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Public Service Commission

August 12, 2004

STAFF'S FIFTH DATA REQUEST

Norman "Doc" Horton, Jr., Esquire
Messer Law Firm
P. O. Box 1876
Tallahassee, FL 32302-1876

Re: Docket No. 040216-GU – Application for Rate Increase by Florida Public Utilities Company.

Dear "Doc":

By this letter, the Commission staff requests that Florida Public Utilities Company (FPUC or utility) provide responses to the following data requests:

145. Regarding other postretirement employee benefits costs, i.e., costs related to FAS 106, please provide the updated actuarial study and costs for other postretirement employee benefits. Please explain how the updated study reflects the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

146. Based on the updated actuarial study for other postretirement employee benefits, please state the expense and the liability.

147. Regarding the employees' pension plan, please provide the updated study and costs.

148. Regarding the updated employee's pension plan, please demonstrate the sensitivity of the annual pension plan cost to a 1% increase or decrease in the salary progression assumption, e.g., from 5% to 4%. Specifically, what would the annual pension costs be if the salary progression assumption was 4%? What would the annual pension costs be if the salary progression assumption were 3%?

149. Regarding the updated pension plan, please explain the choice of the salary progression input/assumption. Include the source upon which the salary progression input is based and any supporting economic data and forecasts.

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150. Please provide the Company's property insurance analysis for Account No. 924 which supports the property insurance expense of \$59,065 shown on Schedule G-2, page 81. Explain in detail how the amounts were determined.

151. Please provide the Company's injuries & damages analysis for Account No. 9251 which supports the injuries & damages expense of \$797,600 shown on Schedule G-2, page 81. Explain in detail how the amounts were determined.

152. Please explain in full detail why Account 9251, injuries and damages expense is projected to increase by almost 30% from 2004-2005.

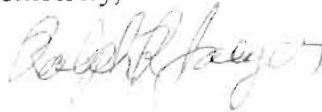
153. The Company made an adjustment to increase property taxes by \$42,500 in its 2005 projected test year (G-2, page 106). Please provide a detailed calculation of this amount and explain in detail any assumptions that were made.

154. Please explain the Company's rationale for using revenue as a projection basis to calculate property taxes as opposed to other projection factors, i.e. net plant.

155. Please explain in full detail why different trend factors were used to calculate the taxes payable reflected in the working capital calculation for 2004 and 2005 (G-2, pages 57 & 59) than those that were used to calculate taxes other than income (G-2, page 106) for 2004 and 2005 (i.e. for 2004 & 2005 taxes payable-ad valorem, inflation x customer growth was used as the trend factor, for 2004 & 2005 taxes other than income – property, revenue was used as the trend factor).

Please provide the original and four copies of this requested information to me by the close of business on September 13, 2004. If you have any questions, or if you need any assistance please call me at (850) 413- 6234, or Sam Merta at (850) 413-6427.

Sincerely,



Ralph R. Jaeger
Senior Attorney

RRJ/jb

cc: Division of Economic Regulation (Willis, Baxter, Colson, Draper, Gardner, Haff, Hewitt, Kenny, Kummer, Lester, Maurey, Merta, Rendell, Revell, Springer, Stallcup, Wheeler, Vandiver, Welch, Winters)

Division of Regulatory Compliance and Consumer Assistance (Witman, Fletcher, Hicks)

Division of the Commission Clerk and Administrative Services

Cheryl Martin - Florida Public Utilities Company