferrec Stock	\$600,000	0.57%	4.75%	0.03%	
Common Equity	\$55,051,146	52.06%	12.00%	6.25%	
Total	\$105,738,002	100.00%		10.00%	

COST OF COMMON EQUITY AND EQUITY RATE OF RETURN RECOMMENDATION

<u>Methodology</u>	<u>Utilities</u>	<u>Comparative Sampl</u>	
		<u>Electric</u>	<u>Moderlate-Risk Non-Utilities Companies</u>
Discounted Cash Flow	12.2 - 12.6%		
Capital Asset Pricing Model	10.1 - 11.6%		10.5 - 11.5%
Risk Premium Analysis	11.8 - 12.3%		11.8 - 12.3%
Realized Market Returns	10.4 - 14.1%		10.2 - 11.6%

Equity Rate of Return Recommendation: 12.0%

LONG-TERM DEBT COSTS

GB-RC 3

Florida Public Utilities Company

<u>Issue</u>	<u>Issue Date</u>	<u>Life</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Issuance Costs</u>	<u>Net Proceeds</u>	<u>Annual Amortization</u>	<u>Annual Interest Expense</u>	<u>Annual Cost-Based Rate</u>	<u>Discounted Cost-Based Rate</u>
9.57%	5/1/1988	30	5/1/2018	\$10,000,000	\$180,273	\$9,819,727	\$7,211	\$957,000	9.64%	9.66%
10.03%	5/1/1988	30	5/1/2018	\$5,500,000	\$97,070	\$5,402,930	\$3,883	\$551,650	10.10%	10.12%
9.08%	6/1/1992	30	6/1/2022	\$8,000,000	\$122,348	\$7,877,652	\$4,067	\$726,400	9.13%	9.23%
6.85%	10/1/2001	30	10/1/2031	\$15,000,000	\$1,208,670	\$13,791,330	\$38,978	\$1,027,500	7.11%	7.53%
4.90%	11/1/2001	30	11/1/2031	\$14,000,000	\$804,783	\$13,195,217	\$41,939	\$686,000	5.20%	5.29%
				\$52,500,000	\$2,413,144	\$50,086,856	\$96,078	\$3,948,550	7.70%	7.87%

SHORT TERM DEBT

GB-RC 4

Florida Public Utilities Company

<u>Short-Term Debt Balances and Cost Rate</u>																
<u>YEAR</u>	<u>DEC</u> <u>(\$000's)</u>	<u>JAN</u> <u>(\$000's)</u>	<u>FEB</u> <u>(\$000's)</u>	<u>MAR</u> <u>(\$000's)</u>	<u>APR</u> <u>(\$000's)</u>	<u>MAY</u> <u>(\$000's)</u>	<u>JUN</u> <u>(\$000's)</u>	<u>JUL</u> <u>(\$000's)</u>	<u>AUG</u> <u>(\$000's)</u>	<u>SEP</u> <u>(\$000's)</u>	<u>OCT</u> <u>(\$000's)</u>	<u>NOV</u> <u>(\$000's)</u>	<u>DEC</u> <u>(\$000's)</u>			
Balances																
2002	20430	16705	15910	16460	15530	14956.1	15566.1	14613.3	13098.793	15429.029	13197	14754	19183			
2003	19183	16715	17895	0	0	250	1750	2250	2250	2250	2250	5245	5245			
2004	5245	4245	3345	3345	3345	4445	5645	0	0	0	0	0	0			
LIBOR Cost Rate																
2002	1.88	1.88	1.88	1.88	1.84	1.84	1.84	1.82	1.82	1.82	1.50	1.50	1.50			
2003	1.40	1.34	1.33	1.31	1.32	1.32	1.53	1.53	1.53	1.53	1.70	1.70	1.70			
2004	1.95	1.95	1.95	1.95	2.20	2.20	2.20	2.20	2.20	2.20	2.45	2.45	2.45			
F.Funds, '03											1.50	1.50	1.50			
F.Funds, '04	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25			
Effective Interest Expense														Short-Term Interest Expense		
2002	\$40,520	\$33,132	\$31,555	\$32,646	\$30,292	\$29,173	\$30,363	\$28,240	\$25,313	\$29,817	\$22,006	\$24,602	\$31,988	Annual Interest Expense	Average Balance	Cost Rate
2003	\$30,373	\$25,630	\$27,290	\$0	\$0	\$463	\$3,544	\$4,556	\$4,556	\$4,556	\$4,875	\$11,364	\$11,364	\$128,571	\$5,791,000	2.22%
2004	\$12,457	\$10,082	\$7,944	\$7,944	\$8,641	\$11,483	\$14,583	\$0	\$0	\$0	\$0	\$0	\$0	\$73,135	\$2,278,077	3.21%

NOTE: Short-Term Debt Balances for Year-End 2004, the Capital Structure Recommended for Determination of Retail Rates, Carries A Balance of Zero

PREFERRED STOCK

Florida Public Utilities Company

<u>Description, Coupon Rate</u>	<u>Issue Date</u>	<u>Principal</u>	<u>Dividends</u>	<u>Effective Cost Rate</u>
4.75% Cumulative	12/28/1945	\$600,000	\$28,500	4.75%

RESULTS OF FIRST SELECTION SCREEN

ELECTRIC COMPANIES with SUBSTANTIAL MARKET LIQUIDITY and PRESENCE

<u>ELECTRIC UTILITY</u>	<u>Ticker</u>	<u>Reported Annual Sales</u> (000's)	<u>Operating Income</u> (000's)	<u>Operating Margin</u> (%)	<u>Income Before Taxes</u> (000's)	<u>Profit Margin</u> (%)
✓ ALLETE	ALE	\$1,507	\$342	23	\$138	8
Avista Corp.	AVA	\$980	\$218	22	\$64	4
Black Hills	BKH	\$1,559	\$224	14	\$139	6
Cen. Vermont Pt	CV	\$303	\$56	18	\$22	4
* CH Energy Group	CHG	\$696	\$96	14	\$58	5
* Cleco Corp.	CNL	\$721	\$232	32	\$118	10
* DPL Inc.	DPL	\$1,186	\$561	47	\$138	7
DQE	DQE	\$1,296	\$462	36	\$55	3
El Paso Electric	EE	\$770	\$273	36	\$102	9
Empire Dist. Elec	EDE	\$306	\$98	32	\$39	8
Green Mountain	GMP	\$284	\$38	13	\$19	4
G't Plains Energy	GXP	\$1,862	\$469	25	\$178	7
* IDACORP Inc.	IDA	\$929	\$178	19	\$15	7
* MGE Energy	MGEE	\$334	\$86	26	\$43	8
* Otter Tail Corp.	OTTR	\$710	\$125	18	\$66	7
PNM Resources	PNM	\$1,169	\$213	18	\$85	6
* UIL Holdings	UIL	\$1,131	\$215	19	\$80	4
UniSource Energy	UNS	\$856	\$312	36	\$50	4

RESULTS OF SECOND SELECTION SCREEN: MARKET LIQUIDITY AND RISK, BETA

GB-RC 6B

Sample of Comparable Non-Utilities

Company	Ticker	Industry	Market Cap (\$ M)	Beta, Year 2002	Average Beta, 98-02	Stock Price	Reported Annual Sales (\$ M)	Operating Margin (\$ M)	Total Assets (\$ M)	Assets/ Revenues
Amer Retirement	ACR	HLTHSYS	\$34	0.50	0.63	\$1.81	\$332	-\$6	\$840	2.53
Amer. Pacific	APFC	CHEMSPEC	\$53	0.60	0.61	\$7.55	\$74	\$31	\$132	1.79
Bioscrypt Inc	BYT.TO	ELECTRNX	\$26	0.70	0.56	\$0.60	\$6	-\$76	\$16	2.41
Bone Care Intl Inc	BCII	DRUG	\$111	0.95	0.65	\$7.78	\$15	-\$47	\$35	2.31
COMARCO Inc.	CMRO	WIRELESS	\$46	0.40	0.51	\$7.05	\$37	\$6	\$51	1.38
Fibermark Inc	FMK	PAPER	\$35	0.65	0.64	\$5.11	\$397	\$13	\$494	1.24
Hardinge Inc.	HDNG	MACHINE	\$62	0.40	0.58	\$7.15	\$169	\$8	\$256	1.52
Hector Communications	HCT	TELESERV	\$45	0.60	0.65	\$13.60	\$40	\$67	\$155	3.89
Infocrossing Inc	IFOX	INTERNET	\$35	0.65	0.64	\$7.05	\$51	\$16	\$66	1.29
Inkine Pharm Co.Inc	INKP	DRUG	\$99	0.95	0.65	\$2.94	\$8	-\$73	\$14	1.86
Intl Shipholding	ISH	MARITIME	\$53	0.45	0.50	\$8.77	\$227	\$15	\$407	1.79
NorthWestern Corp.	NOR	UTILCENT	\$61	0.95	0.60	\$2.56	\$1,992	\$11	\$2,673	1.34
Patriot Transportation Holdir	PATR	DIVERSIF	\$86	0.55	0.55	\$25.85	\$97	\$24	\$156	1.60
Prime Medical Services	PMSI	MEDSERV	\$89	0.45	0.62	\$5.33	\$170	\$34	\$266	1.56
Providence & Worcester R F	PWX	RAILROAD	\$29	0.65	0.60	\$6.80	\$23	\$18	\$91	3.96
Revenue Properties Co.Ltd.	RPC.TO	HOMEBUILD	\$107	0.60	0.52	\$1.60	\$65	\$22	\$213	3.26
Rochester Medical	ROCM	MEDSUPPL	\$61	0.80	0.60	\$11.47	\$11	-\$3	\$20	1.77
SEMCO Energy	SEN	GASDISTR	\$108	0.55	0.62	\$6.78	\$481	\$22	\$877	1.82
Sports Club	SCY	RECREATE	\$52	0.35	0.53	\$2.80	\$123	\$7	\$187	1.52
Titanium Metals	TIE	MINING	\$76	1.00	0.65	\$23.90	\$367	-\$2	\$564	1.54
Zemex Corp.	ZMX	MINING	\$97	0.50	0.63	\$0.00	\$74	\$12	\$113	1.54

SAMPLE OF COMPARABLE ELECTRIC UTILITIES

GB-RC 7A

Sample Number	ELECTRIC UTILITY	Equity Participation In Total Capital				MEASURES OF MARKET RISK			MEASURES OF BUSINESS AND FINANCIAL RISKS			
		1992	1997	2001	2002	2002 Market Beta	Average Market Beta, 5-year	Stability of Market Beta, 5-yr S.D.	Coefficient of Variation in Cashflow per share, 5-year	Coefficient of Earnings per share, 5-year	Coefficient of Variation in Cashflow per share, 10-year	Coefficient of Earnings per share, 10-year
		4	CH Energy Group	0.42	0.53	0.65	0.62	0.65	0.57	0.06	0.15	0.14
5	Cleco Corp.	0.47	0.49	0.42	0.38	0.65	0.60	0.07	0.13	0.14	0.19	0.19
6	DPL Inc.	0.48	0.56	0.24	0.25	0.75	0.63	0.09	0.19	0.29	0.19	0.24
10	Flonda Public Utilities	0.46	0.53	0.36	0.37	0.60	0.54	0.04	0.06	0.09	0.18	0.21
13	IDACORP Inc.	0.44	0.47	0.48	0.48	0.60	0.55	0.07	0.14	0.29	0.18	0.26
14	MGE Energy	0.58	0.58	0.58		0.50	0.48	0.03	0.06	0.09	0.15	0.17
15	Otter Tail Corp.	0.45	0.48	0.53	0.53	0.60	0.57	0.03	0.10	0.13	0.15	0.17
16	PNM Resources	0.39	0.53	0.51	0.50	0.60	0.53	0.09	0.19	0.37	0.20	0.38
17	UIL Holdings	0.30	0.38	0.50	0.55	0.60	0.57	0.08	0.13	0.16	0.12	0.13
	Sample Average	0.44	0.51	0.48	0.46	0.62	0.56	0.06	0.13	0.19	0.16	0.21
	Variation	0.08	0.06	0.12	0.12	0.07	0.04	0.03	0.05	0.10	0.03	0.08

SAMPLE OF COMPARABLE NON-UTILITIES

GB-RC 7B

COMPANY	1992	1997	1999	2001	MEASURES OF MARKET RISK Market Beta			MEASURES OF BUSINESS AND FINANCIAL RISKS Coefficient of Variation	
	Capitalization, Equity Participation				Beta, 2002	Average Beta	Beta, StDev	Cashflow per share	Earnings per share
Amer. Pacific	0.55	0.64	0.61	0.65	0.50	0.61	0.11	0.50	0.66
Bone Care Intl Inc		1.00	1.00	1.00	0.90	0.65	0.15	0.31	0.25
COMARCO Inc.	0.81	1.00	1.00	1.00	0.40	0.51	0.13	0.25	0.48
Hector Communications	0.35	0.13	0.35	0.36	0.65	0.65	0.04	0.14	0.55
Patriot Transportation Holding	0.79	0.68	0.61	0.63	0.55	0.55	0.06	0.13	0.37
Prime Medical Services	0.77	0.56	0.42	0.45	0.45	0.62	0.12	0.16	0.17
SEMCO Energy	0.43	0.37	0.19	0.18	0.60	0.62	0.03	0.24	0.68
Sample Average:	0.62	0.63	0.60	0.61	0.58	0.60	0.09	0.25	0.45
Sample Standard Deviation:	0.20	0.32	0.31	0.31	0.17	0.05	0.05	0.13	0.20

DISCOUNTED CASH FLOW ANALYSIS

GB-RC 8

Sample of Comparable Electric Utilities

ELECTRIC UTILITY	Dividends Declared	Market Price	Yield	Adjusted Yield	Expected Growth	DCF-Based Estimates of Cost of Capital
CH Energy Group	\$2.160	\$43.49	4.97%	5.28%	3.1%	8.36%
Cleco Corp.	\$0.890	\$12.99	6.85%	7.49%	6.0%	13.52%
DPL Inc.	\$0.940	\$13.73	6.84%	7.56%	7.1%	14.68%
Florida Public Utilities	\$0.570	\$14.11	4.04%	4.46%	7.0%	11.45%
IDACORP Inc.	\$1.860	\$22.68	8.20%	8.93%	5.6%	14.55%
MGE Energy	\$1.860	\$26.57	7.00%	7.50%	3.9%	11.41%
Otter Tail Corp.	\$1.340	\$25.68	5.22%	5.68%	5.5%	11.20%
PNM Resources	\$0.860	\$21.92	3.92%	4.34%	7.3%	11.59%
UIL Holdings	\$2.880	\$32.51	8.86%	9.28%	1.6%	10.87%
Sample Average:			6.21%	6.93%	5.24%	12.17%
Weighted Sample Average:			6.40%	6.96%	5.59%	12.55%

CAPITAL ASSET PRICING MODEL ANALYSIS

GB-RC 9A

ELECTRIC UTILITY	Beta, 2002	Adjusted Average Beta	Beta, 2002	Beta
CH Energy Group	0.650	0.570	0.48	0.36
Cleco Corp.	0.650	0.600	0.48	0.40
DPL Inc.	0.750	0.630	0.63	0.45
Florida Public Utilities	0.600	0.540	0.40	0.31
IDACORP Inc.	0.600	0.550	0.40	0.33
MGE Energy	0.500	0.480	0.25	0.22
Otter Tail Corp.	0.600	0.570	0.40	0.36
PNM Resources	0.600	0.530	0.40	0.30
UIL Holdings	0.600	0.570	0.40	0.36
Sample Average:	0.62	0.56	0.43	0.34
Sample Standard Deviation:	0.07	0.04	0.10	0.06
Weighted Sample Average:	0.64	0.57	0.46	0.36
Average w/o DPL	0.60	0.55		

Historical Experience			
Era	1-yr Trsy's	Overall M. Returns	Economic Productivity
1950-60	2.8%	12.4%	2.4%
1961-68	4.2%	7.2%	3.0%
1994-99	5.4%	25.3%	2.1%
Average:	4.1%	15.0%	2.5%

CAPITAL ASSET PRICING MODEL ANALYSIS RESULTS

	Cost of Equity Capital	Gamma	Adjusted Market Beta	Expected Market Return(Rm)	Risk Free Return (Rf)
Low	10.1%	0.33	0.55-0.69	15.0%	4.1%
High	11.6%				

Model: $k = R_f + \gamma(R_m - R_f) + (1-\gamma)\beta^*(R_m - R_f)$

CAPITAL ASSET PRICING MODEL ANALYSIS

GB-RC 9B

Sample of Comparable Non-Utilities

COMPANY	Market Beta, 2002	Market Beta, 1998 - 2002	Historical Experience			
			Era	1-yr Trsy's	Overall M. Returns	Economic Productivity
Amer. Pacific	0.500	0.610	1950-60	2.8%	12.4%	2.4%
Bone Care Intl Inc	0.900	0.650	1961-68	4.2%	7.2%	3.0%
COMARCO Inc.	0.400	0.510	1994-99	5.4%	25.3%	2.1%
Hector Communications	0.650	0.650	Average:	4.1%	15.0%	2.5%
Patriot Transportation Holdir	0.550	0.550				
Prime Medical Services	0.450	0.620				
SEMCO Energy	0.600	0.620				
Sample Average:	0.58	0.60				
Sample Standard Deviation:	0.17	0.05				

CAPITAL ASSET PRICING MODEL ANALYSIS RESULTS

	<u>Cost of Equity Capital</u>	<u>Gamma</u>	<u>Adjusted Market Beta</u>	<u>Expected Market Return(Rm)</u>	<u>Risk Free Return (Rf)</u>
Low	10.1%	0.33	0.55-0.65	15.0%	4.1%
High	11.2%				

Model: $k = R_f + \gamma(R_m - R_f) + (1-\gamma)\beta(R_m - R_f)$

RISK PREMIUM ANALYSIS

GB-RC 10

Analysis Results		Time Period	Risk Premia, Intermediate	Risk Premia, Short Term	Rate of Inflation	Real Rates of Risk Premia	
1-year Treasuries	4.1%	1950-1960	10.3%	11.3%	2.7%	7.7%	8.6%
		1960-1968	10.3%	11.3%	2.4%	7.9%	8.9%
1-yr - 10-yr Sread	0.6%	1993-2000	8.1%	9.0%	1.8%	6.3%	7.2%
Risk Premmia Above Intermediate Term Debt	9.6%	Average	9.6%	10.6%	2.3%	7.3%	8.2%
Cost of Capital for Overall Market	14.3%			1-year Treasuries	4.1%		
Adjustment for Lower Risks of Electric Utilities	2.0 - 2.5%			1-yr - 10-yr Spread	0.6%		
Cost of Capital for Lower Risk Companies Including Utilites				<u>Average: 1947-2002</u>	3.5%	5.2%	6.1%
Low:	11.78%			<u>Realized Returns Above CAPM:</u>			
High:	12.28%			Low:	1.4%		
				High:	3.1%		

HISTORICAL MARKET RETURNS

Sample of Comparable Electric Utilities

HISTORICAL MARKET RETURNS

Sample of Comparable Small, Low-Risk Electric Utilities

Cumulative Market Returns, Beginning 1993

<u>UTILITY</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>		
CH Energy Group	7.7%	12.0%	10.7%	10.9%		
Cleco Corp.	11.3%	18.8%	13.5%	6.9%		
DPL Inc	11.1%	20.4%	13.3%	6.7%		
Florida Public Utilities	15.3%	12.6%	12.6%	13.4%		
IDACORP Inc	5.5%	14.6%	10.6%	4.1%		
Otter Tail Corp	5.7%	12.1%	11.7%	9.8%		
PNM Resources	8.0%	15.4%	5.1%	0.0%	Average,	Average,
UIL Holdings	12.2%	10.7%	10.5%	5.3%	Through '01	Including '02
Sample Average:	9.6%	14.6%	11.0%	7.1%	11.7%	10.6%
Weighted Average:	8.9%	15.8%	10.9%	6.1%	11.9%	10.4%

Average Annual Market Return, Beginning April '93

<u>UTILITY</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>		
CH Energy Group	8.2%	12.2%	11.1%	11.2%		
Cleco Corp.	9.7%	17.5%	13.8%	9.1%		
DPL Inc	10.2%	20.4%	15.3%	10.5%		
Florida Public Utilities	13.52%	11.64%	11.75%	12.51%		
IDACORP Inc.	6.59%	16.40%	13.11%	8.30%		
Otter Tail Corp	4.87%	11.39%	11.13%	9.60%		
PNM Resources	7.81%	15.42%	8.82%	6.77%	Average,	Average,
UIL Holdings	12.62%	11.31%	11.10%	7.25%	Through '01	Including '02
Sample Average:	9.2%	14.5%	12.0%	9.4%	11.9%	11.3%
Weighted Average:	8.6%	15.9%	12.5%	9.2%	12.3%	11.6%

Average 5-year Market Returns

<u>UTILITY</u>	<u>Ending '99</u>	<u>Ending '00</u>	<u>Ending '01</u>	<u>Ending '02</u>		
CH Energy Group	13.8%	16.7%	15.3%	7.9%		
Cleco Corp.	13.3%	23.1%	18.0%	6.5%		
DPL Inc	11.9%	24.7%	19.0%	7.3%		
Florida Public Utilities	23.02%	17.81%	17.12%	15.90%		
IDACORP Inc	11.2%	20.8%	16.1%	3.4%		
Otter Tail Corp.	9.00%	17.22%	20.08%	14.31%		
PNM Resources	9.58%	16.08%	4.57%	-2.94%	Average,	Average,
UIL Holdings	22.63%	15.55%	19.23%	1.78%	Through '01	Including '02
Sample Average:	14.3%	19.0%	16.2%	6.8%	16.5%	14.1%
Weighted Average:	12.5%	20.0%	16.0%	5.6%	16.2%	13.5%

HISTORICAL MARKET RETURNS

Sample of Comparable Non-Utility Companies

Cumulative Market Returns, Beginning 1993						
Company Name	Through 1999	Through 2000	Through 2001	Through 2002		
Amer. Pacific	-9.7%	-10.1%	-7.5%	-6.1%		
Bone Care Intl Inc	12.0%	24.4%	17.8%	-0.5%		
COMARCO Inc.	52.2%	37.7%	39.2%	15.4%		
Hector Communications	15.9%	7.4%	17.0%	9.1%		
Patriot Transportation Holdin	13.8%	1.9%	6.2%	11.6%		
Prime Medical Services	34.8%	11.5%	9.5%	23.4%	Average,	Average,
SEMCO Energy	-0.7%	4.1%	-0.4%	-4.4%	Through '01	Including '02
Sample Average:	16.9%	11.0%	11.7%	6.9%	13.2%	11.6%

Average Annual Market Return, Beginning April '93						
Company Name	Through 1999	Through 2000	Through 2001	Through 2002		
Amer. Pacific	-3.2%	-7.8%	-0.3%	1.7%		
Bone Care Intl Inc	3.8%	8.9%	7.7%	2.0%		
COMARCO Inc.	33.0%	26.4%	24.7%	17.2%		
Hector Communications	12.2%	7.1%	13.4%	9.2%		
Patriot Transportation Holdin	10.5%	3.2%	7.0%	10.5%		
Prime Medical Services	32.5%	21.6%	18.5%	25.3%	Average,	Average,
SEMCO Energy	-1.4%	4.3%	0.4%	-4.1%	Through '01	Including '02
Sample Average:	12.5%	9.1%	10.2%	8.8%	10.6%	10.2%

Average 5-year Market Returns						
Company Name	Ending '99	Ending '00	Ending '01	Ending '02		
Amer. Pacific	5.3%	2.6%	9.0%	13.3%		
Bone Care Intl Inc	4.5%	12.5%	12.3%	3.6%		
COMARCO Inc.	4.5%	12.5%	12.3%	3.6%		
Hector Communications	25.3%	8.1%	5.5%	-7.3%		
Patriot Transportation Holdin	28.5%	52.4%	49.5%	33.5%		
Prime Medical Services	7.2%	-3.9%	-2.1%	1.0%	Average,	Average,
SEMCO Energy	34.7%	-3.6%	-8.4%	2.0%	Through '01	Including '02
Sample Average:	15.7%	11.5%	11.2%	7.1%	12.8%	11.4%

ESTIMATES OF RESOURCE COST EFFICIENCY

Florida Public Utilities Company and Comparison Utilities

Prices for Wires Services and Customer ConnectionsCosts of the Capital Stock and O&M Expenses (\$/MW)

Company	1994	1995	1996	1997	1998	1999	2000	2001	2002	Average Annual Growth Rate 1994-2002
Tampa Electric Company	119,960	105,844	102,004	110,808	111,366	109,208	113,297	106,175	115,169	-0.51%
Florida Power Corporation	102,482	94,842	85,133	96,356	100,385	100,637	100,941	98,064	100,569	-0.24%
Florida Power & Light Company	139,659	130,275	121,390	137,159	134,884	140,593	144,162	141,001	141,809	0.19%
Otter Tail Corporation	153,600	153,490	152,355	151,031	155,545	160,536	159,203	164,649	161,351	0.62%
Idaho Power Company	115,918	115,881	110,129	118,470	111,032	111,375	108,572	129,359	114,923	-0.11%
Cleco Power LLC	142,711	127,005	130,750	129,182	128,016	126,412	123,481	130,449	126,507	-1.51%
Central Hudson Gas & Electric Corporation	158,713	160,354	179,104	168,936	174,083	160,884	180,980	161,842	157,034	-0.13%
Black Hills Power, Inc										
The Dayton Power and Light Company	93,031	79,910	82,396	88,527	107,134	99,095	110,448	104,310	104,566	1.46%
The United Illuminating Company	161,739	163,616	182,996	165,882	170,157	155,270	173,044	156,896	167,528	0.44%
Madison Gas and Electric Company	123,551	116,151	120,722	121,094	121,882	119,701	117,287	113,170	121,408	-0.22%
Region	131,136	124,737	126,698	128,744	131,449	128,371	133,141	130,592	131,086	0.00%
Florida Public Utility Company	120,945	115,353	105,410	117,655	112,102	108,798	108,026	115,721	120,679	-0.03%

Prices for Wires Services and Customer ConnectionsCosts of the Capital Stock and O&M Expenses (\$/MWh)

Company	1994	1995	1996	1997	1998	1999	2000	2001	2002	Average Annual Growth Rate 1994-2002
Tampa Electric Company	26	25	25	25	25	26	25	26	25	-0.20%
Florida Power Corporation	28	27	26	27	26	27	27	27	27	-0.46%
Florida Power & Light Company	29	29	29	29	29	30	29	29	29	-0.23%
Otter Tail Corporation	29	28	28	28	29	30	30	29	29	-0.08%
Idaho Power Company	23	23	23	23	23	23	22	26	26	1.88%
Cleco Power LLC	33	30	31	30	30	30	29	30	29	-1.26%
Central Hudson Gas & Electric Corporation	34	35	36	38	38	39	39	37	40	2.16%
Black Hills Power, Inc	26	27	26	28	29	30	27	30	32	2.61%
The Dayton Power and Light Company	22	19	18	19	25	24	24	24	24	0.89%
The United Illuminating Company	34	36	36	37	36	35	36	36	38	1.23%
Madison Gas and Electric Company	29	29	30	29	29	29	29	31	30	0.51%
Region	28	28	28	29	29	29	29	30	30	0.67%
Florida Public Utility Company	31	29	28	28	25	25	25	26	25	-2.69%

Prices for Wires Services and Customer Connections

Company	<u>Costs of the Capital Stock and O&M Expenses (\$/Customer Served)</u>									Average Annual
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Growth Rate</u> <u>1994-2002</u>
Tampa Electric Company	686	683	681	684	692	692	702	708	716	0.54%
Florida Power Corporation	581	584	588	600	608	617	625	614	625	0.92%
Florida Power & Light Company	620	619	619	631	656	660	668	672	678	1.13%
Otter Tail Corporation	732	744	760	775	794	807	825	826	821	1.44%
Idaho Power Company	856	828	846	845	830	836	832	835	836	-0.30%
Cleco Power LLC	868	865	917	882	897	915	914	909	910	0.59%
Central Hudson Gas & Electric Corporation	555	566	585	595	599	611	634	613	634	1.66%
Black Hills Power, Inc	690	710	710	745	756	764	701	772	788	1.66%
The Dayton Power and Light Company	569	507	504	529	669	638	645	643	642	1.51%
The United Illuminating Company	599	614	618	625	622	629	630	650	683	1.63%
Madison Gas and Electric Company	578	582	586	588	599	605	618	634	647	1.40%
Region	667	664	674	682	702	707	709	716	725	1.06%
Florida Public Utility Company	760	753	748	745	745	733	733	723	709	-0.88%

COMPARISON OF RETAIL ELECTRIC PRICES

GB-RC 12B

SAMPLES OF ELECTRIC UTILITIES AND FLORIDA PUBLIC UTILITIES COMPANY
(Cents/kWh)

<u>Florida Utilities</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Residential	7.74	7.82	8.07	8.14	7.95	7.77	7.81	8.74	8.25
Comm. & Ind.	5.90	5.99	6.24	6.22	6.01	5.89	5.96	6.85	6.43
<u>South Atlantic Utilities</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Residential	7.71	7.80	7.84	7.85	7.77	7.64	7.60	7.97	7.78
Comm. & Ind.	5.49	5.55	5.54	5.48	5.40	5.33	5.32	5.58	5.38
<u>Small Electric Companies</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Residential	8.16	7.84	7.80	8.00	7.97	7.69	7.54	7.82	7.64
Comm. & Ind.	5.29	5.37	5.34	5.35	5.27	5.22	5.30	5.68	5.32
<u>Florida Public Utilities Company</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Residential	7.13	7.03	7.21	6.85	6.41	6.17	5.97	5.93	6.32
Comm. & Ind.	6.11	5.88	5.90	5.58	5.11	4.75	4.65	4.73	4.91

HISTORICAL YEAR-END CAPITAL STRUCTURE

GB-RC 13

Florida Public Utilities Company

Capital Item	1994		1995		1996		1997		1998	
	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)
Common Equity	22,334	44.3%	23,302	44.0%	24,511	43.4%	26,189	45.2%	27,622	46.1%
Preferred Stock	600	1.2%	600	1.1%	600	1.1%	600	1.0%	600	1.0%
Long Term Debt	23,500	46.6%	23,500	44.3%	23,500	41.6%	23,500	40.6%	23,500	39.2%
Short Term Debt	4,000	7.9%	5,600	10.6%	7,900	14.0%	7,600	13.1%	8,200	13.7%
Total Capitalization	50,434	100.0%	53,002	100.0%	56,511	100.0%	57,889	100.0%	59,922	100.0%

Capital Item	1999		2000		2001		2002	
	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)	Amount (\$000's)	Share (%)
Common Equity	25,866	41.1%	27,510	39.6%	29,329	28.5%	30,883	29.9%
Preferred Stock	600	1.0%	600	0.9%	600	0.6%	600	0.6%
Long Term Debt	23,500	37.3%	23,500	33.8%	52,500	51.0%	52,500	50.9%
Short Term Debt	13,000	20.6%	17,900	25.8%	20,430	19.9%	19,183	18.6%
Total Capitalization	62,966	100.0%	69,510	100.0%	102,859	100.0%	103,166	100.0%

HISTORICAL INTEREST COVERAGE

GB-RC 14

Florida Public Utilities Company

Item	Historical									<u>Average</u>
	1994 (\$000's)	1995 (\$000's)	1996 (\$000's)	1997 (\$000's)	1998 (\$000's)	1999 (\$000's)	2000 (\$000's)	2001 (\$000's)	2002 (\$000's)	
Operating Income After Tax	4,347	5,164	5,628	5,518	5,896	6,170	6,528	6,267	6,367	
Income Taxes	943	1,356	1,396	1,286	1,568	1,628	1,473	1,249	1,402	
Operating Before Taxes	5,290	6,520	7,024	6,804	7,464	7,798	8,001	7,516	7,769	
Interest Charges	2,669	2,767	2,858	2,895	2,840	2,968	3,487	3,591	4,513	
Before-Tax Interest Coverage	1.98	2.36	2.46	2.35	2.63	2.63	2.29	2.09	1.72	2.28
After-tax Interest Coverage	1.63	1.87	1.97	1.91	2.08	2.08	1.87	1.75	1.41	1.84

APPENDIX I

Present Value of Investment and Derivation of the Constant Growth Discounted Cash Flow Model (DCF)

As wages are the compensation to labor, interest is the compensation or return to savings and capital. Savings is the share of current income held back to be consumed in later periods. Because consumption in a current period has greater value than consumption later, current savings must give rise to greater consumption later.

The inducement to save is interest; essentially, the accrual of interest on savings offsets the reduction in value of later consumption vis-à-vis current consumption. Without the expectation of interest, savings would be largely exhausted as consumption in the current period. Savings are invested and, over time, give rise to and constitute the accumulation of capital. Savings realize the market rate of interest. Savings and investment – and thus the accumulation of capital – rise as expected interest increases.

Returns to savings, investment, and capital can be viewed as cash flow returns, and can be stated as an annual percentage amount. Cash flows in subsequent periods forego the interest that would have accrued on earlier cash flows. Because of foregone interest, later cash flows are worth less than those of earlier periods by the amount of interest that would have been realized on the earlier cash flows.

Cash flows over time can be ordered with a discounting procedure commonly known as present value. Present value revalues future cash flows according to the accrual of interest that would have been realized, had they occurred in the present. Specifically, the cash flow within a time step is discounted by a factor equal to the inverse of one plus the market rate of interest, k , compounded by time – $(1/(1+k))^t$. The present value procedure can be shown more formally as:

$$PV = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \dots + \frac{CF_n}{(1+k)^n} \quad (1)$$

or,

$$\sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (2)$$

where,

PV = present value

CF_t = cash flow in time t

k = market cost (rate) of interest

Hence, $1/(1+k)^t$ is the discount factor by which the cash flows of time t are reduced.

Present value analysis equates cash flows at different points in time to the present, and constitutes a fundamental principle of financial and investment analysis. Essentially, present value normalizes the cash flows at the market rate of discount.

Consider a cash flow occurring at time, $t=0$. Since the cash flow occurs in the present and, unlike the subsequent cash flows shown in (3), below, no interest is foregone and thus it is not discounted:

$$NPV = CF_0 + \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \dots + \frac{CF_n}{(1+k)^n} \quad (3)$$

Presume that a savings agent, a household, invests savings. The purchase of an investment or financial asset such as securities or other liquid assets by the agent constitutes a negative cash flow – an outflow of money. It is the expectation of positive cash flows later that induces the purchase. Positive cash flows prospectively, as expected, tend to balance the negative cash outflow associated with the purchase of the asset. All negative and positive cash flows are contained in net present value, as shown in (4) below:

$$NPV = -CF_0 + \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (4)$$

where,

NPV = net present value – *i.e.*, the net of all positive and negative cash flows

If net present value (NPV) is positive, the investment action is “economic” in the sense that the expected positive cash flows, discounted at the market cost of capital, are greater than – or at least equivalent to – the purchase price of the asset, the negative flow.

Competitive capital markets – or the processes of market competition – seek to discover and exhaust all opportunities for positive and negative present values. That is, the *expected* NPV of investment opportunities approximates zero, given the implicit rate of discount harbored by investors. Essentially, the market value of assets is driven to its competitive level prospectively because of arbitrage inherent to competitive markets. Market forces bid prices up in the presence of expected positive returns (NPV), or bid prices down if negative returns are expected. The discounted positive cash flows equate to and balance the purchase cost of the asset, as shown in (5), below:

$$CF_0 = \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (5)$$

In market equilibrium, then:

$$P_0 = \frac{CF_1}{(1+k)^1} + \frac{CF_2}{(1+k)^2} + \frac{CF_3}{(1+k)^3} + \dots + \frac{CF_n}{(1+k)^n} \quad (6)$$

$$P_0 = \sum_{t=1}^n \frac{CF_t}{(1+k)^t} \quad (7)$$

where,

P_0 = market price at time $t=0$

The market cost of capital implicitly incorporates investor’s perceptions of risk and expectations about inflation over the life of future cash flows. It is straightforward to solve for the market cost of capital, k , as we are confronted with one equation and one unknown value. For example,

to solve for the internal rate of cost of a debt obligation of a borrowing firm, such as bond, simply determine the internal rate of discount that equates the positive cash flow occurring at time zero, CF_0 , and the negative flows, $-\Sigma CF_t$, which represent the annual interest cost and retirement of the principle. The discounted negative cash flows from the perspective of the borrowing firm can be shown as $-\Sigma CF_t/(1+k)^t$. The analysis problem for lenders is precisely the same except that the signs attending the cash flows are reversed. Hence, the rate of discount is both the opportunity cost of capital to investors, given market arbitrage, and the cost of capital to the borrowing firm.

Investors expected earnings reflect expectations of future cash flows associated with shares of stock, and thus determine the stock price currently. Assume that investors expect earnings, E_t , and dividends, D_t , to grow at some constant rate, g , over the future, such that:

$$\begin{aligned} E_t &= (1-g)E_{t-1} & (8) \\ E_1 &= (1-g)E_0 \\ E_2 &= (1+g)E_1 = (1+g)^2E_0 \\ &-- \\ &-- \\ &-- \\ E_n &= (1+g)^nE_0 \end{aligned}$$

Dividends of course are a function of earnings and therefore represent, along with price appreciation, the discounted cash flows. Dividends can thus be shown similarly to that of earnings, as below:

$$\begin{aligned} D_t &= (1-g)D_{t-1} & (9) \\ \text{i.e., } D_1 &= (1-g)D_0 \\ D_2 &= (1+g)D_1 = (1+g)^2D_0 \\ &-- \\ &-- \\ &-- \\ D_n &= (1+g)^nD_0 \end{aligned}$$

Further, assume that dividends, D_t , are a fixed share, m , of earnings, E_t , such that:

$$D_t = mE_t \quad \text{and,} \quad D_t/E_t = m \quad (10)$$

From equation (8), then:

$$D_t = m(1-g)E_{t-1} \quad (11)$$

$$\text{and, } D_n = m(1+g)^nE_0$$

Restating equation (7) to represent dividends as a fixed share of earnings which are paid out, provides:

$$P_0 = \sum_{t=1}^n \frac{mE_t}{(1+k)^t} \quad (12)$$

$$= \frac{mE_1}{(1+k)^1} + \frac{mE_2}{(1+k)^2} + \frac{mE_3}{(1+k)^3} + \dots + \frac{mE_n}{(1+k)^n}$$

Observation will disclose that in fact the payout ratio is volatile and tends to offset the volatility in earnings so that dividend growth (realized cash flows) is smoothed.

Equation (12) can be restated to read:

$$P_o = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \frac{D_3}{(1+k)^3} + \dots + \frac{D_n}{(1+k)^n} \quad (13)$$

$$= \sum_{t=1}^n \frac{D_t}{(1+k)^t}$$

The relationship between D_{t-1} and D_t is simply $(1+g)$, which is also the relationship between E_{t-1} and E_t defined in (8). And, with an assumed constant payout ratio or share of earnings, the following is obtained:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \dots + \frac{D_o(1+g)^n}{(1+k)^n} \quad (14)$$

$$= \sum_{t=1}^n \frac{D_o(1+g)^t}{(1+k)^t}$$

Now, assume an infinite time horizon:

$$P_o = \frac{D_o(1+g)}{(1+k)} + \frac{D_o(1+g)^2}{(1+k)^2} + \frac{D_o(1+g)^3}{(1+k)^3} + \dots + \frac{D_o(1+g)^\infty}{(1+k)^\infty} \quad (15)$$

Equation (15) above is simply a geometric series with a growth and discounting parameter, $(1+g)/(1+k)$, that defines the relative value of any two sequential terms.¹ Therefore, (15) may be expressed as:

$$P_o = \frac{D_o(1+g)}{(1+k)} \left[\frac{1 - [(1+g)/(1+k)]^\infty}{1 - (1+g)/(1+k)} \right] \quad (16)$$

And since $[(1+g)/(1+k)]^\infty$ is zero,² and $[1 - (1+g)/(1+k)]$ is equal to $(k-g)/(1+k)$, the following form can be obtained:

¹ With $(1+g) = d$, and $(1+k) = r$, a series of the form:

$$\sum_{t=1}^n a(d/r)^t = a \sum_{t=1}^n (d/r)^t$$

This may be alternately expressed as:

$$a \frac{d}{r} [1 - (d/r)^n] / [1 - (d/r)]$$

² If $k > g$

$$P_o = D_o(1-g)/(k-g) \quad (17)$$

Multiplying through by $(k-g)$ and $1/P_o$, and rearranging gives:

$$k = D_o(1-g)/P_o - g \quad (18)$$

This is the derived form of the constant growth Discounted Cash Flow model.

In addition, the assumption of an infinite time horizon can be relaxed. Assume that the investor has a finite time horizon, n , with a salvage value equal to P_n and a constant price-earnings ratio. Equation (14) is then restated as:

$$P_o = \sum_{t=1}^n \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_n}{(1+k)^n} \quad (19)$$

Since $P_o/E_o = P_n/E_n$, $P_n = P_o(1+g)^n$. Thus, (19) can be restated as:

$$P_o = \sum_{t=1}^n \frac{D_o(1+g)^t}{(1+k)^t} + \frac{P_o(1+g)^n}{(1+k)^n} \quad (20)$$

The first term on the right may be restated as described above, and incorporated into (21), shown below:

$$P_o = \frac{D_o(1+g)}{(k-g)} [1 - (1+g)^n/(1+k)^n] + P_o(1+g)^n/(1+k)^n \quad (21)$$

Rearranging and simplifying terms obtains:

$$P_o - P_o(1+g)^n/(1+k)^n = \frac{D_o(1-g)}{(k-g)} [1 - (1+g)^n/(1+k)^n] \quad (22)$$

or,

$$P_o [1 - (1+g)^n/(1+k)^n] = \frac{D_o(1-g)}{(k-g)} [1 - (1+g)^n/(1+k)^n]$$

Now, dividing both sides by $[1 - (1+g)^n/(1+k)^n]$ gives an equivalent result to (17):

$$P_o = D_o(1-g)/(k-g) \quad (23)$$

Rearranging terms provides:

$$k = D_o(1-g)/P_o - g \quad (24)$$

Thus, the constant growth form of Discounted Cash Flow is derived for a finite time horizon.

Robert J. Camfield

RESUME

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Academic Background:

M.A., Western Michigan University, 1975, Economics
 B.S., Ferris State College, 1969, Management
 Interlochen Arts Academy, 1964

Positions Held:

Vice President, Laurits R. Christensen Associates, Inc., present
 Senior Economist, Laurits R. Christensen Associates, Inc., 1994-December 2002
 System Economist, Southern Company Services, 1993-1994
 Economist, Southern Company Strategic Planning, 1992-1993
 Strategic Planner, Southern Company Strategic Planning, 1990-1992
 Project Manager, Georgia Power Company, 1983-1990
 Chief Economist, Public Utilities Commission, State of New Hampshire, 1979-1983
 Staff Economist, Michigan Public Service Commission, 1976-1979

Professional Experience:

I have served as Chief Economist of a Regulatory Agency, and System Economist for the Southern Company. My electric power industry experience includes numerous projects involving retail pricing strategy, cost assessment, wholesale price forecasting, investment strategy, testimony before regulatory agencies, negotiator of contracts for generation services, franchise licenses, and transfer pricing. I have been involved in several large projects abroad, most recently serving as manager of a market restructuring project in Central Europe. I have served on national committees and advised major electric companies on corporate strategy. Major innovations include two-part tariffs for transmission services, web-based self-designing retail electric tariffs, marginal cost-based cost-of-service, and efficient pricing of distribution services. Currently, I serve as Program Director of a national Market Design School.

Major Projects:

Consultation on the FERC's Standard Market Design, for a major electric utility.

Software Capabilities for Evaluation of Transmission Expansion Plans, for a major transmission company.

Methodology to Conduct an Economic Assessment of Transmission Expansion Plans.

Electric Wholesale Price Forecasting and Transmission Assessment for Power Contracting Support, for an electric power merchant.

Economic Assessment of Transmission Expansion Plans, for a large transmission company.

Terms of the Licensing Agreement for a Utility Privatization, for an international energy company.

Corporate Unbundling and Purchased Power Contract, for a major electric utility.

Competitive Wholesale Prices for Reserve Services, for a major electric utility.

Evaluation of Generation Investment Strategy, for a major electric utility.

Long-Term Projections of Regional Wholesale Power Prices, for a major electric utility.

Managing Risk In Restructured Power Markets, for a major electric utility operating in a restructured power market.

Customer Value of Reliability, for a major electric system.

Estimation of Generator Costs and Network Locational Prices, for a major distribution company in New Zealand.

Market Restructuring and Tariff Design, for a central European country.

Pricing Design Strategy, for a major U.S. utility.

Developing Transmission and Distribution Marginal Costs, for a large municipal utility.

Economic Costs and Prices, for the Turkish Electricity Authority.

Network Cost Evaluation and Transmission Tariffs, for the National Grid Company of a Central European Country.

Optimal Power Flow Network Software, for a major U.S. utility.

Marginal Cost Development As a Basis For Jurisdictional and Class Cost Allocation, for a major U.S. utility.

Development of Transmission Spot Pricing Capability, for a major U.S. utility.

Methodology to Estimate Regional Wholesale Power Prices, for a major U.S. utility.

Estimation of Wholesale Market Prices within the Northwest, for a major electric utility.

Marginal Cost Estimate within Transmission Networks, for a national electricity institute.

Pricing Strategy Advice, for a distribution utility operating in a competitive market.

Cost-of-Service Study and Pricing for, a distribution utility.

Marginal Cost-based Cost-of-Service study, for a major U.S. utility.

Analysis of the Impact of Real-time Pricing, for a major U.S. utility.

Economic Analysis of Pricing Strategies, for a major U.S. utility.

Economic Analysis of TOU Service Design Options, for a major electric utility.

Evaluation and study of the Formation of a Financing Subsidiary, for a major U.S. utility.

Nuclear Fuel Cycle Analysis, for a major U.S. utility.

Estimate of Marginal Costs of Selected U.S. Utilities, for a major U.S. utility.

Impacts of Employment Multipliers Associated with New Business Locations, for a major U.S. utility.

Professional Papers and Key Reports:

“Implications of SMD and RTOs on Retail Pricing,” for a major retail service provider.

“Incorporating Reserve Services and Scarcity Rents into Wholesale Price Forecasting,” delivered by EPRI’s *Pricing Forecasting Conference* (November 2001), co-authored with James Lamb, David Armstrong, and David Glycer).

“Exploring Transmission PBR and Power Market Reform,” National PBR Conference, 2001, (with Ross Hemphill).

“Incorporating Reserve Services and Scarcity Rents Into Wholesale Price Forecasting,” EPRI Pricing Forecasting Conference, 2001, (with James Lamb, David Armstrong, and David Glycer).

“Self-Designing Tariffs,” EPRI International Pricing Conference, 2000, (with David Glycer and John Kalfayan).

“The New Pricing Organization,” EPRI International Pricing Conference, 2000, (with Michael O’Sheasy).

“Efficient Pricing of Transmission Services,” *The Electricity Journal*, 2000, (with Anthony Schuster).

“Pricing in Competitive Electricity Markets,” *Distribution Services*, 2000, Ahmad Faruqui and Kelly Eakin, eds., Kluwer Academic Publishers, 2000, (with Laurence Kirsch).

“Tariff Study” EPRI Project Report: An EPRI report to the Polish Power Grid Company. The report provides recommendations for market reform and restructuring. Recommendations to unbundle electric service into competitive and regulated sectors are provided. The report also provides estimates of 1) competitive generation prices with locational dimensionality and, 2) estimates of the net benefits from restructuring, 1999, (with Charles Clark and Laurence Kirsch).

“Developing and Pricing Distribution Services,” delivered before EPRI’s Innovative Electricity Pricing Conference, 1998, and also in *Pricing in Competitive Electricity Markets*, Ahmad Faruqui and Kelly Eakin, eds., Academic Press, Amsterdam, 2000, (with Laurence Kirsch).

“Determination of Location and Amount of Series Compensation to Increase Power Transfer Capability,” presented before the International Association of Electrical and Electronic Engineers summer conference in Berlin, Germany, 1996, (with Fernando Alvarado, Rajesh Rajaraman, Arthur Maniaci, and Sasan Jalali).

“Open Transmission Access: An Efficient, Minimal Role for the ISO,” International Conference On System Sciences, 1996, (with Fernando Alvarado and Rajesh Rajaraman).

“Transmission Comprehensive Marginal Costing,” EPRI Project Report: An EPRI report of the transmission spot pricing study conducted for The Southern Company. The report covers the conceptual design of the Marginal Costing Within Transmission Networks (MCTN) approach, software, empirical findings, and pilot applications, 1996, (with Keith Calhoun, David Glycer, Laurence Kirsch, Romkaew Broehm, and Michael Salve).

“Load Response Modelling Within Network Systems,” a white paper that provides empirical estimates of the net benefits to consumers and service providers realized from incorporating spatially differentiated load response into system operations. Conducted with EPRI’s Marginal Costing Within Transmission Networks (MCTN) software, 1996, (with Steve Braithwait, Pankaj Sahay, Arthur Maniaci, and Rajesh Rajaraman).

“Incorporating Optimal Power Flow Capability Into MCTN,” a white paper that contrasts Optimal Power Flow with EPRI’s Marginal Costing Within Transmission Networks (MCTN) prototype software, and provides recommendations on incorporating Optimal Power Flow (OPF) into MCTN, 1996, (with Fernando Alvarado and Alfred Shultz).

“Transmission Pricing Strategies,” A report that reviews transmission pricing methodologies and provides guidelines to a major integrated electric system to develop transmission tariffs, 1995, (with Roehm Brehm and Laurence Kirsch).

“Methodology to Estimate Regional Wholesale Power Prices,” A technical white paper that presents, in substantial detail, a methodology to develop projections of power prices within large regions of the U.S., 1995.

“Profitability of Retail Market Segments,” A report regarding expected long-run profits obtained from serving various retail markets, 1989.

“Profit Impact of Employment Multipliers,” A report of the secondary profit impacts realized from the location of new business customers in the region served by an electric utility. The study assesses the secondary profit impacts, which are largely determined by the input linkages between the new business location and other sectors of the economy and labor markets. Secondary impacts vary greatly; depending on the sector, the secondary profit effects can be larger than the profits from direct sales, or negative, 1988.

“Long-Run Marginal Costs,” A technical report of projections of marginal costs of generation, transmission, and distribution services provided by a major electric utility, 1985 – 1988.

“Impact of Electric Prices on the Regional Economy,” A report that provides estimates of the impacts of regional electric prices on the costs of doing business within regions. Depending upon the intensity of electric use and regional purchase shares, regional electric prices can have strong influence on the relative competitiveness of some sectors of regional economies, 1985.

“Secular Distortions in Regulated Prices and Impacts on the Cost of Capital to Utilities” A technical discussion paper delivered before the annual meeting of the Eastern Economics Association. The paper demonstrates the degree that investors discount non-cash returns to capital in the form of construction work in progress, thus increasing the cost of capital to regulated utilities, 1981.

National Conference Engagements and Technical Workshops:

Program Director and Lecturer for the Edison Electric Institute’s *Market Design and Transmission Pricing School*, 1999-2002.

Chair of a Three-Day Workshop on Locational Pricing and Market Design, September 2002.

Session Chair and Speaker for the Transmission PBR topic: Delivered before the Performance-Based Ratemaking conference sponsored by Electric Utility Consultants, Inc., 2001.

Presenter at the Review of U.S. Electric Markets seminar: Delivered before a delegation of Chinese power industry officials, sponsored by a major independent energy company, 2001.

Efficient Pricing for Distributed Resources: Delivered before the Distributed Resources Workshop sponsored by InfoCast and Christensen Associates, 1999, (with Ross Hemphill).

Pricing Distribution Services: Delivered before the Unbundling and Pricing Wires Services conference sponsored by InfoCast and Christensen Associates, 1999.

Technical Methods of the Design of Unbundled Transmission and Distribution Tariffs: Delivered before the Workshop on Unbundling Electric Power sponsored by the Polish Power Grid Company, 1999.

Bottlenecks Within Midwest Power Markets: Delivered before the conference on Power Markets In MAIN and MAPP sponsored by InfoCast, 1999 (with Rajesh Rajaraman).

Pricing Transmission Services: Delivered before the Economics Committee of the Edison Electric Institute, 1999.

The Key to Profits: Understanding Costs and Customer Behavior: Delivered before the conference on Measuring Customer Profitability For Utilities sponsored by Global Business Research, 1998, (with Ahmad Faruqi).

Repricing Transmission Services: Delivered before the conference on Successful Transmission Pricing sponsored by Center for Business Intelligence, 1997.

Pricing Distribution Services: Delivered before the conference on Achieving Success In Evolving Power Markets sponsored by the Power Markets and Resource Management group, Electric Power Research Institute (co-presenter with Charles Clark, EPRI, and Laurence Kirsch, Christensen Associates), 1997.

Incorporating Transmission Incentive Rates for Increased Efficiency and System Upgrade, delivered before the conference on Developing and Implementing ISO Rates and Structures sponsored by International Business Communications, 1997.

The ISO: Efficient Organization of Power Markets: Delivered before the Rate Symposium sponsored by University of Missouri, 1997.

Transmission Pricing Strategies: Delivered before the conference on Pricing Strategies In Electric Power sponsored by International Institute Research Conference, 1996, (with Keith Calhoun).

Long and Short-Run Marginal Costs for Transmission and Distribution Services: Delivered at the Workshop on Estimating Marginal Costs sponsored by EPRI, 1996.

Costing and Pricing Transmission: Workshop for the Transmission Pricing Task Force of the Southwest Power Pool. Working with an EPRI/LRCA team, organized and presented the MCTN approach to transmission costing, along with the workings of a two-part structure for a transmissions services tariff, 1996.

Designing Rates and Services for Restructuring Electric Utilities: Delivered before the conference on Performance-Based Pricing sponsored by International Business Communications, 1996, (with Douglas Caves).

Projecting Wholesale Prices: Delivered before the conference on Achieving Success In Evolving Electric Markets sponsored by EPRI, 1996.

Session Chair On Coordination Functions: At the conference on Achieving Success In Evolving Electric Markets sponsored by EPRI, 1995.

Evolving Power Markets: Delivered before the conference on Innovative Rate Design Conference sponsored by EPRI, 1994.

Evolving Power Markets Abroad: Delivered before the Real-time Pricing and C-VALU Workshop sponsored by EPRI, 1994.

Efficient Transfer Pricing of Generation and Transmission Services of Integrated Electric Systems: Delivered before the annual conference of the Model Users Forum of Regional Economic Models, Incorporated, 1993.

Changing Power Markets Abroad: Delivered before the conference on Real-Time Pricing sponsored by EPRI Market Management Business Unit, 1993.

Secondary Impacts on Utility Profits, Impacts of New Business Locations: Delivered before the annual conference of the *Model Users Forum of Regional Economic Models*, 1992.

Served as Session Chairman or Reviewer at the Annual Conference of the Advanced Seminar in Regulatory Economics sponsored by Rutgers University 1986, 1990-1993.

Market Segmentation and Pricing Efficiency: Delivered before *the Innovative Rate Design Conference* sponsored by EPRI, 1988.

Selected Testimony before Regulatory Agencies:

De Pere Energy LLC: 9335-CE-100, Wisconsin PSC; A request for Certificate For Public Convenience and Necessity (CPCN) to begin construction of the 255 MW combined-cycle cogeneration plant in northeastern Wisconsin. The testimony discusses the implications of current and emerging competition on transmission reliability and planning, with particular focus on the Wisconsin western interface, 1997.

UGI Corporation, Docket R-832331: Testimony regarding Cost of Capital in the application before the Pennsylvania Public Utilities Commission for an increase in prices of retail gas service; August, 1983.

Public Service Company of New Hampshire, Docket DR 79-187: Testimony regarding the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for retail electricity service; February, 1980.

Upper Peninsula Telephone Company, Docket U-5724: Testimony regarding the Cost of Capital in the application before the Michigan Public Service Commission for an increase in prices for retail telephone service; July 1978.

Investigation Into Electricity Peak Demand, Docket DR 80-47: Testimony regarding electricity demand before of the New Hampshire Public Utilities Commission's generic inquiry into the demand for electricity; May, 1981.

Wilmington Suburban Water Corporation, Docket 80-24: Testimony on the Cost of Capital in the application before the Delaware Public Service Commission for an increase in prices for retail water service; November, 1980.

New England Telephone Company, Docket DR 80-23: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for retail telephone service; February, 1980.

Hudson Water Company, Docket DR 80-218: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for retail water service, February, 1981.

Granite State Electric Company, Docket DR 81-86: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for retail electricity service; July, 1981.

Public Service Company of New Hampshire, Docket DR 79-187: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in retail electricity prices; February, 1980.

Northern Utilities, Docket DR 80-104: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for gas service; October, 1980.

Public Service Company of New Hampshire, Docket DR 81-87: Testimony on the Cost of Capital in the application before the New Hampshire Public Utilities Commission for an increase in prices for retail electricity service; July, 1981.

Michigan Consolidated Gas Company, Docket U-5955: Testimony on the Cost of Capital in the application before the Michigan Public Service Commission for an increase in prices for retail gas service; March, 1979.

Michigan Gas Utilities Company, Docket U-6022: Testimony on the Cost of Capital in the application before the Michigan Public Service Commission for an increase in prices for retail gas service; June, 1979.

Investigation Into the Supply and Demand for Electricity, Docket DE 81-312: Testimony on the Demand Analysis (Technical Paper J) and Demand Elasticity (Technical Paper S) in the investigative docket of the New Hampshire Public Utilities Commission regarding electricity demand and supply strategies; October, 1981.

New England Power Company, Docket ER 81-70, 71: Testimony on the Cost of Capital in the application before the Federal Energy Regulatory Commission for an increase in prices for wholesale generation and transmission service; August, 1981

Southeastern Michigan Gas Company, Docket U-5452: Testimony on the Gas Rate Design in the application before the Michigan Public Service Commission for an increase in prices for retail gas service; June, 1978.

**DIRECT TESTIMONY
OF
CHERYL MARTIN,
MEHRDAD KHOJASTEH
AND
JIM MESITE, JR.**

IN

**FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI**

**IN RE: PETITION OF
FLORIDA PUBLIC UTILITIES COMPANY
FOR AN ELECTRIC RATE INCREASE**

- 1 **Q. Please state your name, affiliation, business address and summarize your**
2 **academic background and professional experience.**
- 3 A. Witness Martin: My name is Cheryl Martin. I am the Controller for Florida
4 Public Utilities Company (FPU), which has business offices at 401 South Dixie,
5 West Palm Beach, Florida 33401. I have been employed by FPU since 1985
6 and performed numerous accounting functions until I was promoted to
7 Corporate Accounting Manager in 1995 with responsibilities for managing the
8 Corporate Accounting Department including regulatory accounting (Fuel, PGA,
9 conservation, rate cases, Surveillance reports, reporting), tax accounting,
10 external reports, and special projects. In January 2002 I was promoted to my
11 current position of Controller where my responsibilities are the same as above
12 with additional responsibilities in the purchasing and general accounting areas
13 and Security and Exchange Commission (SEC) filings. I have been an expert
14 witness for numerous proceedings before the Florida Public Service

1 Commission (FPSC) including rate relief in Docket Numbers 881056-EI and
2 930400-EI for electric and 900151-GU and 940620-GU for natural gas. I
3 graduated from Florida State University in 1984 with a BS degree in
4 Accounting. Also, I am a Certified Public Accountant in the state of Florida.

5 Witness Khojasteh: My name is Mehrdad Khojasteh. I am the Corporate
6 Accounting Supervisor for FPU, a position I have held since June 2003. In this
7 position, I am the direct supervisor of the Senior Tax Accountant and I assist the
8 Controller with supervising the Corporate Accounting Department. I am also
9 responsible for FASB and SEC related compliance. Prior to this position I was
10 a Regulatory Accountant from November 1996 to March 1997 and a Tax
11 Accountant from April 1997 to May 2003. I received a BS degree from Florida
12 Atlantic University in 1995 with a major in Accounting.

13 Witness Mesite: My name is Jim Mesite, Jr. I am the Senior Project
14 Accountant in the Corporate Accounting department at FPU. In my present
15 position I am responsible for converting the manual continuing property records
16 of five regulated and three non-regulated operating divisions to an automated
17 fixed asset system. I am also responsible for preparation and filing of FPSC
18 Staff assisted depreciation studies for the regulated electric and gas divisions,
19 PGA and fuel filings. I am also responsible for the review and evaluation of
20 fixed asset issues involving acquisitions, dispositions, retirements, capital
21 versus expense, and chart of accounts. I joined FPU in 1995 as a Special
22 Project Accountant and was promoted to my current position in March 2002. I

1 graduated from Northeastern University in 1976 with a BS degree in Business
2 Administration, with a major in Accounting.

3 **Q. What is the purpose of your testimony in this proceeding?**

4 A. Witnesses Khojasteh, Mesite, and Martin: We provide the accounting
5 information that supports the proposed increase in revenue requirements for
6 FPU. We are specifically responsible for the information provided in Schedules
7 B and C. Supporting information to these schedules has also been provided by
8 the division directors of each area as well as the CFO and Treasurer and is
9 indicated in their testimony (see the testimony of Mark Cutshaw and George
10 Bachman).

11 **Q. What is the revenue increase requested by FPU in this proceeding?**

12 A. Witness Martin: FPU is requesting a permanent increase in the electric rates and
13 charges for its consolidated electric operations in the amount of \$4,117,121 in
14 order to cover the deficiencies in revenues for the projected 2004 test year. In
15 accordance with Rule 25-6.140, F.A.C., Test Year Notification, we have
16 notified the FPSC that we have selected the twelve-month period ending
17 December 31, 2004, as the projected test year for our petition to increase our
18 rates and charges. This is the first increase we have requested for either
19 operating division since 1994.

20 **Q. How did you derive the projected revenue requirement for the 2004 test
21 year?**

22 A. Witness Martin: The derivation of the revenue requirement and projected
23 revenue deficiency is summarized in Exhibit CM-1, which is a re-creation of
24 page 2 of Schedule C-59 (C-2). In summary, the 2004 revenue requirement is

1 determined by multiplying the projected rate base by the required rate of return
2 to arrive at the operating income required. This required operating income is
3 then compared to the projected 2004 operating income using our existing billing
4 rates and charges and projected rate base and operating expenses. Any
5 deficiency in operating income is then expanded using the revenue expansion
6 factor to arrive at the additional revenue required to realize a fair rate of return
7 on rate base. This required increase amounts to an additional \$ 4,117,121 in
8 annual electric rates and charges. The required rate of return is 9.00% as is
9 shown on Schedule C-59 (D-1). The projected rate base is \$39,840,870 and is
10 provided in Exhibit CM-2, also provided as Schedule C-59 (B-3).

11 Witness Khojasteh: O&M expenses were projected using the adjusted 2002
12 expenses multiplied by one of several trend factors. Expense items for which
13 deviation from the trended amount is anticipated have been adjusted for specific
14 cost estimates or other increases and decreases above and beyond the trended
15 amounts. Exhibit CM-3 provides a list of the projection factors used and the
16 actual calculations are shown in Schedule C-59 (C-19). The most commonly
17 used trend factors include Inflation, Payroll Growth, Revenue Growth, Inflation
18 & Customer Growth, and Payroll Growth & Customer Growth. Expert
19 estimates and known changes and cost amounts have been used for certain
20 expenses and are indicated accordingly.

21 Witness Mesite: Depreciation and amortization expenses for 2004 are projected
22 to be \$2,708,403. The depreciation expenses are shown by plant sub-account
23 on Schedule C-59 (C-34). The depreciation expense and reserves have not been

1 adjusted for the effects of our current electric depreciation study, to be effective
2 January 1, 2004, and the revenue requirements will need to be adjusted for this
3 change accordingly.

4 Witness Khojasteh: Current and Deferred Income Taxes for 2004 are projected
5 using the projected taxable operating income less interest expenses less
6 deductions multiplied by the current state and federal tax rates. These
7 calculations are shown on Schedules C-59 (C-39, C-40, and C-42). The 2004-
8 projected investment tax credit is calculated from the ITC amortization schedule
9 for the Northwest (Marianna) and Northeast (Fernandina Beach) electric utility
10 divisions. ITC amortization amounts are credits taken from the 1962 through
11 1988 periods and are currently amortized based on the average depreciation
12 rates. Annual ITC balances and amortization details appear in Schedule C-59
13 (B-23b).

14 A projection of 2004 operating revenues is required to complete the various
15 schedules mentioned above. Operating revenues for 2004 are projected using
16 current rates multiplied by the projected 2004 weather-normalized billing
17 determinants (number of customers and usage). Projected operating revenues
18 for 2004 are shown on Schedule C-59 (C-10). See Mark Cutshaw's testimony
19 for additional information on billing determinant forecasts. A summary table
20 showing the derivation of net operating income for 2002, 2003, and 2004 is
21 provided in Exhibit CM-4.

22 **Q. Explain the company adjustments made to rate base for the historic year?**

1 A. Witness Mesite: Historic 2002 Working Capital has been adjusted to reflect the
2 proforma results to the electric divisions of the previously referenced sale of our
3 water division at the Fernandina Beach location in March of 2003. These
4 accounts are retained and had been previously partially allocated to the water
5 division and accordingly the effects of those allocations were reallocated to the
6 remaining divisions and utilities. For the same reason, several general plant
7 accounts were adjusted to reflect the elimination of the water division.

8 Additional adjustments were made to reflect two proposed changes from the
9 current established method of calculating working capital. First, currently we
10 report cash at the lower of the current period 13-month average or the five-year
11 13-month average: we propose that cash should be reported exclusively at the
12 current 13-month average to allow for consistency in the rate base determinants.
13 Second, since fuel and conservation are items that are eliminated from base
14 revenue determination, and all of the income statement and balance sheet effects
15 from these transactions are eliminated for this purpose with the current
16 exception of over recoveries left in working capital; we feel that both the over
17 and under recoveries should either be left in working capital or both be removed
18 from working capital. It is not consistent to leave only one side of this balance
19 sheet item in working capital as both components, over and under recoveries on
20 fuel and conservation have a built in interest mechanism to allow for either a
21 return to the customers or to the company as appropriate. To eliminate only the
22 under recoveries double penalizes the company by requiring them to not only
23 pay a return to the customers on the over recovery balance, but to also reduce
24 the ability to earn a return on a portion of rate base equal to that over recovery

1 balance. The effect of the above proposals and adjustments are detailed on
2 Schedules B-4.

3 **Q. Explain the company adjustments made to expenses for the historic year?**

4 A. Witness Khojasteh: The 2002 historic operating expenses have been adjusted to
5 reflect the effects of the loss of our water division; FPU sold its water utility
6 system in March of 2003. Since 2002 is used as a basis for our trended
7 expenses for the 2004 test year, these adjustments had to be made on a proforma
8 basis to the historic year.

9 These adjustments reflect the loss of some synergy in overheads at the division
10 and corporate level from the sale of our water division.

11 **Q. How does the company allocate costs for corporate charges across the
12 different utility services?**

13 A. Witness Martin: The company allocates costs for corporate charges across the
14 different utility services on a consistent basis. The allocation method varies by
15 account, but we use allocation factors based on number of customers, base
16 revenue recovered, plant in service, and time studies to allocate the various
17 charges as appropriate. At the local level, when there are multiple utilities, the
18 company applies these same methods but at the divisional level. The
19 allocations from the local office in Fernandina Beach, and the corporate office,
20 had to be recomputed to account for the sale of the water division and the
21 retained overheads, and reallocated to the remaining divisions and utilities as
22 appropriate. We have indicated the effects of these reallocations as an

1 adjustment to the historic year, and have the details supporting those
2 adjustments at the office for review.

3 **Q. Does this conclude your written prepared testimony?**

4 A. Yes.

Exhibit CM-1

Schedule C-59(C-2)

ADJUSTED JURISDICTIONAL NET OPERATING INCOME

Type of Data Shown

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the calculation of jurisdictional net operating income for the test year and the prior year.

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness Mehrdad Khojasteh

COMPANY, FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO 030436E1

		Revenue Requirement		
		<u>2003</u>	<u>2004</u>	
(1)	Jurisdictional Adjusted Rate Base	C-59 (B3)	36,001,522	39,840,870
(2)	Rate of Return on Rate Base Requested	C-59 (D1)	8.20%	9.00%
(3)	Jurisdictional Income Requested	(1) x (2)	2,952,125	3,585,678
(4)	Jurisdictional Adjusted Net Operating Income	C-59 (C2)	1,543,318	1,088,574
(5)	Income Deficiency (Excess)	(3) - (4)	1,408,807	2,497,104
(6)	Earned Rate of Return	(4) / (1)	4.287%	2.732%
(7)	Net Operating Income Multiplier	C-59 (C58)	1.64876	1.648758433
(8)	Revenue Deficiency (Excess)	(5) X (7)	2,322,782	4,117,121
(9)	Attrition Allowance		N/A	N/A
(10)	Total Revenue Increase Requested	(8) + (9)	2,322,782	4,117,121
(10a)	Increase due to Service Charges and Other Revenues			94,933
(10b)	Increase in Base Revenues			4,022,189
(11)	Base Revenues	C-59 (C10)	11,187,284	11,361,793
(12a)	Total Revenue % Increase on Base Revenues			36.24%
(12b)	Base Revenue % Increase on Base Revenues	(10b) / (11)	20.76%	35.40%
(13)	Base + Fuel + Conservation Revenues	C-59 (C10)	37,088,316	38,941,237
(14)	% Increase on Base + Fuel + Conservation Revenues		6.09%	10.57%

Supporting Schedules B-3, B-23b, C-4, C-10, C-19, C-34, C-38a, C-39, C-40, C-42

Recap Schedules.

Schedule C-59(B-3)

ADJUSTED RATE BASE

Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

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-4.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Witness: Jim Meste

Line No.	(1) Projection Basis	(2) Total Company Per Books	(3) Commission Adjustments (B-4)	(4) Total As Adjusted By Commission (1) + (2)	(5) Company Adjustments (B-4)	(6) Total After Adjustments (3) + (4)	(7) Jurisdictional Rate Base Factor	(8) Adjusted Rate Base
UTILITY PLANT: 2004								
		65,722,932		65,722,932	(35,088)	65,687,844		65,687,844
		1,721,031		1,721,031	-	1,721,031		1,721,031
		3,691		3,691		3,691		3,691
		621,692		621,692	(923)	620,769		620,769
		<u>68,069,347</u>	-	<u>68,069,347</u>	<u>(36,011)</u>	<u>68,033,336</u>		<u>68,033,336</u>
DEDUCTIONS:								
		(27,689,659)		(27,689,659)	17,543	(27,672,116)		(27,672,116)
		(455,192)		(455,192)	-	(455,192)		(455,192)
		(3,691)		(3,691)		(3,691)		(3,691)
	13	(621,462)		(621,462)		(621,462)		(621,462)
		<u>(28,770,004)</u>	-	<u>(28,770,004)</u>	<u>17,543</u>	<u>(28,752,461)</u>		<u>(28,752,461)</u>
		<u>39,299,342</u>	-	<u>39,299,342</u>	<u>(18,468)</u>	<u>39,280,874</u>		<u>39,280,874</u>
ALLOWANCE FOR WORKING CAPITAL:								
		559,995		559,995		559,995		559,995
		<u>39,859,337</u>	-	<u>39,859,337</u>	<u>(18,468)</u>	<u>39,840,869</u>		<u>39,840,869</u>

Supporting Schedules: B-4, B-8a, B-8b, B-13, B-15

Recap Schedules: C-2

Exhibit CM-3

Schedule C-59(C-1)	PROJECTION BASIS FACTORS	Page 1 of 1
FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: Show the Trend Factors used to project Test Year and Prior Year Net Operating Income	Type of Data Shown: Historical Year 12/31/2002 Projected Test Year 12/31/2004 Projected Prior Year 12/31/2003 Witness: Mehrdad Khojasteh
COMPANY: FLORIDA PUBLIC UTILITIES Consolidated Electric Division		
DOCKET NO.: 030438E1		

Index	Projection Basis	Historical Test	Historical Test	Prior Year
		Year to Prior Year	Year to Test Year	to Test Year
		2002 to 2003	2002 to 2004	2003 to 2004
0	No Change	100.0%	100.0%	100.0%
1	Inflation	102.5%	103.9%	101.3%
2	Customer Growth	101.6%	103.2%	101.6%
3	Customer Growth FB	102.6%	105.3%	102.6%
4	Customer Growth M	100.6%	101.2%	100.6%
5	Payroll	103.0%	106.1%	103.0%
6	Sales (kWh)	101.0%	103.2%	102.2%
7	Sales (kWh) FB	105.4%	108.7%	103.1%
8	Sales (kWh) M	95.1%	95.9%	100.8%
9	Revenues (Base)	101.4%	103.9%	102.4%
10	Revenues (Base) FB	104.2%	107.7%	103.4%
11	Revenues (Base) M	98.2%	99.4%	101.2%
12	Plant	Direct	Direct	Direct
13	Inflation x Customer Growth	104.2%	107.2%	103.0%
14	Inflation x Customer Growth FB	105.2%	109.4%	103.9%
15	Inflation x Customer Growth M	103.1%	105.2%	102.0%
16	Payroll x Customer Growth	104.7%	109.5%	104.6%
17	Payroll x Customer Growth FB	105.7%	111.7%	105.7%
18	Payroll x Customer Growth M	103.6%	107.4%	103.6%
19	Zero Balance	0.0%	0.0%	0.0%
20	Direct Calculation	Direct	Direct	Direct

Other Considerations for 2003 & 2004 Expense Projection

Code	Description
a	SALARY ADJUSTMENTS. DIRECTOR, OP MANAGER & VACANCT POSITION (7 TO 9 MONTHS)
b	TOOL & EQUIPMENT. RELIABILITY
c	DUE TO NEW POSITION - SALARY & RELATED EXPENSES & LOCKBOX EXPENSE
d	DECREASE TO PROJECTED EXPENSE (NET OF LOCKBOX INCREASE) PER MC
e	NEW POSITION (BUILDING MAINT) & NETWORK ADMINISTRATOR POSITION UPGRADE LESS EXEC. SALARY ADJUSTMENT
f	SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
g	ECONOMIC DEVELOPMENT DONATIONS
h	NORTEL ANNUAL MAINTENANCE & SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
i	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH
j	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH & PURCHASE OF FURNITURE IN 2002
k	RATE CASE
l	RELIABILITY - SUBSTATION MAINTENANCE
m	RELIABILITY - SUBSTATION MAINTENANCE
n	ADDITIONAL POSITIONS - STANDBY LINE CREW LINE MAINT, TREE TRIMMING CREWS RELIABILITY, LINE MAINT, TREE TRIMMING CREWS
o	ADDITIONAL POSITION - WAREHOUSEMAN
p	4% ALLOCATED TO PROPANE IN FERNANDINA BEACH

Supporting Schedules:

Recap Schedules: B-2ab, B-3, B-15, C-10, C-19, C-39, C-40, C-52

Schedule C-59(C-2)

ADJUSTED JURISDICTIONAL NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY, FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO : 030438-EI

EXPLANATION. Provide the calculation of jurisdictional net operating income and the revenue requirement for the test year and the prior year.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	(1) Total Electric 2002 Per Books	(2) Commission Adjustments (Schedule C-4)	(3) Company Adjustments (Schedule C-4)	(4) Adjusted Amount 1 + 2 + 3	(5) Total Electric 2003 Projections	(6) Commission Adjustments (Schedule C-4)	(7) Company Adjustments (Schedule C-4)	(8) Adjusted Amount 5 + 6 + 7	(9) Total Electric 2004 Projections	(10) Commission Adjustments (Schedule C-4)	(11) Company Adjustments (Schedule C-4)	(12) Adjusted Amount 9 + 10 + 11
1	Operating Revenues:											
2	11,007,360	-	(87,374)	10,919,986	11,187,284	-	(91,183)	11,096,101	11,361,793	-	-	11,361,793
3	27,486,753	(27,486,753)	-	-	25,442,763	(25,442,763)	-	-	27,112,504	(27,112,504)	-	-
4	509,976	(509,976)	-	-	458,269	(458,269)	-	-	466,940	(466,940)	-	-
5	696,246	-	334,365	1,030,611	854,079	-	347,730	1,301,808	973,531	-	243,780	1,217,311
6	1,635,365	-	-	1,635,365	1,328,932	-	-	1,328,932	1,354,781	-	-	1,354,781
7	(376,020)	761,311	-	385,291	2,147,001	(1,557,241)	-	589,760	558,039	-	-	558,039
8	(30,000)	22,000	8,000	-	-	-	-	-	-	-	-	-
9	40,929,680	(27,213,418)	254,991	13,971,253	41,518,328	(27,458,273)	256,547	14,316,602	41,827,588	(27,579,444)	243,780	14,491,924
10												
11	Operating Expenses:											
12	4,125,825	143,313	455,852	4,724,990	5,498,490	-	-	5,498,490	5,927,426	-	-	5,927,426
13	26,497,775	(26,497,775)	-	-	26,728,458	(26,728,458)	-	-	26,852,624	(26,852,624)	-	-
14	486,636	(486,636)	-	-	454,620	(454,620)	-	-	463,182	(463,182)	-	-
15	1,363,161	4,244	66,593	1,433,998	1,498,028	-	-	1,498,028	1,756,768	-	-	1,756,768
16	2,187,524	-	4,180	2,191,704	2,463,836	-	-	2,463,836	2,708,403	-	-	2,708,403
17	622,965	(6,705)	42,180	658,440	676,269	(18,649)	-	657,620	695,818	(19,857)	-	675,961
18	2,665,977	(246,991)	246,991	2,665,977	2,630,740	(256,547)	256,547	2,630,740	2,572,092	(243,780)	243,780	2,572,092
19	-	-	-	-	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-	-	-	-	-
21	Income Taxes											
22	567,731	207,867	(188,574)	587,024	279,665	-	-	279,665	(90,954)	-	-	(90,954)
23	96,657	-	(6,169)	90,488	47,826	-	-	47,826	(15,616)	-	-	(15,616)
24	Deferred Income Taxes-Net											
25	(277,982)	-	-	(277,982)	(214,141)	-	-	(214,141)	(71,439)	-	-	(71,439)
26	(37,586)	-	-	(37,586)	(36,657)	-	-	(36,657)	(12,229)	-	-	(12,229)
27	(56,525)	-	-	(56,525)	(52,124)	-	-	(52,124)	(47,062)	-	-	(47,062)
28												
29	38,242,158	(26,882,683)	621,053	11,980,528	39,975,011	(27,458,274)	256,547	12,773,284	40,739,014	(27,579,444)	243,780	13,403,350
30												
31	2,887,522	(330,735)	(366,062)	1,990,725	1,543,317	1	-	1,543,318	1,088,574	-	-	1,088,574

Note (A): All sales of electricity in the Northwest/Maranna and Northeast/Fernandina Beach divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100%.

**DIRECT TESTIMONY
OF
P. MARK CUTSHAW**

IN

**FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI**

**IN RE: PETITION OF
FLORIDA PUBLIC UTILITIES COMPANY
FOR AN ELECTRIC RATE INCREASE**

1 **Q. Please state your name, affiliation, business address and summarize your**
2 **professional experience and academic background.**

3 A. My name is P. Mark Cutshaw. I am the Director, Northwest Florida for Florida
4 Public Utilities Company (FPU). My business office address is 2825
5 Pennsylvania Avenue, Marianna, Florida 32447. I joined FPUC in May 1991 as
6 Division Manager in the Marianna Division. In 2001, my title was changed to
7 Director, Northwest Florida. My work experience at FPUC includes all aspects
8 of budgeting, customer service, operations and maintenance in the
9 Marianna/Northwest Florida Division. In 1993, I participated in the Cost of
10 Service study for the Marianna Division Rate Case Filing and testified during
11 the proceeding. I have also been involved with other filings, audits and data
12 requests for the FPSC. I graduated from Auburn University in 1982 with a B.S.
13 in Electrical Engineering and began work with Mississippi Power Company in
14 June 1982. I left Mississippi Power Company in May, 1991 while in the
15 position of Supervisor, Electric Operations. While at MPC, I was involved in
16 the budgeting, operations and maintenance activities in the Hattiesburg, Laurel
17 and Pascagoula Districts.

1 **Q. Are you also familiar with the operations and management of the**
2 **Northeast division?**

3 A. Yes. As Director of the Northwest division, I am also familiar with operations
4 and management in the Northeast Florida division. Mario Lacaci, Director,
5 Northeast Florida, and I work closely in many areas involving operational,
6 budgeting and customer service areas. We attempt to use similar management
7 techniques in many areas.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. I will cover a number of issues with regard to the FPU application for a general
10 rate increase. First I will describe the consolidation of FPU's two operating
11 divisions for ratemaking purposes. Second, I will describe the determination of
12 the projected revenue requirement for 2004, the projected revenues for that year
13 and what we expect to be a revenue deficiency if rates for each division stay at
14 their current levels. I will also describe, from an operations perspective, why
15 this increase in rates is necessary at this time. In addition, I am available to
16 answer detailed questions regarding the projected capital and operating cost
17 items as they relate specifically to the division operations. Third, I will describe
18 the derivation of the storm reserve that we are including in the revenue
19 requirement. Fourth will be a presentation of the interclass revenue allocation
20 proposed for recovery of the 2004 revenue requirement with a description of the
21 cost-of-service study that was conducted to determine these allocations. Fifth, I
22 will describe the changes that will take place regarding the design of rates, i.e.
23 the change in component prices for each class of service. Also, I will present
24 the bill impacts that will result from these changes.

1 **Consolidation of the FPU Operating Divisions**

2 **Q. Please describe how the FPU divisions are consolidated for ratemaking**
3 **activities.**

4 A. FPU has two operating divisions: Northwest Florida with an office in Marianna
5 and Northeast Florida with an office in Fernandina Beach. Up to now, each
6 division has maintained separate records for accounting and ratemaking
7 purposes. This included a separate schedule of rates maintained for each
8 division and a separate rate proceeding to adjust these rates when necessary.
9 This also meant that separate billing procedures and records were needed to
10 reflect the different rates for each division. The company decided that it will be
11 much more efficient and cost effective to consolidate the two divisions into one
12 set of rates and one regulatory process to evaluate revenue sufficiency for the
13 services provided to customers in both divisions. Consolidation of rates will
14 also allow certain synergies in areas such as safety, shared resources, rate
15 proceedings, conservation and purchased power that will provide additional
16 benefits even beyond this proceeding. Therefore, in this proceeding, we are
17 providing revenue requirements and proposed rates on a consolidated basis.

18 **Q. Are you consolidating the divisions for determining cost of service**
19 **allocations and interclass revenue allocations?**

20 A. Yes. The information provided in the cost of service study is consolidated into
21 one service territory for FPU. Decisions regarding interclass revenue allocation
22 are made on a consolidated basis.

23 **Q. Will there now be one set of tariff sheets with service classes that apply to**
24 **customers in both divisions?**

1 A. Yes, the tariff sheets included in this filing have service classes defined by
2 customer usage and demand levels, as well as usage type such as outdoor
3 lighting and street lighting that are applicable to the customers in both divisions.

4

5 **Derivation of the Projected Revenue Requirement**

6 **Q. What is the revenue requirement increase requested by FPU in this**
7 **proceeding and how is this determined.**

8 A. FPU is requesting a \$4,117,121 increase in base rates using a 2004 forecasted
9 test year. The total revenue requirement for the test year 2004 is \$15,478,914
10 which includes an overall rate of return of 9.00% as shown in Schedule D-1 and
11 described in the written prepared testimony of George M. Bachman and Robert
12 J. Camfield. Revenues in 2004 using current rates are projected to be
13 \$11,361,793. This represents a 36.24% increase in base revenues and a 10.57%
14 increase in overall revenues. Witnesses Martin, Khojasteh and Mesite describe
15 derivation of these numbers in the Accounting Panel testimony submitted as
16 part of this filing.

17 **Q. What are the primary reasons for the projected revenue deficiency?**

18 A. FPU has not increased base rates during the last ten years. The last increase of
19 FPU base rates was February 10, 1994 for the Marianna division, Order No.
20 PSC-94-0170-FOF-EI. Prior to that, the Fernandina Beach division last
21 increased base rates on November 27, 1989, Order No. 22224. Factors that
22 have led to the projected revenue deficiency are outlined in the testimony of
23 George M. Bachman, many of which are outside the scope of control of FPU.
24 Also outlined in his testimony are actions that have occurred to reduce the

1 impact of the projected revenue deficiency. During this time we have
2 encountered increased plant replacement costs, and there is a need for
3 additional plant investment in order to maintain and improve our electric
4 service reliability to FPU customers. Due to the increased emphasis that has
5 been placed on system reliability by the FPSC, FPU will continue to emphasis
6 this in replacement of plant assets and the addition of the necessary tools to
7 more accurately measure and improve reliability results. FPU will continue to
8 improve system design, mapping, facilities management applications and
9 SCADA systems to assist in improving and measuring system reliability.

10 **Q. Could you briefly describe the quality of service that you provide**
11 **customers in your service areas?**

12 A. For many years, both divisions have provided reliable and low cost service to
13 the customers within our service territory and have very few customer
14 complaints. FPU has consistently provided some of the lowest electrical rates
15 in Florida. Although exact measurement of service reliability using the
16 current reliability factors has only been used in the last few years, results
17 compare very well to other utilities. All this has been achieved with very few
18 FPSC customer complaints.

19 **Q. Do you have any way in which you measure the quality of service that**
20 **you offer?**

21 A. We measure our service based on cost, reliability and customer service. As
22 mentioned above, we consistently rank very favorably to other utilities in all
23 areas. This rate proceeding will have a direct effect on both cost and
24 reliability factors. Although cost will increase, we will still be among the

1 lowest cost providers in the state of Florida and will allow increased focus on
2 increasing reliability above current levels while increasing our ability to
3 measure these factors more accurately. Indirectly customer service will be
4 improved based on improvement in reliability.

5 **Q. How were projections made for the 2004 test year?**

6 A. Usage, expenses, billing determinants, and revenues were forecasted for 2003
7 and 2004 using projection factors based on a weather-normalized trend
8 analysis performed by Laurits R. Christensen Associates, Inc. (Christensen
9 Associates) the Company's rate consultant. A discussion of the process used
10 and the resulting projection factors is provided in Schedules F9 – F11. In
11 order to arrive at the company-level growth factors, they developed class-level
12 forecasts of usage per customer and total customers, and then aggregated them
13 up to operating division and total company levels. Twenty separate analyses
14 were performed to derive these factors. There were separate analyses
15 performed for usage per customer and the number of customers by division
16 by rate class. There are two divisions and five customer classes; therefore
17 there are $2 \times 2 \times 5 = 20$ separate analyses. They used these values to calculate
18 total usage for each customer class, which is simply the product of usage per
19 customer and the total number of customers. The total usage values are then
20 added across customer classes and then pooled across operating divisions.

21 **Q Were the same projected billing determinants for 2004 used throughout**
22 **your revenue and rate determinations?**

23 A. Yes. The billing determinants for 2004 as shown in Schedules E-18a, b, and c
24 were used for all such determinations under present and proposed rates as well

1 as the proposed rate design. These same billing determinants are the bases
2 used for the cost of service study used to arrive at our proposed interclass
3 revenue allocation.

4 **Q. How were the projected billing determinants used in deriving projected**
5 **revenues for the 2004 test year?**

6 A. First, revenue verification was performed for the 2002 historical year using
7 actual billing determinants and existing rates to demonstrate that base rate
8 revenue matched our accounting records. Then projected billing determinants
9 were applied to the existing tariffs to derive a base rate revenue projection for
10 the 2004 test year. We added projected revenues from service charges, pole
11 rentals and other miscellaneous sources of revenue to derive an estimate of the
12 total operating revenues for the 2004 test year.

13 **Q. Do the revenues you have computed from the sale of electricity include**
14 **any revenues for the recovery of purchase power (fuel) and energy**
15 **conservation expenses (ECCR)?**

16 A. No. The revenues from those two sources are not considered base rate
17 revenue and are excluded from revenue computations in accordance with the
18 Commission's minimum filing requirements. In a future filing, FPU plans to
19 request that the fuel and conservation adjustments for both divisions be
20 consolidated as was done with base rates.

21 **Q. How are the test year 2004 operating revenues used in this filing?**

22 A. The projected revenues are a key input used by Ms. Martin in determining the
23 total revenue increase needed for 2004. The projected revenues, by service
24 class, are also a key input in the cost of service study used to determine the

1 proposed interclass revenue allocation – the proposed increase in revenues by
2 class of service.

3

4 **Derivation of the Required Storm Reserve**

5 **Q. Mr. Cutshaw, you are requesting an increase in the annual property**
6 **damage accrual from the present level of \$121,625 to \$225,000. What is**
7 **the basis of the \$225,000 annual accrual?**

8 A. The present level of \$121,625 was established in the last rate case in our
9 Marianna and Fernandina Beach Divisions. The Fernandina Beach annual
10 accrual of \$21,625 was authorized in Docket No. 881056-EI (1989) and the
11 Marianna annual accrual of \$100,000 was authorized in Docket No. 930400-
12 EI (1994).

13 **Q. Why is it necessary to increase the annual accrual at this time?**

14 A. The need for additional reserves is apparent when we look at the substantial
15 growth in transmission and distribution facilities and the impact of recent
16 storms since the last FPU rate cases. There have also been property damage
17 studies prepared by other electric utilities, which reflect the vulnerability of
18 transmission and distribution systems within the state. One such study was
19 prepared by Gulf Power Company (Gulf) as a result of their last rate case filed
20 in 1995.

21 **Q. When was the Gulf study prepared?**

22 A. The Gulf study was prepared in 1996 after Gulf's request to increase its
23 accrual and reserve was temporarily approved and the company was ordered
24 in Docket No. 951433-EI to file a storm damage study to determine the

1 reasonableness of such accrual. In Docket No.010949-EI the FPSC allowed
2 Gulf to continue its annual accrual, which was based on the 1996 study. The
3 appropriate target level for the reserve was also reaffirmed in that docket.

4 **Q. Why do you feel the Gulf study is also applicable to the FPU service**
5 **territory?**

6 A. Gulf's service territory is comprised of 10 counties that are south and west of
7 FPU's Northwest Florida division's distribution system in Florida's
8 panhandle. Many of the hurricanes that affect Gulf's territory will also affect
9 our Northwest Florida system in a similar way that Gulf's inland service
10 territory is affected.

11 **Q. How is the Fernandina Beach (Northeast Florida) system affected by**
12 **storms in the Florida Panhandle and what relevance does the Gulf study**
13 **have to this Northeast Florida system?**

14 A. Our Fernandina Beach (Northeast Florida) system is located approximately
15 300 miles east of the Gulf service territory, but is located in a coastal area as is
16 much of Gulf's system. Although the frequency of hurricanes in Northeast
17 Florida is much lower than in the Florida panhandle, the winds, storm surge
18 and flooding would cause major damage due to our heavy concentration of
19 electric facilities on Amelia Island. Amelia Island is surrounded by water and
20 has an extremely low elevation. Storm damage on Amelia Island would be
21 comparable to damage to Gulf's system on Santa Rosa Beach, Navarre Beach
22 and Pensacola Beach. In addition to extensive damage that would occur, this
23 system is a significant part of the overall FPU system.

24 **Q. What was the purpose of the Gulf study?**

1 A. To assist Gulf in quantifying the transmission and distribution system loss
2 estimates from historical and reasonable foreseeable worst theoretical
3 hurricane events. The study incorporates hurricane data from the insurance
4 risk assessment system (IRAS), damageability criteria for transmission and
5 distribution systems obtained from the Tri-state hurricane study and
6 replacement cost values provided by Gulf.

7 **Q. What did the study conclude for Gulf's service territory?**

8 A. The results concluded that the worst-case historical event to hit Gulf's service
9 territory was an 1889 storm that would cause \$25.1 million in losses at 1996
10 replacement costs. Also, the projected worst-case theoretical hurricane could
11 result in a \$106.9 million loss. A more useful benchmark; the 100-year storm
12 would result in a \$36 million loss.

13 **Q. What did the study conclude for Gulf's reserve and annual accruals?**

14 A. The study provided appropriate reserve and annual accruals to meet that
15 reserve in 10 years using the "worst case historical event" (maximum
16 historical event) and the "100 year storm".

17 **Q. Have you been able to adapt the Gulf study to FPU's system?**

18 A. Yes we have. Exhibit 1 utilizes FPU's 2003 replacement costs for
19 transmission and distribution facilities and projects losses for the "maximum
20 historical event" and the "100 year storm". The "maximum historical event"
21 required projecting estimated losses at various wind speeds using loss rates
22 from the Gulf study. We averaged the projected losses and arrived at a
23 transmission and distribution loss of \$3,621,000 in 2003. This was increased
24 for very conservative customer growth and inflation (CPI) for 10 years to

1 arrive at \$5,517,000. The projected loss expense portion at 80% would be
2 \$4,414,000.

3 **Q. What does the \$4,414,000 represent?**

4 A. This would represent the cost of the historical worst-case storm striking in our
5 service area that would be charged against the reserve. This should be the
6 minimum amount in the reserve.

7 **Q. What about the estimated damages from the "100-year Storm"?**

8 A. The loss to the FPU system that would require to be expensed is \$7,623,000.
9 This calculation shown in Exhibit 1 would be the maximum amount for the
10 reserve.

11 **Q. What effect will these minimum and maximum reserve amounts require
12 of the annual property damage accrual?**

13 A. Presently we are authorized to increase the consolidated electric damage
14 reserve to \$2,900,000 (see Docket No. 001146-EI Marianna and Docket No.
15 001147-EI Fernandina Beach). Our reserve balance is projected to be
16 \$2,252,000 as of April 2004. To arrive at a projected reserve balance of
17 \$4,414,000 over the next 10 years would require an annual accrual of
18 \$216,000. We would round upward to \$225,000 to cover the more frequent
19 but less severe events, such as fire, tornado, flood and summer storms.

20 **Q. Mr. Cutshaw, what property insurance does the consolidated electric
21 division presently carry?**

22 A. We have property insurance on all buildings, yards and contents, vehicles and
23 substations. The annual premiums run approximately \$36,000 with a \$25,000
24 deductible per incident. As of December 31, 2002 we had approximately \$49

1 million in installed cost of transmission and distribution facilities that were
2 uninsured.

3 **Q. Have you received insurance quotes on your uninsured transmission and**
4 **distribution facilities?**

5 A. Yes, we have. I have included in my Exhibit 2, a quote from our insurance
6 brokers. As you can see the option that would be most appropriate for us
7 would be the \$10 million limit with \$1.5 million deductible. The annual cost
8 would be \$1,200,000.

9 **Q. Is it your opinion that with these premium quotes, a self-insurance**
10 **approach is the route to follow?**

11 A. Yes, at this time it would obviously be cost beneficial to self-insure the
12 distribution and transmission systems. We would also need some assurance
13 from the Commission that any prudent storm damage expense incurred could
14 be recovered through some type of appropriate regulatory action should we be
15 struck by a severe hurricane. The purpose of this regulatory action would be
16 to recover expenses incurred over and above the balance in reserve, replenish
17 the reserve and also enable the company to obtain bank financing to make the
18 necessary repairs.

19

20 **Interclass Revenue Allocation**

21 **Q. What increase in rates are you requesting for each of the classes of**
22 **customers served by FPU?**

23 A. The total rate revenue recovered from each of the customer classes (on a
24 consolidated basis) will increase by the following percentages:

	<u>Class</u>	<u>Base % Increase</u>	<u>Overall % Increase</u>
1			
2			
3	Residential	44.4%	14.2%
4	General Service	38.2%	13.3%
5	General Service Demand	17.6%	4.3%
6	Large General Service	15.7%	3.3%
7	Large General Service 1	(19.2%)	(2.4%)
8	Outdoor Lighting	53.1%	46.3%
9	Street Lighting	53.1%	40.0%

10 **Q. Is FPU proposing any changes in service definitions?**

11 A. Yes. As a result of our consolidation of rates, we are creating a new service
 12 classification for customers with maximum demands greater than 5 MW
 13 called General Service Large Demand 1, which will consist of the two
 14 customers that were previously served under the General Service Large
 15 Demand tariff in Fernandina Beach division. Also, as a result of this change,
 16 three (3) customers that are currently served under the General Service
 17 Demand tariff in Fernandina Beach will now be served under the consolidated
 18 tariff General Service Large Demand rate. The rate classes will now consist
 19 of Residential (RS), General Service (GS – less than 25 KW), General Service
 20 Demand (GSD – 25 KW through 499 KW), General Service Large Demand
 21 (GSLD – 500 KW through 4999 KW), General Service Large Demand 1
 22 (GSLD1 – above 5000 KW), Customer Lighting (OL and OL-2) and Street
 23 Lighting (SL and SL-3).

24 **Q. How did FPU determine the increases in revenues by class?**

1 A. Our fundamental ratemaking objective is to apportion revenue recovery
2 responsibility and design rates to reflect, to the maximum extent practicable,
3 the cost of serving each customer and customer class. In order to determine
4 the cost responsibility we used the results of a fully-allocated embedded cost
5 of service study conducted on the consolidated divisions served by FPU as
6 provided in Schedule E1. A comparison of the rates of return by class for
7 present rates is provided in Schedule E3 along with the percentage increase in
8 base rates required for each class to recover the target rate of return. It is a
9 Commission policy that the percentage rate increase for each class must be no
10 more than 1.5 times the system average increase. Based on the results of the
11 Cost of Service study, the RS, GS, GSD, GSLD and GSLD1 rates were
12 determined for parity in order to recover the target return without exceeding
13 this constraint. However, the Outdoor Lighting and Street Lighting tariffs
14 were determined and exceeded this constraint. Rates for these classes were
15 set at 1.5 times the system average and the other classes were adjusted
16 appropriately without exceeding the 1.5 constraint.

17 **Q. Please describe the fully-allocated cost of service study that was used to**
18 **determine this interclass revenue allocation.**

19 A. The method used to allocate our costs closely follows the long-held
20 ratemaking principles and practices of cost apportionment as specified in the
21 “Electric Utility Cost Allocation Manual” developed by the National
22 Association of Regulatory Utility Commissioners (NARUC) in January 1992.
23 Once the relevant data on rate base and net operating income are compiled, as
24 the Company has done in Schedules A-D, these costs are apportioned to

1 customer classes through a three step process called functionalization,
2 classification, and allocation. I will describe each of these steps.

3 Functionalization: The costs are identified by the function they perform or,
4 another way of looking at it, the service provided. FPU provides three
5 services: transmission, distribution, and customer services. Since FPU
6 purchases all of its power from a third party and delivers it to the customer,
7 there is no production service provided by the Company.

8 Classification: The costs identified for each function are classified based on
9 the manner in which costs vary, i.e. costs will change by changes in this
10 component of utility service provided. The three (standard) cost
11 classifications used by FPU are demand related (costs vary by kW load);
12 energy related (costs vary by kWh used); and, customer related (costs that are
13 directly related to the number of customers using the service). Transmission
14 services are treated predominantly as a demand-related cost. Distribution
15 services are separated into demand, energy and customer related. And,
16 customer services are either demand related or customer related.

17 Allocation: Once the costs are functionalized and classified, they must be
18 allocated to the different customer classes. This is done using allocation
19 factors for each of the cost classification categories. The allocation factors
20 used in the FPU study are listed and described in Schedule E-13. As a
21 summary, transmission costs are allocated according to the coincident peak
22 plus 1/13th demand factor (a weighted combination of contribution to the

1 system peak and the average hourly demand of the class). Distribution
2 demand costs are allocated according to each class' non-coincident peak
3 demands. Customer costs are allocated by the number of customers and by a
4 weighting of the specific customer-related cost, e.g. meter expense.

5 **Q. Please describe the load data used derive the class coincident and non-**
6 **coincident demands used in the cost of service study.**

7 A. Florida Public Utilities Company is too small to have its own load research
8 program; therefore, we rely on the load research data collected by Gulf Power
9 Company (Gulf Power) and provided as part of their most recent rate
10 proceeding. In these proceedings, Gulf Power Company provided data for
11 2000, 2001 and 2002 which were translated to billing determinants and load-
12 based cost of service allocators for the 2004 test year.

13 **Q. Please describe any special studies performed and how they relate to the**
14 **allocation methods you described above.**

15 A. In order to allocate certain cost, a study was performed on distribution plant as
16 it related to poles, conductors/conduit/devices, meters, outdoor lights and
17 street lights. The poles and conductors/conduit/devices were evaluated to
18 determine the appropriate contribution to either the primary or secondary
19 distribution systems. Meters were evaluated to determine the appropriate
20 contribution to each rate class. Customer Lights and Street Lights were
21 evaluated to determine the appropriate contribution to the each type fixture.
22 These factors were then used as a basis for allocating cost.

23 **Q. Please describe the results of your cost of service study.**

1 A. The cost of service study was completed in order to achieve parity at all rate
2 classes. After the study was completed, all classes were assigned the
3 appropriate increase to achieve the target return. The initial results showed
4 that classes should receive the full increase with the exception of the
5 Customer Lighting and Street Lighting tariffs. The increase for these two rate
6 classes was in excess of the maximum allowed increase of 1.5 times the
7 system average. Rates were determined for these classes using 1.5 times the
8 system average increase. The difference in the revenue requirement was then
9 allocated back to the other rate classes with each rate adjusted accordingly in
10 order to provide for the target revenue return. Revenue requirements were
11 then calculated and were still below the 1.5 times the system average for all
12 classes. Final percentage increases were shown above.

13

14 **Rate Design**

15 **Q. After you determined the interclass revenue allocation, how did you**
16 **design rates to achieve the revenue requirement?**

17 A. The results of the cost of service study shown in Schedule E-1 include
18 unitized costs for customer, demand and energy within each specified class of
19 service. We use these unitized costs to adjust the pricing components within
20 each class to the maximum degree possible.

21 **Q. Please describe the rate design changes for the Residential Class.**

22 A. The current Residential rate for Fernandina Beach is \$6.90 per month
23 customer charge with a 1.202¢ per kWh energy charge. The current
24 Residential rate for Marianna is \$8.30 per month customer charge with an

1 energy charge of 1.213¢ per kWh. Using the billing determinants for each
2 division as weights, we derived a consolidated rate for the two divisions of
3 \$7.50 per month and 1.207¢ per kWh. To this we applied the percentage
4 increase for the Residential class to derive the proposed rates of \$10.84 per
5 month and 1.742¢ per kWh.

6 **Q. Please describe the rate design changes for the General Service Non-**
7 **Demand Class.**

8 A. The current General Service rate for Fernandina Beach is \$9.85 per month
9 customer charge with a 1.542¢ per kWh energy charge. The current General
10 Service rate for Marianna is \$11.50 per month customer charge with an
11 energy charge of 1.213¢ per kWh. Using the billing determinants for each
12 division as weights, we derived a consolidated rate for the two divisions of
13 \$10.76 per month and 1.404¢ per kWh. To this we applied the percentage
14 increase for the General Service class to derive the proposed rates of \$14.87
15 per month and 1.939¢ per kWh.

16 **Q. Please describe the rate design changes for the General Service Demand**
17 **Class.**

18 A. The current General Service Demand rate for Fernandina Beach is \$37.44 per
19 month customer charge with a 0.540¢ per kWh energy charge and \$1.74
20 demand charge. The current General Service Demand rate for Marianna is
21 \$43.75 per month customer charge with an energy charge of 0.076¢ per kWh
22 and \$2.40 per kW. Using the billing determinants for each division as
23 weights, we derived a consolidated rate for the two divisions of \$41.38 per
24 month and 0.313¢ per kWh and \$2.11 per kW. To this we applied the

1 percentage increase for the General Service Demand class to derive the
2 proposed rates of \$48.66 per month and 0.368¢ per kWh and \$2.48 per kW.

3 **Q. Please describe the rate design changes for the General Service Large**
4 **Demand Class.**

5 A. The current General Service Large Demand rate (previously was the General
6 Service Demand rate) for Fernandina Beach is \$37.44 per month customer
7 charge with a 0.540¢ per kWh energy charge and \$1.74 demand charge. The
8 current General Service Large Demand rate for Marianna is \$52.50 per month
9 customer charge with an energy charge of 0.000¢ per kWh and \$2.80 per kW.
10 Using the billing determinants for each division as weights, we derived a
11 consolidated rate for the two divisions of \$49.36 per month and 0.176¢ per
12 kWh and \$2.50 per KW. To this we applied the percentage increase for the
13 General Service Large Demand class to derive the proposed rates of \$57.11
14 per month and 0.204¢ per kWh and \$2.89 per kW.

15 **Q. Please describe the rate design changes for the General Service Demand -**
16 **Large 1 Class.**

17 A. The current General Service Large Demand 1 rate for Fernandina Beach is
18 \$467.98 per month customer charge with a 0.000¢ per kWh energy charge,
19 \$1.12 per KW demand charge and \$0.30 per KVAR reactive demand charge.
20 There is currently no rate or customer for the General Service Large Demand
21 1 rate in Marianna. To this we applied the percentage increase for the General
22 Service Large Demand 1 class to derive the proposed rates of \$378.31 per
23 month and 0.000¢ per kWh, \$0.91 per kW demand and \$0.24 per KVAR
24 reactive demand.

1 **Q. Please describe the rate design changes for the Outdoor Lighting Classes.**

2 A. The current Outdoor Lighting base rates for both Fernandina Beach and
3 Marianna were combined and increased by 53.1%.

4 **Q. Please describe the rate design changes for the Street Lighting Classes.**

5 A. The current Street Lighting base rates for both Fernandina Beach and
6 Marianna were combined and increase by 53.1%.

7 **Q. Are you proposing any changes to the Standby Service Rates?**

8 A. No changes are proposed for the Standby Service Rate.

9 **Q. Are you proposing changes to the service charges in this filing?**

10 A. Yes. The proposed service charges are provided in Schedules E-10 and
11 E-16b. Each service charge was evaluated in order to determine the
12 appropriate cost and revenue requirement for each. Labor cost, transportation
13 cost and overheads were applied to the typical task associated with each
14 service charge. Based on typical costs, service charge amounts were
15 determined for six different tasks.

16 A service charge for the initial establishment of service was set at \$44.00 as
17 compared to the existing amount of \$33.20 in Marianna and \$13.00 in
18 Fernandina Beach. A service charge for making changes to or reestablishing
19 an existing service was set at \$19.00 as compared to the existing amount of
20 \$14.50 in Marianna and \$11.00 in Fernandina Beach. A service charge to
21 temporarily disconnect and then reconnect a service due to customer request
22 was set at \$27.00 as compared to the existing amount of \$26.25 in Marianna
23 and \$20.00 in Fernandina Beach. A service charge to reconnect a service after

1 a rule violation was set at \$37.00 during normal business hours and \$60.00
2 after normal business hours as compared to the existing amount of \$38.25 in
3 Marianna and \$15.00 in Fernandina Beach. Previously, there was not a
4 difference between reconnections made during and after normal business
5 hours. A service charge used for connecting a temporary service was set at
6 \$44.00 as compared to the existing amount of \$30.50 in Marianna and \$20.00
7 in Fernandina Beach. A service charge for collection of delinquent accounts
8 in the field was set at \$11.50 as compared to the existing amount of \$6.00 in
9 Marianna. There is currently no collection service charge established in
10 Fernandina Beach.

11 **Q. Does this conclude your written testimony at this time?**

12 A. Yes it does.

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
SCHEDULE A – EXECUTIVE SUMMARY
SCHEDULES

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI
MINIMUM REQUIREMENTS INDEX
EXECUTIVE SUMMARY SCHEDULES

SCHEDULE NO.	TITLE	PAGE NUMBER
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A-1b	INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED	2
A-4a	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS Impact of Rate Redesign - Marianna - Northwest Division Impact of Rate Redesign - Fernandina Beach - Northeast Division	3
A-4b	INTERIM REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS	9
A-5	SUMMARY OF TARIFFS	10
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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1EXPLANATION: Provide the calculation of the requested
full revenue requirements increase.

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: Cheryl Martin

Line No	Description	Source		2004 Revenue Requirement
(1)	Jurisdictional Adjusted Rate Base	C-59 (B3)	Schedule A-9 Col. 2, Line 11	39,840,870
(2)	Rate of Return on Rate Base Requested	C-59 (D1)		9.00%
(3)	Jurisdictional Income Requested	(1) x (2)		3,585,678
(4)	Jurisdictional Adjusted Net Operating Income	C-59 (C2)	Schedule A-10 Col. 2, Line 9	1,088,574
(5)	Income Deficiency (Excess)	(3) - (4)		2,497,104
(6)	Earned Rate of Return	(4) / (1)		2.73%
(7)	Net Operating Income Multiplier	C-59 (C58)	Schedule C-58, Line 12	1.64876
(8)	Revenue Deficiency (Excess)	(5) X (7)		4,117,121
(9)	Attrition Allowance			N/A
(10)	Revenue Increase Requested	(8) + (9)		4,117,121
(10a)	Increase due to Service Charges and Other Revenues			94,933
(10b)	Increase in Base Revenues			4,022,189
(11)	Base Revenues	C-59 (C10)		11,361,793
(12a)	Total Revenue % Increase on Base Revenues	(10) / (11)		36.24%
(12b)	Base Revenue % Increase on Base Revenues	(10b) / (11)		35.40%
(13)	Base + Fuel + Conservation Revenues	C-59 (C10)		38,941,237
(14)	% Increase on Base + Fuel • Conservation Revenues			10.57%

Supporting Schedules: C-59(B-3, C-2, C-10, C-58, D-1)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide the calculation of the requested
 interim revenue requirements increase.

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: N/A

Line No	Description	Source	Amount (000)
NOT APPLICABLE: NO INTERIM REVENUE REQUESTED			
1.	Jurisdictional Adjusted Rate Base	Schedule G-2	\$
2.	Rate of Return on Rate Base Requested	Schedule G-38	x
3.	Jurisdictional Income Requested	Line 1 x Line 2	\$
4.	Jurisdictional Adjusted Net Operating Income	Schedule G-14	-
5.	Income Deficiency (Excess)	Line 3 - Line 4	\$
6.	Earned Rate of Return	Line 4/Line 1	
7.	Net Operating Income Multiplier	Schedule G-37	x
8.	Revenue Deficiency (Excess)	Line 5 x Line 7	\$
9.	Attrition Allowance	Schedule G-44	
10.	Revenue Increase Requested	Line 8 + Line 9	\$

Supporting Schedules:

Recap Schedules:

Schedule: A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Impact of Rate Redesign - Marianna - Northwest Division
Monthly Bill

Projected Test Year 12/31/2004

DOCKET NO.. 030438EI

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change	
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill
Residential (RS)				Present Rates				Proposed					
				Marianna				Consolidated Electric					
CUSTOMER FACILITIES CHARGE				8.30			8.30	10.84			10.84	30.5%	30.5%
DEMAND CHARGE				-			-		\$/KW				
ENERGY CHARGE				0.01213			0.01213	0.01742	\$/KWH				
FUEL CHARGE				0.03846			0.03846	0.03787	\$/KWH				
CONSERVATION CHARGE				0.00079			0.00079	0.00061	\$/KWH				
	0			8.30	-	-	8.30	10.84	-	-	10.84	30.5%	30.5%
	100			9.51	3.85	0.08	13.44	12.58	3.79	0.06	16.43	32.2%	22.2%
	250			11.33	9.62	0.20	21.15	15.19	9.47	0.15	24.81	34.1%	17.3%
	500			14.37	19.23	0.40	33.99	19.55	18.93	0.31	38.79	36.1%	14.1%
	750			17.40	28.85	0.59	46.84	23.90	28.40	0.46	52.76	37.4%	12.7%
	1,000			20.43	38.46	0.79	59.68	28.26	37.87	0.61	66.74	38.3%	11.8%
	1,250			23.46	48.08	0.99	72.53	32.61	47.33	0.77	80.71	39.0%	11.3%
	1,500			26.50	57.69	1.19	85.37	36.97	56.80	0.92	94.69	39.5%	10.9%
	2,000			32.56	76.92	1.58	111.06	45.68	75.73	1.23	122.64	40.3%	10.4%
	3,000			44.69	115.38	2.37	162.44	63.10	113.60	1.84	178.54	41.2%	9.9%
	5,000			68.95	192.30	3.95	265.20	97.95	189.33	3.07	290.34	42.1%	9.5%
General Service (GS)				Present Rates				Proposed					
				Marianna				Consolidated Electric					
CUSTOMER FACILITIES CHARGE				11.50			11.50	14.87			14.87	29.3%	29.3%
DEMAND CHARGE				-			-		\$/KW				
ENERGY CHARGE				0.01213			0.01213	0.01939	\$/KWH				
FUEL CHARGE				0.03797			0.03797	0.03697	\$/KWH				
CONSERVATION CHARGE				0.00079			0.00079	0.00061	\$/KWH				
	0			11.50	-	-	11.50	14.87	-	-	14.87	29.3%	29.3%
	250			14.53	9.49	0.20	24.22	19.72	9.24	0.15	29.11	35.7%	20.2%
	500			17.57	18.99	0.40	36.95	24.56	18.48	0.31	43.36	39.8%	17.4%
	750			20.60	28.48	0.59	49.67	29.41	27.73	0.46	57.60	42.8%	16.0%
	1,000			23.63	37.97	0.79	62.39	34.26	36.97	0.62	71.84	45.0%	15.2%
	1,250			26.66	47.46	0.99	75.11	39.11	46.21	0.77	86.09	46.7%	14.6%
	1,500			29.70	56.96	1.19	87.84	43.96	55.45	0.92	100.33	48.0%	14.2%
	2,000			35.76	75.94	1.58	113.28	53.65	73.93	1.23	128.82	50.0%	13.7%
	3,000			47.89	113.91	2.37	164.17	73.05	110.90	1.85	185.79	52.5%	13.2%
	5,000			72.15	189.85	3.95	265.95	111.83	184.84	3.08	299.75	55.0%	12.7%

Schedule: A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Impact of Rate Redesign - Marianna - Northwest Division

Projected Test Year 12/31/2004

DOCKET NO.: 030438E1

Monthly Bill

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change		
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill	
General Service Demand (GSD)				Present Rates				Proposed						
						Marianna	Consolidated Electric							
				CUSTOMER FACILITIES CHARGE		43.75	48.66							
				DEMAND CHARGE		2.40000	2.47799 \$/KW							
				ENERGY CHARGE		0.00076	0.00368 \$/KWH							
				FUEL CHARGE		0.03533	0.03488 \$/KWH							
				CONSERVATION CHARGE		0.00079	0.00061 \$/KWH							
	25	5,475		107.91	193.43	4.33	305.67	130.76	190.97	3.49	325.22	21.2%	6.4%	
	25	10,950		112.07	386.86	8.65	507.59	150.92	381.94	6.97	539.83	34.7%	6.4%	
	25	16,425		116.23	580.30	12.98	709.50	171.07	572.91	10.46	754.44	47.2%	6.3%	
	50	10,950		172.07	386.86	8.65	567.59	212.87	381.94	6.97	601.78	23.7%	6.0%	
	50	21,900		180.39	773.73	17.30	971.42	253.18	763.88	13.94	1,031.00	40.3%	6.1%	
	50	32,850		188.72	1,160.59	25.95	1,375.26	293.49	1,145.82	20.91	1,460.22	55.5%	6.2%	
	75	16,425		236.23	580.30	12.98	829.50	294.97	572.91	10.46	878.34	24.9%	5.9%	
	75	32,850		248.72	1,160.59	25.95	1,435.26	355.44	1,145.82	20.91	1,522.17	42.9%	6.1%	
	75	49,275		261.20	1,740.89	38.93	2,041.01	415.91	1,718.72	31.37	2,166.00	59.2%	6.1%	
	100	21,900		300.39	773.73	17.30	1,091.42	377.08	763.88	13.94	1,154.90	25.5%	5.8%	
	100	43,800		317.04	1,547.45	34.60	1,899.09	457.70	1,527.76	27.89	2,013.34	44.4%	6.0%	
	100	65,700		333.68	2,321.18	51.90	2,706.77	538.32	2,291.63	41.83	2,871.78	61.3%	6.1%	
	250	54,700		685.32	1,932.55	43.21	2,661.09	869.52	1,907.95	34.83	2,812.30	26.9%	5.7%	
	250	109,500		726.97	3,868.64	86.51	4,682.11	1,071.26	3,819.39	69.72	4,960.37	47.4%	5.9%	
	250	164,500		768.77	5,811.79	129.96	6,710.51	1,273.74	5,737.80	104.73	7,116.27	65.7%	6.0%	

Schedule A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Impact of Rate Redesign - Marianna - Northwest Division

Projected Test Year 12/31/2004

DOCKET NO.: 030438E1

Monthly Bill

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change		
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill	
General Service Large Demand (GSLD)				Present Rates				Proposed						
						Marianna		Consolidated	Electric					
				CUSTOMER FACILITIES CHARGE		52.50		57.11						
				DEMAND CHARGE		2.80000		2.88856	\$/KW					
				ENERGY CHARGE		-		0.00204	\$/KWH					
				FUEL CHARGE		0.03335		0.02913	\$/KWH					
				CONSERVATION CHARGE		0.00079		0.00061	\$/KWH					
	500	109,500			1,452.50	3,651.83	86.51	5,190.83	1,724.49	3,189.27	75.79	4,989.55	18.7%	-3.9%
	500	219,000			1,452.50	7,303.65	173.01	8,929.16	1,947.60	6,378.54	151.58	8,477.72	34.1%	-5.1%
	500	328,500			1,452.50	10,955.48	259.52	12,667.49	2,170.70	9,567.81	227.37	11,965.88	49.4%	-5.5%
	750	164,250			2,152.50	5,477.74	129.76	7,760.00	2,558.18	4,783.91	113.68	7,455.77	18.8%	-3.9%
	750	328,500			2,152.50	10,955.48	259.52	13,367.49	2,892.84	9,567.81	227.37	12,688.02	34.4%	-5.1%
	750	492,750			2,152.50	16,433.21	389.27	18,974.99	3,227.50	14,351.72	341.05	17,920.27	49.9%	-5.6%
	1,500	328,500			4,252.50	10,955.48	259.52	15,467.49	5,059.26	9,567.81	227.37	14,854.44	19.0%	-4.0%
	1,500	657,000			4,252.50	21,910.95	519.03	26,682.48	5,728.58	19,135.63	454.74	25,318.94	34.7%	-5.1%
	1,500	985,500			4,252.50	32,866.43	778.55	37,897.47	6,397.89	28,703.44	682.11	35,783.44	50.5%	-5.6%
	3,000	657,000			8,452.50	21,910.95	519.03	30,882.48	10,061.41	19,135.63	454.74	29,651.77	19.0%	-4.0%
	3,000	1,314,000			8,452.50	43,821.90	1,038.06	53,312.46	11,400.04	38,271.25	909.47	50,580.77	34.9%	-5.1%
	3,000	1,971,000			8,452.50	65,732.85	1,557.09	75,742.44	12,738.67	57,406.88	1,364.21	71,509.76	50.7%	-5.6%
	5,000	1,095,000			14,052.50	36,518.25	865.05	51,435.80	16,730.94	31,892.71	757.89	49,381.54	19.1%	-4.0%
	5,000	2,190,000			14,052.50	73,036.50	1,730.10	88,819.10	18,962.00	63,785.42	1,515.79	84,263.20	34.9%	-5.1%
	5,000	3,285,000			14,052.50	109,554.75	2,595.15	126,202.40	21,193.05	95,678.13	2,273.68	119,144.86	50.8%	-5.6%

General Service Large Demand (GSLD1)

	Present Rates	Proposed
	Marianna	Consolidated Electric
CUSTOMER FACILITIES CHARGE		378.31
DEMAND CHARGE		0.90794 \$/KW
ENERGY CHARGE		- \$/KWH
FUEL CHARGE		0.02040 \$/KWH
CONSERVATION CHARGE		0.00061 \$/KWH
PRODUCTION DEMAND		0.23893 \$/kVar

Supporting Schedules:

Recap Schedules:

Schedule: A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Impact of Rate Redesign - Fernandina Beach - Northeast Division
Monthly Bill

Projected Test Year 12/31/2004

DOCKET NO.: 030438EI

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change			
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill		
Residential (RS)				Present Rates				Proposed							
				Fernandina				Consolidated Electric							
				CUSTOMER FACILITIES CHARGE	6.90			10.84							
				DEMAND CHARGE	-			-	\$/KW						
				ENERGY CHARGE	0.01202			0.01742	\$/KWH						
				FUEL CHARGE	0.03745			0.03787	\$/KWH						
				CONSERVATION CHARGE	0.00049			0.00061	\$/KWH						
			0	6.90	-	-	6.90	10.84	-	-	10.84	57.1%	57.1%		
			100	8.10	3.75	0.05	11.89	12.58	3.79	0.06	16.43	55.3%	38.1%		
			250	9.90	9.36	0.12	19.39	15.19	9.47	0.15	24.81	53.4%	28.0%		
			500	12.91	18.73	0.25	31.88	19.55	18.93	0.31	38.79	51.5%	21.7%		
			750	15.91	28.09	0.37	44.37	23.90	28.40	0.46	52.76	50.2%	18.9%		
			1,000	18.92	37.45	0.49	56.86	28.26	37.87	0.61	66.74	49.4%	17.4%		
			1,250	21.92	46.81	0.61	69.35	32.61	47.33	0.77	80.71	48.8%	16.4%		
			1,500	24.93	56.18	0.74	81.84	36.97	56.80	0.92	94.69	48.3%	15.7%		
			2,000	30.94	74.90	0.98	106.82	45.68	75.73	1.23	122.64	47.7%	14.8%		
			3,000	42.96	112.35	1.47	156.78	63.10	113.60	1.84	178.54	46.9%	13.9%		
			5,000	67.00	187.25	2.45	256.70	97.95	189.33	3.07	290.34	46.2%	13.1%		
General Service (GS)				Present Rates				Proposed							
				Fernandina				Consolidated Electric							
				CUSTOMER FACILITIES CHARGE	9.85			14.87							
				DEMAND CHARGE	-			-	\$/KW						
				ENERGY CHARGE	0.01542			0.01939	\$/KWH						
				FUEL CHARGE	0.03624			0.03697	\$/KWH						
				CONSERVATION CHARGE	0.00049			0.00061	\$/KWH						
			0	9.85	-	-	9.85	14.87	-	-	14.87	50.9%	50.9%		
			250	13.71	9.06	0.12	22.89	19.72	9.24	0.15	29.11	43.8%	27.2%		
			500	17.56	18.12	0.25	35.93	24.56	18.48	0.31	43.36	39.9%	20.7%		
			750	21.42	27.18	0.37	48.96	29.41	27.73	0.46	57.60	37.3%	17.6%		
			1,000	25.27	36.24	0.49	62.00	34.26	36.97	0.62	71.84	35.6%	15.9%		
			1,250	29.13	45.30	0.61	75.04	39.11	46.21	0.77	86.09	34.3%	14.7%		
			1,500	32.98	54.36	0.74	88.08	43.96	55.45	0.92	100.33	33.3%	13.9%		
			2,000	40.69	72.48	0.98	114.15	53.65	73.93	1.23	128.82	31.9%	12.9%		
			3,000	56.11	108.72	1.47	166.30	73.05	110.90	1.85	185.79	30.2%	11.7%		
			5,000	86.95	181.20	2.45	270.60	111.83	184.84	3.08	299.75	28.6%	10.8%		

Schedule A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY, FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Impact of Rate Redesign - Fernandina Beach - Northeast Division
 Monthly Bill

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change		
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill	
General Service Demand (GSD)				Present Rates				Proposed						
				Fernandina				Consolidated Electric						
				CUSTOMER FACILITIES CHARGE	37.44			48.66						
				DEMAND CHARGE	1.74			2 47799	\$/KW					
				ENERGY CHARGE	0.00540			0.00368	\$/KWH					
				FUEL CHARGE	0.03445			0.03488	\$/KWH					
				CONSERVATION CHARGE	0.00049			0 00061	\$/KWH					
	25	5,475	110.59	188.61	2 68	301.89	130 76	190.97	3.49	325.22	18.2%	7.7%		
	25	10,950	140.15	377.23	5.37	522.75	150.92	381 94	6.97	539 83	7.7%	3 3%		
	25	16,425	169.71	565.84	8 05	743.60	171.07	572.91	10 46	754.44	0.8%	1 5%		
	50	10,950	183.75	377.23	5.37	566 34	212.87	381.94	6.97	601.78	15.8%	6.3%		
	50	21,900	242.87	754 46	10.73	1,008.05	253.18	763.88	13 94	1,031.00	4 2%	2.3%		
	50	32,850	301.99	1,131.68	16 10	1,449.77	293.49	1,145.82	20.91	1,460.22	-2.8%	0.7%		
	75	16,425	256.91	565 84	8 05	830.79	294.97	572.91	10.46	878.34	14.8%	5.7%		
	75	32,850	345.58	1,131 68	16.10	1,493 36	355.44	1,145 82	20.91	1,522.17	2.9%	1.9%		
	75	49,275	434.26	1,697 52	24.14	2,155 93	415.91	1,718.72	31.37	2,166.00	-4.2%	0 5%		
	100	21,900	330.06	754 46	10.73	1,095.25	377.08	763 88	13.94	1,154.90	14.2%	5 4%		
	100	43,800	448.30	1,508.91	21.46	1,978.67	457.70	1,527.76	27.89	2,013.34	2.1%	1.8%		
	100	65,700	566.54	2,263.37	32.19	2,862.10	538 32	2,291.63	41 83	2,871.78	-5.0%	0.3%		
	250	54,700	768.73	1,884.42	26 80	2,679.94	869.52	1,907.95	34.83	2,812.30	13.1%	4.9%		
	250	109,500	1,064.59	3,772.28	53.66	4,890.52	1,071.26	3,819.39	69.72	4,960.37	0.6%	1.4%		
	250	164,500	1,361.54	5,667.03	80.61	7,109.17	1,273 74	5,737.80	104.73	7,116.27	-6.4%	0 1%		

Schedule: A-4a

FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

Projected Test Year 12/31/2004

Impact of Rate Redesign - Fernandina Beach - Northeast Division
 Monthly Bill

Witness: Mark Cutshaw

Rate Class	(CP kW)	(NCP kW)	(kWh)	Current				Proposed				Percent Change		
				Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Fuel Component	Conservation Charge	Total	Base Rate	Total Bill	
General Service Large Demand (GSLD)				Present Rates				Proposed						
				Fernandina				Consolidated Electric						
				CUSTOMER FACILITIES CHARGE	37.44			57.11						
				DEMAND CHARGE	1.74			2.88856	\$/KW					
				ENERGY CHARGE	0.00540			0.00204	\$/KWH					
				FUEL CHARGE	0.02040			0.02913	\$/KWH					
				CONSERVATION CHARGE	0.00049			0.00061	\$/KWH					
	500	109,500		1,500.55	2,233.80	53.66	3,788.01	1,724.49	3,189.27	75.79	4,989.55	14.9%	31.7%	
	500	219,000		2,091.74	4,467.60	107.31	6,666.65	1,947.60	6,378.54	151.58	8,477.72	-6.9%	27.2%	
	500	328,500		2,682.94	6,701.40	160.97	9,545.30	2,170.70	9,567.81	227.37	11,965.88	-19.1%	25.4%	
	750	164,250		2,232.11	3,350.70	80.48	5,663.29	2,558.18	4,783.91	113.68	7,455.77	14.6%	31.7%	
	750	328,500		3,118.90	6,701.40	160.97	9,981.26	2,892.84	9,567.81	227.37	12,688.02	-7.2%	27.1%	
	750	492,750		4,005.68	10,052.10	241.45	14,299.23	3,227.50	14,351.72	341.05	17,920.27	-19.4%	25.3%	
	1,500	328,500		4,426.78	6,701.40	160.97	11,289.14	5,059.26	9,567.81	227.37	14,854.44	14.3%	31.6%	
	1,500	657,000		6,200.35	13,402.80	321.93	19,925.08	5,728.58	19,135.63	454.74	25,318.94	-7.6%	27.1%	
	1,500	985,500		7,973.93	20,104.20	482.90	28,561.03	6,397.89	28,703.44	682.11	35,783.44	-19.8%	25.3%	
	3,000	657,000		8,816.12	13,402.80	321.93	22,540.85	10,061.41	19,135.63	454.74	29,651.77	14.1%	31.5%	
	3,000	1,314,000		12,363.27	26,805.60	643.86	39,812.73	11,400.04	38,271.25	909.47	50,580.77	-7.8%	27.0%	
	3,000	1,971,000		15,910.42	40,208.40	965.79	57,084.61	12,738.67	57,406.88	1,364.21	71,509.76	-19.9%	25.3%	
	5,000	1,095,000		14,668.57	22,338.00	536.55	37,543.12	16,730.94	31,892.71	757.89	49,381.54	14.1%	31.5%	
	5,000	2,190,000		20,580.49	44,676.00	1,073.10	66,329.59	18,962.00	63,785.42	1,515.79	84,263.20	-7.9%	27.0%	
	5,000	3,285,000		26,492.41	67,014.00	1,609.65	95,116.06	21,193.05	95,678.13	2,273.68	119,144.86	-20.0%	25.3%	
General Service Large Demand (GSLD1)				Present Rates				Proposed						
				Fernandina				Consolidated Electric						
				CUSTOMER FACILITIES CHARGE	467.98			378.31						
				DEMAND CHARGE	1.12315			0.90794	\$/KW					
				ENERGY CHARGE	-			-	\$/KWH					
				FUEL CHARGE	0.02040			0.02040	\$/KWH					
				CONSERVATION CHARGE	0.00049			0.00061	\$/KWH					
				PRODUCTION DEMAND	0.29557			0.23893	\$/kVar					
	6,357	15,016	3,889,235	17,379.46	118,674.52	1,905.72	137,959.70	14,049.24	118,674.52	1,905.72	134,629.49	-19.2%	-2.4%	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION:

For each rate, calculate typical monthly bills for present rates and proposed interim rates.

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: Mark Cutshaw

		BILL UNDER PRESENT RATES			*INTERIM* BILL UNDER PROPOSED RATES			INCREASE		COSTS IN CENTS/KWH	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TYPICAL		BASE	FUEL	TOTAL	BASE	FUEL	TOTAL	DOLLARS	PERCENT	PRESENT	PROPOSED
KW	KWH	RATE	CHARGE		RATE	CHARGE		(8)-(5)	(9)/(5)	(5)/(2)	(8)/(2)

NOT APPLICABLE: NO INTERIM REVENUE REQUESTED

		PRESENT	PROPOSED
CUSTOMER FACILITIES CHARGE			
DEMAND CHARGE	\$/KW		
ENERGY CHARGE	CENTS/KWH		
FUEL CHARGE	CENTS/KWH		
CONSERVATION CHARGE	CENTS/KWH		
OIL BACKOUT CHARGE	CENTS/KWH		

Supporting Schedules:

Recap Schedules:

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION. Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Witness: Mark Cutshaw

Current Rate Schedule	Type of Charge	Division	Current Rate	Proposed Rate Schedule	Consolidated Electric Proposed Rate	Percent Increase
Service Charges						
*1	Initial Establishment of Service	Marianna - Northwest	33.20		44.00	32.53%
		Fernandina Beach - Northeast	13.00		44.00	238.46%
2	Re-establish Service or Make Changes to Existing Account	Marianna - Northwest	14.50		19.00	31.03%
		Fernandina Beach - Northeast	11.00		19.00	72.73%
3	Temporary Disconnect Then Reconnect Service Due To Customer Request	Marianna - Northwest	26.25		27.00	2.86%
		Fernandina Beach - Northeast	20.00		27.00	35.00%
4	Re-establish Active Service (read meter only) (this charge will be eliminated during this rate proceeding)	Marianna - Northwest	16.00		19.00	18.75%
		Fernandina Beach - Northeast	8.00		19.00	137.50%
5	Reconnect After Disconnect for Rule Violation(normal hours)	Marianna - Northwest	38.25		37.00	-3.27%
		Fernandina Beach - Northeast	15.00		37.00	146.67%
5A	Reconnect After Disconnect for Rule Violation(after hours)	Marianna - Northwest	38.25		60.00	56.86%
		Fernandina Beach - Northeast	15.00		60.00	300.00%
6	Temporary Service - this charge is used in conjunction with the temporary service fee when running a temporary service	Marianna - Northwest	30.50		44.00	44.26%
		Fernandina Beach - Northeast	20.00		44.00	120.00%
7	Collection Charge	Marianna - Northwest	6.00		11.50	91.67%
		Fernandina Beach - Northeast	-		11.50	
8	Returned Check Charge	Marianna - Northwest	Per Statute		Per Statute	
		Fernandina Beach - Northeast	Per Statute		Per Statute	
Residential Service						
		Fernandina Beach - Northeast				
	CUSTOMER FACILITIES CHARGE (\$/kW)		6.90	RS	10.84	57.11%
	DEMAND CHARGE (\$/kWh)		-	RS	-	
	ENERGY CHARGE (\$/kWh)		0.01202	RS	0.01742	44.95%
	FUEL CHARGE (\$/kWh)		0.03745	RS	0.03787	1.11%
	CONSERVATION CHARGE (\$/kWh)		0.00049	RS	0.00061	24.10%
		Marianna - Northwest				
	CUSTOMER FACILITIES CHARGE (\$/kW)		8.30	RS	10.84	30.55%
	DEMAND CHARGE (\$/kWh)		-	RS	-	
	ENERGY CHARGE (\$/kWh)		0.01213	RS	0.01742	43.64%
	FUEL CHARGE (\$/kWh)		0.03846	RS	0.03787	-1.55%
	CONSERVATION CHARGE (\$/kWh)		0.00079	RS	0.00061	-23.03%

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Witness: Mark Cutshaw

Current Rate Schedule	Type of Charge	Division	Current Rate	Proposed Rate Schedule	Consolidated Electric Proposed Rate	Percent Increase
<u>General Service</u>						
		Fernandina Beach - Northeast				
	CUSTOMER FACILITIES CHARGE (\$/kW)		9.85	GS	14.87	50.91%
	DEMAND CHARGE (\$/kWh)		-	GS	-	
	ENERGY CHARGE (\$/kWh)		0.01542	GS	0.01939	25.77%
	FUEL CHARGE (\$/kWh)		0.03624	GS	0.03697	2.01%
	CONSERVATION CHARGE (\$/kWh)		0.00049	GS	0.00061	24.10%
		Marianna - Northwest				
	CUSTOMER FACILITIES CHARGE (\$/kW)		11.50	GS	14.87	29.28%
	DEMAND CHARGE (\$/kWh)		-	GS	-	
	ENERGY CHARGE (\$/kWh)		0.01213	GS	0.01939	59.87%
	FUEL CHARGE (\$/kWh)		0.03797	GS	0.03697	-2.64%
	CONSERVATION CHARGE (\$/kWh)		0.00079	GS	0.00061	-23.03%
<u>General Service Demand</u>						
		Fernandina Beach - Northeast				
	CUSTOMER FACILITIES CHARGE (\$/kW)		37.44	GSD	48.66	29.97%
	DEMAND CHARGE (\$/kWh)		1.744	GSD	2.478	42.10%
	ENERGY CHARGE (\$/kWh)		0.00540	GSD	0.00368	-31.81%
	FUEL CHARGE (\$/kWh)		0.03445	GSD	0.03488	1.25%
	CONSERVATION CHARGE (\$/kWh)		0.00049	GSD	0.00061	24.10%
		Marianna - Northwest				
	CUSTOMER FACILITIES CHARGE (\$/kW)		43.75	GSD	48.66	11.22%
	DEMAND CHARGE (\$/kWh)		2.400	GSD	2.478	3.25%
	ENERGY CHARGE (\$/kWh)		0.00076	GSD	0.00368	384.39%
	FUEL CHARGE (\$/kWh)		0.03533	GSD	0.03488	-1.27%
	CONSERVATION CHARGE (\$/kWh)		0.00079	GSD	0.00061	-23.03%

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Witness: Mark Cutshaw

Current Rate Schedule	Type of Charge	Division	Current Rate	Proposed Rate Schedule	Consolidated Electric Proposed Rate	Percent Increase
<u>General Service Large Demand</u>						
		Fernandina Beach - Northeast				
	CUSTOMER FACILITIES CHARGE (\$/kW)		37.44	GSLD	57.11	52.54%
	DEMAND CHARGE (\$/kWh)		1.744	GSLD	2.889	65.64%
	ENERGY CHARGE (\$/kWh)		0.00540	GSLD	0.00204	-62.26%
	FUEL CHARGE (\$/kWh)		0.02040	GSLD	0.02913	42.77%
	CONSERVATION CHARGE (\$/kWh)		0.00049	GSLD	0.00061	24.10%
		Marianna - Northwest				
	CUSTOMER FACILITIES CHARGE (\$/kW)		52.50	GSLD	57.11	8.78%
	DEMAND CHARGE (\$/kWh)		2.800	GSLD	2.889	3.16%
	ENERGY CHARGE (\$/kWh)		-	GSLD	0.00204	
	FUEL CHARGE (\$/kWh)		0.03335	GSLD	0.02913	-12.67%
	CONSERVATION CHARGE (\$/kWh)		0.00079	GSLD	0.00061	-23.03%
<u>General Service Large Demand 1</u>						
		Fernandina Beach - Northeast				
	CUSTOMER FACILITIES CHARGE		467.98	GSLD1	378.31	-19.16%
	DEMAND CHARGE		1.123	GSLD1	0.908	-19.16%
	ENERGY CHARGE		-	GSLD1	-	
	FUEL CHARGE		0.020400	GSLD1	0.020400	0.00%
	CONSERVATION CHARGE		0.000490	GSLD1	0.000608	24.10%
	PRODUCTION DEMAND		0.295567	GSLD1	0.238932	-19.16%
		Marianna - Northwest				
	CUSTOMER FACILITIES CHARGE			GSLD1	378.31	
	DEMAND CHARGE			GSLD1	0.908	
	ENERGY CHARGE			GSLD1	-	
	FUEL CHARGE			GSLD1	0.02040	
	CONSERVATION CHARGE			GSLD1	0.00061	
	PRODUCTION DEMAND			GSLD1	0.23893	

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO. 030438E1

EXPLANATION Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges

Type of Data Shown
 Projected Test Year 12/31/2004
 Witness Mark Cutshaw

Present Rates																			Proposed Rates					Percent Increase in Base Revenue
Territory	Tariff	Code	FACILITY	Lamp	Lumen	Annual Billing Items	Est Monthly kWh	2004 Annual kWh	Facility Charge	Energy Charge	Maint. Charge	Pole Charge	Total Base Charge	Total Base Revenue	Facility Charge	Energy Charge	Maint. Charge	Pole Charge	Total Base Charge	Total Base Revenue				
Marianna - Northwest Division																								
MAR	OL	A	MV	Cobra Head	7,000	3,145	72	226,440	1.35	1.60	1.19	-	4.34	13,649	1.43	1.94	2.97	-	6.34	19,951	46.2%			
MAR	OL	A/1	MV	Cobra Head	7,000	1,205	72	88,760	1.35	1.80	1.19	2.50	6.64	8,242	1.43	1.94	2.97	3.39	9.73	11,726	42.2%			
MAR	OL	B	MV	Cobra Head	20,000	54	154	8,316	3.89	3.85	1.21	-	8.95	483	3.91	3.94	3.27	-	11.13	601	24.3%			
MAR	OL	B/1	MV	Cobra Head	20,000	108	154	16,632	3.89	3.85	1.21	2.50	11.45	1,237	3.91	3.94	3.27	3.39	14.51	1,567	27.8%			
Total Outdoor Lighting - OL					4,512	75	338,148						23,611						33,846	43.4%				
MAR	OL2	F/4	HPS	Acorn	16,000	6	61	371	8.10	1.53	3.37	6.53	19.53	119	13.58	2.31	4.84	11.03	31.76	193	62.6%			
MAR	OL2	E/3	HPS	American Revolution	9,500	119	41	4,859	4.62	1.03	2.07	2.50	10.22	1,211	7.63	1.58	3.02	5.95	18.16	2,152	77.7%			
MAR	OL2	Q/3	HPS	American Revolution	16,000	45	61	2,719	4.96	1.53	2.20	3.82	12.51	558	8.30	2.31	3.19	6.43	20.23	902	61.7%			
MAR	OL2	C	HPS	Cobra Head	9,500	17,495	42	734,791	3.98	1.05	1.40	-	6.43	112,493	5.74	1.60	2.50	-	9.84	172,151	53.0%			
MAR	OL2	C/1	HPS	Cobra Head	9,500	8,035	42	337,508	3.98	1.05	1.40	2.50	8.93	71,761	5.74	1.60	2.50	3.61	13.45	108,084	50.6%			
MAR	OL2	D	HPS	Cobra Head	20,000	1,251	89	112,242	5.45	2.23	1.42	-	9.13	11,514	7.10	3.40	2.88	-	13.38	16,876	46.0%			
MAR	OL2	D/1	HPS	Cobra Head	20,000	1,043	89	92,859	5.48	2.23	1.42	2.50	11.63	12,134	7.10	3.40	2.88	3.54	16.92	17,655	45.5%			
MAR	OL2	Q	HPS	Cobra Head	28,500	480	101	48,495	6.90	2.53	2.50	-	11.93	5,728	10.58	3.87	3.83	-	18.26	8,770	53.1%			
MAR	OL2	K	HPS	Cobra Head	50,000	774	162	125,373	5.18	4.05	2.31	-	11.84	8,931	7.85	8.20	3.53	-	17.68	13,690	53.2%			
MAR	OL2	K/6	HPS	Cobra Head	50,000	283	162	45,784	5.18	4.05	2.31	6.91	18.45	5,214	7.85	6.20	3.53	10.58	28.28	7,985	53.1%			
MAR	OL2	J	HPS	Flood	28,500	1,652	101	156,739	5.21	2.53	2.30	-	10.04	15,581	8.00	3.87	3.52	-	15.39	23,877	53.2%			
MAR	OL2	J/1	HPS	Flood	28,500	602	101	60,772	5.21	2.53	2.30	2.50	12.54	7,545	8.00	3.87	3.52	3.81	19.19	11,548	53.0%			
MAR	OL2	J/6	HPS	Flood	28,500	127	101	12,788	5.21	2.53	2.30	6.91	16.95	2,148	8.00	3.87	3.52	10.83	26.22	3,320	54.7%			
MAR	OL2	V	HPS	Flood	50,000	29	182	4,759	8.05	4.05	2.84	-	14.94	439	12.32	6.20	4.95	-	22.87	672	53.1%			
MAR	OL2	L	MH	Flood	130,000	14	405	5,744	10.08	10.13	3.75	-	23.96	340	15.43	15.51	5.74	-	35.68	520	53.1%			
MAR	OL2	L/1	MH	Flood	50,000	2,362	162	382,684	6.35	4.05	2.41	-	11.81	27,898	8.30	6.19	3.68	-	18.15	42,880	53.7%			
MAR	OL2	AA	MH	Flood	50,000	1,182	162	191,506	5.35	4.05	2.41	2.50	14.31	16,916	8.30	6.19	3.68	3.76	21.91	25,902	53.1%			
MAR	OL2	L/6	MH	Flood	50,000	283	162	45,784	5.35	4.05	2.41	6.01	18.72	5,291	8.30	6.19	3.68	10.89	29.05	8,209	55.2%			
MAR	OL2	AA	MH	Flood	130,000	1,425	405	577,226	9.40	10.13	3.49	-	23.02	32,609	14.32	15.50	6.32	-	35.14	50,088	52.7%			
MAR	OL2	I/11	MH	Shoebox	28,500	109	101	11,049	10.27	2.53	4.27	7.10	24.17	2,944	16.65	3.84	6.30	10.87	37.66	4,120	55.8%			
MAR	OL2	BB	MH	Vertical Shoebox	130,000	147	405	59,487	13.11	10.13	4.61	-	27.85	20,077	15.51	7.06	-	42.64	6,263	53.1%				
MAR	OL2	OL24	POLE	Pole - Concrete	\$6.53	1	-	-	-	-	-	6.53	6.53	7	-	-	-	10.00	10.00	10	53.1%			
MAR	OL2	OL28	POLE	Pole - Concrete	\$6.91	388	-	-	-	-	-	6.91	6.91	2,681	-	-	-	10.58	10.58	4,104	53.1%			
MAR	OL2	OL21	POLE	Pole - Wood	\$2.50	1,211	-	-	-	-	-	2.50	2.50	3,026	-	-	-	3.81	3.81	4,613	52.4%			
Total Outdoor Lighting 2 - OL2					38,973	77	3,013,542						351,077						534,576	52.3%				
MAR	SL2	xA	MV	Cobra Head	7,000	4,355	72	313,560	1.28	0.97	1.24	-	3.47	15,112	1.24	1.30	2.09	-	4.63	20,165	33.4%			
MAR	SL2	xB	MV	Cobra Head	20,000	48	154	7,392	3.42	2.08	1.27	-	6.77	325	2.08	2.47	2.38	-	6.93	333	2.4%			
Total Street Lighting 2 - SL2					4,403	73	320,952						15,437						20,497	32.8%				
MAR	SL3	xG/2	HPS	American Revolution	16,000	70	81	4,284	4.96	1.26	2.20	5.74	14.18	991	7.59	1.96	3.37	8.79	21.71	1,517	53.1%			
MAR	SL3	xC	HPS	Cobra Head	9,500	7,045	42	295,699	3.68	0.88	1.50	-	6.04	42,553	5.72	1.08	2.19	-	8.99	63,345	48.9%			
MAR	SL3	xC/1	HPS	Cobra Head	9,500	25	42	1,084	3.68	0.88	1.50	2.50	8.54	216	5.72	1.08	2.19	3.03	12.02	304	40.8%			
MAR	SL3	xD	HPS	Cobra Head	22,000	1,632	89	145,239	5.06	1.86	1.54	-	8.46	13,808	6.88	2.12	2.26	-	11.26	18,371	33.1%			
MAR	SL3	xD/1	HPS	Cobra Head	22,000	61	89	5,409	5.06	1.86	1.54	2.50	10.96	666	6.88	2.12	2.26	3.16	14.42	876	31.6%			
MAR	SL3	xH	HPS	Cobra Head	28,500	1,812	101	162,775	4.50	2.12	2.04	-	8.66	13,857	6.97	3.08	3.10	-	13.14	21,176	51.7%			
MAR	SL3	xH/1	HPS	Cobra Head	28,500	12	101	1,228	4.50	2.12	2.04	2.50	11.16	135	6.97	3.06	3.10	3.45	18.59	2,022	48.7%			
MAR	SL3	xI	HPS	Cobra Head	50,000	161	162	26,092	6.18	3.39	2.31	-	10.88	1,752	8.00	4.53	3.48	-	15.16	2,602	48.5%			
MAR	SL3	xM	HPS	Flood	28,500	27	101	2,762	7.81	2.12	2.77	-	12.70	347	11.96	3.25	4.24	-	19.44	532	53.1%			
MAR	SL3	xL	HPS	Cobra Head	22,000	8	81	656	5.01	1.18	1.84	-	8.53	69	5.02	1.63	3.86	-	10.52	95	23.3%			
MAR	SL3	xY	MH	Flood	130,000	12	405	4,923	9.40	8.48	3.49	-	21.37	296	14.39	12.98	5.34	-	32.72	398	53.1%			
MAR	SL3	xW	MH	Flood	50,000	266	162	43,159	8.16	3.39	5.96	-	17.51	4,655	12.49	5.19	9.12	-	29.81	7,142	53.1%			
MAR	SL3	SL36	POLE	Pole - Concrete	\$6.91	194	-	-	-	-	-	6.91	6.91	1,344	-	-	-	10.87	10.87	2,114	53.1%			
MAR	SL3	SL31	POLE	Pole - Wood	\$2.50	131	-	-	-	-	-	2.50	2.50	327	-	-	-	3.83	3.83	500	53.1%			
MAR	SL3	SL312	POLE	Pole - Wood	\$5.01	1	-	-	-	-	-	5.01	5.01	5	-	-	-	7.67	7.67	8	53.1%			
Total Street Lighting 3 - SL3					11,258	62	693,470						81,694						119,173	47.0%				
Total Marianna - Northwest Division					59,146	74	4,368,112						471,219						708,091	50.27%				

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438E1

EXPLANATION Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges

Type of Data Shown
 Projected Test Year 12/31/2004
 Witness Mark Cutshaw

		Present Rates										Proposed Rates					Percent Increase in					
Territory	Tariff	Code	FACILITY	Lamp	Lumen	Annual Billing Items	Est Monthly kWh	2004 Annual kWh	Facility Charge	Energy Charge	Maint Charge	Pole Charge	Total Base Charge	Total Base Revenue	Facility Charge	Energy Charge	Maint Charge	Pole Charge	Total Base Charge	Total Base Revenue	Percent Increase in Base Revenue	
Fernandina Beach - Northeast Division																						
FB	OL	A	MV	Cobra Head	7,000	1,564	72	119,808	0.38	0.53	2.98	-	3.87	6,443	1.43	1.94	2.97	-	6.34	10,556	63.8%	
FB	OL	A/1	MV	Cobra Head	7,000	1,484	72	106,848	0.38	0.53	2.88	1.97	5.84	8,670	1.43	1.94	2.97	3.39	9.73	14,442	86.4%	
FB	OL	B	MV	Cobra Head	20,000	71	154	10,934	1.04	1.13	3.18	-	5.38	381	3.91	3.94	3.27	-	11.13	790	107.6%	
FB	OL	B/1	MV	Cobra Head	20,000	72	154	11,088	1.04	1.13	3.18	1.97	7.33	528	3.91	3.94	3.27	3.39	14.51	1,045	99.6%	
Total Outdoor Lighting - DL						3,281	76	248,678					16,021						26,832	67.5%		
FB	OL2	F/2	HPS	Acom	16,000	177	81	10,816	8.88	1.51	3.16	6.34	19.89	3,527	13.58	2.31	4.84	9.71	30.45	5,399	53.1%	
FB	OL2	F/4	HPS	Acom	16,000	586	61	35,732	8.88	1.51	3.16	7.21	20.76	12,160	13.58	2.31	4.84	11.03	31.76	18,607	53.0%	
FB	OL2	O	HP9	ALN 440	16,000	203	61	12,381	13.20	1.51	4.47	-	19.18	3,887	20.21	2.31	6.85	-	29.37	5,951	53.1%	
FB	OL2	E/3	HPS	American Revolution	9,500	478	41	18,093	5.07	1.01	1.95	4.23	12.27	5,865	7.63	1.55	3.02	5.95	18.16	6,881	48.0%	
FB	OL2	G/2	HPS	American Revolution	15,000	63	61	3,863	5.45	1.51	2.08	8.34	15.38	974	8.30	2.31	3.19	9.71	23.51	1,488	52.9%	
FB	OL2	G/3	HPS	American Revolution	16,000	617	61	37,683	5.45	1.51	2.08	4.23	13.26	6,188	8.30	2.31	3.19	6.43	20.23	12,490	52.5%	
FB	OL2	C	HPS	Cobra Head	9,500	2,545	42	108,875	2.67	1.03	2.71	-	6.41	16,321	5.74	1.60	2.50	-	9.84	25,039	53.4%	
FB	OL2	C/1	HPS	Cobra Head	9,500	2,945	42	123,676	2.67	1.03	2.71	1.97	8.38	24,689	5.74	1.60	2.50	3.61	13.45	39,606	60.4%	
FB	OL2	D	HPS	Cobra Head	20,000	488	89	43,397	2.81	2.20	2.89	-	7.89	3,848	7.10	3.40	2.88	-	13.38	6,525	69.6%	
FB	OL2	D/1	HPS	Cobra Head	20,000	571	89	50,818	2.81	2.20	2.89	1.97	9.88	5,831	7.10	3.40	2.88	3.54	16.92	9,862	71.6%	
FB	OL2	P	HPS	Cobra Head	22,000	34	81	2,736	6.28	2.00	2.29	-	10.58	357	9.61	3.06	3.50	-	16.17	546	53.1%	
FB	OL2	K	HPS	Cobra Head	60,000	20	162	3,249	5.68	3.99	2.17	-	11.84	237	7.05	6.20	3.63	-	17.88	354	49.3%	
FB	OL2	J	HPS	Flood	28,500	13	101	1,279	5.72	2.49	2.16	-	10.37	131	8.00	3.87	3.52	-	15.39	195	48.3%	
FB	OL2	J/1	HPS	Flood	28,500	17	101	1,706	5.72	2.49	2.16	1.97	12.34	208	8.00	3.87	3.52	3.81	19.19	324	55.5%	
FB	OL2	J/6	HPS	Flood	28,500	38	101	3,838	5.72	2.49	2.16	7.63	18.00	684	8.00	3.87	3.52	10.83	26.22	995	45.7%	
FB	OL2	X	MH	ALN 440	16,000	38	71	2,698	13.20	1.75	4.55	-	19.80	745	20.35	2.68	6.97	-	30.00	1,140	53.1%	
FB	OL2	L	MH	Flood	50,000	406	162	65,828	5.87	3.99	2.28	-	12.14	4,932	8.30	6.19	3.66	-	18.15	7,376	48.5%	
FB	OL2	L/1	MH	Flood	50,000	109	162	17,611	5.87	3.99	2.28	1.97	14.11	1,534	8.30	6.19	3.66	3.76	21.91	2,382	55.3%	
FB	OL2	L/6	MH	Flood	50,000	114	162	18,466	5.87	3.99	2.28	7.63	19.76	2,253	8.30	6.19	3.66	10.69	29.05	3,311	47.0%	
FB	OL2	AA	MH	Flood	130,000	51	405	20,518	8.05	9.98	3.07	-	21.10	1,059	14.32	15.50	5.32	-	35.14	1,780	66.5%	
FB	OL2	H/4	MH	Shoebos	16,000	3,619	71	256,955	10.23	1.75	3.88	7.21	22.88	82,793	15.66	2.68	5.64	11.04	35.02	128,758	53.1%	
FB	OL2	I/4	MH	Shoebos	28,500	114	101	11,513	11.26	2.49	4.01	7.21	25.00	2,849	16.65	3.84	6.30	11.04	37.83	4,312	51.4%	
FB	OL2	I/6	MH	Shoebos	28,500	51	101	5,117	11.26	2.49	4.01	7.63	25.41	1,287	16.65	3.84	6.30	11.67	38.47	1,949	51.4%	
FB	OL2	W	MH	SP2 Spectra	9,500	139	41	5,712	11.00	1.01	3.76	-	15.88	2,213	17.10	1.63	5.76	-	24.32	3,388	53.1%	
FB	OL2	OL22	POLE	Pole - Aluminum	\$9.74	165	-	-	-	-	-	6.34	6.34	1,045	-	-	-	-	9.71	1,599	53.1%	
FB	OL2	OL28	POLE	Pole - Aluminum	\$9.61	190	-	-	-	-	-	8.27	8.27	1,570	-	-	-	-	12.66	12.66	2,404	53.1%
FB	OL2	OL21	POLE	Pole - Wood	\$2.50	25	-	-	-	-	-	1.97	1.97	50	-	-	-	-	3.81	3.81	97	93.4%
Total Outdoor Lighting 2 - DL2						13,815	62	862,028					189,047						282,361	54.7%		
FB	SL2	xA	MV	Cobra Head	7,000	4,930	72	354,960	0.41	0.74	1.48	-	2.63	12,969	1.24	1.30	2.09	-	4.63	22,827	76.0%	
FB	SL2	xB	MV	Cobra Head	20,000	629	154	96,866	1.20	1.53	1.58	-	4.35	2,739	2.08	2.47	2.38	-	6.93	4,358	59.1%	
FB	SL2	xRR	MV	Am Island Plantation	130,000	144	103	14,832	6.94	1.09	1.80	-	9.83	1,416	10.62	1.67	2.76	-	15.05	2,168	53.1%	
Total Street Lighting 2 - SL2						5,703	82	466,658					17,124						29,353	71.4%		
FB	SL3	xF/3	HPS	Acom	16,000	11	61	644	8.88	0.70	3.16	4.23	16.97	179	13.59	1.07	4.84	6.47	25.97	274	53.1%	
FB	SL3	xF/4	HPS	Acom	16,000	232	61	14,164	8.88	0.70	3.16	7.21	19.85	4,632	13.59	1.07	4.84	11.04	30.54	7,092	53.1%	
FB	SL3	xE/3	HPS	American Revolution	9,500	41	41	1,688	5.07	0.47	1.95	4.23	11.72	483	7.07	0.72	2.99	6.47	17.95	739	63.1%	
FB	SL3	xC	HPS	Cobra Head	9,500	4,083	42	171,505	3.83	0.48	1.34	-	5.66	23,093	5.72	1.08	2.19	-	8.99	35,715	59.0%	
FB	SL3	xC/1	HPS	Cobra Head	9,500	1,353	72	97,421	3.83	0.48	1.34	1.97	7.63	10,318	5.72	1.08	2.19	3.03	12.02	16,258	57.7%	
FB	SL3	xD	HPS	Cobra Head	22,000	1,162	89	103,421	4.05	1.01	1.43	-	6.48	7,545	6.88	2.12	2.28	-	11.26	13,082	73.4%	
FB	SL3	xD/1	HPS	Cobra Head	22,000	281	89	24,986	4.65	1.01	1.43	1.97	8.46	2,376	6.88	2.12	2.28	3.16	14.42	4,048	70.4%	
FB	SL3	xD/3	HPS	Cobra Head	22,000	735	89	65,378	4.05	1.01	1.43	4.23	10.72	7,874	6.88	2.12	2.28	5.47	17.73	13,023	65.4%	
FB	SL3	xH	HPS	Cobra Head	28,500	218	101	22,066	4.95	1.16	1.92	-	8.03	1,754	5.97	3.06	3.10	-	13.14	2,871	63.6%	
FB	SL3	xH/1	HPS	Cobra Head	28,500	11	101	1,066	4.95	1.16	1.92	1.97	10.00	106	6.97	3.06	3.10	3.45	16.59	175	65.9%	
FB	SL3	xI	HPS	Cobra Head	50,000	63	162	10,259	5.68	1.87	2.17	-	9.72	616	8.15	4.53	3.48	-	16.19	1,023	66.2%	
FB	SL3	xT	MH	ALN 440	16,000	139	71	9,892	13.20	0.82	4.47	-	18.49	2,576	20.21	1.25	6.95	-	28.31	3,844	53.1%	
FB	SL3	xL	HPS	Cobra Head	22,000	30	81	2,394	2.67	1.03	2.71	-	6.41	190	5.02	1.63	3.86	-	10.52	311	64.0%	
FB	SL3	SL38	POLE	Pole - Aluminum	\$9.61	114	-	-	-	-	-	8.27	8.27	942	-	-	-	-	12.66	12.66	1,443	53.1%
FB	SL3	SL36	POLE	Pole - Concrete	\$6.91	70	-	-	-	-	-	7.63	7.63	531	-	-	-	-	10.87	10.87	757	42.5%
Total Street Lighting 3 - SL3						8,543	61	524,884					63,215						101,765	61.0%		
Total Fernandina Beach - Northeast Division						31,351	67	2,102,248					285,408						450,311	57.8%		
Total Consolidated						90,498	71	6,468,359					756,625						1,158,403	53.10%		

Schedule A-5

SUMMARY OF TARIFFS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438E1

EXPLANATION Provide a summary of all proposed changes in rates and rate classes, detailing current and proposed classes of service, demand, energy, and other service charges

Type of Data Shown
 Projected Test Year 12/31/2004
 Witness Mark Cutshaw

Present Rates										Proposed Rates							Percent Increase in Base Revenue				
Territory	Tariff	Code	FACILITY	Lamp	Lumen	Annual Billing Items	Est Monthly kWh	2004 Annual kWh	Facility Charge	Energy Charge	Maint Charge	Pole Charge	Total Base Charge	Total Base Revenue	Facility Charge	Energy Charge		Maint Charge	Pole Charge	Total Base Charge	Total Base Revenue
Total Electric Division																					
Total	OL	A	MV	Cobra Head	7,000	4,809	72	346,248					20,092		1.43	1.94	2.97	-	6.34	30,507	51.8%
Total	OL	A/1	MV	Cobra Head	7,000	2,989	72	193,809					16,912		1.43	1.84	2.97	3.39	9.72	26,147	54.8%
Total	OL	B	MV	Cobra Head	20,000	125	154	19,250					864		3.91	3.94	3.27	-	11.13	1,391	61.0%
Total	OL	B/1	MV	Cobra Head	20,000	180	154	27,720					1,764		3.91	3.94	3.27	3.39	14.63	2,533	49.2%
Total Outdoor Lighting - OL					7,803	75	586,826						39,633						60,678	53.1%	
Total	OL2	F/2	HPS	Acorn	15,000	177	61	10,816					3,527		13.58	2.31	4.84	9.71	30.45	5,389	53.1%
Total	OL2	F/4	HPS	Acorn	15,000	592	61	36,103					12,276		13.58	2.31	4.84	11.03	31.76	18,600	53.1%
Total	OL2	O	HPS	ALN 440	16,000	203	61	12,361					3,887		20.21	2.31	6.85	-	29.37	5,951	53.1%
Total	OL2	E/3	HPS	American Revolution	9,500	597	41	24,462					7,078		7.6	1.6	3.0	5.9	18.16	10,833	53.1%
Total	OL2	G/2	HPS	American Revolution	16,000	63	61	3,863					974		8.30	2.31	3.19	9.71	23.51	1,489	52.9%
Total	OL2	G/3	HPS	American Revolution	16,000	662	61	40,382					8,745		8.30	2.31	3.19	6.43	20.23	13,391	53.1%
Total	OL2	C	HPS	Cobra Head	9,500	20,040	42	841,667					128,814		5.74	1.60	2.50	-	9.84	197,191	53.1%
Total	OL2	C/1	HPS	Cobra Head	9,500	10,981	42	481,184					96,449		5.74	1.60	2.50	3.61	13.45	147,690	53.1%
Total	OL2	D	HPS	Cobra Head	20,000	1,749	89	155,640					15,362		7.10	3.40	2.88	-	13.38	23,401	52.3%
Total	OL2	D/1	HPS	Cobra Head	20,000	1,614	89	143,677					17,765		7.10	3.40	2.88	3.54	16.92	27,318	53.8%
Total	OL2	P	HPS	Cobra Head	22,000	34	81	2,736					357		9.61	3.00	3.50	-	16.17	546	53.1%
Total	OL2	Q	HPS	Cobra Head	28,500	480	101	48,495					5,728		10.56	3.87	3.83	-	18.26	8,770	53.1%
Total	OL2	K	HPS	Cobra Head	50,000	794	162	128,622					9,168		7.95	6.20	3.53	-	17.68	14,034	53.1%
Total	OL2	K/6	HPS	Cobra Head	50,000	283	162	45,784					5,214		7.95	8.20	3.53	10.58	28.26	7,886	53.1%
Total	OL2	R	HPS	Cobra Head	50,000	29	162	4,759					439		12.32	6.20	4.35	-	22.87	672	53.1%
Total	OL2	J	HPS	Flood	28,500	1,665	101	168,018					16,712		8.00	3.87	3.52	-	15.39	24,072	53.2%
Total	OL2	J/1	HPS	Flood	28,500	619	101	62,478					7,754		8.00	3.87	3.52	3.81	19.19	11,872	53.1%
Total	OL2	J/6	HPS	Flood	28,500	165	101	16,626					2,830		8.00	3.87	3.52	10.83	26.22	4,318	52.9%
Total	OL2	V	HPS	Flood	130,000	14	405	5,744					340		15.43	15.61	5.74	-	35.63	520	53.1%
Total	OL2	X	MH	ALN 440	16,000	38	71	2,688					745		20.35	2.68	8.97	-	30.00	1,140	53.1%
Total	OL2	AA	MH	Flood	7,000	1,478	405	697,744					33,878		14.32	15.50	5.32	-	35.14	51,858	53.1%
Total	OL2	L	MH	Flood	60,000	2,769	162	448,512					32,830		8.30	6.19	3.66	-	18.15	50,256	53.1%
Total	OL2	L/1	MH	Flood	50,000	1,291	162	209,117					18,450		8.30	6.19	3.66	3.76	21.91	28,284	53.3%
Total	OL2	L/5	MH	Flood	50,000	397	162	64,250					7,543		8.30	6.19	3.66	10.89	29.05	11,520	52.7%
Total	OL2	I/4	MH	Shoobox	16,000	3,619	71	256,955					82,793		15.66	2.68	5.64	11.04	35.02	126,758	53.1%
Total	OL2	I/4	MH	Shoobox	28,500	114	101	11,513					2,849		16.65	3.84	6.30	11.04	37.83	4,312	51.4%
Total	OL2	I/6	MH	Shoobox	28,500	51	101	5,117					1,287		16.65	3.84	6.30	11.67	38.47	1,949	51.4%
Total	OL2	U/1	MH	Shoobox	28,500	109	101	11,049					2,644		16.65	3.84	6.30	10.87	37.66	4,120	55.8%
Total	OL2	W	MH	SP2 Spectra	9,500	139	41	5,712					2,213		17.00	1.55	5.76	-	24.32	3,388	59.1%
Total	OL2	BB	MH	Vertical Shoobox	20,000	147	405	59,487					4,091		20.07	15.51	7.06	-	42.64	6,283	53.1%
Total	OL2	OL22	POLE	Pole - Aluminum	\$5.74	165	-	-					1,045		-	-	-	9.71	9.71	1,589	53.1%
Total	OL2	OL28	POLE	Pole - Aluminum	\$9.61	190	-	-					1,570		-	-	-	12.66	12.66	2,404	53.1%
Total	OL2	OL24	POLE	Pole - Concrete	\$6.53	1	-	-					7		-	-	-	10.00	10.00	10	53.1%
Total	OL2	OL26	POLE	Pole - Concrete	\$6.91	388	-	-					2,681		-	-	-	10.58	10.58	4,104	53.1%
Total	OL2	OL21	POLE	Pole - Wood	\$2.50	1,236	-	-					3,076		-	-	-	3.81	3.81	4,710	53.1%
Total Outdoor Lighting 2 - OL2					52,788	73	3,875,570						540,124						826,936	53.1%	
Total	SL2	xA	MV	Cobra Head	7,000	9,285	72	668,520					28,080		1.24	1.30	2.08	-	4.63	42,991	53.1%
Total	SL2	xS	MV	Cobra Head	20,000	677	154	104,258					3,064		2.08	2.47	2.38	-	6.93	4,691	53.1%
Total	SL2	xRR	MV	Am Island Plantation	130,000	144	103	14,832					1,416		10.62	1.67	2.76	-	15.05	2,168	53.1%
Total Street Lighting 2 - SL2					10,106	78	787,610						32,560						49,850	53.1%	
Total	SL3	xF/3	HPS	Acorn	16,000	11	61	644					179		13.59	1.07	4.84	6.47	25.97	274	53.1%
Total	SL3	xF/4	HPS	Acorn	16,000	232	61	14,164					4,632		13.59	1.07	4.84	11.04	30.54	7,092	53.1%
Total	SL3	xE/3	HPS	American Revolution	9,500	41	41	1,688					493		7.77	0.72	2.99	6.47	17.95	739	53.1%
Total	SL3	xG/2	HPS	American Revolution	16,000	70	61	4,264					991		7.59	1.95	3.37	8.79	21.71	1,517	53.1%
Total	SL3	xC	HPS	Cobra Head	9,500	11,129	42	487,405					65,646		5.72	1.08	2.19	-	8.99	100,060	52.4%
Total	SL3	xC/1	HPS	Cobra Head	9,500	1,378	71	98,485					10,534		5.72	1.08	2.19	3.03	12.02	18,572	57.3%
Total	SL3	xD	HPS	Cobra Head	22,000	2,794	89	248,660					21,350		6.88	2.12	2.26	-	11.26	31,453	47.3%
Total	SL3	xD/1	HPS	Cobra Head	22,000	342	89	30,396					3,042		6.88	2.12	2.26	3.16	14.42	4,924	61.9%
Total	SL3	xD/3	HPS	Cobra Head	22,000	735	89	65,378					7,874		6.88	2.12	2.26	6.47	17.73	13,023	65.4%
Total	SL3	xH	HPS	Cobra Head	28,500	1,830	101	184,841					15,711		6.97	3.06	3.10	-	13.14	24,046	53.1%
Total	SL3	xH/1	HPS	Cobra Head	28,500	23	101	2,294					241		6.97	3.06	3.10	3.45	18.59	377	56.2%
Total	SL3	xi	HPS	Cobra Head	50,000	224	162	36,351					2,399		8.15	4.53	3.48	-	15.16	3,626	53.1%
Total	SL3	xM	HPS	Flood	28,500	27	101	2,762					347		11.96	3.25	4.24	-	19.44	532	53.1%
Total	SL3	xT	MH	ALN 440	16,000	139	71	9,892					2,676		20.21	1.25	6.85	-	28.31	3,944	53.1%
Total	SL3	xL	HPS	Cobra Head	22,000	38	81	3,050					259		5.02	1.63	3.86	-	10.52	386	53.1%
Total	SL3	xY	MH	Flood	130,000	12	405	4,923					260		14.39	12.98	5.34	-	32.72	388	53.1%
Total	SL3	xW	MH	Flood	50,000	266	162	43,159					4,865		12.43	5.19	9.12	-	26.81	7,142	53.1%
Total	SL3	SL38	POLE																		

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY, FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438E1

Compare jurisdictional revenue by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinants information shall be shown separately for the transfer group and not be included under either the new or old classification.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Witness Mark Cutshaw

RATE	TERRITORY	PRESENT RATES				PROPOSED RATES				INCREASE			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	BASE		TOTAL	
		BASE	FUEL	ECCR	TOTALS (1+2+3)	BASE	FUEL	ECCR	TOTALS (5+6+7)	(9) DOLLARS	(10) PERCENT	(11) DOLLARS	(12) PERCENT
RS	Fernandina Beach	3,510,676	7,591,368	99,326	11,201,370								
	Mananna	2,700,496	5,440,805	111,759	8,253,059								
	Consolidated	6,211,171	13,032,173	211,085	19,454,429	8,969,546	13,032,173	209,292	22,211,010	2,758,374	44.41%	2,756,582	14.17%
GS	Fernandina Beach	763,406	1,405,868	19,009	2,188,283								
	Mananna	578,568	1,067,669	22,214	1,668,450								
	Consolidated	1,341,974	2,473,537	41,223	3,856,733	1,854,034	2,473,537	40,689	4,368,260	512,060	38.16%	511,527	13.26%
GSD	Fernandina Beach	1,077,265	3,281,405	46,673	4,405,343								
	Mananna	1,058,027	3,219,351	71,987	4,349,364								
	Consolidated	2,135,291	6,500,756	118,660	8,754,707	2,510,722	6,500,756	113,334	9,124,812	375,431	17.58%	370,105	4.23%
GSLD	Fernandina Beach	163,815	367,508	8,827	540,150								
	Mananna	267,134	1,241,045	29,398	1,537,577								
	Consolidated	430,949	1,608,553	38,225	2,077,728	498,575	1,608,553	33,584	2,140,712	67,626	15.69%	62,984	3.03%
GSLD1	Fernandina Beach	485,782	3,317,133	53,268	3,856,183								
	Mananna	-	-	-	-								
	Consolidated	485,782	3,317,133	53,268	3,856,183	392,701	3,317,133	66,107	3,775,940	(93,082)	-19.16%	(80,243)	-2.08%
OL	Fernandina Beach	16,021	7,348	122	23,492	26,829	6,885	151	33,866				
	Marianna	23,611	9,154	267	33,032	33,849	9,362	206	43,417				
	Consolidated	39,633	16,247	357	56,237	60,678	16,247	357	77,282	21,045	53.10%	21,045	37.42%
OL2	Fernandina Beach	189,047	25,473	422	214,942	292,361	23,867	524	316,752				
	Mananna	351,077	81,577	2,381	435,034	534,576	83,436	1,833	619,844				
	Consolidated	540,124	107,303	2,357	649,783	826,936	107,303	2,357	936,596	286,812	53.10%	286,812	44.14%
SL2	Fernandina Beach	17,124	13,790	229	31,142	29,353	13,214	284	42,851				
	Mananna	15,437	8,701	254	24,391	20,497	9,088	195	29,780				
	Consolidated	32,560	22,302	479	55,341	49,850	22,302	479	72,631	17,290	53.10%	17,290	31.24%
SL3	Fernandina Beach	63,215	15,510	257	78,982	101,765	15,510	257	117,533				
	Mananna	81,094	18,800	548	100,442	119,173	18,800	548	138,521				
	Consolidated	144,309	34,499	741	179,548	220,938	34,499	741	256,178	76,630	53.10%	76,630	42.68%
Total Lighting	Fernandina Beach	285,406	62,121	1,030	348,557	450,308	59,476	1,216	511,001				
	Marianna	471,219	118,231	3,449	592,900	708,094	120,686	2,781	831,562				
	Consolidated	756,625	180,351	3,933	940,910	1,158,403	180,351	3,933	1,342,687	401,777	53.10%	401,777	42.70%
TOTAL	Consolidated	11,361,793	27,112,503	466,394	38,940,689	15,383,980	27,112,503	466,940	42,963,422	4,022,187	35.4%	4,022,733	10.3%

FLORIDA PUBLIC SERVICE COMMISSION

Provide the following statistical data for the company,
by calendar year for the most recent 5 years.Type of Data Shown:
Historical Year 12/31/2002
Prior Years 1998-2001COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438EI

Witness: Mark Cutshaw

	Year 1998	Year 1999	Year 2000	Year 2001	Year 2002	Average Annual Growth Rate
(1) THE LEVEL AND ANNUAL GROWTH RATES FOR:						
Peak Load MW (Fernandina - Northeast Division)	n/a	96.40	98.40	90.40	83.80	-4.67%
Peak Load MW (Marianna - Northwest Division)	n/a	67.90	71.20	69.30	70.60	1.30%
Peak Load MW per Customer (Fernandina - Northeast Division)	n/a	0.00722	0.00713	0.00639	0.00579	-7.35%
Peak Load MW per Customer (Marianna - Northwest Division)	n/a	0.00475	0.00492	0.00480	0.00483	0.55%
Energy Sales (MWH)	701,666	716,494	706,724	724,395	743,638	1.45%
Energy Sales (MWH) Per Customer	26.01	25.92	25.01	25.36	25.57	-0.43%
Number of Customers (Fernandina Beach - Northeast Division)	12,892	13,347	13,791	14,138	14,467	2.88%
Number of Customers (Marianna - Northwest Division)	14,082	14,294	14,467	14,423	14,617	0.93%
Number of Customers (Consolidated)	26,974	27,641	28,258	28,561	29,084	1.88%
Installed Generating Capacity (MW)	-	-	-	-	-	
(2a) DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:						
Fuel Cost per Kilowatt-Hour Generated	n/a	n/a	n/a	n/a	n/a	
O & M Expense Less Fuel per KWH Sold	0.006438	0.006068	0.006952	0.007749	0.008036	5.54%
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a	
Non-Fuel Revenue (\$) per KWH Sold	0.014380	0.013936	0.014617	0.015206	0.015310	1.57%
A & G Expense per KWH Sold	0.001878	0.001717	0.001849	0.002411	0.002349	5.60%
(2b) DOLLAR AMOUNTS, IN REAL TERMS, AND ANNUAL GROWTH RATES FOR: (CPI: 1982 = 1)						
Fuel Cost per Kilowatt-Hour Generated	1.630	1.666	1.722	1.771	1.799	2.47%
O & M Expense Less Fuel per KWH Sold	n/a	n/a	n/a	n/a	n/a	
Capital Cost per Installed Kilowatt of Capacity	0.003950	0.003642	0.004037	0.004376	0.004467	3.08%
Revenue per KWH Sold	n/a	n/a	n/a	n/a	n/a	
A & G Expense per KWH Sold	0.008822	0.008365	0.008488	0.008586	0.008510	-0.90%
	0.001152	0.001030	0.001074	0.001362	0.001306	3.13%
(3) DISTRIBUTION OF TOTAL						
Generation Plant by Type of Prime Mover: Steam	n/a	n/a	n/a	n/a	n/a	
Generated Energy by Type of Fuel:	n/a	n/a	n/a	n/a	n/a	
Customers by Customer Type:						
RS	10,967	11,314	11,702	12,008	12,307	2.88%
GS	12,513	12,689	12,758	12,621	12,782	0.53%
GSD	574	570	595	626	623	2.06%
GSLD	10	11	11	12	13	6.19%
OL	n/a	n/a	58	230	224	67.94%
OL2	n/a	n/a	739	2,992	3,070	71.24%
SL2	n/a	n/a	1	6	5	68.47%
SL3	n/a	n/a	16	66	60	65.43%
TOTAL	24,064	24,585	25,880	28,561	29,084	4.74%

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule showing the change in cost,
by functional group, for the last five years.Type of Data Shown:
Historical Year 12/31/2002
Prior Years 1998-2001COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438EI

Witness: Mehrdad Khojasteh

Description of Functional Group	Type of Cost	1998		1999		2000		2001		2002	
		Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change	Dollars (000)	Percent Change
Fuel (Purchased Power)	Variable	26,980	0.0%	25,413	-6.2%	26,511	4.1%	25,419	-4.3%	26,030	2.3%
Interchange	Semi-Variable	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Production	Semi-Variable	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Transmission	Semi-Variable	59		116	49.1%	83	-38.9%	124	32.7%	64	-92.8%
Distribution	Semi-Variable	1,922		1,901	-1.1%	2,177	12.7%	2,285	4.7%	2,191	-4.3%
Customer Account	Semi-Variable	1,007		945	-6.6%	1,108	14.8%	1,157	4.2%	1,106	-4.6%
Customer Service & Information & Sales Expense	Semi-Variable	209		154	-35.8%	236	34.9%	298	20.9%	487	38.8%
		2		2	12.0%	2	-39.4%	3	37.9%	3	7.7%
Admin & General	Semi-Variable	1,318		1,230	-7.1%	1,307	5.9%	1,747	25.2%	2,124	17.8%
Depreciation	Fixed	1,780		1,909	6.8%	2,014	5.2%	2,132	5.5%	2,187	2.5%
Taxes (other than Income)	Semi-Variable	3,182		3,028	-5.1%	3,186	5.0%	3,120	-2.1%	3,289	5.1%
Taxes (Income)		765		682	-12.2%	536	-27.2%	455	-17.8%	349	-30.4%
ITC		(50)		(61)	18.0%	(61)	0.0%	(59)	-3.4%	(56)	-5.4%
TOTAL		37,174		35,319	-5.3%	37,099	4.8%	36,681	-1.1%	37,774	2.9%

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438EI

EXPLANATION:

Provide a description of all parent, subsidiary and affiliated company relationships, with a discussion of investments, transactions, pricing policies and proposed treatment for ratemaking purposes.

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: George Bachman

None

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
SCHEDULE B – RATE BASE SCHEDULES

AUGUST 2003

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI
MINIMUM REQUIREMENTS INDEX

2002 HISTORIC YEAR
RATE BASE SCHEDULES

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FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY, Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account
 by month for the test year, the prior year and the most recent historical
 year For accounts including non-electric utility amounts, show these
 amounts as a separate subaccount

2002

Type of Data Shown.
 Historical Year Ended 12/31/02
 Witness: Jim Mesite

Line No	Account No.	Account Name	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Dec 2001	Jan 2002	Feb 2002	Mar 2002	Apr 2002	May 2002	Jun 2002	Jul 2002	Aug 2002	Sep 2002	Oct 2002	Nov 2002	Dec 2002	13 MONTH AVERAGE
1		ASSETS AND OTHER DEBITS														
2																
3		UTILITY PLANT														
4	1010	PLANT IN SERVICE	54,854,499	55,117,770	55,263,625	55,533,954	55,765,205	55,942,342	55,994,851	56,150,677	56,163,689	56,258,094	56,454,148	56,803,718	59,282,916	56,121,961
5	1070	CWIP	2,354,490	2,296,406	2,113,811	2,030,507	2,079,379	2,062,042	2,118,812	2,183,994	2,242,617	2,738,785	2,772,593	2,699,584	650,106	2,180,240
6	1080	PLANT RESERVE	(23,264,872)	(23,439,333)	(23,605,890)	(23,731,328)	(23,923,574)	(24,116,957)	(24,208,398)	(24,317,714)	(24,392,209)	(24,564,112)	(24,716,881)	(24,893,667)	(25,082,143)	(24,173,621)
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,494,529	1,494,529	1,496,419	1,498,473	1,498,473	1,498,473	1,498,473	1,498,651	1,492,205	1,492,205	1,495,376	1,494,788	1,493,765	1,495,874
8	1190	ALLOCATED COMMON PLANT RESERVE	(271,219)	(277,757)	(284,295)	(290,840)	(297,398)	(303,955)	(310,511)	(318,841)	(321,213)	(327,708)	(330,167)	(336,095)	(342,332)	(308,641)
9	1070	ALLOCATED COMMON CWIP	-	1,557	1,557	-	1,307	29,324	29,532	35,265	47,264	47,378	46,117	47,770	47,770	25,757
10																
11		OTHER PROPERTY AND INVESTMENTS														
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,108	2,914	2,920	2,928	2,853	3,132	2,830	2,743	2,691	2,800	2,672	2,665	2,780	2,849
13																
14		CURRENT AND ACCRUED ASSETS														
15	1310, 1340	CASH & DEPOSITS	4,336,350	2,660,641	2,277,225	2,960,944	1,936,360	1,402,125	1,239,579	1,168,735	242,347	1,166,754	227,054	(56,805)	1,174,222	1,595,041
16	1310 4	LOCAL CASH	14,612	31,838	29,310	10,112	10,173	10,483	8,704	9,196	21,539	43,645	62,113	79,313	12,955	26,461
17	1350	WORKING FUNDS	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
18	1420, 1430	ACCOUNTS RECEIVABLE	2,635,838	3,175,336	3,091,571	3,177,919	2,591,228	2,897,437	3,508,975	3,459,577	3,356,135	3,752,900	3,316,076	3,025,063	3,216,416	3,169,575
19	1440	PROVISION FOR UNCOLLECTIBLE	(62,429)	(69,807)	(69,488)	(74,228)	(80,349)	(87,233)	(93,980)	(128,235)	(128,330)	(127,843)	(117,490)	(117,425)	(42,883)	(92,286)
20	1630	STORES EXPENSE	-	(1,316)	(1,194)	(3,408)	(3,046)	(2,654)	(2,275)	14,242	15,201	98,558	67,627	30,198	-	16,303
21	1540	MATERIALS AND SUPPLIES	825,628	850,236	847,971	834,623	811,101	853,249	845,926	858,844	894,384	813,187	838,115	852,105	868,849	845,709
22	1650 2, 4, 5	PREPAYMENTS - INSURANCE	180,021	214,030	187,000	151,630	135,352	141,249	111,396	79,803	92,941	269,818	310,945	277,674	260,908	185,597
23	1650 3	PREPAYMENTS - PENSIONS	704,061	701,736	699,411	697,086	694,761	692,436	690,111	687,786	700,341	712,896	725,451	738,006	753,341	707,494
24	1730	UNBILLED REVENUES	484,866	408,321	415,375	410,253	463,810	494,639	513,058	561,578	577,559	526,086	470,701	435,902	460,620	478,674
25	1840.7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	-	-	-	1,280	-	-	-	-	-	98
26	1840 1	CLEARING ACCOUNTS - DIVISIONAL	-	310	678	318	313	633	143	36	-	-	-	-	-	187
27	1850	TEMPORARY FACILITIES	(1,658)	(1,882)	(2,294)	(1,321)	(725)	8,969	8,894	11,102	12,782	11,679	11,810	12,889	13,975	6,478
28																
29		DEFERRED DEBITS														
30	1860	DEFERRED DEBITS - OTHER	45,547	40,631	35,695	30,549	25,793	37,664	34,865	32,067	29,268	26,469	38,940	37,940	36,586	34,770
31	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL-includes Commission Adjustment	698,489	749,689	727,818	669,611	637,059	578,847	520,640	462,433	448,060	472,258	493,975	410,611	388,406	558,300
32	1860	DEFERRED DEBITS - CONSERVATION	88,530	105,563	104,559	31,179	30,244	36,466	23,650	51,819	13,609	5,556	15,428	25,457	29,787	43,219
33	1860	DEFERRED DEBITS - COMMON	21,501	20,882	33,021	32,677	18,665	17,861	18,983	28,021	24,854	21,369	18,319	15,268	15,960	22,106
34	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	783,507	734,553	736,243	738,169	719,171	789,673	713,441	691,530	678,488	705,895	673,723	671,889	700,776	718,236
35	1900	ACCUMULATED DEF TAXES	74,184	248,949	238,473	245,358	244,575	248,911	256,252	262,778	269,153	281,564	286,417	293,367	276,744	248,210
36																
37		TOTAL ASSETS AND OTHER DEBITS	46,004,383	45,070,595	44,344,321	44,959,965	43,365,531	43,239,957	43,528,751	43,492,167	42,488,175	44,433,033	43,167,863	42,555,025	44,224,324	43,913,391

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account
 by month for the test year, the prior year and the most recent historical
 year For accounts including non-electric utility amounts, show these
 amounts as a separate subaccount

Type of Data Shown

Historical Year Ended 12/31/02

2002

Witness Jim Mesite

Line No	Account No	Account Name	(15) 13-MONTH CONSOLIDATED AMOUNT	(16) ALLOCATION METHOD	(17) ALLOCATION %	(18) 13 MONTH AVERAGE	(19) 13-Month Avg COMMISSION ADJUSTMENT	(20) 13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	(21) PROPOSED COMPANY ADJUSTMENTS ELIMINATION OF WATER	(22) PROPOSED COMPANY ADJUSTMENTS ACTUAL CASH 13-MO AVG	(23) PROPOSED COMPANY ADJUSTMENTS ACTUAL O/U RECOVERY	(24) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(25) REFERENCE RB / WC / CS / ORP / NEU
1		<u>ASSETS AND OTHER DEBITS</u>											
2													
3		<u>UTILITY PLANT</u>											
4	1010	PLANT IN SERVICE		DIRECT	100%	56,121,961		56,121,961				56,121,961	RB
5	1070	CWIP		DIRECT	100%	2,180,240		2,180,240				2,180,240	RB
6	1080	PLANT RESERVE		DIRECT	100%	(24,173,621)		(24,173,621)				(24,173,621)	RB
7	1180	ALLOCATED COMMON PLANT IN SERVICE	4,848,029	Plant / Customers	30% / 32%	1,495,874		1,495,874				1,495,874	RB
8	1190	ALLOCATED COMMON PLANT RESERVE	995,036	Plant / Customers	30% / 32%	(308,641)		(308,641)				(308,641)	RB
9	1070	ALLOCATED COMMON CWIP	81,289	Plant / Customers	30% / 32%	25,757		25,757				25,757	RB
10													
11		<u>OTHER PROPERTY AND INVESTMENTS</u>											
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	10,000	Pro-Rata of Consolidated Equity	29%	2,849	(27)	2,822	(3)	28	20	2,867	CS
13													
14		<u>CURRENT AND ACCRUED ASSETS</u>											
15	1310, 1340	CASH & DEPOSITS	4,310,921	Base Revenue	37%	1,595,041	(269,814)	1,325,227	71,634	284,398		1,681,259	RB, WC
16	1310 4	LOCAL CASH		DIRECT	100%	26,461		26,461				26,461	RB, WC
17	1350	WORKING FUNDS	5,000	Special Allocation	96%	4,800		4,800	200			5,000	RB, WC
18	1420, 1430	ACCOUNTS RECEIVABLE		DIRECT	100%	3,169,575		3,169,575				3,169,575	RB, WC
19	1440	PROVISION FOR UNCOLLECTIBLE		DIRECT	100%	(92,286)		(92,286)				(92,286)	RB, WC
20	1630	STORES EXPENSE		DIRECT	100%	16,303		16,303				16,303	RB, WC
21	1540	MATERIALS AND SUPPLIES		DIRECT	100%	845,709		845,709				845,709	RB, WC
22	1650 2, 4, 5	PREPAYMENTS - INSURANCE	501,615	Base Revenue	37%	185,597		185,597	10,032			195,629	RB, WC
23	1650 3	PREPAYMENTS - PENSIONS	2,282,239	Payroll	31%	707,494		707,494	22,822			730,316	RB, WC
24	1730	UNBILLED REVENUES		DIRECT	100%	478,674		478,674				478,674	RB, WC
25	1840.7	CLEARING ACCOUNTS - REFUNDS	266	Base Revenue	37%	98		98				98	RB, WC
26	1840 1	CLEARING ACCOUNTS - DIVISIONAL		DIRECT	100%	187		187				187	RB, WC
27	1850	TEMPORARY FACILITIES		DIRECT	100%	6,478		6,478				6,478	RB, WC
28													
29		<u>DEFERRED DEBITS</u>											
30	1860	DEFERRED DEBITS - OTHER		DIRECT	100%	34,770		34,770				34,770	RB, WC
31	1860	DEFERRED DEBITS - OVER/UNDER											
32	1860	RECOVERY FUEL-Includes Commission Adjustment		DIRECT	100%	558,300		558,300			197,869	756,169	RB, WC
33	1860	DEFERRED DEBITS - CONSERVATION		DIRECT	100%	43,219		43,219				43,219	RB, WC
34	1860	DEFERRED DEBITS - COMMON	59,747	Base Revenue	37%	22,106		22,106	1,195			23,301	RB, WC
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	2,462,206	Pro-Rata of Consolidated Equity	29%	718,236	(6,802)	711,434	(687)	7,170	4,988	722,905	CS
36	1900	ACCUMULATED DEF TAXES		DIRECT	100%	248,210		248,210				248,210	CS
37		<u>TOTAL ASSETS AND OTHER DEBITS</u>				43,913,391	(276,643)	43,636,748	105,193	291,596	202,877	44,236,414	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount

Type of Data Shown.

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO: 030438-EI

2002

Historical Year Ended 12/31/02

Witness: Jim Mesite

Line No	Account No	Account Name	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Dec 2001	Jan 2002	Feb 2002	Mar 2002	Apr 2002	May 2002	Jun 2002	Jul 2002	Aug 2002	Sep 2002	Oct 2002	Nov 2002	Dec 2002	13 MONTH AVERAGE
38																
39		LIABILITIES AND OTHER CREDITS														
40		PROPRIETARY CAPITAL														
42	2040	PREFERRED STOCK - ALLOCATED	(192,070)	(180,069)	(180,483)	(180,955)	(176,296)	(193,581)	(174,894)	(169,522)	(166,325)	(173,044)	(165,157)	(164,710)	(171,789)	(176,069)
43	2010	COMMON STOCK - ALLOCATED	(1,838,958)	(1,724,057)	(1,728,025)	(1,732,545)	(1,687,955)	(1,853,429)	(1,674,507)	(1,623,080)	(1,592,469)	(1,856,794)	(1,581,284)	(1,577,004)	(1,644,780)	(1,685,761)
44	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(6,546,528)	(6,137,493)	(6,151,618)	(6,167,707)	(6,008,972)	(6,598,044)	(5,961,099)	(5,778,023)	(5,669,050)	(5,898,042)	(5,629,232)	(5,613,995)	(5,855,274)	(6,001,160)
45	2070	PREM ON COMMON STK - ALLOCATED	(2,609,412)	(2,446,372)	(2,452,003)	(2,458,416)	(2,395,145)	(2,629,946)	(2,376,063)	(2,303,090)	(2,259,654)	(2,350,929)	(2,243,782)	(2,237,709)	(2,333,881)	(2,392,031)
46	2110	MISC PAID IN CAPITAL - ALLOCATED	(451,581)	(423,366)	(424,340)	(425,450)	(414,500)	(455,135)	(411,198)	(398,569)	(391,053)	(406,848)	(388,306)	(387,255)	(403,898)	(413,961)
47	2140	CAPITAL STOCK EXPENSE - ALLOCATED	137,059	128,496	128,791	129,128	125,805	138,138	124,803	120,970	118,688	123,483	117,855	117,536	122,587	125,641
48	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,496,775	1,403,255	1,406,485	1,410,163	1,373,871	1,508,554	1,362,925	1,321,067	1,296,152	1,348,508	1,287,048	1,283,564	1,338,729	1,372,084
49		LONG TERM DEBT														
51	2210	BONDS - ALLOCATED	(16,795,834)	(15,746,410)	(15,782,650)	(15,823,927)	(15,416,677)	(16,928,004)	(15,293,851)	(14,824,152)	(14,544,569)	(15,132,072)	(14,442,411)	(14,403,320)	(15,022,346)	(15,396,633)
52		OTHER NONCURRENT LIABILITIES:														
55		CURRENT AND ACCRUED LIABILITIES:														
56	2320	ACCOUNTS PAYABLE - FUEL	(2,044,846)	(2,231,989)	(2,041,596)	(2,048,793)	(1,885,762)	(2,152,569)	(2,276,920)	(2,585,506)	(2,413,725)	(2,357,163)	(2,142,866)	(1,794,457)	(2,179,728)	(2,165,840)
57	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(496,796)	(856,305)	(460,667)	(761,636)	(405,822)	2,576,490	(509,336)	(880,620)	(201,025)	(525,861)	(389,950)	(767,442)	(729,579)	(339,119)
58	2320 8	SALARIES & WAGES PAYABLE	(170,719)	(132,426)	(131,990)	(132,733)	(166,633)	(147,879)	(148,732)	(135,796)	(142,092)	(145,355)	(123,781)	(264,337)	(199,656)	(157,087)
59	2320	OTHER - ACCOUNTS PAYABLE	(96,940)	(64,738)	(66,288)	(41,580)	(62,252)	(56,631)	(38,801)	(17,123)	(46,626)	(28,827)	(24,827)	107,341	(28,857)	(35,858)
60	2380	DIVIDENDS DECLARED - PREFERRED	(2,637)	-	-	(2,637)	-	-	(2,637)	-	-	(2,637)	-	-	(2,637)	(1,014)
61	2410	TAX COLLECTIONS PAYABLE	(589)	(21,070)	(22,417)	(20,146)	-	(14,806)	-	-	(19,598)	-	(15,374)	(15,917)	(4)	(9,994)
62	2410	TAX COLLECTIONS PAYABLE	(465,822)	(509,216)	(188,459)	(319,092)	(223,432)	(284,977)	(285,375)	(295,374)	(329,131)	(341,747)	(305,818)	(259,039)	(274,303)	(313,983)
63	2280 3n	MED INS RESERVE	(597,729)	(615,310)	(579,254)	(592,968)	(589,028)	(590,117)	(599,525)	(571,944)	(584,693)	(596,742)	(607,480)	(606,346)	(652,773)	(598,762)
64	2280 2n	INSURANCE RESERVE	(237,196)	(232,455)	(216,608)	(214,462)	(213,073)	(212,456)	(210,958)	(210,567)	(210,153)	(226,294)	(232,906)	(247,077)	(221,977)	(222,014)
65	2280 11	STORM DAMAGE RESERVE	(1,952,678)	(1,962,813)	(1,972,948)	(1,983,083)	(1,993,218)	(2,003,353)	(2,013,488)	(2,023,623)	(2,033,758)	(2,043,893)	(2,054,028)	(2,064,163)	(2,104,298)	(2,015,796)
66	2360	TAXES ACCRUED - AD VALOREM	-	(40,042)	(80,083)	(120,126)	(160,167)	(200,209)	(240,251)	(280,296)	(320,341)	(360,386)	(394,670)	34,284	-	(166,330)
67	2360	TAXES ACCRUED - GROSS RECEIPTS	(143,198)	(192,256)	(143,331)	(156,494)	(140,479)	(145,931)	(153,115)	(158,153)	(148,674)	(157,478)	(152,530)	(150,052)	(192,097)	(156,445)
68	2360	TAXES ACCRUED - FPSC ASSESSMENT	(84,294)	(61,985)	(72,563)	(48,178)	(58,893)	(70,318)	(81,704)	(50,229)	(60,561)	(71,339)	(81,698)	(92,630)	(64,892)	(69,176)
69	2360	TAXES ACCRUED - UNEMPLOY & FICA	(509)	(13,379)	(17,082)	(17,564)	(291)	(6,124)	(515)	(68)	(7,128)	(287)	(5,957)	(6,335)	(126)	(5,797)
70	2360	TAXES ACCRUED - INCOME TAXES	58,376	(90,180)	(177,093)	(273,589)	(173,525)	22,453	(48,143)	(72,583)	(148,746)	(210,943)	(232,033)	(284,869)	(114,090)	(134,227)
71	2370 1 & 2	INTEREST ACCRUED	(304,041)	(339,861)	(495,354)	(621,539)	(546,205)	(337,388)	(301,525)	(344,277)	(498,307)	(651,767)	(656,264)	(338,073)	(300,433)	(441,926)
72	2370 3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(65,753)	(67,358)	(5,261)	(10,572)	(37,588)	(51,750)	(59,273)	(66,700)	(73,602)	(79,319)	(86,471)	(93,985)	(100,625)	(61,404)
73	2420	VACATION PAY ACCRUED	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(235,059)	(287,762)	(239,113)
74	2420	AUDIT FEES & EXP. ACCRUED	(34,780)	(4,163)	(8,325)	(12,488)	(9,242)	(12,481)	(17,569)	(22,657)	(27,746)	(30,985)	(36,073)	(38,016)	(30,155)	(21,898)
75	2310	NOTES PAYABLE - ALLOCATED	(5,065,292)	(4,748,806)	(4,759,736)	(4,772,184)	(4,649,365)	(5,105,152)	(4,612,324)	(4,470,671)	(4,386,355)	(4,563,534)	(4,355,546)	(4,343,757)	(4,530,443)	(4,643,320)
76	2350	CUSTOMERS DEPOSITS	(1,428,600)	(1,434,890)	(1,473,675)	(1,498,298)	(1,521,435)	(1,556,457)	(1,563,263)	(1,576,021)	(1,574,474)	(1,561,306)	(1,649,349)	(1,658,117)	(1,684,218)	(1,552,316)

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account
 by month for the test year, the prior year and the most recent historical
 year For accounts including non-electric utility amounts, show these
 amounts as a separate subaccount.

Type of Data Shown
 Historical Year Ended 12/31/02
 Witness Jim Mesite

2002

Line No	Account No	Account Name	(15) 13-MONTH CONSOLIDATED AMOUNT	(16) ALLOCATION METHOD	(17) ALLOCATION %	(18) 13 MONTH AVERAGE	(19) 13-Month Avg COMMISSION ADJUSTMENT	(20) 13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	(21) PROPOSED COMPANY ADJUSTMENTS ELIMINATION OF WATER	(22) PROPOSED COMPANY ADJUSTMENTS ACTUAL CASH 13-MO AVG	(23) PROPOSED COMPANY ADJUSTMENTS ACTUAL O/U RECOVERY	(24) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(25) REFERENCE RB / WC / CS / ORP / NEU
38		<u>LIABILITIES AND OTHER CREDITS</u>											
39													
40													
41		<u>PROPRIETARY CAPITAL</u>											
42	2040	PREFERRED STOCK - ALLOCATED	(600,000)	Pro-Rata of Consolidated Equity	29%	(176,059)	1,667	(174,402)	168	(1,758)	(1,223)	(177,215)	CS
43	2010	COMMON STOCK - ALLOCATED	(5,748,260)	Pro-Rata of Consolidated Equity	29%	(1,685,761)	15,965	(1,669,796)	1,612	(16,828)	(11,708)	(1,696,720)	CS
44	2160	UNAPPROP RETAINED EARNINGS - ALLOCATED	(20,450,505)	Pro-Rata of Consolidated Equity	29%	(6,001,160)	56,834	(5,944,326)	5,738	(59,906)	(41,679)	(6,040,173)	CS
45	2070	PREM ON COMMON STK - ALLOCATED	(8,166,633)	Pro-Rata of Consolidated Equity	29%	(2,392,031)	22,654	(2,369,377)	2,287	(23,878)	(16,613)	(2,407,581)	CS
46	2110	MISC PAID IN CAPITAL - ALLOCATED	(1,411,968)	Pro-Rata of Consolidated Equity	29%	(413,961)	3,920	(410,041)	396	(4,132)	(2,875)	(416,652)	CS
47	2140	CAPITAL STOCK EXPENSE - ALLOCATED	428,441	Pro-Rata of Consolidated Equity	29%	125,641	(1,190)	124,451	(120)	1,254	873	126,458	CS
48	2170	COMMON STOCK REACQUIRED - ALLOCATED	4,678,981	Pro-Rata of Consolidated Equity	29%	1,372,084	(12,994)	1,359,090	(1,312)	13,697	9,529	1,381,004	CS
49													
50		<u>LONG TERM DEBT</u>											
51	2210	BONDS - ALLOCATED	(52,500,000)	Pro-Rata of Consolidated Equity	29%	(15,386,633)	145,813	(15,250,820)	14,721	(153,694)	(106,932)	(15,496,725)	CS
52													
53		<u>OTHER NONCURRENT LIABILITIES</u>											
54													
55		<u>CURRENT AND ACCRUED LIABILITIES</u>											
56	2320	ACCOUNTS PAYABLE - FUEL		DIRECT	100%	(2,165,840)		(2,165,840)				(2,165,840)	RB, WC
57	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(916,539)	A/P Computation/ Base Revenue	37%	(339,119)		(339,119)	(18,331)			(357,450)	RB, WC
58	2320 8	SALARIES & WAGES PAYABLE	(506,732)	Payroll	31%	(157,087)		(157,087)	(5,067)			(162,154)	RB, WC
59	2320	OTHER - ACCOUNTS PAYABLE	(96,912)	Base Revenue	37%	(35,859)		(35,858)	(1,939)			(37,797)	RB, WC
60	2380	DIVIDENDS DECLARED - PREFERRED	(2,740)	Base Revenue	37%	(1,014)		(1,014)	(55)			(1,069)	RB, WC
61	2410	TAX COLLECTIONS PAYABLE	(32,238)	Payroll	31%	(9,994)		(9,994)	(322)			(10,316)	RB, WC
62	2410	TAX COLLECTIONS PAYABLE		DIRECT	100%	(313,983)		(313,983)				(313,983)	RB, WC
63	2280.3n	MED INS RESERVE	(1,618,276)	Base Revenue	37%	(598,762)		(598,762)	(32,366)			(631,128)	RB, WC
64	2280.2n	INSURANCE RESERVE	(600,038)	Base Revenue	37%	(222,014)		(222,014)	(12,001)			(234,015)	RB, WC
65	2280.11	STORM DAMAGE RESERVE		DIRECT	100%	(2,015,796)		(2,015,796)				(2,015,796)	RB, WC
66	2360	TAXES ACCRUED - AD VALOREM		DIRECT	100%	(166,330)		(166,330)				(166,330)	RB, WC
67	2360	TAXES ACCRUED - GROSS RECEIPTS		DIRECT	100%	(156,445)		(156,445)				(156,445)	RB, WC
68	2360	TAXES ACCRUED - FPSC ASSESSMENT	(186,961)	Base Revenue	37%	(69,176)		(69,176)	(3,739)			(72,915)	RB, WC
69	2360	TAXES ACCRUED - UNEMPLOY & FICA	(18,700)	Payroll	31%	(5,797)		(5,797)	(187)			(5,984)	RB, WC
70	2360	TAXES ACCRUED - INCOME TAXES	(362,774)	Base Revenue	37%	(134,227)		(134,227)				(134,227)	RB, WC
71	2370.1 & 2	INTEREST ACCRUED	(1,004,376)	Plant	44%	(441,926)		(441,926)	(50,219)			(492,145)	RB, WC
72	2370.3	ACCRD INTEREST ON CUSTOMER DEPOSITS		DIRECT	100%	(61,404)		(61,404)				(61,404)	RB, WC
73	2420	VACATION PAY ACCRUED	(771,332)	Payroll	31%	(239,113)		(239,113)	(7,713)			(246,826)	RB, WC
74	2420	AUDIT FEES & EXP ACCRUED	(59,185)	Base Revenue	37%	(21,898)		(21,898)	(1,184)			(23,082)	RB, WC
75	2310	NOTES PAYABLE - ALLOCATED	(15,833,256)	Pro-Rata of Consolidated Equity	29%	(4,643,320)	43,974	(4,599,346)	4,440	(46,351)	(32,249)	(4,673,506)	CS
76	2350	CUSTOMERS DEPOSITS		DIRECT	100%	(1,552,316)		(1,552,316)				(1,552,316)	CS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount

2002

Type of Data Shown
 Historical Year Ended 12/31/02
 Witness Jim Mesite

Line No.	Account No	Account Name	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Dec 2001	Jan 2002	Feb 2002	Mar 2002	Apr 2002	May 2002	Jun 2002	Jul 2002	Aug 2002	Sep 2002	Oct 2002	Nov 2002	Dec 2002	13 MONTH AVERAGE
77		<u>DEFERRED CREDITS</u>														
79	2530	OVERREC POWER & GAS	(815,142)	(913,816)	(845,888)	(782,379)	(714,451)	(657,944)	(765,658)	(722,346)	(857,798)	(1,121,925)	(1,380,001)	(1,527,439)	(1,557,241)	(974,001)
80	2530	OVERREC CONSERVATION	(24,378)	(33,254)	(35,998)	-	(1,351)	(10,331)	(25,426)	(16,981)	(21,783)	(32,020)	(36,073)	(35,159)	(43,606)	(24,335)
81	2530 1 & 4	MISC CURRENT LIABILITIES	(13,522)	(12,293)	(11,079)	(9,903)	(8,708)	(7,509)	(6,310)	(5,115)	(3,939)	(2,738)	(1,543)	(333)	-	(6,384)
82	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(610,560)	(599,032)	(602,167)	(542,260)	(500,616)	(530,008)	(525,388)	(707,402)	(567,699)	(602,458)	(597,265)	(594,177)	(554,716)	(579,519)
83	2550	INV TAX CREDIT	(340,648)	(335,727)	(330,806)	(325,885)	(320,964)	(316,043)	(311,122)	(306,201)	(301,280)	(296,359)	(291,438)	(286,517)	(284,122)	(311,316)
84																
85		<u>ACCUMULATED DEFERRED INCOME TAXES</u>														
86	2820, 2830	ACCUMULATED DEFERRED TAXES	(4,030,483)	(4,196,155)	(4,186,751)	(4,166,609)	(4,148,100)	(4,121,962)	(4,092,450)	(4,082,475)	(4,065,613)	(4,040,872)	(4,023,594)	(4,010,462)	(4,116,334)	(4,098,528)
87																
88		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>(46,004,383)</u>	<u>(45,070,595)</u>	<u>(44,344,321)</u>	<u>(44,959,965)</u>	<u>(43,365,531)</u>	<u>(43,239,957)</u>	<u>(43,528,751)</u>	<u>(43,492,167)</u>	<u>(42,488,175)</u>	<u>(44,433,033)</u>	<u>(43,167,863)</u>	<u>(42,555,025)</u>	<u>(44,224,324)</u>	<u>(43,913,391)</u>

REFERENCE:
 RB = Rate Base, WC = Working Capital, CS = Capital Structure, ORP = Other Return Provided, NEU = Non-Electric Utility

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount

Type of Data Shown
 Historical Year Ended 12/31/02
 Witness Jim Mesite

2002

Line No	Account No	Account Name	(15) 13-MONTH CONSOLIDATED AMOUNT	(16) ALLOCATION METHOD	(17) ALLOCATION %	(18) 13 MONTH AVERAGE	(19) 13-Month Avg COMMISSION ADJUSTMENT	(20) 13 MONTH AVERAGE AFTER COMMISSION ADJUSTMENT	(21) PROPOSED COMPANY ADJUSTMENTS ELIMINATION OF WATER	(22) PROPOSED COMPANY ADJUSTMENTS ACTUAL CASH 13-MO AVG	(23) PROPOSED COMPANY ADJUSTMENTS ACTUAL O/U RECOVERY	(24) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(25) REFERENCE RB / WC / CS / ORP / NEU
77													
78		DEFERRED CREDITS						-				-	
79	2530	OVERREC POWER & GAS		DIRECT	100%	(974,001)		(974,001)				(974,001)	RB, WC
80	2530	OVERREC CONSERVATION		DIRECT	100%	(24,335)		(24,335)				(24,335)	RB, WC
81	2530 1 & 4	MISC CURRENT LIABILITIES		DIRECT	100%	(6,384)		(6,384)				(6,384)	RB, WC
82	2520	CUSTOMER ADVANCES FOR CONSTRUCTION		DIRECT	100%	(579,519)		(579,519)				(579,519)	RB
83	2550	INV TAX CREDIT		DIRECT	100%	(311,316)		(311,316)				(311,316)	CS
84								-				-	
85		ACCUMULATED DEFERRED INCOME TAX						-				-	
86	2820, 2830	ACCUMULATED DEFERRED TAXES		DIRECT	100%	(4,098,528)		(4,098,528)				(4,098,528)	CS
87								-				-	
88		TOTAL LIABILITIES AND OTHER CREDITS				(43,913,392)	276,643	(43,636,748)	(105,193)	(291,596)	(202,877)	(44,236,414)	

REFERENCE:
 RB = Rate Base; WC = Working Capital; CS = Capital Structure

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION: Derive the 13-month average balance sheet by primary account for the test year, the prior year and the Historical Year and prior year.

Type of Data Shown:
 Historical Year Ended 12/31/01

Witness: Jim Mesite

Line No.	Account No.	Account Name	(1) 2001 13 MONTH AVERAGE	(2) COMMISSION ADJUSTMENTS	(3) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTEMENTS	(4) REFERENCE RB,WC, CS ORP, NEU
1		<u>ASSETS AND OTHER DEBITS</u>				
2						
3		<u>UTILITY PLANT:</u>				
4	1010	PLANT IN SERVICE	54,016,362	(314,953)	53,701,409	RB
5	1070	CWIP	1,678,695		1,678,695	RB
6	1080	PLANT RESERVE	(22,549,745)	151,801	(22,397,944)	RB
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,341,234		1,341,234	RB
8	1190	ALLOCATED COMMON PLANT RESERVE	(239,825)		(239,825)	RB
9	1070	ALLOCATED COMMON CWIP	25,921		25,921	RB
10						
11		<u>OTHER PROPERTY AND INVESTMENTS:</u>				
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,489	(30)	3,459	CS
13						
14		<u>CURRENT AND ACCRUED ASSETS:</u>				
15	1310, 1340	CASH & DEPOSITS	(14,362)	(79,892)	(94,254)	RB, WC
16	1310.4	LOCAL CASH	30,889		30,889	RB, WC
17	1350	WORKING FUNDS	4,800		4,800	RB, WC
18	1420, 1430	ACCOUNTS RECEIVABLE	3,261,690		3,261,690	RB, WC
19	1440	PROVISION FOR UNCOLLECTIBLE	(208,580)		(208,580)	RB, WC
20	1630	STORES EXPENSE	1,033		1,033	RB, WC
21	1540	MATERIALS AND SUPPLIES	908,412		908,412	RB, WC
22	1650.2, 4, 5	PREPAYMENTS - INSURANCE	105,974		105,974	RB, WC
23	1650.3	PREPAYMENTS - PENSIONS	686,547		686,547	RB, WC
24	1730	UNBILLED REVENUES	455,150		455,150	RB, WC
25	1840.7	CLEARING ACCOUNTS - REFUNDS	4,912		4,912	RB, WC
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL	280		280	RB, WC
27	1850	TEMPORARY FACILITIES	2,276		2,276	RB, WC
28						
29		<u>DEFERRED DEBITS:</u>				
30	1860	DEFERRED DEBITS - OTHER	25,435		25,435	RB, WC
31	1860	DEFERRED DEBITS - RATE CASE EXPENSE				RB, WC
32	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	776,129	(16,318)	759,811	RB, WC
33	1860	DEFERRED DEBITS - CONSERVATION	51,139		51,139	RB, WC
34	1860	DEFERRED DEBITS - COMMON	40,404		40,404	RB, WC
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	333,643	(2,861)	330,782	CS
36	1900	ACCUMULATED DEF TAXES	190,843		190,843	CS
37						
38		<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>40,932,745</u>	<u>(262,253)</u>	<u>40,670,492</u>	

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division

DOCKET NO.: 030438-EI

EXPLANATION Derive the 13-month average balance sheet by primary account for the test year, the prior year and the Historical Year and prior year.

Type of Data Shown:
Historical Year Ended 12/31/01

Witness: Jim Mesite

Line No.	Account No.	Account Name	(1) 2001 13 MONTH AVERAGE	(2) COMMISSION ADJUSTMENTS	(3) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(4) REFERENCE RB, WC, CS ORP, NEU
39						
40		<u>LIABILITIES AND OTHER CREDITS</u>				
41						
42		<u>PROPRIETARY CAPITAL:</u>				
43	2040	PREFERRED STOCK - ALLOCATED	(209,903)	1,800	(208,103)	CS
44	2010	COMMON STOCK - ALLOCATED	(1,701,500)	14,590	(1,686,910)	CS
45	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(6,802,242)	58,329	(6,743,913)	CS
46	2070	PREM ON COMMON STK - ALLOCATED	(3,099,956)	26,582	(3,073,374)	CS
47	2110	MISC PAID IN CAPITAL - ALLOCATED	(492,278)	4,221	(488,057)	CS
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	150,046	(1,287)	148,759	CS
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,846,714	(15,835)	1,830,879	CS
50					-	
51		<u>LONG TERM DEBT:</u>				
52	2210	BONDS - ALLOCATED	(10,592,569)	90,830	(10,501,739)	CS
53					-	
54		<u>OTHER NONCURRENT LIABILITIES:</u>				
55					-	
56		<u>CURRENT AND ACCRUED LIABILITIES:</u>				
57	2320	ACCOUNTS PAYABLE	(2,543,713)		(2,543,713)	RB, WC
58	2320.8	SALARIES & WAGES PAYABLE	(145,265)		(145,265)	RB, WC
59	2320	OTHER - ACCOUNTS PAYABLE	(49,078)		(49,078)	RB, WC
60	2380	DIVIDENDS DECLARED - PREFERRED	(1,042)		(1,042)	RB, WC
61	2410	TAX COLLECTIONS PAYABLE	(9,450)		(9,450)	RB, WC
62	2410	TAX COLLECTIONS PAYABLE	(310,049)		(310,049)	RB, WC
63	2280 3n	MED. INS. RESERVE	(597,332)		(597,332)	RB, WC
64	2280 2n	INSURANCE RESERVE	(305,182)	29,196	(275,986)	RB, WC
65	2280.11	STORM DAMAGE RESERVE	(1,710,165)		(1,710,165)	RB, WC
66	2360	TAXES ACCRUED - AD VALOREM	(158,764)		(158,764)	RB, WC
67	2360	TAXES ACCRUED - GROSS RECEIPTS	(174,075)		(174,075)	RB, WC
68	2360	TAXES ACCRUED - FPSC ASSESSMENT	(68,192)		(68,192)	RB, WC
69	2360	TAXES ACCRUED - UNEMPLOY & FICA	(5,056)		(5,056)	RB, WC
70	2360	TAXES ACCRUED - INCOME TAXES	(38,488)		(38,488)	RB, WC
71	2370.1 & 2	INTEREST ACCRUED	(332,183)		(332,183)	RB, WC
72	2370.3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(46,642)		(46,642)	RB, WC
73	2420	VACATION PAY ACCRUED	(226,266)		(226,266)	RB, WC
74	2420	AUDIT FEES & EXP. ACCRUED	(22,738)		(22,738)	RB, WC
75	2310	NOTES PAYABLE - ALLOCATED	(6,277,217)	53,827	(6,223,390)	CS
76	2350	CUSTOMERS DEPOSITS	(1,156,772)		(1,156,772)	CS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION: Derive the 13-month average balance sheet by primary account for the test year, the prior year and the Historical Year and prior year

Type of Data Shown:
Historical Year Ended 12/31/01

Witness Jim Mesite

Line No.	Account No.	Account Name	(1)	(2)	(3)	(4)
			2001 13 MONTH AVERAGE	COMMISSION ADJUSTMENTS	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTEMENTS	REFERENCE RB,WC, CS ORP, NEU
77					-	
78		DEFERRED CREDITS			-	
79	2530	OVERREC. POWER & GAS	(1,021,381)		(1,021,381)	RB, WC
80	2530	OVERREC. CONSERVATION	(14,982)		(14,982)	RB, WC
81	2530.1 & 4	MISC. CURRENT LIABILITIES	(20,598)		(20,598)	RB, WC
82	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(657,676)		(657,676)	RB
83	2550	INV TAX CREDIT	(370,168)		(370,168)	CS
84					-	
85		ACCUMULATED DEFERRED INCOME TAXES			-	
86	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,768,582)		(3,768,582)	CS
87					-	
88		TOTAL LIABILITIES AND OTHER CREDITS	(40,932,745)	262,253	(40,670,492)	

REFERENCE:

RB = Rate Base; WC = Working Capital; CS = Capital Structure; ORP = Other Return Provided; NEU = Non-Electric Utility

Supporting Schedules:

Schedule B-3

ADJUSTED RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO: 030438-EI

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-4

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness: Jim Mesite

Line No	(1) Total Company Per Books	(2) Commission Adjustments (B-4)	(3) Total As Adjusted By Commission (1) + (2)	(4) Company Adjustments (B-4)	(5) Total After Adjustments (3) + (4)	(6) Jurisdictional Rate Base Factor	(7) Adjusted Rate Base
UTILITY PLANT:							
	<u>2002</u>						
	56,121,961		56,121,961		56,121,961	100%	56,121,961
	1,495,874		1,495,874		1,495,874	for	1,495,874
	3,691		3,691		3,691	All	3,691
	2,205,998		2,205,998		2,205,998		2,205,998
	<u>59,827,524</u>	<u>-</u>	<u>59,827,524</u>	<u>-</u>	<u>59,827,524</u>		<u>59,827,524</u>
DEDUCTIONS:							
	(24,173,624)		(24,173,624)		(24,173,624)		(24,173,624)
	(308,641)		(308,641)		(308,641)		(308,641)
	(3,691)		(3,691)		(3,691)		(3,691)
	(579,520)		(579,520)		(579,520)		(579,520)
	<u>(25,065,475)</u>	<u>-</u>	<u>(25,065,475)</u>	<u>-</u>	<u>(25,065,475)</u>		<u>(25,065,475)</u>
	<u>34,762,049</u>	<u>-</u>	<u>34,762,049</u>	<u>-</u>	<u>34,762,049</u>		<u>34,762,049</u>
ALLOWANCE FOR WORKING CAPITAL:							
	(827,786)		(827,786)	455,027	(372,759)		(372,759)
	<u>33,934,263</u>	<u>-</u>	<u>33,934,263</u>	<u>455,027</u>	<u>34,389,290</u>		<u>34,389,290</u>

Supporting Schedules B-4, B-8a, B-8b, B-15

Recap Schedules

Schedule B-4

RATE BASE ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year, the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Witness: Jim Mesite

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
2002					
Working Capital					
Commission Adjustments:					
None					
Company Adjustments:					
	Cash - Report Cash at Current 13-Month Average	Report Cash Balance at Actual 13-Month Average	284,398	"	284,398
	Inclusion of Fuel Net Under-Recoveries	Net Over/Under Recoveries are a normal function of the Utility Business.	197,869	"	197,869
	Elimination of Water From Reported Working Capital	Sale of Water Division-Allocation not Required	<u>(27,240)</u>	"	<u>(27,240)</u>
			<u>455,027</u>	"	<u>455,027</u>
Plant					
Commission Adjustments:					
None					
Company Adjustments:					
None					

Supporting Schedules:

Recap Schedules: B-3, B-15

Schedule B-7

JURISDICTIONAL SEPARATION FACTORS - RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. Provide a development of jurisdictional separation factors for rate base for the test year, and the prior year if the test year is projected.

Type of Data Shown
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness Jim Mesite

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division

DOCKET NO.: 030438-EI

Line No	Description	Total Company	FERC Jurisdictional	FPSC Jurisdictional	Jurisdictional Factor
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
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31.					
32.					

All sales of electricity in the Marianna/Northwest Electric Division and Fernandina Beach/Northeast Electric Divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100%

Supporting Schedules:

Recap Schedules: B-3, B-4, B-13b, B-29

Schedule B-8a

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts) *

Type of Data Shown:
Historical Year Ended 12/31/2002
Witness Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	(A) PLANT BALANCE 1/1/2002	(B) 3 ADDITIONS	(C) 6 RETIREMENTS	(D) 5 TRANSFERS IN/(OUT)	(E) PLANT BALANCE 12/31/2002	(F) THIRTEEN MONTH AVERAGE
1		Transmission Plant							
2									
3	352	STRUCTURES & IMPROVE	2 10%	26,401	-	-	-	26,401	26,401
4	353	STATION EQUIPMENTS	2 50%	1,950,346	11,883	-	-	1,962,229	1,952,320
5	354	TOWER AND FIXTURES	1 80%	244,665	-	-	-	244,665	244,665
6	355	POLES AND FIXTURES	3 80%	1,774,572	691,060	(8,494)	-	2,457,138	1,872,371
7	356	OVERHEAD CONDUCTORS	3 10%	986,486	1,015,053	-	-	2,001,539	1,064,587
8	359	ROADS AND TRAILS	3 90%	6,788	-	-	-	6,788	6,788
9	3501	LAND RIGHTS	2.10%	56,519	-	-	-	56,519	56,519
10									
11		Total Transmission Plant		5,045,777	1,717,996	(8,494)	-	6,755,279	5,223,631
12									
13									
14		Distribution Plant							
15									
16	361	STRUCTURES AND IMPRO	2 20%	94,408	1,634	-	-	96,042	95,665
17	362	STATION EQUIPMENT	3.40%	2,897,294	456,450	(36,722)	-	3,317,022	2,914,004
18	364	POLES TOWERS & FIXTU	4.40%	6,885,991	434,374	(48,516)	-	7,271,847	7,058,552
19	365	OVERHEAD CONDUCTORS	4.40%	8,019,048	342,058	(29,318)	-	8,331,788	8,149,720
20	370	METERS	3.60%	2,826,425	121,106	(54,078)	-	2,893,452	2,866,673
21	3601	LAND RIGHTS	3.45%	16,188	-	-	-	16,188	16,188
22	3661	UNDERGROUND CONDUIT-	3.45%	1,399,478	50,949	-	-	1,400,270	1,400,026
23	3662	UNDERGROUND CONDUIT-	2.00%	285,242	-	-	-	335,400	311,028
24	3671	UNDERGRD CONDUCT & D	2.85%	1,793,081	178,794	(6,671)	-	1,804,134	1,800,679
25	3672	UNDERGRD CONDUCT/DEV	2 85%	1,574,504	-	-	-	1,735,574	1,649,669
26	3681	LINE TRANSFORMERS- O	4.20%	6,211,156	551,855	(69,608)	-	6,364,238	6,287,808
27	3682	LINE TRANSFORMERS-DU	4.20%	0	-	-	-	0	0
28	3683	LINE TRANSFORMERS- B	4 20%	4,501,036	-	-	-	4,830,196	4,627,059
29	3691	OVERHEAD SERVICES	3 90%	3,393,692	409,853	(7,614)	-	3,565,980	3,477,570
30	3692	UNDERGRD SERVICES- D	3 90%	683,747	-	-	-	685,499	684,937
31	3693	UNDERGRD SERVICES- B	3.90%	2,106,769	-	-	-	2,334,969	2,223,528
32	3711	INSTAL ON CUST PREMI	6 30%	950,102	192,722	(43,835)	-	1,023,740	983,239
33	3713	INSTAL ON CUST PREMI	6 30%	364,540	-	-	-	439,788	420,230
34	3731	STREET LIGHTING AND	4.90%	509,898	113,376	(21,747)	-	580,135	531,630
35	3733	STREET LIGHTING AND	4 90%	468,484	-	-	-	489,879	479,996
36									
37		Total Distribution Plant		44,981,083	2,853,171	(318,109)	0	47,516,141	45,978,200

Schedule B-8a

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts) *

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	(A) PLANT BALANCE 1/1/2002	(B) 3 ADDITIONS	(C) 6 RETIREMENTS	(D) 5 TRANSFERS IN/(OUT)	(E) PLANT BALANCE 12/31/2002	(F) THIRTEEN MONTH AVERAGE
38		General Plant							
39									
40	390	STRUCTURES AND IMPRO	2 05%	1,354,063	5,301	-	-	1,359,364	1,355,609
41	396	POWER OPERATED EQUIP	5 50%	116,642	-	-	-	116,642	116,642
42	397	COMMUNICATION EQUIPM	20 00%	107,469	-	-	-	107,469	107,469
43	398	MISCELLANEOUS EQUIPM	14 30%	20,037	-	-	-	20,037	20,037
44	3911	OFFICE FURNITURE & E	14.30%	7,369	-	-	-	7,369	7,369
45	3912	OFFICE MACHINES	20 00%	37,716	-	-	-	37,716	37,716
46	3913	E D P EQUIPMENT	20.00%	515,500	29,571	(36,151)	3,199	512,120	506,561
47	3931	STORES EQUIP-HANDLIN	14.30%	106,918	-	-	-	106,918	106,918
48	3932	STORES EQUIP-PORTABL	14 30%	761	-	-	-	761	761
49	3941	TOOLS, SHOP & GARAGE	14 30%	37,884	-	(111)	-	37,773	37,841
50	3942	TOOLS, SHOP & GARG P	14.30%	80,181	5,503	-	-	85,683	81,762
51	3951	LABORATORY FIXED EQU	14 30%	40,223	24,025	-	-	64,248	53,160
52	3952	LABORATORY PORTABLE	14.30%	33,456	7,536	(2,433)	-	38,559	34,367
53	3971	COMMUN. EQUIP-PRIOR	20.00%	0	-	-	-	0	0
54	3973	COMMUNICATIONS EQUIP	20 00%	21,224	-	-	-	21,224	21,224
55									
56		Total General Plant		2,479,443	71,936	(38,695)	3,199	2,515,883	2,487,438
57									
58									
59		Transportation Equipment							
60									
61	3921	TRANSP EQUIP-CARS	12 55%	107,881	21,030	-	(32,891)	96,020	108,125
62	3922	TRANS-LIGHT TRUCK,VA	12 95%	550,458	21,156	(34,669)	-	536,946	534,115
63	3923	TRANS - HEAVY TRUCKS	8.75%	1,534,782	120,274	-	-	1,655,055	1,627,300
64	3924	TRANS-TRAILERS	3 20%	53,913	52,511	-	-	106,426	61,992
65									
66		Total Transportation Equipment		2,247,034	214,971	(34,669)	(32,891)	2,394,447	2,331,531
67									
68		TOTAL DEPRECIABLE PLANT IN SERVICE		54,753,337	4,858,074	(399,967)	(29,692)	59,181,750	56,020,798
69									
70									
71									
72		NON-DEPRECIABLE PLANT							
73									
74	350	LAND	0 00%	17,629	-	-	-	17,629	17,629
75	360	LAND	0 00%	11,072	-	-	-	11,072	11,072
76	389	LAND AND LAND RIGHTS	0 00%	72,462	-	-	-	72,462	72,462
77									
78		TOTAL NON-DEPRECIABLE PLANT		101,163	-	-	-	101,163	101,163
79									
80									
81		TOTAL ELECTRIC PLANT IN SERVICE		54,854,500	4,858,074	(399,967)	(29,692)	59,282,913	56,121,961

Schedule B-8a

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO: 030438-EI

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed (Include Amortization/Recovery schedule amounts) *

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Witness: Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	(A) PLANT BALANCE 1/1/2002	(B) 3 ADDITIONS	(C) 6 RETIREMENTS	(D) 5 TRANSFERS IN/(OUT)	(E) PLANT BALANCE 12/31/2002	(F) THIRTEEN MONTH AVERAGE
82		COMMON UTILITY PLANT							
83									
84	303	MISC INTANGIBLE PLANT		0	1,833	-	-	1,833	1,551
85	389	LAND		341,926	-	-	-	341,926	341,926
86	390	STRUCTURES & IMPROVEMENTS	2.50%	2,074,959	1,813	-	-	2,076,771	2,076,492
87	3911	OFFICE FURNITURE	4.80%	22,261	2,249	-	-	24,510	23,808
88	3912	OFFICE EQUIPMENT	7.70%	67,508	5,189	(1,960)	-	70,737	71,197
89	3913	COMPUTER SOFTWARE & EQUIPMENT	8.10%	2,069,098	29,789	(10,897)	(9,690)	2,078,299	2,073,246
90	3921	TRANSPORTATION - AUTOMOBILES	11.30%	133,213	-	-	(21,488)	111,725	124,948
91	3922	TRANSPORTATION - PICKUPS & VANS	4.70%	0	-	-	-	0	0
92	397	COMMUNICATION EQUIPMENT	7.10%	134,860	-	-	-	134,860	134,860
93									
94		Total Common Utility Plant		4,843,825	40,873	(12,857)	(31,178)	4,840,661	4,848,029
95									
96		AS ALLOCATED (Electric Division)	Allocation Rate						
97									
98	303	MISC INTANGIBLE PLANT	30%	0	550	-	-	550	465
99	389	LAND	30%	102,578	-	-	-	102,578	102,578
100	390	STRUCTURES & IMPROVEMENTS	30%	622,488	544	-	-	623,031	622,948
101	3911	OFFICE FURNITURE	30%	6,678	675	-	-	7,353	7,142
102	3912	OFFICE EQUIPMENT	30%	20,252	1,557	(588)	-	21,221	21,359
103	3913	COMPUTER SOFTWARE & EQUIPMENT	32%	662,111	9,532	(3,487)	(3,101)	665,056	663,439
104	3921	TRANSPORTATION - AUTOMOBILES	30%	39,964	-	-	(6,446)	33,518	37,485
105	3922	TRANSPORTATION - PICKUPS & VANS	30%	0	-	-	-	0	0
106	397	COMMUNICATION EQUIPMENT	30%	40,458	-	-	-	40,458	40,458
107									
108									
109		Total Common Utility Plant		1,494,529	12,858	(4,075)	(9,547)	1,493,764	1,495,874

Schedule B-8b

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied (Include Amortization/Recovery schedule amounts)

Type of Data Shown.
Historical Year Ended 12/31/2002

COMPANY Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	RESERVE (\$)					CREDIT BALANCES					
				(A) Accumulated Depreciation Dec-01	(B) 3 Retirements	(C) 4 Accruals	(D) 5 Salvage	(E) 6 Cost of Removal	(F) 7 Purchases & Adjustments	(G) 8 Transfers	(H) 9 Reclassifications	(I) Accumulated Depreciation Dec-02	(J) 13-MONTH AVERAGE	
1		Transmission Plant												
2		-----												
3	3501	LAND RIGHTS	2 10%	(27,668)	-	1,188	-	-	-	-	-	-	(28,856)	(28,262)
4	352	STRUCTURES & IMPROVE	2 10%	(11,843)	-	552	-	-	-	-	-	-	(12,395)	(12,119)
5	353	STATION EQUIPMENTS	2 50%	(762,973)	-	48,788	-	-	-	-	-	-	(811,761)	(787,356)
6	354	TOWER AND FIXTURES	1 80%	(157,359)	-	4,404	-	-	-	-	-	-	(161,763)	(159,561)
7	355	POLES AND FIXTURES	3 80%	(603,893)	(8,494)	69,295	-	(285)	-	-	-	-	(664,409)	(636,338)
8	356	OVERHEAD CONDUCTORS	3 10%	(392,708)	-	30,576	-	(28,437)	-	-	-	-	(394,847)	(394,871)
9	359	ROADS AND TRAILS	3 90%	(2,597)	-	264	-	-	-	-	-	-	(2,661)	(2,729)
10	350	LAND	0 00%	-	-	-	-	-	-	-	-	-	-	-
11														
12		Total Transmission Plant		(1,959,041)	(8,494)	155,067	-	(28,722)	-	-	-	-	(2,076,892)	(2,021,236)
13														
14		Distribution Plant												
15														
16	360	LAND		3,651	-	312	-	-	-	-	-	-	3,339	3,495
17	361	STRUCTURES AND IMPRO	2 20%	(14,863)	-	7,308	-	-	-	-	-	-	(22,171)	(20,716)
18	362	STATION EQUIPMENT	3 40%	(1,388,077)	(36,722)	96,979	-	(4,474)	-	-	-	-	(1,443,860)	(1,412,328)
19	364	POLES TOWERS & FIXTU	4 40%	(2,955,742)	(48,516)	292,044	3,483	(70,497)	-	-	-	-	(3,132,257)	(3,041,112)
20	365	OVERHEAD CONDUCTORS	4 40%	(3,828,816)	(29,318)	355,426	10,431	(33,238)	-	-	-	-	(4,132,118)	(3,984,534)
21	370	METERS	3 60%	(1,557,035)	(54,078)	102,344	1,292	(1,186)	-	-	-	-	(1,605,406)	(1,576,226)
22	3601	LAND RIGHTS	3 45%	-	-	-	-	-	-	-	-	-	-	-
23	3661	UNDERGROUND CONDUIT-	3 45%	(315,322)	-	30,479	-	-	-	-	-	-	(343,322)	(329,320)
24	3662	UNDERGROUND CONDUIT-	2 00%	(33,092)	-	-	-	-	-	-	-	-	(35,571)	(32,697)
25	3671	UNDERGRD CONDUCT & D	2 85%	(600,213)	(6,671)	75,339	3,550	(1,167)	-	-	-	-	(650,626)	(625,368)
26	3672	UNDERGRD CONDUCT/DEV	2 85%	(515,092)	-	-	-	-	-	-	-	-	(535,728)	(516,650)
27	3681	LINE TRANSFORMERS- O	4 20%	(3,174,962)	(69,608)	458,536	889	(14,427)	-	-	-	-	(3,386,829)	(3,275,465)
28	3682	LINE TRANSFORMERS-DU	4 20%	899	-	-	-	-	-	-	-	-	899	899
29	3683	LINE TRANSFORMERS- B	4 20%	(1,828,214)	-	-	-	-	-	-	-	-	(1,991,735)	(1,909,971)
30	3691	OVERHEAD SERVICES	3 90%	(1,481,413)	(7,614)	258,178	3,369	(9,629)	-	-	-	-	(1,613,194)	(1,547,748)
31	3692	UNDERGRD SERVICES- D	3 90%	(83,011)	-	-	-	-	-	-	-	-	(109,038)	(96,019)
32	3693	UNDERGRD SERVICES- B	3 90%	(921,746)	-	-	-	-	-	-	-	-	(1,008,242)	(964,890)
33	3711	INSTAL ON CUST PREMI	6 30%	(270,666)	(43,835)	115,252	5,033	(4,707)	-	-	-	-	(318,622)	(309,308)
34	3713	INSTAL ON CUST PREMI	6 30%	(76,789)	-	-	-	-	-	-	-	-	(100,577)	(91,823)
35	3731	STREET LIGHTING AND	4 90%	(206,410)	(21,747)	46,692	1,252	(2,603)	-	-	-	-	(212,712)	(210,845)
36	3733	STREET LIGHTING AND	4 90%	(54,354)	-	-	-	-	-	-	-	-	(71,645)	(63,367)
37														
38		Total Distribution Plant		(19,301,267)	(318,109)	1,838,889	29,299	(141,928)	-	-	-	-	(20,709,415)	(20,003,991)

Schedule B-8b

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied (Include Amortization/Recovery schedule amounts)

Type of Data Shown
 Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	RESERVE (\$)							(CREDIT BALANCES)		
				(A) Accumulated Depreciation Dec-01	(B) 3 Retirements	(C) 4 Accruals	(D) 5 Salvage	(E) 6 Cost of Removal	(F) 7 Purchases & Adjustments	(G) 8 Transfers	(H) 9 Reclassifications	(I) Accumulated Depreciation Dec-02	(J) 13-MONTH AVERAGE
39		General Plant											
40													
41	389	LAND AND LAND RIGHTS	0.00%	(6,704)	-	-	-	-	-	-	-	(6,704)	(6,704)
42	390	STRUCTURES AND IMPRO	2.05%	(355,764)	-	19,694	-	-	-	(22,193)	-	(353,265)	(345,117)
43	396	POWER OPERATED EQUIP	5.50%	(68,916)	-	5,028	-	-	-	-	-	(73,944)	(71,430)
44	397	COMMUNICATION EQUIPM	20.00%	(64,137)	-	18,143	2,125	-	-	-	-	(78,032)	(71,085)
45	398	MISCELLANEOUS EQUIPM	14.30%	(10,734)	-	528	-	-	-	-	-	(11,264)	(10,999)
46	3911	OFFICE FURNITURE & E	14.30%	(5,125)	-	463	-	-	-	-	-	(5,588)	(5,360)
47	3912	OFFICE MACHINES	20.00%	(21,609)	-	2,300	-	-	-	-	-	(23,909)	(22,759)
48	3913	E D P EQUIPMENT	20.00%	(248,096)	(36,151)	61,743	-	-	-	-	871	(274,559)	(264,087)
49	3931	STORES EQUIP-HANDLIN	14.30%	(51,679)	-	10,305	-	-	-	-	-	(61,983)	(56,831)
50	3932	STORES EQUIP-PORTABL	14.30%	(351)	-	108	-	-	-	-	-	(459)	(405)
51	3941	TOOLS, SHOP & GARAGE	14.30%	(11,907)	(111)	5,101	-	-	-	-	-	(16,897)	(14,415)
52	3942	TOOLS, SHOP & GARG P	14.30%	(51,089)	-	5,464	-	-	-	-	-	(56,554)	(53,821)
53	3951	LABORATORY FIXED EQU	14.30%	(16,041)	-	4,836	-	-	-	-	-	(20,877)	(18,459)
54	3952	LABORATORY PORTABLE	14.30%	(26,914)	(2,433)	1,624	-	-	-	-	-	(26,106)	(26,791)
55	3971	COMMUN EQUIP-PRIOR	20.00%	-	-	-	-	-	-	-	-	-	-
56	3973	COMMUNICATIONS EQUIP	20.00%	(6,323)	-	-	-	-	-	-	-	(12,696)	(10,409)
57													
58		Total General Plant		(945,389)	(38,695)	135,337	2,125	-	-	(22,193)	871	(1,022,837)	(978,671)
59													
60													
61		Transportation Equipment											
62													
63	3921	TRANSP EQUIP-CARS	12.55%	(42,936)	-	11,177	-	-	-	3,296	(13,911)	(43,497)	(46,936)
64	3922	TRANS-LIGHT TRUCK,VA	12.95%	(273,890)	(34,669)	69,198	3,250	-	-	(5,924)	-	(305,744)	(285,327)
65	3923	TRANS - HEAVY TRUCKS	8.75%	(726,417)	-	142,788	12,000	-	-	22,514	-	(903,719)	(818,569)
66	3924	TRANS-TRAILERS	3.20%	(15,935)	-	1,799	-	-	-	2,307	-	(20,041)	(18,893)
67													
68		Total Transportation Equipment		(1,059,178)	(34,669)	224,962	15,250	-	-	22,193	(13,911)	(1,273,001)	(1,169,726)
69													
70		Sub-Total		(23,264,875)	(399,967)	2,354,255	46,674	(170,650)	-	-	(13,040)	(25,082,145)	(24,173,624)
71													
72													
73													
74													
75		TOTAL ACCUM PROVISION FOR DEPR		(23,264,875)	(399,967)	2,354,255	46,674	(170,650)	0	0	(13,040)	(25,082,145)	(24,173,624)

Schedule B-8b

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2002

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied (Include Amortization/Recovery schedule amounts)

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	Depreciation Rate	RESERVE (\$)						CREDIT BALANCES			Accumulated Depreciation Dec-02	13-MONTH AVERAGE
				(A) Accumulated Depreciation Dec-01	(B) 3 Retirements	(C) 4 Accruals	(D) 5 Salvage	(E) 6 Cost of Removal	(F) 7 Purchases & Adjustments	(G) 8 Transfers	(H) 9 Reclassifications	(I)		
76		COMMON UTILITY PLANT												
77														
78	303	MISC INTANGIBLE PLANT	0.00%	-	-	-	-	-	-	-	-	-	-	-
79	389	LAND	0.00%	-	-	-	-	-	-	-	-	-	-	-
80	390	STRUCTURES & IMPROVEMENTS	2.50%	(348,511)	-	51,916	-	-	-	-	-	-	(400,427)	(374,466)
81	3911	OFFICE FURNITURE	4.80%	13,749	-	1,141	-	-	-	-	-	-	12,608	13,188
82	3912	OFFICE EQUIPMENT	7.70%	(28,561)	(1,960)	5,481	-	-	-	-	-	-	(32,082)	(30,971)
83	3913	COMPUTER SOFTWARE & EQUIPMENT	8.10%	(425,581)	(10,897)	167,896	-	-	-	(2,598)	-	-	(579,982)	(508,484)
84	3921	TRANSPORTATION - AUTOMOBILES	11.30%	(71,825)	-	14,240	5,910	-	-	(13,954)	-	-	(78,020)	(76,554)
85	3922	TRANSPORTATION - PICKUPS & VANS	4.70%	-	-	-	-	-	-	-	-	-	-	-
86	397	COMMUNICATION EQUIPMENT	7.10%	(14,962)	-	9,576	-	-	-	-	-	-	(24,538)	(19,750)
87														
88		Total Common Utility Plant		(875,691)	(12,857)	250,250	5,910	-	-	(16,552)	-	-	(1,102,441)	(995,036)
89			Allocation Rate											
90		AS ALLOCATED (Electric Division)												
91														
92	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-	-	-	-	-	-
93	389	LAND	30%	-	-	-	-	-	-	-	-	-	-	-
94	390	STRUCTURES & IMPROVEMENTS	30%	(104,553)	-	14,247	-	-	-	-	-	-	(120,128)	(112,340)
95	3911	OFFICE FURNITURE	30%	4,125	-	313	-	-	-	-	-	-	3,782	3,957
96	3912	OFFICE EQUIPMENT	30%	(8,568)	(588)	1,505	-	-	-	-	-	-	(9,625)	(9,291)
97	3913	COMPUTER SOFTWARE & EQUIPME	32%	(136,186)	(3,295)	49,150	-	-	-	(831)	-	-	(185,594)	(162,075)
98	3921	TRANSPORTATION - AUTOMOBILES	30%	(21,548)	-	3,909	1,773	-	-	(4,186)	-	-	(23,406)	(22,966)
99	3922	TRANSPORTATION - PICKUPS & VAN	30%	-	-	-	-	-	-	-	-	-	-	-
100	397	COMMUNICATION EQUIPMENT	30%	(4,489)	-	2,628	-	-	-	-	-	-	(7,361)	(5,925)
101														
102														
103		Total Common Utility Plant		(271,219)	(3,883)	71,752	1,773	-	-	(5,018)	-	-	(342,332)	(308,641)

Note: Depreciation data presented for 2002 is based on actual 2002 depreciation activity and rates per the books and records of the individual divisions. Projected depreciation data for 2003 and 2004 was based on a simple average of the combined depreciation rates for the two divisions. This method was used since it is felt that there was not a material difference between the divisional rates. The Mananna Electric Division rates were based on Docket No. 010669-EI, Order No. PSC-01-2270-PAA-EI. Fernandina Beach Electric Division rates were based on Docket No. 980583-EI, Order No. PSC-99-0954-PAA-EI.

Common utility plant depreciation rates are based on docket number 020340-GU, order number PSC-020906-PAA-GU.

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness Jim Meste

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
1		Transmission Plant							
2									
3	352	STRUCTURES & IMPROVE	26,401	26,401	26,401	26,401	26,401	26,401	26,401
4	353	STATION EQUIPMENTS	1,950,346	1,950,346	1,950,346	1,950,346	1,950,616	1,950,616	1,950,616
5	354	TOWER AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
6	355	POLES AND FIXTURES	1,774,572	1,774,572	1,825,589	1,825,589	1,825,589	1,839,252	1,839,252
7	356	OVERHEAD CONDUCTORS	986,486	986,486	986,486	986,486	986,486	986,486	986,486
8	359	ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
9	3501	LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
10									
11		Total Transmission Plant	5,045,777 00	5,045,777 00	5,096,794 00	5,096,794 00	5,097,064 00	5,110,727 00	5,110,727 00
12									
13		Distribution Plant							
14									
15									
16	361	STRUCTURES AND IMPRO	94,408	94,408	94,408	96,042	96,042	96,042	96,042
17	362	STATION EQUIPMENT	2,897,294	2,897,294	2,897,294	2,897,299	2,897,299	2,897,299	2,860,577
18	364	POLES TOWERS & FIXTU	6,885,991	6,951,897	6,963,007	6,987,706	7,015,332	7,048,132	7,043,270
19	365	OVERHEAD CONDUCTORS	8,019,048	8,074,900	8,085,016	8,104,565	8,123,799	8,137,663	8,140,058
20	370	METERS	2,826,425	2,841,635	2,847,074	2,833,553	2,855,238	2,874,771	2,880,264
21	3601	LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
22	3661	UNDERGROUND CONDUIT-	1,399,478	1,399,478	1,399,478	1,399,478	1,400,270	1,400,270	1,400,270
23	3662	UNDERGROUND CONDUIT-	285,242	297,552	297,562	300,065	304,303	304,332	304,401
24	3671	UNDERGRD CONDUCT & D	1,793,081	1,793,246	1,793,993	1,794,367	1,802,718	1,803,251	1,803,369
25	3672	UNDERGRD CONDUCT/DEV	1,574,504	1,598,870	1,607,685	1,621,776	1,626,098	1,632,131	1,634,735
26	3681	LINE TRANSFORMERS- O	6,211,156	6,235,143	6,222,710	6,229,460	6,284,080	6,289,228	6,282,052
27	3682	LINE TRANSFORMERS-DU	0	0	0	0	0	0	0
28	3683	LINE TRANSFORMERS- B	4,501,036	4,531,543	4,507,850	4,557,128	4,586,378	4,594,727	4,614,544
29	3691	OVERHEAD SERVICES	3,393,692	3,404,805	3,417,122	3,436,855	3,449,228	3,463,672	3,475,852
30	3692	UNDERGRD SERVICES- D	683,747	684,185	684,247	684,642	684,642	684,749	685,220
31	3693	UNDERGRD SERVICES- B	2,106,769	2,121,121	2,137,742	2,162,692	2,180,422	2,205,702	2,225,241
32	3711	INSTAL ON CUST PREMI	950,102	957,779	963,048	968,634	982,493	987,308	983,928
33	3713	INSTAL ON CUST PREMI	364,540	364,966	422,554	422,946	429,543	429,669	431,313
34	3731	STREET LIGHTING AND	509,898	510,842	512,577	517,973	516,866	543,390	537,606
35	3733	STREET LIGHTING AND	468,484	468,501	468,614	470,053	481,464	485,863	485,863
36									
37		Total Distribution Plant	44,981,083	45,244,353	45,338,169	45,501,422	45,732,403	45,894,387	45,900,793

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY, Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO. 030438-EI

EXPLANATION Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown
Historical Year Ended 12/31/2002

Witness, Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
1		Transmission Plant							
2									
3	352	STRUCTURES & IMPROVE	26,401	26,401	26,401	26,401	26,401	26,401	26,401
4	353	STATION EQUIPMENTS	1,950,616	1,950,616	1,950,616	1,950,616	1,962,229	1,962,229	1,952,320
5	354	TOWER AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
6	355	POLES AND FIXTURES	1,839,252	1,839,252	1,839,252	1,830,757	1,830,757	2,457,138	1,872,371
7	356	OVERHEAD CONDUCTORS	986,486	986,486	986,486	986,486	986,486	2,001,539	1,064,567
8	359	ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
9	3501	LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
10									
11		Total Transmission Plant	5,110,727 00	5,110,727 00	5,110,727 00	5,102,232 00	5,113,845 00	6,755,279 00	5,223,630 54
12									
13		Distribution Plant							
14									
15									
16	361	STRUCTURES AND IMPRO	96,042	96,042	96,042	96,042	96,042	96,042	95,665
17	362	STATION EQUIPMENT	2,860,577	2,860,577	2,860,577	2,860,577	2,878,367	3,317,022	2,914,004
18	364	POLES TOWERS & FIXTU	7,057,277	7,082,467	7,099,878	7,151,793	7,202,576	7,271,847	7,058,552
19	365	OVERHEAD CONDUCTORS	8,151,189	8,154,386	8,166,649	8,210,408	8,246,897	8,331,788	8,149,720
20	370	METERS	2,873,436	2,882,554	2,884,217	2,883,908	2,890,219	2,893,452	2,866,673
21	3601	LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
22	3661	UNDERGROUND CONDUIT-	1,400,270	1,400,270	1,400,270	1,400,270	1,400,270	1,400,270	1,400,026
23	3662	UNDERGROUND CONDUIT-	317,359	317,928	319,515	321,724	337,978	335,400	311,028
24	3671	UNDERGRD CONDUCT & D	1,804,134	1,804,134	1,804,134	1,804,134	1,804,134	1,804,134	1,800,679
25	3672	UNDERGRD CONDUCT/DEV	1,675,794	1,675,880	1,677,026	1,677,165	1,708,458	1,735,574	1,649,669
26	3681	LINE TRANSFORMERS- O	6,310,151	6,308,667	6,311,087	6,337,712	6,355,823	6,364,238	6,287,808
27	3682	LINE TRANSFORMERS-DU	0	0	0	0	0	0	0
28	3683	LINE TRANSFORMERS- B	4,670,458	4,650,435	4,655,652	4,715,093	4,736,727	4,830,196	4,627,059
29	3691	OVERHEAD SERVICES	3,491,127	3,508,453	3,519,892	3,534,310	3,547,421	3,565,980	3,477,570
30	3692	UNDERGRD SERVICES- D	685,251	685,499	685,499	685,499	685,499	685,499	684,937
31	3693	UNDERGRD SERVICES- B	2,243,083	2,268,838	2,292,954	2,306,907	2,319,425	2,334,969	2,223,528
32	3711	INSTAL ON CUST PREMI	985,782	985,115	994,164	993,359	1,006,655	1,023,740	983,239
33	3713	INSTAL ON CUST PREMI	431,827	431,091	432,057	428,539	434,157	439,788	420,230
34	3731	STREET LIGHTING AND	538,605	532,049	531,684	532,866	546,796	580,135	531,630
35	3733	STREET LIGHTING AND	486,267	483,138	483,138	483,788	484,890	489,879	479,996
36									
37		Total Distribution Plant	46,094,717	46,143,711	46,230,623	46,440,282	46,698,522	47,516,141	45,978,200

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules

Type of Data Shown
 Historical Year Ended 12/31/2002
 Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
38		General Plant							
39									
40	390	STRUCTURES AND IMPRO	1,354,063	1,354,063	1,354,063	1,354,063	1,354,063	1,354,063	1,355,113
41	396	POWER OPERATED EQUIP	116,642	116,642	116,642	116,642	116,642	116,642	116,642
42	397	COMMUNICATION EQUIPM	107,469	107,469	107,469	107,469	107,469	107,469	107,469
43	398	MISCELLANEOUS EQUIPM	20,037	20,037	20,037	20,037	20,037	20,037	20,037
44	3911	OFFICE FURNITURE & E	7,369	7,369	7,369	7,369	7,369	7,369	7,369
45	3912	OFFICE MACHINES	37,716	37,716	37,716	37,716	37,716	37,716	37,716
46	3913	E D P EQUIPMENT	515,500	515,500	516,523	513,810	513,810	513,810	513,810
47	3931	STORES EQUIP-HANDLIN	106,918	106,918	106,918	106,918	106,918	106,918	106,918
48	3932	STORES EQUIP-PORTABL	761	761	761	761	761	761	761
49	3941	TOOLS, SHOP & GARAGE	37,884	37,884	37,884	37,884	37,884	37,884	37,884
50	3942	TOOLS, SHOP & GARG P	80,181	80,181	80,181	81,389	81,389	81,389	81,389
51	3951	LABORATORY FIXED EQU	40,223	40,223	40,223	40,223	40,223	40,223	64,248
52	3952	LABORATORY PORTABLE	33,456	33,456	33,456	33,456	33,456	34,945	34,945
53	3971	COMMUN EQUIP-PRIOR	0	0	0	0	0	0	0
54	3973	COMMUNICATIONS EQUIP	21,224	21,224	21,224	21,224	21,224	21,224	21,224
55									
56		Total General Plant	2,479,443	2,479,443	2,480,466	2,478,961	2,478,961	2,480,450	2,505,525
57									
58		Transportation Equipment							
59									
60									
61	3921	TRANSP EQUIP-CARS	107,881	107,881	107,881	107,881	107,881	107,881	128,911
62	3922	TRANS-LIGHT TRUCK,VA	550,458	550,458	550,458	538,767	538,767	538,767	538,767
63	3923	TRANS - HEAVY TRUCKS	1,534,782	1,534,782	1,534,782	1,655,055	1,655,055	1,655,055	1,655,055
64	3924	TRANS-TRAILERS	53,913	53,913	53,913	53,913	53,913	53,913	53,913
65									
66		Total Transportation Equipment	2,247,034	2,247,034	2,247,034	2,355,616	2,355,616	2,355,616	2,376,646
67									
68		TOTAL DEPRECIABLE PLANT IN SERVICE	54,753,337	55,016,607	55,162,463	55,432,793	55,664,044	55,841,180	55,893,691

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO. 030438-EI

EXPLANATION Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown
Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
38		General Plant							
39		-----							
40	390	STRUCTURES AND IMPRO	1,355,113	1,355,113	1,355,113	1,359,364	1,359,364	1,359,364	1,355,609
41	396	POWER OPERATED EQUIP	116,642	116,642	116,642	116,642	116,642	116,642	116,642
42	397	COMMUNICATION EQUIPM	107,469	107,469	107,469	107,469	107,469	107,469	107,469
43	398	MISCELLANEOUS EQUIPM	20,037	20,037	20,037	20,037	20,037	20,037	20,037
44	3911	OFFICE FURNITURE & E	7,369	7,369	7,369	7,369	7,369	7,369	7,369
45	3912	OFFICE MACHINES	37,716	37,716	37,716	37,716	37,716	37,716	37,716
46	3913	E D P EQUIPMENT	513,810	480,372	486,475	494,879	494,879	512,120	506,561
47	3931	STORES EQUIP-HANDLIN	106,918	106,918	106,918	106,918	106,918	106,918	106,918
48	3932	STORES EQUIP-PORTABL	761	761	761	761	761	761	761
49	3941	TOOLS, SHOP & GARAGE	37,884	37,773	37,773	37,773	37,773	37,773	37,841
50	3942	TOOLS, SHOP & GARG P	81,389	81,389	82,780	82,780	82,780	85,683	81,762
51	3951	LABORATORY FIXED EQU	64,248	64,248	64,248	64,248	64,248	64,248	64,248
52	3952	LABORATORY PORTABLE	34,945	32,512	32,512	32,512	38,559	38,559	34,367
53	3971	COMMUN EQUIP-PRIOR	0	0	0	0	0	0	0
54	3973	COMMUNICATIONS EQUIP	21,224	21,224	21,224	21,224	21,224	21,224	21,224
55									
56		Total General Plant	2,505,525	2,469,543	2,477,037	2,489,692	2,495,739	2,515,883	2,487,436
57		-----							
58		Transportation Equipment							
59		-----							
60									
61	3921	TRANSP EQUIP-CARS	113,790	113,790	113,790	96,020	96,020	96,020	108,125
62	3922	TRANS-LIGHT TRUCK,VA	515,789	515,789	515,789	515,789	536,946	536,946	534,115
63	3923	TRANS - HEAVY TRUCKS	1,655,055	1,655,055	1,655,055	1,655,055	1,655,055	1,655,055	1,627,300
64	3924	TRANS-TRAILERS	53,913	53,913	53,913	53,913	106,426	106,426	61,992
65									
66		Total Transportation Equipment	2,338,547	2,338,547	2,338,547	2,320,777	2,394,447	2,394,447	2,331,531
67									
68		TOTAL DEPRECIABLE PLANT IN SERVICE	56,049,516	56,062,528	56,156,934	56,352,983	56,702,553	59,181,750	56,020,798

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

EXPLANATION Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown
Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
69		NON-DEPRECIABLE PLANT							
70									
71	350	LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
72	360	LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
73	389	LAND AND LAND RIGHTS	72,462	72,462	72,462	72,462	72,462	72,462	72,462
74									
75		TOTAL NON-DEPRECIABLE PLANT	101,163	101,163	101,163	101,163	101,163	101,163	101,163
76									
77									
78		TOTAL ELECTRIC PLANT IN SERVICE	54,854,500	55,117,770	55,263,626	55,533,956	55,765,207	55,942,343	55,994,854
79									
80									
81									
82		COMMON UTILITY PLANT							
83									
84	303	MISC INTANGIBLE PLANT	0	0	1,833	1,833	1,833	1,833	1,833
85	389	LAND	341,926	341,926	341,926	341,926	341,926	341,926	341,926
86	390	STRUCTURES & IMPROVEMENTS	2,074,959	2,074,959	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771
87	3911	OFFICE FURNITURE	22,261	22,261	22,261	23,915	23,915	23,915	23,915
88	3912	OFFICE EQUIPMENT	67,508	67,508	67,508	72,696	72,696	72,696	72,696
89	3913	COMPUTER SOFTWARE & EQUIPMENT	2,069,098	2,069,098	2,071,589	2,071,589	2,071,589	2,071,589	2,071,589
90	3921	TRANSPORTATION - AUTOMOBILES	133,213	133,213	133,213	133,213	133,213	133,213	133,213
91	3922	TRANSPORTATION - PICKUPS & VANS	0	0	0	0	0	0	0
92	397	COMMUNICATION EQUIPMENT	134,860	134,860	134,860	134,860	134,860	134,860	134,860
93									
94		Total Common Utility Plant	4,843,825	4,843,825	4,849,961	4,856,803	4,856,803	4,856,803	4,856,803
95									
96		AS ALLOCATED (Electric Division)							
97									
98	303	MISC INTANGIBLE PLANT			550	550	550	550	550
99	389	LAND	102,578	102,578	102,578	102,578	102,578	102,578	102,578
100	390	STRUCTURES & IMPROVEMENTS	622,488	622,488	623,031	623,031	623,031	623,031	623,031
101	3911	OFFICE FURNITURE	6,678	6,678	6,678	7,175	7,175	7,175	7,175
102	3912	OFFICE EQUIPMENT	20,252	20,252	20,252	21,809	21,809	21,809	21,809
103	3913	COMPUTER SOFTWARE & EQUIPMENT	662,111	662,111	662,908	662,908	662,908	662,908	662,908
104	3921	TRANSPORTATION - AUTOMOBILES	39,964	39,964	39,964	39,964	39,964	39,964	39,964
105	3922	TRANSPORTATION - PICKUPS & VAN							
106	397	COMMUNICATION EQUIPMENT	40,458	40,458	40,458	40,458	40,458	40,458	40,458
107									
108									
109		Total Common Utility Plant	1,494,529	1,494,529	1,496,420	1,498,473	1,498,473	1,498,473	1,498,473

Supporting Schedules

Recap Schedules B-8a,B-3

Schedule B-9a

MONTHLY PLANT BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown
 Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
69		NON-DEPRECIABLE PLANT							
70									
71	350	LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
72	360	LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
73	389	LAND AND LAND RIGHTS	72,462	72,462	72,462	72,462	72,462	72,462	72,462
74									
75		TOTAL NON-DEPRECIABLE PLANT	101,163	101,163	101,163	101,163	101,163	101,163	101,163
76									
77									
78		TOTAL ELECTRIC PLANT IN SERVICE	56,150,679	56,163,691	56,258,097	56,454,146	56,803,716	59,282,913	56,121,961
79									
80									
81									
82		COMMON UTILITY PLANT							
83									
84	303	MISC INTANGIBLE PLANT	1,833	1,833	1,833	1,833	1,833	1,833	1,551
85	389	LAND	341,926	341,926	341,926	341,926	341,926	341,926	341,926
86	390	STRUCTURES & IMPROVEMENTS	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771	2,076,492
87	3911	OFFICE FURNITURE	24,510	24,510	24,510	24,510	24,510	24,510	23,808
88	3912	OFFICE EQUIPMENT	72,696	72,696	72,696	72,696	70,737	70,737	71,197
89	3913	COMPUTER SOFTWARE & EQUIPMENT	2,071,589	2,071,589	2,071,589	2,081,498	2,081,498	2,078,299	2,073,246
90	3921	TRANSPORTATION - AUTOMOBILES	133,213	111,725	111,725	111,725	111,725	111,725	124,948
91	3922	TRANSPORTATION - PICKUPS & VANS	0	0	0	0	0	0	-
92	397	COMMUNICATION EQUIPMENT	134,860	134,860	134,860	134,860	134,860	134,860	134,860
93									
94		Total Common Utility Plant	4,857,398	4,835,910	4,835,910	4,845,819	4,843,860	4,840,661	4,848,029
95									
96		AS ALLOCATED (Electric Division)							
97									
98	303	MISC INTANGIBLE PLANT	30%	550	550	550	550	550	465
99	389	LAND	30%	102,578	102,578	102,578	102,578	102,578	102,578
100	390	STRUCTURES & IMPROVEMENTS	30%	623,031	623,031	623,031	623,031	623,031	622,948
101	3911	OFFICE FURNITURE	30%	7,353	7,353	7,353	7,353	7,353	7,142
102	3912	OFFICE EQUIPMENT	30%	21,809	21,809	21,809	21,809	21,221	21,359
103	3913	COMPUTER SOFTWARE & EQUIPMENT	32%	662,908	662,908	662,908	666,079	665,056	663,439
104	3921	TRANSPORTATION - AUTOMOBILES	30%	39,964	33,518	33,518	33,518	33,518	37,485
105	3922	TRANSPORTATION - PICKUPS & VAN	30%	-	-	-	-	-	-
106	397	COMMUNICATION EQUIPMENT	30%	40,458	40,458	40,458	40,458	40,458	40,458
107									
108									
109		Total Common Utility Plant		1,498,651	1,492,205	1,492,205	1,495,376	1,494,788	1,493,764

Supporting Schedules.

Supporting Schedules

Recap Schedules B-8a,B-3

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO. 030438-EI

EXPLANATION Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown
 Historical Year Ended 12/31/2002

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
1		Transmission Plant							
2									
3	3501	LAND AND LAND RIGHTS	(27,668)	(27,767)	(27,866)	(27,965)	(28,064)	(28,163)	(28,262)
4	352	STRUCTURES & IMPROVE	(11,843)	(11,889)	(11,935)	(11,981)	(12,027)	(12,073)	(12,119)
5	353	STATION EQUIPMENTS	(762,973)	(767,036)	(771,099)	(775,162)	(779,225)	(783,289)	(787,353)
6	354	TOWER AND FIXTURES	(157,359)	(157,726)	(158,093)	(158,460)	(158,827)	(159,194)	(159,561)
7	355	POLES AND FIXTURES	(603,893)	(609,512)	(615,131)	(620,912)	(626,693)	(632,474)	(638,298)
8	356	OVERHEAD CONDUCTORS	(392,708)	(395,256)	(397,804)	(400,352)	(402,900)	(405,448)	(407,996)
9	359	ROADS AND TRAILS	(2,597)	(2,619)	(2,641)	(2,663)	(2,685)	(2,707)	(2,729)
10	350	LAND	0	0	0	0	0	0	0
11									
12		Total Transmission Plant	(1,959,041)	(1,971,805)	(1,984,569)	(1,997,495)	(2,010,421)	(2,023,348)	(2,036,318)
13									
14		Distribution Plant							
15									
16	360	LAND	3,651	3,625	3,599	3,573	3,547	3,521	3,495
17	361	STRUCTURES AND IMPRO	(14,863)	(20,241)	(20,414)	(20,587)	(20,763)	(20,939)	(21,115)
18	362	STATION EQUIPMENT	(1,388,077)	(1,390,474)	(1,399,117)	(1,407,760)	(1,416,403)	(1,425,046)	(1,394,556)
19	364	POLES TOWERS & FIXTU	(2,955,742)	(2,960,901)	(2,981,303)	(2,991,746)	(3,013,786)	(3,035,298)	(3,038,027)
20	365	OVERHEAD CONDUCTORS	(3,828,816)	(3,857,604)	(3,887,731)	(3,909,001)	(3,937,364)	(3,966,032)	(3,987,648)
21	370	METERS	(1,557,035)	(1,565,432)	(1,573,718)	(1,553,640)	(1,562,077)	(1,570,439)	(1,576,085)
22	3601	LAND RIGHTS	0	0	0	0	0	0	0
23	3661	UNDERGROUND CONDUIT-	(315,322)	(317,654)	(319,986)	(322,318)	(324,650)	(326,984)	(329,318)
24	3662	UNDERGROUND CONDUIT-	(33,092)	(29,868)	(30,363)	(30,859)	(31,359)	(31,866)	(32,373)
25	3671	UNDERGRD CONDUCT & D	(600,213)	(604,397)	(608,581)	(612,767)	(616,954)	(621,160)	(625,100)
26	3672	UNDERGRD CONDUCT/DEV	(515,092)	(497,219)	(500,969)	(504,100)	(507,927)	(514,948)	(518,619)
27	3681	LINE TRANSFORMERS- O	(3,174,962)	(3,195,263)	(3,199,247)	(3,219,331)	(3,239,712)	(3,260,817)	(3,271,802)
28	3682	LINE TRANSFORMERS-DU	899	899	899	899	899	899	899
29	3683	LINE TRANSFORMERS- B	(1,828,214)	(1,844,287)	(1,854,275)	(1,870,107)	(1,886,076)	(1,901,468)	(1,916,921)
30	3691	OVERHEAD SERVICES	(1,481,413)	(1,492,824)	(1,504,808)	(1,515,327)	(1,526,796)	(1,538,091)	(1,548,075)
31	3692	UNDERGRD SERVICES- D	(83,011)	(85,176)	(87,343)	(89,510)	(91,678)	(93,846)	(96,014)
32	3693	UNDERGRD SERVICES- B	(921,746)	(928,787)	(935,876)	(943,020)	(950,792)	(958,076)	(965,443)
33	3711	INSTAL ON CUST PREMI	(270,666)	(298,316)	(303,137)	(308,074)	(314,645)	(320,050)	(312,554)
34	3713	INSTAL ON CUST PREMI	(76,789)	(82,902)	(84,771)	(86,966)	(89,480)	(91,710)	(93,941)
35	3731	STREET LIGHTING AND	(206,410)	(208,460)	(210,729)	(212,193)	(214,143)	(216,229)	(211,800)
36	3733	STREET LIGHTING AND	(54,354)	(56,060)	(57,766)	(59,472)	(61,183)	(62,935)	(64,703)
37									
38		Total Distribution Plant	(19,301,267)	(19,431,341)	(19,555,636)	(19,652,306)	(19,801,342)	(19,951,514)	(19,999,700)

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied

Type of Data Shown
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
1		Transmission Plant							
2									
3	3501	LAND AND LAND RIGHTS	(28,361)	(28,460)	(28,559)	(28,658)	(28,757)	(28,856)	(28,262)
4	352	STRUCTURES & IMPROVE	(12,165)	(12,211)	(12,257)	(12,303)	(12,349)	(12,395)	(12,119)
5	353	STATION EQUIPMENTS	(791,417)	(795,481)	(799,545)	(803,609)	(807,673)	(811,761)	(787,356)
6	354	TOWER AND FIXTURES	(159,928)	(160,295)	(160,662)	(161,029)	(161,396)	(161,763)	(159,561)
7	355	POLES AND FIXTURES	(644,122)	(649,755)	(655,579)	(662,009)	(668,706)	(675,409)	(636,338)
8	356	OVERHEAD CONDUCTORS	(382,107)	(384,655)	(387,203)	(389,751)	(392,299)	(394,847)	(394,871)
9	359	ROADS AND TRAILS	(2,751)	(2,773)	(2,795)	(2,817)	(2,839)	(2,861)	(2,729)
10	350	LAND	0	0	0	0	0	0	0
11									
12		Total Transmission Plant	(2,020,851)	(2,033,630)	(2,046,600)	(2,051,076)	(2,064,019)	(2,076,892)	(2,021,236)
13									
14		Distribution Plant							
15									
16	360	LAND	3,469	3,443	3,417	3,391	3,365	3,339	3,495
17	361	STRUCTURES AND IMPRO	(21,291)	(21,467)	(21,643)	(21,819)	(21,995)	(22,171)	(20,716)
18	362	STATION EQUIPMENT	(1,403,110)	(1,411,664)	(1,418,187)	(1,426,741)	(1,435,271)	(1,443,860)	(1,412,328)
19	364	POLES TOWERS & FIXTU	(3,055,763)	(3,066,511)	(3,083,182)	(3,101,028)	(3,118,906)	(3,132,257)	(3,041,112)
20	365	OVERHEAD CONDUCTORS	(4,015,964)	(4,028,514)	(4,056,455)	(4,083,761)	(4,107,833)	(4,132,118)	(3,984,534)
21	370	METERS	(1,571,903)	(1,580,291)	(1,585,829)	(1,590,942)	(1,598,145)	(1,605,406)	(1,576,226)
22	3601	LAND RIGHTS	0	0	0	0	0	0	0
23	3661	UNDERGROUND CONDUIT-	(331,652)	(333,966)	(336,320)	(338,654)	(340,988)	(343,322)	(329,320)
24	3662	UNDERGROUND CONDUIT-	(32,880)	(33,409)	(33,939)	(34,472)	(35,008)	(35,571)	(32,697)
25	3671	UNDERGRD CONDUCT & D	(629,576)	(633,786)	(637,996)	(642,206)	(646,416)	(650,626)	(625,368)
26	3672	UNDERGRD CONDUCT/DEV	(518,968)	(519,671)	(523,780)	(527,738)	(531,696)	(535,728)	(516,650)
27	3681	LINE TRANSFORMERS- O	(3,292,881)	(3,306,123)	(3,323,778)	(3,344,736)	(3,365,565)	(3,386,829)	(3,275,465)
28	3682	LINE TRANSFORMERS-DU	899	899	899	899	899	899	899
29	3683	LINE TRANSFORMERS- B	(1,933,636)	(1,926,068)	(1,942,245)	(1,958,870)	(1,975,719)	(1,991,735)	(1,909,971)
30	3691	OVERHEAD SERVICES	(1,559,318)	(1,569,139)	(1,579,803)	(1,590,386)	(1,601,546)	(1,613,194)	(1,547,748)
31	3692	UNDERGRD SERVICES- D	(98,184)	(100,354)	(102,525)	(104,696)	(106,867)	(109,038)	(96,019)
32	3693	UNDERGRD SERVICES- B	(971,927)	(979,419)	(986,664)	(993,075)	(1,000,497)	(1,008,242)	(964,890)
33	3711	INSTAL ON CUST PREMI	(314,338)	(313,916)	(315,978)	(314,573)	(316,136)	(318,622)	(309,308)
34	3713	INSTAL ON CUST PREMI	(96,181)	(96,797)	(99,048)	(96,155)	(98,381)	(100,577)	(91,823)
35	3731	STREET LIGHTING AND	(213,654)	(206,875)	(207,798)	(209,515)	(210,473)	(212,712)	(210,845)
36	3733	STREET LIGHTING AND	(66,471)	(64,711)	(66,469)	(68,121)	(69,881)	(71,645)	(63,367)
37									
38		Total Distribution Plant	(20,123,329)	(20,188,459)	(20,317,323)	(20,443,198)	(20,577,059)	(20,709,415)	(20,003,991)

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied

Type of Data Shown
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
39		General Plant							
40		-----							
41	389	LAND AND LAND RIGHTS	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
42	390	STRUCTURES AND IMPRO	(355,764)	(335,210)	(336,849)	(338,488)	(340,127)	(341,766)	(343,405)
43	396	POWER OPERATED EQUIP	(68,916)	(69,335)	(69,754)	(70,173)	(70,592)	(71,011)	(71,430)
44	397	COMMUNICATION EQUIPM	(64,137)	(65,295)	(66,453)	(67,611)	(68,769)	(69,927)	(71,085)
45	398	MISCELLANEOUS EQUIPM	(10,734)	(10,778)	(10,822)	(10,867)	(10,911)	(10,955)	(10,999)
46	3911	OFFICE FURNITURE & E	(5,125)	(5,164)	(5,204)	(5,244)	(5,283)	(5,322)	(5,361)
47	3912	OFFICE MACHINES	(21,609)	(21,801)	(21,992)	(22,185)	(22,376)	(22,567)	(22,759)
48	3913	E D P EQUIPMENT	(248,096)	(253,242)	(258,387)	(260,820)	(265,964)	(271,110)	(276,255)
49	3931	STORES EQUIP-HANDLIN	(51,679)	(52,537)	(53,396)	(54,254)	(55,113)	(55,972)	(56,831)
50	3932	STORES EQUIP-PORTABL	(351)	(360)	(369)	(378)	(387)	(396)	(405)
51	3941	TOOLS, SHOP & GARAGE	(11,907)	(12,332)	(12,757)	(13,183)	(13,607)	(14,032)	(14,458)
52	3942	TOOLS, SHOP & GARG P	(51,089)	(51,544)	(52,000)	(52,455)	(52,910)	(53,366)	(53,821)
53	3951	LABORATORY FIXED EQU	(16,041)	(16,444)	(16,847)	(17,250)	(17,653)	(18,056)	(18,459)
54	3952	LABORATORY PORTABLE	(26,914)	(27,050)	(27,186)	(27,320)	(27,456)	(27,592)	(27,726)
55	3971	COMMUN EQUIP-PRIOR	0	0	0	0	0	0	0
56	3973	COMMUNICATIONS EQUIP	(6,323)	(8,802)	(9,156)	(9,510)	(9,864)	(10,218)	(10,572)
57									
58		Total General Plant	(945,389)	(936,598)	(947,876)	(956,442)	(967,716)	(978,994)	(990,270)
59		-----							
60		Transportation Equipment							
61		-----							
62									
63	3921	TRANSP EQUIP-CARS	(42,936)	(47,157)	(48,082)	(49,007)	(49,932)	(50,857)	(51,782)
64	3922	TRANS-LIGHT TRUCK,VA	(273,890)	(273,911)	(279,856)	(274,859)	(280,678)	(286,497)	(292,316)
65	3923	TRANS - HEAVY TRUCKS	(726,417)	(760,146)	(771,361)	(782,576)	(794,703)	(806,830)	(818,957)
66	3924	TRANS-TRAILERS	(15,935)	(18,378)	(18,514)	(18,550)	(18,786)	(18,922)	(19,058)
67									
68		Total Transportation Equipment	(1,059,178)	(1,099,592)	(1,117,813)	(1,125,092)	(1,144,099)	(1,163,106)	(1,182,113)
69		-----							
70		Sub-Total	(23,264,875)	(23,439,336)	(23,605,894)	(23,731,335)	(23,923,578)	(24,116,962)	(24,208,401)
71		-----							
72									
73									
74									
75		TOTAL ACCUM PROVISION FOR DEPR	(23,264,875)	(23,439,336)	(23,605,894)	(23,731,335)	(23,923,578)	(24,116,962)	(24,208,401)

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied

Type of Data Shown
Historical Year Ended 12/31/2002

COMPANY Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesile

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
39		General Plant							
40									
41	389	LAND AND LAND RIGHTS	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
42	390	STRUCTURES AND IMPRO	(345,046)	(346,687)	(348,328)	(349,969)	(351,617)	(353,265)	(345,117)
43	396	POWER OPERATED EQUIP	(71,849)	(72,268)	(72,687)	(73,106)	(73,525)	(73,944)	(71,430)
44	397	COMMUNICATION EQUIPM	(72,243)	(73,401)	(74,558)	(75,716)	(76,874)	(78,032)	(71,085)
45	398	MISCELLANEOUS EQUIPM	(11,043)	(11,087)	(11,131)	(11,175)	(11,219)	(11,264)	(10,999)
46	3911	OFFICE FURNITURE & E	(5,401)	(5,440)	(5,479)	(5,518)	(5,551)	(5,588)	(5,360)
47	3912	OFFICE MACHINES	(22,951)	(23,143)	(23,334)	(23,526)	(23,718)	(23,909)	(22,759)
48	3913	E D P EQUIPMENT	(281,400)	(253,107)	(258,253)	(263,398)	(268,542)	(274,559)	(264,087)
49	3931	STORES EQUIP-HANDLIN	(57,689)	(58,548)	(59,407)	(60,266)	(61,124)	(61,983)	(56,831)
50	3932	STORES EQUIP-PORTABL	(414)	(423)	(432)	(441)	(450)	(459)	(405)
51	3941	TOOLS, SHOP & GARAGE	(14,882)	(15,196)	(15,622)	(16,046)	(16,472)	(16,897)	(14,415)
52	3942	TOOLS, SHOP & GARG P	(54,276)	(54,732)	(55,187)	(55,642)	(56,099)	(56,554)	(53,821)
53	3951	LABORATORY FIXED EQU	(18,863)	(19,265)	(19,668)	(20,071)	(20,474)	(20,877)	(18,459)
54	3952	LABORATORY PORTABLE	(27,862)	(25,564)	(25,700)	(25,835)	(25,970)	(26,106)	(26,791)
55	3971	COMMUN EQUIP-PRIOR	0	0	0	0	0	0	-
56	3973	COMMUNICATIONS EQUIP	(10,926)	(11,280)	(11,634)	(11,988)	(12,342)	(12,696)	(10,409)
57									
58		Total General Plant	(1,001,549)	(976,845)	(988,124)	(999,401)	(1,010,681)	(1,022,837)	(978,671)
59									
60		Transportation Equipment							
61									
62									
63	3921	TRANSP EQUIP-CARS	(46,551)	(47,506)	(48,461)	(41,767)	(42,632)	(43,497)	(46,936)
64	3922	TRANS-LIGHT TRUCK,VA	(275,157)	(283,229)	(288,801)	(294,373)	(299,945)	(305,744)	(285,327)
65	3923	TRANS - HEAVY TRUCKS	(831,084)	(843,211)	(855,338)	(867,465)	(879,592)	(890,719)	(818,569)
66	3924	TRANS-TRAILERS	(19,194)	(19,330)	(19,466)	(19,602)	(19,738)	(20,041)	(18,893)
67									
68		Total Transportation Equipment	(1,171,986)	(1,193,276)	(1,212,066)	(1,223,207)	(1,241,907)	(1,273,001)	(1,169,726)
69									
70		Sub-Total	(24,317,715)	(24,392,210)	(24,564,113)	(24,716,882)	(24,893,666)	(25,082,145)	(24,173,624)
71									
72									
73									
74									
75		TOTAL ACCUM PROVISION FOR DEPR	(24,317,715)	(24,392,210)	(24,564,113)	(24,716,882)	(24,893,666)	(25,082,145)	(24,173,624)

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied

Type of Data Shown
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(A) 2001 DECEMBER	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE
76		COMMON UTILITY PLANT							
77		-----							
78	303	MISC INTANGIBLE PLANT	0	0	0	0	0	0	0
79	389	LAND	0	0	0	0	0	0	0
80	390	STRUCTURES & IMPROVEMENTS	(348,511)	(352,834)	(357,157)	(361,484)	(365,811)	(370,138)	(374,465)
81	3911	OFFICE FURNITURE	13,749	13,660	13,571	13,482	13,386	13,290	13,194
82	3912	OFFICE EQUIPMENT	(28,561)	(28,994)	(29,427)	(29,860)	(30,326)	(30,792)	(31,258)
83	3913	COMPUTER SOFTWARE & EQUIPMENT	(425,581)	(439,547)	(453,513)	(467,496)	(481,479)	(495,462)	(509,445)
84	3921	TRANSPORTATION - AUTOMOBILES	(71,825)	(73,079)	(74,333)	(75,587)	(76,841)	(78,095)	(79,349)
85	3922	TRANSPORTATION - PICKUPS & VANS	0	0	0	0	0	0	0
86	397	COMMUNICATION EQUIPMENT	(14,962)	(15,760)	(16,558)	(17,356)	(18,154)	(18,952)	(19,750)
87		-----							
88		Total Common Utility Plant	(875,691)	(896,554)	(917,417)	(938,301)	(959,225)	(980,149)	(1,001,073)
89		-----							
90		AS ALLOCATED (Electric Division)							
91		-----							
92	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-
93	389	LAND	30%	-	-	-	-	-	-
94	390	STRUCTURES & IMPROVEMENTS	30%	(104,553)	(105,850)	(107,147)	(108,445)	(109,743)	(111,041)
95	3911	OFFICE FURNITURE	30%	4,125	4,098	4,071	4,045	4,016	3,987
96	3912	OFFICE EQUIPMENT	30%	(8,568)	(8,698)	(8,828)	(8,958)	(9,098)	(9,238)
97	3913	COMPUTER SOFTWARE & EQUIPMEI	32%	(136,186)	(140,655)	(145,124)	(149,599)	(154,073)	(158,548)
98	3921	TRANSPORTATION - AUTOMOBILES	30%	(21,548)	(21,924)	(22,300)	(22,676)	(23,052)	(23,429)
99	3922	TRANSPORTATION - PICKUPS & VAN	30%	-	-	-	-	-	-
100	397	COMMUNICATION EQUIPMENT	30%	(4,489)	(4,728)	(4,967)	(5,207)	(5,446)	(5,686)
101		-----							
102		Total Common Utility Plant	(271,219)	(277,757)	(284,295)	(290,840)	(297,397)	(303,954)	(310,511)
103		-----							

Supporting Schedules

Recap Schedules B-8a, B-3

Schedule B-9b

MONTHLY RESERVE BALANCES TEST YEAR - 2002 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied

Type of Data Shown
Historical Year Ended 12/31/2002

COMPANY Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO 030438-EI

Witness Jim Mesite

Line No	Acct Sub-acct Number	Acct Sub-acct Title	(H) 2002 JULY	(I) 2002 AUGUST	(J) 2002 SEPTEMBER	(K) 2002 OCTOBER	(L) 2002 NOVEMBER	(M) 2002 DECEMBER	(N) 2002 13 MONTH AVERAGE
76		COMMON UTILITY PLANT							
77									
78	303	MISC INTANGIBLE PLANT	0	0	0	0	0	0	-
79	389	LAND	0	0	0	0	0	0	-
80	390	STRUCTURES & IMPROVEMENTS	(378,792)	(383,119)	(387,446)	(391,773)	(396,100)	(400,427)	(374,466)
81	3911	OFFICE FURNITURE	13,098	13,000	12,902	12,804	12,706	12,608	13,188
82	3912	OFFICE EQUIPMENT	(31,724)	(32,190)	(32,656)	(33,122)	(31,628)	(32,082)	(30,971)
83	3913	COMPUTER SOFTWARE & EQUIPMENT	(523,428)	(537,411)	(551,394)	(552,753)	(566,803)	(579,982)	(506,484)
84	3921	TRANSPORTATION - AUTOMOBILES	(86,513)	(73,812)	(74,864)	(75,916)	(76,968)	(78,020)	(76,554)
85	3922	TRANSPORTATION - PICKUPS & VANS	0	0	0	0	0	0	-
86	397	COMMUNICATION EQUIPMENT	(20,548)	(21,346)	(22,144)	(22,942)	(23,740)	(24,538)	(19,750)
87									
88		Total Common Utility Plant	(1,027,907)	(1,034,878)	(1,055,602)	(1,063,702)	(1,082,533)	(1,102,441)	(995,036)
89									
90		AS ALLOCATED (Electric Division)							
91									
92	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-
93	389	LAND	30%	-	-	-	-	-	-
94	390	STRUCTURES & IMPROVEMENTS	30%	(113,638)	(114,936)	(116,234)	(117,532)	(118,830)	(112,340)
95	3911	OFFICE FURNITURE	30%	3,929	3,900	3,871	3,841	3,812	3,957
96	3912	OFFICE EQUIPMENT	30%	(9,517)	(9,657)	(9,797)	(9,937)	(9,488)	(9,291)
97	3913	COMPUTER SOFTWARE & EQUIPMENT	32%	(167,497)	(171,972)	(176,446)	(176,881)	(181,377)	(162,075)
98	3921	TRANSPORTATION - AUTOMOBILES	30%	(25,954)	(22,144)	(22,459)	(22,775)	(23,090)	(22,966)
99	3922	TRANSPORTATION - PICKUPS & VAN	30%	-	-	-	-	-	-
100	397	COMMUNICATION EQUIPMENT	30%	(6,164)	(6,404)	(6,643)	(6,883)	(7,122)	(5,925)
101									
102									
103		Total Common Utility Plant	(318,841)	(321,212)	(327,708)	(330,166)	(336,096)	(342,332)	(308,641)

Supporting Schedules:

Supporting Schedules

Common Plant Allocation

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide the basis for the allocation of common utility plant excluding water.

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness: Jim Mesite

Line No.	Allocation of Utility Plant All Divisions	(A) Total Plant	(B) Allocation %	(C) EDP Plant	(D) Allocation %	(E) EDP Plant-All	(F) Allocation %	(G) Remain Common	(H) Allocation %	(I) Total Common	(J) Allocation %
1	Florida Public Utilities Co.										
2	Northwest (Electric)	24,768,483	21.0%	315,117	17.0%	315,117	15.0%	346,358	13.0%	661,475	16.0%
3	Northeast (Electric)	32,803,327	28.0%	357,132	19.0%	357,132	17.0%	450,265	17.0%	807,397	19.0%
5	Northeast (Water)	-		-		-		-		-	
6	South Florida	45,836,926	38.0%	777,287	42.0%	777,287	37.0%	1,344,867	50.0%	2,122,154	51.0%
8	Central Florida Merchandise	15,613,812 -	13.0%	399,148 -	0	399,148 42,016	19.0% 2.0%	207,814 91,861	8.0% 3.0%	606,962	14.0%
9	Total Florida Public Utilities Co.	119,022,548	100.0%	1,848,684	100.0%					4,197,988	100.0%
10											
11	Propane										
12	South Florida					147,055	7.0%	208,406	8.0%		
13	Central Florida					63,023	3.0%	17,318	1.0%		
14	Northeast (Propane)					-		-			
15	Total					2,100,778	100%	2,666,889	100%		
16	Allocations are based on 12 months ended June 2002										

Supporting Schedules:

Recap Schedules: 8a, 8b, 9a, 9b

Schedule B-10

CAPITAL ADDITIONS AND RETIREMENTS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Itemize major capital additions to and retirements from electric plant in service for the most recent calendar year, the test year minus one, the test year and the test year plus one.

Type of Data Shown:
 Prior Year Ended 12/31/2001
 Historical Year Ended 12/31/2002
 Projected Year 12/31/2003
 Witness: Jim Mesite

Line No.	Year	Additions Items included are those over \$50,000	\$	Year	Retirements	\$
1	2001 - ADDITIONS			2001 - RETIREMENTS		
2	20319	Mapping System	69,295	3971	Retire Fully Amortized	56,953
3					Communication Equipment	
4	20452	[3] F-150 Trucks	58,740			
5						
6	2002 - ADDITIONS			2002 - RETIREMENTS		
7	20508	Purchase Bucket Truck	120,274		None	
8						
9	20691	Relocate RR Feeder to Highway 90	95,084			
10						
11	20283	Rebuild 138KV Transmission Line	1,641,502			
12						
13	20662	Replace Transmission Poles	51,017			
14						
15	20833	12/16/20MA Transformer	438,655			
16						
17	2003 - ADDITIONS			2003 - RETIREMENTS		
18	Projected	Purchase Bucket Truck	121,500	Projected	Reconductor Penn Ave.	55,000
19						
20	Projected	Reconductor Penn Ave.	200,000	20283	138KV Transmission Line	322,800
21						
22	Projected	Purchase Mapping/Outage/Workorder Management System Phase 1	150,000	Projected	Retire Bucket Truck	107,000
23						
24						
25	Projected	Purchase SCADA System Phase 1	200,000			
26						
27	Projected	Replace Identified Decayed Poles	50,000			
28						
29	Projected	Purchase Bucket Truck	120,000			
30						
31	Projected	Reinsulate 69KV Line	150,000			
32						
33	Projected	Replace Cable/Switchgear	300,000			
34						
35	Projected	New Feeder at StepDown	225,000			
36						
37	Projected	Replace 15KV Breaker at Stepdown	50,000			

Supporting Schedules:

Recap Schedules:

Schedule B-12A PROPERTY HELD FOR FUTURE USE - 13 MONTH AVERAGE

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide 13 month average
 balances for each item of property held
 for future use and calculate the
 jurisdictional amounts for the test year,
 and the prior year if the test year is projected.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: Jim Mesite

Line No.	Description of Items	(1) 13 Month Average	(2) Jurisdictional Factor	(3) Jurisdictional Amount (1) x (2)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.			NONE	
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29.				
30.				

Supporting Schedules:

Recap Schedules:

Schedule B-12D PROPERTY HELD FOR FUTURE USE - COLD STANDBY UNITS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide details of
 generating units placed on cold standby status
 for the test year, and the prior year if the
 test year is projected.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: Jim Mesite

Line No.	Cold Stanby Unit Name	Cost of Reactivation	Original In-Service Date	Date Last Placed on Cold Standby	MW Capacity	Reason for Placing on Cold Standby	Conditions That Would Prompt Reactivation
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							
22.							
23.							
24.							
25.							
26.							
27.							
28.							
29.							
30.							
31.							
32.							
33.							
34.							
35.							

NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule B-13b

CONSTRUCTION WORK IN PROGRESS - 13 MONTH AVERAGE BALANCE

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: For each major construction project whose cost exceeds \$5 million and all minor construction projects as a group, provide the requested data for the test year, and the prior year if the test year is projected.

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness Jim Mesite

MAJOR PROJECTS EXCEEDING \$50,000

Project No.	Project Description	(1) 13 Month Average Balance Per Books	(2) Non-Electric Utility	(3) Total Electric Utility (1) - (2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3) x (4)
	STEAM PRODUCTION				100%	
	Subtotal Major Projects					
	Total Minor Projects					
	Total Steam	0		0		0
	NUCLEAR PRODUCTION:					
	Subtotal Major Projects					
	Total Minor Projects					
	Total Nuclear	0		0		0
	HYDRAULIC PRODUCTION:					
	Subtotal Major Projects					
	Total Minor Projects					
	Total Hydraulic	0		0		0
	OTHER PRODUCTION:					
	Subtotal Major Projects					
	Total Minor Projects					
	Total Other	0		0		0
	TRANSMISSION PLANT					
	Subtotal Major Projects					
	Total Minor Projects					
	Total Transmission	1,481,405		1,481,405		1,481,405
	DISTRIBUTION PLANT:					
	Subtotal Major Projects					
	Total Minor Projects					
	Total Distribution	620,500		620,500		620,500
	GENERAL PLANT					
	Subtotal Major Projects					
	Total Minor Projects					
	Total General	78,336		78,336		78,336
	Common PLANT					
	Subtotal Major Projects					
	Total Minor Projects					
	Total General	25,757		25,757		25,757
	TOTAL AFUDC TREATMENT					
	TOTAL RATE BASE TREATMENT					
	TOTAL CWIP	2,205,998		2,205,998		2,205,998

Supporting Schedules:

Recap Schedules

Schedule B-13b

CONSTRUCTION WORK IN PROGRESS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION For each major construction project whose cost of completion exceeds 0.2 percent (.002) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year.

Type of Data Shown:
Historical Year Ended 12/31/2002

Witness: Jim Mesite

Project No.	Project Description	(1) Year End CWIP Balance	(2) Estimated Additional Project Costs	(3) Total Cost of Completion	(4) Initial Project Budget Per Construction Bid	(5) Date Construction Started	(6) Expected Completion Date	(7) Percent Complete (1) / (3)	(8) Amount of AFUDC Charged	(9) 13 Month Average Balance	(10) Jurisdictional Factor	(11) Jurisdictional Amount
2002 ->\$118,600												
TRANSMISSION PLANT												
SMALL PROJECTS												
20283	REBUILD 138KV LINE	366 -0-	11,760 -0-	12,126 -0-	VARIOUS 1,280,600	VARIOUS 11/99	VARIOUS 06/01	3% 100%	-0- -0-	16,050 1,465,355		16,050 1,465,355
Subtotal		366	11,760							1,481,405		1,481,405
DISTRIBUTION PLANT												
SMALL PROJECTS												
Subtotal		506,875	48,379	555,254		VARIOUS	VARIOUS		-0-	620,498		620,498
GENERAL PLANT												
20508	PURCHASE BUCKET TRUCK	-0-	-0-	-0-	121,000	02/01	03/01	100%	-0-	27,756		27,756
20827	PURCHASE BUCKET TRUCK	142,866	-0-	142,866	150,000	08/02	11/02	100%	-0-	10,990		10,990
SMALL PROJECTS												
Subtotal		142,866	-0-	142,866		VARIOUS	VARIOUS			39,591		39,591
TOTAL AFUDC TREATMENT		-0-	-0-	-0-						-0-		-0-
TOTAL RATE BASE TREATMENT		650,107	60,139	698,120						2,180,240		2,180,240
TOTAL CWIP		650,107	60,139	698,120						2,180,240		2,180,240
COMMON PLANT												
GENERAL PLANT												
SMALL PROJECTS-OTHER THAN COMPUTER												
SMALL PROJECTS-COMPUTER												
TOTAL COMMON CWIP		151,214	-0-	151,214	162,022					81,289		81,289
COMMON PLANT-AS ALLOCATED TO ELECTRIC												
GENERAL PLANT												
SMALL PROJECTS-OTHER THAN C												
SMALL PROJECTS-COMPUTER												
TOTAL COMMON CWIP		45,364	-0-	45,364	48,607					25,757		25,757
TOTAL CWIP FOR RATE BASE TREATMENT		695,471	60,139	743,484	48,607					2,205,997		2,205,997

Schedule B-15

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule showing the adjusted 13 month average working capital allowance for the test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other methodology the company proposes to use.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Account Number	Primary Account	2002	2002	2002	2002	2002
			Surveillance: 13-Month Avg Incl Water	Elimination of Water Division	Surveillance: 13-Month Avg Excl Water	Company Proposed Adjustment 13-Month Average	Proposed Adjusted 13-Month Avg
Assets:							
1	1310.1 & 7, 1340.1 & 3	Cash	1,325,227	(71,634)	1,396,861	284,398	1,681,259
2	1310.4n	Cash - Local Electric Division	26,461	-	26,461	-	26,461
3	1350	Working Funds - FB Div	2,300	(200)	2,500	-	2,500
4	1350	Working Funds - Electric Division	2,500	-	2,500	-	2,500
5	1420, 1430	Customer Accounts Receivable	3,169,574	(1)	3,169,575	-	3,169,575
6	1440	Accumulated Provision for Uncollectibles	(92,286)	0	(92,286)	-	(92,286)
7	1630	Stores Expense	16,303	0	16,303	-	16,303
8	1540	Materials and Supplies	845,709	(0)	845,709	-	845,709
9	1650.2, 4, 5	Prepayments-Insurance	185,598	(10,032)	195,630	-	195,630
10	1650.3	Prepayments-Pensions	707,494	(22,822)	730,316	-	730,316
11	1730	Unbilled Revenues	478,674	(0)	478,674	-	478,674
12	1840.7	Clearing Accounts-Refunds	98	(0)	98	-	98
13	1840.1	Clearing Accounts-Divisional	187	-	187	-	187
14	1850	Temporary Facilities	6,479	1	6,478	-	6,478
15	1860.1 - Subsidiary Ledger	Deferred Debits - Other	34,770	(0)	34,770	-	34,770
16	1860.1	Deferred Debits - Rate Case Expense	-	-	-	-	-
17	1860.21	Deferred Debits - Over/Under Recovery	558,300	0	558,300	197,869	756,169
18	1860.3 & 1860.61	Deferred Debits: Conservation	43,219	-	43,219	-	43,219
19	1860 Allocated From Common	Deferred Debits: Common	22,106	(1,195)	23,301	-	23,301
		TOTAL ASSETS	7,332,713	(105,883)	7,438,596	482,267	7,920,863

Schedule B-15

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule showing the adjusted 13 month average working capital allowance for the test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other methodology the company proposes to use.

Type of Data Shown:
 Historical Year Ended 12/31/2002

Witness: Jim Mesite

Line No.	Account Number	Primary Account	2002 Surveillance: 13- Month Avg Incl Water	2002 Elimination of Water Division	2002 Surveillance: 13- Month Avg Excl Water	2002 Company Proposed Adjustment 13- Month Average	2002 Proposed Adjusted 13- Month Avg
Liabilities:							
20	2280.3n	Med. Ins. Reserve	(598,762)	32,366	(631,128)	-	(631,128)
21	2280.2n	Insurance Reserve	(222,014)	12,001	(234,015)	-	(234,015)
22	2280.11	Storm Damage Reserve	(2,015,796)	(0)	(2,015,796)	-	(2,015,796)
23	2320 - 4010.555/4010.5501	Accounts Payable - Fuel	(2,165,840)	-	(2,165,840)	-	(2,165,840)
24	2320	Accounts Payable - Net of Gas & Fuel	(339,119)	18,331	(357,450)	-	(357,450)
25	2320.8	Salaries & Wages Accrued	(157,087)	5,067	(162,154)	-	(162,154)
26	2320	Other - Accounts Payable	(35,857)	1,939	(37,796)	-	(37,796)
27	2360	Taxes Accrued-Ad Valorem	(166,330)	(0)	(166,330)	-	(166,330)
28	2360	Taxes Accrued-Gross Receipts	(156,445)	0	(156,445)	-	(156,445)
29	2360	Taxes Accrued-FPSC Assessment	(69,176)	3,739	(72,915)	-	(72,915)
30	2360	Taxes Accrued-Unemploy & FICA	(5,797)	187	(5,984)	-	(5,984)
31	2360	Taxes Accrued-Income Taxes	(134,226)	1	(134,227)	-	(134,227)
32	2370.1 & 2	Interest Accrued	(441,925)	50,219	(492,144)	-	(492,144)
33	2370.3	Accrd. Interest on Customer Deposits	(61,404)	0	(61,404)	-	(61,404)
34	2380	Dividends Declared - Preferred	(1,014)	55	(1,069)	-	(1,069)
35	2410.2 & 2410.3	Tax Collections Payable	(9,994)	322	(10,316)	-	(10,316)
36	2410 ***	Tax Collections Payable	(313,983)	0	(313,983)	-	(313,983)
37	2420	Vacation Pay Accrued	(239,113)	7,714	(246,827)	-	(246,827)
38	2420	Audit Fees & Exp. Accrued	(21,898)	1,184	(23,082)	-	(23,082)
39	2530	Overrec. Power	(974,001)	0	(974,001)	-	(974,001)
40	2530	Overrec. Conservation	(24,335)	0	(24,335)	-	(24,335)
41	2530	Misc. Current Liabilities	(6,383)	1	(6,384)	-	(6,384)
42		TOTAL LIABILITIES	(8,160,499)	133,127	(8,293,626)	-	(8,293,626)
43		TOTAL WORKING CAPITAL	(827,786)	27,244	(855,030)	482,267	(372,763)

2410 *** 44*, 460, 540-551, 560, 6*, 7*, 8*

Supporting Schedules:

Recap Schedules: B-2ab, B-3, B-4

Schedule B-16

NUCLEAR FUEL BALANCES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide thirteen monthly balances of nuclear fuel accounts 120.1, 120.2, 120.3, 120.4, 120.5, and, 120.6 for the test year, and the prior year if the test year is projected.

Type of Data Shown.
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: n/a

Line No.	Period	(A) Nuclear Fuel In Process 120.1	(B) Nuclear Fuel Stock Account 120.2	(C) Nuclear Fuel Assemblies in Reactor 120.3	(D) Nuclear Fuel Spent Fuel 120.4	(E) Accumulated Provision for Amortization 120.5	(F) Nuclear Fuel under Capital Leases 120.6	(G) Net Nuclear Fuel (A)+(B)+(C)+(D)-(E)+(F)
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NOT APPLICABLE

Supporting Schedules

Recap Schedules:

Schedule B-17a

SYSTEM FUEL INVENTORY

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type by month for the test year, and the prior year if the test year is projected. Include Natural Gas even though no inventory is carried.
 (Give Units in Barrels, Tons, or MMCF.)

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: n/a

Type	Month	Beginning Balance		Receipts		Fuel Issued to Generation		Fuel Issued (Other)		Inventory Adjustments		Ending Balance	
		Units / (\$000) / \$/Unit		Units / (\$000) / \$/Unit		Units / (\$000) / \$/Unit		Units / (\$000) / \$/Unit		Units / (\$000) / \$/Unit		Units / (\$000) / \$/Unit	

NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

Schedule B-17b

FUEL INVENTORY BY PLANT

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide conventional fuel account balances in dollars and quantities for each fuel type by month for the test year, and the prior year if the test year is projected. Include Natural Gas even though no inventory is carried.
 (Give Units in Barrels, Tons, or MMCF)

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: n/a

NAME OF PLANT	Beginning Balance	Receipts	Fuel Issued to Generation	Fuel Issued (Other)	Inventory Adjustments	Ending Balance
Fuel Type	Month	Units / (\$000) / \$/Unit	Units / (\$000) / \$/Unit	Units / (\$000) / \$/Unit	Units / (\$000) / \$/Unit	Units / (\$000) / \$/Unit

NOT APPLICABLE

Supporting Schedules:

Recap Schedules

Schedule B-18

CAPACITY FACTORS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION: Provide net generation capacity factors by plant as a percent of installed capability by month for 13 months months for the test year, and the prior year if the test year is projected.

Type of Data Shown:
Historical Year Ended 12/31/2002
Prior Year Ended 12/31/2001
Witness: n/a

Line No.	Month	Plants:
----------	-------	---------

N/A - No Generation Capacity

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE FOLLOWING INFORMATION
FOR OTHER DEFERRED CREDITS FOR THE TEST YEAR.

TYPE OF DATA SHOWN:
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

Witness: Jim Mesite

LINE NO.	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	DEBITS		CREDITS	BALANCE AT END OF YEAR
			CONTRA ACCOUNTS	AMOUNT		
1						
2	2530.21 Overrec. Fuel	(815,142)	4000.456	990,550	(1,732,649)	(1,557,241)
3	2530.61 Overrec. Conservation	(24,378)	4000.4566	63,933	(83,161)	(43,606)
4	2530 Misc. Current Liabilities - Deferred Gain	(13,522)	4030.1	13,522	-	-
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL	(853,042)		1,068,005	(1,815,810)	(1,600,847)

MISCELLANEOUS DEFERRED DEBITS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule showing the following information for miscellaneous deferred debits for the test year.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

Witness: Jim Mesite

Account Number	Description	Balance Beginning Jan-02	Debits	Credits		Balance End of Year 2002	Commission Adjustments 2002	Balance Ending Dec-02
				Account	Amount			
1860.21	O/U RECOVERY-FUEL	849,528	462,827	4010.5551	(849,528)	462,827	(74,421)	388,406
1860.61	O/U RECOVERY-CONSERVATION	68,126	30,511	4010.9061	(98,637)	-		-
1860.3	MISC DEFERRED P/R	20,404	218,706	2320.8	(209,322)	29,788		29,788
1860.1	MISC DIRECT DEFERRED	45,547		NET ACTIVITY	(8,961)	36,586		36,586
1860.1	MISC ALLOCATED DEFERRED	22,664		NET ACTIVITY	(5,841)	16,823		16,823

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION Provide an analysis of accumulated investment tax credits generated and amortization of investment tax credits on an annual basis beginning with the historic base year in the last rate case and ending with the end of the test year.

Type of Data Shown.
 Historical Year Ended 12/31/2002
 Prior Years 1991-2001
 Witness: Mehrdad Khojasteh

Line No.	Period	Total		
		Beginning Balance	Amortization	Ending Balance
1.	1991	931,666	53,025	878,641
2.	1992	878,641	51,702	826,939
3.	1993	826,939	51,401	775,538
4.	1994	775,538	46,047	720,912
5.	1995	720,912	50,436	670,476
6.	1996	670,476	49,906	620,570
7.	1997	620,570	49,541	571,028
8.	1998	571,028	49,812	521,217
9.	1999	521,217	61,024	460,193
10.	2000	460,193	60,499	399,694
11.	2001	399,694	59,046	340,648
12.	2002	340,648	56,525	284,122

Supporting Schedules:

Recap Schedules: B-2ab

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION:

For each of the accumulated deferred income tax accounts (Nos. 190, 281, 282, 283), provide annual balances beginning with the historic base year in the last rate case and ending with the end of the test year.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Years 1991-2001
 Witness: Mehrdad Khojasteh

Line No.	Annual Period	Account 190	Account 281	Account 282	Account 283	Net
		Accumulated Deferred Income Taxes Dr(Cr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)
1.	1991					
2.	1992					
3.	1993	82,130	-	(4,270,884)	(291,608)	(4,480,362)
4.	1994	275,157	-	(3,672,637)	(270,745)	(3,668,225)
5.	1995	214,204	-	(3,870,763)	(296,942)	(3,953,501)
6.	1996	105,644	-	(3,371,127)	(374,882)	(3,640,365)
7.	1997	197,786	-	(3,468,119)	(248,205)	(3,518,538)
8.	1998	214,301	-	(3,469,706)	(23,324)	(3,278,729)
9.	1999	157,338	-	(3,330,040)	(212,079)	(3,384,781)
10.	2000	230,633	-	(3,300,849)	(398,387)	(3,468,603)
11.	2001	74,184	-	(3,283,232)	(469,414)	(3,678,462)
12.	2002	276,744	-	(3,237,733)	(463,922)	(3,424,911)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a statement of changes in accounting policy since the last rate case. If appropriate, explain any changes in accounting procedures for the projected test year and the effect, if any, of the use of a non-calendar test year.

Type of Data Shown:
Historical Year Ended 12/31/2002
Prior Year Ended 12/31/2001
Witness: Jim Mesite

COMPANY: Florida Public Utilities Company
Consolidated Electric Division
DOCKET NO.: 030438-EI

N/A - No Accounting Changes

Supporting Schedules:

Recap Schedules:

DETAIL OF CHANGES IN RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the data listed below regarding all changes in rate base primary accounts that exceed \$400,000 and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: Jim Mesite

COMPANY: Florida Public Utilities Company
 Consolidated Electric Division

DOCKET NO.: 030438-EI

Line No.	(1) Account Number	Sub Accou	(2) Account Name	(3) Test Year Ended 12/31/2002	(4) Prior Year Ended 12/31/2001	(5) Increase / (Decrease) Amount (3)-(4)	(6) Percent (5)/(4)	(7) Reason(s) for Change
----------	-----------------------	-----------	---------------------	--------------------------------------	---------------------------------------	---	---------------------------	-----------------------------

There are no changes in primary Rate Base accounts that both exceed \$400,000 and 10% from the historical prior year to the Historical Year.

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide the data specified for leasing
 arrangements in effect during the test year and prior year.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: Jim Mesite

Leasing Payments for prior year: \$

Leasing Payments for test year: \$

Leasing Payments, Remaining Life Contracts \$

Describe Leasing Agreements Whose Lifetime Costs Exceed \$5 Million

Asset	Original Cost	Annual Payment	Life of Contract	Disposition of Asset, Provision for Purchase
-------	---------------	----------------	------------------	--

NOT APPLICABLE

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO : 030438E1

EXPLANATION Provide 13-month average balance sheets by primary account for the most recent two historical calendar years not including the historical test year if provided elsewhere

Type of Data Shown
 Prior Year Ended 12/31/2001
 Historical Year Ended 12/31/2002
 Projected Year 12/31/2003
 Projected Test Year 12/31/2004
 Witness: Jim Mesite

Line No.	Account No	Account Name	1	2	3	4	5	6	7	8	REFERENCE RB / WC / CS / ORP / NEU
			2004	2004	2003	2003	2002	2002	2001	2001	
			13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	
1		ASSETS AND OTHER DEBITS	-	-	-	-	-	-	-	-	
2			-	-	-	-	-	-	-	-	
3		UTILITY PLANT									
4	1010	PLANT IN SERVICE	65,722,933	65,687,845	60,571,468	60,548,726	56,121,961	56,121,961	54,016,362	53,701,409	RB
5	1070	CWIP	621,692	620,769	610,789	609,666	2,180,240	2,180,240	1,678,695	1,678,695	RB
6	1080	PLANT RESERVE	(27,689,659)	(27,672,116)	(25,916,262)	(25,902,683)	(24,173,621)	(24,173,621)	(22,549,745)	(22,397,944)	RB
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,721,032	1,721,032	1,514,213	1,514,213	1,495,874	1,495,874	1,341,234	1,341,234	RB
8	1190	ALLOCATED COMMON PLANT RESERVE	(455,192)	(455,192)	(361,768)	(361,768)	(308,641)	(308,641)	(239,825)	(239,825)	RB
9	1070	ALLOCATED COMMON CWIP	-	-	7,130	7,130	25,757	25,757	25,921	25,921	RB
10			-	-	-	-	-	-	-	-	
11		OTHER PROPERTY AND INVESTMENTS									
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,493	3,491	3,074	3,073	2,849	2,867	3,489	3,459	CS
13			-	-	-	-	-	-	-	-	
14		CURRENT AND ACCRUED ASSETS									
15	1310, 1340	CASH & DEPOSITS	1,829,401	1,829,401	1,777,686	1,777,686	1,595,041	1,681,259	(14,362)	(94,254)	RB, WC
16	1310 4	LOCAL CASH	-	-	-	-	26,461	26,461	30,889	30,889	RB, WC
17	1350	WORKING FUNDS	5,000	5,000	5,000	5,000	4,800	5,000	4,800	4,800	RB, WC
18	1420, 1430	ACCOUNTS RECEIVABLE	3,398,972	3,398,972	3,301,478	3,301,478	3,169,575	3,169,575	3,261,690	3,261,690	RB, WC
19	1440	PROVISION FOR UNCOLLECTIBLE	(98,965)	(98,965)	(96,127)	(96,127)	(92,286)	(92,286)	(208,580)	(208,580)	RB, WC
20	1630	STORES EXPENSE	-	-	-	-	16,303	16,303	1,033	1,033	RB, WC
21	1540	MATERIALS AND SUPPLIES	906,917	906,917	880,904	880,904	845,709	845,709	908,412	908,412	RB, WC
22	1650 2, 4, 5	PREPAYMENTS - INSURANCE	209,788	209,788	203,771	203,771	185,597	195,629	105,974	105,974	RB, WC
23	1650 3	PREPAYMENTS - PENSIONS	783,172	783,172	760,708	760,708	707,494	730,316	686,547	686,547	RB, WC
24	1730	UNBILLED REVENUES	513,318	513,318	498,595	498,595	478,674	478,674	455,150	455,150	RB, WC
25	1840 7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	98	98	4,912	4,912	RB, WC
26	1840 1	CLEARING ACCOUNTS - DIVISIONAL	-	-	-	-	187	187	280	280	RB, WC
27	1850	TEMPORARY FACILITIES	6,947	6,947	6,748	6,748	6,478	6,478	2,276	2,276	RB, WC
28			-	-	-	-	-	-	-	-	
29		DEFERRED DEBITS									
30	1860	DEFERRED DEBITS - OTHER	37,287	37,287	36,217	36,217	34,770	34,770	25,435	25,435	RB, WC
31	1860	DEFERRED DEBITS - RATE CASE EXPENSE	446,430	446,430	182,216	182,216	558,300	756,169	-	-	RB, WC
32	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	-	-	-	-	43,219	43,219	776,129	759,811	RB, WC
33	1860	DEFERRED DEBITS - CONSERVATION	-	-	-	-	22,106	23,301	51,139	51,139	RB, WC
34	1860	DEFERRED DEBITS - COMMON	24,988	24,988	24,271	24,271	718,236	722,905	40,404	40,404	RB, WC
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	769,915	769,508	749,390	749,144	-	248,210	333,643	330,782	CS
36	1900	ACCUMULATED DEF TAXES	219,182	219,182	221,399	221,399	248,210	-	190,843	190,843	CS
37			-	-	-	-	-	-	-	-	
38		TOTAL ASSETS AND OTHER DEBITS	48,976,651	48,957,774	44,980,900	44,970,567	43,913,391	44,236,414	40,932,745	40,670,492	

FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION Provide 13-month average balance sheets by primary account for the most recent two historical calendar years not including the historical test year if provided elsewhere								Type of Data Shown Pnor Year Ended 12/31/2001 Historical Year Ended 12/31/2002 Projected Year 12/31/2003 Test Year 12/31/2004 Witness Jim Mesite	
COMPANY FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO. 030438E1			1	2	3	4	5	6	7	8	9	
			2004	2004	2003	2003	2002	2002	2001	2001		
Line No	Account No	Account Name	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	13 MONTH AVERAGE	ADJUSTED 13 MONTH AVERAGE	REFERENCE RB / WC / CS / ORP / NEU	
39		LIABILITIES AND OTHER CREDITS	-	-	-	-	-	-	-	-		
40			-	-	-	-	-	-	-	-		
41		PROPRIETARY CAPITAL	-	-	-	-	-	-	-	-		
42	2040	PREFERRED STOCK - ALLOCATED	(205,404)	(205,295)	(190,882)	(190,819)	(176,069)	(177,215)	(209,903)	(208,103)	CS	
43	2010	COMMON STOCK - ALLOCATED	(2,419,083)	(2,417,804)	(2,070,813)	(2,070,134)	(1,685,761)	(1,696,720)	(1,701,500)	(1,686,910)	CS	
44	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(11,526,016)	(11,519,923)	(9,392,583)	(9,389,501)	(6,001,160)	(6,040,173)	(6,802,242)	(6,743,913)	CS	
45	2070	PREM ON COMMON STK - ALLOCATED	(4,125,542)	(4,123,361)	(2,392,332)	(2,391,547)	(2,392,031)	(2,407,581)	(3,099,956)	(3,073,374)	CS	
46	2110	MISC PAID IN CAPITAL - ALLOCATED	(490,803)	(490,544)	(455,536)	(455,387)	(413,961)	(416,652)	(492,278)	(488,057)	CS	
47	2140	CAPITAL STOCK EXPENSE - ALLOCATED	304,962	304,801	136,169	136,124	125,641	126,458	150,046	148,759	CS	
48	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,461,581	1,460,808	1,421,628	1,421,162	1,372,084	1,381,004	1,846,714	1,830,879	CS	
49			-	-	-	-	-	-	-	-		
50		LONG TERM DEBT	-	-	-	-	-	-	-	-		
51	2210	BONDS - ALLOCATED	(17,925,321)	(17,915,844)	(16,703,596)	(16,698,115)	(15,396,633)	(15,496,725)	(10,592,569)	(10,501,739)	CS	
52			-	-	-	-	-	-	-	-		
53		OTHER NONCURRENT LIABILITIES	-	-	-	-	-	-	-	-		
54			-	-	-	-	-	-	-	-		
55		CURRENT AND ACCRUED LIABILITIES:	-	-	-	-	-	-	-	-		
56	2320	ACCOUNTS PAYABLE - FUEL	(2,322,593)	(2,322,593)	(2,255,972)	(2,255,972)	(2,165,840)	(2,165,840)	(2,543,713)	(2,543,713)	RB, WC	
57	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(383,320)	(383,320)	(372,325)	(372,325)	(339,119)	(357,450)	-	-	RB, WC	
58	2320 8	SALARIES & WAGES PAYABLE	(173,890)	(173,890)	(168,902)	(168,902)	(157,087)	(162,154)	(145,265)	(145,265)	RB, WC	
59	2320	OTHER - ACCOUNTS PAYABLE	(40,531)	(40,531)	(39,369)	(39,369)	(35,859)	(37,797)	(49,078)	(49,078)	RB, WC	
60	2380	DIVIDENDS DECLARED - PREFERRED	(1,069)	(1,069)	(1,069)	(1,069)	(1,014)	(1,069)	(1,042)	(1,042)	RB, WC	
61	2410	TAX COLLECTIONS PAYABLE	(11,063)	(11,063)	(10,746)	(10,746)	(9,994)	(10,316)	(9,450)	(9,450)	RB, WC	
62	2410	TAX COLLECTIONS PAYABLE	(336,708)	(336,708)	(327,050)	(327,050)	(313,983)	(313,983)	(310,049)	(310,049)	RB, WC	
63	2280 3n	MED. INS. RESERVE	(676,806)	(676,806)	(657,392)	(657,392)	(598,762)	(631,128)	(597,332)	(597,332)	RB, WC	
64	2280 2n	INSURANCE RESERVE	(250,951)	(250,951)	(243,753)	(243,753)	(222,014)	(234,015)	(305,182)	(275,986)	RB, WC	
65	2280 11	STORM DAMAGE RESERVE	(1,844,196)	(1,844,196)	(1,894,196)	(1,894,196)	(2,015,796)	(2,015,796)	(1,710,165)	(1,710,165)	RB, WC	
66	2360	TAXES ACCRUED - AD VALOREM	(178,368)	(178,368)	(173,252)	(173,252)	(166,330)	(166,330)	(158,764)	(158,764)	RB, WC	
67	2360	TAXES ACCRUED - GROSS RECEIPTS	(167,768)	(167,768)	(162,956)	(162,956)	(156,445)	(156,445)	(174,075)	(174,075)	RB, WC	
68	2360	TAXES ACCRUED - FPSC ASSESSMENT	(78,192)	(78,192)	(75,949)	(75,949)	(69,176)	(72,915)	(68,192)	(68,192)	RB, WC	
69	2360	TAXES ACCRUED - UNEMPLOY & FICA	(6,417)	(6,417)	(6,233)	(6,233)	(5,797)	(5,984)	(5,066)	(5,066)	RB, WC	
70	2360	TAXES ACCRUED - INCOME TAXES	(143,941)	(143,941)	(139,812)	(139,812)	(134,227)	(134,227)	(38,488)	(38,488)	RB, WC	
71	2370 1 & 2	INTEREST ACCRUED	(527,763)	(527,763)	(512,625)	(512,625)	(441,926)	(492,145)	(332,183)	(332,183)	RB, WC	
72	2370 3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(63,395)	(63,395)	(62,400)	(62,400)	(61,404)	(61,404)	(46,642)	(46,642)	RB, WC	
73	2420	VACATION PAY ACCRUED	(264,691)	(264,691)	(257,099)	(257,099)	(239,113)	(246,826)	(226,266)	(226,266)	RB, WC	
74	2420	AUDIT FEES & EXP. ACCRUED	(24,753)	(24,753)	(24,043)	(24,043)	(21,898)	(23,082)	(22,738)	(22,738)	RB, WC	
75	2310	NOTES PAYABLE - ALLOCATED	(780,395)	(779,982)	(1,842,430)	(1,841,825)	(4,643,320)	(4,673,506)	(6,277,217)	(6,223,390)	CS	
76	2350	CUSTOMERS DEPOSITS	(1,384,187)	(1,384,187)	(1,556,282)	(1,556,282)	(1,552,316)	(1,552,316)	(1,156,772)	(1,156,772)	CS	
77			-	-	-	-	-	-	-	-		
78		DEFERRED CREDITS	-	-	-	-	-	-	-	-		
79	2530	OVERREC. POWER & GAS	-	-	-	-	(974,001)	(974,001)	(1,021,381)	(1,021,381)	RB, WC	
80	2530	OVERREC. CONSERVATION	-	-	-	-	(24,335)	(24,335)	(14,982)	(14,982)	RB, WC	
81	2530.1 & 4	MISC CURRENT LIABILITIES	(6,846)	(6,846)	(6,650)	(6,650)	(6,384)	(6,384)	(20,598)	(20,598)	RB, WC	
82	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(621,462)	(621,462)	(603,636)	(603,636)	(579,519)	(579,519)	(657,676)	(657,676)	RB	
83	2550	INV. TAX CREDIT	(209,535)	(209,535)	(259,091)	(259,091)	(311,316)	(311,316)	(370,168)	(370,168)	CS	
84			-	-	-	-	-	-	-	-		
85		ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-	-	-	-		
86	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,552,185)	(3,552,185)	(3,679,723)	(3,679,723)	(4,098,528)	(4,098,528)	(3,768,582)	(3,768,582)	CS	
87			-	-	-	-	-	-	-	-		
88		TOTAL LIABILITIES AND OTHER CREDITS	(48,976,651)	(48,957,774)	(44,980,900)	(44,970,567)	(43,913,392)	(44,236,414)	(40,932,745)	(40,670,492)		

REFERENCE
 RB = Rate Base, WC = Working Capital, CS = Capital Structure, ORP = Other Return Provided, NEU = Non-Electric Utility

NET PRODUCTION PLANT ADDITIONS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide net production plant balances for the test year and the prior year. Presenting In-Service Additions classified as Environmental, Availability/Reliability, Heat Rate, Replace Existing Plant, Safety, Energy Conservation, Capacity, Aid to Construction, and Maintenance and Regulatory.

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Year Ended 12/31/2001
 Witness: Jim Mesite

(A)	(B)
Preliminary Engineering Growth Classification	Amount
Environmental	N/A - No Production Plant
Availability/Reliability	
Heat Rate	
Replace Existing Plant	
Safety	
Energy Conservation	
Capacity	
Aid to Construction and Maintenance Regulatory	
Total In-Service Additions	

(1) Production Plant Classification	(2) Net Production Plant Ending Balance at 12/31/2001	(3) In Service Additions	(4) Depreciation Expense	GROWTH IN PRODUCTION PLANT			(7) Transfers	(8) Net Removal Cost, Salvage & Other Recoveries	(9) Net Production Plant Ending Balance at 12/31/2002
				(5) Reversal of Decommissioning Expenses	(6) Retirements	(7) Transfers			
HYDRAULIC PRODUCTION									
OTHER PRODUCTION									
TOTAL PRODUCTION									

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
SCHEDULE C – NET INCOME OPERATING
SCHEDULES

AUGUST 2003

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI
MINIMUM REQUIREMENTS INDEX

2002 HISTORIC YEAR
NET OPERATING INCOME SCHEDULES

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the Historical Year.

Type of Data Shown:

Historical Year 12/31/2002

Historical Prior Year 12/31/2001

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

Line No.	(1) Total Electric 2002 Per Books	(2) Non Electric Utility	(3) Electric Utility	(4) Jurisdictional Factor 100 % (A)	(5) Jurisdictional Amount (3)x(4)	(6) Commission Adjustments (Schedule C-4)	(7) Company Adjustments (Schedule C-4)	(8) Adjusted Amount (5)+(6)+(7)
1	<u>Operating Revenues:</u>			100%				
2	11,007,360		11,007,360		11,007,360	-	(87,374)	10,919,986
3	27,486,753		27,486,753		27,486,753	(27,486,753)	-	-
4	509,976		509,976		509,976	(509,976)	-	-
5	696,246		696,246		696,246	-	334,365	1,030,611
6	1,635,365		1,635,365		1,635,365	-	-	1,635,365
7	(376,020)		(376,020)		(376,020)	761,311	-	385,291
8	(30,000)		(30,000)		(30,000)	22,000	8,000	-
9	40,929,680	-	40,929,680	-	40,929,680	(27,213,418)	254,991	13,971,253
10								
11								
12	<u>Operating Expenses:</u>							
13	4,612,461		4,612,461		4,612,461	(343,323)	455,852	4,724,990
14	26,497,775		26,497,775		26,497,775	(26,497,774)	-	1
15	1,363,161		1,363,161		1,363,161	4,244	66,593	1,433,998
16	2,187,524		2,187,524		2,187,524	-	4,180	2,191,704
17	622,965		622,965		622,965	(6,705)	42,180	658,440
18	2,665,977		2,665,977		2,665,977	(246,991)	246,991	2,665,977
19								
20	<u>Income Taxes</u>							
21	567,731		567,731		567,731	207,867	(188,574)	587,024
22	96,657		96,657		96,657	-	(6,169)	90,488
23	<u>Deferred Income Taxes-Net</u>							
24	(277,982)		(277,982)		(277,982)	-	-	(277,982)
25	(37,586)		(37,586)		(37,586)	-	-	(37,586)
26	(56,525)		(56,525)		(56,525)	-	-	(56,525)
27								
28	38,242,158	-	38,242,158	-	38,242,158	(26,882,682)	621,053	11,980,529
29								
30	2,687,522	-	2,687,522	-	2,687,522	(330,736)	(366,062)	1,990,724

Note (A): All sales of electricity in are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100%.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438EI

EXPLANATION: List all proposed Commission and Company adjustments to net operating income for the historic year, and the prior year if the test year is projected.

Type of Data Shown:
Historical Year 12/31/2002

Witness: Mehrdad Khojasteh

Line No.	2002	(1) Eliminate Fuel Revenues/Expenses	(2) Eliminate Fuel Over/Under Recovery	(3) Eliminate Conservation Revenues/Expense	(4) Eliminate Conservation Over/Under Recovery	(5) Eliminate Taxes Other Than Income on Fuel	(6) Eliminate Taxes Other Than Income on Conservation	(7) Eliminate Income Taxes on Profit/Loss on Fuel	(8) Eliminate Income Taxes on Profit/Loss on Conservation	Eliminate Income Taxes*	Include Prior Period/Other Adjustment	Include Accrued A/P Expenses	Total Commission Adjustment
1	Operating Revenue	27,486,753	-	509,976	-	-	-	-	-	-	-	-	27,996,729
2	Other Revenue	-	(742,099)	-	(19,212)	-	-	-	-	-	-	-	(761,311)
3	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	(22,000)	-	(22,000)
4	Operating Expense	-	-	(418,498)	(68,142)	-	-	-	-	-	135,450	7,867	(343,323)
5	Fuel Expense	(26,111,073)	(386,701)	-	-	-	-	-	-	-	-	-	(26,497,774)
6	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	4,244	4,244
7	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
	Taxes Other than Income Exclu GR	-	-	-	-	(6,337)	(367)	-	-	-	-	-	(6,705)
8	Taxes Other than Income	-	-	-	-	(243,267)	(3,725)	-	-	-	-	-	(246,991)
9	Income Taxes	-	-	-	-	-	-	1,023	(14)	206,858	-	-	207,867
10	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
													330,736

2002 Company Adjustments	3-Year Charge-off Rate	Discontinued Operations	Garbage & Sewer	Deferred Tax	Gross Receipts Buried in Fuel Revenues	Prior Period Adjustments	Total Company Adjustments
11 Operating Revenue					87,374		87,374
12 Gross Receipts Revenue					(334,365)		(334,365)
13 Other Revenue							-
14 Provision for Rate Refund						(8,000)	(8,000)
15 Operating Expense	61,933	365,770	28,149				455,852
16 Fuel Expense							-
17 Maintenance Expense		66,593					66,593
18 Depreciation Expense		4,180					4,180
		42,180					42,180
19 Taxes Other than Income Exclu GR							42,180
20 Taxes Other than Income					246,991		246,991
21 Income Taxes						(194,743)	(194,743)
21 Deferred Income Tax							-
							366,062

Supporting Schedules:

Recap Schedules: C-2

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: If the test year is projected, compare ACTUAL revenues and expenses by primary account for the prior year to the amount FORECASTED for the prior year.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.	Account No.	Account Title	(1) Actual	(2) Forecasted	Deviation From Forecast		(5) Explanation of Significant Deviations From Forecast (10% or Greater)
					(3) Amount (1) - (2)	(4) Percent (3) / (2)	

N/A

THE TEST YEAR (2004) IS PROJECTED.
 ACTUAL EXPENSES ARE NOT AVAILABLE FOR THE PROJECTED YEAR 2003.
 BUDGET VS. ACTUAL EXPENSES FOR 1998 - 2002 APPEAR ON SCHEDULE C-12

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected	
COMPANY: FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO : 030438E1		Type of Data Shown: Historical Year 12/31/2002 Witness: Mehrdad Khojasteh

Line No	Account No.	Account Title	Total Company	FPSC Jurisdictional	Jurisdictional Separation Factor
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All sales of electricity in the Northwest/Marianna and Northeast/Fernandina Beach Divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100 %.

Supporting Schedules:

Recap Schedules

OPERATING REVENUES DETAIL

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Witness: Cheryl Martin

DOCKET NO.: 030438EI

Account Title	(1) Per Books	(2) Non-Jurisdictional	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total (4) thru (8)	(10) Base Rate (3)-(9)
				(4) Buried Gross Receipts & Other	(5) Fuel	(6) Conservation	(7) Franchise Fees	(8) Other Gross Recp Rev		
SALES OF ELECTRICITY										
440 Residential	(21,041,666)		(21,041,666)	(50,739)	(13,352,979)	(229,320)	(777,533)	(358,482)	(14,769,053)	(6,272,613)
4420 C&I Small	(4,567,819)		(4,567,819)	(11,181)	(2,502,361)	(45,602)	(310,891)	(142,262)	(3,012,297)	(1,555,522)
4421 C&I Large	(11,834,345)		(11,834,345)	(17,043)	(8,708,748)	(174,193)	(346,924)	(157,760)	(9,404,668)	(2,429,677)
4422 GSLD	(3,513,369)		(3,513,369)	(6,690)	(2,772,170)	(57,855)	(196,964)	(33,680)	(3,067,359)	(446,010)
444 Public Street & HWY	(233,996)		(233,996)	(1,153)	(47,570)	(1,356)	(2,999)	(2,616)	(55,693)	(178,303)
445 Other Public Authorities	-		-	-	-	-	-	-	-	-
446 Railroads	-		-	-	-	-	-	-	-	-
448 Interdepartmental	(144,505)		(144,505)	(568)	(102,925)	(1,650)	(54)	(1,447)	(106,644)	(37,861)
449 Other Sales	-		-	-	-	-	-	-	-	-
TOTAL SALES TO ULTIMATE CONSUMERS	(41,335,700)	-	(41,335,700)	(87,374)	(27,486,753)	(509,076)	(1,635,365)	(696,246)	(30,415,714)	(10,919,986)
447 Sales of Electricity - Resale	-		-	-	-	-	-	-	-	-
TOTAL SALES OF ELECTRICITY	(41,335,700)	-	(41,335,700)	(87,374)	(27,486,753)	(509,076)	(1,635,365)	(696,246)	(30,415,714)	(10,919,986)
4491 (Less) Provision for Rate Refunds	30,000		30,000	30,000	-	-	-	-	30,000	-
TOTAL REVENUE NET OF REFUND PROVISION	(41,305,700)	-	(41,305,700)	(57,374)	(27,486,753)	(509,076)	(1,635,365)	(696,246)	(30,385,714)	(10,919,986)
450 FORFEITED DISCOUNTS	(125,095)		(125,095)	-	-	-	-	-	-	(125,095)
451 MISC SERVICE REVENUE	(58,661)		(58,661)	-	-	-	-	-	-	(58,661)
4511 MISC SERVICE REVENUE	(91,719)		(91,719)	-	-	-	-	-	-	(91,719)
4512 MISC SVC REV-BILL CO	(14,825)		(14,825)	-	-	-	-	-	-	(14,825)
454 RENT FRtb ELECTRIC P	(103,877)		(103,877)	-	-	-	-	-	-	(103,877)
4561 OVER-RECOVRY:FUEL AD	742,099		742,099	-	742,099	-	-	-	742,099	-
4562 MISC.ELECTRIC REVENU	(15,360)		(15,360)	-	-	-	-	-	-	(15,360)
4563 UNBILLED REVENUES	24,246		24,246	-	-	-	-	-	-	24,246
4566 OVERRECOVERY: CONSER	19,212		19,212	-	-	19,212	-	-	19,212	-
TOTAL OTHER OPERATING REVENUES	376,020	-	376,020	-	742,099	19,212	-	-	761,311	(385,291)
TOTAL ELECTRIC OPERATING REVENUES	(40,929,680)	-	(40,929,680)	(57,374)	(26,744,654)	(490,764)	(1,635,365)	(696,246)	(29,624,403)	(11,305,277)

Supporting Schedules:

Recap Schedules C-2

Schedule C-12

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:
 Historical Years Ended 12/31/2002
 Prior Years 1998-2001
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

Account No.	Account Title	1998 Year 1		1999 Year 2		2000 Year 3		2001 Year 4		2002 Year 5	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BASE REVENUES											
4000.4400	RESIDENTIAL SALES	5,383	5,642	5,524	5,645	5,712	5,883	6,219	6,006	6,327	6,323
4000.4420	COMM. - SMALL	3,036	3,253	3,111	3,316	3,258	2,886	3,380	1,399	1,493	1,567
4000.4421	COMM - LARGE	180	106	140	83	112	699	112	2,301	2,477	2,446
4000.4422	GSLD	537	558	537	576	545	614	545	530	545	453
4000.4440	PUBLIC ST&HWY	157	159	156	163	159	170	159	176	161	179
4000.4450	PUBLIC AUTH.	123	136	127	136	129	133	129	173		
4000.4480	INTERDEPT. SALES	26	29	26	31	26	31	26	38	39	38
4000.4490	RATE REFUNDS	0	(71)	0	(197)	0	(313)	(275)	6	0	(30)
4000.4500	FORFEITED DISC.	0	0	0	0	0	0	90	134	104	125
4000.4510	MISC. SERV. REV.	119	131	150	132	141	119	131	131	134	165
4000.4540	RENT	98	145	98	92	98	103	99	107	105	104
4000.4560	MISC OTHER REV.	4	2	7	8	6	5	7	14	7	15
TOTAL BASE REVENUES		9,663	10,090	9,876	9,985	10,186	10,330	10,622	11,015	11,392	11,385

OPERATING EXPENSES (LESS FUEL & CONSERVATION)

4010.5620	STATION EXPENSES	16	17	17	13	18	20	18	13	0	13
4010.5660	MISC. TRANS. EXPS.	0	0	0	0	0	2	0	0	18	8
4010.5800	OP SUPERVISION	190	203	198	214	211	232	236	254	239	235
4010.5820	STATION EXPENSES	10	11	10	11	12	13	13	14	13	34
4010.5830	OVHD LINES/TRANS	65	77	71	78	86	85	81	70	76	89
4010.5840	UNDERGROUND LINE EXP	15	25	23	20	24	19	24	12	19	35
4010.5850	STREET LIGHT EXPENSE	22	16	19	20	18	14	18	17	18	28
4010.5860	METER EXPENSES	174	176	188	189	188	185	197	193	188	210
4010.5870	AREA LIGHT EXP.	49	43	47	62	52	73	64	76	66	99
4010.5880	MISC. DISTR.OFFICE EXP	118	111	114	135	123	166	141	172	175	162
4010.5890	RENTS	1	1	1	1	1	1	1	6	18	13

Schedule C-12

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:
 Historical Years Ended 12/31/2002
 Prior Years 1998-2001
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

Account No.	Account Title	1998 Year 1		1999 Year 2		2000 Year 3		2001 Year 4		2002 Year 5	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
4010.9010	SUPERVISION	71	76	76	79	82	90	116	104	122	97
4010.9020	METER READING EXP.	166	202	178	192	186	208	203	208	173	221
4010.9030	CUSTOMER RECORDS	504	530	556	552	576	684	592	670	784	685
4010.9040	UNCOLL. ACCOUNTS	84	152	86	65	84	74	84	99	79	27
4010.9050	MISC. CUST. ACCTS EXP.	43	47	46	56	49	53	52	75	56	77
4010.9130	ADVERTISING	4	2	2	3	4	2	4	3	1	3
4010.9160	MISC. SALES EXPENSE	1									
4010.9200	ADM & GENERAL SALARIES	415	435	455	441	463	435	529	809	732	848
4010.9210	OFFICE SUPPLIES & EXP.	93	110	132	130	143	153	204	184	196	229
4010.9230	OUTSIDE SERVICES	74	69	56	46	65	57	63	64	73	95
4010.9240	PROPERTY INSURANCE	135	140	103	136	144	140	159	151	164	158
4010.9250	INJURIES AND DAMAGES	272	260	240	135	236	222	197	183	206	362
4010.9260	EMPLOYEE PENSION/BEN	199	145	210	191	140	149	169	218	301	255
4010.9280	REGULATORY EXPS.	11	10	7	1	7	3	2	3	4	6
4010.9300	MISC GENERAL EXPENSES	42	35	37	50	46	83	78	80	89	130
4010.9310	RENTS	4	3	2	4	2	2	2	4	4	4
TOTAL OPERATION EXPENSES		2,778	2,896	2,874	2,824	2,960	3,165	3,247	3,682	3,814	4,123

Schedule C-12

BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:
 Historical Years Ended 12/31/2002
 Prior Years 1998-2001
 Witness: Mehrdad Khojasteh

Account No.	Account Title	1998		1999		2000		2001		2002	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
MAINTENANCE EXPENSE											
4020.5700	MAINT STATION EQUIP	29	20	23	16	23	16	27	77	39	20
4020.5710	MAINT OVERHEAD LINES	34	22	45	87	48	46	25	33	12	24
4020.5730	MAINT MISC TRANS. PLT.	0	4	0	0	0	0	0	0	0	0
4020.5900	MAINT SUPER/ENG.	55	53	55	49	54	52	54	58	86	61
4020.5910	MAINT OF STRUCTURES	4	3	1	4	2	16	2	22	2	8
4020.5920	MAINT OF STATION EQUIP	54	77	67	53	57	40	64	120	74	75
4020.5930	MAINT OF POLES/COND/SER	748	851	839	796	830	974	872	935	861	808
4020.5940	MAINT OF U/G LINES	113	118	110	114	112	130	115	138	115	137
4020.5950	MAINT OF TRANSFORMERS	77	73	80	87	93	110	102	109	114	87
4020.5960	MAINT OF STREET LIGHTS	22	19	19	21	21	14	19	26	16	19
4020.5970	MAINT OF METERS	20	30	21	19	24	17	19	26	21	38
4020.5980	MAINT OF MISC DISTR PLT	31	35	26	29	31	35	35	38	35	53
4020.9350	MAINT OF GENERAL PLANT	52	111	52	95	74	61	84	54	70	38
TOTAL MAINTENANCE EXPENSES		1,239	1,416	1,338	1,370	1,369	1,511	1,418	1,636	1,445	1,368
4030.1000	DEPRECIATION EXPENSE	1,682	1,733	1,767	1,863	1,912	1,969	1,984	2,070	2,225	2,116
4030.2000	DEPRECIATION EXP. - COMMON	47	47	45	46	81	45	50	62	48	71
4080.0000	TAXES OTHER THAN INC. TAXES	2,689	3,182	2,808	3,028	2,845	3,186	3,034	3,120	3,144	3,289
4090/4100	INCOME TAXES CURRENT/DEF	716	765	679	682	609	536	566	455	490	349
4110.0000	INVESTMENT TAX CREDIT	(49)	(50)	(49)	(61)	(49)	(61)	(48)	(59)	(46)	(56)
TOTAL OPERATING EXPENSES		9,102	9,989	9,462	9,752	9,727	10,351	10,251	10,966	11,120	11,260

Schedule C-19

OPERATION AND MAINTENANCE EXPENSES – 2002 Historical Year

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. For a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO: 030438EI

Witness: Mehrdad Khojasteh

Account No	Account Title	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	12-Mo Total
OPERATING EXPENSES															
555-557 Other Power Supply Expenses															
555	PURCHASED POWER	2,040,592	2,224,690	2,034,150	2,034,594	1,879,634	2,149,951	2,273,857	2,577,014	2,408,579	2,352,514	2,137,007	1,784,546	2,173,228	26,029,764
55501	PURCHASED POWER-QUAL	4,254	7,299	7,446	14,199	6,128	2,618	3,063	8,492	5,146	4,649	5,859	9,911	6,500	81,310
5551	UNDER REC-FUEL ADJ.	(166,526)	70,794	(113,750)	16,994	(29,351)	46,473	26,493	15,078	70,794	70,794	70,794	70,794	70,794	386,701
556	SYSTEM CONTROL & LOA	-	-	-	-	-	-	-	77	-	-	-	-	-	77
560-567.1 Transmission Expenses - Operation															
562	STATION EXPENSES	522	372	870	1,305	1,741	785	1,171	1,857	1,681	1,189	1,061	315	222	12,569
566	MISC TRANSMISSION EX	-	-	-	177	-	-	3,942	3,415	(439)	-	11	435	-	7,541
580-589 Distribution Expenses - Operation															
580	OPERATION SUPERVISIO	14,022	15,936	15,091	17,577	19,605	21,508	19,285	21,825	16,379	17,614	24,028	23,560	23,798	236,206
581	LOAD DISPATCHING	-	12	-	-	154	131	-	-	-	-	-	-	-	297
582	STATION EXPENSES	875	1,429	1,133	4,130	2,168	3,268	3,207	2,842	4,692	1,829	3,316	2,408	4,360	34,782
5831	OPERATION OF OVERHEA	4,516	873	3,900	6,291	4,590	4,504	1,613	3,580	2,741	1,930	4,908	5,784	10,187	50,901
5832	REMOVING & RESETTNG	2,584	2,716	3,362	1,995	2,881	4,790	5,449	3,855	3,693	2,301	2,551	2,324	2,505	38,422
5841	UNDERGROUND LINE EXP	(162)	331	338	284	184	1,352	3,069	6,185	52	1,818	3,958	588	825	18,984
5842	UNDERGRND LINE EXPEN	376	47	756	5,435	1,879	5,428	1,762	879	142	-	-	-	-	16,328
585	STREET LIGHT/SIGNAL	1,430	2,615	2,392	4,627	3,098	1,521	1,602	1,984	1,114	1,327	3,736	992	3,899	28,907
586	METER EXPENSES	17,128	17,498	15,871	17,539	21,333	19,879	15,611	17,525	18,681	19,022	16,615	14,202	15,953	209,729
5871	AREA LIGHT EXPENSE	4,042	3,541	2,741	3,519	3,534	2,370	3,069	3,329	3,814	4,011	4,080	3,906	3,865	41,779
5872	OTHER CUSTOMER INSTA	1,363	2,344	2,104	4,569	4,943	5,793	2,774	4,758	6,471	4,877	7,418	5,202	6,739	57,992
5881	DISTRIBUTION MAPS &	6,789	5,893	4,689	4,114	3,755	3,529	1,699	2,878	3,833	5,919	2,898	2,808	4,537	46,552
5882	OTHER DIST OFFICE SU	5,072	5,141	7,341	8,920	5,732	4,528	4,772	9,631	8,147	7,514	7,038	4,348	6,248	79,360
5883	MISC DISTRIBUTION OF	4,538	2,655	3,213	2,995	2,367	3,008	1,819	4,535	3,545	2,879	3,474	2,560	3,689	36,739
589	RENTS	1,447	215	971	2,208	1,218	1,076	1,448	1,126	1,127	1,363	1,119	124	1,096	13,091
901-905 Customer Accounts - Operation															
901	SUPERVISION	7,492	8,241	7,079	7,030	8,089	8,360	7,229	8,482	7,844	7,894	7,928	8,161	9,992	96,329
902	METER READING EXPENS	16,515	15,724	16,041	17,365	16,559	19,943	14,993	18,663	17,886	21,653	18,037	23,104	20,693	220,661
903	CUSTOMER RECORDS/COL	57,792	56,827	41,985	51,223	65,114	49,541	42,379	57,477	67,297	63,413	68,448	59,655	61,806	685,165
904	UNCOLLECTIBLE ACCOUN	22,907	6,495	8,963	9,592	8,687	10,296	11,320	11,985	5,676	4,331	(2,216)	8,105	(55,764)	27,470
905	MISC CUSTOMER ACCOUN	5,717	4,860	5,429	5,595	6,464	6,528	7,872	6,629	6,160	5,998	5,616	6,315	9,150	76,606
906-910 Customer Service and Info - Operation															
9061	UNDERRECOVERY: CONSE	(3,902)	(6,720)	-	43,683	8,953	6,810	10,720	(8,790)	(123)	12,428	1,181	(4,086)	4,086	68,142
907	SUPERVISION	2,367	8,601	8,322	7,212	5,913	6,031	6,554	7,728	6,990	4,897	6,766	5,228	5,235	79,477
908	CUSTOMER ASSISTANCE	17,061	27,389	14,068	14,962	13,251	10,890	12,581	20,603	16,484	19,810	14,479	30,236	16,628	211,381
909	INFO & INSTRUCIONAL	4,379	6,742	8,955	5,151	5,279	3,497	1,600	35,424	19,391	1,099	16,497	6,845	4,891	115,371
910	MISC CUSTOMER SERVIC	3,734	502	712	2,004	585	416	465	864	1,255	1,472	2,232	841	917	12,265
911-917 Sales Expenses - Operation															
912	DEMONSTRATING & SELL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9131	PROMOTIONAL ADVERTIS	-	-	-	-	-	135	44	-	-	-	-	-	-	179
9132	CONSERVATION ADVERTI	-	240	-	-	-	-	-	-	-	-	-	-	-	240
9133	SAFETY ADVERTISING	-	-	-	-	-	-	-	-	647	127	-	-	-	774
9134	OTHER INFO/INSTR/CON	65	65	185	65	65	239	-	566	-	140	70	70	70	1,535
9135	COMMUNITY AFFAIRS AD	-	-	-	-	-	55	-	-	-	-	-	-	-	55
9136	OTHER ADVERTISING	-	213	-	-	-	-	-	-	-	-	-	-	-	213
916	MISC. SALES EXPENSES	-	-	-	-	-	-	-	-	136	-	-	-	53	189

Schedule C-19

OPERATION AND MAINTENANCE EXPENSES -- 2002 Historical Year

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION For a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO: 030438EI

Witness Mehrdad Khojasteh

Account No.	Account Title	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	12-Mo Total
920-933	Administrative & General - Operation														
920	ADM & GENERAL SALARI	96,898	70,623	61,329	72,002	69,167	74,138	64,522	71,871	76,047	54,261	66,060	63,151	104,775	847,946
9211	OFFICE SUPPLIES	1,052	2,734	1,202	2,275	1,279	1,996	1,041	1,191	1,136	1,131	988	1,393	1,380	17,746
9212	OFFICE POSTAGE & MAI	840	823	(977)	816	142	588	2	819	799	16	8	841	330	4,207
9213	OFF ComPUter SUPP &	3,690	4,025	4,896	4,258	4,567	10,356	4,306	6,129	8,169	5,375	5,951	5,373	5,184	68,589
9214	OFFICE UTILITY EXPEN	5,702	936	5,529	598	2,305	4,848	2,546	2,542	2,552	2,918	2,415	1,253	1,587	30,029
9215	MISC OFFICE EXPENSE	10,848	3,243	2,372	9,474	19,323	9,184	8,230	8,103	13,795	10,099	6,516	3,772	9,189	103,300
9216	CO TRAINING EXPENSE-	727	843	-	352	116	1,566	89	321	1,359	348	202	168	97	5,461
9231	OUTSIDE SERVICES - O	-	-	-	-	-	-	-	-	-	-	-	5,760	9,942	15,702
9232	LEGAL FEES AND EXPEN	670	110	-	880	228	274	-	460	372	650	914	26	1,118	5,964
9233	OUTSIDE AUDIT & ACCO	9,758	3,938	3,938	5,418	4,740	5,540	4,740	7,040	9,216	7,040	9,930	7,040	3,940	72,520
924	PROPERTY INSURANCE	12,970	12,907	12,907	12,907	12,907	12,907	12,907	12,907	12,907	12,907	12,907	13,615	13,615	157,716
9251	INJURIES AND DAMAGES	(19,132)	28,265	20,814	31,223	21,436	13,290	32,907	24,604	30,469	42,451	44,186	45,236	27,531	362,412
9261	EMPLOYEE PENSIONS	(6,281)	3,084	1,577	(217)	1,434	1,554	1,481	1,438	(13,515)	(7,774)	(7,545)	(8,469)	(10,322)	(37,274)
9262	EMPLOYEE BENEFITS- O	16,731	15,756	18,726	15,353	14,565	17,775	30,014	18,268	19,687	18,317	20,288	19,989	48,063	256,801
9263	RETIREE BENEFITS-POS	5,736	4,725	(16,580)	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,497	35,167
928	REGULATORY GOODWILL	1,270	485	322	788	37	253	202	234	371	977	(151)	302	1,622	5,442
9301	INSTITUTIONAL/GOODWILL	-	-	-	700	-	-	-	-	13	-	-	-	-	713
9302	MISC GENERAL EXPENS	4,639	4,009	14,459	9,312	3,448	6,533	1,981	5,331	4,746	2,922	10,264	7,207	44,962	115,174
93022	INDUSTRY ASSOCIATION	-	-	1,000	-	-	70	-	3,398	-	-	30	5,000	(5,000)	4,498
93023	ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
931	RENTS	36	558	-	576	270	18	304	372	318	408	386	478	352	4,040
TOTAL OPERATING EXPENSES		2,223,143	2,650,634	2,235,871	2,486,794	2,235,241	2,570,868	2,662,391	3,020,249	2,883,001	2,802,291	2,617,691	2,256,141	2,689,064	31,110,236
Total Operating Expenses Less Fuel		344,823	347,851	308,025	421,007	378,830	371,826	358,978	419,665	398,482	374,334	404,031	390,890	438,542	4,612,461
Maintenance Expenses															
541-545.1	Hydraulic Power Gen - Maintenance														
554	MAINT OF MISC POWER	-	-	-	-	-	-	-	-	-	-	7	-	-	7
568-574	Transmission Expenses - Maintenance														
570	MAINT OF STATION EQU	3,670	380	1,434	(331)	2,843	301	5,659	4,167	735	346	743	(42)	4,248	20,483
571	MAINT OF OVERHEAD LI	511	-	-	3,404	-	179	1,075	19,740	(814)	-	-	-	-	23,584
590-598	Distribution Expenses - Maintenance														
590	MAINT SUPERVISION/EN	5,158	4,641	4,267	5,000	4,483	5,076	4,250	4,879	4,815	4,234	7,388	4,578	7,442	61,053
591	MAINT OF STRUCTURES	667	1,559	162	(486)	101	355	126	2,182	1,655	949	950	569	1	8,123
592	MAINT OF STATION EQU	3,271	10,430	1,442	(696)	21,856	8,700	1,139	2,536	5,304	4,341	9,350	3,835	6,880	75,117
5931	MAINT OF POLES/TOWER	9,942	7,106	4,069	(1,575)	686	492	387	1,556	345	2,370	313	3,294	6,369	25,412
5932	MAINT OF OVERHEAD CO	49,939	80,141	40,333	39,145	57,562	50,147	53,053	57,043	59,929	58,343	58,933	46,581	35,937	637,147
5933	MAINT OF SERVICES	7,814	10,806	13,313	6,081	9,609	10,746	9,365	10,233	10,225	12,160	15,760	15,037	18,613	141,948
5941	MAINT OF UNDERGROUND	496	574	574	797	1,384	814	512	832	321	1,648	406	353	2,403	10,618
5942	MAINT OF UNDERGRND L	15,274	19,974	3,730	4	3,030	5,799	6,894	6,279	13,091	13,850	34,787	8,405	10,177	126,018
5951	MAINT OF LINE TRANSF	2,300	2,798	2,265	2,481	5,058	4,569	7,922	3,691	5,652	5,406	3,794	4,622	7,166	55,424
5952	MAINT OF LINE TRANSF	(590)	275	-	25	-	83	2,606	4,485	(4,348)	209	-	248	212	3,795
5953	MAINT -LINE TRANSFOR	5,158	3,814	7,237	2,268	480	744	281	449	5,850	4,877	(3,251)	2,259	2,450	27,458
596	MAINT -STREET LIGHT/	4,718	447	2,364	1,241	2,542	1,421	568	951	1,434	1,133	1,363	928	4,015	18,407
597	MAINT OF METERS	1,577	1,670	1,528	1,328	1,039	2,191	1,194	2,011	1,704	4,740	3,534	10,681	6,743	38,363
598	MAINT OF MISC DISTRI	4,731	2,619	3,274	3,297	3,385	4,530	2,299	4,071	4,467	6,931	6,713	4,868	5,827	52,281
935	Administrative & General - Maintenance														
935	MAINT OF GENERAL PLA	3,291	4,366	2,147	3,992	3,248	3,450	3,099	2,375	2,384	3,552	3,744	2,977	2,589	37,923
TOTAL MAINTENANCE EXPENSES		117,927	151,600	88,139	65,975	117,306	98,595	100,429	127,480	112,749	125,089	144,534	109,193	121,072	1,363,181

Schedule C-19

OPERATION AND MAINTENANCE EXPENSES -- 2002 Historical Year

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION For a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.. 030438E1

Witness: Mehrdad Khojasteh

Account No	Account Title	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	12-Mo Total
Other Operating Expenses															
4030.1	DEPRECIATION EXPENSE	174,931	173,040	173,903	174,472	175,042	175,854	176,483	176,530	177,149	177,300	177,619	178,308	180,073	2,115,773
4030.2	DEPR EXP-ComMON	6,204	5,081	5,981	5,988	5,099	5,999	5,999	5,999	5,943	5,943	5,943	5,962	5,958	71,751
403	- Depreciation Expenses	181,135	179,021	179,884	180,460	181,041	181,853	182,482	182,529	183,148	183,243	183,562	184,270	186,031	2,187,524
4080.1	AD VALOREM TAXES	39,775	40,045	40,045	40,045	40,045	40,045	40,045	40,045	40,045	40,045	34,284	34,284	34,284	463,257
4080.2	STATE GROSS RECEIPTS	68,619	91,090	71,949	77,192	69,553	81,516	90,450	96,307	97,900	100,111	92,311	76,413	85,821	1,030,613
4080.3	FPSC ASSESSMENT	2,050	2,591	2,113	2,246	2,066	2,392	2,642	2,879	2,861	2,875	2,649	2,206	2,520	30,040
4080.4	EMERGENCY EXCISE TAX	(7,154)	-	-	-	-	-	-	-	-	-	-	-	(8,079)	(8,079)
4080.5	FEDERAL UNEMPLOYMENT	(545)	1,232	843	(545)	(670)	(817)	(600)	(854)	(1,247)	(849)	(882)	(808)	(798)	(6,195)
4080.6	STATE UNEMPLOYMENT T	268	880	603	(386)	(481)	(579)	(568)	(614)	(890)	(605)	(621)	(577)	(562)	(4,400)
4080.7	F I C A	11,013	11,758	11,883	7,658	10,727	20,301	11,436	10,863	7,701	11,534	21,201	11,529	10,688	147,279
4080.8	MISCELLANEOUS TAXES	-	-	-	-	-	-	-	663	50	350	-	-	-	1,063
4080.11	FRANCHISE TAX	113,965	143,412	113,768	122,295	108,054	127,385	139,748	160,662	166,903	156,559	148,057	122,956	135,565	1,635,364
408	- Taxes Other Than Income Taxes	227,991	201,008	241,204	248,505	229,294	270,243	282,953	309,951	303,323	310,020	296,999	246,003	259,439	3,288,942
4090.1	I/T -FEDERAL- UTIL O	(151,954)	83,300	(300)	47,800	5,100	62,200	84,200	71,500	96,500	91,200	38,800	20,100	(32,669)	567,731
4090.2	I/T -STATE - UTIL O	(26,365)	14,200	-	8,200	800	10,700	14,300	12,300	10,500	15,600	6,600	3,500	(6,043)	96,657
409	- Income Taxes	(178,319)	97,500	(300)	56,000	5,900	72,900	98,500	83,800	113,000	106,800	45,400	23,600	(38,712)	664,388
4100.1	DEFERRED I/T-FEDERAL	164,855	(46,519)	33,218	(25,387)	(4,924)	(35,718)	(35,290)	(17,064)	(37,293)	(48,258)	(36,301)	(35,038)	39,595	(248,979)
4100.2	DEFERRED I/T-STATE	28,220	(7,960)	5,687	(4,348)	(842)	(6,115)	(6,043)	(2,918)	(6,386)	(8,259)	(6,215)	(5,996)	6,778	(42,617)
4100.3	DEFERRED I/T AMORTIZ	(29,942)	-	-	-	-	-	-	-	-	-	-	-	(29,003)	(29,003)
4100.4	DEFERRED I/T AMORTIZ	3,322	-	-	-	-	-	-	-	-	-	-	-	5,031	5,031
410	- Deferred Income Taxes	166,455	(54,479)	38,905	(29,735)	(5,766)	(41,833)	(41,333)	(19,982)	(43,679)	(56,517)	(42,516)	(41,034)	22,401	(315,568)
4110.4	INVEST TAX CREDIT- U	(4,916)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(2,394)	(56,525)
411	- Investment Tax Credit	(4,916)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(4,921)	(2,394)	(56,525)
TOTAL OTHER OPERATING EXPENSES		392,346	508,129	454,772	450,309	405,548	478,242	517,681	551,377	550,871	538,625	478,524	407,918	426,765	5,768,761
TOTAL EXPENSES INCLUDING FUEL		2,733,416	3,310,363	2,778,782	3,003,078	2,758,095	3,148,705	3,280,501	3,699,106	3,546,621	3,466,005	3,240,749	2,773,252	3,236,901	38,242,158

DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY- FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

(1) Account Number	(2) Account	(3) Prior Year Ended 12/31/2001 (000's)	(4) Test Year Ended 12/31/2002 (000's)	(5) Increase / (Decrease)		(7) Reason(s) for Change
				Dollars (4)-(3) (000's)	Percent (5)/(3) (%)	
OPERATING EXPENSES (LESS FUEL & CONSERVATION)						
4010.5620	STATION EXPENSES	13	13	0	0%	
4010.5660	MISC. TRANS. EXPS.	0	8	8		
4010.5800	OP SUPERVISION	254	235	(19)	-7%	
4010.5820	STATION EXPENSES	14	34	20	143%	
4010.5830	OVHD LINES/TRANS	70	89	19	27%	
4010.5840	UNDERGROUND LINE EXP	12	35	23	192%	REASONS FOR CHANGES ARE ON PAGE 3
4010.5850	STREET LIGHT EXPENSE	17	28	11	65%	
4010.5860	METER EXPENSES	193	210	17	9%	
4010.5870	AREA LIGHT EXP.	76	99	23	30%	
4010.5880	MISC. DISTR.OFFICE EXP	172	162	(10)	-6%	
4010.5890	RENTS	6	13	7	117%	
4010.9010	SUPERVISION	104	97	(7)	-7%	
4010.9020	METER READING EXP.	208	221	13	6%	
4010.9030	CUSTOMER RECORDS	670	685	15	2%	
4010.9040	UNCOLL. ACCOUNTS	99	27	(72)	-73%	
4010.9050	MISC CUST. ACCTS EXP.	75	77	2	3%	
4010.9160	MISC. SALES EXPENSE	3	3	0	0%	
4010.9200	ADM & GENERAL SALARIES	809	848	39	5%	
4010.9210	OFFICE SUPPLIES & EXP.	184	229	45	24%	
4010.9230	OUTSIDE SERVICES	64	95	31	48%	
4010.9240	PROPERTY INSURANCE	151	158	7	5%	
4010.9250	INJURIES AND DAMAGES	183	362	179	98%	REASONS FOR CHANGES ARE ON PAGE 3
4010.9260	EMPLOYEE PENSION/BEN	218	255	37	17%	
4010.9280	REGULATORY EXPS.	3	6	3	100%	
4010.9300	MISC GENERAL EXPENSES	80	130	50	63%	
4010.9310	RENTS	4	4	0	0%	
TOTAL OPERATION EXPENSES		3,682	4,123	441	12%	

Schedule C-21

DETAIL OF CHANGES IN EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

(1) Account Number	(2) Account	(3) Prior Year Ended 12/31/2001 (000's)	(4) Test Year Ended 12/31/2002 (000's)	(5) Increase / (Decrease)		(7) Reason(s) for Change	
				Dollars (4)-(3) (000's)	Percent (5)/(3) (%)		
MAINTENANCE EXPENSES (LESS FUEL & CONSERVATION)							
4020.5700	MAINT STATION EQUIP	77	20	(57)	-74%		
4020.5710	MAINT OVERHEAD LINES	33	24	(9)	-27%		
4020.5730	MAINT MISC TRANS. PLT.	0	0	0			
4020.5900	MAINT SUPER/ENG.	58	61	3	5%		
4020.5910	MAINT OF STRUCTURES	22	8	(14)	-64%		
4020.5920	MAINT OF STATION EQUIP	120	75	(45)	-38%	REASONS FOR CHANGES ARE ON PAGE 3	
4020.5930	MAINT OF POLES/COND/SER	935	808	(127)	-14%		
4020.5940	MAINT OF U/G LINES	138	137	(1)	-1%		
4020.5950	MAINT OF TRANSFORMERS	109	87	(22)	-20%		
4020.5960	MAINT OF STREET LIGHTS	26	19	(7)	-27%		
4020.5970	MAINT OF METERS	26	38	12	46%		
4020.5980	MAINT OF MISC DISTR PLT	38	53	15	39%		
4020.9350	MAINT OF GENERAL PLANT	54	38	(16)	-30%		
TOTAL MAINTENANCE EXPENSES		1,636	1,368	(268)	-16%		
4030.0000	DEPRECIATION	2132	2187	55	3%		
4080.0000	TAXES OTHER THAN INCOME TAXES	3120	3289	169	5%		
4090/4110	INCOME TAXES	396	293	(103)	-26%	Fall-out of all Revenue and expense items above.	
TOTAL OPERATING EXPENSES		10,966	11,260	294	3%		

Supporting Schedules:

Recap Schedules: C-12

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION

Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change

Type of Data Shown
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

(1) Account Number	(2) Reason
<u>Explanations of increases/decreases</u>	
4010.9040	A credit adjustment of \$63,000 was booked in December 2002 to bring the reserve down to a reasonable level.
4010.9210	<p>\$12,000 in communication billing reclassified from account 903. Computer networking is mostly a A & G function and no longer primarily customer function.</p> <p>\$8,000 in additional computer cost including increasing the "band width" and networking to additional locations.</p> <p>\$1,000 in additional annual maintenance cost to Sunguard (disaster recovery)</p> <p>\$10,000 for increase in franchise tax true-ups due to difference between collections and computation per franchise agreement. Also contributing was an increase in bank analysis fees due to new services and increased business activity</p>
4010.9230	<p>Crowe, Chizek & Co. performed an audit of risk assessment and internal audit controls. Cost was \$15,700 in 2002 and \$ -0- in 2001.</p> <p>There was a \$11,000 increase in outside audit fees due to need to expand the scope of the audit and additional disclosure resulting from industry accounting problems.</p>
4010.9250	The total premiums for Workman's Comp, Property Insurance, Director and Officers, Fiduciary and Crime, Auto Liability and General Liability increased \$162,000 in 2002. The reasons for the premium increase were increased claims and increased payroll.
4010.9260	<p>Employee Pension Plan expense increased \$16,700 in 2002 due to the overall decline in the stock market and declining economic conditions.</p> <p>Medical insurance costs increased \$52,300 due to increases in the number and amount of claims and the inflationary pressure in the Health Industry over the past few years</p> <p>Retiree Post Retirement Benefits decreased \$32,000 as a result of actuary results for 2001, which reflected an increase in the fair market value of plan assets, not being recorded until 2002</p>
4010.9300	Reflected a \$40,000 increase due to expensing costs associated with a planned stock issuance, which was not consummated.
4010.5820	Most of the increase is attributable to growth in Fernandina Beach. As the result, expenses associated with underground lines increased. Also, more emphasis was put on preventative maintenance programs.
4010.5840	Most of the increase is attributable to growth in Fernandina Beach. As the result, expenses associated with underground lines such as line locating Recap Schedules:
4010.5870	Continuous repair and re-bulbing is now required due the age of lights in this category
4020.5700	The overall maintenance amounts in this category decreased due to the fact that there may be fluctuations from year to year amongst various accounts. One area may be targeted in one year and another the following year and so on.
4020.5920	The overall maintenance amounts in this category decreased due to the fact that there may be fluctuations from year to year amongst various accounts. One area may be targeted in one year and another the following year and so on.
4020.5930	<p>Most of the decrease is due to a temporary shift from maintenance to capital improvements. This was caused by a major renovation project in downtown Fernandina Beach. This caused a temporary shift of resources from maintenance projects.</p> <p>Also, the decrease was offset to some extent by tree trimming expenses in our Marianna division.</p>
4020.5950	The decrease is due to a temporary shift from maintenance to capital improvements. In this case transformers were replaced.

Schedule - C-23

DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:
 Projected Test Year Ended 12/31/2004
 Prior Year Ended 12/31/2003
 Historical Year Ended 12/31/2002
 Witness: Cheryl Martin

(1) Vendor Name	(2) Vendor Description	(3) Service Rendered	(4) Fee	(5) Basis of Charge	(6) Travel Expenses	(7) Other	(8) Total	(9) Type of Services
Outside Consultants								
Christensen Associates	Consultant	Return on Equity	33,500	Hourly			33,500	B
Christensen Associates	Consultant	Cost of Service	175,277	Hourly	2,440	21,383	199,100	A,S,R
Christensen Associates	Consultant	Rate Design	7,500	Hourly			7,500	R
Darryl Troy	Consultant	Accounting Assistance	28,000	Hourly	-		28,000	A
Total Outside Consultants			\$244,277		\$2,440	\$21,383	\$268,100	
Outside Legal Services								
Norman Horton, atty	Counsel	Legal	125,000	Hourly		5,000	130,000	L
Total Outside Legal			\$125,000		\$0	\$5,000	\$130,000	
Other Rate Case Expenses								
Overtime and Temp Pay:	Internal	Overtime Pay		Hourly		5,000	5,000	A
Overtime and Temp Pay:	Temporary Staffing	Temporary Pay		Hourly		13,000	13,000	A
Travel Expenses: hearings and other	Internal	Travel to hearings, meetings		Estimate	16,184		16,184	0
Mailing, Office Supplies, Adm Costs, Other	Internal	Notices to customers		Per Customer		43,578	43,578	0
Office Supplies and other costs	Internal	Office supplies and other		Estimate		15,000	15,000	0
Total Other Rate Case Expenses			\$0		\$16,184	\$76,578	\$92,762	
TOTAL RATE CASE EXPENSES			\$369,277		\$18,624	\$102,961	\$490,862	

Schedule - C-23

DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:
 Projected Test Year Ended 12/31/2004
 Prior Year Ended 12/31/2003
 Historical Year Ended 12/31/2002
 Witness: Cheryl Martin

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses	Rate Order Date	Amortization Period	Unamortized Amount	Historic Test Year (2002) Amortization	Projected Test Year (2004) Amortization
DOCKET NO.: 030438EI	\$490,862		2004 - 2007	-	-	\$122,716

(A) PLACE THE APPROPRIATE LETTER(S) IN COLUMN (9)

- A = ACCOUNTING
- B = COST OF CAPITAL
- C = ENGINEERING
- L = LEGAL
- O = OTHER
- R = RATE DESIGN
- S = COST OF SERVICE

Supporting Schedules:

Recap Schedules: C-59(C-19)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

EXPLANATION:

Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:
Historical Year 12/31/2002
Prior Years 1998-2001

Witness: Mehrdad Khojasteh

Line No.	(1) Year	(2) Write-Offs (Retail)	(3) Gross Revenues From Sales Of Electricity (Retail)	(4) Adjustments to Gross Revenues (Specify)	(5) Adjusted Gross Revenues	(6) Bad Debt Factor (2)/(5)
1.	1998	114,512.98	40,303,667	0	40,303,667	0.28%
2.	1999	87,994.65	38,346,095	0	38,346,095	0.23%
3.	2000	74,830.92	38,972,885	0	38,972,885	0.19%
4.	2001	<u>188,451.91</u>	<u>38,160,092</u>	<u>0</u>	<u>38,160,092</u>	0.49%
5.	Total	<u>465,790.46</u>	<u>155,782,739</u>	<u>0</u>	<u>155,782,739</u>	<u>0.30%</u>
6.	2002	<u>75,649.39</u>	<u>41,335,701</u>	<u>0</u>	<u>41,335,701</u>	<u>0.18%</u>

Calculation of the Bad Debt Component included in the Revenue Expansion Factor:

ADVERTISING EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule of advertising expenses by
 subaccounts for the test year and the most recent
 COMPANY: FLORIDA PUBLIC UTILITIES historical year for each type of advertising that is
 Consolidated Electric Division included in base rate cost of service.
 DOCKET NO.: 030438EI

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	Test Year Ended 2002 Electric Utility	Test Year Ended 2001 Electric Utility
<u>ACCOUNT 909</u>				
	909	INFO & INSTRUCTIONAL	115,371	101,527
Total Account 909			115,371	101,527
<u>ACCOUNT 913</u>				
	9131	PROMOTIONAL ADVERTIS	179	0
	9132	CONSERVATION ADVERTI	240	0
	9133	SAFETY ADVERTISING	774	1,592
	9134	OTHER INFO/INSTR/CON	1,535	768
	9135	COMMUNITY AFFAIRS AD	55	275
	9136	OTHER ADVERTISING	213	58
Total Account 913			2,996	2,693
<u>ACCOUNT 930.1</u>				
	9301	INSTITUTIONAL/GOODWI	713	742
Total Account 930.1			713	742
Total Advertising Expenses			119,080	104,962
Average Number of Customers			29,084	28,561
Advertising Expenses per Customer			4.09	3.67

INDUSTRY ASSOCIATION DUES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	Test Year Ended 2002 Electric Utility	Test Year Ended 2001 Electric Utility
	93022	INDUSTRY ASSOCIATION	4,498	4,957
Details		1/2 of Florida Electric Power fee	500	500
Details		1/2 of Southeastern Electric fee	2,149	2,168
Details		Florida Engineering Society	1,649	1,921
Details		Association dues-John Mandrick	35	368
Details		Marrow Insurance Group	115	-
Details		Florida Institute of Certified (Allocated from 1849	35	-
Details		Allocated from 1849	15	-
		Total Industry Association Dues	4,499	4,957
		Average Number of Customers	29,084	28,561
		Dues Per Customer	\$0.155	\$0.174
		Lobby Expenses Included in Industry Association Dues		

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
1	<u>Account 228.1 - Consolidated Electric (100%) (Property Insurance)</u>							
2								
3	Dec-01	1,948,697	10,135	6,155		1,952,677	Charges should have been expensed in year 2000.	924
4	Jan-02	1,952,677	10,135			1,962,812		924
5	Feb-02	1,962,812	10,135			1,972,947		924
6	Mar-02	1,972,947	10,135			1,983,082		924
7	Apr-02	1,983,082	10,135			1,993,217		924
8	May-02	1,993,217	10,135			2,003,352		924
9	Jun-02	2,003,352	10,135			2,013,487		924
10	Jul-02	2,013,487	10,135			2,023,622		924
11	Aug-02	2,023,622	10,135			2,033,757		924
12	Sep-02	2,033,757	10,135			2,043,892		924
13	Oct-02	2,043,892	10,135			2,054,027		924
14	Nov-02	2,054,027	10,135			2,064,162		924
15	Dec-02	<u>2,064,162</u>	<u>40,135</u>			<u>2,104,297</u>		924
16								
17	13 Month Total	<u>26,049,731</u>	<u>161,755</u>	<u>6,155</u>		<u>26,205,331</u>		
18								
19	13 Month Average	<u>2,003,825</u>	<u>12,443</u>	<u>473</u>		<u>2,015,795</u>		
20								
21								
22								

We want a sufficient reserve to cover damage resulting from a major storm such as a hurricane.

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
23	<u>Account 228.201 and 228.202 - Corporate (General and Auto Liability)</u>							
24								
25	Dec-01	726,914	(110,215)	16,698		600,001	Legal fees and claims paid	9251
26	Jan-02	600,001		8,047		591,954	Legal fees	9251
27	Feb-02	591,954		6,525		585,429	Legal fees and claims paid	9251
28	Mar-02	585,429		5,802		579,627	Legal fees	9251
29	Apr-02	579,627		3,754		575,873	Legal fees and risk management fees	9251
30	May-02	575,873		1,666		574,207	Legal fees	9251
31	Jun-02	574,207		4,048		570,159	Legal fees	9251
32	Jul-02	570,159	17,500	18,559		569,100	Legal fees	9251
33	Aug-02	569,100	46,000	47,119		567,981	Claims paid and risk management fees	9251
34	Sep-02	567,981	46,000	2,378		611,603	Claim paid and risk management fees	9251
35	Oct-02	611,603	46,000	28,127		629,476	Legal fees and risk management fees	9251
36	Nov-02	629,476	46,000	7,700		667,776	Claim paid and risk management fees	9251
37	Dec-02	667,776	(45,000)	22,837		599,939	Legal fees and claims paid	9251
38								
39	13 Month Total	<u>7,850,100</u>	<u>46,285</u>	<u>173,260</u>		<u>7,723,125</u>		
40								
41	13 Month Average	<u>603,854</u>	<u>3,560</u>	<u>13,328</u>		<u>594,087</u>		
42								
43								
44								

Account number 228.202 has been combined with account number 228.201 as of December 2001.

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438EI

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
45	<u>Account 228.201 and 228.202 - Consolidated Electric (32%) (General and Auto Liability)</u>							
46								
47	Dec-01	232,612	(35,269)	5,343		192,000	Legal fees and claims paid	9251
48	Jan-02	192,000		2,575		189,425	Legal fees	9251
49	Feb-02	189,425		2,088		187,337	Legal fees and claims paid	9251
50	Mar-02	187,337		1,857		185,481	Legal fees	9251
51	Apr-02	185,481		1,201		184,279	Legal fees and risk management fees	9251
52	May-02	184,279		533		183,746	Legal fees	9251
53	Jun-02	183,746		1,295		182,451	Legal fees	9251
54	Jul-02	182,451	5,600	5,939		182,112	Legal fees	9251
55	Aug-02	182,112	14,720	15,078		181,754	Claims paid and risk management fees	9251
56	Sep-02	181,754	14,720	761		195,713	Claim paid and risk management fees	9251
57	Oct-02	195,713	14,720	9,001		201,432	Legal fees and risk management fees	9251
58	Nov-02	201,432	14,720	2,464		213,688	Claim paid and risk management fees	9251
59	Dec-02	213,688	(14,400)	7,308		191,980	Legal fees and claims paid	9251
60								
61	13 Month Total	<u>2,512,032</u>	<u>14,811</u>	<u>55,443</u>		<u>2,471,400</u>		
62								
63	13 Month Average	<u>193,233</u>	<u>1,139</u>	<u>4,265</u>		<u>190,108</u>		
64								
65								
66								

Account number 228.202 has been combined with account number 228.201 as of December 2001.

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
67	<u>Account 228.203 - Corporate (Worker's Compensation)</u>							
68								
69	Dec-01	(80,973)	34,805	(46,168)		0	Balance in 2280.203 transferred to prepaid account (1650.5).	9251
70	Jan-02	0	34,805	34,805		0	Balance in 2280.203 transferred to prepaid account (1650.5).	9251
71	Feb-02	0				0		9251
72	Mar-02	0				0		9251
73	Apr-02	0				0		9251
74	May-02	0				0		9251
75	Jun-02	0				0		9251
76	Jul-02	0				0		9251
77	Aug-02	0				0		9251
78	Sep-02	0				0		9251
79	Oct-02	0				0		9251
80	Nov-02	0				0		9251
81	Dec-02	0				0		9251
82								
83	13 Month Total	<u>(80,973)</u>	<u>69,610</u>	<u>(11,363)</u>		<u>0</u>		
84								
85	13 Month Average	<u>(6,229)</u>	<u>5,355</u>	<u>(874)</u>		<u>0</u>		
86								
87								
88								

This account is no longer being used as of December 2001 because we are using a prepaid account to expense the premiums.

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
89	Account 228.32 and 228.33 - Corporate (Medical Self-Insurance for active and retired employees)							
90								
91	Dec-01	1,630,923	80,000	95,439		1,615,484	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
92	Jan-02	1,615,484	77,500	29,986		1,662,998	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
93	Feb-02	1,662,998	77,500	174,947		1,565,551	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
94	Mar-02	1,565,551	77,500	40,437		1,602,614	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
95	Apr-02	1,602,614	77,500	88,148		1,591,966	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
96	May-02	1,591,966	77,500	74,557		1,594,909	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
97	Jun-02	1,594,909	127,500	102,070		1,620,339	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
98	Jul-02	1,620,339	94,500	169,045		1,545,794	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
99	Aug-02	1,545,794	102,500	68,046		1,580,248	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
100	Sep-02	1,580,248	102,500	69,936		1,612,812	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
101	Oct-02	1,612,812	102,500	73,477		1,641,835	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
102	Nov-02	1,641,835	102,500	105,565		1,638,770	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
103	Dec-02	<u>1,638,770</u>	<u>196,654</u>	<u>71,178</u>		<u>1,764,246</u>	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
104								
105	13 Month Total	<u>20,904,243</u>	<u>1,296,154</u>	<u>1,162,831</u>		<u>21,037,566</u>		
106								
107	13 Month Average	<u>1,608,019</u>	<u>99,704</u>	<u>89,449</u>		<u>1,618,274</u>		
108								
109								
110	Account number 228.33 has been combined with account number 228.32 as of January 2002.							

Schedule C-28

ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2, 228.3

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a schedule of the amounts charged to operating expenses, amounts accrued and charged to the provision account balances, monthly for the last calendar year and test year. Indicate desired reserve balances and the basis for determining the desired balances.

Type of Data Shown:
Historical Year Ended 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

Line No.	Month/Year	Balance Beginning of Period	Current Annual Accrual	Amount Charged to Reserve	Net Fund Income After Taxes	Reserve Balance End of Period	Description of Charge	Charged to Operating Expenses
111	<u>Account 228.32 and 228.33 - Consolidated Electric (27%) (Medical Self-Insurance for active and retired employees)</u>							
112								
113	Dec-01	440,349	21,600	25,769		436,181	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
114	Jan-02	436,181	20,925	8,096		449,009	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
115	Feb-02	449,009	20,925	47,236		422,699	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
116	Mar-02	422,699	20,925	10,918		432,706	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
117	Apr-02	432,706	20,925	23,800		429,831	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
118	May-02	429,831	20,925	20,130		430,625	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
119	Jun-02	430,625	34,425	27,559		437,492	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
120	Jul-02	437,492	25,515	45,642		417,364	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
121	Aug-02	417,364	27,675	18,372		426,667	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
122	Sep-02	426,667	27,675	18,883		435,459	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
123	Oct-02	435,459	27,675	19,839		443,295	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
124	Nov-02	443,295	27,675	28,503		442,468	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
125	Dec-02	442,468	53,097	19,218		476,346	Blue Cross and Blue Shield fees, cobra payments, and expenses.	9262 & 9263
126								
127	13 Month Total	5,644,146	349,962	313,964		5,680,143		
128								
129	13 Month Average	434,165	26,920	24,151		436,934		
130								
131								
132	Account number 228.33 has been combined with account number 228.32 as of January 2002.							

Supporting Schedules:

Recap Schedules:

CIVIC AND CHARITABLE CONTRIBUTIONS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: Provide a schedule, by organization, of any expenses for lobbying, civic, political and related activities or for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.	Account	Sub-Account	<u>Year Ended 2002</u> Electric Utility	<u>Year Ended 2001</u> Electric Utility
4260	11	CHARITABLE CONTRIBUTIONS	9,397	7,651
4260	13	CIVIC AND SOCIAL	2,881	3,337
Total Civic and Charitable Contributions			12,278	10,988

Lobbying and Other Political Expenses are not included in NOI

ADMINISTRATIVE EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of jurisdictional administrative, general, customer service, R & D, and other miscellaneous expenses by category and on a per customer basis for the test year and prior year.

Type of Data Shown:

Historical Year 12/31/2002

Historical Prior Year 12/31/2001

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

Line No.	Account	Sub-Account	Year Ended 2002 Electric Utility	Year Ended 2001 Electric Utility	Difference	Percent Change
	Customer Accounts Expenses	901-905	1,106,231	1,156,904	(50,673)	-4.38%
	Customer Service and Information Expense	906-910	486,636	298,279	188,357	63.15%
	Sales Expenses	911-916	3,185	2,769	416	15.02%
	Administrative and General Expenses	920-932	2,086,153	1,691,682	394,471	23.32%
	Total Administrative Expense	901-932	3,682,205	3,149,634	532,571	16.91%
	Average Number of Customers		29,084	28,561	522	1.83%
	Administrative Expense Per Customer		127	110	16	14.81%

Supporting Schedules: C-19

Recap Schedules:

MISCELLANEOUS GENERAL EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the: 1) test year if the test year is historical, or 2) prior year if the test year is projected. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Account	Sub-Account	Year Ended 2002 Electric Utility	Year Ended 2001 Electric Utility	Difference	Percent Change
---------	-------------	--	--	------------	----------------

Total Miscellaneous General Expenses of \$100,000 or Less

ACCOUNT 930.2

9302 MISC. GENERAL EXPENS	115,174	63,179	51,995	82.3%
93022 INDUSTRY ASSOCIATION	4,498	4,957	(459)	-9.3%
93023 ECONOMIC DEVELOPMENT	10,000	10,190	(190)	-1.9%
Total Miscellaneous General Expenses	129,672	78,326	51,346	65.6%

Miscellaneous General Expenses
 Exceeding \$100,000 (Specify)

Average Number of Customers	29,084	28,561
Miscellaneous General Expenses Per Customer	\$ 4.46	\$ 2.74

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following Payroll and Fringe Benefits data for the Historical Year and three prior years. If a projected test year is used provide the same data for the projected test year and four prior years.

Type of Data Shown:

Historical Year 12/31/2002

Historical Prior Years 2000-2001

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

LineNo.	Amount	2002 % Increase	Amount	2001 % Increase	Amount	2000 % Increase	Amount
1							
2	<u>Total Company Basis</u>						
3							
4	15,050,047	9.82%	13,704,134	14.27%	11,992,699	3.46%	11,591,521
5	42,635	0.80%	42,297	10.75%	38,193	-1.48%	38,768
6							
7							
8	<u>Electric Division</u>						
9							
10	3,317,087	2.13%	3,247,867	8.24%	3,000,636	9.82%	2,732,387
11	40,452	0.89%	40,097	6.90%	37,508	2.95%	36,432
12							
13							
14							
15	<u>Fringe Benefits - Electric Division</u>						
16							
17	178,998	13.88%	157,186	-18.28%	192,339	-21.69%	245,625
18	(28,234)	-37.92%	(45,482)	-64.89%	(129,538)	59.48%	(81,226)
19	243,368	2.18%	238,178	24.80%	190,849	-4.85%	200,570
20	7,467	2.79%	7,264	68.30%	4,316	-25.50%	5,793
21	80,749	25.22%	64,484	-18.57%	79,188	84.82%	42,845
22							
23	<u>3,799,435</u>		<u>3,669,497</u>		<u>3,337,790</u>		<u>3,145,994</u>
24							
25	82		81		80		75
26							
27	<u>46,335</u>		<u>45,302</u>		<u>41,722</u>		<u>41,947</u>

Supporting Schedules:

Recap Schedules:

Schedule C-34

DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES HISTORIC YEAR - 12 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

Witness: Jim Mesite

Line No.	Acct Sub-acct Number	Acct Sub-acct Title	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE	(G) 2002 JULY	(H) 2002 AUGUST	(I) 2002 SEPTEMBER	(J) 2002 OCTOBER	(K) 2002 NOVEMBER	(L) 2002 DECEMBER	(M) 12-Month Year End Total
1	350	LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
2	3501	LAND RIGHTS	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(1,188)
3	352	STRUCTURES AND IMPROVEMENTS	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(552)
4	353	STATION EQUIPMENT	(4,063)	(4,063)	(4,063)	(4,063)	(4,064)	(4,064)	(4,064)	(4,064)	(4,064)	(4,064)	(4,064)	(4,088)	(48,788)
5	354	TOWERS AND FIXTURES	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4,404)
6	355	POLES AND FIXTURES	(5,619)	(5,619)	(5,781)	(5,781)	(5,781)	(5,824)	(5,824)	(5,824)	(5,824)	(5,824)	(5,797)	(5,797)	(69,295)
7	356	OVERHEAD CONDUCTORS AND DEVICES	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(2,548)	(30,576)
8	359	ROADS AND TRAILS	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(264)
9	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
10	3601	LAND RIGHTS	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(312)
11	361	STRUCTURES & IMPROVEMENTS	(5,378)	(173)	(173)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(7,308)
12	362	STATION EQUIPMENT	(2,397)	(8,643)	(8,643)	(8,643)	(8,643)	(8,554)	(8,554)	(8,554)	(8,554)	(8,554)	(8,554)	(8,597)	(90,979)
13	364	POLES, TOWERS, & FIXTURES	(23,804)	(24,027)	(24,066)	(24,154)	(24,248)	(24,362)	(24,348)	(24,396)	(24,484)	(24,545)	(24,720)	(24,890)	(292,044)
14	365	OVERHEAD CONDUCTORS & DEVICES	(29,201)	(29,402)	(29,438)	(29,510)	(29,580)	(29,631)	(29,640)	(29,681)	(29,690)	(29,736)	(29,893)	(30,024)	(355,426)
15	3662	UNDERGROUND CONDUIT - BURIED	892	(2,827)	(2,828)	(2,832)	(2,841)	(2,841)	(2,841)	(2,863)	(2,864)	(2,867)	(2,870)	(2,897)	(30,479)
16	3672	UNDERGROUND COND & DEVICES - BURIED	13,689	(7,957)	(7,981)	(8,014)	(8,043)	(8,060)	(8,066)	(8,164)	(8,165)	(8,168)	(8,168)	(8,242)	(75,339)
17	3681	LINE TRANSFORMERS - OVERHEAD	(21,272)	(21,352)	(21,306)	(21,328)	(21,520)	(21,537)	(21,513)	(21,607)	(21,600)	(21,609)	(21,698)	(21,760)	(258,102)
18	3683	LINE TRANSFORMERS - BURIED	(16,319)	(16,421)	(16,333)	(16,509)	(16,617)	(16,645)	(16,715)	(16,921)	(16,847)	(16,866)	(17,081)	(17,160)	(200,434)
19	3691	OVERHEAD SERVICES	(11,687)	(11,725)	(11,767)	(11,835)	(11,877)	(11,928)	(11,969)	(12,021)	(12,081)	(12,120)	(12,169)	(12,214)	(143,393)
20	3693	UNDERGROUND SERVICES - BURIED	(9,206)	(9,256)	(9,311)	(9,394)	(9,452)	(9,535)	(9,603)	(9,662)	(9,747)	(9,829)	(9,874)	(9,916)	(114,785)
21	370	METERS	(8,414)	(8,459)	(8,475)	(8,437)	(8,500)	(8,560)	(8,576)	(8,557)	(8,583)	(8,589)	(8,587)	(8,606)	(102,343)
22	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(27,192)	(5,117)	(5,145)	(5,175)	(5,249)	(5,275)	(5,256)	(5,266)	(5,264)	(5,311)	(5,308)	(5,379)	(84,937)
23	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(6,113)	(1,902)	(2,195)	(2,197)	(2,230)	(2,231)	(2,240)	(2,243)	(2,239)	(2,244)	(2,226)	(2,255)	(30,315)
24	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(2,065)	(2,069)	(2,076)	(2,098)	(2,096)	(2,218)	(2,190)	(2,194)	(2,173)	(2,172)	(2,176)	(2,239)	(25,768)
25	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(1,706)	(1,706)	(1,706)	(1,711)	(1,752)	(1,768)	(1,768)	(1,769)	(1,758)	(1,758)	(1,760)	(1,764)	(20,926)
26	389	GENERAL PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
27	390	STRUCTURES AND IMPROVEMENTS	(1,639)	(1,639)	(1,639)	(1,639)	(1,639)	(1,639)	(1,641)	(1,641)	(1,641)	(1,641)	(1,648)	(1,648)	(19,694)
28	3911	OFFICE FURNITURE	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(33)	(36)	(462)
29	3912	OFFICE MACHINES	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(192)	(2,300)
30	3913	COMPUTER EQUIPMENT	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	(61,743)
31	3931	STORES EQUIPMENT-FIXED	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(859)	(10,305)
32	3932	STORES EQUIPMENT-PORTABLE	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(108)
33	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(5,101)
34	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(5,464)
35	3951	LABORATORY EQUIPMENT-FIXED	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(403)	(4,838)
36	3952	LABORATORY EQUIPMENT-PORTABLE	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(1,624)
37	396	POWER OPERATED EQUIPMENT	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(419)	(5,028)
38	397	COMMUNICATION EQUIPMENT	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(1,512)	(18,143)
39	398	MISCELLANEOUS EQUIPMENT	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(529)
41	2530 4	AMORTIZING DEFERRED GAIN	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,125	13,522
40		TOTAL ELECTRIC UTILITY DEPRECIATION	(173,113)	(173,976)	(174,545)	(175,115)	(175,927)	(176,556)	(176,803)	(177,222)	(177,373)	(177,692)	(178,382)	(179,270)	(2,115,771)

Schedule C-34

DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES HISTORIC YEAR - 12 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis.

Type of Data Shown:
 Historical Year 12/31/2002

Witness: Jim Mesite

Line No.	Acct Sub-acct No.	Acct Sub-acct Title	(B) 2002 JANUARY	(C) 2002 FEBRUARY	(D) 2002 MARCH	(E) 2002 APRIL	(F) 2002 MAY	(G) 2002 JUNE	(G) 2002 JULY	(H) 2002 AUGUST	(I) 2002 SEPTEMBER	(J) 2002 OCTOBER	(K) 2002 NOVEMBER	(L) 2002 DECEMBER	(M) 12-Month Year End Total
<u>COMMON UTILITY PLANT</u>															
42	303	MISC INTANGIBLE PLANT													-
43	389	LAND													-
44	390	STRUCTURES & IMPROVEMENTS	(3,954)	(3,954)	(3,958)	(3,958)	(3,958)	(3,958)	(3,958)	(3,958)	(3,958)	(3,958)	(3,957)	(3,957)	(47,488)
45	3911	OFFICE FURNITURE	(81)	(81)	(81)	(88)	(88)	(88)	(88)	(90)	(90)	(90)	(90)	(90)	(1,043)
46	3912	OFFICE EQUIPMENT	(396)	(396)	(396)	(427)	(427)	(427)	(427)	(427)	(427)	(427)	(427)	(415)	(5,018)
47	3913	COMPUTER SOFTWARE & EQUIPMENT	(12,776)	(12,776)	(12,793)	(12,793)	(12,793)	(12,793)	(12,793)	(12,792)	(12,791)	(12,791)	(12,851)	(12,850)	(153,592)
48	3921	TRANSPORTATION - AUTOMOBILES	(1,147)	(1,147)	(1,148)	(1,148)	(1,148)	(1,148)	(1,148)	(1,148)	(962)	(962)	(962)	(962)	(13,030)
49	3922	TRANSPORTATION - PICKUPS & VANS	-	-	-	-	-	-	-	-	-	-	-	-	-
50	397	COMMUNICATION EQUIPMENT	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)	(8,768)
51		Total Common Utility Plant	(19,085)	(19,085)	(19,107)	(19,144)	(19,144)	(19,144)	(19,144)	(19,144)	(18,957)	(18,957)	(19,017)	(19,003)	(228,931)
<u>AS ALLOCATED (ELECTRIC UTILITY DIVISION)</u>															
52	303	MISC INTANGIBLE PLANT	30%	-	-	-	-	-	-	-	-	-	-	-	-
53	389	LAND	30%	-	-	-	-	-	-	-	-	-	-	-	-
54	390	STRUCTURES & IMPROVEMENTS	30%	(1,186)	(1,186)	(1,188)	(1,188)	(1,188)	(1,188)	(1,187)	(1,187)	(1,187)	(1,187)	(1,187)	(14,247)
55	3911	OFFICE FURNITURE	30%	(24)	(24)	(24)	(28)	(28)	(28)	(27)	(27)	(27)	(27)	(27)	(313)
56	3912	OFFICE EQUIPMENT	30%	(119)	(119)	(119)	(128)	(128)	(128)	(128)	(128)	(128)	(128)	(125)	(1,505)
57	3913	COMPUTER SOFTWARE & EQUIPMENT	32%	(4,088)	(4,088)	(4,094)	(4,094)	(4,094)	(4,094)	(4,093)	(4,093)	(4,093)	(4,112)	(4,112)	(49,150)
58	3921	TRANSPORTATION - AUTOMOBILES	30%	(344)	(344)	(344)	(344)	(344)	(344)	(344)	(289)	(289)	(289)	(289)	(3,809)
59	3922	TRANSPORTATION - PICKUPS & VANS	30%	-	-	-	-	-	-	-	-	-	-	-	-
60	397	COMMUNICATION EQUIPMENT	30%	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(2,628)
61		Total Common Utility Plant		(5,981)	(5,981)	(5,988)	(5,999)	(5,999)	(5,999)	(5,999)	(5,943)	(5,943)	(5,962)	(5,958)	(71,751)
62		TOTAL DEPRECIATION EXPENSE		(179,094)	(179,957)	(180,533)	(181,114)	(181,926)	(182,555)	(182,602)	(183,221)	(183,316)	(183,635)	(184,344)	(2,187,522)

Supporting Schedules:

Recap Schedules C-2

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide a schedule for each Amortization/Recovery amount by account or sub-account currently in effect or proposed and not shown on Schedule B-8b.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Jim Mesite

Total Amount of Amortization/Recovery: \$
 Effective Date:
 Amortization/Recovery Period:
 Reason:

(1) Line No.	(2) Account/ Sub-account No.	(3) Plant Account Title	(\$0) Total Amort/Recovery Expense
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AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 2002 ARE SHOWN ON SCHEDULE B-8b.
 AMORTIZATION/RECOVERY AMOUNTS FOR ALL ACCOUNTS AND SUB-ACCOUNTS FOR 2003 & 2004 ARE SHOWN ON SCHEDULE C-59(B-8b).

Schedule C-37

PROPOSED DEPRECIATION RATES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information for the company's proposed depreciation rates if an increase is being requested.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Witness: Jim Mesite

DOCKET NO.: 030438EI

Account/ Sub-Account Number Title	USE RATE			CURRENT LIFE (Indicate if Other than Remaining Life)	Salvage			Dismantling Rate		
	Northwest Marianna	Northeast Fernandina	Combined		Northwest Marianna	Northeast Fernandina	Combined	Northwest Marianna	Northeast Fernandina	Combined
	114	115	Combined		114	115	Combined	114	115	Combined
350 LAND					0.0%	0.0%				
3501 LAND RIGHTS		2.1%	2.1%							
352 STRUCTURES AND IMPROVEMENTS		2.1%	2.1%		0.0%	0.0%				
353 STATION EQUIPMENT		2.5%	2.5%		10.0%	10.0%				
354 TOWERS AND FIXTURES		1.8%	1.8%		-10.0%	-10.0%				
355 POLES AND FIXTURES		3.8%	3.8%		-30.0%	-30.0%				
356 OVERHEAD CONDUCTORS AND DEVICES		3.1%	3.1%		-10.0%	-10.0%				
359 ROADS AND TRAILS		3.9%	3.9%		0.0%	0.0%				
360 DISTRIBUTION PLANT-LAND					0.0%	0.0%				Included in Net Salvage Rate
3601 LAND RIGHTS	1.9%	5.0%	3.5%		0.0%	0.0%				
361 STRUCTURES & IMPROVEMENTS	2.2%	2.2%	2.2%		0.0%	0.0%				
362 STATION EQUIPMENT	2.9%	3.9%	3.4%		-10.0%	-5.0%				
364 POLES, TOWERS, & FIXTURES	3.9%	4.9%	4.4%		-25.0%	-30.0%				
365 OVERHEAD CONDUCTORS & DEVICES	4.3%	4.5%	4.4%		-25.0%	-30.0%				
3662 UNDERGROUND CONDUIT - BURIED	2.0%	2.0%	2.0%		0.0%	0.0%				
3672 UNDERGROUND COND & DEVICES - BURIED	2.9%	2.8%	2.9%		0.0%	0.0%				
3681 LINE TRANSFORMERS - OVERHEAD	4.0%	4.4%	4.2%		-10.0%	-20.0%				
3683 LINE TRANSFORMERS - BURIED	4.0%	4.4%	4.2%		-10.0%	-20.0%				
3691 OVERHEAD SERVICES	4.4%	3.4%	3.9%		-20.0%	-20.0%				
3693 UNDERGROUND SERVICES - BURIED	4.4%	3.4%	3.9%		-20.0%	-20.0%				
370 METERS	3.7%	3.5%	3.6%		-10.0%	-10.0%				
3711 INSTALLATIONS ON CUSTOMER PREMISES-AG	6.5%	6.1%	6.3%		15.0%	10.0%				
3713 INSTALLATIONS ON CUSTOMER PREMISES-UG	6.5%	6.1%	6.3%		15.0%	10.0%				
3731 STREET LIGHTING & SIGNAL SYSTEMS-AG	5.5%	4.3%	4.9%		-10.0%	0.0%				
3733 STREET LIGHTING & SIGNAL SYSTEMS-UG	5.5%	4.3%	4.9%		-10.0%	0.0%				
389 GENERAL PLANT-LAND										
390 STRUCTURES AND IMPROVEMENTS	2.1%	2.0%	2.1%		-5.0%	0.0%				
3911 OFFICE FURNITURE	14.3%	14.3%	14.3%							
3912 OFFICE MACHINES	20.0%	20.0%	20.0%							
3913 COMPUTER EQUIPMENT	20.0%	20.0%	20.0%							

Change not determinable at this time.

Depreciation rates for the projected test year (2004) and prior year (2003) are the same as rates used for the Historical Year (2002)

Staff assisted depreciation study currently in progress: Docket No. 020853-EI

Schedule C-37

PROPOSED DEPRECIATION RATES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information for the company's proposed depreciation rates if an increase is being requested.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Witness: Jim Mesite

DOCKET NO.: 030438E1

Account/ 1010 / 1080 Plant Sub-Account Account Number Title	USE RATE			CURRENT LIFE (Indicate if Other than Remaining Life)	Salvage			Dismantling Rate		
	Northwest Northeast		Combined		Northwest Northeast		Combined	Northwest Northeast		Combined
	Marianna	Fernandina			Marianna	Fernandina		Marianna	Fernandina	
	114	115	Combined		114	115	Combined	114	115	Combined
	Change not determinable at this time.									
3921 PASSENGER CARS	17.0%	8.1%	12.6%		15.0%	15.0%	15.0%			
3922 LIGHT TRUCKS & VANS	12.9%	13.0%	13.0%		10.0%	10.0%	10.0%			
3923 HEAVY TRUCKS	9.1%	8.4%	8.8%		10.0%	10.0%	10.0%			
3924 TRAILERS	3.8%	2.6%	3.2%		5.0%	5.0%	5.0%			
3931 STORES EQUIPMENT-FIXED	14.3%	14.3%	14.3%							
3932 STORES EQUIPMENT-PORTABLE	14.3%	14.3%	14.3%							
3941 TOOLS, SHOP, & GARAGE EQUIP-FIXED	14.3%	14.3%	14.3%							
3942 TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	14.3%	14.3%	14.3%							
3951 LABORATORY EQUIPMENT-FIXED	14.3%	14.3%	14.3%							
3952 LABORATORY EQUIPMENT-PORTABLE	14.3%	14.3%	14.3%							
396 POWER OPERATED EQUIPMENT	6.8%	4.2%	5.5%		5.0%	5.0%	5.0%			
397 COMMUNICATION EQUIPMENT	20.0%	20.0%	20.0%							
398 MISCELLANEOUS EQUIPMENT	14.3%	14.3%	14.3%							
399 MISCELLANEOUS TANGIBLE	20.0%	20.0%	20.0%							
Common Utility Plant										
390 STRUCTURES & IMPROVEMENTS			2.5%							
3911 OFFICE FURNITURE			4.8%							
3912 OFFICE MACHINES			7.7%							
3913 EDP EQUIPMENT			8.1%							
3921 TRANS, EQUIP. - CARS			11.3%							
3922 TRANS, EQUIP. - LT TRUCK,VAN			4.7%							
397 COMMUNICATION EQUIP			7.1%							
399 OTHER TANGIBLE PROPERTY			20.0%							

Supporting Schedules: C-36

Recap Schedules: B-8a, B-8b

TAXES OTHER THAN INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historic base year and test year only.

Type of Data Shown:

Historical Year 12/31/2002

Historical Prior Year 12/31/2001

Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

Line No.	Account 4080 Sub-Account	Basis	Year Ended 2002		Year Ended 2001	
			Electric Utility	Amount Charged to Operating Expenses	Electric Utility	Amount Charged to Operating Expenses
1	5	FEDERAL UNEMPLOYMENT Payroll	(16,840)	(6,195)	(9,128)	(3,129)
2	6	STATE UNEMPLOYMENT T Payroll	(11,971)	(4,400)	(1,219)	(462)
3	7	F.I.C.A. Payroll	249,207	147,279	241,626	159,688
4	2	STATE GROSS RECEIPTS Revenue	1,030,613	1,030,613	945,293	945,293
5	11	FRANCHISE TAX Various Rates	1,635,364	1,635,364	1,536,114	1,536,114
6	4	EMERGENCY EXCISE TAX ACRS Depreciation	(8,079)	(8,079)	(7,154)	(7,154)
7	8	MISCELLANEOUS TAXES Flat	1,063	1,063	513	513
8	1	AD VALOREM TAXES Property	463,257	463,257	462,040	462,040
9	3	FPSC ASSESSMENT Revenue	30,040	30,040	27,712	27,712
Total Taxes Other Than Income Taxes			3,372,654	3,288,942	3,195,797	3,120,615

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a calculation of the Gross Receipt Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

and Regulatory Assessment Fee for the historical base year, Historical Year 12/31/2002

Consolidated Electric Division

historical base year + 1, and the test year.

Historical Prior Year 12/31/2001,

DOCKET NO.: 030438EI

Witness: Mehrdad Khojasteh

	<u>Year Ended 2002</u>	<u>Year Ended 2001</u>
TOTAL OPERATING REVENUES	\$ (40,929,680)	\$ (39,049,620)
ADJUSTMENTS:		
Overrecoveries	\$ 761,311	\$ (448,131)
Other Operating Revenues	\$ (394,177)	\$ (765,703)
Unbilled Revenues	\$ 24,246	\$ (49,679)
Misc Electric Revenues	\$ (15,360)	\$ (14,049)
Gross Receipts Revenues, and Franchise Fe	\$ (2,331,611)	
TOTAL ADJUSTMENTS	\$ (1,955,591)	\$ (1,277,562)
ADJUSTED OPERATING REVENUES	\$ (38,974,089)	\$ (37,772,058)
<u>GROSS RECEIPTS TAX</u>		
TAX RATE (As per "tax factors.xls")	2.5%	2.5%
Buried	\$ 87,374	
TAX AMOUNT	\$ 974,352	\$ 944,301
Total Tax	\$ 1,061,726	
Adjustments	\$ (31,113)	\$ 992
4080.2 STATE GROSS RECEIPTS	\$ 1,030,613	\$ 945,293
<u>REGULATORY ASSESSMENT FEE</u>		
TAX RATE (As per "tax factors.xls")	0.072%	0.072%
TAX AMOUNT	\$ 28,061	\$ 27,196
Adjustments	\$ 1,979	\$ 516
4080.3 FPSC ASSESSMENT	\$ 30,040	\$ 27,712

STATE DEFERRED INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state deferred income taxes for the test year. Provide detail on other items resulting in tax deferrals besides accelerated depreciation.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438EI

Line No.		Electric Utility Division	Tax Rate	Debit	Deferred Taxes Credit
1.	<u>PROPERTY RELATED ITEMS:</u>				
2.	EXCESS TAX DEPRECIATION	261,144	5.50%		(14,363)
3.	TAXABLE CONTRIBUTIONS	(234,990)	5.50%		12,924
4.	COST OF REMOVAL	28,538	5.50%	1,570	
5.	LOSS ON ACRS	47,178	5.50%	2,595	
6.	NET PROPERTY RELATED ITEMS			4,164	(1,438)
7.	<u>FULLY NORMALIZED TIMING DIFFERENCES:</u>				
8.	UNDERRECOVERIES	(386,701)	5.50%		21,269
9.	OUTSIDE AUDIT FEES	5,500	5.50%	303	
10.	CONSERVATION PROGRAM	(87,354)	5.50%		4,804
11.	SELF INSURANCE	(484,888)	5.50%		26,669
12.	PENSION	488,051	5.50%	26,843	
13.	VACATION PAY	(36,340)	5.50%		1,999
14.	UNCOLLECTIBLES	19,545	5.50%	1,075	
15.	NON-DEDUCTIBLE MEALS	(7,478)	5.50%		411
16.	LOSS ON REACQUIRED DEBT	(8,941)	5.50%		492
17.	MISC. DEFERRALS	(6,194)	5.50%		341
18.	GENERAL LIABILITY	(41,596)	5.50%		2,288
19.	TOTAL NORMALIZED ITEMS			28,220	58,272
20.	BALANCE			32,385	56,834
21.	ADJUSTMENTS				13,137
22.	TOTAL STATE DEFERRED INCOME TAXES				37,586

Supporting Schedules:

Recap Schedules C-2, C-42, C-43

FEDERAL DEFERRED INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of federal deferred income taxes Type of Data Shown:
 test year. Provide detail on other items resulting in tax deferrals Historical Year 12/31/2002
 besides accelerated depreciation.

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438E1

Line No.	Electric Utility Division	Tax Rate	Deferred Taxes Debit	Credit
1.	<u>PROPERTY RELATED ITEMS:</u>			
2.				(83,906)
3.	261,144	32.13%		75,502
4.	(234,990)	32.13%	9,169	
5.	28,538	32.13%	15,158	
6.	47,178	32.13%		
6.	NET PROPERTY RELATED ITEMS		24,328	(8,403)
7.	<u>FULLY NORMALIZED TIMING DIFFERENCES:</u>			
8.	(386,701)	32.13%		124,247
9.	5,500	32.13%	1,767	
10.	(87,354)	32.13%		28,067
11.	(484,888)	32.13%		155,795
12.	488,051	32.13%	156,811	
13.	(36,340)	32.13%		11,676
14.	19,545	32.13%	6,280	
15.	(7,478)	32.13%		2,403
16.	(8,941)	32.13%		2,873
17.	(6,194)	32.13%		1,990
18.	(41,596)	32.13%		13,365
19.	TOTAL NORMALIZED ITEMS		164,858	340,415
20.	BALANCE		189,185	332,011
21.	ADJUSTMENTS			135,156
22.	TOTAL FEDERAL DEFERRED INCOME TAXES			<u>277,982</u>

Supporting Schedules:

Recap Schedules: C-2, C-42, C-43

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: To provide information required to present the excess deferred tax balances due to protected and unprotected timing differences at statutory tax rates in excess of the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates

Type of Data Shown:
 Projected Test Year 12/31/2004
 Historical Prior Years 1971-2001
 Witness: Mehrdad Khojasteh

Line No.	Vintage Year	Protected Timing Differences					Unprotected Timing Differences			(9) Total Excess (5)+(8)	(10) Target Deferred Taxes (9)xCurr Rate	(11) Fed & State Cumulative	(12) Excess (10)-(11)
		(1) Book Deprec.	(2) Book Depr. Non-Base	(3) Net Book (1)-(2)	(4) Tax Deprec.	(5) Excess (4)-(3)	(6) Non-Base Items	(7) Book Depr Non-Base	(8) Net Non-Base (6)-(7)				
1.	Pre 1971	3,370,580	6,962	3,363,618	3,037,014	(326,604)	16,417	6,962	9,455	(317,149)	(119,343)	(125,822)	6,479
2.	1971	244,505	1,383	243,122	396,512	153,390	3,261	1,383	1,878	155,268	58,427	37,575	20,852
3.	1972	544,880	4,781	540,099	648,671	108,572	11,273	4,781	6,492	115,064	43,299	4,684	38,615
4.	1973	1,408,582	21,845	1,386,737	1,926,276	539,539	51,508	21,845	29,663	569,202	214,191	137,476	76,715
5.	1974	865,375	16,950	848,425	1,269,648	421,223	39,967	16,950	23,017	444,240	167,168	74,675	92,493
6.	1975	305,118	8,370	296,748	509,869	213,121	19,737	8,370	11,367	224,488	84,475	52,571	31,904
7.	1976	1,138,378	26,351	1,112,027	1,424,803	312,776	62,135	26,351	35,784	348,560	131,163	69,190	61,973
8.	1977	402,964	6,376	396,588	618,231	221,643	15,035	6,376	8,659	230,302	86,663	50,431	36,232
9.	1978	438,773	14,153	424,620	721,046	296,426	33,373	14,153	19,220	315,646	118,778	81,108	37,670
10.	1979	547,768	11,670	536,098	756,092	219,994	27,518	11,670	15,848	235,842	88,747	57,457	31,290
11.	1980	444,319	12,128	432,191	732,913	300,722	28,598	12,128	16,470	317,192	119,359	84,175	35,184
12.	1981	422,374	18,381	403,993	727,057	323,064	43,341	18,381	24,960	348,024	130,961	130,961	0
13.	1982	1,135,581	43,862	1,091,719	1,468,687	376,968	103,423	43,862	59,561	436,529	164,266	164,266	(0)
14.	1983	605,524	31,430	574,094	827,880	253,786	74,110	31,430	42,680	296,466	111,560	111,561	(1)
15.	1984	803,424	45,957	757,467	1,200,174	442,707	108,364	45,957	62,407	505,114	190,074	190,074	(0)
16.	1985	649,339	26,812	622,527	1,286,636	664,109	63,221	26,812	36,409	700,518	263,605	263,606	(1)
17.	1986	1,412,661	86,720	1,325,941	2,096,373	770,432	204,480	86,720	117,760	888,192	334,227	334,226	1
18.	1987	963,191	(186,439)	1,149,630	1,852,553	702,923	(439,611)	(186,439)	(253,172)	449,751	169,241	169,241	0
19.	1988	1,019,227	(123,413)	1,142,640	1,573,382	430,742	(291,000)	(123,413)	(167,587)	263,155	99,025	99,025	0
20.	1989	869,222	(130,594)	999,816	1,978,299	978,483	(307,933)	(130,594)	(177,339)	801,144	301,470	301,470	0
21.	1990	1,012,563	(84,668)	1,097,231	1,665,902	568,671	(199,841)	(84,668)	(114,973)	453,698	170,727	170,727	(0)
22.	1991	670,019	(56,286)	726,305	1,150,712	424,407	(132,719)	(56,286)	(76,433)	347,974	130,943	130,942	1
23.	1992	697,700	(59,970)	757,670	894,007	136,337	(141,406)	(59,970)	(81,436)	54,901	20,659	20,659	0
25.	1993	816,297	(85,584)	901,881	1,866,578	964,697	(201,801)	(85,584)	(116,217)	848,480	319,283	319,284	(1)
26.	1994	503,744	(95,079)	598,823	1,038,989	440,166	(224,190)	(95,079)	(129,111)	311,055	117,050	117,051	(1)
27.	1995	501,502	(86,929)	588,431	1,235,655	647,224	(204,973)	(86,929)	(118,044)	529,180	199,130	199,130	0
28.	1996	346,823	(111,001)	457,824	1,006,563	548,739	(261,732)	(111,001)	(150,731)	398,008	149,770	149,770	0
29.	1997	411,683	(100,839)	512,522	1,021,161	508,639	(237,771)	(100,839)	(136,932)	371,707	139,873	139,873	0
30.	1998	266,701	(121,207)	387,908	797,625	409,717	(285,797)	(121,207)	(164,590)	245,127	92,241	92,242	(1)
31.	1999	225,661	(160,683)	386,344	747,940	361,596	(378,881)	(160,683)	(218,198)	143,398	53,961	53,961	(0)
32.	2000	154,809	(161,977)	316,786	425,331	108,545	(381,930)	(161,977)	(219,953)	(111,408)	(41,923)	(41,923)	0
33.	2001	65,585	(213,109)	278,694	146,111	(132,583)	(502,498)	(213,109)	(289,389)	(421,972)	(158,788)	(126,208)	(32,580)
34.	2002	2,115,773	(191,637)	2,307,410	2,400,000	92,590	(451,868)	(191,637)	(260,231)	(63,641)	(63,083)	(63,083)	-
35.	2003	2,379,597	(127,230)	2,506,827	2,500,000	(6,827)	(300,000)	(127,230)	(172,770)	(179,597)	(67,582)	(67,582)	-
36.	2004	2,607,761	(127,230)	2,734,991	2,800,000	65,009	(300,000)	(127,230)	(172,770)	(107,761)	(40,550)	(40,550)	-
TOTALS		30,368,003	(1,839,741)	32,207,744	44,748,690	12,540,946	(4,337,990)	(1,839,741)	(2,498,248)	10,042,697	3,779,067	3,342,242	436,825

* Book Reserve/ Book Basis = 23,264,871.68/54,854,498.87 = 42.41%

Supporting Schedules:

Recap Schedules:

Schedule C-42

STATE AND FEDERAL INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438EI

LINE NO.	TOTAL ELECTRIC UTILITY
UTILITY TAXABLE OPERATING INCOME	2,296,144
LESS: INTEREST CHARGES	1,334,293
	961,851
OTHER DEDUCTIONS (ADDITIONS)	
Add'l DEPRECIATION FOR TAX PURPOSE	261,144
UNRECOVERED PURCHASE POWER/GA	(386,701)
OUTSIDE AUDIT FEES	5,500
ORDINARY LOSS ON ACRS PROPERTY	47,178
COST OF REMOVAL-ADR PROPERTY	28,538
CONSERVATION PROGRAM COSTS	(87,354)
SELF INSURANCE RESERVE *	(484,888)
TAXABLE CONTRIBUTIONS	(234,990)
PENSION COSTS *	488,051
VACATION PAY	(36,340)
UNCOLLECTIBLES	19,545
NONDEDUCTIBLE MEALS-CORPORATE *	(1,099)
NONDEDUCTIBLE MEALS-OTHER	(6,379)
LOSS ON REACQUIRED DEBT**	(8,941)
MISC. DEFERRAL (Dec. Proc. Int'l. & Mons	(6,194)
GENERAL LIABILITY **	(41,596)
TOTAL DEDUCTIONS	(444,526)
TAXABLE INCOME	1,406,377

Schedule C-42

STATE AND FEDERAL INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438E1

LINE NO.	TOTAL ELECTRIC UTILITY
Taxable Income	1,406,377
Adjustments to State Taxable Income	800
State Taxable Income	<u>1,405,577</u>
State Income Tax Rate	5.50%
State Income Tax Currently Payable	77,307
	-
State Income Tax Deferred	(37,586)
State Adjustments	13,181
Total State Income Taxes	<u>52,902</u>
Taxable Income	1,406,377
Adjustments to Federal Taxable Income	77,307
Federal Taxable Income	<u>1,329,070</u>
Federal Income Tax Rate	34.0%
Federal Income Tax Currently Payable	451,884
	-
Federal Income Tax Deferred	(277,982)
Federal Adjustments	135,140
Total Federal Income Taxes	<u>309,042</u>

Supporting Schedules: C-39, C-44

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438E1

	Total Utility	Jurisdictional Factor	Amount
To remove State prior period tax adjustment, interest sync , and income tax effect on other adjustments.	13,181	100%	13,181
State Exemption	800	100%	800
Total	13,981		13,981
To remove Federal prior period tax adjustment, interest sync , and income tax effect on other adjustments.	135,140		135,140
State Income Tax	77,307		77,307
Total	212,447		212,447

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO. 030438E1

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.
 Historical Year 12/31/2002
 Witness Mehrdad Khojasteh

Line No	Description	Federal	State	Total
1	Net Operating Income			1,990,724
2	Add Income Taxes			305,419
3	Deduct Interest Charges			1,334,293
4	Book Income	<u>961,850</u>	<u>961,850</u>	<u>961,850</u>
5	Adjustments to Taxable Income.			
6	EXCESS TAX DEPRECIATION	261,144	261,144	
7	UNRECOVERED PURCHASE POWER/GAS COST	(386,701)	(386,701)	
8	OUTSIDE AUDIT FEES	5,500	5,500	
9	ORDINARY LOSS ON ACRS PROPERTY	47,178	47,178	
10	COST OF REMOVAL-ADR PROPERTY	28,538	28,538	
11	CONSERVATION PROGRAM COSTS	(87,354)	(87,354)	
12	SELF INSURANCE RESERVE *	(484,888)	(484,888)	
13	TAXABLE CONTRIBUTIONS	(234,990)	(234,990)	
14	PENSION COSTS *	488,051	488,051	
15	VACATION PAY	(36,340)	(36,340)	
16	UNCOLLECTIBLES	19,545	19,545	
17	NONDEDUCTIBLE MEALS-CORPORATE *	(1,099)	(1,099)	
18	NONDEDUCTIBLE MEALS-OTHER	(6,379)	(6,379)	
19	LOSS ON REACQUIRED DEBT**	(8,941)	(8,941)	
20	MISC DEFERRAL (Dec. Proc. Int'l & Monster.com)*	(6,194)	(6,194)	
21	GENERAL LIABILITY **	(41,596)	(41,596)	
	STATE EXEMPTION		800	
	STATE TAXES	<u>77,307</u>		
22	TOTAL DEDUCTIONS	<u>(367,219)</u>	<u>(443,726)</u>	
23	Taxable Income as Adjusted	1,329,069	1,405,576	
24	Statutory Tax Rates	<u>34%</u>	<u>5.5%</u>	
25	Taxes at Statutory Rates	451,883	77,307	529,190
26	Deferred Taxes	<u>(277,982)</u>	<u>(37,586)</u>	<u>(315,568)</u>
27	Federal and State Income Tax Expense	173,901	39,721	213,622
28	Current & Deferred Tax Expense in Filing	<u>309,042</u>	<u>52,902</u>	<u>361,944</u>
29	Difference - Adjustments	<u>135,156</u>	<u>13,137</u>	<u>148,293</u>

Supporting Schedules C-42, C-44

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide the amount of interest expense used to calculate jurisdictional net operating income taxes on Schedule C-43. 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:
 Historical Year 12/31/2002

Witness: Mehrdad Khojasteh

AVERAGE	DOLLARS	COST RATE %	INTEREST EXPENSE
Long Term Debt	50,050,496	7.87%	3,938,974
Short-Term Debt	15,833,256	2.05%	324,582
Preferred Stock	600,000	4.75%	0
Common Equity	30,662,403	12.00%	0
Customer Deposits	1,552,316	6.00%	93,139
Deferred Taxes	3,850,318	0.00%	0
ITC at Zero Cost	2,417	0.00%	0
ITC at Overall Cost	308,899	8.21%	0
Total Capitalization	<u>102,860,104</u>		<u>4,356,695</u>
Electric Utility Rate Base	34,389,290		
Less: Electric Specific-Zero Cost Items	4,161,635		
Electric Rate Base Less Zero Cost	30,227,655		
Total Capitalization Less Electric Specific Zero Cost Items	98,698,470	Interest for Electric Utility	1,334,293

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438EI

EXPLANATION: Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers. Provide a copy of any existing tax-sharing agreements with affiliated companies.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Mehrdad Khojasteh

There are no specific tax benefits or detriments in filing a consolidated return versus individual company returns. There are no existing tax-sharing agreements with affiliated companies.

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

EXPLANATION: Provide a copy of the company's most recent consolidated Federal Income Tax Return, State Income Tax Return and most recent final IRS revenue agent's report.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Mehrdad Khojasteh

The Company's tax returns are available for staff review at the General Office Complex.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If year end rate base is used, provide on both a year end and 13 month average basis. If a projected test period is used, provide on both a projected and historical basis.

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.		Amount	Percent of Capital	Cost Rate	Weighted Cost
		\$	%	%	%
1.	LONG-TERM DEBT				
2.	SHORT-TERM DEBT				
3.	PREFERRED STOCK		NOT APPLICABLE		
4.	COMMON EQUITY				
5.	DEFERRED INCOME TAX				
6.	OTHER (SPECIFY)				
	TOTAL				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the requested miscellaneous tax information.

Type of Data Shown:
Historical Year Ended 12/31/2002
Prior Years Ended 1998 through 2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

1. For profit and loss purposes, which IRC section 1552 method is used for tax allocation? SECTION 1.1552-1(A)
2. What tax years are open with the IRS? 2002 FORWARD
3. Is the treatment of customer deposits at issue with the IRS? NO
4. For the last five tax years, what dollars were paid to or received from the parent for federal income taxes? NOT APPLICABLE
5. How were the amounts in (4) treated? NOT APPLICABLE
6. For each of the last five years, what was the dollar amount of interest deducted on the parent ONLY tax return? NOT APPLICABLE

7. Complete the following chart for the last five years:

	Income (loss)									
	Book Basis Year					Tax Basis Year				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Parent Only			NOT APPLICABLE					NOT APPLICABLE		
Applicant Only			NOT APPLICABLE					NOT APPLICABLE		
Total Group (1)	3,067,822	3,529,257	3,287,854	3,051,463	3,362,928	4,634,733	4,184,860	2,490,757	3,524,646	*
Total Group Excluding Parent & Applicant			NOT APPLICABLE					NOT APPLICABLE		

(1) FPUC CONSOLIDATED INCLUDES WHOLLY OWNED SUBSIDIARY, FLO-GAS CORPORATION. THE APPLICANT - MARIANNA AND FERNANDINA BEACH DIVISIONS -ARE OPERATING DIVISIONS OF FPUC
* 2002 INCOME TAX RETURN NOT COMPLETED AT THE TIME OF THIS FILING

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Details any profit or loss on reacquired bonds for the test year and prior year.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438E1

There are no gains or losses on required debt in 2001 or 2002.
There is no increase in Account 1890.

Supporting Schedules:

Recap Schedules:

GAINS AND LOSSES ON DISPOSITION OF PLANT OR PROPERTY

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division
DOCKET NO.: 030438EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Jim Mesite

Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended 12/31/87
-------------------------	---------------	---------------	---------------------------------	--------------------------	--------------------------	----------------------------	-------------------------------	---------------------------------	----------------	-----------------------------	--------------------------------------

No gains or losses in excess of \$1 million.

Supporting Schedules:

Recap Schedules:

O & M ADJUSTMENTS BY FUNCTION

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

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

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Mehrdad Khojasteh

Line No.	Function	(000) Adjustment	Explanation
	Production		
	Total Production		FOR ADJUSTMENTS AND EXPLANATIONS SEE SCHEDULES C-2, C-3, C-4, C-5, AND C-6.
	Other Power Supply		
	Transmission		
	Distribution		
	Customer Accounts		
	Customer Service and Information		
	Sales Expenses		
	Administrative & General		
	Total Administrative & General		
			TOTAL ADJUSTMENTS

REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation
of the revenue expansion factor for the
historic year.Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Witness: Mehrdad Khojasteh

DOCKET NO.: 030438E1

Line No.	Description	Percent
1.	Revenue Requirement	100.000
2.	Gross Receipts Tax Rate	2.500
3.	Regulatory Assessment Rate	0.07200
4.	Bad Debt Rate	0.1830
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>97.2450</u>
6.	State Income Tax Rate	5.5000
7.	State Income Tax (5) x (6)	<u>5.3485</u>
8.	Net Before Federal Income Tax (5) - (7)	<u>91.8965</u>
9.	Federal Income Tax Rate	34.0000
10.	Federal Income Tax (8) x (9)	<u>31.2448</u>
11.	Revenue Expansion Factor (8) - (10)	<u>60.6517</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u><u>1.6487584</u></u>

Supporting Schedules: C-25, C-42

Recap Schedules:

TRANSACTIONS WITH AFFILIATED COMPANIES

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438EI

EXPLANATION: Provide a schedule detailing transactions with affiliated companies and related parties for the test year, and the prior year if the test year is projected, including intercompany charges, licenses, contracts, and fees.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Mehrdad Khojasteh

Line No.	Name of Company or Related Party	Relation to Utility	Type of Service Provided or Received	Effective Contract Date	Charge or Credit During Year Amount	Amount Included in Test Year	Allocation Method Used to Allocate Charges Between Companies
1.							
2.							
3.							
4.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							
22.							
23.							
24.							
25.							
26.							
27.							

All transactions are allocated if they affect affiliated operations.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438E1

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

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Years 1998-2001
Witness: Mehrdad Khojasteh

	1998	1999	2000	2001	2002
SUMMARY OF EXPENSES (DOLLARS PER CUSTOMER)					
OTHER O & M EXPENSES SUMMARY					
Power Production Expense (1)					
Transmission Expense	2.18	4.19	2.95	4.33	2.21
Distribution Expense	71.27	68.78	77.04	80.01	75.34
Customer Account Expenses	37.34	34.17	39.22	40.51	39.78
Customer Service Expenses	7.74	5.56	8.35	10.44	10.26
Sales Expense	0.08	0.09	0.06	0.10	0.10
Administration & General Expenses	48.85	44.50	46.25	61.16	60.06
Total Other O & M Expenses	167.46	157.28	173.87	166.55	187.74
(1) Excludes Fuel & Purchased Power					
GROWTH INDICES					
Consumer Price Index	163.0	166.6	172.2	177.1	179.9
Average Customer	26,974	27,641	28,258	28,561	29,084
CPI Percent Increase	1.56%	2.21%	3.36%	2.85%	1.58%
Average Customer Percent Increase	2.23%	2.47%	2.23%	1.07%	1.83%
Index Percent CPI x Customer Growth	3.82%	4.73%	5.67%	3.95%	3.44%
Average Customer Increase	588	667	617	303	522
kWh Sales	701,665,923	716,493,552	706,724,013	724,395,401	743,638,233
Revenues (non-fuel) rounded in (000)	10,090	9,985	10,330	11,015	11,385
DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR:					
O & M Expense Less Fuel per KWH Sold	0.006438	0.006068	0.006952	0.007749	0.008036
Capital Cost per Installed Kilowatt of Capacity	n/a	n/a	n/a	n/a	n/a
Non-Fuel Revenue per KWH Sold	0.0144	0.0139	0.0146	0.0152	0.0153
ANNUAL PLANT ADDITIONS (DOLLARS PER ADDITIONAL CUSTOMER)					
ELECTRIC PLANT IN SERVICE					
Production Plant	-	-	-	-	-
Transmission Plant	389	376	364	355	347
Distribution Plant	3,221	3,140	3,069	3,034	2,979
General Plant	357	348	340	336	330
Total Electric Plant in Service	3,968	3,865	3,713	3,725	3,656
(Total Electric Plant in Service does not include Common Plant)					
AVERAGE NUMBER OF CUSTOMERS					
RS	10,967	11,314	11,702	12,008	12,307
GS	12,513	12,689	12,758	12,621	12,782
GSD	574	570	595	626	623
GSLD	10	11	11	12	13
OL	-	-	58	230	224
OL2	-	-	739	2,992	3,070
SL2	-	-	1	6	5
SL3	-	-	16	66	60
TOTAL	24,064	24,585	25,880	26,561	29,084

NON-UTILITY OPERATIONS UTILIZING UTILITY ASSETS

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown:
 Historical Year 12/31/2002
 Historical Prior Year 12/31/2001
 Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438EI

EXPLANATION: Provide an analysis of all non-utility operations such as orange groves, parking lots, etc. that utilized all or part of any utility plant.

(1) Line No.	(2) Account Number	(3) Description	(4) Original Purchase Cost	(5) Test Year Revenues (All Accts. 454)	(6) Expense Accounts	(7) Net Revenues	Allocation Method Used to Allocate Charges Between Companies
1.							
2.							
3.							
4.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.			NONE				
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							
22.							
23.							
24.							
25.							
26.							
27.							
28.							

Supporting Schedules:

Recap Schedules:

EARNINGS TEST

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a summary of the earnings test to determine to what extent CWIP should be included in the rate base along with a detail of assumptions. As a minimum, the data provided should show the impact on the utility's financial integrity indicators with and without the level of CWIP requested. This summary should clearly correlate with any requested attrition allowance.

Type of Data Shown:
Historical Year 12/31/2002
Historical Prior Year 12/31/2001
Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

All electric CWIP is included in rate base; none is charged to AFUDC.
The company requests the following CWIP be included in average rate base FOR THE YEARS 2002, 2003, and 2004.

2002

CONSOLIDATED ELECTRIC DIVISIONS 2,180,240

2003

CONSOLIDATED ELECTRIC DIVISIONS 609,866

2004

CONSOLIDATED ELECTRIC DIVISIONS 620,769

Schedule C-65

OUTSIDE PROFESSIONAL SERVICES

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected 1,000,000				Type of Data Shown Historical Year 12/31/2002		Witness: Mehrdad Khojasteh	
(CONSOLIDATED OPERATIONS)									
Line No	Type of Service	Vendor	Description of Service(s)	OT = One-Time C = Continuing	Contract Period	Account(s) Charged	Test Year Contract Cost	Electnc Utility	Expensed/ Capitalized
1	Accounting								
2		DELOITTE & TOUCHE	AUDIT	C	N/A	2420 300	157,525		
3		CROWE CHIZEK	RISK ASSESSMENT	C	N/A	1849 923	18,000		4010 9231
4		CROWE CHIZEK	INFORMATION TECH CONTROLS	C	N/A	1849 923	31,072		4010 9231
5	Financial								
6		KAUFMANN & ROSSIN	IMPAIRMENT TESTING	C	N/A	4010 923	13,495		4010 9233
7		DECISION PROCESSES INTL	STRATEGIC PLANNING	OT	N/A	1860 100	45,712		4010 9233
8		AON	ACTUARIAL-POST RETIRE PLAN	C	N/A	1849 923	9,031		4010 9233
9		DELOITTE & TOUCHE	PROPERTY TAX FILING	C	N/A	4010 923	555		4010 9233
10		SUNTRUST	BOND ISSUANCE	OT	N/A	1840 923	4,000		CAPITALIZED
11		CHRIS CANINO	NW FL PROPANE VALUATION	OT	N/A	1849 923	432		4010 9233
12		GULFSTREAM TAX GROUP	PROPERTY TAX VALUATION	OT	N/A	1849 923	2500		4010 9233
13		GRAU & COMPANY	PENSION AUDIT	C	N/A	1849 923	4000		4010 9233
14		GRAU & COMPANY	401K AUDIT	C	N/A	1849 923	2800		4010 9233
15	Engineering	ATLANTIC SECURITY	SECURITY MONITORING	OT	N/A	4010 923	428		4010 9233
16	Legal								
16		ARMSTRONG, TEASDALE	REVIEW EQUITY OFFERING	OT	N/A	1849 930	2,000		4010 9302
17		ARMSTRONG, TEASDALE	STOCK ISSUANCE COSTS	OT	N/A	1860 100	27,569		
18		MESSER, CAPARELLO & SELF	PETITION FILING-FPSC	C	N/A	4010 928& 910	2,911		4010 928& 910
19		MESSER, CAPARELLO & SELF	PETITION FILING-FPSC	C	N/A	4010 928& 910	467		4010 928& 910
20		MESSER, CAPARELLO & SELF	TREATMENT OF AUDIT PAPERS	OT	N/A	4010 928	1,400		4010 928
21		MESSER, CAPARELLO & SELF	PETITION FOR COST OF RECOVERY	OT		4010 814,928,910	2,287		4010 814,928,910
22		MESSER, CAPARELLO & SELF	REVIEW COR PETITION	OT		4010 928&910	1,138		4010 928&910
23		MESSER, CAPARELLO & SELF	SFNG ACQUISITION	OT		4010 8074&815	1,067		4010 8074&815
24		MESSER, CAPARELLO & SELF	EQUITY OFFERING	OT		1849 923	20		4010 9232
25		WAYNE SCHIEFELBEIN	TERRITORIAL-CITY GAS	OT	N/A	4010 928	255		4010 928
26		WAYNE SCHIEFELBEIN	TERRITORIAL-CITY GAS	OT		4010 928	1,050		4010 928
27		WAYNE SCHIEFELBEIN	TERRITORIAL-CITY GAS	OT		4010 928	315		4010 928
28		WAYNE SCHIEFELBEIN	AUDITOR INQUIRY LETTER	OT		1849 923	30		4010 9232
29		WAYNE SCHIEFELBEIN	REVIEW-AUDIT INQ LETTER	OT		1849 923	585		4010 9232
30		ROSE, SUNDSTROM & BENTLEY	TERRITORIAL & SERVICE AGREEMENT	OT	N/A	4010 928	480		4010 928
31		ROSE, SUNDSTROM & BENTLEY	REVIEW TERRITORIAL AGREEMENT	OT		4010 928	753		4010,928
32		ROSE, SUNDSTROM & BENTLEY	TERRITORIAL & SERVICE AGREEMENT	OT		4010 928	1,020		4010,928
33		ROSE, SUNDSTROM & BENTLEY	RESPONSE TO AUDIT LETTER	OT		1849 923	75		4010 9232
34		ROSE, SUNDSTROM & BENTLEY	RESPONSE TO AUDIT LETTER	OT		1849 923	90		4010 9232
35		KILPATRICK STOCKTON	WPB gas plant site	OT	N/A	1860 100	4,253		
36		AKERMAN, SENTERFITT & EIDSON	STOCK OPT PLAN & REVIEW	OT	N/A	1849 926	6,142		4010 9262
37		AKERMAN, SENTERFITT & EIDSON	REVIEW SETTLEMENT TRANSEASTERN	OT	N/A	1070& 1849 9232	1,393		4010 9232
38		AKERMAN, SENTERFITT & EIDSON	REVIEW SECURITY FILINGS	OT	N/A	1849 923	992		4010 9232
39		AKERMAN, SENTERFITT & EIDSON	DUPLICATION OF 2001 BONDS	OT	N/A	1849 923	371		4010 9232
40		AKERMAN, SENTERFITT & EIDSON	DUPLICATION OF 2001 BONDS	OT		1849 923	339		4010 9232
41		AKERMAN, SENTERFITT & EIDSON	REVIEW SECURITY FILINGS	OT		1849 923	2,054		4010 9232
42		AKERMAN, SENTERFITT & EIDSON	Z-GAS EASEMENT	OT		1849 923	113		4010 9232
43		AKERMAN, SENTERFITT & EIDSON	REVIEW SECURITY FILINGS	OT		1849 923	1,316		4010 9232
44		AKERMAN, SENTERFITT & EIDSON	REVIEW SETTLEMENT TRANSEASTERN	OT		1849 9232 & 9302	1,371		4010 9232& 9302
45		AKERMAN, SENTERFITT & EIDSON	RESEARCH DOG BITE EXP	OT		1849 923	1,312		4010 9232
46		AKERMAN, SENTERFITT & EIDSON	SEC RESEARCH & ANNUAL RPT	OT		4010 874& 9232	1,110		4010 874& 9232
47		AKERMAN, SENTERFITT & EIDSON	GENERAL LABOR & EMPLOYMENT	OT		1849 923	528		4010 9232
48		AKERMAN, SENTERFITT & EIDSON	REVIEW SECURITY FILINGS	OT		1849 903	3,000		4010 9032
49		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	C		1860 100	4,776		
50		AKERMAN, SENTERFITT & EIDSON	Georgia transformer clean-up	C		1860 100	21		

Schedule C-65

OUTSIDE PROFESSIONAL SERVICES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438E1

EXPLANATION: Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected 1,000,000

Type of Data Shown:
 Historical Year 12/31/2002

Witness Mehrdad Khojasteh

Line No	Type of Service	Vendor	Description of Service(s)	OT = One-Time		Account(s) Charged	Test Year Contract Cost	Electric Utility	Expensed/Capitalized	
				C = Continuing	Contract Period					
51		AKERMAN, SENTERFITT & EIDSON	WPB gas plant site	C		1860 100	178			
52		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860 100	20,952			
53		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860,100	29,298			
54		AKERMAN, SENTERFITT & EIDSON	Propane acquisition	OT		1860,100	1,970			
55		AKERMAN, SENTERFITT & EIDSON	WPB gas plant site	C		1860,100	1,297			
56		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	C		1860,100	3,371			
57		AKERMAN, SENTERFITT & EIDSON	Bond financing	OT		1860 100	32,050		CAPITALIZED	
58		AKERMAN, SENTERFITT & EIDSON	Propane acquisition	OT		1860 100	1,167			
59		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860,100	596			
60		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860 100	3,365			
61		AKERMAN, SENTERFITT & EIDSON	WPB gas plant site	OT		1860 100	1,188			
62		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	3,454			
63		AKERMAN, SENTERFITT & EIDSON	Bond financing	OT		1860 100	1,039		CAPITALIZED	
64		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	1,919			
65		AKERMAN, SENTERFITT & EIDSON	Propane acquisition	OT		1860 100	994			
66		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	6,029			
67		AKERMAN, SENTERFITT & EIDSON	Pensacola gas plant site	OT		1860 100	280			
68		AKERMAN, SENTERFITT & EIDSON	WPB gas plant site	OT		1860 100	302			
69		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860 100	1,582			
70		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	483			
71		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	5,127			
72		AKERMAN, SENTERFITT & EIDSON	WPB gas plant site	OT		1860 100	273			
73		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860 100	1,301			
74		AKERMAN, SENTERFITT & EIDSON	Bond financing	OT		1860 100	205		CAPITALIZED	
75		AKERMAN, SENTERFITT & EIDSON	Propane acquisition	OT		1860 100	747			
76		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	3,500			
77		AKERMAN, SENTERFITT & EIDSON	MGP Site insurance Carner exp	OT		1860 100	275			
78		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	8,921			
79		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	342			
80		AKERMAN, SENTERFITT & EIDSON	Atlantic Acquisition	OT		1860 100	572			
81		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	482			
82		AKERMAN, SENTERFITT & EIDSON	Sanford gas plant site	OT		1860 100	3,486			
83		AKERMAN, SENTERFITT & EIDSON	Bond financing	OT		1860 100	578		CAPITALIZED	
84		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	1,122			
85		AKERMAN, SENTERFITT & EIDSON	Bond financing	OT		1860 100	1,173		CAPITALIZED	
86		AKERMAN, SENTERFITT & EIDSON	Sale of Deland	OT		1860 100	520			
87		AKERMAN, SENTERFITT & EIDSON	SALE OF DISC. OPERATIONS	OT		1860 100	1,240			
88		AKERMAN, SENTERFITT & EIDSON	EQUITY OFFERING	OT		1860 100	261			
89		AKERMAN, SENTERFITT & EIDSON	NATURE COAST ACQUISITION	OT		1860 100	11,597			
90		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT	N/A	4010 923	1,398		4010,9232	
91		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	600		4010 9232	
92		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	1,133		4010 9232	
93		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		1849 923	272		4010 9232	
94		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	1,469		4010 9232	
95		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	285		4010 9232	
96		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	213		4010 9232	
97		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		4010 923	289		4010 9232	
98		ELARBEE THOMPSON & TRAPNELL	LABOR & EMPLOYMENT	OT		1849 923	600		4010 9232	
99		DOWNEY & DOWNEY	MORTGAGE & DEED OF TRUST	OT	N/A	1849 923	250		4010 9232	
100		DOWNEY & DOWNEY	OPINION LETTER	OT		1849 923	250		4010 9232	
101		RUDEN, MCCLOSKEY, SMITH	SUNTRUST ATTY FEE & CR AGRMT	OT	N/A	1849 923	590		4010 9232	
102		COHEN, CONWAY, COPELAND	1st UNION NATL vs FPUC	OT		4010 923	1,200		4010 9232	
103		ANDREW HELGESEN	1st UNION NATL vs FPUC	OT		4010 923	917		4010 9232	
104		ANDREW HELGESEN	1st UNION NATL vs FPUC	OT		4010 923	733		4010 9232	
TOTAL OUTSIDE PROFESSIONAL							\$525,548	\$0		

Supporting Schedules

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning cost for the test year, and the prior year if the test year is projected.

Type of Data Shown:
Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

Witness: Mehrdad Khojasteh

Line No.	Description	Historic Year 2002 (CONSOLIDATED OPERATIONS)
1.	Service Cost	895,888
2.	Interest Cost	1,818,276
3.	Actual Return on Assets	(2,800,350)
4.	Net Amortization and Deferral	(787,137)
5.	Amortization of Prior Service Cost	714,353
6.	Total Net Periodic Pension Cost	(158,970)
7.		
8.	For the Year:	
9.	Expected Return on Assets	8.50%
10.	Assumed Rate of Return on Plan Assets	8.50%
11.	Amortization of Transition Asset or Obligation	0
12.	Percent of Pension Cost Capitalized	LESS THAN 1% (.11%)
13.	Pension Cost Recorded in Account 926	121,917
14.	Minimum Required Contribution Per IRS	0
15.	Maximum Allowable Contribution Per IRS	0
16.	Actual Contribution Made to the Trust Fund	0
17.	Actuarial Attribution Approach Used for Funding	PROJECTED UNIT CREDIT
18.	Assumed Discount Rate for Computing Funding	6.75%
19.	Allocation Method Used to Assign Costs if the Utility is Not the Sole Participant in the Plan. Attach the Relevant Procedures.	N/A
20.		
21.		
22.	At Year End:	
23.	Accumulated Benefit Obligation	(23,618,894)
24.	Projected Benefit Obligation	(28,283,326)
25.	Vested Benefit Obligation	(21,761,609)
26.	Assumed Discount Rate (Settlement Rate)	6.75%
27.	Assumed Rate For Salary Increases	4.00%
28.	Fair Value of Plan Assets	26,953,318
29.	Market Related Value of Assets	26,953,318
30.	Balance in Working Capital (Specify Account No.)	N/A

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
SCHEDULE D – COST OF CAPITAL SCHEDULES

AUGUST 2003

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI
MINIMUM REQUIREMENTS INDEX

COST OF CAPITAL SCHEDULES

<u>SCHEDULE NO.</u>	<u>TITLE</u>	<u>PAGE NUMBER</u>
D-1a	COST OF CAPITAL - 13-MONTH AVERAGE and YEAR END	1
D-2	COST OF CAPITAL ELEMENTS - HISTORY AND PROJECTED	5
D-3a	SHORT-TERM DEBT	6
D-4a	LONG-TERM DEBT OUTSTANDING	7
D-7	PREFERRED STOCK OUTSTANDING	8
D-8	CUSTOMER DEPOSITS	9
D-9	COMMON STOCK DATA	12
D-10a	FINANCIAL PLANS - STOCKS AND BOND ISSUES	13
D-11a	FINANCIAL INDICATORS - SUMMARY	14

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historic base year

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISIONHistorical Year Ended 12/31/02
Projected Test Year Ended 12/31/04
Prior Year Ended 12/31/03

DOCKET NO 030438-EI

Witness: Bachman; Camfield

Line No.	(A) Company Total Class of Capital Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate
2002 CAPITAL STRUCTURE AND COST RATE									
	Long Term Debt	50,050,496		50,050,496	0.30	14,773,770	42.96%	7.87%	3.38%
	Short-Term Debt	15,833,256		15,833,256	0.30	4,673,618	13.59%	2.05%	0.28%
	Preferred Stock	600,000		600,000	0.30	177,106	0.52%	4.75%	0.02%
	Common Equity	30,662,403		30,662,403	0.30	9,050,845	26.32%	12.00%	3.16%
	Customer Deposits	1,552,316		1,552,316		1,552,316	4.51%	6.00%	0.27%
	Deferred Taxes	3,850,318		3,850,318		3,850,318	11.20%	0.00%	0.00%
	ITC at Zero Cost	2,417		2,417		2,417	0.01%	0.00%	0.00%
	ITC at Overall Cost	308,899		308,899		308,899	0.90%	8.21%	0.07%
	Total	102,860,104		102,860,104		34,389,290	100.0%		7.19%

CONVENTIONAL CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

Capital Vehicle	Amounts	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	50,050,496	51.52%	7.87%	4.05%
Short-Term Debt	15,833,256	16.30%	2.05%	0.33%
Preferred Stock	600,000	0.62%	4.75%	0.03%
Common Equity	30,662,403	31.56%	12.00%	3.79%
Total	97,146,154	100.00%		8.21%

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historic base year.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION

Historical Year Ended 12/31/02
Projected Test Year Ended 12/31/04
Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate
PRIOR YEAR 2003 CAPITAL STRUCTURE AND COST RATE										
	Long Term Debt	50,144,629			50,144,629	0.32	15,948,920	44.30%	7.87%	3.49%
	Short-Term Debt	5,791,000			5,791,000	0.32	1,841,876	5.12%	2.22%	0.11%
	Preferred Stock	600,000			600,000	0.32	190,835	0.53%	4.75%	0.03%
	Common Equity	40,075,011			40,075,011	0.32	12,746,194	35.40%	12.00%	4.25%
	Customer Deposits	1,556,282			1,556,282		1,556,282	4.32%	6.00%	0.26%
	Deferred Taxes	3,458,323			3,458,323		3,458,323	9.61%	0.00%	0.00%
	ITC at Zero Cost	2,485			2,485		2,485	0.01%	0.00%	0.00%
	ITC at Overall Cost	256,606			256,606		256,606	0.71%	9.23%	0.07%
	Total	101,884,337			101,884,337		36,001,522	100.0%		8.20%

CONVENTIONAL CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

Capital Vehicle	Amounts	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	50,144,629	51.90%	7.87%	4.08%
Short-Term Debt	5,791,000	5.99%	2.22%	0.13%
Preferred Stock	600,000	0.62%	4.75%	0.03%
Common Equity	40,075,011	41.48%	12.00%	4.98%
Total	96,610,640	100.00%		9.23%

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historic base year.

COMPANY FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION

DOCKET NO: 030438-EI

Type of Data Shown:
Historical Year Ended 12/31/02
Projected Test Year Ended 12/31/04
Prior Year Ended 12/31/03

Witness: Bachman, Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate
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TEST YEAR: 2004 CAPITAL STRUCTURE AND COST RATE

Long Term Debt	50,086,856				50,086,856	0.33	16,520,339	41.47%	7.87%	3.26%
Short-Term Debt	-				-	-	-	0.00%	3.21%	0.00%
Preferred Stock	600,000				600,000	0.33	197,900	0.50%	4.75%	0.02%
Common Equity	55,051,146				55,051,146	0.33	18,157,729	45.58%	12.00%	5.47%
Customer Deposits	1,330,347				1,330,347		1,330,347	3.34%	6.00%	0.20%
Deferred Taxes	3,449,838				3,449,838		3,449,838	8.66%	0.00%	0.00%
ITC at Zero Cost	2,308				2,308		2,308	0.01%	0.00%	0.00%
ITC at Overall Cost	182,409				182,409		182,409	0.46%	10.00%	0.05%
Total	110,702,903				110,702,903		39,840,869	100.0%		9.00%

CONVENTIONAL CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

Capital Vehicle	Amounts	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	50,086,856	47.37%	7.87%	3.73%
Short-Term Debt	-	0.00%	3.21%	0.00%
Preferred Stock	600,000	0.57%	4.75%	0.03%
Common Equity	55,051,146	52.06%	12.00%	6.25%
Total	105,738,002	100.00%		10.00%

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

Historical Year Ended 12/31/02

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

Projected Test Year Ended 12/31/04

Prior Year Ended 12/31/03

CONSOLIDATED ELECTRIC DIVISION

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
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Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '02, Prior Year, or '04 Test Year capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '02, Prior Year, or '04 Test Year capital structure or cost rates

COST OF CAPITAL ELEMENTS - HISTORY AND PROJECTED

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION: Provide the company's year-end capital structure and embedded cost rates for fixed cost capital as reported in the annual report for the past 10 calendar years.

Type of Data Shown:
 Historical Years 2000-2002
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman; Camfield

DOCKET NO: 030438-EI

	Amount	% of Total	Cost Rate		Amount	% of Total	Cost Rate
<u>2000</u>	<u>In 000's</u>			<u>2003</u>	<u>In 000's</u>		
Long Term Debt	23,500	33.8%	9.52%	Long Term Debt	52,500	51.9%	7.51%
Short Term Debt	17,900	25.8%		Short Term Debt	5,245	5.2%	
Preferred Stock	600	0.9%	4.75%	Preferred Stock	600	0.6%	4.75%
Common Equity	27,510	39.6%		Common Equity	42,824	42.3%	
Total	69,510	100%		Total	101,169	100%	
<u>2001</u>				<u>2004</u>			
Long Term Debt	52,500	51.0%	7.51%	Long Term Debt	52,500	48.5%	7.51%
Short Term Debt	20,430	19.9%		Short Term Debt	-	0.0%	
Preferred Stock	600	0.6%	4.75%	Preferred Stock	600	0.6%	4.75%
Common Equity	29,329	28.5%		Common Equity	55,051	50.9%	
Total	102,859	100%		Total	108,151	100%	
<u>2002</u>							
Long Term Debt	52,500	50.9%	7.51%				
Short Term Debt	19,183	18.6%					
Preferred Stock	600	0.6%	4.75%				
Common Equity	30,883	29.9%					
Total	103,166	100%					

NOTE: Percent Rate for Long-Term Debt, As Shown for All Years, Reflects the Stated Coupon Rate, Not the Net Cost Rate of Long Term Debt to Florida Public Utilities. The Net Cost Rate is 36 Basis Points Above the Coupon Rate.

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION
 DOCKET NO: 030438-EI

EXPLANATION. 1) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historic base year
 2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman, Camfield

Timeframe	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year (000)	Weighted Average Cost of Short-term Debt
2002	Apr-03	2.05%	\$324,582	\$15,833,256	2.05%
2003	N/A	2.22%	\$128,570	\$5,791,000	2.22%
2004	N/A	3.21%	\$73,134	\$2,278,077	3.21%

NOTE: Interest Cost Rate and Interest Expense For '04 Is Stated On A Basis of 13-month Average, Not Year-End, As Used For The Determination of Retail Rates In the Immediate Docket

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION. Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historic base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman; Camfield

DOCKET NO: 030438-EI

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Unamort. Issuing Expense & Loss on Reacquired Debt Associated With (6)
1.	9.57%	5/1/1988	5/1/2018	\$10,000,000	\$10,000,000	N/A	\$180,273	30	\$7,211	\$957,000	\$964,211	N/A	\$7,211
2.													
3.	10.03%	5/1/1988	5/1/2018	\$5,500,000	\$5,500,000	N/A	\$97,070	30	\$3,883	\$551,650	\$555,533	N/A	\$3,883
4.													
5.	9.08%	6/1/1992	6/1/2022	\$8,000,000	\$8,000,000	N/A	\$122,348	30	\$4,067	\$726,400	\$730,467	N/A	\$4,067
6.													
7.	8.85%	10/1/2001	10/1/2031	\$15,000,000	\$15,000,000	N/A	\$1,208,670	30	\$38,978	\$1,027,500	\$1,066,478	N/A	\$196,977
8.													
9.	4.90%	11/1/2001	11/1/2031	\$14,000,000	\$14,000,000	N/A	\$804,783	30	\$41,939	\$686,000	\$727,939	N/A	\$229,787
10.													
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	N/A	\$2,413,144	N/A	\$96,078	\$3,948,550	\$4,044,628	N/A	\$441,924
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$441,924								
22.	Net				\$52,058,076								
23.	Embedded Cost of Long-term Debt (12) / Net				<u>7.77%</u>								

NOTE: Values Shown Herein Are For the Year Ending 2002. The Cost Rate for Long-Term Debt Utilized In the Filing Is Determined on a Discounted Basis, Which Obtains the Modestly Higher Value of 7.87%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman; Camfield

DOCKET NO 030438-EI

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
For Historical Test Year 2002												
1	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
2	Preferred Stock											
3												
4	For Prior Year '03											
5	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
6												
7												
8	For Year-End Projected Test Year '04											
9	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
10	Preferred Stock											
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21	Total			\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
22	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION:

Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00% (000)	(4) Active Customer Deposits at 7.00% (000)	(5) Inactive Customer Deposits (000)	(6) Total Deposits (3)+(4)+(5) (000)	(7) Interest Payment (3) * 6% / 12 (000)	(8) Interest Payment (4) * 7% / 12 (000)	(9) Total Interest (7) + (8) (000)	(10) Actual Payments and Credits on Bills (000)
Historical Year Ended 12/31/02									
1.	\$1,428,600	\$1,429			\$1,429	\$7.143		\$7.143	
2.	\$1,434,890	\$1,435			\$1,435	\$7.174		\$7.174	
3.	\$1,473,675	\$1,474			\$1,474	\$7.368		\$7.368	
4.	\$1,498,298	\$1,498			\$1,498	\$7.491		\$7.491	
5.	\$1,521,435	\$1,521			\$1,521	\$7.607		\$7.607	
6.	\$1,556,457	\$1,556			\$1,556	\$7.782		\$7.782	
7.	\$1,563,263	\$1,563	N/A	N/A	\$1,563	\$7.816	N/A	\$7.816	N/A
8.	\$1,576,021	\$1,576			\$1,576	\$7.880		\$7.880	
9.	\$1,574,474	\$1,574			\$1,574	\$7.872		\$7.872	
10.	\$1,561,306	\$1,561			\$1,561	\$7.807		\$7.807	
11.	\$1,649,349	\$1,649			\$1,649	\$8.247		\$8.247	
12.	\$1,658,117	\$1,658			\$1,658	\$8.291		\$8.291	
13.	\$1,684,218	\$1,684			\$1,684	\$8.421		\$8.421	
Average	\$1,552,316	\$1,552			\$				
			12-Month Total		\$18,752	\$93.758		\$93.758	
		Effective Interest Rate 12 Month Interest Expense (9) divided the average of Total Deposits (6)			6.00%				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION:

Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00% (000)	(4) Active Customer Deposits at 7.00% (000)	(5) Inactive Customer Deposits (000)	(6) Total Deposits (3)+(4)+(5) (000)	(7) Interest Payment (3) * 6% / 12 (000)	(8) Interest Payment (4) * 7% / 12 (000)	(9) Total Interest (7) + (8) (000)	(10) Actual Payments and Credits on Bills (000)
Prior Year Ended 12/31/03									
1.	\$1,684,218	\$1,684			\$1,684	\$8.421		\$8.421	
2.	\$1,681,844	\$1,682			\$1,682	\$8.409		\$8.409	
3.	\$1,686,322	\$1,686			\$1,686	\$8.432		\$8.432	
4.	\$1,682,495	\$1,682			\$1,682	\$8.412		\$8.412	
5.	\$1,579,701	\$1,580			\$1,580	\$7.899		\$7.899	
6.	\$1,476,650	\$1,477			\$1,477	\$7.383		\$7.383	
7.	\$1,480,342	\$1,480	N/A	N/A	\$1,480	\$7.402	N/A	\$7.402	N/A
8.	\$1,484,043	\$1,484			\$1,484	\$7.420		\$7.420	
9.	\$1,487,753	\$1,488			\$1,488	\$7.439		\$7.439	
10.	\$1,491,472	\$1,491			\$1,491	\$7.457		\$7.457	
11.	\$1,495,201	\$1,495			\$1,495	\$7.476		\$7.476	
12.	\$1,498,939	\$1,499			\$1,499	\$7.495		\$7.495	
13.	\$1,502,686	\$1,503			\$1,503	\$7.513		\$7.513	
Average	\$1,556,282	\$1,556			\$				
12-Month Total					<u>\$18,547</u>	<u>\$92.737</u>		<u>\$92.737</u>	
Effective Interest Rate 12 Month Interest Expense (9) divided the average of Total Deposits (6)					<u>6.00%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00% (000)	(4) Active Customer Deposits at 7.00% (000)	(5) Inactive Customer Deposits (000)	(6) Total Deposits (3)+(4)+(5) (000)	(7) Interest Payment (3) * 6% / 12 (000)	(8) Interest Payment (4) * 7% / 12 (000)	(9) Total Interest (7) + (8) (000)	(10) Actual Payments and Credits on Bills (000)
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Projected Test Year Ended 12/31/04

1.	\$1,502,686	\$1,503			\$1,503	\$7.513		\$7.513	
2.	\$1,506,443	\$1,506			\$1,506	\$7.532		\$7.532	
3.	\$1,510,209	\$1,510			\$1,510	\$7.551		\$7.551	
4.	\$1,513,985	\$1,514			\$1,514	\$7.570		\$7.570	
5.	\$1,410,770	\$1,411			\$1,411	\$7.054		\$7.054	
6.	\$1,307,297	\$1,307			\$1,307	\$6.536		\$6.536	
7.	\$1,310,565	\$1,311	N/A	N/A	\$1,311	\$6.553	N/A	\$6.553	N/A
8.	\$1,313,841	\$1,314			\$1,314	\$6.569		\$6.569	
9.	\$1,317,126	\$1,317			\$1,317	\$6.586		\$6.586	
10.	\$1,320,419	\$1,320			\$1,320	\$6.602		\$6.602	
11.	\$1,323,720	\$1,324			\$1,324	\$6.619		\$6.619	
12.	\$1,327,029	\$1,327			\$1,327	\$6.635		\$6.635	
13.	\$1,330,347	\$1,330			\$1,330	\$6.652		\$6.652	

Average	\$1,384,187	\$1,384			\$				
			12-Month Total		\$16,492	\$82,459		\$82,459	

Effective Interest Rate
 12 Month Interest
 Expense (9) divided the average
 of Total Deposits (6) 6.00%

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR

Type of Data Shown
 Historical Years 1998-2002
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness Bachman; Camfield

DOCKET NO. 030438-EI

Line No.		1998 Year	1999 Year	2000 Year	2001 Year	2002 Year
1.	Pre-tax Interest Coverage Ratio (x)	2.63	2.63	2.03	1.84	1.72
2.	Earned Returns on Average Book Equity (%)	11.30%	13.09%	12.21%	10.64%	11.08%
3.	Book Value/Share (\$)	\$6.74	\$6.70	\$7.10	\$7.48	\$7.78
4.	Dividends/Share (\$)	\$0.47	\$0.50	\$0.53	\$0.55	\$0.57
5.	Earnings/Share (\$)	\$0.77	\$0.88	0.87	0.8	0.86
6.	Market Value/Share (\$)	14.53	18.22	16.32	11.83	13.93
7.	Market/Book Ratio (%)	2.16	2.72	2.30	1.58	1.79
8.	Price/Earning Ratio (6) / (5)	18.87	20.78	18.75	14.79	16.19
9.	Book Value in dollars	26,905,500	26,744,000	26,688,000	28,419,500	30,106,000
10.	Average Shares Outstanding	3,990,584	3,994,295	3,759,347	3,801,740	3,871,019
11.	Dividends	1,875,575	1,997,148	1,992,454	2,090,957	2,206,481
12.	Earnings for Common Stock	3,039,000	3,500,500	3,259,500	3,023,500	3,334,500

Supporting Schedules:

Recap Schedules

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION
 DOCKET NO: 030438-EI

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.
 2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions.
 Provide a statement of the Company's policy on the timing of the entrance into capital markets.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman; Camfield

Financing Plans for the Year Ending 2004

Line No.	Type of Issue	Date of Issue/ Retirement	For Bonds			For Stock		Issue Costs (Thousands)	Principal Amount (Thousands)
			Capitalization (Thousands)	Interest Rate	Life in Years	No. of Shares	Market Price		
	Common Stock	Jul-04				800000	15 00	2,140	\$11,000,000

Capital Structure Objectives.

	Percent of Total
Long-term Debt	42 - 52%
Short-term Debt	0 - 5%
Preferred Stock	0 - 1%
Common Equity	48 - 52%

Interest Rate Assumptions.

Short- and Long-Term Interest Rates Will Remain At Historically Low Levels Through 2004, But Rise Gradually Thereafter. The Potential For Substantially Higher Inflation and Interest Rates Is Great Beyond 2005

Company's Policy on the Timing of Entrance into Capital Markets

The Company Will Utilize Short-Term Vehicles When Short-Term Rates Are Low. However, the Company Is Limited In Its Choice of Financing Vehicles, and Sometimes Must Use Long-Term Vehicles When Short-Term Balances Are At High Levels

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION
 DOCKET NO: 030438-EI

EXPLANATION: Provide financial indicators
 for the test year under current and
 proposed rates, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness:
 Bachman; Camfield

Line No.	Indicator	Historic Base Year (000's)	Prior Year (000's)	Test Year Current Rates (000's)	Test Year Proposed Rates (000's)
	Interest Coverage Ratios:				
	Including AFUDC in Income Before Interest Charges	N/A	N/A	N/A	N/A
	Excluding AFUDC in Income Before Interest Charges	1.79	2.03	2.49	-
	AFUDC as a percent of Income Available for Common	N/A	N/A	N/A	N/A
	Percent of Construction Funds Generated Internally	51.7%	46.1%	74.2%	
	Fixed Charges:				
	Interest	4,338	4,006	4,034	4,034
	Lease Payments	N/A	N/A	N/A	N/A
	Sinking Funds Payments	0	0	0	0
	Tax on Sinking Fund Payments	0	0	0	0
	Ratio of Earnings to Fixed Charges				
	Including AFUDC	N/A	N/A	N/A	N/A
	Excluding AFUDC	0.78	0.65	0.25	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC DIVISION

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030438-EI

MINIMUM FILING REQUIREMENTS
SCHEDULE C-59 -- PROJECTED 1994 TEST YEAR
REVENUE REQUIREMENT SCHEDULES

AUGUST 2003

FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO. 030438-EI
MINIMUM REQUIREMENTS INDEX

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REVENUE REQUIREMENT SCHEDULES

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FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:
 Prior Year Ended 12/31/03
 Witness: Jim Mesite

2003											
Line No.	Account No.	Account Name	Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003	(1) 13 MONTH AVERAGE	(2) PROPOSED COMPANY ADJUSTMENTS ALLOCATE TO PROPANE	(3) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	(4) REFERENCE RB / WC / CS / ORP / NEU
1		<u>ASSETS AND OTHER DEBITS</u>									
2											
3		<u>UTILITY PLANT</u>									
4	1010	PLANT IN SERVICE	60,571,468	60,571,468	60,571,468	60,571,468	60,571,468	60,571,468	(22,742)	60,548,726	RB
5	1070	CWIP	610,789	610,789	610,789	610,789	610,789	610,789	(923)	609,866	RB
6	1080	PLANT RESERVE	(25,916,262)	(25,916,262)	(25,916,262)	(25,916,262)	(25,916,262)	(25,916,262)	13,579	(25,902,683)	RB
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,514,213	1,514,213	1,514,213	1,514,213	1,514,213	1,514,213		1,514,213	RB
8	1190	ALLOCATED COMMON PLANT RESERVE	(361,768)	(361,768)	(361,768)	(361,768)	(361,768)	(361,768)		(361,768)	RB
9	1070	ALLOCATED COMMON CWIP	7,130	7,130	7,130	7,130	7,130	7,130		7,130	RB
10											
11		<u>OTHER PROPERTY AND INVESTMENTS</u>									
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,074	3,074	3,074	3,074	3,074	3,074	(1)	3,073	CS
13											
14		<u>CURRENT AND ACCRUED ASSETS:</u>									
15	1310, 1340	CASH & DEPOSITS	1,777,686	1,777,686	1,777,686	1,777,686	1,777,686	1,777,686		1,777,686	RB, WC
16	1310.4	LOCAL CASH	-	-	-	-	-	-		-	RB, WC
17	1350	WORKING FUNDS	5,000	5,000	5,000	5,000	5,000	5,000		5,000	RB, WC
18	1420, 1430	ACCOUNTS RECEIVABLE	3,301,478	3,301,478	3,301,478	3,301,478	3,301,478	3,301,478		3,301,478	RB, WC
19	1440	PROVISION FOR UNCOLLECTIBLE	(96,127)	(96,127)	(96,127)	(96,127)	(96,127)	(96,127)		(96,127)	RB, WC
20	1630	STORES EXPENSE	-	-	-	-	-	-		-	RB, WC
21	1540	MATERIALS AND SUPPLIES	880,904	880,904	880,904	880,904	880,904	880,904		880,904	RB, WC
22	1650.2, 4, 5	PREPAYMENTS - INSURANCE	203,771	203,771	203,771	203,771	203,771	203,771		203,771	RB, WC
23	1650.3	PREPAYMENTS - PENSIONS	760,708	760,708	760,708	760,708	760,708	760,708		760,708	RB, WC
24	1730	UNBILLED REVENUES	498,595	498,595	498,595	498,595	498,595	498,595		498,595	RB, WC
25	1840.7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	-	-		-	RB, WC
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL	-	-	-	-	-	-		-	RB, WC
27	1850	TEMPORARY FACILITIES	6,748	6,748	6,748	6,748	6,748	6,748		6,748	RB, WC
28											
29		<u>DEFERRED DEBITS:</u>									
30	1860	DEFERRED DEBITS - OTHER	36,217	36,217	36,217	36,217	36,217	36,217		36,217	RB, WC
31	1860	DEFERRED DEBITS - RATE CASE EXPENSE	182,216	182,216	182,216	182,216	182,216	182,216		182,216	RB, WC
32	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	-	-	-	-	-	-		-	RB, WC
33	1860	DEFERRED DEBITS - CONSERVATION	-	-	-	-	-	-		-	RB, WC
34	1860	DEFERRED DEBITS - COMMON	24,271	24,271	24,271	24,271	24,271	24,271		24,271	RB, WC
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	749,390	749,390	749,390	749,390	749,390	749,390	(246)	749,144	CS
36	1900	ACCUMULATED DEF TAXES	221,399	221,399	221,399	221,399	221,399	221,399		221,399	CS
37											
38		TOTAL ASSETS AND OTHER DEBITS	44,980,900	44,980,900	44,980,900	44,980,900	44,980,900	44,980,900	(10,333)	44,970,567	-

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Prior Year Ended 12/31/03

Witness: Jim Mesite

2003

Line No.	Account No.	Account Name	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003	Jul 2003
40		<u>LIABILITIES AND OTHER CREDITS</u>								
41										
42		<u>PROPRIETARY CAPITAL:</u>								
43	2040	PREFERRED STOCK - ALLOCATED	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)
44	2010	COMMON STOCK - ALLOCATED	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)
45	2160	UNAPPROP RETAINED EARNINGS - ALLOCATED	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)
46	2070	PREM ON COMMON STK - ALLOCATED	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)
47	2110	MISC PAID IN CAPITAL - ALLOCATED	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	136,169	136,169	136,169	136,169	136,169	136,169	136,169	136,169
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628
50										
51		<u>LONG TERM DEBT:</u>								
52	2210	BONDS - ALLOCATED	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)
53										
54		<u>OTHER NONCURRENT LIABILITIES:</u>								
55										
56		<u>CURRENT AND ACCRUED LIABILITIES:</u>								
57	2320	ACCOUNTS PAYABLE - FUEL	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)
58	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)
59	2320.8	SALARIES & WAGES PAYABLE	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)
60	2320	OTHER - ACCOUNTS PAYABLE	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)
61	2380	DIVIDENDS DECLARED - PREFERRED	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)
62	2410	TAX COLLECTIONS PAYABLE	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)
63	2410	TAX COLLECTIONS PAYABLE	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)
64	2280.3n	MED. INS. RESERVE	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)
65	2280.2n	INSURANCE RESERVE	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)
66	2280.11	STORM DAMAGE RESERVE	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)
67	2360	TAXES ACCRUED - AD VALOREM	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)
68	2360	TAXES ACCRUED - GROSS RECEIPTS	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)
69	2360	TAXES ACCRUED - FPSC ASSESSMENT	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)
70	2360	TAXES ACCRUED - UNEMPLOY & FICA	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)
71	2360	TAXES ACCRUED - INCOME TAXES	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)
72	2370.1 & 2	INTEREST ACCRUED	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)
73	2370.3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)
74	2420	VACATION PAY ACCRUED	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)
75	2420	AUDIT FEES & EXP. ACCRUED	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)
76	2310	NOTES PAYABLE - ALLOCATED	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)
77	2350	CUSTOMERS DEPOSITS	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)
78										

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Prior Year Ended 12/31/03

Witness: Jim Mesite

		2003					(1)	(2)	(3)	(4)	
Line No.	Account No.	Account Name	Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003	13 MONTH AVERAGE	PROPOSED COMPANY ADJUSTMENTS ALLOCATE TO PROPANE	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU
40		<u>LIABILITIES AND OTHER CREDITS</u>									
41											
42		<u>PROPRIETARY CAPITAL:</u>									
43	2040	PREFERRED STOCK - ALLOCATED	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)	(190,882)	63	(190,819)	CS
44	2010	COMMON STOCK - ALLOCATED	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	(2,070,813)	679	(2,070,134)	CS
45	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	(9,392,583)	3,082	(9,389,501)	CS
46	2070	PREM ON COMMON STK - ALLOCATED	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	(2,392,332)	785	(2,391,547)	CS
47	2110	MISC PAID IN CAPITAL - ALLOCATED	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)	(455,536)	149	(455,387)	CS
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	136,169	136,169	136,169	136,169	136,169	136,169	(45)	136,124	CS
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628	1,421,628	(466)	1,421,162	CS
50											
51		<u>LONG TERM DEBT:</u>									
52	2210	BONDS - ALLOCATED	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	(16,703,596)	5,481	(16,698,115)	CS
53											
54		<u>OTHER NONCURRENT LIABILITIES:</u>									
55											
56		<u>CURRENT AND ACCRUED LIABILITIES:</u>									
57	2320	ACCOUNTS PAYABLE - FUEL	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)	(2,255,972)		(2,255,972)	RB, WC
58	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)	(372,325)		(372,325)	RB, WC
59	2320 8	SALARIES & WAGES PAYABLE	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)	(168,902)		(168,902)	RB, WC
60	2320	OTHER - ACCOUNTS PAYABLE	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)	(39,369)		(39,369)	RB, WC
61	2380	DIVIDENDS DECLARED - PREFERRED	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)		(1,069)	RB, WC
62	2410	TAX COLLECTIONS PAYABLE	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)	(10,746)		(10,746)	RB, WC
63	2410	TAX COLLECTIONS PAYABLE	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)	(327,050)		(327,050)	RB, WC
64	2280.3n	MED. INS. RESERVE	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)	(657,392)		(657,392)	RB, WC
65	2280.2n	INSURANCE RESERVE	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)	(243,753)		(243,753)	RB, WC
66	2280.11	STORM DAMAGE RESERVE	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)	(1,894,196)		(1,894,196)	RB, WC
67	2360	TAXES ACCRUED - AD VALOREM	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)	(173,252)		(173,252)	RB, WC
68	2360	TAXES ACCRUED - GROSS RECEIPTS	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)	(162,956)		(162,956)	RB, WC
69	2360	TAXES ACCRUED - FPSC ASSESSMENT	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)	(75,949)		(75,949)	RB, WC
70	2360	TAXES ACCRUED - UNEMPLOY & FICA	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)	(6,233)		(6,233)	RB, WC
71	2360	TAXES ACCRUED - INCOME TAXES	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)	(139,812)		(139,812)	RB, WC
72	2370.1 & 2	INTEREST ACCRUED	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)	(512,625)		(512,625)	RB, WC
73	2370 3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)	(62,400)		(62,400)	RB, WC
74	2420	VACATION PAY ACCRUED	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)	(257,099)		(257,099)	RB, WC
75	2420	AUDIT FEES & EXP. ACCRUED	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)	(24,043)		(24,043)	RB, WC
76	2310	NOTES PAYABLE - ALLOCATED	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	(1,842,430)	605	(1,841,825)	CS
77	2350	CUSTOMERS DEPOSITS	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)	(1,556,282)		(1,556,282)	CS
78											

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:
 Prior Year Ended 12/31/03
 Witness: Jim Mesite

2003

Line No.	Account No.	Account Name	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003	Jul 2003
79		<u>DEFERRED CREDITS:</u>								
80	2530	OVERREC. POWER & GAS	-	-	-	-	-	-	-	-
81	2530	OVERREC. CONSERVATION	-	-	-	-	-	-	-	-
82	2530.1 & 4	MISC. CURRENT LIABILITIES	(6,650)	(6,650)	(6,650)	(6,650)	(6,650)	(6,650)	(6,650)	(6,650)
83	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(603,636)	(603,636)	(603,636)	(603,636)	(603,636)	(603,636)	(603,636)	(603,636)
84	2550	INV TAX CREDIT	(259,091)	(259,091)	(259,091)	(259,091)	(259,091)	(259,091)	(259,091)	(259,091)
85										
86		<u>ACCUMULATED DEFERRED INCOME TAXES:</u>								
87	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)
88										
89		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>

REFERENCE:
 RB = Rate Base; WC = Working Capital; CS = Capital Structure; ORP = Other Return Provided; NEU = Non-Electric Utility

Supporting Schedules C-59(B-8a, 8b, 9a, 9b, 13, 15)

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:
 Prior Year Ended 12/31/03
 Witness: Jim Mesite

Line No.	Account No.	Account Name	2003					(1)	(2)	(3)	(4)
			Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003	13 MONTH AVERAGE	PROPOSED COMPANY ADJUSTMENTS ALLOCATE TO PROPANE	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU
79		<u>DEFERRED CREDITS:</u>									
80	2530	OVERREC. POWER & GAS	-	-	-	-	-				RB, WC
81	2530	OVERREC. CONSERVATION	-	-	-	-	-				RB, WC
82	2530.1 & 4	MISC. CURRENT LIABILITIES	(6,650)	(6,650)	(6,650)	(6,650)	(6,650)		(6,650)		RB, WC
83	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(603,636)	(603,636)	(603,636)	(603,636)	(603,636)		(603,636)		RB
84	2550	INV TAX CREDIT	(259,091)	(259,091)	(259,091)	(259,091)	(259,091)		(259,091)		CS
85											
86		<u>ACCUMULATED DEFERRED INCOME TAXES:</u>									
87	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)	(3,679,723)		(3,679,723)		CS
88											
89		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>	<u>(44,980,900)</u>		<u>10,333</u>	<u>(44,970,567)</u>	

REFERENCE:
 RB = Rate Base, WC = Working Capital; CS = Capital Structure; ORP =

Supporting Schedules: C-59(B-8a, 8b, 9a, 9b, 13, 15)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

Projected Test Ended 12/31/04

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

2004

Line No.	Account No.	Account Name	Dec 2003	Jan 2004	Feb 2004	Mar 2004	Apr 2004	May 2004	Jun 2004	Jul 2004
1		<u>ASSETS AND OTHER DEBITS</u>								
2										
3		<u>UTILITY PLANT:</u>								
4	1010	PLANT IN SERVICE	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933
5	1070	CWIP	621,692	621,692	621,692	621,692	621,692	621,692	621,692	621,692
6	1080	PLANT RESERVE	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032
8	1190	ALLOCATED COMMON PLANT RESERVE	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)
9	1070	ALLOCATED COMMON CWIP	-	-	-	-	-	-	-	-
10										
11		<u>OTHER PROPERTY AND INVESTMENTS:</u>								
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,493	3,493	3,493	3,493	3,493	3,493	3,493	3,493
13										
14		<u>CURRENT AND ACCRUED ASSETS:</u>								
15	1310, 1340	CASH & DEPOSITS	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401
16	1310.4	LOCAL CASH	-	-	-	-	-	-	-	-
17	1350	WORKING FUNDS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
18	1420, 1430	ACCOUNTS RECEIVABLE	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972
19	1440	PROVISION FOR UNCOLLECTIBLE	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)
20	1630	STORES EXPENSE	-	-	-	-	-	-	-	-
21	1540	MATERIALS AND SUPPLIES	906,917	906,917	906,917	906,917	906,917	906,917	906,917	906,917
22	1650.2, 4, 5	PREPAYMENTS - INSURANCE	209,788	209,788	209,788	209,788	209,788	209,788	209,788	209,788
23	1650.3	PREPAYMENTS - PENSIONS	783,172	783,172	783,172	783,172	783,172	783,172	783,172	783,172
24	1730	UNBILLED REVENUES	513,318	513,318	513,318	513,318	513,318	513,318	513,318	513,318
25	1840.7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	-	-	-	-
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL	-	-	-	-	-	-	-	-
27	1850	TEMPORARY FACILITIES	6,947	6,947	6,947	6,947	6,947	6,947	6,947	6,947
28										
29		<u>DEFERRED DEBITS:</u>								
30	1860	DEFERRED DEBITS - OTHER	37,287	37,287	37,287	37,287	37,287	37,287	37,287	37,287
31	1860	DEFERRED DEBITS - RATE CASE EXPENSE	446,430	446,430	446,430	446,430	446,430	446,430	446,430	446,430
32	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	-	-	-	-	-	-	-	-
33	1860	DEFERRED DEBITS - CONSERVATION	-	-	-	-	-	-	-	-
34	1860	DEFERRED DEBITS - COMMON	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	769,915	769,915	769,915	769,915	769,915	769,915	769,915	769,915
36	1900	ACCUMULATED DEF TAXES	219,182	219,182	219,182	219,182	219,182	219,182	219,182	219,182
37										
38		<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>	<u>48,976,651</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Ended 12/31/04

Witness: Jim Mesite

2004

Line No.	Account No.	Account Name	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	13 MONTH AVERAGE	(1)	(2)	(3)	(4)
									PROPOSED COMPANY ADJUSTMENTS TO PROPANE	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU	
1		<u>ASSETS AND OTHER DEBITS</u>										-
2												-
3		<u>UTILITY PLANT:</u>										-
4	1010	PLANT IN SERVICE	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933	65,722,933	(35,088)		65,687,845	RB
5	1070	CWIP	621,692	621,692	621,692	621,692	621,692	621,692	(923)		620,769	RB
6	1080	PLANT RESERVE	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	(27,689,659)	17,543		(27,672,116)	RB
7	1180	ALLOCATED COMMON PLANT IN SERVICE	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032	1,721,032			1,721,032	RB
8	1190	ALLOCATED COMMON PLANT RESERVE	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)	(455,192)			(455,192)	RB
9	1070	ALLOCATED COMMON CWIP	-	-	-	-	-	-			-	RB
10												-
11		<u>OTHER PROPERTY AND INVESTMENTS:</u>										-
12	1230	INVESTMENT IN ASSOC CO - ALLOCATED	3,493	3,493	3,493	3,493	3,493	3,493	(2)		3,491	CS
13												-
14		<u>CURRENT AND ACCRUED ASSETS:</u>										-
15	1310, 1340	CASH & DEPOSITS	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401	1,829,401			1,829,401	RB, WC
16	1310.4	LOCAL CASH	-	-	-	-	-	-			-	RB, WC
17	1350	WORKING FUNDS	5,000	5,000	5,000	5,000	5,000	5,000			5,000	RB, WC
18	1420, 1430	ACCOUNTS RECEIVABLE	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972	3,398,972			3,398,972	RB, WC
19	1440	PROVISION FOR UNCOLLECTIBLE	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)	(98,965)			(98,965)	RB, WC
20	1630	STORES EXPENSE	-	-	-	-	-	-			-	RB, WC
21	1540	MATERIALS AND SUPPLIES	906,917	906,917	906,917	906,917	906,917	906,917			906,917	RB, WC
22	1650 2, 4, 5	PREPAYMENTS - INSURANCE	209,788	209,788	209,788	209,788	209,788	209,788			209,788	RB, WC
23	1650.3	PREPAYMENTS - PENSIONS	783,172	783,172	783,172	783,172	783,172	783,172			783,172	RB, WC
24	1730	UNBILLED REVENUES	513,318	513,318	513,318	513,318	513,318	513,318			513,318	RB, WC
25	1840 7	CLEARING ACCOUNTS - REFUNDS	-	-	-	-	-	-			-	RB, WC
26	1840.1	CLEARING ACCOUNTS - DIVISIONAL	-	-	-	-	-	-			-	RB, WC
27	1850	TEMPORARY FACILITIES	6,947	6,947	6,947	6,947	6,947	6,947			6,947	RB, WC
28												-
29		<u>DEFERRED DEBITS:</u>										-
30	1860	DEFERRED DEBITS - OTHER	37,287	37,287	37,287	37,287	37,287	37,287			37,287	RB, WC
31	1860	DEFERRED DEBITS - RATE CASE EXPENSE	446,430	446,430	446,430	446,430	446,430	446,430			446,430	RB, WC
32	1860	DEFERRED DEBITS - OVER/UNDER RECOVERY FUEL	-	-	-	-	-	-			-	RB, WC
33	1860	DEFERRED DEBITS - CONSERVATION	-	-	-	-	-	-			-	RB, WC
34	1860	DEFERRED DEBITS - COMMON	24,988	24,988	24,988	24,988	24,988	24,988			24,988	RB, WC
35	1810, 1890	NET UNAMORT DEBT DISCOUNT - ALLOCATED	769,915	769,915	769,915	769,915	769,915	769,915	(407)		769,508	CS
36	1900	ACCUMULATED DEF TAXES	219,182	219,182	219,182	219,182	219,182	219,182			219,182	CS
37												-
38		TOTAL ASSETS AND OTHER DEBITS	48,976,651	48,976,651	48,976,651	48,976,651	48,976,651	48,976,651	(18,877)		48,957,774	-

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:
 Projected Test Ended 12/31/04
 Witness: Jim Mesite

2004

Line No.	Account No.	Account Name	Dec 2003	Jan 2004	Feb 2004	Mar 2004	Apr 2004	May 2004	Jun 2004	Jul 2004
39										
40		<u>LIABILITIES AND OTHER CREDITS</u>								
41										
42		<u>PROPRIETARY CAPITAL:</u>								
43	2040	PREFERRED STOCK - ALLOCATED	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)
44	2010	COMMON STOCK - ALLOCATED	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)
45	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)
46	2070	PREM ON COMMON STK - ALLOCATED	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)
47	2110	MISC PAID IN CAPITAL - ALLOCATED	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	304,962	304,962	304,962	304,962	304,962	304,962	304,962	304,962
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581
50										
51		<u>LONG TERM DEBT:</u>								
52	2210	BONDS - ALLOCATED	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)
53										
54		<u>OTHER NONCURRENT LIABILITIES:</u>								
55										
56		<u>CURRENT AND ACCRUED LIABILITIES:</u>								
57	2320	ACCOUNTS PAYABLE - FUEL	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)
58	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)
59	2320 8	SALARIES & WAGES PAYABLE	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)
60	2320	OTHER - ACCOUNTS PAYABLE	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)
61	2380	DIVIDENDS DECLARED - PREFERRED	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)
62	2410	TAX COLLECTIONS PAYABLE	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)
63	2410	TAX COLLECTIONS PAYABLE	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)
64	2280 3n	MED. INS. RESERVE	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)
65	2280.2n	INSURANCE RESERVE	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)
66	2280 11	STORM DAMAGE RESERVE	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)
67	2360	TAXES ACCRUED - AD VALOREM	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)
68	2360	TAXES ACCRUED - GROSS RECEIPTS	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)
69	2360	TAXES ACCRUED - FPSC ASSESSMENT	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)
70	2360	TAXES ACCRUED - UNEMPLOY & FICA	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)
71	2360	TAXES ACCRUED - INCOME TAXES	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)
72	2370.1 & 2	INTEREST ACCRUED	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)
73	2370.3	ACCRD. INTEREST ON CUSTOMER DEPOSITS	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)
74	2420	VACATION PAY ACCRUED	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)
75	2420	AUDIT FEES & EXP. ACCRUED	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)
76	2310	NOTES PAYABLE - ALLOCATED	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)
77	2350	CUSTOMERS DEPOSITS	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Ended 12/31/04

Consolidated Electric Division

Witness: Jim Mesite

DOCKET NO.: 030438-EI

2004

Line No.	Account No	Account Name	2004					(1)	(2)	(3)	(4)
			Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	13 MONTH AVERAGE	PROPOSED COMPANY ADJUSTMENTS TO PROPANE ALLOCATE	ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTMENTS	REFERENCE RB / WC / CS / ORP / NEU
39										-	
40		<u>LIABILITIES AND OTHER CREDITS</u>								-	
41										-	
42		<u>PROPRIETARY CAPITAL:</u>								-	
43	2040	PREFERRED STOCK - ALLOCATED	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)	(205,404)	109	(205,295)	CS
44	2010	COMMON STOCK - ALLOCATED	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	(2,419,083)	1,279	(2,417,804)	CS
45	2160	UNAPPROP. RETAINED EARNINGS - ALLOCATED	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	(11,526,016)	6,093	(11,519,923)	CS
46	2070	PREM ON COMMON STK - ALLOCATED	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	(4,125,542)	2,181	(4,123,361)	CS
47	2110	MISC PAID IN CAPITAL - ALLOCATED	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)	(490,803)	259	(490,544)	CS
48	2140	CAPITAL STOCK EXPENSE - ALLOCATED	304,962	304,962	304,962	304,962	304,962	304,962	(161)	304,801	CS
49	2170	COMMON STOCK REACQUIRED - ALLOCATED	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581	1,461,581	(773)	1,460,808	CS
50										-	
51		<u>LONG TERM DEBT:</u>								-	
52	2210	BONDS - ALLOCATED	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	(17,925,321)	9,477	(17,915,844)	CS
53										-	
54		<u>OTHER NONCURRENT LIABILITIES:</u>								-	
55										-	
56		<u>CURRENT AND ACCRUED LIABILITIES:</u>								-	
57	2320	ACCOUNTS PAYABLE - FUEL	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)	(2,322,593)		(2,322,593)	RB, WC
58	2320	ACCOUNTS PAYABLE - NET OF GAS & FUEL	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)	(383,320)		(383,320)	RB, WC
59	2320.8	SALARIES & WAGES PAYABLE	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)	(173,890)		(173,890)	RB, WC
60	2320	OTHER - ACCOUNTS PAYABLE	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)	(40,531)		(40,531)	RB, WC
61	2380	DIVIDENDS DECLARED - PREFERRED	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)	(1,069)		(1,069)	RB, WC
62	2410	TAX COLLECTIONS PAYABLE	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)	(11,063)		(11,063)	RB, WC
63	2410	TAX COLLECTIONS PAYABLE	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)	(336,708)		(336,708)	RB, WC
64	2280.3n	MED. INS. RESERVE	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)	(676,806)		(676,806)	RB, WC
65	2280.2n	INSURANCE RESERVE	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)	(250,951)		(250,951)	RB, WC
66	2280.11	STORM DAMAGE RESERVE	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)	(1,844,196)		(1,844,196)	RB, WC
67	2360	TAXES ACCRUED - AD VALOREM	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)	(178,368)		(178,368)	RB, WC
68	2360	TAXES ACCRUED - GROSS RECEIPTS	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)	(167,768)		(167,768)	RB, WC
69	2360	TAXES ACCRUED - FPSC ASSESSMENT	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)	(78,192)		(78,192)	RB, WC
70	2360	TAXES ACCRUED - UNEMPLOY & FICA	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)	(6,417)		(6,417)	RB, WC
71	2360	TAXES ACCRUED - INCOME TAXES	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)	(143,941)		(143,941)	RB, WC
72	2370.1 & 2	INTEREST ACCRUED	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)	(527,763)		(527,763)	RB, WC
73	2370.3	ACCRD INTEREST ON CUSTOMER DEPOSITS	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)	(63,395)		(63,395)	RB, WC
74	2420	VACATION PAY ACCRUED	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)	(264,691)		(264,691)	RB, WC
75	2420	AUDIT FEES & EXP. ACCRUED	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)	(24,753)		(24,753)	RB, WC
76	2310	NOTES PAYABLE - ALLOCATED	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)	(780,395)	413	(779,982)	CS
77	2350	CUSTOMERS DEPOSITS	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)	(1,384,187)		(1,384,187)	CS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

Projected Test Ended 12/31/04

Witness: Jim Mesite

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

2004

Line No	Account No.	Account Name	Dec 2003	Jan 2004	Feb 2004	Mar 2004	Apr 2004	May 2004	Jun 2004	Jul 2004
78										
79		<u>DEFERRED CREDITS:</u>								
80	2530	OVERREC POWER & GAS								
81	2530	OVERREC. CONSERVATION								
82	2530.1 & 4	MISC. CURRENT LIABILITIES	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)
83	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)
84	2550	INV TAX CREDIT	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)
85										
86		<u>ACCUMULATED DEFERRED INCOME TAXES:</u>								
87	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)
88										
89		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>

REFERENCE:

RB = Rate Base; WC = Working Capital; CS = Capital Structure; ORP = Other Return Provided; NEU = Non-Electric Utility

Supporting Schedules: C-59(B-8a, 8b, 9a, 9b, 13, 15)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Derive the 13-month average system balance sheet by primary account by month for the test year, the prior year and the most recent historical year. For accounts including non-electric utility amounts, show these amounts as a separate subaccount.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO: 030438-EI

Projected Test Ended 12/31/04

Witness: Jim Mesite

2004											
Line No.	Account No.	Account Name	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	(1) 13 MONTH AVERAGE	(2) PROPOSED COMPANY ADJUSTMENTS ALLOCATE TO PROPANE	(3) ADJUSTED 13 MONTH AVERAGE AFTER ADJUSTEMENTS	(4) REFERENCE RB / WC / CS / ORP / NEU
78										-	
79		<u>DEFERRED CREDITS:</u>								-	
80	2530	OVERREC. POWER & GAS								-	RB, WC
81	2530	OVERREC. CONSERVATION								-	RB, WC
82	2530.1 & 4	MISC. CURRENT LIABILITIES	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)	(6,846)		(6,846)	RB, WC
83	2520	CUSTOMER ADVANCES FOR CONSTRUCTION	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)	(621,462)		(621,462)	RB
84	2550	INV TAX CREDIT	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)	(209,535)		(209,535)	CS
85										-	
86		<u>ACCUMULATED DEFERRED INCOME TAXES:</u>								-	
87	2820, 2830	ACCUMULATED DEFERRED TAXES	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)	(3,552,185)		(3,552,185)	CS
88										-	
89		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>(48,976,651)</u>	<u>18,877</u>	<u>(48,957,774)</u>	

REFERENCE:

RB = Rate Base; WC = Working Capital; CS = Capital Structure; ORP = C

Supporting Schedules: C-59(B-8a, 8b, 9a, 9b, 13, 15)

Schedule C-59(B-3)

ADJUSTED RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438-EI

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-4.

Type of Data Shown:

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Projection Basis	(1) Total Company Per Books	(2) Commission Adjustments (B-4)	(3) Total As Adjusted By Commission (1) + (2)	(4) Company Adjustments (B-4)	(5) Total After Adjustments (3) + (4)	(6) Jurisdictional Rate Base Factor	(7) Adjusted Rate Base
1	UTILITY PLANT:	2003						
2								
3	PLANT CLOSED & IN SERVICE	60,571,468		60,571,468	(22,742)	60,548,726		60,548,726
4	COMMON PLANT ALLOCATED	1,514,213		1,514,213	-	1,514,213		1,514,213
5	1140 ACQUISTION ADJUSTMENT	3,691		3,691		3,691		3,691
6	1070 CONSTRUCTION WIP	617,919		617,919	(923)	616,996		616,996
7								
8	TOTAL PLANT	62,707,291	-	62,707,291	(23,665)	62,683,626		62,683,626
9								
10	DEDUCTIONS:							
11								
12	ACCUM. DEPR. UTIL. PLANT	(25,916,262)		(25,916,262)	13,579	(25,902,683)		(25,902,683)
13	ACCUM DEPR. COMMON PLANT	(361,768)		(361,768)		(361,768)		(361,768)
14	1150 ACCUM. AMORT ACQ. ADJUSTMENT	(3,691)		(3,691)		(3,691)		(3,691)
15	2520 CUST. ADVANCES FOR CONST.	(603,636)	13	(603,636)		(603,636)		(603,636)
16								
17	TOTAL DEDUCTIONS	(26,885,357)	-	(26,885,357)	13,579	(26,871,778)		(26,871,778)
18								
19	UTILITY PLANT - NET	35,821,934	-	35,821,934	(10,086)	35,811,848		35,811,848
20								
21	ALLOWANCE FOR WORKING CAPITAL:							
22								
23	WORKING CAPITAL- BALANCE							
24	SHEET METHOD	189,674		189,674		189,674		189,674
25								
26	2003 TOTAL RATE BASE	36,011,608	-	36,011,608	(10,086)	36,001,522		36,001,522

Schedule C-59(B-3)

ADJUSTED RATE BASE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

DOCKET NO.: 030438-EI

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-4.

Type of Data Shown:

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Projection Basis	(1) Total Company Per Books	(2) Commission Adjustments (B-4)	(3) Total As Adjusted By Commission (1) + (2)	(4) Company Adjustments (B-4)	(5) Total After Adjustments (3) + (4)	(6) Jurisdictional Rate Base Factor	(7) Adjusted Rate Base
27	UTILITY PLANT:	2004						
28								
29	PLANT CLOSED & IN SERVICE	65,722,932		65,722,932	(35,088)	65,687,844		65,687,844
30	COMMON PLANT ALLOCATED	1,721,031		1,721,031	-	1,721,031		1,721,031
31	1140 ACQUISTION ADJUSTMENT	3,691		3,691		3,691		3,691
32	1070 CONSTRUCTION WIP	621,692		621,692	(923)	620,769		620,769
33								
34	TOTAL PLANT	<u>68,069,347</u>	<u>-</u>	<u>68,069,347</u>	<u>(36,011)</u>	<u>68,033,336</u>		<u>68,033,336</u>
35								
36	DEDUCTIONS:							
37								
38	ACCUM. DEPR. UTIL. PLANT	(27,689,659)		(27,689,659)	17,543	(27,672,116)		(27,672,116)
39	ACCUM DEPR. COMMON PLANT	(455,192)		(455,192)	-	(455,192)		(455,192)
40	1150 ACCUM. AMORT ACQ. ADJUSTMENT	(3,691)		(3,691)		(3,691)		(3,691)
41	2520 CUST. ADVANCES FOR CONST.	(621,462)	13	(621,462)		(621,462)		(621,462)
42								
43	TOTAL DEDUCTIONS	<u>(28,770,004)</u>	<u>-</u>	<u>(28,770,004)</u>	<u>17,543</u>	<u>(28,752,461)</u>		<u>(28,752,461)</u>
44								
45	UTILITY PLANT - NET	<u>39,299,342</u>	<u>-</u>	<u>39,299,342</u>	<u>(18,468)</u>	<u>39,280,874</u>		<u>39,280,874</u>
46								
47	ALLOWANCE FOR WORKING CAPITAL:							
48								
49	WORKING CAPITAL- BALANCE							
50	SHEET METHOD	559,995		559,995		559,995		559,995
51								
52	2004 TOTAL RATE BASE	<u><u>39,859,337</u></u>	<u><u>-</u></u>	<u><u>39,859,337</u></u>	<u><u>(18,468)</u></u>	<u><u>39,840,869</u></u>		<u><u>39,840,869</u></u>

Supporting Schedules: C-59(B-4, B-8a, B-8b, B-9a, B-9b, B-13, B-15, C-1)

Recap Schedules: C-59(C-2)

Schedule C-59(B-4)

RATE BASE ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year, the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount (000)	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	2003				
2	<u>Working Capital</u>				
3	Commission Adjustments:				
4	None				
5					
6	Company Adjustments:				
7	Cash computed at 13-Month Average Only	These adjustments were included in the			
8		Historic Schedule B-4 for 2002. Projections			
9	Included Both Over and Under Recoveries for Fuel	for 2003 and 2004 were based on the adjusted			
10	and Conservation in Working Capital	2002 values.			
11					
12	<u>Plant</u>				
13	Commission Adjustments:				
14	None				
15					
16	<u>Company Adjustments:</u>				
17	Allocate 4% of Applicable General Plant Accounts to Propane Based on Customers (3911, 3912, 3913):	Non-regulated Propane Operation at Fernandina Beach Location			
18	Closed and in Service	"	(22,742)	"	(22,742)
19	Construction WIP	"	(923)	"	(923)
20	Accumulated Reserve	"	13,579	"	13,579
21	Total		(10,086)	"	(10,086)

Schedule C-59(B-4)

RATE BASE ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year, the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount (000)	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
22	2004				
23	<u>Working Capital</u>				
24	Commission Adjustments:				
25	None				
26					
27	Company Adjustments:				
28	Cash computed at 13-Month Average Only	These adjustments were included in the Historic Schedule B-4 for 2002. Projections for 2003 and 2004 were based on the adjusted 2002 values.			
29	Included Both Over and Under Recoveries for Fuel and Conservation in Working Capital				
30					
31					
32					
33	<u>Plant</u>				
34	Commission Adjustments:				
35	None				
36					
37	<u>Company Adjustments:</u>				
38	Allocate 4% of Applicable General Plant Accounts to Propane Based on Customers (3911, 3912, 3913):	Non-regulated Propane Operation at Fernandina Beach Location			
39	Closed and In Service		(35,088)	"	(35,088)
40	Construction WIP		(923)	"	(923)
41	Accumulated Reserve		17,543	"	17,543
42	Total		(18,468)		(18,468)

Supporting Schedules: B-15, B-8a, B-8b, B-9a, B-9b, C-34

Recap Schedules: B-3

Schedule C-59(B-8a - 2003)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate
and plant balances for each account or sub-account
to which a separate depreciation rate is prescribed.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub- Account No.	Description	Beginning Balance 12/31/2002	Additions	Retirements	Ending Balance 12/31/2003	13-Month Average
Transmission Plant							
	3501	LAND RIGHTS	56,519	-	-	56,519	56,519
	352	STRUCTURES AND IMPROVEMENTS	26,401	-	-	26,401	26,401
	353	STATION EQUIPMENT	1,962,229	2,700	-	1,964,929	1,963,891
	354	TOWERS AND FIXTURES	244,665	-	-	244,665	244,665
	355	POLES AND FIXTURES	2,457,138	363	(121,400)	2,336,101	2,382,611
	356	OVERHEAD CONDUCTORS AND DEVICES	2,001,539	150,000	(206,400)	1,945,139	1,888,754
	359	ROADS AND TRAILS	6,788	-	-	6,788	6,788
TOTAL TRANSMISSION PLANT			6,755,279	153,063	(327,800)	6,580,542	6,569,629
Distribution Plant							
	3601	LAND RIGHTS	16,188	-	-	16,188	16,188
	361	STRUCTURES & IMPROVEMENTS	96,042	-	-	96,042	96,042
	362	STATION EQUIPMENT	3,317,022	287,949	(40,348)	3,564,623	3,351,977
	364	POLES, TOWERS, & FIXTURES	7,271,848	720,366	(72,011)	7,920,203	7,532,599
	365	OVERHEAD CONDUCTORS & DEVICES	8,331,789	490,316	(74,749)	8,747,356	8,482,455
	3662	UNDERGROUND CONDUIT - BURIED	1,735,670	634,024	(653)	2,369,041	1,893,702
	3672	UNDERGROUND COND & DEVICES - BURIED	3,539,708	692,754	(31,144)	4,201,318	3,722,437
	3681	LINE TRANSFORMERS - OVERHEAD	6,364,238	228,363	(117,812)	6,474,789	6,418,417
	3683	LINE TRANSFORMERS - BURIED	4,830,196	265,301	-	5,095,497	4,979,354
	3691	OVERHEAD SERVICES	3,565,981	152,400	(8,181)	3,710,200	3,638,089
	3693	UNDERGROUND SERVICES - BURIED	3,020,468	194,400	-	3,214,868	3,117,668
	370	METERS	2,893,453	222,647	(47,375)	3,068,725	2,973,907
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	1,023,739	82,800	(42,755)	1,063,784	1,043,761
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	439,787	21,508	-	461,295	450,540
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	580,136	32,400	(24,364)	588,172	584,155
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	489,879	19,849	-	509,728	499,803
TOTAL DISTRIBUTION PLANT			47,516,144	4,045,077	(459,392)	51,101,829	48,801,094

Schedule C-59(B-8a - 2003)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Prior Year 12/31/2003

Consolidated Electric Division

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2002	Additions	Retirements	Ending Balance 12/31/2003	13-Month Average
General Plant							
	390	STRUCTURES AND IMPROVEMENTS	1,359,364	31,500	-	1,390,864	1,372,749
	3911	OFFICE FURNITURE	7,370	2,000	-	9,370	8,601
	3912	OFFICE MACHINES	37,716	2,000	-	39,716	38,947
	3913	COMPUTER EQUIPMENT	512,120	190,500	(39,632)	662,988	520,995
	3931	STORES EQUIPMENT-FIXED	106,918	-	-	106,918	106,918
	3932	STORES EQUIPMENT-PORTABLE	761	-	-	761	761
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	-	-	37,772	37,772
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	85,684	23,000	-	108,684	97,376
	3951	LABORATORY EQUIPMENT-FIXED	64,248	-	-	64,248	64,248
	3952	LABORATORY EQUIPMENT-PORTABLE	38,559	-	-	38,559	38,559
	396	POWER OPERATED EQUIPMENT	116,642	-	-	116,642	116,642
	397	COMMUNICATION EQUIPMENT	128,693	35,000	(14,000)	149,693	131,385
	398	MISCELLANEOUS EQUIPMENT	20,036	-	-	20,036	20,036
	399	MISCELLANEOUS TANGIBLE	-	10,000	-	10,000	4,231
TOTAL GENERAL PLANT			2,515,883	294,000	(53,632)	2,756,251	2,559,220
Transportation Equipment							
	3921	PASSENGER CARS	96,020	-	-	96,020	96,020
	3922	LIGHT TRUCKS & VANS	536,946	40,000	(35,040)	541,906	545,008
	3923	HEAVY TRUCKS	1,655,055	384,366	(107,000)	1,932,421	1,792,910
	3924	TRAILERS	106,426	-	-	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,394,447	424,366	(142,040)	2,676,773	2,540,363
TOTAL DEPRECIABLE PLANT IN SERVICE			59,181,753	4,916,506	(982,864)	63,115,395	60,470,305
Non-Depreciable Plant							
	350	LAND	17,629	-	-	17,629	17,629
	360	DISTRIBUTION PLANT-LAND	11,072	-	-	11,072	11,072
	389	GENERAL PLANT-LAND	72,462	-	-	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	-	-	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			59,282,916	4,916,506	(982,864)	63,216,558	60,571,468

Schedule C-59(B-8a - 2003)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2002	Additions	Retirements	Ending Balance 12/31/2003	13-Month Average	
Common Plant								
	303	MISC. INTANGIBLE PLANT	1,833			1,833	1,833	
	389	LAND & LAND RIGHTS	341,926			341,926	341,926	
	390	STRUCTURES & IMPROVEMENTS	2,076,771	66,750		2,143,521	2,089,609	
	3911	OFFICE FURNITURE	24,510	12,200		36,710	30,787	
	3912	OFFICE MACHINES	70,737	96,005		166,742	99,508	
	3913	EDP EQUIPMENT	2,078,299	530,271		2,608,570	2,369,037	
	3921	TRANS, EQUIP. - CARS	111,725	49,916		130,725	117,571	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	-			30,916	28,538	
	397	COMMUNICATION EQUIP	134,860	102,563		237,423	191,832	
	399	OTHER TANGIBLE PROPERTY	-	16,300		16,300	6,554	
Allocation to Electric Division								
	303	MISC. INTANGIBLE PLANT	26.0%	477	-	477	477	
	389	LAND & LAND RIGHTS	26.0%	88,901	-	88,901	88,901	
	390	STRUCTURES & IMPROVEMENTS	26.0%	539,960	17,355	557,315	543,298	
	3911	OFFICE FURNITURE	26.0%	6,373	3,172	9,545	8,005	
	3912	OFFICE MACHINES	26.0%	18,392	24,961	43,353	25,872	
	3913	EDP EQUIPMENT	32.0%	665,056	169,687	834,742	758,092	
	3921	TRANS, EQUIP. - CARS	26.0%	29,049	12,978	33,989	30,569	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	-	-	8,038	7,420	
	397	COMMUNICATION EQUIP	26.0%	35,064	26,666	61,730	49,876	
	399	OTHER TANGIBLE PROPERTY	26.0%	-	4,238	4,238	1,704	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				1,383,270	259,058	-	1,642,327	1,514,213

Supporting Schedules: C-59(B-9a), C-37

Recap Schedules: C-59(B-3, B-4, C-2)

Schedule C-59(B-8a - 2004)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2004

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Test Year 12/31/2004

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Additions	Retirements	Ending Balance 12/31/2004	13-Month Average
Transmission Plant							
	3501	LAND RIGHTS	56,519	-	-	56,519	56,519
	352	STRUCTURES AND IMPROVEMENTS	26,401	-	-	26,401	26,401
	353	STATION EQUIPMENT	1,964,929	398,000	(6,000)	2,356,929	2,176,237
	354	TOWERS AND FIXTURES	244,665	-	-	244,665	244,665
	355	POLES AND FIXTURES	2,336,101	-	-	2,336,101	2,336,101
	356	OVERHEAD CONDUCTORS AND DEVICES	1,945,139	-	-	1,945,139	1,945,139
	359	ROADS AND TRAILS	6,788	-	-	6,788	6,788
TOTAL TRANSMISSION PLANT			6,580,542	398,000	(6,000)	6,972,542	6,791,850
Distribution Plant							
	3601	LAND RIGHTS	16,188	-	-	16,188	16,188
	361	STRUCTURES & IMPROVEMENTS	96,042	-	-	96,042	96,042
	362	STATION EQUIPMENT	3,564,623	1,509,500	(185,658)	4,888,465	4,308,641
	364	POLES, TOWERS, & FIXTURES	7,920,203	504,900	(44,816)	8,380,287	8,163,663
	365	OVERHEAD CONDUCTORS & DEVICES	8,747,356	274,800	(38,881)	8,983,275	8,865,316
	3662	UNDERGROUND CONDUIT - BURIED	2,369,041	209,600	(673)	2,577,968	2,527,351
	3672	UNDERGROUND COND & DEVICES - BURIED	4,201,318	336,100	(31,328)	4,506,090	4,387,317
	3681	LINE TRANSFORMERS - OVERHEAD	6,474,789	214,600	(121,346)	6,568,043	6,530,838
	3683	LINE TRANSFORMERS - BURIED	5,095,497	281,600	-	5,377,097	5,236,297
	3691	OVERHEAD SERVICES	3,710,200	153,600	(8,426)	3,855,374	3,782,788
	3693	UNDERGROUND SERVICES - BURIED	3,214,868	195,600	-	3,410,468	3,312,668
	370	METERS	3,068,725	223,400	(48,796)	3,243,329	3,156,451
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	1,063,784	84,000	(44,038)	1,103,746	1,083,764
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	461,295	21,600	-	482,895	472,095
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	588,172	33,600	(25,095)	596,677	592,426
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	509,728	18,000	-	527,728	518,728
TOTAL DISTRIBUTION PLANT			51,101,829	4,060,900	(549,057)	54,613,672	53,050,573

Schedule C-59(B-8a - 2004)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2004

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Year 12/31/2004

Consolidated Electric Division

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Additions	Retirements	Ending Balance 12/31/2004	13-Month Average
General Plant							
	390	STRUCTURES AND IMPROVEMENTS	1,390,864	6,000	-	1,396,864	1,393,864
	3911	OFFICE FURNITURE	9,370	2,000	-	11,370	10,601
	3912	OFFICE MACHINES	39,716	2,000	-	41,716	40,947
	3913	COMPUTER EQUIPMENT	662,988	244,500	(40,821)	866,667	825,653
	3931	STORES EQUIPMENT-FIXED	106,918	-	-	106,918	106,918
	3932	STORES EQUIPMENT-PORTABLE	761	-	-	761	761
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	-	-	37,772	37,772
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	108,684	18,000	-	126,684	117,684
	3951	LABORATORY EQUIPMENT-FIXED	64,248	-	-	64,248	64,248
	3952	LABORATORY EQUIPMENT-PORTABLE	38,559	-	-	38,559	38,559
	396	POWER OPERATED EQUIPMENT	116,642	-	-	116,642	116,642
	397	COMMUNICATION EQUIPMENT	149,693	-	-	149,693	149,693
	398	MISCELLANEOUS EQUIPMENT	20,036	-	-	20,036	20,036
	399	MISCELLANEOUS TANGIBLE	10,000	-	-	10,000	10,000
TOTAL GENERAL PLANT			2,756,251	272,500	(40,821)	2,987,930	2,933,378
Transportation Equipment							
	3921	PASSENGER CARS	96,020	-	-	96,020	96,020
	3922	LIGHT TRUCKS & VANS	541,906	50,000	(36,091)	555,815	558,794
	3923	HEAVY TRUCKS	1,932,421	180,000	-	2,112,421	2,084,729
	3924	TRAILERS	106,426	-	-	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,676,773	230,000	(36,091)	2,870,682	2,845,969
TOTAL DEPRECIABLE PLANT IN SERVICE			63,115,395	4,961,400	(631,969)	67,444,826	65,621,769
Non-Depreciable Plant							
	350	LAND	17,629	-	-	17,629	17,629
	360	DISTRIBUTION PLANT-LAND	11,072	-	-	11,072	11,072
	389	GENERAL PLANT-LAND	72,462	-	-	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	-	-	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			63,216,558	4,961,400	(631,969)	67,545,989	65,722,932

Schedule C-59(B-8a - 2004)

PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2004

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation rate and plant balances for each account or sub-account to which a separate depreciation rate is prescribed. (Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Test Year 12/31/2004

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Additions	Retirements	Ending Balance 12/31/2004	13-Month Average	
Common Plant								
	303	MISC. INTANGIBLE PLANT	1,833			1,833	1,833	
	389	LAND & LAND RIGHTS	341,926			341,926	341,926	
	390	STRUCTURES & IMPROVEMENTS	2,143,521	50,000		2,193,521	2,185,836	
	3911	OFFICE FURNITURE	36,710	11,100		47,810	44,725	
	3912	OFFICE MACHINES	166,742	10,000		176,742	172,896	
	3913	EDP EQUIPMENT	2,608,570	290,550		2,899,120	2,777,720	
	3921	TRANS, EQUIP. - CARS	130,725	45,500		176,225	161,071	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	30,916			30,916	30,916	
	397	COMMUNICATION EQUIP	237,423	-		237,423	237,423	
	399	OTHER TANGIBLE PROPERTY	16,300	10,000		26,300	23,992	
Allocation to Electric Division								
	303	MISC. INTANGIBLE PLANT	26.0%	477	-	477	477	
	389	LAND & LAND RIGHTS	26.0%	88,901	-	88,901	88,901	
	390	STRUCTURES & IMPROVEMENTS	26.0%	557,315	13,000	570,315	568,317	
	3911	OFFICE FURNITURE	26.0%	9,545	2,886	12,431	11,629	
	3912	OFFICE MACHINES	26.0%	43,353	2,600	45,953	44,953	
	3913	EDP EQUIPMENT	32.0%	834,742	92,976	927,718	888,870	
	3921	TRANS, EQUIP. - CARS	26.0%	33,989	11,830	45,819	41,879	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	8,038	-	8,038	8,038	
	397	COMMUNICATION EQUIP	26.0%	61,730	-	61,730	61,730	
	399	OTHER TANGIBLE PROPERTY	26.0%	4,238	2,600	6,838	6,238	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				1,642,327	125,892	-	1,768,219	1,721,031

Supporting Schedules: C-59(B-9a), C-37

Recap Schedules: C-59(B-3, B-4, C-2)

Schedule C-59(B-8b - 2003)

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2002	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2003	13-Month Average
Transmission Plant									
	3501	LAND RIGHTS	(28,856)	(1,188)	-	-		(30,044)	(29,450)
	352	STRUCTURES AND IMPROVEMENTS	(12,395)	(552)	-	-		(12,947)	(12,671)
	353	STATION EQUIPMENT	(811,761)	(49,098)	-	-		(860,859)	(836,302)
	354	TOWERS AND FIXTURES	(161,763)	(4,404)	-	-		(166,167)	(163,965)
	355	POLES AND FIXTURES	(664,409)	(90,685)	121,400	-		(633,694)	(635,560)
	356	OVERHEAD CONDUCTORS AND DEVICES	(394,847)	(58,405)	206,400	-		(246,852)	(300,427)
	359	ROADS AND TRAILS	(2,861)	(264)	-	-		(3,125)	(2,993)
TOTAL TRANSMISSION PLANT			(2,076,891)	(204,596)	327,800	-		(1,953,687)	(1,981,368)
Distribution Plant									
	3601	LAND RIGHTS	3,339	(564)	-	-		2,775	3,057
	361	STRUCTURES & IMPROVEMENTS	(22,171)	(2,112)	-	-		(24,283)	(23,227)
	362	STATION EQUIPMENT	(1,443,859)	(113,365)	40,348	1,794		(1,515,082)	(1,492,072)
	364	POLES, TOWERS, & FIXTURES	(3,132,257)	(330,012)	72,011	55,209		(3,335,049)	(3,243,866)
	365	OVERHEAD CONDUCTORS & DEVICES	(4,132,118)	(372,256)	74,749	17,665		(4,411,960)	(4,286,643)
	3662	UNDERGROUND CONDUIT - BURIED	(378,893)	(37,083)	653	(261)		(415,584)	(396,845)
	3672	UNDERGROUND COND & DEVICES - BURIED	(1,186,354)	(104,953)	31,144	(1,221)		(1,261,384)	(1,233,769)
	3681	LINE TRANSFORMERS - OVERHEAD	(3,386,830)	(269,377)	117,812	15,400		(3,522,995)	(3,454,528)
	3683	LINE TRANSFORMERS - BURIED	(1,990,836)	(208,727)	-	-		(2,199,563)	(2,094,131)
	3691	OVERHEAD SERVICES	(1,613,194)	(141,652)	8,181	5,851		(1,740,814)	(1,676,571)
	3693	UNDERGROUND SERVICES - BURIED	(1,117,280)	(121,273)	-	-		(1,238,553)	(1,177,337)
	370	METERS	(1,605,406)	(106,776)	47,375	(1,293)		(1,666,100)	(1,635,265)
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(318,621)	(65,652)	42,755	(979)		(342,497)	(330,368)
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(100,577)	(28,328)	-	-		(128,905)	(114,637)
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(212,712)	(28,608)	24,364	2,245		(214,711)	(213,683)
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(71,645)	(24,450)	-	-		(96,095)	(83,796)
TOTAL DISTRIBUTION PLANT			(20,709,414)	(1,955,188)	459,392	94,410		(22,110,800)	(21,453,680)

Schedule C-59(B-8b - 2003)

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2002	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2003	13-Month Average
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	(353,265)	(28,111)	-	-		(381,376)	(367,256)
	3911	OFFICE FURNITURE	(5,588)	(1,224)	-	-		(6,812)	(6,167)
	3912	OFFICE MACHINES	(23,909)	(7,779)	-	-		(31,688)	(27,754)
	3913	COMPUTER EQUIPMENT	(274,559)	(101,832)	39,632	(274)		(337,033)	(305,540)
	3931	STORES EQUIPMENT-FIXED	(61,983)	(15,288)	-	-		(77,271)	(69,627)
	3932	STORES EQUIPMENT-PORTABLE	(459)	(108)	-	-		(567)	(513)
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(16,897)	(5,400)	-	-		(22,297)	(19,597)
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(56,553)	(13,791)	-	-		(70,344)	(63,170)
	3951	LABORATORY EQUIPMENT-FIXED	(20,877)	(9,192)	-	-		(30,069)	(25,473)
	3952	LABORATORY EQUIPMENT-PORTABLE	(26,106)	(5,508)	-	-		(31,614)	(28,860)
	396	POWER OPERATED EQUIPMENT	(73,944)	(6,420)	-	-		(80,364)	(77,154)
	397	COMMUNICATION EQUIPMENT	(90,728)	(25,974)	14,000	-		(102,702)	(98,168)
	398	MISCELLANEOUS EQUIPMENT	(11,264)	(2,868)	-	-		(14,132)	(12,698)
	399	MISCELLANEOUS TANGIBLE	-	(751)	-	-		(751)	(160)
TOTAL GENERAL PLANT			(1,016,133)	(224,246)	53,632	(274)		(1,187,021)	(1,102,139)
Transportation Equipment									
	3921	PASSENGER CARS	(43,497)	(12,048)	-	-		(55,545)	(49,521)
	3922	LIGHT TRUCKS & VANS	(305,745)	(70,612)	35,040	(5,160)		(346,477)	(329,867)
	3923	HEAVY TRUCKS	(903,719)	(155,863)	107,000	-		(952,582)	(971,238)
	3924	TRAILERS	(20,040)	(3,408)	-	-		(23,448)	(21,744)
TOTAL TRANSPORTATION EQUIPMENT			(1,273,001)	(241,931)	142,040	(5,160)		(1,378,052)	(1,372,371)
TOTAL DEPRECIABLE PLANT IN SERVICE			(25,075,439)	(2,625,961)	982,864	88,976		(26,629,560)	(25,909,558)
Non-Depreciable Plant									
	350	LAND	-	-	-	-		-	-
	360	DISTRIBUTION PLANT-LAND	-	-	-	-		-	-
	389	GENERAL PLANT-LAND	(6,704)	-	-	-		(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	-	-	-		(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(25,082,143)	(2,625,961)	982,864	88,976		(26,636,264)	(25,916,262)

Schedule C-59(B-8b - 2003)

DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT - 2003

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2002	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2003	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	-	-				-	-
	389	LAND & LAND RIGHTS	-	-				-	-
	390	STRUCTURES & IMPROVEMENTS	(400,427)	52,132				(452,559)	(426,416)
	3911	OFFICE FURNITURE	12,608	1,455				11,153	11,947
	3912	OFFICE MACHINES	(32,082)	7,232				(39,314)	(35,076)
	3913	EDP EQUIPMENT	(579,982)	190,274				(770,256)	(671,296)
	3921	TRANS, EQUIP. - CARS	(78,020)	13,161				(91,181)	(84,415)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	-	1,331				(1,331)	(614)
	397	COMMUNICATION EQUIP	(24,538)	13,353				(37,891)	(30,390)
	399	OTHER TANGIBLE PROPERTY	-	1,150				(1,150)	(241)
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	26.0%	-	-			-	-
	389	LAND & LAND RIGHTS	26.0%	-	-			-	-
	390	STRUCTURES & IMPROVEMENTS	26.0%	(104,111)	13,554			(117,665)	(110,868)
	3911	OFFICE FURNITURE	26.0%	3,278	378			2,900	3,106
	3912	OFFICE MACHINES	26.0%	(8,341)	1,880			(10,222)	(9,120)
	3913	EDP EQUIPMENT	32.0%	(185,594)	60,888			(246,482)	(214,815)
	3921	TRANS, EQUIP. - CARS	26.0%	(20,285)	3,422			(23,707)	(21,948)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	-	346			(346)	(160)
	397	COMMUNICATION EQUIP	26.0%	(6,380)	3,472			(9,852)	(7,901)
	399	OTHER TANGIBLE PROPERTY	26.0%	-	299			(299)	(63)
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				(321,434)	84,239	-	-	(405,673)	(361,768)

Supporting Schedules: C-59(B-9b), C-37

Recap Schedules: C-59(B-3, B-4, C-2)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Test Year 12/31/2004

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2004	13-Month Average
Transmission Plant									
3501		LAND RIGHTS	(30,044)	(1,188)	-	-		(31,232)	(30,638)
352		STRUCTURES AND IMPROVEMENTS	(12,947)	(552)	-	-		(13,499)	(13,223)
353		STATION EQUIPMENT	(860,859)	(54,030)	6,000	-		(908,889)	(883,513)
354		TOWERS AND FIXTURES	(166,167)	(4,404)	-	-		(170,571)	(168,369)
355		POLES AND FIXTURES	(633,694)	(88,776)	-	-		(722,470)	(678,082)
356		OVERHEAD CONDUCTORS AND DEVICES	(246,852)	(60,300)	-	-		(307,152)	(277,002)
359		ROADS AND TRAILS	(3,125)	(264)	-	-		(3,389)	(3,257)
TOTAL TRANSMISSION PLANT			(1,953,687)	(209,514)	6,000	-		(2,157,201)	(2,054,084)
Distribution Plant									
3601		LAND RIGHTS	2,775	(564)	-	-		2,211	2,493
361		STRUCTURES & IMPROVEMENTS	(24,283)	(2,112)	-	-		(26,395)	(25,339)
362		STATION EQUIPMENT	(1,515,082)	(144,851)	185,658	1,848		(1,472,427)	(1,481,904)
364		POLES, TOWERS, & FIXTURES	(3,335,049)	(358,407)	44,816	56,865		(3,591,775)	(3,461,841)
365		OVERHEAD CONDUCTORS & DEVICES	(4,411,960)	(389,642)	38,881	18,195		(4,744,526)	(4,577,449)
3662		UNDERGROUND CONDUIT - BURIED	(415,584)	(50,462)	673	(269)		(465,642)	(440,255)
3672		UNDERGROUND COND & DEVICES - BURIED	(1,261,384)	(126,945)	31,328	(1,258)		(1,358,259)	(1,302,381)
3681		LINE TRANSFORMERS - OVERHEAD	(3,522,995)	(274,166)	121,346	15,862		(3,659,953)	(3,591,120)
3683		LINE TRANSFORMERS - BURIED	(2,199,563)	(219,431)	-	-		(2,418,994)	(2,308,223)
3691		OVERHEAD SERVICES	(1,740,814)	(147,292)	8,426	6,027		(1,873,653)	(1,806,799)
3693		UNDERGROUND SERVICES - BURIED	(1,238,553)	(128,874)	-	-		(1,367,427)	(1,302,407)
370		METERS	(1,666,100)	(113,371)	48,796	(1,332)		(1,732,007)	(1,698,573)
3711		INSTALLATIONS ON CUSTOMER PREMISES-AG	(342,497)	(68,172)	44,038	(1,007)		(367,638)	(354,876)
3713		INSTALLATIONS ON CUSTOMER PREMISES-UG	(128,905)	(29,685)	-	-		(158,590)	(143,643)
3731		STREET LIGHTING & SIGNAL SYSTEMS-AG	(214,711)	(29,012)	25,095	2,313		(216,315)	(215,482)
3733		STREET LIGHTING & SIGNAL SYSTEMS-UG	(96,095)	(25,382)	-	-		(121,477)	(108,719)
TOTAL DISTRIBUTION PLANT			(22,110,800)	(2,108,368)	549,057	97,244		(23,572,867)	(22,816,518)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Year 12/31/2004

Consolidated Electric Division

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2004	13-Month Average
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	(381,376)	(29,267)	-	-		(410,643)	(396,000)
	3911	OFFICE FURNITURE	(6,812)	(1,505)	-	-		(8,317)	(7,533)
	3912	OFFICE MACHINES	(31,688)	(8,175)	-	-		(39,863)	(35,731)
	3913	COMPUTER EQUIPMENT	(337,033)	(164,447)	40,821	(282)		(460,941)	(395,328)
	3931	STORES EQUIPMENT-FIXED	(77,271)	(15,288)	-	-		(92,559)	(84,915)
	3932	STORES EQUIPMENT-PORTABLE	(567)	(108)	-	-		(675)	(621)
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(22,297)	(5,400)	-	-		(27,697)	(24,997)
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(70,344)	(16,722)	-	-		(87,066)	(78,509)
	3951	LABORATORY EQUIPMENT-FIXED	(30,069)	(9,192)	-	-		(39,261)	(34,665)
	3952	LABORATORY EQUIPMENT-PORTABLE	(31,614)	(5,508)	-	-		(37,122)	(34,368)
	396	POWER OPERATED EQUIPMENT	(80,364)	(6,420)	-	-		(86,784)	(83,574)
	397	COMMUNICATION EQUIPMENT	(102,702)	(29,940)	-	-		(132,642)	(117,672)
	398	MISCELLANEOUS EQUIPMENT	(14,132)	(2,868)	-	-		(17,000)	(15,566)
	399	MISCELLANEOUS TANGIBLE	(751)	(2,004)	-	-		(2,755)	(1,753)
TOTAL GENERAL PLANT			(1,187,021)	(296,844)	40,821	(282)		(1,443,326)	(1,311,232)
Transportation Equipment									
	3921	PASSENGER CARS	(55,545)	(12,096)	-	-		(67,641)	(61,593)
	3922	LIGHT TRUCKS & VANS	(346,477)	(72,678)	36,091	(5,315)		(388,378)	(371,184)
	3923	HEAVY TRUCKS	(952,582)	(183,252)	-	-		(1,135,834)	(1,043,192)
	3924	TRAILERS	(23,448)	(3,408)	-	-		(26,856)	(25,152)
TOTAL TRANSPORTATION EQUIPMENT			(1,378,052)	(271,434)	36,091	(5,315)		(1,618,710)	(1,501,122)
TOTAL DEPRECIABLE PLANT IN SERVICE			(26,629,560)	(2,886,160)	631,969	91,647		(28,792,104)	(27,682,956)
Non-Depreciable Plant									
	350	LAND	-	-	-	-		-	-
	360	DISTRIBUTION PLANT-LAND	-	-	-	-		-	-
	389	GENERAL PLANT-LAND	(6,704)	-	-	-		(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	-	-	-		(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(26,636,264)	(2,886,160)	631,969	91,647		(28,798,807)	(27,689,659)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the depreciation reserve balances for each account or sub-account to which an individual depreciation rate is applied.
(Include Amortization/Recovery schedule amounts)

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Year 12/31/2004

Consolidated Electric Division

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Beginning Balance 12/31/2003	Total Depreciation Accrued	Retirements	Net Salvage	Adjustments or Transfers	Ending Balance 12/31/2004	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	-	-				-	-
	389	LAND & LAND RIGHTS	-	-				-	-
	390	STRUCTURES & IMPROVEMENTS	(452,559)	54,631				(507,190)	(479,797)
	3911	OFFICE FURNITURE	11,153	2,132				9,021	10,134
	3912	OFFICE MACHINES	(39,314)	13,288				(52,602)	(45,872)
	3913	EDP EQUIPMENT	(770,256)	224,176				(994,432)	(880,540)
	3921	TRANS, EQUIP. - CARS	(91,181)	18,056				(109,237)	(99,727)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(1,331)	1,452				(2,783)	(2,057)
	397	COMMUNICATION EQUIP	(37,891)	16,860				(54,751)	(46,321)
	399	OTHER TANGIBLE PROPERTY	(1,150)	4,758				(5,908)	(3,357)
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	26.0%	-	-			-	-
	389	LAND & LAND RIGHTS	26.0%	-	-			-	-
	390	STRUCTURES & IMPROVEMENTS	26.0%	(117,665)	14,204			(131,869)	(124,747)
	3911	OFFICE FURNITURE	26.0%	2,900	554			2,345	2,635
	3912	OFFICE MACHINES	26.0%	(10,222)	3,455			(13,677)	(11,927)
	3913	EDP EQUIPMENT	32.0%	(246,482)	71,736			(318,218)	(281,773)
	3921	TRANS, EQUIP. - CARS	26.0%	(23,707)	4,695			(28,402)	(25,929)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	(346)	378			(724)	(535)
	397	COMMUNICATION EQUIP	26.0%	(9,852)	4,384			(14,235)	(12,043)
	399	OTHER TANGIBLE PROPERTY	26.0%	(299)	1,237			(1,536)	(873)
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				(405,673)	100,642	-	-	(506,315)	(455,192)

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
Transmission Plant									
3501		LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
352		STRUCTURES AND IMPROVEMENTS	26,401	26,401	26,401	26,401	26,401	26,401	26,401
353		STATION EQUIPMENT	1,962,229	1,962,229	1,962,229	1,962,229	1,962,229	1,964,929	1,964,929
354		TOWERS AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
355		POLES AND FIXTURES	2,457,138	2,457,168	2,457,198	2,457,228	2,457,258	2,335,888	2,335,918
356		OVERHEAD CONDUCTORS AND DEVICES	2,001,539	2,001,539	2,001,539	2,001,539	2,001,539	1,800,139	1,800,139
359		ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
TOTAL TRANSMISSION PLANT			6,755,279	6,755,309	6,755,339	6,755,369	6,755,399	6,435,329	6,435,359
Distribution Plant									
3601		LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
361		STRUCTURES & IMPROVEMENTS	96,042	96,042	96,042	96,042	96,042	96,042	96,042
362		STATION EQUIPMENT	3,317,022	3,317,489	3,317,956	3,318,423	3,340,890	3,341,357	3,341,824
364		POLES, TOWERS, & FIXTURES	7,271,848	7,308,236	7,344,624	7,381,012	7,420,200	7,459,388	7,506,576
365		OVERHEAD CONDUCTORS & DEVICES	8,331,789	8,352,669	8,373,549	8,394,429	8,415,309	8,436,189	8,464,069
3662		UNDERGROUND CONDUIT - BURIED	1,735,670	1,757,201	1,778,732	1,800,263	1,821,794	1,843,325	1,864,856
3672		UNDERGROUND COND & DEVICES - BURIED	3,539,708	3,565,676	3,591,644	3,617,612	3,643,580	3,669,548	3,695,516
3681		LINE TRANSFORMERS - OVERHEAD	6,364,238	6,368,492	6,372,746	6,377,000	6,404,254	6,408,508	6,429,262
3683		LINE TRANSFORMERS - BURIED	4,830,196	4,834,671	4,839,146	4,843,621	4,972,496	4,981,371	4,990,246
3691		OVERHEAD SERVICES	3,565,981	3,577,999	3,590,017	3,602,035	3,614,053	3,626,071	3,638,089
3693		UNDERGROUND SERVICES - BURIED	3,020,468	3,036,668	3,052,868	3,069,068	3,085,268	3,101,468	3,117,668
370		METERS	2,893,453	2,903,817	2,914,181	2,922,545	2,938,009	2,953,473	2,969,937
3711		INSTALLATIONS ON CUSTOMER PREMISES-AG	1,023,739	1,027,076	1,030,413	1,033,750	1,037,087	1,040,424	1,043,761
3713		INSTALLATIONS ON CUSTOMER PREMISES-UG	439,787	441,579	443,371	445,163	446,955	448,747	450,539
3731		STREET LIGHTING & SIGNAL SYSTEMS-AG	580,136	580,806	581,476	582,146	582,816	583,486	584,156
3733		STREET LIGHTING & SIGNAL SYSTEMS-UG	489,879	491,533	493,187	494,841	496,495	498,149	499,803
TOTAL DISTRIBUTION PLANT			47,516,144	47,676,142	47,836,140	47,994,138	48,331,436	48,503,734	48,708,532

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
Transmission Plant									
	3501	LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
	352	STRUCTURES AND IMPROVEMENTS	26,401	26,401	26,401	26,401	26,401	26,401	26,401
	353	STATION EQUIPMENT	1,964,929	1,964,929	1,964,929	1,964,929	1,964,929	1,964,929	1,963,891
	354	TOWERS AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
	355	POLES AND FIXTURES	2,335,948	2,335,978	2,336,008	2,336,039	2,336,070	2,336,101	2,382,611
	356	OVERHEAD CONDUCTORS AND DEVICES	1,800,139	1,800,139	1,800,139	1,800,139	1,800,139	1,945,139	1,888,754
	359	ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
TOTAL TRANSMISSION PLANT			6,435,389	6,435,419	6,435,449	6,435,480	6,435,511	6,580,542	6,569,629
Distribution Plant									
	3601	LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
	361	STRUCTURES & IMPROVEMENTS	96,042	96,042	96,042	96,042	96,042	96,042	96,042
	362	STATION EQUIPMENT	3,342,291	3,342,758	3,343,224	3,343,690	3,344,156	3,564,623	3,351,977
	364	POLES, TOWERS, & FIXTURES	7,545,764	7,584,952	7,681,140	7,730,328	7,769,515	7,920,203	7,532,599
	365	OVERHEAD CONDUCTORS & DEVICES	8,484,949	8,505,829	8,539,710	8,602,592	8,623,474	8,747,356	8,482,455
	3662	UNDERGROUND CONDUIT - BURIED	1,886,387	1,907,917	1,929,448	1,950,979	1,972,510	2,369,041	1,893,702
	3672	UNDERGROUND COND & DEVICES - BURIED	3,721,483	3,747,450	3,773,417	3,799,384	3,825,351	4,201,318	3,722,437
	3681	LINE TRANSFORMERS - OVERHEAD	6,433,516	6,437,770	6,442,025	6,456,280	6,470,535	6,474,789	6,418,417
	3683	LINE TRANSFORMERS - BURIED	5,051,121	5,059,996	5,068,871	5,077,746	5,086,621	5,095,497	4,979,354
	3691	OVERHEAD SERVICES	3,650,107	3,662,125	3,674,143	3,686,162	3,698,181	3,710,200	3,638,089
	3693	UNDERGROUND SERVICES - BURIED	3,133,868	3,150,068	3,166,268	3,182,468	3,198,668	3,214,868	3,117,668
	370	METERS	2,986,401	3,002,865	3,019,329	3,035,794	3,052,259	3,068,725	2,973,907
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	1,047,098	1,050,435	1,053,772	1,057,109	1,060,446	1,063,784	1,043,761
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	452,331	454,123	455,916	457,709	459,502	461,295	450,540
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	584,826	585,496	586,165	586,834	587,503	588,172	584,155
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	501,457	503,111	504,765	506,419	508,073	509,728	499,803
TOTAL DISTRIBUTION PLANT			48,933,829	49,107,125	49,350,423	49,585,724	49,769,024	51,101,829	48,801,094

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
General Plant									
390		STRUCTURES AND IMPROVEMENTS	1,359,364	1,359,764	1,360,164	1,360,564	1,360,964	1,361,364	1,366,764
3911		OFFICE FURNITURE	7,370	7,370	7,370	7,370	7,370	9,370	9,370
3912		OFFICE MACHINES	37,716	37,716	37,716	37,716	37,716	39,716	39,716
3913		COMPUTER EQUIPMENT	512,120	508,817	505,514	502,211	498,908	498,105	494,802
3931		STORES EQUIPMENT-FIXED	106,918	106,918	106,918	106,918	106,918	106,918	106,918
3932		STORES EQUIPMENT-PORTABLE	761	761	761	761	761	761	761
3941		TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	37,772	37,772	37,772	37,772	37,772	37,772
3942		TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	85,684	87,184	88,684	90,184	91,684	93,184	99,684
3951		LABORATORY EQUIPMENT-FIXED	64,248	64,248	64,248	64,248	64,248	64,248	64,248
3952		LABORATORY EQUIPMENT-PORTABLE	38,559	38,559	38,559	38,559	38,559	38,559	38,559
396		POWER OPERATED EQUIPMENT	116,642	116,642	116,642	116,642	116,642	116,642	116,642
397		COMMUNICATION EQUIPMENT	128,693	128,693	128,693	128,693	128,693	128,693	128,693
398		MISCELLANEOUS EQUIPMENT	20,036	20,036	20,036	20,036	20,036	20,036	20,036
399		MISCELLANEOUS TANGIBLE	-	-	-	-	-	-	-
TOTAL GENERAL PLANT			2,515,883	2,514,480	2,513,077	2,511,674	2,510,271	2,515,368	2,523,965
Transportation Equipment									
3921		PASSENGER CARS	96,020	96,020	96,020	96,020	96,020	96,020	96,020
3922		LIGHT TRUCKS & VANS	536,946	536,946	536,946	536,946	525,266	525,266	565,266
3923		HEAVY TRUCKS	1,655,055	1,666,960	1,678,865	1,690,770	1,702,675	1,714,580	1,847,985
3924		TRAILERS	106,426	106,426	106,426	106,426	106,426	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,394,447	2,406,352	2,418,257	2,430,162	2,430,387	2,442,292	2,615,697
TOTAL DEPRECIABLE PLANT IN SERVICE			59,181,753	59,352,283	59,522,813	59,691,343	60,027,493	59,896,723	60,283,553
Non-Depreciable Plant									
350		LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
360		DISTRIBUTION PLANT-LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
389		GENERAL PLANT-LAND	72,462	72,462	72,462	72,462	72,462	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	101,163	101,163	101,163	101,163	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			59,282,916	59,453,446	59,623,976	59,792,506	60,128,656	59,997,886	60,384,716

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	1,367,164	1,389,064	1,389,464	1,389,864	1,390,364	1,390,864	1,372,749
	3911	OFFICE FURNITURE	9,370	9,370	9,370	9,370	9,370	9,370	8,601
	3912	OFFICE MACHINES	39,716	39,716	39,716	39,716	39,716	39,716	38,947
	3913	COMPUTER EQUIPMENT	504,499	526,196	522,894	519,592	516,290	662,988	520,995
	3931	STORES EQUIPMENT-FIXED	106,918	106,918	106,918	106,918	106,918	106,918	106,918
	3932	STORES EQUIPMENT-PORTABLE	761	761	761	761	761	761	761
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	37,772	37,772	37,772	37,772	37,772	37,772
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	101,184	102,684	104,184	105,684	107,184	108,684	97,376
	3951	LABORATORY EQUIPMENT-FIXED	64,248	64,248	64,248	64,248	64,248	64,248	64,248
	3952	LABORATORY EQUIPMENT-PORTABLE	38,559	38,559	38,559	38,559	38,559	38,559	38,559
	396	POWER OPERATED EQUIPMENT	116,642	116,642	116,642	116,642	116,642	116,642	116,642
	397	COMMUNICATION EQUIPMENT	128,693	114,693	114,693	149,693	149,693	149,693	131,385
	398	MISCELLANEOUS EQUIPMENT	20,036	20,036	20,036	20,036	20,036	20,036	20,036
	399	MISCELLANEOUS TANGIBLE	5,000	10,000	10,000	10,000	10,000	10,000	4,231
TOTAL GENERAL PLANT			2,540,562	2,576,659	2,575,257	2,608,855	2,607,553	2,756,251	2,559,220
Transportation Equipment									
	3921	PASSENGER CARS	96,020	96,020	96,020	96,020	96,020	96,020	96,020
	3922	LIGHT TRUCKS & VANS	565,266	553,586	553,586	553,586	553,586	541,906	545,008
	3923	HEAVY TRUCKS	1,859,891	1,871,797	1,883,703	1,895,609	1,907,515	1,932,421	1,792,910
	3924	TRAILERS	106,426	106,426	106,426	106,426	106,426	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,627,603	2,627,829	2,639,735	2,651,641	2,663,547	2,676,773	2,540,363
TOTAL DEPRECIABLE PLANT IN SERVICE			60,537,383	60,747,032	61,000,864	61,281,700	61,475,635	63,115,395	60,470,305
Non-Depreciable Plant									
	350	LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
	360	DISTRIBUTION PLANT-LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
	389	GENERAL PLANT-LAND	72,462	72,462	72,462	72,462	72,462	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	101,163	101,163	101,163	101,163	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			60,638,546	60,848,195	61,102,027	61,382,863	61,576,798	63,216,558	60,571,468

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	
Common Plant										
	303	MISC. INTANGIBLE PLANT	1,833	1,833	1,833	1,833	1,833	1,833	1,833	
	389	LAND & LAND RIGHTS	341,926	341,926	341,926	341,926	341,926	341,926	341,926	
	390	STRUCTURES & IMPROVEMENTS	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771	2,076,771	
	3911	OFFICE FURNITURE	24,510	24,510	24,510	24,510	24,510	27,710	29,710	
	3912	OFFICE MACHINES	70,737	70,737	70,737	70,737	70,737	70,737	70,737	
	3913	EDP EQUIPMENT	2,078,299	2,087,067	2,191,033	2,191,033	2,207,033	2,383,033	2,434,733	
	3921	TRANS, EQUIP. - CARS	111,725	111,725	111,725	111,725	111,725	111,725	111,725	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	-	30,916	30,916	30,916	30,916	30,916	30,916	
	397	COMMUNICATION EQUIP	134,860	134,860	134,860	142,423	142,423	142,423	237,423	
	399	OTHER TANGIBLE PROPERTY	-	-	-	-	-	-	-	
Allocation to Electric Division										
	303	MISC. INTANGIBLE PLANT	26.0%	477	477	477	477	477	477	
	389	LAND & LAND RIGHTS	26.0%	88,901	88,901	88,901	88,901	88,901	88,901	
	390	STRUCTURES & IMPROVEMENTS	26.0%	539,960	539,960	539,960	539,960	539,960	539,960	
	3911	OFFICE FURNITURE	26.0%	6,373	6,373	6,373	6,373	7,205	7,725	
	3912	OFFICE MACHINES	26.0%	18,392	18,392	18,392	18,392	18,392	18,392	
	3913	EDP EQUIPMENT	32.0%	665,056	667,861	701,131	701,131	706,251	779,115	
	3921	TRANS, EQUIP. - CARS	26.0%	29,049	29,049	29,049	29,049	29,049	29,049	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	-	8,038	8,038	8,038	8,038	8,038	
	397	COMMUNICATION EQUIP	26.0%	35,064	35,064	35,064	37,030	37,030	61,730	
	399	OTHER TANGIBLE PROPERTY	26.0%	-	-	-	-	-	-	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				1,383,270	1,394,114	1,427,383	1,429,349	1,434,469	1,491,621	1,533,385

Supporting Schedules:

Recap Schedules: C-59(B-8a)

Schedule C-59(B-9a - 2003)

MONTHLY PLANT BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

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Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	1,833	1,833	1,833	1,833	1,833	1,833	1,833
	389	LAND & LAND RIGHTS	341,926	341,926	341,926	341,926	341,926	341,926	341,926
	390	STRUCTURES & IMPROVEMENTS	2,076,771	2,076,771	2,093,521	2,110,121	2,126,821	2,143,521	2,089,609
	3911	OFFICE FURNITURE	36,710	36,710	36,710	36,710	36,710	36,710	30,787
	3912	OFFICE MACHINES	70,737	70,737	156,742	166,742	166,742	166,742	99,508
	3913	EDP EQUIPMENT	2,448,233	2,458,733	2,500,570	2,604,570	2,604,570	2,608,570	2,369,037
	3921	TRANS, EQUIP. - CARS	111,725	111,725	130,725	130,725	130,725	130,725	117,571
	3922	TRANS, EQUIP. - LT TRUCK,VAN	30,916	30,916	30,916	30,916	30,916	30,916	28,538
	397	COMMUNICATION EQUIP	237,423	237,423	237,423	237,423	237,423	237,423	191,832
	399	OTHER TANGIBLE PROPERTY	10,000	10,000	16,300	16,300	16,300	16,300	6,554
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	477	477	477	477	477	477	477
	389	LAND & LAND RIGHTS	88,901	88,901	88,901	88,901	88,901	88,901	88,901
	390	STRUCTURES & IMPROVEMENTS	539,960	539,960	544,315	548,631	552,973	557,315	543,298
	3911	OFFICE FURNITURE	9,545	9,545	9,545	9,545	9,545	9,545	8,005
	3912	OFFICE MACHINES	18,392	18,392	40,753	43,353	43,353	43,353	25,872
	3913	EDP EQUIPMENT	783,435	786,795	800,182	833,462	833,462	834,742	758,092
	3921	TRANS, EQUIP. - CARS	29,049	29,049	33,989	33,989	33,989	33,989	30,569
	3922	TRANS, EQUIP. - LT TRUCK,VAN	8,038	8,038	8,038	8,038	8,038	8,038	7,420
	397	COMMUNICATION EQUIP	61,730	61,730	61,730	61,730	61,730	61,730	49,876
	399	OTHER TANGIBLE PROPERTY	2,600	2,600	4,238	4,238	4,238	4,238	1,704
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC			1,542,125	1,545,485	1,592,167	1,632,363	1,636,705	1,642,327	1,514,213

Supporting Schedules:

Recap Schedules: C-59(B-8a)

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
Transmission Plant									
3501		LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
352		STRUCTURES AND IMPROVEMENTS	26,401	26,401	26,401	26,401	26,401	26,401	26,401
353		STATION EQUIPMENT	1,964,929	1,964,929	1,964,929	1,964,929	1,964,929	1,967,929	2,356,929
354		TOWERS AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
355		POLES AND FIXTURES	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101
356		OVERHEAD CONDUCTORS AND DEVICES	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139
359		ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
TOTAL TRANSMISSION PLANT			6,580,542	6,580,542	6,580,542	6,580,542	6,580,542	6,583,542	6,972,542
Distribution Plant									
3601		LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
361		STRUCTURES & IMPROVEMENTS	96,042	96,042	96,042	96,042	96,042	96,042	96,042
362		STATION EQUIPMENT	3,564,623	3,563,735	3,562,847	3,561,959	3,761,071	3,760,183	4,893,795
364		POLES, TOWERS, & FIXTURES	7,920,203	7,954,368	7,988,533	8,072,698	8,106,863	8,141,028	8,175,193
365		OVERHEAD CONDUCTORS & DEVICES	8,747,356	8,767,016	8,786,676	8,806,336	8,825,996	8,845,656	8,865,316
3662		UNDERGROUND CONDUIT - BURIED	2,369,041	2,369,785	2,370,529	2,571,273	2,572,017	2,572,761	2,573,505
3672		UNDERGROUND COND & DEVICES - BURIED	4,201,318	4,216,291	4,231,264	4,371,237	4,386,210	4,401,183	4,416,156
3681		LINE TRANSFORMERS - OVERHEAD	6,474,789	6,478,476	6,482,163	6,485,851	6,538,539	6,542,227	6,545,915
3683		LINE TRANSFORMERS - BURIED	5,095,497	5,102,297	5,109,097	5,115,897	5,222,697	5,229,497	5,236,297
3691		OVERHEAD SERVICES	3,710,200	3,722,298	3,734,396	3,746,494	3,758,592	3,770,690	3,782,788
3693		UNDERGROUND SERVICES - BURIED	3,214,868	3,231,168	3,247,468	3,263,768	3,280,068	3,296,368	3,312,668
370		METERS	3,068,725	3,083,359	3,097,993	3,112,627	3,127,261	3,141,895	3,156,529
3711		INSTALLATIONS ON CUSTOMER PREMISES-AG	1,063,784	1,067,114	1,070,444	1,073,774	1,077,104	1,080,434	1,083,764
3713		INSTALLATIONS ON CUSTOMER PREMISES-UG	461,295	463,095	464,895	466,695	468,495	470,295	472,095
3731		STREET LIGHTING & SIGNAL SYSTEMS-AG	588,172	588,881	589,590	590,299	591,008	591,717	592,426
3733		STREET LIGHTING & SIGNAL SYSTEMS-UG	509,728	511,228	512,728	514,228	515,728	517,228	518,728
TOTAL DISTRIBUTION PLANT			51,101,829	51,231,341	51,360,853	51,865,366	52,343,879	52,473,392	53,737,405

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.. 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness. Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
Transmission Plant									
	3501	LAND RIGHTS	56,519	56,519	56,519	56,519	56,519	56,519	56,519
	352	STRUCTURES AND IMPROVEMENTS	26,401	26,401	26,401	26,401	26,401	26,401	26,401
	353	STATION EQUIPMENT	2,356,929	2,356,929	2,356,929	2,356,929	2,356,929	2,356,929	2,176,237
	354	TOWERS AND FIXTURES	244,665	244,665	244,665	244,665	244,665	244,665	244,665
	355	POLES AND FIXTURES	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101	2,336,101
	356	OVERHEAD CONDUCTORS AND DEVICES	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139	1,945,139
	359	ROADS AND TRAILS	6,788	6,788	6,788	6,788	6,788	6,788	6,788
TOTAL TRANSMISSION PLANT			6,972,542	6,972,542	6,972,542	6,972,542	6,972,542	6,972,542	6,791,850
Distribution Plant									
	3601	LAND RIGHTS	16,188	16,188	16,188	16,188	16,188	16,188	16,188
	361	STRUCTURES & IMPROVEMENTS	96,042	96,042	96,042	96,042	96,042	96,042	96,042
	362	STATION EQUIPMENT	4,892,907	4,892,019	4,891,131	4,890,243	4,889,354	4,888,465	4,308,641
	364	POLES, TOWERS, & FIXTURES	8,209,358	8,243,523	8,277,689	8,311,855	8,346,021	8,380,287	8,163,663
	365	OVERHEAD CONDUCTORS & DEVICES	8,884,976	8,904,636	8,924,296	8,943,956	8,963,616	8,983,275	8,865,316
	3662	UNDERGROUND CONDUIT - BURIED	2,574,249	2,574,993	2,575,737	2,576,481	2,577,225	2,577,968	2,527,351
	3672	UNDERGROUND COND & DEVICES - BURIED	4,431,129	4,446,102	4,461,074	4,476,046	4,491,018	4,506,090	4,387,317
	3681	LINE TRANSFORMERS - OVERHEAD	6,549,603	6,553,291	6,556,979	6,560,667	6,564,355	6,568,043	6,530,838
	3683	LINE TRANSFORMERS - BURIED	5,243,097	5,249,897	5,356,697	5,363,497	5,370,297	5,377,097	5,236,297
	3691	OVERHEAD SERVICES	3,794,886	3,806,984	3,819,082	3,831,180	3,843,277	3,855,374	3,782,788
	3693	UNDERGROUND SERVICES - BURIED	3,328,968	3,345,268	3,361,568	3,377,868	3,394,168	3,410,468	3,312,668
	370	METERS	3,171,163	3,185,797	3,200,430	3,215,063	3,229,696	3,243,329	3,156,451
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	1,087,094	1,090,424	1,093,754	1,097,084	1,100,415	1,103,746	1,083,764
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	473,895	475,695	477,495	479,295	481,095	482,895	472,095
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	593,135	593,844	594,553	595,261	595,969	596,677	592,426
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	520,228	521,728	523,228	524,728	526,228	527,728	518,728
TOTAL DISTRIBUTION PLANT			53,866,918	53,996,431	54,225,943	54,355,454	54,484,964	54,613,672	53,050,573

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	1,390,864	1,391,364	1,391,864	1,392,364	1,392,864	1,393,364	1,393,864
	3911	OFFICE FURNITURE	9,370	9,370	9,370	9,370	9,370	11,370	11,370
	3912	OFFICE MACHINES	39,716	39,716	39,716	39,716	39,716	41,716	41,716
	3913	COMPUTER EQUIPMENT	662,988	659,586	656,184	882,782	879,380	878,478	875,076
	3931	STORES EQUIPMENT-FIXED	106,918	106,918	106,918	106,918	106,918	106,918	106,918
	3932	STORES EQUIPMENT-PORTABLE	761	761	761	761	761	761	761
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	37,772	37,772	37,772	37,772	37,772	37,772
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	108,684	110,184	111,684	113,184	114,684	116,184	117,684
	3951	LABORATORY EQUIPMENT-FIXED	64,248	64,248	64,248	64,248	64,248	64,248	64,248
	3952	LABORATORY EQUIPMENT-PORTABLE	38,559	38,559	38,559	38,559	38,559	38,559	38,559
	396	POWER OPERATED EQUIPMENT	116,642	116,642	116,642	116,642	116,642	116,642	116,642
	397	COMMUNICATION EQUIPMENT	149,693	149,693	149,693	149,693	149,693	149,693	149,693
	398	MISCELLANEOUS EQUIPMENT	20,036	20,036	20,036	20,036	20,036	20,036	20,036
	399	MISCELLANEOUS TANGIBLE	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL GENERAL PLANT			2,756,251	2,754,849	2,753,447	2,982,045	2,980,643	2,985,741	2,984,339
Transportation Equipment									
	3921	PASSENGER CARS	96,020	96,020	96,020	96,020	96,020	96,020	96,020
	3922	LIGHT TRUCKS & VANS	541,906	541,906	541,906	541,906	529,876	579,876	579,876
	3923	HEAVY TRUCKS	1,932,421	1,932,421	2,112,421	2,112,421	2,112,421	2,112,421	2,112,421
	3924	TRAILERS	106,426	106,426	106,426	106,426	106,426	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,676,773	2,676,773	2,856,773	2,856,773	2,844,743	2,894,743	2,894,743
TOTAL DEPRECIABLE PLANT IN SERVICE			63,115,395	63,243,505	63,551,615	64,284,726	64,749,807	64,937,418	66,589,029
Non-Depreciable Plant									
	350	LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
	360	DISTRIBUTION PLANT-LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
	389	GENERAL PLANT-LAND	72,462	72,462	72,462	72,462	72,462	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	101,163	101,163	101,163	101,163	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			63,216,558	63,344,668	63,652,778	64,385,889	64,850,970	65,038,581	66,690,192

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
General Plant									
390		STRUCTURES AND IMPROVEMENTS	1,394,364	1,394,864	1,395,364	1,395,864	1,396,364	1,396,864	1,393,864
3911		OFFICE FURNITURE	11,370	11,370	11,370	11,370	11,370	11,370	10,601
3912		OFFICE MACHINES	41,716	41,716	41,716	41,716	41,716	41,716	40,947
3913		COMPUTER EQUIPMENT	871,674	880,272	876,870	873,469	870,068	866,667	825,653
3931		STORES EQUIPMENT-FIXED	106,918	106,918	106,918	106,918	106,918	106,918	106,918
3932		STORES EQUIPMENT-PORTABLE	761	761	761	761	761	761	761
3941		TOOLS, SHOP, & GARAGE EQUIP-FIXED	37,772	37,772	37,772	37,772	37,772	37,772	37,772
3942		TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	119,184	120,684	122,184	123,684	125,184	126,684	117,684
3951		LABORATORY EQUIPMENT-FIXED	64,248	64,248	64,248	64,248	64,248	64,248	64,248
3952		LABORATORY EQUIPMENT-PORTABLE	38,559	38,559	38,559	38,559	38,559	38,559	38,559
396		POWER OPERATED EQUIPMENT	116,642	116,642	116,642	116,642	116,642	116,642	116,642
397		COMMUNICATION EQUIPMENT	149,693	149,693	149,693	149,693	149,693	149,693	149,693
398		MISCELLANEOUS EQUIPMENT	20,036	20,036	20,036	20,036	20,036	20,036	20,036
399		MISCELLANEOUS TANGIBLE	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL GENERAL PLANT			2,982,937	2,993,535	2,992,133	2,990,732	2,989,331	2,987,930	2,933,378
Transportation Equipment									
3921		PASSENGER CARS	96,020	96,020	96,020	96,020	96,020	96,020	96,020
3922		LIGHT TRUCKS & VANS	579,876	567,845	567,845	567,845	567,845	555,815	558,794
3923		HEAVY TRUCKS	2,112,421	2,112,421	2,112,421	2,112,421	2,112,421	2,112,421	2,084,729
3924		TRAILERS	106,426	106,426	106,426	106,426	106,426	106,426	106,426
TOTAL TRANSPORTATION EQUIPMENT			2,894,743	2,882,712	2,882,712	2,882,712	2,882,712	2,870,682	2,845,969
TOTAL DEPRECIABLE PLANT IN SERVICE			66,717,140	66,845,220	67,073,330	67,201,440	67,329,549	67,444,826	65,621,769
Non-Depreciable Plant									
350		LAND	17,629	17,629	17,629	17,629	17,629	17,629	17,629
360		DISTRIBUTION PLANT-LAND	11,072	11,072	11,072	11,072	11,072	11,072	11,072
389		GENERAL PLANT-LAND	72,462	72,462	72,462	72,462	72,462	72,462	72,462
TOTAL NON-DEPRECIABLE PLANT			101,163	101,163	101,163	101,163	101,163	101,163	101,163
TOTAL ELECTRIC PLANT IN SERVICE			66,818,303	66,946,383	67,174,493	67,302,603	67,430,712	67,545,989	65,722,932

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	
Common Plant										
	303	MISC. INTANGIBLE PLANT	1,833	1,833	1,833	1,833	1,833	1,833	1,833	
	389	LAND & LAND RIGHTS	341,926	341,926	341,926	341,926	341,926	341,926	341,926	
	390	STRUCTURES & IMPROVEMENTS	2,143,521	2,160,221	2,176,921	2,193,521	2,193,521	2,193,521	2,193,521	
	3911	OFFICE FURNITURE	36,710	38,710	38,710	41,110	45,110	47,110	47,110	
	3912	OFFICE MACHINES	166,742	166,742	166,742	166,742	166,742	176,742	176,742	
	3913	EDP EQUIPMENT	2,608,570	2,637,570	2,650,420	2,734,420	2,771,420	2,776,120	2,808,620	
	3921	TRANS, EQUIP. - CARS	130,725	130,725	149,725	149,725	149,725	149,725	176,225	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	30,916	30,916	30,916	30,916	30,916	30,916	30,916	
	397	COMMUNICATION EQUIP	237,423	237,423	237,423	237,423	237,423	237,423	237,423	
	399	OTHER TANGIBLE PROPERTY	16,300	16,300	16,300	26,300	26,300	26,300	26,300	
Allocation to Electric Division										
	303	MISC INTANGIBLE PLANT	26.0%	477	477	477	477	477	477	
	389	LAND & LAND RIGHTS	26.0%	88,901	88,901	88,901	88,901	88,901	88,901	
	390	STRUCTURES & IMPROVEMENTS	26.0%	557,315	561,657	565,999	570,315	570,315	570,315	
	3911	OFFICE FURNITURE	26.0%	9,545	10,065	10,065	10,689	11,729	12,249	
	3912	OFFICE MACHINES	26.0%	43,353	43,353	43,353	43,353	45,953	45,953	
	3913	EDP EQUIPMENT	32.0%	834,742	844,022	848,134	875,014	886,854	898,758	
	3921	TRANS, EQUIP. - CARS	26.0%	33,989	33,989	38,929	38,929	38,929	45,819	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	8,038	8,038	8,038	8,038	8,038	8,038	
	397	COMMUNICATION EQUIP	26.0%	61,730	61,730	61,730	61,730	61,730	61,730	
	399	OTHER TANGIBLE PROPERTY	26.0%	4,238	4,238	4,238	6,838	6,838	6,838	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				1,642,327	1,656,469	1,669,863	1,704,283	1,717,163	1,721,787	1,739,077

Supporting Schedules:

Recap Schedules: C-59(B-8a)

Schedule C-59(B-9a - 2004)

MONTHLY PLANT BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly plant balances for each account or sub-account to which an individual depreciation rate is applied. These balances should be the ones used to compute the monthly depreciation expenses excluding any amortization/recovery schedules.

Type of Data Shown:

COMPANY, FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	1,833	1,833	1,833	1,833	1,833	1,833	1,833
	389	LAND & LAND RIGHTS	341,926	341,926	341,926	341,926	341,926	341,926	341,926
	390	STRUCTURES & IMPROVEMENTS	2,193,521	2,193,521	2,193,521	2,193,521	2,193,521	2,193,521	2,185,836
	3911	OFFICE FURNITURE	47,810	47,810	47,810	47,810	47,810	47,810	44,725
	3912	OFFICE MACHINES	176,742	176,742	176,742	176,742	176,742	176,742	172,896
	3913	EDP EQUIPMENT	2,808,620	2,823,620	2,858,620	2,866,620	2,866,620	2,899,120	2,777,720
	3921	TRANS, EQUIP. - CARS	176,225	176,225	176,225	176,225	176,225	176,225	161,071
	3922	TRANS, EQUIP. - LT TRUCK,VAN	30,916	30,916	30,916	30,916	30,916	30,916	30,916
	397	COMMUNICATION EQUIP	237,423	237,423	237,423	237,423	237,423	237,423	237,423
	399	OTHER TANGIBLE PROPERTY	26,300	26,300	26,300	26,300	26,300	26,300	23,992
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	477	477	477	477	477	477	477
	389	LAND & LAND RIGHTS	88,901	88,901	88,901	88,901	88,901	88,901	88,901
	390	STRUCTURES & IMPROVEMENTS	570,315	570,315	570,315	570,315	570,315	570,315	568,317
	3911	OFFICE FURNITURE	12,431	12,431	12,431	12,431	12,431	12,431	11,629
	3912	OFFICE MACHINES	45,953	45,953	45,953	45,953	45,953	45,953	44,953
	3913	EDP EQUIPMENT	898,758	903,558	914,758	917,318	917,318	927,718	888,870
	3921	TRANS, EQUIP. - CARS	45,819	45,819	45,819	45,819	45,819	45,819	41,879
	3922	TRANS, EQUIP. - LT TRUCK,VAN	8,038	8,038	8,038	8,038	8,038	8,038	8,038
	397	COMMUNICATION EQUIP	61,730	61,730	61,730	61,730	61,730	61,730	61,730
	399	OTHER TANGIBLE PROPERTY	6,838	6,838	6,838	6,838	6,838	6,838	6,238
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC			1,739,259	1,744,059	1,755,259	1,757,819	1,757,819	1,768,219	1,721,031

Supporting Schedules:

Recap Schedules: C-59(B-8a)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
Transmission Plant									
	3501	LAND RIGHTS	(28,856)	(28,955)	(29,054)	(29,153)	(29,252)	(29,351)	(29,450)
	352	STRUCTURES AND IMPROVEMENTS	(12,395)	(12,441)	(12,487)	(12,533)	(12,579)	(12,625)	(12,671)
	353	STATION EQUIPMENT	(811,761)	(815,849)	(819,937)	(824,025)	(828,113)	(832,201)	(836,295)
	354	TOWERS AND FIXTURES	(161,763)	(162,130)	(162,497)	(162,864)	(163,231)	(163,598)	(163,965)
	355	POLES AND FIXTURES	(664,409)	(672,190)	(679,971)	(687,752)	(695,533)	(581,914)	(589,311)
	356	OVERHEAD CONDUCTORS AND DEVICES	(394,847)	(400,018)	(405,189)	(410,360)	(415,531)	(219,302)	(223,952)
	359	ROADS AND TRAILS	(2,861)	(2,883)	(2,905)	(2,927)	(2,949)	(2,971)	(2,993)
TOTAL TRANSMISSION PLANT			(2,076,891)	(2,094,465)	(2,112,039)	(2,129,613)	(2,147,187)	(1,841,961)	(1,858,636)
Distribution Plant									
	3601	LAND RIGHTS	3,339	3,292	3,245	3,198	3,151	3,104	3,057
	361	STRUCTURES & IMPROVEMENTS	(22,171)	(22,347)	(22,523)	(22,699)	(22,875)	(23,051)	(23,227)
	362	STATION EQUIPMENT	(1,443,859)	(1,452,245)	(1,460,633)	(1,469,022)	(1,477,412)	(1,485,866)	(1,494,321)
	364	POLES, TOWERS, & FIXTURES	(3,132,257)	(3,150,693)	(3,169,263)	(3,187,966)	(3,206,803)	(3,225,783)	(3,244,907)
	365	OVERHEAD CONDUCTORS & DEVICES	(4,132,118)	(4,158,049)	(4,184,056)	(4,210,140)	(4,236,301)	(4,262,538)	(4,288,852)
	3662	UNDERGROUND CONDUIT - BURIED	(378,893)	(381,754)	(384,651)	(387,584)	(390,552)	(393,556)	(396,596)
	3672	UNDERGROUND COND & DEVICES - BURIED	(1,186,354)	(1,194,351)	(1,202,409)	(1,210,529)	(1,218,711)	(1,226,955)	(1,235,260)
	3681	LINE TRANSFORMERS - OVERHEAD	(3,386,830)	(3,398,004)	(3,409,193)	(3,420,397)	(3,431,616)	(3,442,930)	(3,454,259)
	3683	LINE TRANSFORMERS - BURIED	(1,990,836)	(2,007,742)	(2,024,663)	(2,041,600)	(2,058,553)	(2,075,957)	(2,093,392)
	3691	OVERHEAD SERVICES	(1,613,194)	(1,623,613)	(1,634,071)	(1,644,569)	(1,655,106)	(1,665,682)	(1,676,297)
	3693	UNDERGROUND SERVICES - BURIED	(1,117,280)	(1,127,097)	(1,136,966)	(1,146,888)	(1,156,862)	(1,166,889)	(1,176,969)
	370	METERS	(1,605,406)	(1,610,246)	(1,615,117)	(1,620,020)	(1,624,948)	(1,629,922)	(1,634,942)
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(318,621)	(320,515)	(322,426)	(324,355)	(326,301)	(328,265)	(330,246)
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(100,577)	(102,886)	(105,204)	(107,532)	(109,869)	(112,216)	(114,572)
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(212,712)	(212,864)	(213,019)	(213,176)	(213,336)	(213,499)	(213,665)
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(71,645)	(73,645)	(75,652)	(77,666)	(79,687)	(81,714)	(83,748)
TOTAL DISTRIBUTION PLANT			(20,709,414)	(20,832,759)	(20,956,601)	(21,080,945)	(21,205,781)	(21,331,719)	(21,458,196)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Projected Test Year 12/31/2004

Consolidated Electric Division

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
Transmission Plant									
	3501	LAND RIGHTS	(29,549)	(29,648)	(29,747)	(29,846)	(29,945)	(30,044)	(29,450)
	352	STRUCTURES AND IMPROVEMENTS	(12,717)	(12,763)	(12,809)	(12,855)	(12,901)	(12,947)	(12,671)
	353	STATION EQUIPMENT	(840,389)	(844,483)	(848,577)	(852,671)	(856,765)	(860,859)	(836,302)
	354	TOWERS AND FIXTURES	(164,332)	(164,699)	(165,066)	(165,433)	(165,800)	(166,167)	(163,965)
	355	POLES AND FIXTURES	(596,708)	(604,105)	(611,502)	(618,899)	(626,296)	(633,694)	(635,560)
	356	OVERHEAD CONDUCTORS AND DEVICES	(228,602)	(233,252)	(237,902)	(242,552)	(247,202)	(246,852)	(300,427)
	359	ROADS AND TRAILS	(3,015)	(3,037)	(3,059)	(3,081)	(3,103)	(3,125)	(2,993)
TOTAL TRANSMISSION PLANT			(1,875,311)	(1,891,986)	(1,908,661)	(1,925,336)	(1,942,011)	(1,953,687)	(1,981,368)
Distribution Plant									
	3601	LAND RIGHTS	3,010	2,963	2,916	2,869	2,822	2,775	3,057
	361	STRUCTURES & IMPROVEMENTS	(23,403)	(23,579)	(23,755)	(23,931)	(24,107)	(24,283)	(23,227)
	362	STATION EQUIPMENT	(1,502,779)	(1,511,238)	(1,519,697)	(1,528,157)	(1,536,619)	(1,515,082)	(1,492,072)
	364	POLES, TOWERS, & FIXTURES	(3,264,205)	(3,283,647)	(3,303,232)	(3,323,169)	(3,343,287)	(3,335,049)	(3,243,866)
	365	OVERHEAD CONDUCTORS & DEVICES	(4,315,269)	(4,341,763)	(4,368,334)	(4,395,030)	(4,421,957)	(4,411,960)	(4,286,643)
	3662	UNDERGROUND CONDUIT - BURIED	(399,672)	(402,782)	(405,928)	(409,110)	(412,329)	(415,584)	(396,845)
	3672	UNDERGROUND COND & DEVICES - BURIED	(1,243,627)	(1,252,056)	(1,260,546)	(1,269,098)	(1,277,711)	(1,261,384)	(1,233,769)
	3681	LINE TRANSFORMERS - OVERHEAD	(3,465,660)	(3,477,075)	(3,488,506)	(3,499,952)	(3,511,448)	(3,522,995)	(3,454,528)
	3683	LINE TRANSFORMERS - BURIED	(2,110,858)	(2,128,537)	(2,146,247)	(2,163,988)	(2,181,760)	(2,199,563)	(2,094,131)
	3691	OVERHEAD SERVICES	(1,686,951)	(1,697,644)	(1,708,376)	(1,719,149)	(1,729,962)	(1,740,814)	(1,676,571)
	3693	UNDERGROUND SERVICES - BURIED	(1,187,101)	(1,197,286)	(1,207,524)	(1,217,814)	(1,228,157)	(1,238,553)	(1,177,337)
	370	METERS	(1,640,011)	(1,645,129)	(1,650,297)	(1,655,515)	(1,660,782)	(1,666,100)	(1,635,265)
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(332,245)	(334,260)	(336,293)	(338,343)	(340,411)	(342,497)	(330,368)
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(116,937)	(119,312)	(121,696)	(124,090)	(126,493)	(128,905)	(114,637)
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(213,832)	(214,003)	(214,176)	(214,352)	(214,530)	(214,711)	(213,683)
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(85,789)	(87,837)	(89,891)	(91,952)	(94,020)	(96,095)	(83,796)
TOTAL DISTRIBUTION PLANT			(21,585,329)	(21,713,185)	(21,841,582)	(21,970,781)	(22,100,751)	(22,110,800)	(21,453,680)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
General Plant									
390		STRUCTURES AND IMPROVEMENTS	(353,265)	(355,587)	(357,910)	(360,234)	(362,558)	(364,883)	(367,209)
3911		OFFICE FURNITURE	(5,588)	(5,676)	(5,764)	(5,852)	(5,940)	(6,028)	(6,140)
3912		OFFICE MACHINES	(23,909)	(24,538)	(25,167)	(25,796)	(26,425)	(27,054)	(27,716)
3913		COMPUTER EQUIPMENT	(274,559)	(279,814)	(285,014)	(290,159)	(295,249)	(300,284)	(305,306)
3931		STORES EQUIPMENT-FIXED	(61,983)	(63,257)	(64,531)	(65,805)	(67,079)	(68,353)	(69,627)
3932		STORES EQUIPMENT-PORTABLE	(459)	(468)	(477)	(486)	(495)	(504)	(513)
3941		TOOLS, SHOP, & GARAGE EQUIP-FIXED	(16,897)	(17,347)	(17,797)	(18,247)	(18,697)	(19,147)	(19,597)
3942		TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(56,553)	(57,574)	(58,613)	(59,670)	(60,745)	(61,838)	(62,948)
3951		LABORATORY EQUIPMENT-FIXED	(20,877)	(21,643)	(22,409)	(23,175)	(23,941)	(24,707)	(25,473)
3952		LABORATORY EQUIPMENT-PORTABLE	(26,106)	(26,565)	(27,024)	(27,483)	(27,942)	(28,401)	(28,860)
396		POWER OPERATED EQUIPMENT	(73,944)	(74,479)	(75,014)	(75,549)	(76,084)	(76,619)	(77,154)
397		COMMUNICATION EQUIPMENT	(90,728)	(92,873)	(95,018)	(97,163)	(99,308)	(101,453)	(103,598)
398		MISCELLANEOUS EQUIPMENT	(11,264)	(11,503)	(11,742)	(11,981)	(12,220)	(12,459)	(12,698)
399		MISCELLANEOUS TANGIBLE	-	-	-	-	-	-	-
TOTAL GENERAL PLANT			(1,016,133)	(1,031,325)	(1,046,481)	(1,061,601)	(1,076,684)	(1,091,731)	(1,106,840)
Transportation Equipment									
3921		PASSENGER CARS	(43,497)	(44,501)	(45,505)	(46,509)	(47,513)	(48,517)	(49,521)
3922		LIGHT TRUCKS & VANS	(305,745)	(311,970)	(318,195)	(324,420)	(318,965)	(325,063)	(331,161)
3923		HEAVY TRUCKS	(903,719)	(915,787)	(927,942)	(940,184)	(952,513)	(964,928)	(977,430)
3924		TRAILERS	(20,040)	(20,324)	(20,608)	(20,892)	(21,176)	(21,460)	(21,744)
TOTAL TRANSPORTATION EQUIPMENT			(1,273,001)	(1,292,582)	(1,312,250)	(1,332,005)	(1,340,167)	(1,359,968)	(1,379,856)
TOTAL DEPRECIABLE PLANT IN SERVICE			(25,075,439)	(25,251,131)	(25,427,371)	(25,604,164)	(25,769,819)	(25,625,379)	(25,803,528)
Non-Depreciable Plant									
350		LAND	-	-	-	-	-	-	-
360		DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-
389		GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(25,082,143)	(25,257,835)	(25,434,075)	(25,610,868)	(25,776,523)	(25,632,083)	(25,810,232)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	(369,544)	(371,880)	(374,253)	(376,627)	(379,001)	(381,376)	(367,256)
	3911	OFFICE FURNITURE	(6,252)	(6,364)	(6,476)	(6,588)	(6,700)	(6,812)	(6,167)
	3912	OFFICE MACHINES	(28,378)	(29,040)	(29,702)	(30,364)	(31,026)	(31,688)	(27,754)
	3913	COMPUTER EQUIPMENT	(310,273)	(315,401)	(320,892)	(326,328)	(331,708)	(337,033)	(305,540)
	3931	STORES EQUIPMENT-FIXED	(70,901)	(72,175)	(73,449)	(74,723)	(75,997)	(77,271)	(69,627)
	3932	STORES EQUIPMENT-PORTABLE	(522)	(531)	(540)	(549)	(558)	(567)	(513)
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(20,047)	(20,497)	(20,947)	(21,397)	(21,847)	(22,297)	(19,597)
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(64,136)	(65,342)	(66,566)	(67,808)	(69,067)	(70,344)	(63,170)
	3951	LABORATORY EQUIPMENT-FIXED	(26,239)	(27,005)	(27,771)	(28,537)	(29,303)	(30,069)	(25,473)
	3952	LABORATORY EQUIPMENT-PORTABLE	(29,319)	(29,778)	(30,237)	(30,696)	(31,155)	(31,614)	(28,860)
	396	POWER OPERATED EQUIPMENT	(77,689)	(78,224)	(78,759)	(79,294)	(79,829)	(80,364)	(77,154)
	397	COMMUNICATION EQUIPMENT	(105,743)	(93,888)	(95,800)	(97,712)	(100,207)	(102,702)	(98,168)
	398	MISCELLANEOUS EQUIPMENT	(12,937)	(13,176)	(13,415)	(13,654)	(13,893)	(14,132)	(12,698)
	399	MISCELLANEOUS TANGIBLE	-	(83)	(250)	(417)	(584)	(751)	(160)
TOTAL GENERAL PLANT			(1,121,981)	(1,123,385)	(1,139,058)	(1,154,695)	(1,170,876)	(1,187,021)	(1,102,139)
Transportation Equipment									
	3921	PASSENGER CARS	(50,525)	(51,529)	(52,533)	(53,537)	(54,541)	(55,545)	(49,521)
	3922	LIGHT TRUCKS & VANS	(337,691)	(332,541)	(338,945)	(345,349)	(351,753)	(346,477)	(329,867)
	3923	HEAVY TRUCKS	(990,905)	(1,004,467)	(1,018,116)	(1,031,851)	(1,045,673)	(952,582)	(971,238)
	3924	TRAILERS	(22,028)	(22,312)	(22,596)	(22,880)	(23,164)	(23,448)	(21,744)
TOTAL TRANSPORTATION EQUIPMENT			(1,401,149)	(1,410,849)	(1,432,190)	(1,453,617)	(1,475,131)	(1,378,052)	(1,372,371)
TOTAL DEPRECIABLE PLANT IN SERVICE			(25,983,770)	(26,139,405)	(26,321,491)	(26,504,429)	(26,688,769)	(26,629,560)	(25,909,558)
Non-Depreciable Plant									
	350	LAND	-	-	-	-	-	-	-
	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-
	389	GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(25,990,474)	(26,146,109)	(26,328,195)	(26,511,133)	(26,695,473)	(26,636,264)	(25,916,262)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	
Common Plant										
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-	
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-	
	390	STRUCTURES & IMPROVEMENTS	(400,427)	(404,754)	(409,081)	(413,408)	(417,735)	(422,062)	(426,389)	
	3911	OFFICE FURNITURE	12,608	12,510	12,412	12,314	12,216	12,118	12,007	
	3912	OFFICE MACHINES	(32,082)	(32,536)	(32,990)	(33,444)	(33,898)	(34,352)	(34,806)	
	3913	EDP EQUIPMENT	(579,982)	(594,011)	(608,099)	(622,888)	(637,677)	(652,574)	(668,659)	
	3921	TRANS, EQUIP. - CARS	(78,020)	(79,072)	(80,124)	(81,176)	(82,228)	(83,280)	(84,332)	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	-	-	(121)	(242)	(363)	(484)	(605)	
	397	COMMUNICATION EQUIP	(24,538)	(25,336)	(26,134)	(26,932)	(27,735)	(28,618)	(29,461)	
	399	OTHER TANGIBLE PROPERTY	-	-	-	-	-	-	-	
Allocation to Electric Division										
	303	MISC. INTANGIBLE PLANT	26.0%	-	-	-	-	-	-	
	389	LAND & LAND RIGHTS	26.0%	-	-	-	-	-	-	
	390	STRUCTURES & IMPROVEMENTS	26.0%	(104,111)	(105,236)	(106,361)	(107,486)	(108,611)	(109,736)	
	3911	OFFICE FURNITURE	26.0%	3,278	3,253	3,227	3,202	3,176	3,151	
	3912	OFFICE MACHINES	26.0%	(8,341)	(8,459)	(8,577)	(8,695)	(8,813)	(8,932)	
	3913	EDP EQUIPMENT	32.0%	(185,594)	(190,084)	(194,592)	(199,324)	(204,057)	(208,824)	
	3921	TRANS, EQUIP. - CARS	26.0%	(20,285)	(20,559)	(20,832)	(21,106)	(21,379)	(21,653)	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	-	-	(31)	(63)	(94)	(126)	
	397	COMMUNICATION EQUIP	26.0%	(6,380)	(6,587)	(6,795)	(7,002)	(7,222)	(7,441)	
	399	OTHER TANGIBLE PROPERTY	26.0%	-	-	-	-	-	-	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				(321,434)	(327,672)	(333,962)	(340,475)	(347,000)	(353,560)	(360,503)

Supporting Schedules:

Recap Schedules: C-59(B-8b)

Schedule C-59(B-9b - 2003)

MONTHLY RESERVE BALANCES TEST YEAR - 2003 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-
	390	STRUCTURES & IMPROVEMENTS	(430,716)	(435,043)	(439,370)	(443,732)	(448,128)	(452,559)	(426,416)
	3911	OFFICE FURNITURE	11,888	11,741	11,594	11,447	11,300	11,153	11,947
	3912	OFFICE MACHINES	(35,260)	(35,714)	(36,168)	(37,174)	(38,244)	(39,314)	(35,076)
	3913	EDP EQUIPMENT	(685,093)	(701,619)	(718,215)	(735,094)	(752,675)	(770,256)	(671,296)
	3921	TRANS, EQUIP. - CARS	(85,384)	(86,436)	(87,488)	(88,719)	(89,950)	(91,181)	(84,415)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(726)	(847)	(968)	(1,089)	(1,210)	(1,331)	(614)
	397	COMMUNICATION EQUIP	(30,866)	(32,271)	(33,676)	(35,081)	(36,486)	(37,891)	(30,390)
	399	OTHER TANGIBLE PROPERTY	-	(167)	(334)	(606)	(878)	(1,150)	(241)
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-
	390	STRUCTURES & IMPROVEMENTS	(111,986)	(113,111)	(114,236)	(115,370)	(116,513)	(117,665)	(110,868)
	3911	OFFICE FURNITURE	3,091	3,053	3,014	2,976	2,938	2,900	3,106
	3912	OFFICE MACHINES	(9,168)	(9,286)	(9,404)	(9,665)	(9,943)	(10,222)	(9,120)
	3913	EDP EQUIPMENT	(219,230)	(224,518)	(229,829)	(235,230)	(240,856)	(246,482)	(214,815)
	3921	TRANS, EQUIP. - CARS	(22,200)	(22,473)	(22,747)	(23,067)	(23,387)	(23,707)	(21,948)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(189)	(220)	(252)	(283)	(315)	(346)	(160)
	397	COMMUNICATION EQUIP	(8,025)	(8,390)	(8,756)	(9,121)	(9,486)	(9,852)	(7,901)
	399	OTHER TANGIBLE PROPERTY	-	(43)	(87)	(158)	(228)	(299)	(63)
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC			(367,706)	(374,990)	(382,295)	(389,918)	(397,791)	(405,673)	(361,768)

Supporting Schedules:

Recap Schedules: C-59(B-8b)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve
balances for each account of sub-account to which an
individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub- Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
Transmission Plant									
	3501	LAND RIGHTS	(30,044)	(30,143)	(30,242)	(30,341)	(30,440)	(30,539)	(30,638)
	352	STRUCTURES AND IMPROVEMENTS	(12,947)	(12,993)	(13,039)	(13,085)	(13,131)	(13,177)	(13,223)
	353	STATION EQUIPMENT	(860,859)	(864,953)	(869,047)	(873,141)	(877,235)	(881,329)	(879,429)
	354	TOWERS AND FIXTURES	(166,167)	(166,534)	(166,901)	(167,268)	(167,635)	(168,002)	(168,369)
	355	POLES AND FIXTURES	(633,694)	(641,092)	(648,490)	(655,888)	(663,286)	(670,684)	(678,082)
	356	OVERHEAD CONDUCTORS AND DEVICES	(246,852)	(251,877)	(256,902)	(261,927)	(266,952)	(271,977)	(277,002)
	359	ROADS AND TRAILS	(3,125)	(3,147)	(3,169)	(3,191)	(3,213)	(3,235)	(3,257)
TOTAL TRANSMISSION PLANT			(1,953,687)	(1,970,738)	(1,987,789)	(2,004,840)	(2,021,891)	(2,038,942)	(2,049,999)
Distribution Plant									
	3601	LAND RIGHTS	2,775	2,728	2,681	2,634	2,587	2,540	2,493
	361	STRUCTURES & IMPROVEMENTS	(24,283)	(24,459)	(24,635)	(24,811)	(24,987)	(25,163)	(25,339)
	362	STATION EQUIPMENT	(1,515,082)	(1,524,140)	(1,533,195)	(1,542,248)	(1,551,298)	(1,560,912)	(1,395,524)
	364	POLES, TOWERS, & FIXTURES	(3,335,049)	(3,355,616)	(3,376,308)	(3,397,125)	(3,418,251)	(3,439,502)	(3,460,878)
	365	OVERHEAD CONDUCTORS & DEVICES	(4,411,960)	(4,439,277)	(4,466,666)	(4,494,127)	(4,521,661)	(4,549,267)	(4,576,945)
	3662	UNDERGROUND CONDUIT - BURIED	(415,584)	(419,498)	(423,415)	(427,333)	(431,585)	(435,839)	(440,094)
	3672	UNDERGROUND COND & DEVICES - BURIED	(1,261,384)	(1,271,115)	(1,280,882)	(1,286,886)	(1,275,828)	(1,286,006)	(1,296,220)
	3681	LINE TRANSFORMERS - OVERHEAD	(3,522,995)	(3,534,222)	(3,545,462)	(3,556,716)	(3,567,982)	(3,579,433)	(3,590,897)
	3683	LINE TRANSFORMERS - BURIED	(2,199,563)	(2,217,397)	(2,235,255)	(2,253,137)	(2,271,043)	(2,289,322)	(2,307,625)
	3691	OVERHEAD SERVICES	(1,740,814)	(1,751,667)	(1,762,559)	(1,773,491)	(1,784,462)	(1,795,472)	(1,806,522)
	3693	UNDERGROUND SERVICES - BURIED	(1,238,553)	(1,249,001)	(1,259,502)	(1,270,056)	(1,280,663)	(1,291,323)	(1,302,036)
	370	METERS	(1,666,100)	(1,671,351)	(1,676,646)	(1,681,985)	(1,687,368)	(1,692,795)	(1,698,267)
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(342,497)	(344,497)	(346,514)	(348,548)	(350,599)	(352,668)	(354,754)
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(128,905)	(131,327)	(133,758)	(136,199)	(138,649)	(141,109)	(143,578)
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(214,711)	(214,830)	(214,952)	(215,075)	(215,201)	(215,330)	(215,462)
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(96,095)	(98,176)	(100,264)	(102,358)	(104,458)	(106,564)	(108,676)
TOTAL DISTRIBUTION PLANT			(22,110,800)	(22,243,845)	(22,377,332)	(22,486,261)	(22,621,448)	(22,758,165)	(22,720,324)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
Transmission Plant									
	3501	LAND RIGHTS	(30,737)	(30,836)	(30,935)	(31,034)	(31,133)	(31,232)	(30,638)
	352	STRUCTURES AND IMPROVEMENTS	(13,269)	(13,315)	(13,361)	(13,407)	(13,453)	(13,499)	(13,223)
	353	STATION EQUIPMENT	(884,339)	(889,249)	(894,159)	(899,069)	(903,979)	(908,889)	(883,513)
	354	TOWERS AND FIXTURES	(168,736)	(169,103)	(169,470)	(169,837)	(170,204)	(170,571)	(168,369)
	355	POLES AND FIXTURES	(685,480)	(692,878)	(700,276)	(707,674)	(715,072)	(722,470)	(678,082)
	356	OVERHEAD CONDUCTORS AND DEVICES	(282,027)	(287,052)	(292,077)	(297,102)	(302,127)	(307,152)	(277,002)
	359	ROADS AND TRAILS	(3,279)	(3,301)	(3,323)	(3,345)	(3,367)	(3,389)	(3,257)
TOTAL TRANSMISSION PLANT			(2,067,866)	(2,085,733)	(2,103,600)	(2,121,467)	(2,139,334)	(2,157,201)	(2,054,084)
Distribution Plant									
	3601	LAND RIGHTS	2,446	2,399	2,352	2,305	2,258	2,211	2,493
	361	STRUCTURES & IMPROVEMENTS	(25,515)	(25,691)	(25,867)	(26,043)	(26,219)	(26,395)	(25,339)
	362	STATION EQUIPMENT	(1,408,348)	(1,421,169)	(1,433,988)	(1,446,804)	(1,459,617)	(1,472,427)	(1,481,904)
	364	POLES, TOWERS, & FIXTURES	(3,482,380)	(3,504,007)	(3,525,760)	(3,547,639)	(3,569,644)	(3,591,775)	(3,461,841)
	365	OVERHEAD CONDUCTORS & DEVICES	(4,604,695)	(4,632,517)	(4,660,411)	(4,688,377)	(4,716,416)	(4,744,526)	(4,577,449)
	3662	UNDERGROUND CONDUIT - BURIED	(444,349)	(448,605)	(452,863)	(457,122)	(461,382)	(465,642)	(440,255)
	3672	UNDERGROUND COND & DEVICES - BURIED	(1,306,470)	(1,316,756)	(1,327,077)	(1,337,435)	(1,347,829)	(1,358,259)	(1,302,381)
	3681	LINE TRANSFORMERS - OVERHEAD	(3,602,375)	(3,613,865)	(3,625,368)	(3,636,883)	(3,648,411)	(3,659,953)	(3,591,120)
	3683	LINE TRANSFORMERS - BURIED	(2,325,952)	(2,344,303)	(2,362,678)	(2,381,426)	(2,400,198)	(2,418,994)	(2,308,223)
	3691	OVERHEAD SERVICES	(1,817,612)	(1,828,741)	(1,839,910)	(1,851,119)	(1,862,366)	(1,873,653)	(1,806,799)
	3693	UNDERGROUND SERVICES - BURIED	(1,312,802)	(1,323,621)	(1,334,493)	(1,345,418)	(1,356,396)	(1,367,427)	(1,302,407)
	370	METERS	(1,703,782)	(1,709,340)	(1,714,941)	(1,720,586)	(1,726,275)	(1,732,007)	(1,698,573)
	3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(356,858)	(358,979)	(361,118)	(363,273)	(365,447)	(367,638)	(354,876)
	3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(146,056)	(148,544)	(151,041)	(153,548)	(156,064)	(158,590)	(143,643)
	3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(215,597)	(215,735)	(215,876)	(216,019)	(216,165)	(216,315)	(215,482)
	3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(110,794)	(112,918)	(115,048)	(117,185)	(119,328)	(121,477)	(108,719)
TOTAL DISTRIBUTION PLANT			(22,861,139)	(23,002,392)	(23,144,087)	(23,286,572)	(23,429,499)	(23,572,867)	(22,816,518)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	(381,376)	(383,810)	(386,245)	(388,681)	(391,118)	(393,556)	(395,994)
	3911	OFFICE FURNITURE	(6,812)	(6,924)	(7,036)	(7,148)	(7,260)	(7,372)	(7,507)
	3912	OFFICE MACHINES	(31,688)	(32,350)	(33,012)	(33,674)	(34,336)	(34,998)	(35,693)
	3913	COMPUTER EQUIPMENT	(337,033)	(344,705)	(352,320)	(359,878)	(371,213)	(382,491)	(393,754)
	3931	STORES EQUIPMENT-FIXED	(77,271)	(78,545)	(79,819)	(81,093)	(82,367)	(83,641)	(84,915)
	3932	STORES EQUIPMENT-PORTABLE	(567)	(576)	(585)	(594)	(603)	(612)	(621)
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(22,297)	(22,747)	(23,197)	(23,647)	(24,097)	(24,547)	(24,997)
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(70,344)	(71,639)	(72,952)	(74,283)	(75,632)	(76,999)	(78,384)
	3951	LABORATORY EQUIPMENT-FIXED	(30,069)	(30,835)	(31,601)	(32,367)	(33,133)	(33,899)	(34,665)
	3952	LABORATORY EQUIPMENT-PORTABLE	(31,614)	(32,073)	(32,532)	(32,991)	(33,450)	(33,909)	(34,368)
	396	POWER OPERATED EQUIPMENT	(80,364)	(80,899)	(81,434)	(81,969)	(82,504)	(83,039)	(83,574)
	397	COMMUNICATION EQUIPMENT	(102,702)	(105,197)	(107,692)	(110,187)	(112,682)	(115,177)	(117,672)
	398	MISCELLANEOUS EQUIPMENT	(14,132)	(14,371)	(14,610)	(14,849)	(15,088)	(15,327)	(15,566)
	399	MISCELLANEOUS TANGIBLE	(751)	(918)	(1,085)	(1,252)	(1,419)	(1,586)	(1,753)
TOTAL GENERAL PLANT			(1,187,021)	(1,205,590)	(1,224,121)	(1,242,614)	(1,264,903)	(1,287,154)	(1,309,464)
Transportation Equipment									
	3921	PASSENGER CARS	(55,545)	(56,553)	(57,561)	(58,569)	(59,577)	(60,585)	(61,593)
	3922	LIGHT TRUCKS & VANS	(346,477)	(352,791)	(359,105)	(365,419)	(359,702)	(365,885)	(372,610)
	3923	HEAVY TRUCKS	(952,582)	(966,753)	(980,924)	(996,415)	(1,011,906)	(1,027,397)	(1,042,888)
	3924	TRAILERS	(23,448)	(23,732)	(24,016)	(24,300)	(24,584)	(24,868)	(25,152)
TOTAL TRANSPORTATION EQUIPMENT			(1,378,052)	(1,399,829)	(1,421,606)	(1,444,703)	(1,455,770)	(1,478,736)	(1,502,244)
TOTAL DEPRECIABLE PLANT IN SERVICE			(26,629,560)	(26,820,002)	(27,010,848)	(27,178,418)	(27,364,012)	(27,562,997)	(27,582,031)
Non-Depreciable Plant									
	350	LAND	-	-	-	-	-	-	-
	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-
	389	GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(26,636,264)	(26,826,706)	(27,017,552)	(27,185,122)	(27,370,715)	(27,569,700)	(27,588,734)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
General Plant									
	390	STRUCTURES AND IMPROVEMENTS	(398,433)	(400,873)	(403,314)	(405,756)	(408,199)	(410,643)	(396,000)
	3911	OFFICE FURNITURE	(7,642)	(7,777)	(7,912)	(8,047)	(8,182)	(8,317)	(7,533)
	3912	OFFICE MACHINES	(36,388)	(37,083)	(37,778)	(38,473)	(39,168)	(39,863)	(35,731)
	3913	COMPUTER EQUIPMENT	(404,960)	(416,109)	(427,401)	(438,638)	(449,818)	(460,941)	(395,328)
	3931	STORES EQUIPMENT-FIXED	(86,189)	(87,463)	(88,737)	(90,011)	(91,285)	(92,559)	(84,915)
	3932	STORES EQUIPMENT-PORTABLE	(630)	(639)	(648)	(657)	(666)	(675)	(621)
	3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(25,447)	(25,897)	(26,347)	(26,797)	(27,247)	(27,697)	(24,997)
	3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(79,786)	(81,206)	(82,644)	(84,100)	(85,574)	(87,066)	(78,509)
	3951	LABORATORY EQUIPMENT-FIXED	(35,431)	(36,197)	(36,963)	(37,729)	(38,495)	(39,261)	(34,665)
	3952	LABORATORY EQUIPMENT-PORTABLE	(34,827)	(35,286)	(35,745)	(36,204)	(36,663)	(37,122)	(34,368)
	396	POWER OPERATED EQUIPMENT	(84,109)	(84,644)	(85,179)	(85,714)	(86,249)	(86,784)	(83,574)
	397	COMMUNICATION EQUIPMENT	(120,167)	(122,662)	(125,157)	(127,652)	(130,147)	(132,642)	(117,672)
	398	MISCELLANEOUS EQUIPMENT	(15,805)	(16,044)	(16,283)	(16,522)	(16,761)	(17,000)	(15,566)
	399	MISCELLANEOUS TANGIBLE	(1,920)	(2,087)	(2,254)	(2,421)	(2,588)	(2,755)	(1,753)
TOTAL GENERAL PLANT			(1,331,735)	(1,353,968)	(1,376,363)	(1,398,722)	(1,421,043)	(1,443,326)	(1,311,232)
Transportation Equipment									
	3921	PASSENGER CARS	(62,601)	(63,609)	(64,617)	(65,625)	(66,633)	(67,641)	(61,593)
	3922	LIGHT TRUCKS & VANS	(379,335)	(374,030)	(380,625)	(387,220)	(393,815)	(388,378)	(371,184)
	3923	HEAVY TRUCKS	(1,058,379)	(1,073,870)	(1,089,361)	(1,104,852)	(1,120,343)	(1,135,834)	(1,043,192)
	3924	TRAILERS	(25,436)	(25,720)	(26,004)	(26,288)	(26,572)	(26,856)	(25,152)
TOTAL TRANSPORTATION EQUIPMENT			(1,525,752)	(1,537,229)	(1,560,607)	(1,583,985)	(1,607,363)	(1,618,710)	(1,501,122)
TOTAL DEPRECIABLE PLANT IN SERVICE			(27,786,492)	(27,979,322)	(28,184,657)	(28,390,746)	(28,597,239)	(28,792,104)	(27,682,956)
Non-Depreciable Plant									
	350	LAND	-	-	-	-	-	-	-
	360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-
	389	GENERAL PLANT-LAND	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL NON-DEPRECIABLE PLANT			(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)	(6,704)
TOTAL ELECTRIC PLANT IN SERVICE			(27,793,195)	(27,986,026)	(28,191,361)	(28,397,450)	(28,603,943)	(28,798,807)	(27,689,659)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	
Common Plant										
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-	
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-	
	390	STRUCTURES & IMPROVEMENTS	(452,559)	(457,025)	(461,525)	(466,060)	(470,630)	(475,200)	(479,770)	
	3911	OFFICE FURNITURE	11,153	11,006	10,851	10,696	10,532	10,352	10,164	
	3912	OFFICE MACHINES	(39,314)	(40,384)	(41,454)	(42,524)	(43,594)	(44,664)	(45,798)	
	3913	EDP EQUIPMENT	(770,256)	(787,864)	(805,668)	(823,558)	(842,015)	(860,722)	(879,461)	
	3921	TRANS, EQUIP. - CARS	(91,181)	(92,412)	(93,643)	(95,053)	(96,463)	(97,873)	(99,283)	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(1,331)	(1,452)	(1,573)	(1,694)	(1,815)	(1,936)	(2,057)	
	397	COMMUNICATION EQUIP	(37,891)	(39,296)	(40,701)	(42,106)	(43,511)	(44,916)	(46,321)	
	399	OTHER TANGIBLE PROPERTY	(1,150)	(1,422)	(1,694)	(1,966)	(2,404)	(2,842)	(3,280)	
Allocation to Electric Division										
	303	MISC. INTANGIBLE PLANT	26.0%	-	-	-	-	-	-	
	389	LAND & LAND RIGHTS	26.0%	-	-	-	-	-	-	
	390	STRUCTURES & IMPROVEMENTS	26.0%	(117,665)	(118,827)	(119,997)	(121,176)	(122,364)	(123,552)	
	3911	OFFICE FURNITURE	26.0%	2,900	2,862	2,821	2,781	2,738	2,692	
	3912	OFFICE MACHINES	26.0%	(10,222)	(10,500)	(10,778)	(11,056)	(11,334)	(11,613)	
	3913	EDP EQUIPMENT	32.0%	(246,482)	(252,116)	(257,814)	(263,539)	(269,445)	(275,431)	
	3921	TRANS, EQUIP. - CARS	26.0%	(23,707)	(24,027)	(24,347)	(24,714)	(25,080)	(25,447)	
	3922	TRANS, EQUIP. - LT TRUCK,VAN	26.0%	(346)	(378)	(409)	(440)	(472)	(503)	
	397	COMMUNICATION EQUIP	26.0%	(9,852)	(10,217)	(10,582)	(10,948)	(11,313)	(11,678)	
	399	OTHER TANGIBLE PROPERTY	26.0%	(299)	(370)	(440)	(511)	(625)	(739)	
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC				(405,673)	(413,573)	(421,546)	(429,602)	(437,895)	(446,272)	(454,677)

Supporting Schedules:

Recap Schedules: C-59(B-8b)

Schedule C-59(B-9b - 2004)

MONTHLY RESERVE BALANCES TEST YEAR - 2004 - 13 MONTHS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the monthly reserve balances for each account of sub-account to which an individual depreciation rate is applied.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Line No.	Sub-Account No.	Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	13-Month Average
Common Plant									
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-
	390	STRUCTURES & IMPROVEMENTS	(484,340)	(488,910)	(493,480)	(498,050)	(502,620)	(507,190)	(479,797)
	3911	OFFICE FURNITURE	9,976	9,785	9,594	9,403	9,212	9,021	10,134
	3912	OFFICE MACHINES	(46,932)	(48,066)	(49,200)	(50,334)	(51,468)	(52,602)	(45,872)
	3913	EDP EQUIPMENT	(898,419)	(917,377)	(936,436)	(955,732)	(975,082)	(994,432)	(880,540)
	3921	TRANS, EQUIP. - CARS	(100,942)	(102,601)	(104,260)	(105,919)	(107,578)	(109,237)	(99,727)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(2,178)	(2,299)	(2,420)	(2,541)	(2,662)	(2,783)	(2,057)
	397	COMMUNICATION EQUIP	(47,726)	(49,131)	(50,536)	(51,941)	(53,346)	(54,751)	(46,321)
	399	OTHER TANGIBLE PROPERTY	(3,718)	(4,156)	(4,594)	(5,032)	(5,470)	(5,908)	(3,357)
Allocation to Electric Division									
	303	MISC. INTANGIBLE PLANT	-	-	-	-	-	-	-
	389	LAND & LAND RIGHTS	-	-	-	-	-	-	-
	390	STRUCTURES & IMPROVEMENTS	(125,928)	(127,117)	(128,305)	(129,493)	(130,681)	(131,869)	(124,747)
	3911	OFFICE FURNITURE	2,594	2,544	2,494	2,445	2,395	2,345	2,635
	3912	OFFICE MACHINES	(12,202)	(12,497)	(12,792)	(13,087)	(13,382)	(13,677)	(11,927)
	3913	EDP EQUIPMENT	(287,494)	(293,561)	(299,660)	(305,834)	(312,026)	(318,218)	(281,773)
	3921	TRANS, EQUIP. - CARS	(26,245)	(26,676)	(27,108)	(27,539)	(27,970)	(28,402)	(25,929)
	3922	TRANS, EQUIP. - LT TRUCK,VAN	(566)	(598)	(629)	(661)	(692)	(724)	(535)
	397	COMMUNICATION EQUIP	(12,409)	(12,774)	(13,139)	(13,505)	(13,870)	(14,235)	(12,043)
	399	OTHER TANGIBLE PROPERTY	(967)	(1,081)	(1,194)	(1,308)	(1,422)	(1,536)	(873)
TOTAL COMMON PLANT ALLOCATED TO ELECTRIC			(463,218)	(471,759)	(480,332)	(488,982)	(497,649)	(506,315)	(455,192)

Supporting Schedules:

Recap Schedules: C-59(B-8b)

CAPITAL ADDITIONS AND RETIREMENTS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Itemize major capital additions to and retirements from electric plant in service for the most recent calendar year, the test year minus one, the test year and the test year plus one.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Line No.	Year	Additions	\$	Year	Retirements	\$
1	2003 - ADDITIONS			2003 - RETIREMENTS		
2						
3	Projected	Purchase Bucket Truck	121,500	Projected	Reconductor Penn Ave.	55,000
4	Projected	Reconductor Penn Ave.	200,000	20283	138KV Transmission Line	322,800
5	Projected	Purchase Mapping/Outage/Workorder Management System Phase 1	150,000	Projected	Retire Bucket Truck	107,000
6						
7	Projected	Purchase SCADA System Phase 1	200,000			
8	Projected	Replace Identified Decayed Poles	50,000			
9	Projected	Purchase Bucket Truck	120,000			
10	Projected	Reinsulate 69KV Line	150,000			
11	Projected	Replace Cable/Switchgear	300,000			
12	Projected	New Feeder at StepDown	225,000			
13	Projected	Replace 15KV Breaker at Stepdown	50,000			
14						
15	2004 - ADDITIONS			2004 - RETIREMENTS		
16						
17	Projected	Purchase Mapping/Outage/Workorder Management System Phase 2	230,000	Projected	Rebuild JT Substation	175,000
18						
19	Projected	Purchase SCADA System Phase 2	200,000			
20	Projected	Replace Identified Decayed Poles	50,000			
21	Projected	Purchase Derrick Truck	180,000			
22	Projected	[3] Pick-up Trucks, Meter Readers	50,000			
23	Projected	Replace Cable/Switchgear	350,000			
24	Projected	138kv Motorized Loadbreak Switches at Stepdown	325,000			
25	Projected	Rebuild JT Substation	700,000			

Supporting Schedules:

Recap Schedules:

Schedule C-59(B-13)

CONSTRUCTION WORK IN PROGRESS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION: For each major construction project whose cost of completion exceeds 0.2 percent (.002) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year

Type of Data Shown
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Jim Mesite

Project No	Project Description	(1) Year End CWIP Balance	(2) Estimated Additional Project Costs	(3) Total Cost of Completion	(4) Initial Project Budget Per Construction	(5) Date Construction Started	(6) Expected Completion Date	(7) Percent Complete (1) / (3)	(8) Amount of AFUDC Charged	(9) 13 Month Average Balance	(10) Jurisdictional Factor	(11) Jurisdictional Amount
2003 ->\$126,400												
TRANSMISSION PLANT												
SMALL PROJECTS												
Projected	Reinsulate 69Kv line to AIP	-0-	-0-	363	VARIOUS	VARIOUS	VARIOUS	100%		183	183	
Projected	Morotized Loadbreak @ Stepdown	-0-	-0-	150,000	150,000	11/03	12/03	100%	3,846	3,846	3,846	
Projected		70,000	325,000	395,000	395,000	8/03	6/04	18%	16,154	16,154	16,154	
Subtotal		70,000	325,000	545,363	545,000				-0-	20,183	20,183	
DISTRIBUTION PLANT												
SMALL PROJECTS												
Projected	Replace Cable/Switchgear @ AIP	-0-	-0-	2,895,077	VARIOUS	VARIOUS	VARIOUS			258,440	258,440	
Projected	New Feeder #312 Out of Step-Down	-0-	-0-	300,000	300,000	8/03	12/03	100%	46,154	46,154	46,154	
Projected	Rebuild Jesse Terry Substation	-0-	-0-	450,000	450,000	11/03	12/03	100%	11,538	11,538	11,538	
Projected	Reconductor Penn Ave	609,500	700,000	1,309,500	2,009,500	8/03	6/04	47%	139,962	139,962	139,962	
Projected	SCADA	-0-	-0-	200,000	200,000	10/03	12/03	100%	16,924	16,924	16,924	
Projected		-0-	-0-	200,000	200,000	9/03	12/03	100%	23,077	23,077	23,077	
Subtotal		609,500	700,000	5,354,577	3,159,500				-0-	496,095	496,095	
GENERAL PLANT												
SMALL PROJECTS												
Projected	Mapping/Outage/Workorder System	none	-0-	150,000	150,000	7/03	12/03	100%	23,077	23,077	23,077	
Projected	Bucket Truck	-0-	-0-	142,866	140,000	8/02	8/03	100%	71,434	71,434	71,434	
Subtotal		-0-	-0-	292,866	290,000				-0-	94,511	94,511	
TOTAL AFUDC TREATMENT		-0-	-0-								-0-	
TOTAL RATE BASE TREATMENT		679,500	1,025,000	6,192,806	3,994,500					610,789	610,789	
TOTAL CWIP		679,500	1,025,000	6,192,806	3,994,500					610,789	610,789	
COMMON PLANT												
GENERAL PLANT												
SMALL PROJECTS-OTHER THAN COMPUTER												
		-0-	-0-	-0-	-0-					2,378	2,378	
SMALL PROJECTS-COMPUTER												
		-0-	-0-	-0-	-0-					18,417	18,417	
TOTAL COMMON CWIP		-0-	-0-	-0-	-0-					20,795	20,795	
COMMON PLANT-AS ALLOCATED TO ELECTRIC												
GENERAL PLANT												
SMALL PROJECTS-OTHER												
26%		-0-	-0-	-0-	-0-					-0-	-0-	
SMALL PROJECTS-COMPU												
32%		-0-	-0-	-0-	-0-					5,893	5,893	
TOTAL COMMON CWIP		-0-	-0-	-0-	-0-					5,893	5,893	
TOTAL CWIP FOR RATE BASE TREATMENT		679,500	1,025,000	6,192,806	3,994,500					616,682	616,682	

Schedule C-59(B-13)

CONSTRUCTION WORK IN PROGRESS

FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION		For each major construction project whose cost of completion exceeds 0.2 percent (0.02) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year.							Type of Data Shown	
COMPANY, FLORIDA PUBLIC UTILITIES Consolidated Electric Division DOCKET NO.: 030438-EI											Projected Test Year 12/31/2004 Projected Prior Year 12/31/2003 Witness: Jim Meste	
Project No.	Project Description	(1) Year End CWIP Balance	(2) Estimated Additional Project Costs	(3) Total Cost of Completion	(4) Initial Project Budget Per Construction	(5) Date Construction Started	(6) Expected Completion Date	(7) Percent Complete (1) / (3)	(8) Amount of AFUDC Charged	(9) 13 Month Average Balance	(10) Jurisdictional Factor	(11) Jurisdictional Amount
2004 ->\$135,000												
TRANSMISSION PLANT												
SMALL PROJECTS												
Projected	Morotized Loadbreak @ Stepdown	none -0-	-0-	395,000	395,000	8/03	6/04	100%		109,615	109,615	
Subtotal		-0-	-0-	395,000	395,000				-0-	109,615	109,615	
DISTRIBUTION PLANT												
SMALL PROJECTS												
Projected	Replace Cable/Switchgear @ AIP	-0-	-0-	50,000	50,000	VARIOUS	VARIOUS			1,923	1,923	
Projected	Rebuild Jessy Terry Substation	-0-	-0-	350,000	350,000	1/04	3/04	100%		28,846	28,846	
Projected	SCADA	-0-	-0-	1,309,500	1,309,500	8/03	6/04	100%		435,154	435,154	
Projected	SCADA	-0-	-0-	200,000	200,000	1/04	4/04	100%		23,077	23,077	
Subtotal		-0-	-0-	1,909,500	1,909,500				-0-	489,000	489,000	
GENERAL PLANT												
SMALL PROJECTS												
	Mapping/Outage/Workorder System	none -0-	-0-	230,000	230,000	1/04	3/04	100%		23,077	23,077	
Subtotal		-0-	-0-	230,000	230,000			100%	-0-	23,077	23,077	
TOTAL AFUDC TREATMENT		-0-	-0-								-0-	
TOTAL RATE BASE TREATMENT		-0-	-0-	2,534,500	2,534,500					621,692	621,692	
TOTAL CWIP		-0-	-0-	2,534,500	2,534,500					621,692	621,692	
COMMON PLANT												
GENERAL PLANT												
SMALL PROJECTS-OTHER THAN COMPUTER												
		-0-	-0-	-0-	-0-					-0-	-0-	
SMALL PROJECTS-COMPUTER												
		-0-	-0-	-0-	-0-					-0-	-0-	
TOTAL COMMON CWIP		-0-	-0-	-0-	-0-					-0-	-0-	
COMMON PLANT-AS ALLOCATED TO ELECTRIC												
GENERAL PLANT												
	SMALL PROJECTS-OTHER	26%	-0-	-0-	-0-					-0-	-0-	
	SMALL PROJECTS-COMPU	32%	-0-	-0-	-0-					-0-	-0-	
TOTAL COMMON CWIP			-0-	-0-	-0-					-0-	-0-	
TOTAL CWIP FOR RATE BASE TREATMENT			0	0	2,534,500	2,534,500				621,692	621,692	

Supporting Schedules:

Recap Schedules: C-59(B-3)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each major construction project whose cost exceeds \$5 million and all minor construction projects as a group, provide the requested data for the test year, and the prior year if the test year is projected.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

DOCKET NO.: 030438-EI

Witness: Jim Mesite

Project No.	Project Description	(2)	(3)
		13 Month Average Balance Per Books 2003	13 Month Average Balance Per Books 2004
	STEAM PRODUCTION:	-	-
	Subtotal Major Projects		
	Total Minor Projects		
	NUCLEAR PRODUCTION:	-	-
	Subtotal Major Projects		
	Total Minor Projects		
	HYDRAULIC PRODUCTION:	-	-
	Subtotal Major Projects		
	Total Minor Projects		
	OTHER PRODUCTION:	-	-
	Subtotal Major Projects		
	Total Minor Projects		
	TRANSMISSION PLANT:	20,183	109,615
	Subtotal Major Projects		
	Total Minor Projects		
	DISTRIBUTION PLANT:	496,096	489,000
	Subtotal Major Projects		
	Total Minor Projects		
	GENERAL PLANT	94,511	23,077
	Subtotal Major Projects		
	Total Minor Projects		
	Common PLANT	7,129	None
	Subtotal Major Projects		
	Total Minor Projects		
	TOTAL CWIP	617,919	621,692

Supporting Schedules:

Recap Schedules: C-59(B-3)

Schedule C-59(B-15)

WORKING CAPITAL

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule showing the adjusted 13 month average working capital allowance for the test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other methodology the company proposes to use.

Type of Data Shown:

Historical Year 12/31/2002

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

Line No.	Account Number	Primary Account	2002 Surveillance: 13- Month Avg Incl Water	2002 Elimination of Water Division	2002 Surveillance: 13-Month Avg as Adjusted	2002 Company Proposed Adjustment Cash 13- Month Average	2002 Proposed Adjusted 13- Month Avg	Projection Basis	2003 Proposed WC 13-Mo Ave	2004 Proposed WC 13-Mo Ave
Assets:										
1	1310.1 & 7, 1340.1 & 3	Cash	1,325,227	(71,634)	1,396,861	284,398	1,681,259	13	1,751,225	1,802,940
2	1310.4n	Cash - Local Electric Division	26,461	-	26,461	-	26,461	0	26,461	26,461
3	1350	Working Funds - FB Div	2,300	(200)	2,500	-	2,500	0	2,500	2,500
4	1350	Working Funds - Electric Division	2,500	-	2,500	-	2,500	0	2,500	2,500
5	1420, 1430	Customer Accounts Receivable	3,169,574	(1)	3,169,575	-	3,169,575	13	3,301,478	3,398,972
6	1440	Accumulated Provision for Uncollectibles	(92,286)	0	(92,286)	-	(92,286)	13	(96,127)	(98,965)
7	1630	Stores Expense	16,303	0	16,303	-	16,303	19	-	-
8	1540	Materials and Supplies	845,709	(0)	845,709	-	845,709	13	880,904	906,917
9	1650.2, 4, 5	Prepayments-Insurance	185,598	(10,032)	195,630	-	195,630	13	203,771	209,788
10	1650.3	Prepayments-Pensions	707,494	(22,822)	730,316	-	730,316	13	760,708	783,172
11	1730	Unbilled Revenues	478,674	(0)	478,674	-	478,674	13	498,595	513,318
12	1840.7	Clearing Accounts-Refunds	98	(0)	98	-	98	19	-	-
13	1840.1	Clearing Accounts-Divisional	187	-	187	-	187	19	-	-
14	1850	Temporary Facilities	6,479	1	6,478	-	6,478	13	6,748	6,947
15	1860.1 - Subsidiary Ledger	Deferred Debits - Other	34,770	(0)	34,770	-	34,770	13	36,217	37,287
16	1860.1	Deferred Debits - Rate Case Expense	-	-	-	-	-	Direct	182,216	446,430
17	1860.21	Deferred Debits - Over/Under Recovery Fuel	558,300	0	558,300	197,869	756,169	19	-	-
18	1860.3 & 1860.61	Deferred Debits Conservation	43,219	-	43,219	-	43,219	19	-	-
19	1860 Allocated From Common	Deferred Debits Common	22,106	(1,195)	23,301	-	23,301	13	24,271	24,988
20										
21		TOTAL ASSETS	7,332,713	(105,883)	7,438,598	482,267	7,920,863		7,581,467	8,063,256
22		Liabilities:								
23	2280.3n	Med. Ins. Reserve	(598,762)	32,366	(631,128)	-	(631,128)	13	(657,392)	(676,806)
24	2280.2n	Insurance Reserve	(222,014)	12,001	(234,015)	-	(234,015)	13	(243,753)	(250,951)
25	2280.11	Storm Damage Reserve	(2,015,796)	(0)	(2,015,796)	-	(2,015,796)	20	(1,894,196)	(1,844,196)
26	2320 - 4010.555/4010.5501	Accounts Payable - Fuel	(2,165,840)	-	(2,165,840)	-	(2,165,840)	13	(2,255,972)	(2,322,593)
27	2320	Accounts Payable - Net of Gas & Fuel	(339,119)	18,331	(357,450)	-	(357,450)	13	(372,325)	(383,320)
28	2320.8	Salaries & Wages Accrued	(157,087)	5,067	(162,154)	-	(162,154)	13	(168,902)	(173,890)
29	2320	Other - Accounts Payable	(35,857)	1,939	(37,796)	-	(37,796)	13	(39,369)	(40,531)
30	2360	Taxes Accrued-Ad Valorem	(166,330)	(0)	(166,330)	-	(166,330)	13	(173,252)	(178,368)
31	2360	Taxes Accrued-Gross Receipts	(156,445)	0	(156,445)	-	(156,445)	13	(162,956)	(167,768)
32	2360	Taxes Accrued-FPSC Assessment	(69,176)	3,739	(72,915)	-	(72,915)	13	(75,949)	(78,192)
33	2360	Taxes Accrued-Unemploy & FICA	(5,797)	187	(5,984)	-	(5,984)	13	(6,233)	(6,417)
34	2360	Taxes Accrued-Income Taxes	(134,226)	1	(134,227)	-	(134,227)	13	(139,812)	(143,941)
35	2370.1 & 2	Interest Accrued	(441,925)	50,219	(492,144)	-	(492,144)	13	(512,625)	(527,763)
36	2370.3	Accrd. Interest on Customer Deposits	(61,404)	0	(61,404)	-	(61,404)	2	(62,400)	(63,395)
37	2380	Dividends Declared - Preferred	(1,014)	55	(1,069)	-	(1,069)	0	(1,069)	(1,069)
38	2410.2 & 2410.3	Tax Collections Payable	(9,994)	322	(10,316)	-	(10,316)	13	(10,746)	(11,063)
39	2410 ***	Tax Collections Payable	(313,983)	0	(313,983)	-	(313,983)	13	(327,050)	(336,708)
40	2420	Vacation Pay Accrued	(239,113)	7,714	(246,827)	-	(246,827)	13	(257,099)	(264,691)
41	2420	Audit Fees & Exp. Accrued	(21,898)	1,184	(23,082)	-	(23,082)	13	(24,043)	(24,753)
42	2530	Overrec. Power & Gas	(974,001)	0	(974,001)	-	(974,001)	19	-	-
43	2530	Overrec. Conservation	(24,335)	0	(24,335)	-	(24,335)	19	-	-
44	2530	Misc. Current Liabilities	(6,383)	1	(6,384)	-	(6,384)	13	(6,650)	(6,846)
45										
46		TOTAL LIABILITIES	(8,160,499)	133,127	(8,293,626)	-	(8,293,626)		(7,301,703)	(7,503,262)
47										
48		TOTAL WORKING CAPITAL	(827,786)	27,244	(855,030)	482,267	(372,763)		189,674	559,995

2410 *** 44*, 460, 540-551, 560, 6*, 7*, 8*

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule showing the adjusted 13 month average working capital allowance for the test year and the prior year if the test year is projected. All adjustments are to be provided by account number. Use a balance sheet method and any other methodology the company proposes to use.

Type of Data Shown:

Historical Year 12/31/2002

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Jim Mesite

PROJECTION BASIS FACTORS

Index	Projection Basis	Historical Year to Historical Year to		
		Projected Prior	Projected Test	Prior Projected Year to
		Year	Year	Test Year
		2002 to 2003	2002 to 2004	2003 to 2004
0	No Change	100.0%	100.0%	100.0%
1	Inflation	102.5%	103.9%	101.3%
2	Customer Growth	101.6%	103.2%	101.6%
3	Customer Growth FB	102.6%	105.3%	102.6%
4	Customer Growth M	100.6%	101.2%	100.6%
5	Payroll	103.0%	106.1%	103.0%
6	Sales (kWh)	101.0%	103.2%	102.2%
7	Sales (kWh) FB	105.4%	108.7%	103.1%
8	Sales (kWh) M	95.1%	95.9%	100.8%
9	Revenues (Base)	101.4%	103.9%	102.4%
10	Revenues (Base) FB	104.2%	107.7%	103.4%
11	Revenues (Base) M	98.2%	99.4%	101.2%
12	Plant	Direct	Direct	Direct
13	Inflation x Customer Growth	104.2%	107.2%	103.0%
14	Inflation x Customer Growth FB	105.2%	109.4%	103.9%
15	Inflation x Customer Growth M	103.1%	105.2%	102.0%
16	Payroll x Customer Growth	104.7%	109.5%	104.6%
17	Payroll x Customer Growth FB	105.7%	111.7%	105.7%
18	Payroll x Customer Growth M	103.6%	107.4%	103.6%
19	Zero Balance	0.0%	0.0%	0.0%
20	Direct Calculation	Direct	Direct	Direct

Schedule C-59(B-23b)

INVESTMENT TAX CREDITS - ANNUAL ANALYSIS

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Florida Public Utilities Company
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide an analysis of accumulated investment tax credits generated and amortization of investment tax credits on an annual basis beginning with the historic base year in the last rate case and ending with the end of the test year.

Type of Data Shown:
 Historic Years 1991-2002
 Projected Test Year 12/31/2004
 Projected Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	Period	Beginning Balance	Amortization	Ending Balance
1.	1991	931,666	53,025	878,641
2.	1992	878,641	51,702	826,939
3.	1993	826,939	51,401	775,538
4.	1994	775,538	46,047	720,912
5.	1995	720,912	50,436	670,476
6.	1996	670,476	49,906	620,570
7.	1997	620,570	49,541	571,028
8.	1998	571,028	49,812	521,217
9.	1999	521,217	61,024	460,193
10.	2000	460,193	60,499	399,694
11.	2001	399,694	59,046	340,648
12.	2002	340,648	56,525	284,122
13.	2003	284,122	52,124	231,999
14.	2004	231,999	47,062	184,936

Supporting Schedules:

Recap Schedules: B-2ab

Schedule C-59(B-24a)

TOTAL ACCUMULATED DEFERRED INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION:

For each of the accumulated deferred income tax accounts (Nos. 190, 281, 282, 283), provide annual balances beginning with the historic base year in the last rate case and ending with the end of the test year.

Type of Data Shown:
 Historic Years 1993-2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	Annual Period	Account 190	Account 281	Account 282	Account 283	Net
		Accumulated Deferred Income Taxes Dr(Cr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)	Accumulated Deferred Income Taxes Cr(Dr)
1.	1993	82,130	-	(4,270,884)	(291,608)	(4,480,362)
2.	1994	275,157	-	(3,672,637)	(270,745)	(3,668,225)
3.	1995	214,204	-	(3,870,763)	(296,942)	(3,953,501)
4.	1996	105,644	-	(3,371,127)	(374,882)	(3,640,365)
5.	1997	197,786	-	(3,468,119)	(248,205)	(3,518,538)
6.	1998	214,301	-	(3,469,706)	(23,324)	(3,278,729)
7.	1999	157,338	-	(3,330,040)	(212,079)	(3,384,781)
8.	2000	230,633	-	(3,300,849)	(398,387)	(3,468,603)
9.	2001	74,184	-	(3,283,232)	(469,414)	(3,678,462)
10.	2002	276,744	-	(3,237,733)	(463,922)	(3,424,911)
11.	2003	221,399	(317,376)	(3,209,631)	(405,130)	(3,710,737)
12.	2004	219,766	(320,420)	(3,237,335)	(267,782)	(3,605,771)

Supporting Schedules:

Recap Schedules: B-2ab

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY, FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION, Show the Trend Factors used
 to project Test Year and Prior Year Net Operating Income

Type of Data Shown.
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Index	Projection Basis	Historical Year to	Historical Year to	Prior Projected Year
		Projected Prior Year	Projected Test Year	to Test Year
		2002 to 2003	2002 to 2004	2003 to 2004
0	No Change	100.0%	100.0%	100.0%
1	Inflation	102.5%	103.9%	101.3%
2	Customer Growth	101.6%	103.2%	101.6%
3	Customer Growth FB	102.6%	105.3%	102.6%
4	Customer Growth M	100.6%	101.2%	100.6%
5	Payroll	103.0%	106.1%	103.0%
6	Sales (kWh)	101.0%	103.2%	102.2%
7	Sales (kWh) FB	105.4%	108.7%	103.1%
8	Sales (kWh) M	95.1%	95.9%	100.8%
9	Revenues (Base)	101.4%	103.9%	102.4%
10	Revenues (Base) FB	104.2%	107.7%	103.4%
11	Revenues (Base) M	98.2%	99.4%	101.2%
12	Plant	Direct	Direct	Direct
13	Inflation x Customer Growth	104.2%	107.2%	103.0%
14	Inflation x Customer Growth FB	105.2%	109.4%	103.9%
15	Inflation x Customer Growth M	103.1%	105.2%	102.0%
16	Payroll x Customer Growth	104.7%	109.5%	104.6%
17	Payroll x Customer Growth FB	105.7%	111.7%	105.7%
18	Payroll x Customer Growth M	103.6%	107.4%	103.6%
19	Zero Balance	0.0%	0.0%	0.0%
20	Direct Calculation	Direct	Direct	Direct

Other Considerations for 2003 & 2004 Expense Projection

Code	Description
a	SALARY ADJUSTMENTS: DIRECTOR, OP MANAGER & VACANT POSITION (7 TO 9 MONTHS)
b	TOOL & EQUIPMENT RELIABILITY
c	DUE TO NEW POSITION - SALARY & RELATED EXPENSES & LOCKBOX EXPENSE
d	DECREASE TO PROJECTED EXPENSE (NET OF LOCKBOX INCREASE) PER MC
e	NEW POSITION (BUILDING MAINT) & NETWORK ADMINISTRATOR POSITION UPGRADE LESS EXEC SALARY ADJUSTMENT
f	SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
g	ECONOMIC DEVELOPMENT DONATIONS
h	NORTEL ANNUAL MAINTENANCE & SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
i	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH
j	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH & PURCHASE OF FURNITURE IN 2002
k	RATE CASE
l	RELIABILITY - SUBSTATION MAINTENANCE
m	RELIABILITY - SUBSTATION MAINTENANCE
n	ADDITIONAL POSITIONS - STANDBY LINE CREW LINE MAINT, TREE TRIMMING CREWS RELIABILITY, LINE MAINT, TREE TRIMMING CREWS
o	ADDITIONAL POSITION - WAREHOUSEMAN
p	4% ALLOCATED TO PROPANE IN FERNANDINA BEACH

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. Provide the calculation of jurisdictional net operating income and the revenue requirement for the test year and the prior year.

Type of Data Shown
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Line No.	(1) Total Electric 2002 Per Books	(2) Commission Adjustments (Schedule C-4)	(3) Company Adjustments (Schedule C-4)	(4) Adjusted Amount 1 + 2 + 3	(5) Total Electric 2003 Projections	(6) Commission Adjustments (Schedule C-4)	(7) Company Adjustments (Schedule C-4)	(8) Adjusted Amount 5 + 6 + 7	(9) Total Electric 2004 Projections	(10) Commission Adjustments (Schedule C-4)	(11) Company Adjustments (Schedule C-4)	(12) Adjusted Amount 9 + 10 + 11
1	Operating Revenues:											
2	11,007,360	-	(87,374)	10,919,986	11,167,284	-	(91,183)	11,076,101	11,361,793	-	-	11,361,793
3	27,486,753	(27,486,753)	-	-	25,442,763	(25,442,763)	-	-	27,112,504	(27,112,504)	-	-
4	509,976	(509,976)	-	-	458,269	(458,269)	-	-	466,940	(466,940)	-	-
5	696,246	-	334,365	1,030,611	954,079	-	347,730	1,301,808	973,531	-	243,780	1,217,311
6	1,635,365	-	-	1,635,365	1,328,932	-	-	1,328,932	1,354,781	-	-	1,354,781
7	(376,020)	761,311	-	385,291	2,147,001	(1,557,241)	-	589,760	558,039	-	-	558,039
8	(30,000)	22,000	8,000	-	-	-	-	-	-	-	-	-
9	40,929,680	(27,213,418)	254,991	13,971,253	41,518,328	(27,458,273)	256,547	14,316,602	41,827,588	(27,579,444)	243,780	14,491,924
10												
11												
12	Operating Expenses:											
13	4,125,825	143,313	455,852	4,724,990	5,498,490	-	-	5,498,490	5,927,426	-	-	5,927,426
14	26,497,775	(26,497,775)	-	-	26,728,458	(26,728,458)	-	-	26,852,624	(26,852,624)	-	-
15	486,636	(486,636)	-	-	454,620	(454,620)	-	-	463,182	(463,182)	-	-
16	1,363,161	4,244	66,593	1,433,998	1,498,028	-	-	1,498,028	1,756,768	-	-	1,756,768
17	2,187,524	-	4,180	2,191,704	2,463,836	-	-	2,463,836	2,708,403	-	-	2,708,403
18	622,965	(6,705)	42,180	658,440	676,269	(18,649)	-	657,620	695,818	(19,857)	-	675,961
19	2,665,977	(246,991)	246,991	2,665,977	2,630,740	(256,547)	256,547	2,630,740	2,572,092	(243,780)	243,780	2,572,092
20												
21	Income Taxes											
22	567,731	207,867	(188,574)	587,024	279,665	-	-	279,665	(90,954)	-	-	(90,954)
23	96,657	-	(6,169)	90,488	47,826	-	-	47,826	(15,616)	-	-	(15,616)
24	Deferred Income Taxes-Net											
25	(277,982)	-	-	(277,982)	(214,141)	-	-	(214,141)	(71,439)	-	-	(71,439)
26	(37,586)	-	-	(37,586)	(36,657)	-	-	(36,657)	(12,229)	-	-	(12,229)
27	(56,525)	-	-	(56,525)	(52,124)	-	-	(52,124)	(47,062)	-	-	(47,062)
28												
29	38,242,158	(26,882,683)	621,053	11,980,528	39,975,011	(27,458,274)	256,547	12,773,284	40,739,014	(27,579,444)	243,780	13,403,350
30												
31	2,687,522	(330,735)	(366,062)	1,990,725	1,543,317	1	-	1,543,318	1,088,574	-	-	1,088,574

Note (A): All sales of electricity in the Northwest/Maranna and Northeast/Fernandina Beach divisions are subject to regulation by the Florida Public Service Commission. Therefore, the Jurisdictional Factor is 100%.

Supporting Schedules: C-59(C-4, C-10, C-19,C-38a, C-39, C-42)

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. Provide the calculation of jurisdictional net operating income and the revenue requirement for the test year and the prior year

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric DivisionProjected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

DOCKET NO.: 030438-EI

			Revenue Requirement	
			2003	2004
(1)	Jurisdictional Adjusted Rate Base	C-59 (B3)	36,001,522	39,840,870
(2)	Rate of Return on Rate Base Requested	C-59 (D1)	8.20%	9.00%
(3)	Jurisdictional Income Requested	(1) x (2)	2,952,125	3,585,678
(4)	Jurisdictional Adjusted Net Operating Income	C-59 (C2)	1,543,318	1,088,574
(5)	Income Deficiency (Excess)	(3) - (4)	1,408,807	2,497,104
(6)	Earned Rate of Return	(4) / (1)	4.29%	2.73%
(7)	Net Operating Income Multiplier	C-59 (C5B)	1.64876	1.64876
(8)	Revenue Deficiency (Excess)	(5) X (7)	2,322,782	4,117,121
(9)	Attrition Allowance		N/A	N/A
(10)	Total Revenue Increase Requested	(8) + (9)	2,322,782	4,117,121
(10a)	Increase due to Service Charges and Other Revenues			94,933
(10b)	Increase in Base Revenues			4,022,189
(11)	Base Revenues	C-59 (C10)	11,187,284	11,361,793
(12a)	Total Revenue % Increase on Base Revenues			36.24%
(12b)	Base Revenue % Increase on Base Revenues	(10b) / (11)	20.76%	35.40%
(13)	Base + Fuel + Conservation Revenues	C-59 (C10)	37,088,316	38,941,237
(14)	% Increase on Base + Fuel + Conservation Revenues		6.09%	10.57%

Supporting Schedules: C-59(B-3, C-2, C-10, C-5B, D-1)

Recap Schedules:

Schedule C-59(C-4)

COMMISSION AND COMPANY NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

EXPLANATION: List all proposed Commission and Company adjustments to net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Historical Year 12/31/2002

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Mehrdad Khojasteh

Line No.		COMMISSION ADJUSTMENTS											
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Eliminate Fuel Revenues/Expenses	Eliminate Fuel Over/Under Recovery	Eliminate Conservation Revenues/Expense	Eliminate Conservation Over/Under Recovery	Eliminate Taxes Other Than Income on Fuel	Eliminate Taxes Other Than Income on Conservation	Eliminate Income Taxes on Profit/Loss on Fuel	Eliminate Income Taxes on Profit/Loss on Conservation	Eliminate Income Taxes*	Include Prior Period/ Other Adjustment	Include Accrued A/P Expenses	Total Commission Adjustment
1	Operating Revenue	27,486,753	-	509,976	-	-	-	-	-	-	-	-	27,996,729
2	Other Revenue	-	(742,099)	-	(19,212)	-	-	-	-	-	-	-	(761,311)
3	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	(22,000)	-	(22,000)
4	Operating Expense	-	-	(418,498)	(68,142)	-	-	-	-	-	135,450	7,867	(343,323)
5	Fuel Expense	(26,111,073)	(386,701)	-	-	-	-	-	-	-	-	-	(26,497,774)
6	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	4,244	4,244
7	Depreciation Expense	-	-	-	-	0	0	-	-	-	-	-	-
8	Taxes Other Than Income Tax	-	-	-	-	(6,337)	(367)	-	-	-	-	-	(6,705)
9	Taxes Other than Income	-	-	-	-	(243,267)	(3,725)	-	-	-	-	-	(246,991)
10	Income Taxes	-	-	-	-	-	-	1,023	(14)	206,858	-	-	207,867
11	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
												Total	330,736
	2003												
12	Operating Revenue	25,442,763	-	458,269	-	-	-	-	-	-	-	-	25,901,032
13	Other Revenue	-	1,557,241	-	-	-	-	-	-	-	-	-	1,557,241
14	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	-	-	-
15	Operating Expense	-	-	(454,620)	-	-	-	-	-	-	-	-	(454,620)
16	Fuel Expense	(26,265,631)	(462,827)	-	-	-	-	-	-	-	-	-	(26,728,458)
17	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	-	-
18	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
19	Taxes Other Than Income Tax	-	-	-	-	(18,319)	(330)	-	-	-	-	-	(18,649)
20	Taxes Other than Income	-	-	-	-	(253,228)	(3,319)	-	-	-	-	-	(256,547)
21	Income Taxes	-	-	-	-	-	-	-	0	-	-	-	0
22	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
												Total	(1)
	2004												
23	Operating Revenue	27,112,504	-	466,940	-	-	-	-	-	-	-	-	27,579,444
24	Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
25	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	-	-	-
26	Operating Expense	-	-	(463,182)	-	-	-	-	-	-	-	-	(463,182)
27	Fuel Expense	(26,852,624)	-	-	-	-	-	-	-	-	-	-	(26,852,624)
28	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	-	-
29	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
30	Taxes Other Than Income Tax	-	-	-	-	(19,521)	(336)	-	-	-	-	-	(19,857)
31	Taxes Other than Income	-	-	-	-	(240,359)	(3,422)	-	-	-	-	-	(243,780)
32	Income Taxes	-	-	-	-	-	-	-	(0)	-	-	-	(0)
33	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
												Total	(0)

Schedule C-59(C-4)

COMMISSION AND COMPANY NET OPERATING INCOME ADJUSTMENTS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438-EI

EXPLANATION: List all proposed Commission and Company adjustments to net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:
Historical Year 12/31/2002
Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

		COMPANY ADJUSTMENTS											
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		3 YEAR	DISCONTINUED	GARBAGE &	DEFERRED TAX	Gross Receipts	Gross Receipts	Prior Period					Total Company
2002		CHARGE OFF	OPERATIONS	SEWER		Buried in Base	Buried in Fuel	Adjustments					Adjustments
		RATE				Revenues	Revenues						
34	Operating Revenue	-	-	-	-	87,374	-	-	-	-	-	-	87,374
35	Gross Receipts Revenue	-	-	-	-	-	(334,365)	-	-	-	-	-	(334,365)
36	Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
37	Provision for Rate Refund	-	-	-	-	-	-	(8,000)	-	-	-	-	(8,000)
38	Operating Expense	61,933	365,770	28,149	-	-	-	-	-	-	-	-	455,852
39	Fuel Expense	-	-	-	-	-	-	-	-	-	-	-	-
40	Maintenance Expense	-	66,593	-	-	-	-	-	-	-	-	-	66,593
41	Depreciation Expense	-	4,180	-	-	-	-	-	-	-	-	-	4,180
42	Taxes Other Than Income Tax	-	42,180	-	-	-	-	-	-	-	-	-	42,180
43	Taxes Other than Income	-	-	-	-	-	246,991	-	-	-	-	-	246,991
44	Income Taxes	-	-	-	-	-	-	(194,743)	-	-	-	-	(194,743)
45	Deferred Income Tax	-	-	-	-	-	0	-	-	-	-	-	0
<hr/>													366,082
2003													
46	Operating Revenue	-	-	-	-	91,183	-	-	-	-	-	-	91,183
47	Gross Receipts Revenue	-	-	-	-	-	(347,730)	-	-	-	-	-	(347,730)
48	Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
49	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	-	-	-
50	Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
51	Fuel Expense	-	-	-	-	-	-	-	-	-	-	-	-
52	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	-	-
53	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
54	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
55	Taxes Other than Income	-	-	-	-	-	256,547	-	-	-	-	-	256,547
56	Income Taxes	-	-	-	-	0	-	-	-	-	-	-	0
57	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
<hr/>													-
2004													
58	Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-
59	Gross Receipts Revenue	-	-	-	-	-	(243,780)	-	-	-	-	-	(243,780)
60	Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
61	Provision for Rate Refund	-	-	-	-	-	-	-	-	-	-	-	-
62	Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
63	Fuel Expense	-	-	-	-	-	-	-	-	-	-	-	-
64	Maintenance Expense	-	-	-	-	-	-	-	-	-	-	-	-
65	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
66	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
67	Taxes Other than Income	-	-	-	-	-	243,780	-	-	-	-	-	243,780
68	Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
69	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-

OPERATING REVENUES DETAIL - 2002

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown.

Historical Year 12/31/2002

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

Witness: Cheryl Martin

DOCKET NO.: 030438-EI

Account Title	Projection Basis	(1) Per Books	(2) Non-Jurisdictiona	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total Adjustments (4) thru (8)	(10) Base Revenues (3)-(9)
					(4) Buried Gross Receipts & Other	(5) Fuel	(6) Conservation	(7) Franchise Fees	(8) Other Gross Recp Rev		
SALES OF ELECTRICITY											
440 Residential	Billing Determi	21,041,666	-	21,041,666	50,739	13,352,979	229,320	777,533	358,482	14,769,053	6,272,613
4420 C&I Small	Billing Determi	4,567,819	-	4,567,819	11,181	2,502,361	45,602	310,891	142,262	3,012,297	1,555,522
4421 C&I Large	Billing Determi	11,834,345	-	11,834,345	17,043	8,708,748	174,193	346,924	157,760	9,404,668	2,429,677
4422 GSLD	Billing Determi	3,513,369	-	3,513,369	6,690	2,772,170	57,855	196,964	33,680	3,067,359	446,010
444 Public Street & HWY	Billing Determi	233,996	-	233,996	1,153	47,570	1,356	2,999	2,615	55,693	178,303
445 Other Public Authorities		-	-	-	-	-	-	-	-	-	-
446 Railroads		-	-	-	-	-	-	-	-	-	-
448 Interdepartmental		144,505	-	144,505	568	102,925	1,650	54	1,447	106,644	37,861
449 Other Sales		-	-	-	-	-	-	-	-	-	-
TOTAL SALES TO ULTIMATE CONSUMERS		41,335,700	-	41,335,700	87,374	27,486,753	509,976	1,635,365	696,246	30,415,714	10,919,986
447 Sales of Electricity - Resale		-	-	-	-	-	-	-	-	-	-
TOTAL SALES OF ELECTRICITY		41,335,700	-	41,335,700	87,374	27,486,753	509,976	1,635,365	696,246	30,415,714	10,919,986
4491 (Less) Provision for Rate Refunds	0	(30,000)	-	(30,000)	(30,000)	-	-	-	-	(30,000)	-
TOTAL REVENUE NET OF REFUND PROVISION		41,305,700	-	41,305,700	57,374	27,486,753	509,976	1,635,365	696,246	30,385,714	10,919,986
OTHER OPERATING REVENUES											
450 FORFIETED DISCOUNTS	101.4% 9	125,095	-	125,095	-	-	-	-	-	-	125,095
451 MISC SERVICE REVENUE	101.6% 2	58,661	-	58,661	-	-	-	-	-	-	58,661
4511 MISC SERVICE REVENUE	101.6% 2	91,719	-	91,719	-	-	-	-	-	-	91,719
4512 MISC SVC REV-BILL CO	101.6% 2	14,825	-	14,825	-	-	-	-	-	-	14,825
454 RENT FROM ELECTRIC P	102.5% 1	103,877	-	103,877	-	-	-	-	-	-	103,877
4561 OVER-RECOVERY-FUEL AD	fpuc file	(742,099)	-	(742,099)	-	(742,099)	-	-	-	(742,099)	-
4562 MISC.ELECTRIC REVENU	101.4% 9	15,360	-	15,360	-	-	-	-	-	-	15,360
4563 UNBILLED REVENUES	101.4% 9	(24,246)	-	(24,246)	-	-	-	-	-	-	(24,246)
4566 OVERRECOVERY: CONSER	fpuc file	(19,212)	-	(19,212)	-	-	(19,212)	-	-	(19,212)	-
TOTAL OTHER OPERATING REVENUES		(376,020)	-	(376,020)	-	(742,099)	(19,212)	-	-	(761,311)	385,291
TOTAL ELECTRIC OPERATING REVENUES		40,929,680	-	40,929,680	57,374	26,744,654	490,764	1,635,365	696,246	29,624,403	11,305,277

Supporting Schedules:

Recap Schedules: C-59(C-2)

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:

Projected Prior Year 12/31/2003

Witness Cheryl Martin

Account Title	Projection Basis	(1) Per Projections	(2) Non-Jurisdictiona	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total Adjustments (4) thru (8)	(10) Base Revenues (3)-(9)
					(4) Buried Gross Receipts & Other	(5) Fuel	(6) Conservation	(7) Franchise Fees	(8) Other Gross Recp Rev		
SALES OF ELECTRICITY											
440 Residential Service	Billing Determi	20,079,725		20,079,725	50,860	12,639,926	203,512	660,089	473,690	14,028,077	6,051,848
4420 General Service	Billing Determi	3,920,807		3,920,807	10,818	2,359,059	38,893	129,230	92,492	2,630,492	1,290,315
4421 General Demand	Billing Determi	9,102,847		9,102,847	15,658	6,368,495	111,306	303,786	214,741	7,013,986	2,088,861
General Demand Large	Billing Determi	2,255,617		2,255,617	2,377	1,654,349	34,367	79,067	53,207	1,823,367	432,250
General Large Demand	Billing Determi	4,095,943		4,095,943	7,287	3,317,133	66,284	122,859	96,587	3,610,149	485,794
OL	Billing Determi	60,192		60,192	240	16,502	358	2,040	1,419	20,559	39,633
OL2	Billing Determi	683,534		683,534	2,761	105,858	2,337	23,558	16,108	150,623	532,911
SL2	Billing Determi	59,130		59,130	257	22,491	480	1,947	1,395	26,570	32,560
SL3	Billing Determi	188,365		188,365	923	33,783	732	6,357	4,441	46,236	142,129
TOTAL SALES TO ULTIMATE CONSUMERS		40,446,160	-	40,446,160	91,183	26,517,596	458,269	1,328,932	954,079	29,350,058	11,096,101
447 Sales of Electricity - Resale											
TOTAL SALES OF ELECTRICITY		40,446,160	-	40,446,160	91,183	26,517,596	458,269	1,328,932	954,079	29,350,058	11,096,101
4491 (Less) Provision for Rate Refunds	0										
TOTAL REVENUE NET OF REFUND PROVISION		40,446,160	-	40,446,160	91,183	26,517,596	458,269	1,328,932	954,079	29,350,058	11,096,101
450 FORFEITED DISCOUNTS	101.4% 9	251,202		251,202							251,202
451 MISC SERVICE REVENUE	101.6% 2	59,612		59,612							59,612
4511 MISC SERVICE REVENUE	101.6% 2	93,206		93,206							93,206
4512 MISC SVC REV-BILL CO	101.6% 2	15,065		15,065							15,065
454 RENT FROM ELECTRIC P	102.5% 1	106,474		106,474							106,474
4561 OVER-RECOVERY-FUEL AD	Direct	1,557,241		1,557,241		1,557,241				1,557,241	
4562 MISC.ELECTRIC REVENU	101.4% 9	15,580		15,580							15,580
4563 UNBILLED REVENUES		48,622		48,622							48,622
4566 OVERRECOVERY CONSER	Direct	-		-							-
TOTAL OTHER OPERATING REVENUES		2,147,001	-	2,147,001	-	1,557,241	-	-	-	1,557,241	589,760
TOTAL ELECTRIC OPERATING REVENUES		42,593,161	-	42,593,161	91,183	28,074,837	458,269	1,328,932	954,079	30,907,299	11,685,861

Supporting Schedules:

Recap Schedules: C-59(C-2)

OPERATING REVENUES DETAIL - 2004

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:

Projected Test Year 12/31/2004

Witness: Cheryl Martin

Account Title	Projection Basis	(1) Per Projections	(2) Non-Jurisdiction	(3) Jurisdictional (1)-(2)	Adjustments					(9) Total Adjustments (4) thru (8)	(10) Base Revenues (3)-(9)
					(4) Buried Gross Receipts & Other	(5) Fuel	(6) Conservation	(7) Franchise Fees	(8) Other Gross Recp Rev		
SALES OF ELECTRICITY											
440 Residential Service	Billing Determinan	20,615,762		20,615,762	-	13,032,173	209,292	676,765	486,361	14,404,590	6,211,171
4420 General Service	Billing Determinan	4,086,777		4,086,777	-	2,473,537	40,689	134,159	96,418	2,744,803	1,341,974
4421 General Demand	Billing Determinan	9,272,644		9,272,644	-	6,500,756	113,334	304,394	218,868	7,137,352	2,135,291
General Demand Large	Billing Determinan	2,197,153		2,197,153	-	1,608,553	33,584	72,123	51,943	1,766,204	430,949
General Large Demand	Billing Determinan	4,100,031		4,100,031	-	3,317,133	66,107	134,605	96,405	3,614,249	485,782
OL	Billing Determinan	59,870		59,870	-	16,502	357	1,965	1,413	20,237	39,633
OL2	Billing Determinan	688,377		688,377	-	107,049	2,357	22,597	16,249	148,253	540,124
SL2	Billing Determinan	58,850		58,850	-	22,491	479	1,932	1,388	26,290	32,560
SL3	Billing Determinan	190,085		190,085	-	34,310	741	6,240	4,486	45,777	144,309
TOTAL SALES TO ULTIMATE CONSUMERS		41,269,549	-	41,269,549	-	27,112,504	466,940	1,354,781	973,531	29,907,756	11,361,793
447 Sales of Electricity - Resale											
TOTAL SALES OF ELECTRICITY		41,269,549	-	41,269,549	-	27,112,504	466,940	1,354,781	973,531	29,907,756	11,361,793
4491 (Less) Provision for Rate Refunds	0										
TOTAL REVENUE NET OF REFUND PROVISION		41,269,549	-	41,269,549	-	27,112,504	466,940	1,354,781	973,531	29,907,756	11,361,793
450 FORFIETED DISCOUNTS	102.4% 9	255,104		255,104							255,104
451 MISC SERVICE REVENUE	101.6% 2	60,563		60,563							60,563
4511 MISC SERVICE REVENUE	101.6% 2	94,693		94,693							94,693
4512 MISC SVC REV-BILL CO	101.6% 2	15,306		15,306							15,306
454 RENT FROM ELECTRIC P	101.3% 1	107,897		107,897							107,897
4561 OVER-RECOVERY:FUEL AD	Direct	-		-							-
4562 MISC.ELECTRIC REVENU	102.4% 9	15,954		15,954							15,954
4563 UNBILLED REVENUES		8,523		8,523							8,523
4566 OVERRECOVERY: CONSER	Direct	-		-							-
TOTAL OTHER OPERATING REVENUES		558,039	-	558,039	-	-	-	-	-	-	558,039
TOTAL ELECTRIC OPERATING REVENUES		41,827,588	-	41,827,588	-	27,112,504	466,940	1,354,781	973,531	29,907,756	11,919,832

Supporting Schedules:

Recap Schedules: C-59(C-2)

Schedule C-59(C-19)

OPERATION AND MAINTENANCE EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION For the projected test year, projected prior year and historic year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness Mehrdad Khojasteh

Account		Year ended December 2002				Year Ended December 2003				Year Ended December 2004			
Line No.	No. Account Title	Projection Basis	2002 Expenses Per Books	2002 Adjustments Discontinued Operations Garbage & Sewer Accrued A/P Expenses Other Prior Adjustments	2002 Total-Adjusted Expense	Projection Factor	2003 Projected Expenses	Other	2003 Expense	Projection Factor	2004 Projected Expenses	Other	2004 Expense
OPERATING EXPENSES													
						Fuel Expense = Fuel Revenue excluding tax factor				Fuel Expense = Fuel Revenue excluding tax factor			
1	555-557 Other Power Supply Expenses												
2	555 PURCHASED POWER	Billing Det.	26,029,764	-	26,029,764	N/A	26,265,631	-	26,265,631	N/A	26,852,624	-	26,852,624
3	55501 PURCHASED POWER-QUAL	19	81,310	-	81,310	0.0%	-	-	-	0.0%	-	-	-
4	5551 UNDER REC FUEL ADJ.	fpuc file	386,701	-	386,701	Direct	462,827	-	462,827	Direct	-	-	-
5	556 SYSTEM CONTROL & LOA	0	77	-	77	100.0%	77	-	77	100.0%	77	-	77
6													
7	560-567.1 Transmission Expenses - Operation												
8	562 STATION EXPENSES	1	12,569	367	12,936	102.5%	13,259	-	13,259	103.9%	13,437	-	13,437
9	566 MISC TRANSMISSION EX	13	7,541	210	7,751	104.2%	8,074	-	8,074	107.2%	8,312	-	8,312
10													
11	580-589 Distribution Expenses - Operation												
12	580 OPERATION SUPERVISIO	5	236,206	27,231	263,437	103.0%	271,340	50,000 a	321,340	106.1%	279,480	-	279,480
13	581 LOAD DISPATCHING	13	297	6	303	104.2%	316	-	316	107.2%	325	-	325
14	582 STATION EXPENSES	5	34,782	3,827	38,609	103.0%	39,767	-	39,767	106.1%	40,960	-	40,960
15	5831 OPERATION OF OVERHEA	16	50,901	5,208	56,109	104.7%	58,729	4,000 b	62,729	109.5%	61,456	3,300 b	64,756
16	5832 REMOVING & RESETTING	16	38,422	3,899	42,321	104.7%	44,297	-	44,297	109.5%	46,354	-	46,354
17	5841 UNDERGROUND LINE EXP	5	18,984	4,490	23,474	103.0%	24,178	-	24,178	106.1%	24,904	-	24,904
18	5842 UNDERGRND LINE EXPEN	5	16,328	2,033	18,361	103.0%	18,912	-	18,912	106.1%	19,479	-	19,479
19	585 STREET LIGHT/SIGNAL	16	28,907	2,967	31,874	104.7%	33,362	-	33,362	109.5%	34,911	-	34,911
20	586 METER EXPENSES	16	209,729	23,105	232,834	104.7%	243,707	-	243,707	109.5%	255,022	-	255,022
21	5871 AREA LIGHT EXPENSE	16	41,779	4,090	45,869	104.7%	48,011	-	48,011	109.5%	50,240	-	50,240
22	5872 OTHER CUSTOMER INSTA	16	57,992	6,243	64,235	104.7%	67,235	-	67,235	109.5%	70,356	-	70,356
23	5881 DISTRIBUTION MAPS &	16	46,552	4,398	50,950	104.7%	53,329	-	53,329	109.5%	55,805	50,000 i	105,805
24	5882 OTHER DIST OFFICE SU	16	79,360	11,696	91,056	104.7%	95,308	-	95,308	109.5%	99,733	20,000 j	119,733
25	5883 MISC DISTRIBUTION OF	16	36,739	3,374	40,113	104.7%	41,986	-	41,986	109.5%	43,936	-	43,936
26	589 RENTS	1	13,091	2,616	15,707	102.5%	16,100	-	16,100	103.9%	16,315	-	16,315
27													
28	901-905 Customer Accounts - Operation												
29	901 SUPERVISION	5	96,329	13,691	110,020	103.0%	113,321	-	113,321	106.1%	118,720	-	116,720
30	902 METER READING EXPENS	16	220,661	25,204	245,865	104.7%	257,346	-	257,346	109.5%	269,295	-	269,295
31	903 CUSTOMER RECORDS/COL	5	685,165	115,088	800,253	103.0%	824,261	18,691 c	842,952	106.1%	848,988	44,974 c	893,962
32	904 UNCOLLECTIBLE ACCOUN	9	27,470	116,673	144,143	101.4%	146,204	(65,000) d	81,204	103.9%	149,720	(66,900) d	82,820
33	905 MISC CUSTOMER ACCOUN	13	76,606	11,869	88,475	104.2%	92,157	-	92,157	107.2%	94,878	-	94,878
34													
35	906-910 Customer Service and Info - Operation												
36	9061 UNDERRECOVERY CONSE	19	68,142	-	68,142	0.0%	-	-	-	0.0%	-	-	-
37	907 SUPERVISION	19	79,477	-	79,477	Direct	86,338	-	86,338	Direct	87,964	-	87,964
38	908 CUSTOMER ASSISTANCE	19	211,381	764	212,145	Direct	229,628	-	229,628	Direct	233,953	-	233,953
39	909 INFO & INSTRUCTIONAL	19	115,371	480	115,851	Direct	125,330	-	125,330	Direct	127,691	-	127,691
40	910 MISC CUSTOMER SERVIC	19	12,265	227	12,492	Direct	13,324	-	13,324	Direct	13,575	-	13,575
41													
42	911-917 Sales Expenses - Operation												
43	912 DEMONSTRATING & SELL	5	-	-	-	103.0%	-	-	-	106.1%	-	-	-
44	9131 PROMOTIONAL ADVERTIS	13	179	-	179	104.2%	186	-	186	107.2%	192	-	192
45	9132 CONSERVATION ADVERTI	13	240	-	240	104.2%	250	-	250	107.2%	257	-	257
46	9133 SAFETY ADVERTISING	13	774	-	774	104.2%	806	-	806	107.2%	830	-	830
47	9134 OTHER INFO/INSTR/CON	13	1,535	344	1,879	104.2%	1,957	-	1,957	107.2%	2,015	-	2,015
48	9135 COMMUNITY AFFAIRS AD	13	55	-	55	104.2%	57	-	57	107.2%	59	-	59
49	9136 OTHER ADVERTISING	13	213	-	213	104.2%	222	-	222	107.2%	228	-	228
50	916 MISC SALES EXPENSES	13	189	-	189	104.2%	197	-	197	107.2%	203	-	203
51													

Schedule C-59(C-19)

OPERATION AND MAINTENANCE EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION For the projected test year, projected prior year and historic year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness Mehrdad Khojasteh

Line No	Account No.	Account Title	Year ended December 2002			Year Ended December 2003			Year Ended December 2004					
			Projection Basis	2002 Expenses Per Books	2002 Adjustments Discontinued Operations Garbage & Sewer Accrued A/P Expenses Other Prior Adjustments	2002 Total- Adjusted Expense	Projection Factor	2003 Projected Expenses	Other	2003 Expense	Projection Factor	2004 Projected Expenses	Other	2004 Expense
52	920-933	Administrative & General - Operation												
53	920	ADM & GENERAL SALARI	5	847,946	79,613	927,559	103.0%	955,386	16,758 e	972,144	106.1%	984,047	1,992 e	986,039
54	9211	OFFICE SUPPLIES	1	17,746	2,680	20,426	102.5%	20,937	-	20,937	103.9%	21,216	-	21,216
55	9212	OFFICE POSTAGE & MAI	1	4,207	156	4,363	102.5%	4,472	-	4,472	103.9%	4,532	-	4,532
56	9213	OFF ComPUSER SUPP &	1	68,589	2,530	71,119	102.5%	72,897	2,663 f	75,560	103.9%	73,871	2,075 f	75,946
57	9214	OFFICE UTILITY EXPEN	1	30,029	1,120	31,149	102.5%	31,928	-	31,928	103.9%	32,354	-	32,354
58	9215	MISC OFFICE EXPENSE	1	103,300	3,838	107,138	102.5%	109,816	-	109,816	103.9%	111,284	-	111,284
59	9216	CO TRAINING EXPENSE-	1	5,461	103	5,564	102.5%	5,703	-	5,703	103.9%	5,779	-	5,779
60	9231	OUTSIDE SERVICES - O	FPUC	15,702	981	16,683	N/A	35,000	-	35,000	N/A	35,000	-	35,000
61	9232	LEGAL FEES AND EXPEN	1	5,964	304	6,268	102.5%	6,425	-	6,425	103.9%	6,511	-	6,511
62	9233	OUTSIDE AUDIT & ACCO	FPUC	72,520	4,520	77,040	N/A	106,369	10,500	116,869	N/A	97,759	14,000	111,759
63	924	PROPERTY INSURANCE	FPUC	157,716	3,321	161,037	N/A	263,739	(100,000)	163,739	N/A	361,539	(75,000)	286,539
64	9251	INJURIES AND DAMAGES	FPUC	362,412	96,821	459,233	N/A	675,274	1,750	677,024	N/A	571,198	3,500	574,698
65	9261	EMPLOYEE PENSIONS	FPUC	(37,274)	(1,375)	(38,649)	N/A	191,500	-	191,500	N/A	240,205	-	240,205
66	9262	EMPLOYEE BENEFITS- O	FPUC	256,801	10,160	266,961	N/A	345,077	-	345,077	N/A	483,107	(51,761)	431,346
67	9263	RETIREE BENEFITS-POS	FPUC	35,167	1,297	36,464	N/A	58,000	-	58,000	N/A	59,750	-	59,750
68	928	REGULATORY COMMISSIO	1	5,442	-	5,442	102.5%	5,578	-	5,578	103.9%	5,653	122,716 k	128,369
69	9301	INSTITUTIONAL/GOODWILL	13	713	-	713	104.2%	743	-	743	107.2%	765	-	765
70	9302	MISC. GENERAL EXPENS	13	115,174	4,010	119,184	104.2%	124,144	-	124,144	107.2%	127,810	-	127,810
71	93022	INDUSTRY ASSOCIATION	13	4,498	-	4,498	104.2%	4,685	-	4,685	107.2%	4,824	-	4,824
72	93023	ECONOMIC DEVELOPMENT	13	10,000	(1,010)	8,990	104.2%	9,364	13,000 g	22,364	107.2%	9,641	13,000 g	22,641
73	931	RENTS	1	4,040	-	4,040	102.5%	4,141	-	4,141	103.9%	4,196	-	4,196
74														
75		TOTAL OPERATING EXPENSES		31,110,236	599,169	31,709,405	105.2%	32,729,206	(47,638)	32,681,568	101.3%	33,161,336	81,896	33,243,232
76		TOTAL OPERATING EXPENSES LESS FUEL		4,612,461	599,169	5,211,630		6,000,748	(47,638)	5,953,110		6,308,712	81,896	6,390,608
77		Maintenance Expenses												
78														
79	541-545.1	Hydraulic Power Gen - Maintenance												
80	554	MAINT OF MISC POWER	13	7	-	7	104.2%	7	-	7	107.2%	8	-	8
81														
82	568-574	Transmission Expenses - Maintenance												
83	570	MAINT OF STATION EQU	13	20,483	317	20,800	104.2%	21,666	-	21,666	107.2%	22,305	3,000 l	25,305
84	571	MAINT OF OVERHEAD LI	13	23,584	136	23,720	104.2%	24,707	-	24,707	107.2%	25,437	-	25,437
85														
86	590-598	Distribution Expenses - Maintenance												
87	590	MAINT SUPERVISION/EN	5	61,053	3,318	64,371	103.0%	66,302	-	66,302	106.1%	68,291	29,000 m	97,291
88	591	MAINT OF STRUCTURES	13	8,123	841	8,964	104.2%	9,337	-	9,337	107.2%	9,613	-	9,613
89	592	MAINT OF STATION EQU	13	75,117	6,006	81,123	104.2%	84,499	-	84,499	107.2%	86,994	-	86,994
90	5931	MAINT OF POLES/TOWER	13	25,412	1,465	26,877	104.2%	27,995	-	27,995	107.2%	28,822	-	28,822
91	5932	MAINT OF OVERHEAD CO	13	637,147	31,074	668,221	104.2%	696,029	-	696,029	107.2%	716,583	160,000 n	876,583
92	5933	MAINT OF SERVICES	13	141,948	7,190	149,138	104.2%	155,344	-	155,344	107.2%	159,932	-	159,932
93	5941	MAINT OF UNDERGROUND	16	10,618	456	11,074	104.7%	11,591	-	11,591	109.5%	12,129	-	12,129
94	5942	MAINT OF UNDERGRND L	16	126,018	6,896	132,914	104.7%	139,121	-	139,121	109.5%	145,580	-	145,580
95	5951	MAINT OF LINE TRANSF	16	55,424	2,443	57,867	104.7%	50,569	-	50,569	109.5%	63,381	-	63,381
96	5952	MAINT OF LINE TRANSF	16	3,795	163	3,958	104.7%	4,143	-	4,143	109.5%	4,335	-	4,335
97	5953	MAINT -LINE TRANSFOR	16	27,458	2,084	29,542	104.7%	30,922	-	30,922	109.5%	32,357	12,250 o	44,607
98	596	MAINT -STREET LIGHT/	16	18,407	1,074	19,481	104.7%	20,391	-	20,391	109.5%	21,337	-	21,337
99	597	MAINT OF METERS	16	38,353	2,318	40,671	104.7%	42,581	-	42,581	109.5%	44,558	-	44,558
100	598	MAINT OF MISC DISTRI	13	52,281	2,891	55,172	104.2%	57,468	-	57,468	107.2%	59,165	-	59,165
101	935	Administrative & General - Maintenance												
102	935	MAINT OF GENERAL PLA	13	37,923	2,165	40,088	104.2%	41,756	3,600 h	45,356	107.2%	42,989	8,700 h	51,689
103														
104		TOTAL MAINTENANCE EXPENSES		1,363,161	70,837	1,433,998		1,494,428	3,600	1,498,028		1,543,818	212,950	1,756,768

Schedule C-59(C-19)

OPERATION AND MAINTENANCE EXPENSES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO 030438-EI

EXPLANATION For the projected test year, projected prior year and historic year, provide actual monthly operation and maintenance expense by primary account for the test year

Type of Data Shown
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness Mehrdad Khojasteh

Account Line No. No	Account Title	Year ended December 2002			Year Ended December 2003			Year Ended December 2004					
		Projection Basis	2002 Expenses Per Books	2002 Adjustments	2002 Total- Adjusted Expense	Projection Factor	2003 Projected Expenses	Other	2003 Expense	Projection Factor	2004 Projected Expenses	Other	2004 Expense
				Discontinued Operations Garbage & Sewer Accrued A/P Expenses Other Pnor Adjustments									
105	Other Operating Expenses												
106													
107	4030 1 DEPRECIATION EXPENSE	Direct	2,115,773	-	2,115,773	N/A	2,384,030	(4,433) p	2,379,597	N/A	2,614,726	(6,965) p	2,607,761
108	4030 2 DEPR EXP-Common	Direct	71,751	4,180	75,931	N/A	84,239	-	84,239	N/A	100,642	-	100,642
109	403 - Depreciation Expenses		2,187,524	4,180	2,191,704	112.8%	2,468,269	(4,433)	2,463,836	0.0%	2,715,368	(6,965)	2,708,403
110	4080 5,6,7 PAYROLL TAXES	5	136,684	-	136,684	103.0%	143,244	-	143,244	106.1%	150,074	-	150,074
111	4080.1 AD VALOREM TAXES	9	463,257	42,180	505,437	101.4%	512,664	-	512,664	103.9%	524,994	-	524,994
112	4080 2 STATE GROSS RECEIPTS	Pass-Through	1,030,613	-	1,030,613	N/A	1,301,808	-	1,301,808	N/A	1,217,311	-	1,217,311
113	4080 3 FPSC ASSESSMENT	Direct	30,040	-	30,040	N/A	27,477	-	27,477	N/A	28,038	-	28,038
114	4080 4 EMERGENCY EXCISE TAX	9	(8,079)	-	(8,079)	101.4%	(8,195)	-	(8,195)	103.9%	(8,392)	-	(8,392)
115	4080.5 FEDERAL UNEMPLOYMENT	5	(6,195)	-	(6,195)	103.0%	(6,381)	-	(6,381)	106.1%	(6,572)	-	(6,572)
116	4080 6 STATE UNEMPLOYMENT T	5	(4,400)	-	(4,400)	103.0%	(4,532)	-	(4,532)	106.1%	(4,668)	-	(4,668)
117	4080 7 F I C A	16	147,279	-	147,279	104.7%	154,156	-	154,156	109.5%	161,314	-	161,314
118	4080 8 MISCELLANEOUS TAXES	9	1,063	-	1,063	101.4%	1,078	-	1,078	103.9%	1,104	-	1,104
119	4080 11 FRANCHISE TAX	Pass-Through	1,635,364	-	1,635,364	N/A	1,328,932	-	1,328,932	N/A	1,354,781	-	1,354,781
120	408 - Taxes Other Than Income Taxes		3,288,942	42,180	3,331,122	100.5%	3,307,009	-	3,307,009	98.8%	3,267,910	-	3,267,910
121													
122	4090 1 I/T -FEDERAL- UTIL O	Direct	567,731	-	567,731	N/A	279,665	-	279,665	N/A	(90,954)	-	(90,954)
123	4090 2 I/T -STATE - UTIL O	Direct	96,657	-	96,657	N/A	47,826	-	47,826	N/A	(15,616)	-	(15,616)
124	409 - Income Taxes		664,388	-	664,388	49.3%	327,491	-	327,491	0.0%	(106,570)	-	(106,570)
125													
126	4100 1 DEFERRED I/T-FEDERAL	Direct	(248,979)	-	(248,979)	N/A	(214,141)	-	(214,141)	N/A	(71,439)	-	(71,439)
127	4100 2 DEFERRED I/T-STATE	Direct	(42,617)	-	(42,617)	N/A	(36,657)	-	(36,657)	N/A	(12,229)	-	(12,229)
128	4100 3 DEFERRED I/T AMORTIZ	Direct	(29,003)	-	(29,003)	N/A	-	-	-	N/A	-	-	-
129	4100 4 DEFERRED I/T AMORTIZ	Direct	5,031	-	5,031	N/A	-	-	-	N/A	-	-	-
130	410 - Deferred Income Taxes		(315,568)	-	(315,568)	79.5%	(250,798)	-	(250,798)	0.0%	(83,667)	-	(83,667)
131													
132	4110 4 INVEST TAX CREDIT- U	Direct	(56,525)	-	(56,525)	N/A	(52,124)	-	(52,124)	N/A	(47,062)	-	(47,062)
133	411 - Investment Tax Credit		(56,525)	-	(56,525)	92.2%	(52,124)	-	(52,124)	N/A	(47,062)	-	(47,062)
134													
135	TOTAL OTHER OPERATING EXPENSES		6,768,761	46,360	5,815,121		6,799,848	(4,433)	6,795,415		5,745,979	(6,965)	5,739,014
136													
137	TOTAL EXPENSES INCLUDING FUEL		38,242,156	716,366	38,958,524		40,023,482	(48,471)	39,975,011		40,451,133	287,881	40,739,014
	TOTAL NON-FUEL EXPENSES		11,744,383	716,366	12,460,749		13,295,024	(48,471)	13,246,553		13,598,509	287,881	13,886,390

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: For the projected test year, projected prior year and historic year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Other Considerations for 2003 & 2004 Expense Projection

Code	Description
a	SALARY ADJUSTMENTS- DIRECTOR, OP MANAGER & VACANT POSITION (7 TO 9 MONTHS)
b	TOOL & EQUIPMENT: RELIABILITY
c	DUE TO NEW POSITION - SALARY & RELATED EXPENSES & LOCKBOX EXPENSE
d	DECREASE TO PROJECTED EXPENSE (NET OF LOCKBOX INCREASE) PER MC
e	NEW POSITION (BUILDING MAINT) & NETWORK ADMINISTRATOR POSITION UPGRADE LESS EXEC. SALARY ADJUSTMENT
f	SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
g	ECONOMIC DEVELOPMENT DONATIONS
h	NORTEL ANNUAL MAINTENANCE & SARBANES-OXLEY - IT SECURITY ISSUES & RELATED COSTS
i	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH
j	ADDITIONAL POSITIONS & RELATED COSTS - ENGINEERING TECH & PURCHASE OF FURNITURE IN 2002
k	RATE CASE
l	RELIABILITY - SUBSTATION MAINTENANCE
m	RELIABILITY - SUBSTATION MAINTENANCE
n	ADDITIONAL POSITIONS - STANDBY LINE CREW LINE MAINT, TREE TRIMMING CREWS RELIABILITY, LINE MAINT, TREE TRIMMING CREWS
o	ADDITIONAL POSITION - WAREHOUSEMAN
p	4% ALLOCATED TO PROPANE IN FERNANDINA BEACH

ID	Projection Basis	2003 Factor	2004 Factor
0	No Change	100.0%	100.0%
1	Inflation	102.5%	103.9%
2	Customer Growth	101.6%	103.2%
3	Customer Growth FB	102.6%	105.3%
4	Customer Growth M	100.6%	101.2%
5	Payroll	103.0%	106.1%
6	Sales (kWh)	101.0%	103.2%
7	Sales (kWh) FB	105.4%	108.7%
8	Sales (kWh) M	95.1%	95.9%
9	Revenues (Base)	101.4%	103.9%
10	Revenues (Base) FB	104.2%	107.7%
11	Revenues (Base) M	98.2%	99.4%
12	Plant	0.0%	0.0%
13	Inflation x Customer Growth	104.2%	107.2%
14	Inflation x Customer Growth FB	105.2%	109.4%
15	Inflation x Customer Growth M	103.1%	105.2%
16	Payroll x Customer Growth	104.7%	109.5%
17	Payroll x Customer Growth FB	105.7%	111.7%
18	Payroll x Customer Growth M	103.6%	107.4%
19	Zero Balance	0.0%	0.0%
20	Direct Calculation	Direct	Direct
FPUC	Direct Projection by FPUC	Direct	Direct

Schedule C-59(C-34) 2003 DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO. 030438-EI

Projected Pnor Year 12/31/2003

EXPLANATION Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis

Witness Jim Mesite

Acct Sub-acct Number	Acct Sub-acct Title	(B) 2003 JANUARY	(C) 2003 FEBRUARY	(D) 2003 MARCH	(E) 2003 APRIL	(F) 2003 MAY	(G) 2003 JUNE	(G) 2003 JULY	(H) 2003 AUGUST	(I) 2003 SEPTEMBER	(J) 2003 OCTOBER	(K) 2003 NOVEMBER	(L) 2003 DECEMBER	(M) 12-Month Year End Total
350	LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
3501	LAND RIGHTS	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(1,188)
352	STRUCTURES AND IMPROVEMENTS	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(552)
353	STATION EQUIPMENT	(4,088)	(4,088)	(4,088)	(4,088)	(4,088)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(49,088)
354	TOWERS AND FIXTURES	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4,404)
355	POLES AND FIXTURES	(7,781)	(7,781)	(7,781)	(7,781)	(7,781)	(7,397)	(7,397)	(7,397)	(7,397)	(7,397)	(7,397)	(7,397)	(90,685)
356	OVERHEAD CONDUCTORS AND DEVICES	(5,171)	(5,171)	(5,171)	(5,171)	(5,171)	(4,650)	(4,650)	(4,650)	(4,650)	(4,650)	(4,650)	(4,650)	(58,405)
359	ROADS AND TRAILS	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(284)
360	DISTRIBUTION PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
3601	LAND RIGHTS	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(564)
361	STRUCTURES & IMPROVEMENTS	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(2,112)
362	STATION EQUIPMENT	(9,398)	(9,400)	(9,401)	(9,402)	(9,466)	(9,467)	(9,469)	(9,470)	(9,471)	(9,472)	(9,474)	(9,475)	(113,365)
364	POLES, TOWERS, & FIXTURES	(26,663)	(26,797)	(26,930)	(27,064)	(27,207)	(27,351)	(27,524)	(27,668)	(27,811)	(28,164)	(28,345)	(28,488)	(330,012)
365	OVERHEAD CONDUCTORS & DEVICES	(30,550)	(30,626)	(30,703)	(30,780)	(30,856)	(30,933)	(31,035)	(31,188)	(31,312)	(31,543)	(31,619)	(31,619)	(372,258)
3662	UNDERGROUND CONDUIT - BURIED	(2,893)	(2,929)	(2,965)	(3,000)	(3,036)	(3,072)	(3,108)	(3,144)	(3,180)	(3,216)	(3,252)	(3,288)	(37,083)
3672	UNDERGROUND COND & DEVICES - BURIED	(8,407)	(8,468)	(8,530)	(8,592)	(8,654)	(8,715)	(8,777)	(8,839)	(8,900)	(8,962)	(9,024)	(9,085)	(104,953)
3681	LINE TRANSFORMERS - OVERHEAD	(22,275)	(22,290)	(22,305)	(22,320)	(22,415)	(22,430)	(22,502)	(22,517)	(22,532)	(22,547)	(22,597)	(22,647)	(269,377)
3683	LINE TRANSFORMERS - BURIED	(16,906)	(16,921)	(16,937)	(16,953)	(17,404)	(17,435)	(17,466)	(17,679)	(17,710)	(17,741)	(17,772)	(17,803)	(208,727)
3691	OVERHEAD SERVICES	(11,589)	(11,628)	(11,668)	(11,707)	(11,746)	(11,785)	(11,824)	(11,863)	(11,902)	(11,941)	(11,980)	(12,019)	(141,652)
3693	UNDERGROUND SERVICES - BURIED	(9,817)	(9,869)	(9,922)	(9,974)	(10,027)	(10,080)	(10,132)	(10,185)	(10,238)	(10,290)	(10,343)	(10,396)	(121,273)
370	METERS	(8,680)	(8,711)	(8,743)	(8,768)	(8,814)	(8,860)	(8,910)	(8,958)	(9,009)	(9,058)	(9,107)	(9,157)	(106,776)
3711	INSTALLATIONS ON CUSTOMER PREMISES-AG	(5,375)	(5,392)	(5,410)	(5,427)	(5,445)	(5,462)	(5,480)	(5,497)	(5,515)	(5,532)	(5,550)	(5,567)	(65,652)
3713	INSTALLATIONS ON CUSTOMER PREMISES-UG	(2,309)	(2,318)	(2,328)	(2,337)	(2,347)	(2,356)	(2,365)	(2,375)	(2,384)	(2,394)	(2,403)	(2,412)	(28,328)
3731	STREET LIGHTING & SIGNAL SYSTEMS-AG	(2,369)	(2,372)	(2,374)	(2,377)	(2,380)	(2,383)	(2,385)	(2,388)	(2,391)	(2,394)	(2,396)	(2,399)	(28,606)
3733	STREET LIGHTING & SIGNAL SYSTEMS-UG	(2,000)	(2,007)	(2,014)	(2,021)	(2,027)	(2,034)	(2,041)	(2,048)	(2,054)	(2,061)	(2,068)	(2,075)	(24,450)
389	GENERAL PLANT-LAND	-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES AND IMPROVEMENTS	(2,322)	(2,323)	(2,324)	(2,324)	(2,325)	(2,326)	(2,335)	(2,336)	(2,373)	(2,374)	(2,374)	(2,375)	(28,111)
3911	OFFICE FURNITURE	(88)	(88)	(88)	(88)	(88)	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(1,224)
3912	OFFICE MACHINES	(629)	(629)	(629)	(629)	(629)	(662)	(662)	(662)	(662)	(662)	(662)	(662)	(7,779)
3913	COMPUTER EQUIPMENT	(8,535)	(8,480)	(8,425)	(8,370)	(8,315)	(8,302)	(8,247)	(8,408)	(8,770)	(8,715)	(8,660)	(8,605)	(101,832)
3931	STORES EQUIPMENT-FIXED	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(15,288)
3932	STORES EQUIPMENT-PORTABLE	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(108)
3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(5,400)
3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE	(1,021)	(1,039)	(1,057)	(1,075)	(1,093)	(1,110)	(1,188)	(1,206)	(1,224)	(1,242)	(1,259)	(1,277)	(13,791)
3951	LABORATORY EQUIPMENT-FIXED	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(9,192)
3952	LABORATORY EQUIPMENT-PORTABLE	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(5,508)
396	POWER OPERATED EQUIPMENT	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(6,420)
397	COMMUNICATION EQUIPMENT	(2,145)	(2,145)	(2,145)	(2,145)	(2,145)	(2,145)	(2,145)	(2,145)	(1,912)	(1,912)	(2,495)	(2,495)	(26,074)
398	MISCELLANEOUS EQUIPMENT	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(2,868)
399	MISCELLANEOUS TANGIBLE	-	-	-	-	-	-	-	(83)	(167)	(167)	(167)	(167)	(751)
	TOTAL (does not transportation equipment)	(195,500)	(195,961)	(196,427)	(196,882)	(197,848)	(197,650)	(198,337)	(199,325)	(200,135)	(200,898)	(202,213)	(202,754)	(2,384,030)

Schedule C-59(C-34)

2003 DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown

COMPANY, FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO 030438-EI

Projected Prior Year 12/31/2003

EXPLANATION: Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis

Witness Jim Mesite

Acct Sub-acct Number	Acct Sub-acct Title	Use Rate	(B) 2003 JANUARY	(C) 2003 FEBRUARY	(D) 2003 MARCH	(E) 2003 APRIL	(F) 2003 MAY	(G) 2003 JUNE	(G) 2003 JULY	(H) 2003 AUGUST	(I) 2003 SEPTEMBER	(J) 2003 OCTOBER	(K) 2003 NOVEMBER	(L) 2003 DECEMBER	(M) 12-Month Year End Total
COMMON UTILITY PLANT															
303	MISC INTANGIBLE PLANT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
389	LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES & IMPROVEMENTS	0.025	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(4,362)	(4,396)	(4,431)	(52,132)
3911	OFFICE FURNITURE	0.048	(98)	(98)	(98)	(98)	(98)	(111)	(119)	(147)	(147)	(147)	(147)	(147)	(1,455)
3912	OFFICE EQUIPMENT	0.077	(454)	(454)	(454)	(454)	(454)	(454)	(454)	(454)	(454)	(1,006)	(1,070)	(1,070)	(7,232)
3913	COMPUTER SOFTWARE & EQUIPMENT	0.081	(14,029)	(14,088)	(14,789)	(14,789)	(14,897)	(16,085)	(16,434)	(16,526)	(16,596)	(16,879)	(17,581)	(17,581)	(190,274)
3921	TRANSPORTATION - AUTOMOBILES	0.113	(1,052)	(1,052)	(1,052)	(1,052)	(1,052)	(1,052)	(1,052)	(1,052)	(1,052)	(1,231)	(1,231)	(1,231)	(13,161)
3922	TRANSPORTATION - PICKUPS & VANS	0.047	-	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(1,331)
397	COMMUNICATION EQUIPMENT	0.071	(798)	(798)	(798)	(843)	(843)	(843)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(13,353)
399	OTHER TANGIBLE PROPERTY	0.2	-	-	-	-	-	-	-	(167)	(167)	(272)	(272)	(272)	(1,160)
Total Common Utility Plant			(20,758)	(20,938)	(21,639)	(21,684)	(21,792)	(22,993)	(23,912)	(24,199)	(24,269)	(25,423)	(26,273)	(26,258)	(280,088)
AS ALLOCATED (Marianna DIVISION)															
303	MISC INTANGIBLE PLANT	26%	-	-	-	-	-	-	-	-	-	-	-	-	-
389	LAND	26%	-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES & IMPROVEMENTS	26%	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)	(1,134)	(1,143)	(1,152)	(13,554)
3911	OFFICE FURNITURE	26%	(25)	(25)	(25)	(25)	(25)	(29)	(31)	(38)	(38)	(38)	(38)	(38)	(378)
3912	OFFICE EQUIPMENT	26%	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(262)	(278)	(278)	(1,880)
3913	COMPUTER SOFTWARE & EQUIPMENT	32%	(4,489)	(4,508)	(4,732)	(4,732)	(4,767)	(5,147)	(5,269)	(5,288)	(5,311)	(5,401)	(5,626)	(5,626)	(60,888)
3921	TRANSPORTATION - AUTOMOBILES	26%	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(320)	(320)	(320)	(3,422)
3922	TRANSPORTATION - PICKUPS & VANS	26%	-	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(346)
397	COMMUNICATION EQUIPMENT	26%	(207)	(207)	(207)	(219)	(219)	(219)	(365)	(365)	(365)	(365)	(365)	(365)	(3,472)
399	OTHER TANGIBLE PROPERTY	26%	-	-	-	-	-	-	-	(43)	(43)	(71)	(71)	(71)	(299)
Total Common Utility Plant			(6,239)	(6,289)	(6,513)	(6,525)	(6,560)	(6,843)	(7,203)	(7,283)	(7,308)	(7,623)	(7,873)	(7,882)	(84,239)
TOTAL DEPRECIATION EXPENSES			(201,739)	(202,250)	(202,940)	(203,407)	(204,508)	(204,593)	(205,540)	(206,608)	(207,441)	(208,521)	(210,086)	(210,636)	(2,468,269)

Note (1)

4% of depreciation expense for accounts 3911, 3912, 3913 is allocated to propane as an adjustment to rate base.

Supporting Schedules.

Recap Schedules C-2, C-19, C-52

Schedule C-59(C-34)

2004 DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown

COMPANY FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO 030438-EI

EXPLANATION Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis

Projected Test Year 12/31/2004

Witness Jim Mesite

Acct Sub-acct Number	Acct Sub-acct Title	Acct Sub-acct Title	(B) 2004 JANUARY	(C) 2004 FEBRUARY	(D) 2004 MARCH	(E) 2004 APRIL	(F) 2004 MAY	(G) 2004 JUNE	(G) 2004 JULY	(H) 2004 AUGUST	(I) 2004 SEPTEMBER	(J) 2004 OCTOBER	(K) 2004 NOVEMBER	(L) 2004 DECEMBER	(M) 12-Month Year End Total
350	LAND		-	-	-	-	-	-	-	-	-	-	-	-	-
3501	LAND RIGHTS		(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(99)	(1,168)
352	STRUCTURES AND IMPROVEMENTS		(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(46)	(552)
353	STATION EQUIPMENT		(4,094)	(4,094)	(4,094)	(4,094)	(4,094)	(4,100)	(4,910)	(4,910)	(4,910)	(4,910)	(4,910)	(4,910)	(54,030)
354	TOWERS AND FIXTURES		(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(367)	(4,404)
355	POLES AND FIXTURES		(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(7,398)	(88,776)
356	OVERHEAD CONDUCTORS AND DEVICES		(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(5,025)	(60,300)
359	ROADS AND TRAILS		(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(264)
360	DISTRIBUTION PLANT-LAND		-	-	-	-	-	-	-	-	-	-	-	-	-
3601	LAND RIGHTS		(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(564)
361	STRUCTURES & IMPROVEMENTS		(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(2,112)
362	STATION EQUIPMENT		(10,100)	(10,097)	(10,095)	(10,092)	(10,656)	(10,654)	(13,866)	(13,863)	(13,861)	(13,858)	(13,856)	(13,853)	(144,851)
364	POLES, TOWERS, & FIXTURES		(29,041)	(29,166)	(29,291)	(29,600)	(29,725)	(29,850)	(29,976)	(30,101)	(30,226)	(30,352)	(30,477)	(30,602)	(358,407)
365	OVERHEAD CONDUCTORS & DEVICES		(32,074)	(32,146)	(32,218)	(32,290)	(32,362)	(32,434)	(32,506)	(32,578)	(32,650)	(32,722)	(32,795)	(32,867)	(389,642)
3662	UNDERGROUND CONDUIT - BURIED		(3,948)	(3,950)	(3,951)	(4,285)	(4,287)	(4,288)	(4,289)	(4,290)	(4,292)	(4,293)	(4,294)	(4,295)	(50,462)
3672	UNDERGROUND COND & DEVICES - BURIED		(10,153)	(10,189)	(10,226)	(10,564)	(10,600)	(10,636)	(10,672)	(10,709)	(10,745)	(10,781)	(10,817)	(10,853)	(128,945)
3681	LINE TRANSFORMERS - OVERHEAD		(22,662)	(22,675)	(22,688)	(22,700)	(22,885)	(22,898)	(22,911)	(22,924)	(22,937)	(22,949)	(22,962)	(22,975)	(274,166)
3683	LINE TRANSFORMERS - BURIED		(17,834)	(17,858)	(17,882)	(17,906)	(18,279)	(18,303)	(18,327)	(18,351)	(18,375)	(18,748)	(18,772)	(18,796)	(219,431)
3691	OVERHEAD SERVICES		(12,068)	(12,097)	(12,137)	(12,176)	(12,215)	(12,255)	(12,294)	(12,333)	(12,373)	(12,412)	(12,451)	(12,491)	(147,292)
3693	UNDERGROUND SERVICES - BURIED		(10,448)	(10,501)	(10,554)	(10,607)	(10,660)	(10,713)	(10,766)	(10,819)	(10,872)	(10,925)	(10,978)	(11,031)	(128,874)
370	METERS		(9,206)	(9,250)	(9,294)	(9,338)	(9,382)	(9,426)	(9,470)	(9,513)	(9,557)	(9,601)	(9,645)	(9,689)	(113,371)
3711	INSTALLATIONS ON CUSTOMER PREMISES-AG		(5,585)	(5,602)	(5,620)	(5,637)	(5,655)	(5,672)	(5,690)	(5,707)	(5,725)	(5,742)	(5,760)	(5,777)	(68,172)
3713	INSTALLATIONS ON CUSTOMER PREMISES-UG		(2,422)	(2,431)	(2,441)	(2,450)	(2,460)	(2,469)	(2,478)	(2,488)	(2,497)	(2,507)	(2,516)	(2,526)	(29,885)
3731	STREET LIGHTING & SIGNAL SYSTEMS-AG		(2,402)	(2,405)	(2,407)	(2,410)	(2,413)	(2,416)	(2,419)	(2,422)	(2,425)	(2,428)	(2,431)	(2,434)	(29,012)
3733	STREET LIGHTING & SIGNAL SYSTEMS-UG		(2,081)	(2,088)	(2,094)	(2,100)	(2,106)	(2,112)	(2,118)	(2,124)	(2,130)	(2,137)	(2,143)	(2,149)	(25,382)
389	GENERAL PLANT-LAND		-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES AND IMPROVEMENTS		(2,434)	(2,435)	(2,436)	(2,437)	(2,438)	(2,438)	(2,439)	(2,440)	(2,441)	(2,442)	(2,443)	(2,444)	(29,267)
3911	OFFICE FURNITURE	Note (1)	(112)	(112)	(112)	(112)	(112)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(1,505)
3912	OFFICE MACHINES	Note (1)	(662)	(662)	(662)	(662)	(662)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(8,175)
3913	COMPUTER EQUIPMENT	Note (1)	(11,050)	(10,993)	(10,936)	(14,713)	(14,656)	(14,641)	(14,585)	(14,528)	(14,671)	(14,615)	(14,558)	(14,501)	(184,447)
3931	STORES EQUIPMENT-FIXED		(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(1,274)	(15,288)
3932	STORES EQUIPMENT-PORTABLE		(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(108)
3941	TOOLS, SHOP, & GARAGE EQUIP-FIXED		(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(5,400)
3942	TOOLS, SHOP, & GARAGE EQUIP-PORTABLE		(1,295)	(1,313)	(1,331)	(1,349)	(1,367)	(1,385)	(1,402)	(1,420)	(1,438)	(1,456)	(1,474)	(1,492)	(18,722)
3951	LABORATORY EQUIPMENT-FIXED		(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(766)	(9,192)
3952	LABORATORY EQUIPMENT-PORTABLE		(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(459)	(5,508)
396	POWER OPERATED EQUIPMENT		(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(535)	(6,420)
397	COMMUNICATION EQUIPMENT		(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(2,495)	(29,940)
398	MISCELLANEOUS EQUIPMENT		(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(2,868)
399	MISCELLANEOUS TANGIBLE		(167)	(167)	(167)	(167)	(167)	(167)	(167)	(167)	(167)	(167)	(167)	(167)	(2,004)
	TOTAL (does not transportation equipment)		(209,235)	(209,638)	(210,043)	(215,096)	(216,588)	(217,094)	(221,522)	(221,924)	(222,529)	(223,282)	(223,886)	(224,089)	(2,614,726)

Schedule C-59(C-34) 2004 DEPRECIATION EXPENSE COMPUTED ON PLANT-BALANCES

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown

COMPANY FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.. 030438-EI

Projected Test Year 12/31/2004

Witness Jim Mesite

EXPLANATION: Provide the depreciation expense computed on plant balances for each account or sub-account to which an individual depreciation rate is applied, on a monthly basis

Acct Sub-acct Number	Acct Sub-acct Title	Acct Sub-acct Title	(B) 2004 JANUARY	(C) 2004 FEBRUARY	(D) 2004 MARCH	(E) 2004 APRIL	(F) 2004 MAY	(G) 2004 JUNE	(G) 2004 JULY	(H) 2004 AUGUST	(I) 2004 SEPTEMBER	(J) 2004 OCTOBER	(K) 2004 NOVEMBER	(L) 2004 DECEMBER	(M) 12-Month Year End Total
COMMON UTILITY PLANT															
303	MISC INTANGIBLE PLANT		-	-	-	-	-	-	-	-	-	-	-	-	-
389	LAND		-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES & IMPROVEMENTS	2 5%	(4,466)	(4,500)	(4,535)	(4,570)	(4,570)	(4,570)	(4,570)	(4,570)	(4,570)	(4,570)	(4,570)	(4,570)	(54,634)
3911	OFFICE FURNITURE	4 8%	(147)	(155)	(155)	(164)	(180)	(188)	(188)	(191)	(191)	(191)	(191)	(191)	(2,132)
3912	OFFICE EQUIPMENT	7 7%	(1,070)	(1,070)	(1,070)	(1,070)	(1,070)	(1,134)	(1,134)	(1,134)	(1,134)	(1,134)	(1,134)	(1,134)	(13,288)
3913	COMPUTER SOFTWARE & EQUIPMENT	8 1%	(17,608)	(17,804)	(17,890)	(18,457)	(18,707)	(18,739)	(18,958)	(18,958)	(19,059)	(19,296)	(19,350)	(19,350)	(224,178)
3921	TRANSPORTATION - AUTOMOBILES	11 3%	(1,231)	(1,231)	(1,410)	(1,410)	(1,410)	(1,410)	(1,659)	(1,659)	(1,659)	(1,659)	(1,659)	(1,659)	(18,056)
3922	TRANSPORTATION - PICKUPS & VANS	4 7%	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(1,452)
397	COMMUNICATION EQUIPMENT	7.1%	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(16,860)
399	OTHER TANGIBLE PROPERTY	20.0%	(272)	(272)	(272)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(438)	(4,758)
	Total Common Utility Plant		(26,320)	(26,558)	(26,858)	(27,635)	(27,901)	(28,005)	(28,473)	(28,478)	(28,577)	(28,814)	(28,868)	(28,868)	(335,353)
AS ALLOCATED (Marianna DIVISION)															
303	MISC INTANGIBLE PLANT	26%	-	-	-	-	-	-	-	-	-	-	-	-	-
389	LAND	26%	-	-	-	-	-	-	-	-	-	-	-	-	-
390	STRUCTURES & IMPROVEMENTS	26%	(1,161)	(1,170)	(1,179)	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)	(14,204)
3911	OFFICE FURNITURE	26%	(38)	(40)	(40)	(43)	(47)	(49)	(49)	(50)	(50)	(50)	(50)	(50)	(554)
3912	OFFICE EQUIPMENT	26%	(278)	(278)	(278)	(278)	(278)	(295)	(295)	(295)	(295)	(295)	(295)	(295)	(3,455)
3913	COMPUTER SOFTWARE & EQUIPMENT	32%	(5,635)	(5,697)	(5,725)	(5,906)	(5,988)	(5,996)	(6,067)	(6,067)	(6,099)	(6,175)	(6,192)	(6,192)	(71,736)
3921	TRANSPORTATION - AUTOMOBILES	26%	(320)	(320)	(367)	(367)	(367)	(367)	(431)	(431)	(431)	(431)	(431)	(431)	(4,695)
3922	TRANSPORTATION - PICKUPS & VANS	26%	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(378)
397	COMMUNICATION EQUIPMENT	26%	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(4,384)
399	OTHER TANGIBLE PROPERTY	26%	(71)	(71)	(71)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(1,237)
	Total Common Utility Plant		(7,900)	(7,973)	(8,056)	(8,293)	(8,377)	(8,406)	(8,540)	(8,541)	(8,574)	(8,649)	(8,667)	(8,667)	(100,642)
TOTAL DEPRECIATION EXPENSES			(217,135)	(217,611)	(218,099)	(223,389)	(224,965)	(225,500)	(230,062)	(230,465)	(231,103)	(231,931)	(232,353)	(232,756)	(2,715,368)

Note (1) 4% of depreciation expense for accounts 3911, 3912, 3913 is allocated to propane as an adjustment to rate base

Schedule C-59(38a)

TAXES OTHER THAN INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historic base year and test year only.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	Account 4080 Sub-Account	(1) Tax Rate	(2) Basis	Historic Year Ended 2002				
				(3) Total Electric Utility	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	(7) Amount Charged to Operating Expenses
1	5, 6, 7		PAYROLL TAXES Payroll	220,396	136,684	100%	136,684	136,684
2	2		STATE GROSS RECEIPTS Revenue	1,030,613	1,030,613		1,030,613	1,030,613
3	11		FRANCHISE TAX	1,635,364	1,635,364		1,635,364	1,635,364
4	4		EMERGENCY EXCISE TAX ACRS Deprecia	(8,079)	(8,079)		(8,079)	(8,079)
5	8		MISCELLANEOUS TAXES Flat	1,063	1,063		1,063	1,063
6	1		AD VALOREM TAXES Property	463,257	463,257		463,257	463,257
7	3		FPSC ASSESSMENT Revenue	30,040	30,040		30,040	30,040
Total Taxes Other Than Income Taxes				3,372,654	3,288,942		3,288,942	3,288,942

Supporting Schedules: C-38a, C-38b, C-59(C-38b)

Recap Schedules: C-59(C-2, C-19, C-52)

Schedule C-59(38a)

TAXES OTHER THAN INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historic base year and test year only.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	Account 4080 Sub-Account	(1) Tax Rate	(2) Projection Basis	Projected Prior Year Ended 2003				(7) Amount Charged to Operating Expenses
				(3) Total Electric Utility	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	
1	5, 6, 7		5	231,169	143,244	100%	143,244	143,244
2	2		Pass-Through	1,301,808	1,301,808		1,301,808	1,301,808
3	11		Pass-Through	1,328,932	1,328,932		1,328,932	1,328,932
4	4		9	(8,195)	(8,195)		(8,195)	(8,195)
5	8		9	1,078	1,078		1,078	1,078
6	1		9	469,881	512,664		512,664	512,664
7	3		Direct	27,477	27,477		27,477	27,477
Total Taxes Other Than Income Taxes				3,352,151	3,307,009		3,307,009	3,307,009

Supporting Schedules: C-38a, C-38b, C-59(C-38b)

Recap Schedules: C-59(C-2, C-19, C-52)

Schedule C-59(38a)

TAXES OTHER THAN INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year, historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 5, 6 and 7 for the historic base year and test year only.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Line No	Account 4080 Sub-Account		Projected Test Year Ended 2004						
			(1) Tax Rate	(2) Projection Basis	(3) Total Electric Utility	(4) Amount Charged to Operating Expenses	(5) Jurisdictional Factor	(6) Jurisdictional Amount	(7) Amount Charged to Operating Expenses
1	5, 6, 7	PAYROLL TAXES		5	242,390	150,074	100%	150,074	150,074
2	2	STATE GROSS RECEIPTS		Pass-Through	1,217,311	1,217,311		1,217,311	1,217,311
3	11	FRANCHISE TAX		Pass-Through	1,354,781	1,354,781		1,354,781	1,354,781
4	4	EMERGENCY EXCISE TAX		9	(8,392)	(8,392)		(8,392)	(8,392)
5	8	MISCELLANEOUS TAXES		9	1,104	1,104		1,104	1,104
6	1	AD VALOREM TAXES		9	481,182	524,994		524,994	524,994
7	3	FPSC ASSESSMENT		Direct	28,038	28,038		28,038	28,038
Total Taxes Other Than Income Taxes					3,316,414	3,267,910		3,267,910	3,267,910

Supporting Schedules: C-38a, C-38b, C-59(C-38b)

Recap Schedules: C-59(C-2, C-19, C-52)

Schedule C-59(C-38b)

REVENUE TAXES

FLORIDA PUBLIC SERVICE COMMISSION

Provide a calculation of the Gross Receipt Tax and Regulatory Assessment Fee for the test year and prior year.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

LINE NO.	DESCRIPTION	Gross Receipts Tax		Regulatory Assessment Fee	
		Year End 2003	Year End 2004	Year End 2003	Year End 2004
	OPERATING REVENUES	42,593,161	41,827,588	42,593,161	41,827,588
	<u>Adjustments</u>				
	Overrecoveries	1,557,241	-	1,557,241	-
	Other Operating Revenues	525,559	533,562	525,559	533,562
	Unbilled Revenues	48,622	8,523	48,622	8,523
	Misc Electric Revenues	15,580	15,954	15,580	15,954
	Gross Receipts Revenues, and Franchise Fee	2,283,011	2,328,312	2,283,011	2,328,312
	TOTAL ADJUSTMENTS	4,430,012	2,886,351	4,430,012	2,886,351
	ADJUSTED OPERATING REVENUES	38,163,149	38,941,237	38,163,149	38,941,237
	TAX RATE	2.5%	2.5%	0.072%	0.072%
	FUEL REV	26,517,596	27,112,504	26,517,596	27,112,504
	CONS REV	458,269	466,940	458,269	466,940
	BASE REV excluding Buried Gross Receipts	11,187,284	11,361,793	11,187,284	11,361,793
	Buried Gross Receipts: Base Revenues	91,183	-		
	TAX AMOUNT + Buried Gross Receipts in Base Revenues	1,045,261	973,531	27,477	28,038
	Taxes on Fuel Revenues	256,547	243,780	18,649	19,857
	TOTAL TAX AMOUNT including taxes on fuel revenues	1,301,808	1,217,311	46,126	47,895

STATE DEFERRED INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state deferred income taxes for the test year. Provide detail on other items resulting in tax deferrals besides accelerated depreciation

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO., 030438E1

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

Line No.		Projection Basis	Projection Factor	2003 Total Electric Division	2003 Tax Rate	2003 Deferred Taxes Debit	2003 Deferred Taxes Credit	Projection Factor	2004 Total Electric Division	2004 Tax Rate	2004 Deferred Taxes Debit	2004 Deferred Taxes Credit			
1	<u>PROPERTY RELATED ITEMS</u>														
2	EXCESS TAX DEPRECIATION	5	103.0%	(264,669)	5.50%		14,557	106.1%	(272,609)	5.50%		14,993			
3	TAXABLE CONTRIBUTIONS	9	101.4%	(238,350)	5.50%		13,109	103.9%	(244,083)	5.50%		13,425			
4	COST OF REMOVAL	9	101.4%	28,946	5.50%	1,592		103.9%	29,642	5.50%	1,630				
5	LOSS ON ACRS	9	101.4%	47,853	5.50%	2,632		103.9%	49,003	5.50%	2,695				
6	NET PROPERTY RELATED ITEMS											4,224	27,666	4,326	28,418
7	<u>FULLY NORMALIZED TIMING DIFFERENCES</u>														
8	UNDERRECOVERIES	Direct		(462,827)	5.50%		25,455	Direct	-	5.50%		0			
9	OUTSIDE AUDIT FEES	9	Note	6,339	5.50%	349		Note	6,401	5.50%	352				
10	CONSERVATION PROGRAM	5	Note	11,266	5.50%	620		Note	2,502	5.50%	138				
11	SELF INSURANCE	9	Note	(434,585)	5.50%		23,902	Note	(438,824)	5.50%		24,135			
12	PENSION	9	Note	774,992	5.50%	42,625		Note	782,529	5.50%	43,039				
13	VACATION PAY	5	Note	(42,431)	5.50%		2,334	Note	(42,842)	5.50%		2,356			
14	UNCOLLECTIBLES	9	Note	9,802	5.50%	539		Note	9,897	5.50%	544				
15	NON-DEDUCTIBLE MEALS	5	103.0%	(7,702)	5.50%		424	106.1%	(7,933)	5.50%		436			
16	LOSS ON REACQUIRED DEBT	9	Note	(18,140)	5.50%		998	Note	(18,316)	5.50%		1,007			
17	MISC DEFERRALS	9	Note	(4,426)	5.50%		243	Note	(4,469)	5.50%		246			
18	GENERAL LIABILITY	9	Note	(72,550)	5.50%		3,990	Note	(73,241)	5.50%		4,028			
19	TOTAL NORMALIZED ITEMS											44,132	57,346	44,073	32,209
20	BALANCE											48,356	85,012	48,399	60,627
21															
22															
23	TOTAL STATE DEFERRED INCOME TAXES											(36,657)		(12,229)	

Note: Line Items projected for 2003 and 2004 based on ratio of 2002 Line Item to 2002 Full Deferred Credit Trial Balance Account multiplied by the projected Deferred Credit Balance Account as provided by FPU in file "Cost of Capital4-30.xls"

Schedule C-59(C-41)

DEFERRED TAX ADJUSTMENT

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION. To provide information required to present the excess deferred tax balances due to protected and unprotected timing differences at statutory tax rates in excess of the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Line No.	Vintage Year	Protected Timing Differences					Unprotected Timing Differences			(9) Total Excess (5)+(8)	(10) Target Deferred Taxes (9)xCurr. Rate	(11) Fed & State Cumulative	(12) Excess (10)-(11)
		(1) Book Deprec.	(2) Book Depr Non-Base	(3) Net Book (1)-(2)	(4) Tax Deprec	(5) Excess (4)-(3)	(6) Non-Base Items	(7) Book Depr. Non-Base	(8) Net Non-Base (6)-(7)				
1.	Pre 1971	3,370,580	6,962	3,363,618	3,037,014	(326,604)	16,417	6,962	9,455	(317,149)	(119,343)	(125,822)	6,479
2.	1971	244,505	1,383	243,122	396,512	153,390	3,261	1,383	1,878	155,268	58,427	37,575	20,852
3.	1972	544,880	4,781	540,099	648,671	108,572	11,273	4,781	6,492	115,064	43,299	4,684	38,615
4.	1973	1,408,582	21,845	1,386,737	1,926,276	539,539	51,508	21,845	29,663	569,202	214,191	137,476	76,715
5.	1974	865,375	16,950	848,425	1,269,648	421,223	39,967	16,950	23,017	444,240	167,188	74,675	92,493
6.	1975	305,118	8,370	296,748	509,869	213,121	19,737	8,370	11,367	224,488	84,475	52,571	31,904
7.	1976	1,138,378	26,351	1,112,027	1,424,803	312,776	62,135	26,351	35,784	348,560	131,163	69,190	61,973
8.	1977	402,964	6,376	396,588	618,231	221,643	15,035	6,376	8,659	230,302	86,663	50,431	36,232
9.	1978	438,773	14,153	424,620	721,046	296,426	33,373	14,153	19,220	315,646	118,778	81,108	37,670
10.	1979	547,768	11,670	536,098	756,092	219,994	27,518	11,670	15,848	235,842	88,747	57,457	31,290
11.	1980	444,319	12,128	432,191	732,913	300,722	28,598	12,128	16,470	317,192	119,359	84,175	35,184
12.	1981	422,374	18,381	403,993	727,057	323,064	43,341	18,381	24,960	348,024	130,961	130,961	0
13.	1982	1,135,581	43,862	1,091,719	1,468,687	376,968	103,423	43,862	59,561	436,529	164,266	164,266	(0)
14.	1983	605,524	31,430	574,094	827,880	253,786	74,110	31,430	42,680	296,466	111,560	111,561	(1)
15.	1984	803,424	45,957	757,467	1,200,174	442,707	108,364	45,957	62,407	505,114	190,074	190,074	0
16.	1985	649,339	26,812	622,527	1,286,636	664,109	63,221	26,812	36,409	700,518	263,605	263,606	(1)
17.	1986	1,412,661	86,720	1,325,941	2,096,373	770,432	204,480	86,720	117,760	888,192	334,227	334,226	1
18.	1987	963,191	(186,439)	1,149,630	1,852,553	702,923	(439,611)	(186,439)	(253,172)	449,751	169,241	169,241	0
19.	1988	1,019,227	(123,413)	1,142,640	1,573,382	430,742	(291,000)	(123,413)	(167,587)	263,155	99,025	99,025	0
20.	1989	869,222	(130,594)	999,816	1,978,299	978,483	(307,933)	(130,594)	(177,339)	801,144	301,470	301,470	0
21.	1990	1,012,563	(84,668)	1,097,231	1,665,902	568,671	(199,641)	(84,668)	(114,973)	453,698	170,727	170,727	(0)
22.	1991	670,019	(56,286)	726,305	1,150,712	424,407	(132,719)	(56,286)	(76,433)	347,974	130,943	130,942	1
23.	1992	697,700	(59,970)	757,670	894,007	136,337	(141,406)	(59,970)	(81,436)	54,901	20,659	20,659	0
25.	1993	816,297	(85,584)	901,881	1,866,578	964,697	(201,801)	(85,584)	(116,217)	848,480	319,283	319,284	(1)
26.	1994	503,744	(95,079)	598,823	1,038,989	440,166	(224,190)	(95,079)	(129,111)	311,055	117,050	117,051	(1)
27.	1995	501,502	(86,929)	588,431	1,235,655	647,224	(204,973)	(86,929)	(118,044)	529,180	199,130	199,130	0
28.	1996	346,823	(111,001)	457,824	1,006,563	548,739	(261,732)	(111,001)	(150,731)	398,008	149,770	149,770	0
29.	1997	411,683	(100,839)	512,522	1,021,161	508,639	(237,771)	(100,839)	(136,932)	371,707	139,873	139,873	0
30.	1998	266,701	(121,207)	387,908	797,625	409,717	(285,797)	(121,207)	(164,590)	245,127	92,241	92,242	(1)
31.	1999	225,661	(160,683)	386,344	747,940	361,596	(378,881)	(160,683)	(218,198)	143,398	53,961	53,961	(0)
32.	2000	154,809	(161,977)	316,786	425,331	108,545	(381,930)	(161,977)	(219,953)	(111,408)	(41,923)	(41,923)	0
33.	2001	65,585	(213,109)	278,694	146,111	(132,583)	(502,498)	(213,109)	(289,389)	(421,972)	(158,788)	(126,208)	(32,580)
34.	2002	2,115,773	(191,637)	2,307,410	2,400,000	92,590	(451,868)	(191,637)	(260,231)	(167,641)	(63,083)	(63,083)	-
35.	2003	2,379,597	(127,230)	2,506,827	2,500,000	(6,827)	(300,000)	(127,230)	(172,770)	(179,597)	(67,582)	(67,582)	-
36.	2004	2,607,761	(127,230)	2,734,991	2,800,000	65,009	(300,000)	(127,230)	(172,770)	(107,761)	(40,550)	(40,550)	-
TOTALS		30,368,003	(1,839,741)	32,207,744	44,748,690	12,540,946	(4,337,990)	(1,839,741)	(2,498,248)	10,042,697	3,779,067	3,342,242	436,825

* Book Reserve/ Book Basis = 23,264,871.68/54,854,498.87 = 42.41%

Schedule C-59(C-42)

STATE AND FEDERAL INCOME TAXES

Type of Data Shown:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated.

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

LINE NO.	Projection Basis	2003	2004
1	UTILITY TAXABLE OPERATING INCOME	1,567,887	851,274
2	LESS: INTEREST CHARGES	1,364,002	1,356,745
		203,885	(505,471)
	OTHER DEDUCTIONS (ADDITIONS)		
3	DEPRECIATION FOR TAX PURPOSES	(264,669)	(272,609)
4	UNRECOVERED PURCHASE POWER/GAS COST	Direct (462,827)	-
5	OUTSIDE AUDIT FEES	Note 6,339	6,401
6	ORDINARY LOSS ON ACRS PROPERTY	Note 47,853	49,003
7	COST OF REMOVAL-ADR PROPERTY	Note 28,946	29,642
8	CONSERVATION PROGRAM COSTS	Note 11,266	2,502
9	SELF INSURANCE RESERVE *	Note (434,585)	(438,824)
10	TAXABLE CONTRIBUTIONS	Note (238,350)	(244,083)
11	PENSION COSTS *	Note 774,992	782,529
12	VACATION PAY	Note (42,431)	(42,842)
13	UNCOLLECTIBLES	Note 9,802	9,897
14	NONDEDUCTIBLE MEALS-CORPORATE *	5 (7,702)	(7,933)
	NONDEDUCTIBLE MEALS-OTHER		
15	LOSS ON REACQUIRED DEBT**	Note (18,140)	(18,316)
16	MISC. DEFERRAL (Dec. Proc. Int'l. & Monster.com)*	Note (4,426)	(4,469)
17	GENERAL LIABILITY **	Note (72,550)	(73,241)
18	TOTAL DEDUCTIONS	(666,484)	(222,342)
19	TAXABLE INCOME	870,369	(283,129)

Schedule C-59(C-42)

STATE AND FEDERAL INCOME TAXES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO.: 030438E1

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

LINE NO.	Projection Basis	2003	2004
20	Taxable Income	870,369	(283,129)
21	Adjustments to State Taxable Income	800	800
22	State Taxable Income	<u>869,569</u>	<u>(283,929)</u>
23	State Income Tax Rate	5.50%	5.50%
24	State Income Tax Currently Payable	47,826	(15,616)
25			
26	State Adjustments		
27	State Income Tax Deferred	(36,657)	(12,229)
28	State Income Taxes Current & Deferred	<u>11,170</u>	<u>(27,845)</u>
29	Taxable Income	870,369	(283,129)
30	Adjustments to Federal Taxable Income	47,826	(15,616)
31	Federal Taxable Income	<u>822,543</u>	<u>(267,513)</u>
32	Federal Income Tax Rate	34.0%	34.0%
33	Federal Income Tax Currently Payable	279,664	(90,954)
34	Rounding		
35	Federal Prior Period Adjustments		
36	Federal Income Tax Deferred	(214,141)	(71,439)
37	Federal Income Taxes Current & Deferred	<u>65,523</u>	<u>(162,393)</u>
38	Total Income Taxes Currently Payable	327,491	(106,570)
39	Effective Tax Rate	37.63%	37.64%
40	Total Current and Deferred Income Taxes	76,693	(190,238)
		37.62%	37.64%

Note: Line Items projected for 2003 and 2004 based on ratio of 2002 Line Item to 2002 Full Deferred Credit Trial Balance Account multiplied by the projected Deferred Credit Balance Account as provided by FPU in file "Cost of Capital components

Schedule C-59(C-42)

STATE AND FEDERAL INCOME TAXES

Type of Data Shown:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the test year. Provide detail on adjustments to income and investment tax credits generated.

Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438EI

LINE NO.	Projection Basis	2003	2004
Adjustments to Taxable Income			
41	Line 21 - Adjustments to State Taxable Income		
42	State Exemption	800	800
43	Line 30 - Adjustments to Federal Taxable Income		
44	State Income Tax	47,826	(15,616)

Supporting Schedules: C-39, C-40, C-44

Recap Schedules: C-2, C-19, C-43, C-52

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO : 030438EI

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

Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness Mehrdad Khojasteh

Line No.	Description	2003			2004		
		Federal	State	Total	Federal	State	Total
1	Net Operating Income			\$1,543,318			\$1,088,574
2	Add: Income Taxes			24,569			(237,300)
3	Deduct: Interest Charges			1,364,002			1,356,745
4	Taxable Income	\$203,885	\$203,885		(\$505,471)	(\$505,471)	
5							
6	OTHER DEDUCTIONS (ADDITIONS)						
7	DEPRECIATION FOR TAX PURPOSES	(264,669)	(264,669)		(272,609)	(272,609)	
8	UNRECOVERED PURCHASE POWER/GAS COST	(462,827)	(462,827)		-	-	
9	OUTSIDE AUDIT FEES	6,339	6,339		6,401	6,401	
10	ORDINARY LOSS ON ACRS PROPERTY	47,853	47,853		49,003	49,003	
11	COST OF REMOVAL-ADR PROPERTY	28,946	28,946		29,642	29,642	
12	CONSERVATION PROGRAM COSTS	11,266	11,266		2,502	2,502	
13	SELF INSURANCE RESERVE *	(434,585)	(434,585)		(438,824)	(438,824)	
14	TAXABLE CONTRIBUTIONS	(238,350)	(238,350)		(244,083)	(244,083)	
15	PENSION COSTS *	774,992	774,992		782,529	782,529	
16	VACATION PAY	(42,431)	(42,431)		(42,842)	(42,842)	
17	UNCOLLECTIBLES	9,802	9,802		9,897	9,897	
18	NONDEDUCTIBLE MEALS-CORPORATE *	(7,702)	(7,702)		(7,933)	(7,933)	
19	NONDEDUCTIBLE MEALS-OTHER	-	-		-	-	
20	LOSS ON REACQUIRED DEBT**	(18,140)	(18,140)		(18,316)	(18,316)	
21	MISC. DEFERRAL (Dec. Proc. Int'l. & Monster.com)*	(4,426)	(4,426)		(4,469)	(4,469)	
22	GENERAL LIABILITY **	(72,550)	(72,550)		(73,241)	(73,241)	
23	STATE EXEMPTION	0	800		0	800	
24	STATE INCOME TAX	47,826	0		(15,616)	0	
25	TOTAL DEDUCTIONS	(618,658)	(665,684)		(237,959)	(221,542)	
26							
27							
28							
29	Taxable Income as Adjusted	\$822,543	\$869,569		(\$267,513)	(\$283,929)	
30	Statutory Tax Rates	34%	5.50%		34%	5.50%	
31							
32	Taxes at Statutory Rates	279,665	47,826		(90,954)	(15,616)	
33		0	0		0	0	
34							
35	Federal and State Income Tax Expense	279,665	47,826		(90,954)	(15,616)	
36							
37	Current & Deferred Tax Expense in Filing	65,523	11,170		(162,393)	(27,845)	
38							
39	Deferred Tax Expense	(214,141)	(36,657)		(71,439)	(12,229)	

INTEREST IN TAX EXPENSE CALCULATION

FLORIDA PUBLIC SERVICE COMMISSION

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES

Consolidated Electric Division

DOCKET NO.: 030438-EI

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule 42a. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income tax expense, the differing bases should be clearly identified.

Projected Test Year 12/31/2004

Projected Prior Year 12/31/2003

Witness: Mehrdad Khojasteh

2003 Interest Expense Calculation

Capital Item	2003			2004		
	Amount (000's)	Cost Rate	Total Interest Expense	Amount (000's)	Cost Rate	Total Interest Expense
LONG TERM DEBT	52,000,000	7.70%	4,004,000	52,000,000	7.70%	4,004,000
SHORT TERM DEBT	5,791,000	2.22%	128,560	-	3.21%	-
PREFERRED STOCK	600,000	4.75%	-	600,000	4.75%	-
COMMON EQUITY	40,075,011	12.00%	-	55,051,146	12.00%	-
CUSTOMER DEPOSITS	1,556,282	6.00%	93,377	1,330,347	6.00%	79,821
DEFERRED INC TAXES	3,458,323	0.00%	-	3,449,838	0.00%	-
TAX CREDITS-ZERO CST	2,485	0.00%	-	2,308	0.00%	-
TAX CREDITS-WEIGHTED	256,606	9.23%	-	182,409	10.00%	-
Total Capitalization	\$103,739,708		Interest \$4,225,937	\$112,616,047		Interest \$4,083,821
Electric Utility Rate Base	\$36,001,522			\$39,840,869		
Less: Electric Specific-Zero Cost Items	3,717,415			3,634,554		
Electric Rate Base Less Zero Cost	32,284,107			36,206,315		
Total Capitalization Less Electric Specific Zero Cost Items	100,022,293		Interest for Electric Utility \$1,364,002	108,981,493		Interest for Electric Utility \$1,356,745

Supporting Schedules

Recap Schedules: C-59(C-42, C-43)

Schedule C-59(C-45)

CONSOLIDATED RETURN

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA PUBLIC UTILITIES
Consolidated Electric Division
DOCKET NO : 030438-EI

EXPLANATION: Provide a summary of the specific tax effects (in dollars) of filing a consolidated return for the test year. Identify the nature and amount of benefits to the company and to the ratepayers. Provide a copy of any existing tax-sharing agreements with affiliated companies.

Type of Data Shown:
Historical Year 12/31/2002
Projected Test Year 12/31/2004
Projected Prior Year 12/31/2003
Witness: Mehrdad Khojasteh

There are no specific tax benefits or detriments in filing a consolidated return versus individual company returns. There are no existing tax-sharing agreements with affiliated companies.

Supporting Schedules

Recap Schedules: C-59(C-42)

Schedule C-59(C-49)

MISCELLANEOUS TAX INFORMATION

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION Provide the requested miscellaneous tax information.

COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

Type of Data Shown:
 Historical Year Ended 12/31/2002
 Prior Years Ended 1998 through 2002
 Witness: Mehrdad Khojasteh

1. For profit and loss purposes, which IRC section 1552 method is used for tax allocation? SECTION 1.1552-1(A)
2. What tax years are open with the IRS? 2002 FORWARD
3. Is the treatment of customer deposits at issue with the IRS? NO
4. For the last five tax years, what dollars were paid to or received from the parent for federal income taxes? NOT APPLICABLE
5. How were the amounts in (4) treated? NOT APPLICABLE
6. For each of the last five years, what was the dollar amount of interest deducted on the parent ONLY tax return? NOT APPLICABLE

7. Complete the following chart for the last five years:

	Income (loss)									
	Book Basis Year					Tax Basis Year				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Parent Only			NOT APPLICABLE					NOT APPLICABLE		
Applicant Only			NOT APPLICABLE					NOT APPLICABLE		
Total Group (1)	3,067,822	3,529,257	3,287,854	3,051,463	3,362,928	4,634,733	4,184,860	2,490,757	3,524,646	*
Total Group Excluding Parent & Applicant			NOT APPLICABLE					NOT APPLICABLE		

(1) FPUC CONSOLIDATED INCLUDES WHOLLY OWNED SUBSIDIARY, FLO-GAS CORPORATION. THE APPLICANT - MARIANNA AND FERNANDINA BEACH DIVISIONS - IARE OPERATING DIVISIONS OF FPUC.
 * 2002 INCOME TAX RETURN NOT COMPLETED AT THE TIME OF THIS FILING

Supporting Schedules.

Recap Schedules:

Schedule C-59(C-58)

REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES
 Consolidated Electric Division
 DOCKET NO.: 030438-EI

EXPLANATION: Provide the calculation of
 the revenue expansion factor for the test
 year.

Type of Data Shown:
 Historical Year 12/31/2002
 Projected Test Year 12/31/2004
 Projected Prior Year 12/31/2003
 Witness: Mehrdad Khojasteh

Line No.	Description	Percent
1.	Revenue Requirement	100.000
2.	Gross Receipts Tax Rate	2.500
3.	Regulatory Assessment Rate	0.07200
4.	Bad Debt Rate	0.1830
5.	Net Before Income Taxes (1) - (2) - (3) - (4)	<u>97.2450</u>
6.	State Income Tax Rate	5.5000
7.	State Income Tax (5) x (6)	<u>5.3485</u>
8.	Net Before Federal Income Tax (5) - (7)	<u>91.8965</u>
9.	Federal Income Tax Rate	34.0000
10.	Federal Income Tax (8) x (9)	<u>31.2448</u>
11.	Revenue Expansion Factor (8) - (10)	<u>60.6517</u>
12.	Net Operating Income Multiplier (100% / Line 11)	<u>1.64876</u>

Supporting Schedules:

Recap Schedules: C-59(C-2)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historic base year.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION

Projected Test Year Ended 12/31/04
Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate
PRIOR YEAR 2003 CAPITAL STRUCTURE AND COST RATE										
	Long Term Debt	50,144,629			50,144,629	0.32	15,948,920	44.30%	7.87%	3.49%
	Short-Term Debt	5,791,000			5,791,000	0.32	1,841,876	5.12%	2.22%	0.11%
	Preferred Stock	600,000			600,000	0.32	190,835	0.53%	4.75%	0.03%
	Common Equity	40,075,011			40,075,011	0.32	12,746,194	35.40%	12.00%	4.25%
	Customer Deposits	1,556,282			1,556,282		1,556,282	4.32%	6.00%	0.26%
	Deferred Taxes	3,458,323			3,458,323		3,458,323	9.61%	0.00%	0.00%
	ITC at Zero Cost	2,485			2,485		2,485	0.01%	0.00%	0.00%
	ITC at Overall Cost	256,606			256,606		256,606	0.71%	9.23%	0.07%
	Total	101,884,337			101,884,337		36,001,522	100.0%		8.20%

CONVENTIONAL CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

Capital Vehicle	Amounts	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	50,144,629	51.90%	7.87%	4.08%
Short-Term Debt	5,791,000	5.99%	2.22%	0.13%
Preferred Stock	600,000	0.62%	4.75%	0.03%
Common Equity	40,075,011	41.48%	12.00%	4.98%
Total	96,610,640	100.00%		9.23%

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historic base year.

Type of Data Shown:

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION

Projected Test Year Ended 12/31/04
Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

Line No.	Class of Capital	(A) Company Total Per Books	(B) Specific Adjustments	(C) Pro Rata Adjustments	(D) System Adjusted	(E) Jurisdictional Factor	(F) Jurisdictional Capital Structure	(G) Ratio	(H) Cost Rate	(I) Weighted Cost Rate
TEST YEAR: 2004 CAPITAL STRUCTURE AND COST RATE										
	Long Term Debt	50,086,856			50,086,856	0.33	16,520,339	41.47%	7.87%	3.26%
	Short-Term Debt	-			-	-	-	0.00%	3.21%	0.00%
	Preferred Stock	600,000			600,000	0.33	197,900	0.50%	4.75%	0.02%
	Common Equity	55,051,146			55,051,146	0.33	18,157,729	45.58%	12.00%	5.47%
	Customer Deposits	1,330,347			1,330,347		1,330,347	3.34%	6.00%	0.20%
	Deferred Taxes	3,449,838			3,449,838		3,449,838	8.66%	0.00%	0.00%
	ITC at Zero Cost	2,308			2,308		2,308	0.01%	0.00%	0.00%
	ITC at Overall Cost	182,409			182,409		182,409	0.46%	10.00%	0.05%
	Total	110,702,903			110,702,903		39,840,869	100.0%		9.00%

CONVENTIONAL CAPITAL STRUCTURE AND OVERALL COST OF CAPITAL

Capital Vehicle	Amounts	Capitalization Share	Cost Rate	Weighted Cost Rate
Long Term Debt	50,086,856	47.37%	7.87%	3.73%
Short-Term Debt	-	0.00%	3.21%	0.00%
Preferred Stock	600,000	0.57%	4.75%	0.03%
Common Equity	55,051,146	52.06%	12.00%	6.25%
Total	105,738,002	100.00%		10.00%

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

1.) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

2.) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

Line No.	Class of Capital	Description	Historic Base Year	Prior Year	Test Year
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Specific Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no specific adjustments to the December '02, Prior Year, or '04 Test Year capital structure or cost rates

Pro Rata Adjustments

The determination of the cost of capital for purposes of setting retail rates in the immediate docket incorporates no pro rata adjustments to the December '02, Prior Year, or '04 Test Year capital structure or cost rates

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION
 DOCKET NO. 030438-EI

EXPLANATION. 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historic base year
 2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc), and other uses of short-term financing.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman, Camfield

Timeframe	Maturity Date	Interest Rate	Interest Expense	13-month Average Amount Outstanding During the Year (000)	Weighted Average Cost of Short-term Debt
2002	Apr-03	2.05%	\$324,582	\$15,833,256	2.05%
2003	N/A	2.22%	\$128,570	\$5,791,000	2.22%
2004	N/A	3.21%	\$73,134	\$2,278,077	3.21%

NOTE: Interest Cost Rate and Interest Expense For '04 Is Stated On A Basis of 13-month Average, Not Year-End, As Used For The Determination of Retail Rates In the Immediate Docket

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historic base year. Arrange by type of issue (i.e., first mortgage bonds)

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness: Bachman; Camfield

DOCKET NO: 030438-EI

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold (Face Value)	(6) 13-Month Average Principal Amt. Outstanding	(7) Discount (Premium) on Principal Amount Sold	(8) Issuing Expense On Principal Amount Sold	(9) Life (Years)	(10) Annual Amortization	(11) Interest Expense (Coupon Rate) (2) x (6)	(12) Total Annual Cost (10)+(11)	(13) Unamortized Discount (Premium) Associated With (6)	(14) Unamort. Issuing Expense & Loss on Reacquired Debt Associated With (6)
1.	9.57%	5/1/1988	5/1/2018	\$10,000,000	\$10,000,000	N/A	\$180,273	30	\$7,211	\$957,000	\$964,211	N/A	\$7,211
2.													
3.	10.03%	5/1/1988	5/1/2018	\$5,500,000	\$5,500,000	N/A	\$97,070	30	\$3,883	\$551,650	\$555,533	N/A	\$3,883
4.													
5.	9.08%	6/1/1992	6/1/2022	\$8,000,000	\$8,000,000	N/A	\$122,348	30	\$4,067	\$726,400	\$730,467	N/A	\$4,067
6.													
7.	6.85%	10/1/2001	10/1/2031	\$15,000,000	\$15,000,000	N/A	\$1,208,670	30	\$38,978	\$1,027,500	\$1,066,478	N/A	\$196,977
8.													
9.	4.90%	11/1/2001	11/1/2031	\$14,000,000	\$14,000,000	N/A	\$804,783	30	\$41,939	\$686,000	\$727,939	N/A	\$229,787
10.													
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.	Total				\$52,500,000	N/A	\$2,413,144	N/A	\$96,078	\$3,948,550	\$4,044,628	N/A	\$441,924
21.	Less Unamortized Premium, Discount, and Issuance Expense (13) + (14).				\$441,924								
22.	Net				\$52,058,076								
23.	Embedded Cost of Long-term Debt (12) / Net				<u>7.77%</u>								

NOTE: Values Shown Herein Are For the Year Ending 2002. The Cost Rate for Long-Term Debt Utilized in the Filing Is Determined on a Discounted Basis, Which Obtains the Modestly Higher Value of 7.87%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION. Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03
 Witness. Bachman; Camfield

DOCKET NO. 030438-EI

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-month Average Principal Amt. Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) X (6)	(13) Effective Cost Rate (12)/(11)
For Historical Test Year 2002												
1.	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
2.	Preferred Stock											
3.												
4.												
For Prior Year '03												
5.	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
6.												
7.												
8.												
For Year-End Projected Test Year '04												
9.	4.75% Cumulative	12/28/1945		\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
10.	Preferred Stock											
11.												
12.												
13.												
14.												
15.												
16.												
17.												
18.												
19.												
20.												
21.	Total			\$600,000	\$600,000	N/A	N/A	N/A	N/A	\$600,000	\$28,500	4.75%
22.	Weighted Average Cost of Preferred Stock											4.75%

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION:

Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00% (000)	(4) Active Customer Deposits at 7.00% (000)	(5) Inactive Customer Deposits (000)	(6) Total Deposits (3)+(4)+(5) (000)	(7) Interest Payment (3) * 6% / 12 (000)	(8) Interest Payment (4) * 7% / 12 (000)	(9) Total Interest (7) + (8) (000)	(10) Actual Payments and Credits on Bills (000)
Prior Year Ended 12/31/03									
1.	\$1,684,218	\$1,684			\$1,684	\$8.421		\$8.421	
2.	\$1,681,844	\$1,682			\$1,682	\$8.409		\$8.409	
3.	\$1,686,322	\$1,686			\$1,686	\$8.432		\$8.432	
4.	\$1,682,495	\$1,682			\$1,682	\$8.412		\$8.412	
5.	\$1,579,701	\$1,580			\$1,580	\$7.899		\$7.899	
6.	\$1,476,650	\$1,477			\$1,477	\$7.383		\$7.383	
7.	\$1,480,342	\$1,480	N/A	N/A	\$1,480	\$7.402	N/A	\$7.402	N/A
8.	\$1,484,043	\$1,484			\$1,484	\$7.420		\$7.420	
9.	\$1,487,753	\$1,488			\$1,488	\$7.439		\$7.439	
10.	\$1,491,472	\$1,491			\$1,491	\$7.457		\$7.457	
11.	\$1,495,201	\$1,495			\$1,495	\$7.476		\$7.476	
12.	\$1,498,939	\$1,499			\$1,499	\$7.495		\$7.495	
13.	\$1,502,686	\$1,503			\$1,503	\$7.513		\$7.513	
Average	\$1,556,282	\$1,556			\$				
12-Month Total					<u>\$18,547</u>	<u>\$92.737</u>		<u>\$92.737</u>	
		Effective Interest Rate 12 Month Interest Expense (9) divided the average of Total Deposits (6)			<u>6.00%</u>				

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED ELECTRIC DIVISION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year, and historic base year.

Type of Data Shown:
 Historical Year Ended 12/31/02
 Projected Test Year Ended 12/31/04
 Prior Year Ended 12/31/03

DOCKET NO: 030438-EI

Witness: Bachman; Camfield

(1) Line No.	(2) Month and Year	(3) Active Customer Deposits at 6.00% (000)	(4) Active Customer Deposits at 7.00% (000)	(5) Inactive Customer Deposits (000)	(6) Total Deposits (3)+(4)+(5) (000)	(7) Interest Payment (3) * 6% / 12 (000)	(8) Interest Payment (4) * 7% / 12 (000)	(9) Total Interest (7) + (8) (000)	(10) Actual Payments and Credits on Bills (000)
Projected Test Year Ended 12/31/04									
1.	\$1,502,686	\$1,503			\$1,503	\$7.513		\$7.513	
2.	\$1,506,443	\$1,506			\$1,506	\$7.532		\$7.532	
3.	\$1,510,209	\$1,510			\$1,510	\$7.551		\$7.551	
4.	\$1,513,985	\$1,514			\$1,514	\$7.570		\$7.570	
5.	\$1,410,770	\$1,411			\$1,411	\$7.054		\$7.054	
6.	\$1,307,297	\$1,307			\$1,307	\$6.536		\$6.536	
7.	\$1,310,565	\$1,311	N/A	N/A	\$1,311	\$6.553	N/A	\$6.553	N/A
8.	\$1,313,841	\$1,314			\$1,314	\$6.569		\$6.569	
9.	\$1,317,126	\$1,317			\$1,317	\$6.586		\$6.586	
10.	\$1,320,419	\$1,320			\$1,320	\$6.602		\$6.602	
11.	\$1,323,720	\$1,324			\$1,324	\$6.619		\$6.619	
12.	\$1,327,029	\$1,327			\$1,327	\$6.635		\$6.635	
13.	\$1,330,347	\$1,330			\$1,330	\$6.652		\$6.652	
Average	\$1,384,187	\$1,384			\$				
12-Month Total					<u>\$16,492</u>	<u>\$82.459</u>		<u>\$82.459</u>	
Effective Interest Rate 12 Month Interest Expense (9) divided the average of Total Deposits (6)					<u>6.00%</u>				

Supporting Schedules:

Recap Schedules: