

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

November 17, 2011

BY HAND DELIVERY

Ms. Ann Cole
Division of Economic Regulation
Florida Public Service Commission
Gunter Building, Suite 105
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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COMMISSION
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Re: Docket No. 110207-EI - 2011 depreciation study by Florida Public Utilities Company.

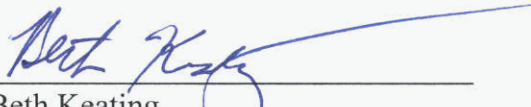
Dear Ms. Cole:

Attached, please find the original and 7 copies of Florida Public Utilities Company's updated Depreciation Study schedules. Updated numbers are highlighted in yellow for ease of reference. Thank you for your assistance with this filing.

As always, please don't hesitate to let me know if you have any questions whatsoever.

COM _____
APA _____
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GCL 1
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SRC _____
ADM _____
OPC _____
CLK _____

Sincerely,


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

cc: Office of Public Counsel (Christensen)

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FLORIDA PUBLIC UTILITIES
2011 DEPRECIATION STUDY
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION RATES

Schedule 1

ACCOUNT	01/01/2012 INVESTMENT	01/01/2012 RESERVE	CURRENT					COMPANY PROPOSED				
			AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	AGE (YRS.)	CURVE	AVERAGE SERVICE LIFE (YRS.)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	(Sch. M) AGE (YRS.)	CURVE
TRANSMISSION PLANT												
350.1 - Land Rights	\$41,471	\$17,633	56.0	23.0	0.0	33.0	SQ	56.0	16.0	0.0	40.0	SQ
352 - Structures and Improvements	\$22,007	\$11,403	50.0	28.0	0.0	22.0	S5	50.0	23.8	0.0	26.2	S5
353 - Station Equipment	\$2,756,824	\$856,665	40.0	25.0	10.0	15.0	S3	40.0	23.1	10.0	16.9	S3
354 - Towers and Fixtures	\$224,802	\$192,844	50.0	16.5	(15.0)	33.5	S5	50.0	12.5	(15.0)	37.5	S5
355 - Poles and Fixtures	\$1,603,401	\$1,016,739	35.0	21.0	(30.0)	14.0	R4	40.0	18.7	(30.0)	21.3	R4
355.1 - Poles and Fixtures - Concrete	\$1,570,082	\$271,715	40.0	40.0	(30.0)	0.0	R4	40.0	35.1	(30.0)	4.9	R4
356 - Overhead Conductors and Devices	\$2,002,251	\$743,867	40.0	28.0	(10.0)	12.0	S2	40.0	25.1	(10.0)	14.9	S2
359 - Roads and Trails	\$6,788	\$5,195	55.0	10.0	0.0	45.0	SQ	55.0	28.3	0.0	26.7	SQ
Total Transmission Assets	\$8,227,626	\$3,116,063										
DISTRIBUTION PLANT												
360.1 - Land Rights	\$56,996	\$26,757	56.0	42.0	0.0	14.0	SQ	56.0	29.5	0.0	26.5	SQ
361 - Structures and Improvements	\$211,042	\$37,547	50.0	35.0	0.0	15.0	SQ	50.0	40.9	0.0	9.1	SQ
362 - Station Equipment	\$7,552,943	\$2,004,552	38.0	31.0	(10.0)	7.0	S3	38.0	27.9	(10.0)	10.1	S3
364 - Poles, Towers, and Fixtures	\$11,473,520	\$5,909,445	35.0	21.0	(45.0)	14.0	R4	38.0	23.0	(45.0)	15.0	R4
365 - Overhead Conductors & Devices	\$11,240,266	\$7,263,294	34.0	15.7	(35.0)	18.3	R5	37.0	17.2	(35.0)	19.8	R5
366 - Underground Conduit	\$4,009,979	\$789,121	50.0	41.0	0.0	9.0	R5	50.0	39.3	0.0	10.7	R5
367 - Underground Conductors & Devices	\$6,205,266	\$2,125,636	35.0	24.0	0.0	11.0	R3	35.0	22.2	0.0	12.8	R3
368 - Line Transformers	\$15,121,861	\$10,187,203	29.0	13.6	(20.0)	15.4	S6	29.0	12.0	(20.0)	17.0	R3
369 - Services	\$9,916,136	\$5,502,595	34.0	21.0	(35.0)	13.0	R5	34.0	19.2	(35.0)	14.8	R3
370 - Meters	\$3,734,975	\$2,091,626	30.0	14.3	(5.0)	15.7	R5	30.0	13.2	(5.0)	16.8	R3
371 - Installation on Customers' Premises	\$2,673,273	\$1,166,144	16.0	8.3	15.0	7.7	S3	16.0	6.9	15.0	9.1	S3
373 - Street Lighting & Signal Systems	\$1,344,020	\$936,232	22.0	9.5	(10.0)	12.5	R3	22.0	7.2	(10.0)	14.8	R1
Total Distribution Assets	\$73,540,279	\$38,040,153										
GENERAL PLANT												
390 - Structures & Improvements	\$1,568,452	\$621,592	50.0	38.0	0.0	12.0	R4	50.0	30.3	0.0	19.7	R4
392.1 - Transportation-Cars	\$6,719	(\$617)	7.0	0.9	15.0	6.1	S2	7.0	2.7	15.0	4.3	S2
392.2 - Transportation-Light Trucks & Vans	\$797,651	\$398,316	9.0	3.1	12.0	5.9	S4	9.0	2.8	12.0	6.2	S4
392.3 - Transportation - Heavy Trucks	\$2,955,322	\$1,350,472	13.0	7.5	10.0	5.5	R4	13.0	6.9	10.0	6.1	S5
392.4 - Transportation - Trailers	\$111,011	\$47,378	25.0	17.7	5.0	7.3	R4	25.0	13.7	5.0	11.3	R4
396 - Power Operated Equipment	\$222,523	\$188,042	20.0	0.6	5.0	19.4	S3	20.0	0.5	5.0	19.5	S3
Total General Plant Assets	\$5,661,677	\$2,605,183										
GRAND TOTAL	87,429,582	43,761,399										

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FLORIDA PUBLIC UTILITIES
2011 DEPRECIATION STUDY
COMPARISON OF CURRENT AND PROPOSED DEPRECIATION COMPONENTS

Schedule 2A

ACCOUNT	CURRENT EFFECTIVE 1/1/2008			COMPANY PROPOSED - Proposed Effective Date 1/1/2012			
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	ESTIMATED 1/1/2011 RESERVE (%)	REMAINING LIFE RATE (%)
TRANSMISSION PLANT							
350.1 - Land Rights	23.0	0.0	1.8	16.0	0.0	42.52	3.7
352 - Structures and Improvements	28.0	0.0	2.0	23.8	0.0	51.82	2.1
353 - Station Equipment	25.0	10.0	2.5	23.1	10.0	31.07	2.6
354 - Towers and Fixtures	16.5	(15.0)	2.3	12.5	(15.0)	85.78	2.5
355 - Poles and Fixtures	21.0	(30.0)	4.2	18.7	(30.0)	63.41	3.7
355.1 - Poles and Fixtures - Concrete	40.0	(30.0)	3.3	35.1	(30.0)	17.31	3.1
356 - Overhead Conductors and Devices	28.0	(10.0)	2.8	25.1	(10.0)	37.15	3.0
359 - Roads and Trails	10.0	0.0	3.8	28.3	0.0	76.53	1.0
DISTRIBUTION PLANT							
360.1 - Land Rights	42.0	0.0	1.8	29.5	0.0	46.95	1.9
361 - Structures and Improvements	35.0	0.0	2.0	40.9	0.0	17.79	1.6
362 - Station Equipment	31.0	(10.0)	2.9	27.9	(10.0)	26.54	3.0
364 - Poles, Towers, and Fixtures	21.0	(45.0)	4.7	23.0	(45.0)	51.51	4.1
365 - Overhead Conductors & Devices	15.7	(35.0)	5.2	17.2	(35.0)	64.62	4.2
366 - Underground Conduit	41.0	0.0	2.0	39.3	0.0	19.68	2.1
367 - Underground Conductors & Devices	24.0	0.0	2.9	22.2	0.0	34.26	3.0
368 - Line Transformers	13.6	(20.0)	4.6	12.0	(20.0)	67.37	4.6
369 - Services	21.0	(35.0)	4.2	19.2	(35.0)	55.49	4.3
370 - Meters	14.3	(5.0)	3.7	13.2	(5.0)	56.00	3.8
371 - Installation on Customers' Premises	8.3	15.0	6.1	6.9	15.0	43.62	6.4
373 - Street Lighting & Signal Systems	9.5	(10.0)	5.7	7.2	(10.0)	69.66	6.2
GENERAL PLANT							
390 - Structures & Improvements	38.0	0.0	2.0	30.3	0.0	39.63	2.0
392.1 - Transportation-Cars	0.9	15.0	12.1	2.7	15.0	-9.19	10.4
392.2 - Transportation-Light Trucks & Vans	3.1	12.0	4.9	2.8	12.0	49.94	9.6
392.3 - Transportation - Heavy Trucks	7.5	10.0	4.2	6.9	10.0	45.70	5.5
392.4 - Transportation - Trailers	17.7	5.0	3.8	13.7	5.0	42.68	4.1
396 - Power Operated Equipment	0.6	5.0	4.8	0.5	5.0	84.50	1.6

**FLORIDA PUBLIC UTILITIES
2011 DEPRECIATION STUDY
COMPARISON OF ANNUAL DEPRECIATION EXPENSES**

Schedule 3A

ACCOUNT	CURRENT	
	01/01/2012 INVESTMENT	01/01/2012 RESERVE
	RATE	EXPENSES
TRANSMISSION PLANT		
350.1 - Land Rights	\$41,471	\$17,633
352 - Structures and Improvements	\$22,007	\$11,403
353 - Station Equipment	\$2,756,824	\$856,665
354 - Towers and Fixtures	\$224,802	\$192,844
355 - Poles and Fixtures	\$1,603,401	\$1,016,739
355.1 - Poles and Fixtures - Concrete	\$1,570,082	\$271,715
356 - Overhead Conductors and Devices	\$2,002,251	\$743,867
359 - Roads and Trails	\$6,788	\$5,195
TOTAL TRANSMISSION PLANT	\$8,227,626	\$3,116,063
DISTRIBUTION PLANT		
360.1 - Land Rights	\$56,996	\$26,757
361 - Structures and Improvements	\$211,042	\$37,547
362 - Station Equipment	\$7,552,943	\$2,004,552
364 - Poles, Towers, and Fixtures	\$11,473,520	\$5,909,445
365 - Overhead Conductors & Devices	\$11,240,266	\$7,263,294
366 - Underground Conduit	\$4,009,979	\$789,121
367 - Underground Conductors & Devices	\$6,205,266	\$2,125,636
368 - Line Transformers	\$15,121,861	\$10,187,203
369 - Services	\$9,916,136	\$5,502,595
370 - Meters	\$3,734,975	\$2,091,626
371 - Installation on Customers' Premises	\$2,673,273	\$1,166,144
373 - Street Lighting & Signal Systems	\$1,344,020	\$936,232
TOTAL DISTRIBUTION PLANT	\$73,540,279	\$38,040,153
GENERAL PLANT		
390 - Structures & Improvements	\$1,568,452	\$621,592
392.1 - Transportation-Cars	\$6,719	(\$617)
392.2 - Transportation-Light Trucks & Vans	\$797,651	\$398,316
392.3 - Transportation - Heavy Trucks	\$2,955,322	\$1,350,472
392.4 - Transpiration - Vans	\$111,011	\$47,378
396 - Power Operated Equipment	\$222,523	\$188,042
TOTAL GENERAL PROPERTY	\$5,661,677	\$2,605,183
TOTAL RATES	\$87,429,582	\$43,761,399

COMPANY PROPOSED		
RATE	EXPENSES	CHANGE EXPENSES
3.7	\$1,534	\$788
2.1	\$462	\$22
2.6	\$71,677	\$2,756
2.5	\$5,620	\$450
3.7	\$59,326	(\$8,017)
3.1	\$48,673	(\$3,140)
3.0	\$60,068	\$4,005
1.0	\$68	(\$190)
	\$247,428	(\$3,326)
1.9	\$1,083	\$57
1.6	\$3,377	(\$844)
3.0	\$226,588	\$7,553
4.1	\$470,414	(\$68,841)
4.2	\$472,091	(\$112,403)
2.1	\$84,210	\$4,010
3.0	\$186,158	\$6,205
4.6	\$695,606	\$0
4.3	\$426,394	\$9,916
3.8	\$141,929	\$3,735
6.4	\$171,089	\$8,019
6.2	\$83,329	\$6,720
	\$2,962,268	(\$135,873)
2.0	\$31,369	\$0
10.4	\$699	(\$114)
9.6	\$76,575	\$37,490
5.5	\$162,543	\$38,419
4.1	\$4,551	\$333
1.6	\$3,560	(\$7,121)
	\$279,297	\$69,007
	\$3,488,993	(\$70,192)

FLORIDA PUBLIC UTILITIES
2011 DEPRECIATION STUDY

Schedule 4

COMPARISON OF ACCUMULATED BOOK RESERVE AND THEORETICAL RESERVE - PROPOSED RATES

ACCOUNT	01/01/2012 INVESTMENT	01/01/2012 RESERVE	THEORETICAL RESERVE (%)	THEORETICAL RESERVE	IMBALANCE	WLR (%)	ARL (YEARS)	NET SALV (%)
TRANSMISSION PLANT								
350.1 - Land Rights	\$41,471	\$17,633	71.2	\$29,527	(\$11,894)	1.8	16.0	0.0
352 - Structures and Improvements	\$22,007	\$11,403	52.4	\$11,532	(\$129)	2.0	23.8	0.0
353 - Station Equipment	\$2,756,824	\$856,665	36.9	\$1,016,441	(\$159,776)	2.3	23.1	10.0
354 - Towers and Fixtures	\$224,802	\$192,844	86.3	\$193,892	(\$1,048)	2.3	12.5	(15.0)
355 - Poles and Fixtures	\$1,603,401	\$1,016,739	68.3	\$1,094,962	(\$78,223)	3.3	18.7	(30.0)
355.1 - Poles and Fixtures - Concrete	\$1,570,082	\$271,715	14.2	\$222,481	\$49,234	3.3	35.1	(30.0)
356 - Overhead Conductors and Devices	\$2,002,251	\$743,867	39.7	\$795,294	(\$51,427)	2.8	25.1	(10.0)
359 - Roads and Trails	\$6,788	\$5,195	49.1	\$3,330	\$1,865	1.8	28.3	0.0
Total Transmission Assets	\$8,227,626	\$3,116,063		\$3,367,459	(\$251,396)			
DISTRIBUTION PLANT								
360.1 - Land Rights	\$56,996	\$26,757	46.9	\$26,731	\$26	1.8	29.5	0.0
361 - Structures and Improvements	\$211,042	\$37,547	18.2	\$38,410	(\$863)	2.0	40.9	0.0
362 - Station Equipment	\$7,552,943	\$2,004,552	29.1	\$2,197,151	(\$192,599)	2.9	27.9	(10.0)
364 - Poles, Towers, and Fixtures	\$11,473,520	\$5,909,445	57.6	\$6,608,747	(\$699,302)	3.8	23.0	(45.0)
365 - Overhead Conductors & Devices	\$11,240,266	\$7,263,294	73.1	\$8,214,387	(\$951,093)	3.6	17.2	(35.0)
366 - Underground Conduit	\$4,009,979	\$789,121	21.4	\$858,136	(\$69,015)	2.0	39.3	0.0
367 - Underground Conductors & Devices	\$6,205,266	\$2,125,636	35.6	\$2,210,316	(\$84,680)	2.9	22.2	0.0
368 - Line Transformers	\$15,121,861	\$10,187,203	70.8	\$10,706,277	(\$519,074)	4.1	12.0	(20.0)
369 - Services	\$9,916,136	\$5,502,595	58.2	\$5,771,191	(\$268,596)	4.0	19.2	(35.0)
370 - Meters	\$3,734,975	\$2,091,626	58.8	\$2,196,165	(\$104,539)	3.5	13.2	(5.0)
371 - Installation on Customers' Premises	\$2,673,273	\$1,166,144	48.4	\$1,294,666	(\$128,522)	5.3	6.9	15.0
373 - Street Lighting & Signal Systems	\$1,344,020	\$936,232	74.0	\$994,575	(\$58,343)	5.0	7.2	(10.0)
Total Distribution Assets	\$73,540,279	\$38,040,153		\$41,116,752	(\$3,076,599)			
GENERAL PLANT								
390 - Structures & Improvements	\$1,568,452	\$621,592	39.4	\$617,970	\$3,622	2.0	30.3	0.0
392.1 - Transportation-Cars	\$6,719	(\$617)	52.3	\$3,516	(\$4,133)	12.1	2.7	15.0
392.2 - Transportation-Light Trucks & Vans	\$797,651	\$398,316	60.6	\$483,058	(\$84,742)	9.8	2.8	12.0
392.3 - Transportation - Heavy Trucks	\$2,955,322	\$1,350,472	42.4	\$1,252,761	\$97,711	6.9	6.9	10.0
392.4 - Transpiration - Vans	\$111,011	\$47,378	42.9	\$47,668	(\$290)	3.8	13.7	5.0
396 - Power Operated Equipment	\$222,523	\$188,042	92.6	\$206,056	(\$18,014)	4.8	0.5	5.0
Total General Plant Assets	\$5,661,677	\$2,605,183		\$2,611,029	(\$5,846)			
GRAND TOTAL	\$87,429,582	\$43,761,399		\$47,095,240	(\$3,333,841)			