

THIS FILING IS (CHECK ONE BOX FOR EACH ITEM)

Item 1: ☐ An Initial (Original) Submission OR Resubmission No. \_\_\_\_\_Item 2: ☐ An Original Signed Form OR Conformed CopyOMB NO. 1902-0021  
(Expires 11/30/2001)OFFICIAL COPY  
Division of  
Economic Regulation  
FPSC

# FERC Form No. 1

## ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a) and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)  
Florida Public Utilities Company

Year of Report

Dec. 31, 2002





## **INDEPENDENT AUDITORS' REPORT**

Florida Public Utilities Company  
West Palm Beach, Florida

We have audited the balance sheet—regulatory basis of Florida Public Utilities Company (the “Company”) as of December 31, 2002, and the related statements of income—regulatory basis, retained earnings—regulatory basis, and the consolidated statement of cash flows for the year then ended, included on pages 110 through 122s, excluding additional information on pages 114f – Northeast Division, 114m – Northwest Division and 115 – Electric, Gas and Other Utility Divisions, of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These financial statements were prepared in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). The principal differences from generally accepted accounting principles include accounting for the Company’s investment in a wholly owned subsidiary under the equity method rather than consolidating the assets, liabilities, revenues, and expenses of the subsidiary, the inclusion of certain accumulated provisions in other non-current liabilities rather than current liabilities, and the classification of all deferred tax accounts on a gross basis as non-current.

The consolidated statement of cash flows and the accompanying notes to the financial statements are prepared on a consolidated basis as presented with the Company’s consolidated financial statements included in its Annual Report to Shareholders. Such consolidated statement of cash flows and notes are not comparable in certain respects with the accompanying balance sheets—regulatory basis and income statements—regulatory basis in which an investment in a wholly owned subsidiary is accounted for under the equity method.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2002, and the results of its



operations and its cash flows for the year ended December 31, 2002, in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 114f – Northeast Division, 114m – Northwest Division, and 115 – Electric, Gas, and Other Utility Divisions is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

February 19, 2003



D. Major Operating Divisions and Functions - Provide the major operating divisions and activities performed by each. For some companies, the vice presidents or other officers and their respective responsibilities may correspond to major operating divisions. For instance, the Vice president of Finance may constitute a major operating division and accounting, corporate and treasury, and rates and regulatory matters may be the related functions assigned to the Vice President.

E. Affiliates and Relationships - List all affiliates and their relationship to the utility.

F. Current and Projected Growth Patterns - Provide a concise estimate of future annual growth for the next two to four years. A short table may be used to provide this data. For instance, a table for three years showing the KWH sales, revenue, and customers would be sufficient for an electric utility. Major assumptions such as "revenue forecasts based on current rates" may be provided.

### Part III - Corporate Records:

The principal location and any important secondary locations of records should be provided in Section A on Page 5. The chart of accounts used, the location of any copies of the corporate records and a description of the types of records maintained at secondary locations should be furnished in Section B. Under Section C, list any outside auditors, regulatory agencies or internal auditors from affiliates that audit the books and records.

### Part IV - Parent/Affiliate Organizational Chart:

Provide an organizational chart showing the relationship of affiliates involved either directly or indirectly in providing utility services including the furnishing of any management services to the utility. All other affiliates, those that are irrelevant to the provision of utility services may be omitted from the organizational chart.

### Part V - Liaison Personnel Directory:

All employees or outside professionals who are in regular recurring contact with the Florida Public Service Commission on behalf of the utility should be listed under Section A on Page 7, together with the title, position, organizational unit, name of immediate supervisor and area (s) of responsibility. Employees who infrequently contact or are contacted by the Florida Public Service commission need not be listed unless contact occurs on important issues. Organizational charts covering the employees listed as liaison personnel should be included in Section B.



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**PART I - TELEPHONE NUMBERS**

<b>A. Company's Universal Telephone Number:</b> (561) 832-2461		
<b>B. Direct Telephone Number for Officer (s)</b>		
<b>Officer (s) Name</b>	<b>Title</b>	<b>Telephone Numbers</b>
1. John T. English	President & Chief Executive Officer	(561) 838-1762
2. Charles L. Stein	Senior Vice President	(561) 838-1760
3. Jack Brown	Vice President & Secretary	(561) 838-1729
4. George Bachman	Chief Financial Officer & Treasurer	(561) 838-1731
<b>C. Direct Telephone Number for Director (s)</b>		
<b>Officer (s) Name</b>	<b>Title</b>	<b>Telephone Numbers</b>
1. Ellen Terry Benoit	Director	
2. John T. English	President & Chief Executive Officer	(561) 838-1762
3. Richard C. Hitchins	Director	(561) 832-8833
4. Paul L. Maddock, Jr	Director	(561) 655-1483
5. Rudy E. Schupp	Director	(561) 840-7838



## PART II - COMPANY PROFILE

(Provide Brief Narrative)

### A. Brief Company History

Florida Public Utilities Company was incorporated March 6, 1924, as the Palm Beach Gas Company, and the name was changed to the present title on October 24, 1927. The company was reincorporated on April 29, 1925.

The purchase of the property of the Gas Service Company of Key West was made on October 5, 1927, and sold on May 10, 1938. On May 1, 1929, the company acquired Pensacola Gas Company, but sold these properties to Gulf Power on May 28, 1934. Southern States Power Company (Marianna and Fernandina, Florida) was purchased July 1, 1935. The acquisitions of Sanford Gas Company and Florida Home Gas Company of DeLand occurred on January 1, 1965, and June 1, 1967, respectively. Water property in Marianna was sold June 1, 1976, to the North Florida Water Company. The acquisition of Z-Gas Company Inc. took place on October 29, 2001. Net assets of Atlantic Utilities were acquired on December 15, 2001. In November 2002, the Company acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction.

### B. Operating Territory

Four areas of Florida are served by Florida Public Utilities Company. The South Florida division serves 36,200 customers within Palm Beach and Broward Counties. The Central Florida division serves 20,500 customers in Seminole, Volusia and Marion Counties. Nature Coast division serves 500 customers in Levy County.

The Northwest division, located in the panhandle of Florida, serves 12,300 customers in portions of Jackson, Calhoun, and Liberty Counties. The Northeast division, which serves Amelia Island on the upper east coast of Florida, furnishes electricity, propane and water services to 14,000, 1,500 and 7,000 customers, respectively.

### C. Major Goals and Objectives

To provide reliable utility service to present and prospective customers in an efficient and courteous manner at the most reasonable cost possible.

To provide our stockholders with a reasonable return on their investments.

To promote conservation of energy (electricity and natural gas) through programs presently in effect, and future programs which may be adopted.



## PART II - COMPANY PROFILE (continued)

(Provide Brief Narrative)

### D. Major Operating Divisions and Functions

Florida Public Utilities Company operates out of four divisions and is headquartered in West Palm Beach. Natural gas is provided by the West Palm Beach (South Florida) and Central Florida divisions. These two divisions also service customers in offering gas appliance sales and repairs.

Propane gas is provided by the West Palm Beach (South Florida), Central Florida, Fernandina Beach (Northeast Florida), and Nature Coast divisions.

Electricity is supplied by the divisions in Marianna (Northwest Florida) and Fernandina (Northeast Florida). Fernandina Beach is also the sole location providing water service.

### E. Affiliates and Relationships

The wholly-owned subsidiary, Flo-Gas Corporation, sells bottled gas in the West Palm Beach, Central Florida and Fernandina Beach areas.

### F. Current and Projected Growth Patterns

<u>Operations</u>	<u>Past 3 Years</u>		<u>3 Years Projection</u>
Marianna - Electric	1%	Annually	2 % Annual
Fernandina Beach - Electric	3%	Annually	3 % Annual
Fernandina Beach - Water	2%	Annually	0 % Annual
Gas Operations	7%	Annually	3 % Annual



### PART III - CORPORATE RECORDS

#### A. Location

##### Divisional Offices

##### Address

West Palm Beach (South Florida)	401 South Dixie Highway, West Palm Beach
Sanford (Central Florida)	830 West 6th Street, Sanford
DeLand (Central Florida)	401 N. Stone Street, DeLand
Marianna (Northwest Florida)	2825 Pennsylvania Avenue, Marianna
Fernandina Beach (Northeast Florida)	911 S. 8th Street, Fernandina Beach
Nature Coast	19510 SE Diana Street, Inglis

Each divisional office has on file records limited to individual divisional operations. The general office in West Palm Beach contains the general corporate accounting records for Company-wide operations.

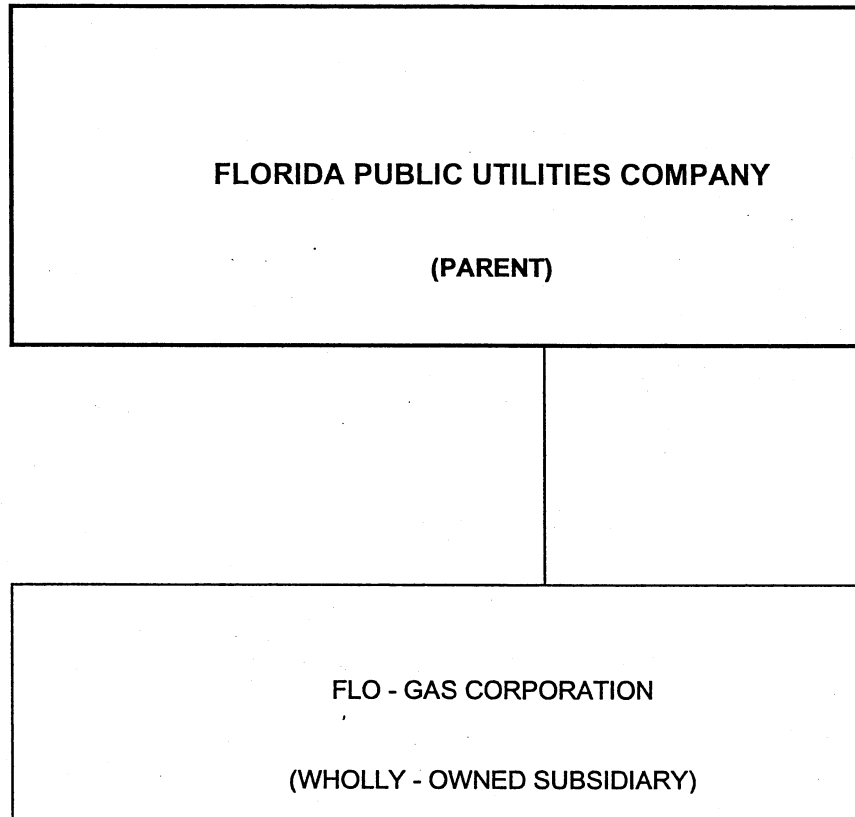
#### C. List Audit Groups Reviewing Records and Operations

Deloitte & Touche - Annual and quarterly corporate audits. Review of income tax return.  
Florida Public Service Commission - Electric, gas, and water operations.



**PART IV - PARENT / AFFILIATE ORGANIZATION CHART**

**CURRENT AS OF :**      December 31, 2002





# PART V - LIAISON PERSONNEL DIRECTORY

(4)

## A. List

Name of Company (1) (2) Representative	Title or Position	Organizational Unit (3) Title (Dept/Div/Etc.)	Name of Immediate Supervisor	Area (s) Responsible
John T. English	President & Chief Operating Officer	Electric, Gas, and Water Operations		Engineering, Rates Rules and Regulations
Charles L. Stein	Senior Vice President	Electric, Gas, and Water Operations	J. T. English	Engineering, Rates Rules and Regulations
P. Mark Cutshaw	Director - North West Florida	Marianna Electric Operations	J. T. English	Conservation, Rates and Engineering
Mario Lacaci	Director - North East Florida	Fernandina Beach Electric and Water Operations	J. T. English	Rates and Engineering
Michael Peacock	Customer Development Manager	Electric and Gas Operations	P. Mark Cutshaw	Conservation
George Bachman	Chief Financial Officer & Treasurer	Electric, Gas, and Water Operations	J. T. English	Open Dockets, Accounting, Rules and Regulations
Cheryl Martin	Controller	Electric, Gas, and Water Operations	G. M. Bachman	Open Dockets, Accounting, Rules and Regulations
Norman Horton, Jr. (850) 222-0720	Attorney	Messer, Caparello, & Self	-	Fuel Adj., PGA, and Conservation, All Divisions

(1) Also list appropriate legal counsels, and others who may not be on the general payroll.

(2) Please provide individual telephone numbers if the person cannot be reached through the Company's operator.

(3) Please provide appropriate organization charts for all persons listed within the Company.

(4) Defined as personal visits or telephone call as a result of either routine interface, rate cases, or audits.

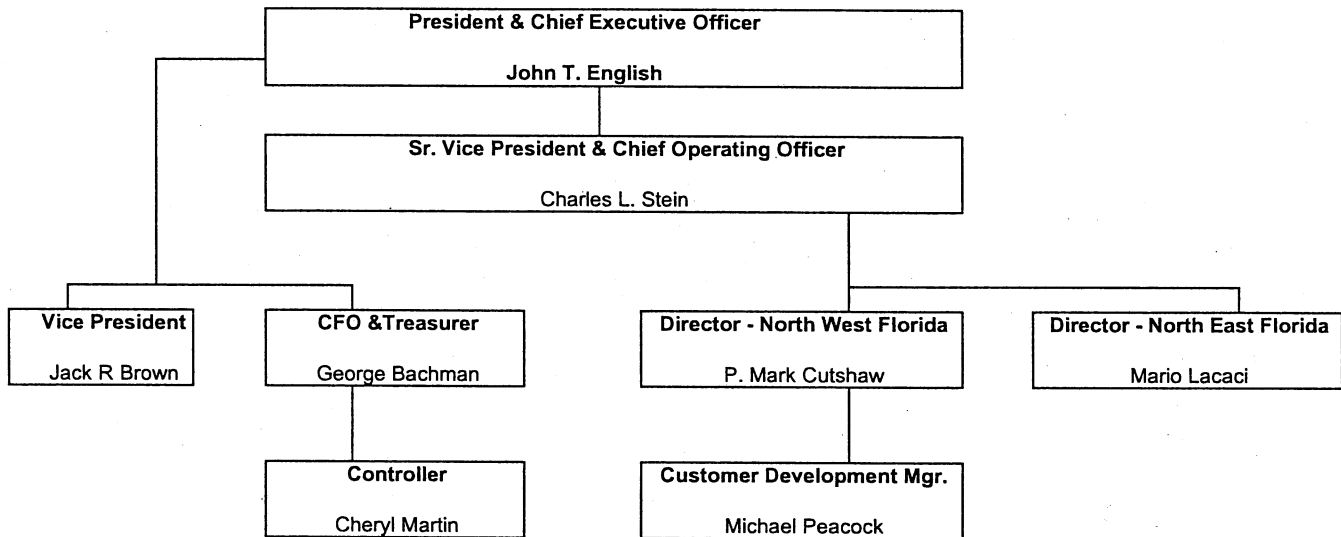


## PART V - LIAISON PERSONNEL

B. Organizational Chart (for reporting chain for all personnel listed on Page 7)

CURRENT AS OF: April 1, 2001

### FLORIDA PUBLIC UTILITIES COMPANY





## **SIGNATURE PAGE**

I certify that I am the responsible accounting officer of  
**Florida Public Utilities Company;**

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2002 to December 31, 2002, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing

performance of his official duty shall be guilty of  
a misdemeanor of the second degree, punishable as  
provided in s. 775.082, s. 775.083, or s. 775.084.

---

**Date**

---

**Signature**

George Bachman

Chief Financial Officer & Treasurer

---

**Name**

---

**Title**



**I. Purpose**

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

**II. Who Must Submit**

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 CFR 101), must submit this form.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) One million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

**III. What and Where to Submit**

- (a) Submit this form on electronic media consisting of two (2) duplicate data diskettes and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE.  
Room 1A-21  
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as contained on the electronic media, that the signer knows the contents of the paper copies and electronic media, and that the contents as stated in the copies and on the electronic media are true to the best knowledge and belief of the signer.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant  
Federal Energy Regulatory Commission  
888 First Street, NE.  
Room 1A-21  
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10-41.12 for specific qualifications.)



## III. What and Where to Submit (Continued)

## (c) Continued

Schedules	Reference Pages
Comparative Balance Sheet	110 - 113
Statement of Income	114 - 117
Statement of Retained Earnings	118 - 119
Statement of Cash Flows	120 - 121
Notes to Financial Statements	122 - 123

When accompanying this form, insert the letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the Office of the Secretary at the address indicated at III (a).

Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_ we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch  
Federal Energy Regulatory Commission  
888 First Street, NE.  
Room 2A-1 ED-12.2  
Washington, DC 20426  
(202) 208-2474

## IV. When to Submit:

Submit this report form on or before April 30th of the year following the year covered by this report.

## V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for this collection of information is estimated to average 1,217 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 (Attention: Mr. Michael Miller, ED-12.3); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).



## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2, 3, and 4.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses. ( ).
- VII. For any resubmissions, two (2) new data diskettes and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a) must be filed. Resubmissions must be numbered sequentially both on the diskettes and on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).
- VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

## DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.



## Federal Power Act, 16 U.S.C. 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:

...(3) 'corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities' as hereinafter defined;

(4) 'person' means an individual or a corporation;

(5) 'licensee' means any person, State, or municipality licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality' means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power;...."

(11) 'project' means a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered -

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites,...to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or otherwise prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed...."

## GENERAL PENALTIES

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information or document required by the Commission in the course of an investigation conducted under this Act,...shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing...."



**FERC FORM NO. 1:  
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION			
01	Exact Legal Name of Respondent  <b>FLORIDA PUBLIC UTILITIES COMPANY</b>	02	Year of Report  <b>December 31, 2002</b>
03	Previous Name and Date of Change (if name changed during year)		
04	Address of Principal Office at End of Year (Street, City, State, Zip Code)  <b>401 South Dixie Highway, West Palm Beach, FL 33401-5807</b>		
05	Name of Contact Person  <b>George Bachman</b>	06	Title of Contact Person  <b>Chief Financial Officer &amp; Treasurer</b>
07	Address of Contact Person (Street, City, State, Zip Code)  <b>Same as above</b>		
08	Telephone of Contact Person, Including Area Code  <b>(561) 838-1731</b>	09	This Report Is  (1) <input checked="checked" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission
		10	Date of Report (Mo, Da, Yr)
ATTESTATION			
<p>The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.</p>			
01	Name  <b>George Bachman</b>	02	Title  <b>Chief Financial Officer &amp; Treasurer</b>
03	Signature	04	Date Signed (Mo, Da, Yr)
<small>Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</small>			



Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	January 0, 1900	December 31, 2002

**LIST OF SCHEDULES (Electric Utility)**

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for

certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
<b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b>			
General Information.....	101	Ed. 12-87	
Control Over Respondent.....	102	Ed. 12-87	None
Corporations Controlled by Respondent.....	103	Ed. 12-95	
Officers.....	104	Ed. 12-87	
Directors.....	105	Ed. 12-95	
Security Holders and Voting Powers.....	106-107	Ed. 12-87	None
Important Changes During the Year.....	108-109	Ed. 12-90	
Comparative Balance Sheet.....	110-113	Rev. 12-94	
Statement of Income for the Year.....	114-117	Rev. 12-95	Pg. 116-None
Statement of Retained Earnings for the Year.....	118-119	Ed. 12-94	
Statement of Cash Flows.....	120-121	Rev. 12-94	
Notes to Financial Statements.....	122-123	Ed. 12-88	Pg. 123-None
<b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b>			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion.....	200-201	Ed. 12-89	
Nuclear Fuel Materials.....	202-203	Ed. 12-89	None
Electric Plant in Service.....	204-207	Rev. 12-95	
Electric Plant Leased to Others.....	213	Rev. 12-95	None
Electric Plant Held for Future Use.....	214	Ed. 12-89	None
Construction Work in Progress-Electric.....	216	Ed. 12-87	
Construction Overheads-Electric.....	217	Ed. 12-89	None
General Description of Construction Overhead Procedure.....	218	Ed. 12-88	None
Accumulated Provision for Depreciation of Electric Utility Plant..	219	Ed. 12-88	
Nonutility Property.....	221	Ed. 12-95	See page 461
Investment in Subsidiary Companies.....	224-225	Ed. 12-89	
Materials and Supplies.....	227	Ed. 12-89	
Allowances.....	228-229	Ed. 12-95	None
Extraordinary Property Losses.....	230	Ed. 12-93	None
Unrecovered Plant and Regulatory Study Costs.....	230	Ed. 12-93	None
Other Regulatory Assets.....	232	New 12-93	
Miscellaneous Deferred Debits.....	233	Ed. 12-94	
Accumulated Deferred Income Taxes (Account 190).....	234	Ed. 12-88	
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other credits)</b>			
Capital Stock.....	250-251	Ed. 12-90	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock.....	252	Rev. 12-95	None
Other Paid-in Capital.....	253	Ed. 12-87	
Discount on Capital Stock.....	254	Ed. 12-87	None
Capital Stock Expense.....	254	Ed. 12-86	None
Long-Term Debt.....	256-257	Ed. 12-91	



Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	January 0, 1900	December 31, 2002

**LIST OF SCHEDULES (Electric Utility)(Continued)**

Enter in Column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for

certain pages. Omit pages where the responses are "none," not applicable," or "NA."

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
<b>BALANCE SHEET SUPPORTING SCHEDULES</b> (Liabilities and Other Credits) (Continued)			
Reconciliation of Reporting Net Income with Taxable Income for			
Federal Income Taxes.....	261	Ed. 12-88	
Taxes Accrued, Prepaid and Changed During Year.....	262-263	Rev. 12-95	
Accumulated Deferred Investment Tax Credits.....	266-267	Ed. 12-89	
Other Deferred Credits.....	269	Ed. 12-88	
Accumulated Deferred Income Taxes-Accelerated Amortization			
Property.....	272-273	Ed. 12-94	None
Accumulated Deferred Income Taxes-Other Property.....	274-275	Ed. 12-94	
Accumulated Deferred Income Taxes-Other.....	276-277	Ed. 12-94	
Other Regulatory Liabilities.....	278	Ed. 12-94	
<b>INCOME ACCOUNT SUPPORTING SCHEDULES</b>			
Electric Operating Revenues.....	300-301	Ed. 12-90	
Sales of Electricity by Rate Schedules.....	304	Ed. 12-95	
Sales for Resale.....	310-311	Ed. 12-88	None
Electric Operation and Maintenance Expenses.....	320-323	Ed. 12-95	
Number of Electric Department Employees.....	323	Ed. 12-93	See page 462
Purchase Power.....	326-327	Ed. 12-95	
Transmission of Electricity for Others.....	328-330	Ed. 12-90	None
Transmission of Electricity by Others.....	332	Ed. 12-90	None
Miscellaneous General Expenses-Electric.....	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant.....	336-338	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest			
Charges Accounts.....	340	Ed. 12-87	See page 463
<b>COMMON SECTION</b>			
Regulatory Commission Expenses.....	350-351	Ed. 12-90	
Research, Development and Demonstration Activities.....	352-353	Ed. 12-87	None
Distribution of Salaries and Wages.....	354-355	Ed. 12-88	
Common Utility Plant and Expenses.....	356	Ed. 12-87	
<b>ELECTRIC PLANT STATISTICAL DATA</b>			
Electric Energy Account.....	401	Rev. 12-90	
Monthly Peaks and Output.....	401	Rev. 12-90	
Steam -Electric Generating Plant Statistics (Large Plants).....	402-403	Ed. 12-89	None
Hydroelectric Generating Plant Statistics (Large Plants).....	406-407	Ed. 12-89	None
Pumped Storage Generating Plant Statistics (Large Plants).....	408-409	Ed. 12-88	None
Generating Plant Statistics (Small Plant).....	410-411	Ed. 12-87	None







## GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

George Bachman, Chief Financial Officer & Treasurer  
401 South Dixie Highway, P.O. Box 3395  
West Palm Beach, Florida 33401

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Florida  
March 6, 1924; Reincorporated April 25, 1929

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Distribution of electricity, gas and water in the state of Florida.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) YES ...Enter the date when such independent accountant was initially engaged: \_\_\_\_\_

(2) X NO







## OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other

person who performs similar policymaking functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President & Chief Executive Officer	John T. English	\$198,000
2			
3	Senior Vice President & Chief Operating Officer	Charles L. Stein	\$150,000
4			
5	Vice President & Secretary	Jack R. Brown	\$135,000
6			
7	Chief Financial Officer & Treasurer	George M. Bachman	\$116,000
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FLORIDA PUBLIC UTILITIES COMPANY		For the Year Ended
		December 31, 2002
DIRECTORS		
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.		
2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.		
Name (and Title) of Director (a)		Principal Business Address (b)
J.T. English** Chairman & Chief Executive Officer		401 South Dixie Highway West Palm Beach, Florida
R.C. Hitchins		325 South Olive Avenue West Palm Beach, Florida
P.L. Maddock, Jr		275 S County Road Palm Beach, Florida
R. E. Schupp*		4400 Congress Avenue West Palm Beach, Florida
Ellen Terry Benoit		250 El Pueblo Way Palm Beach, Florida



December 31, 2002

## IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases,

development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less.

Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION



December 31, 2002

## IMPORTANT CHANGES DURING THE YEAR

1. NONE
2. In November 2002, the Company acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction.
3. On December 3, 2002 the Company entered into an agreement to sell the assets of its water utility system to the City of Fernandina Beach.  
A tentative closing date of March 27, 2003 is scheduled.
4. NONE
5. NONE
6. NONE
7. NONE
8. NONE
9. NONE
10. NONE
11. NONE
12. NONE



COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	143,015,459	159,583,472
3	Construction Work in Progress (107)	200-201	7,453,148	3,477,432
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		150,468,607	163,060,904
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(52,292,262)	(55,978,244)
6	Net Utility Plant (Enter Total of line 4 less 5)		98,176,345	107,082,660
7	Nuclear Fuel (120.1-102.4, 120.6)	202-203	-	-
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	-	-
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		-	-
10	Net Utility Plant (Enter Total of lines 6 and 9)		98,176,345	107,082,660
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)			
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	0	-
15	(Less) Accum. Prov. for Depr. and Amort. (122)		-	-
16	Investments in Associated Companies (123)	224-225	10,000	10,000
17	Investment in Subsidiary Companies (123.1)	224-225	2,140,072	2,494,312
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)		-	-
19	Noncurrent Portion of Allowances	228-229		
20	Other Investments (124-128, 171)		67,246	41,694
21	Special Funds		-	-
22	TOTAL Other Property and Investments (Total of lines 14 through 20)		2,217,318	2,546,006
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		3,185,059	3,186,558
25	Special Deposits (132-134)		11,424,632	2,814,812
26	Working Funds (135)		13,060	13,500
27	Temporary Cash Investments (136)		-	-
28	Notes Receivable (141)		-	-
29	Customer Accounts Receivable (142)		6,148,501	8,130,224
30	Other Accounts Receivable (143)		329,865	270,532
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(102,861)	(285,672)
32	Notes Receivable from Associated Companies (145)		-	-
33	Accounts Receivable from Assoc. Companies (146)		6,807,358	8,350,800
34	Fuel Stock (151)	227	-	-
35	Fuel Stock Expense Undistributed (152)	227	-	-
36	Residuals (Elec) and Extracted Products (Gas) (153)	227	-	-
37	Plant Material and Operating Supplies (154)	227	1,560,160	1,413,399
38	Merchandise (155)	227	713,852	628,254
39	Other Material and Supplies (156)	227	-	-
40	Nuclear Materials Held for Sale (157)	202-203/227	-	-
41	Allowances (158.1 and 158.2)	228-229	-	-
42	(Less) Noncurrent Portion of Allowances	228-229	-	-
43	Stores Expenses Undistributed (163)		-	-
44	Gas Stored Underground - Current (164.1)		-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		-	-
46	Prepayments (165)		2,757,707	3,135,290
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenues (173)		1,388,210	1,372,298
51	Miscellaneous Current and Accrued Assets (174)		-	-
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 through 51)		\$34,225,543	\$29,029,995



## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS, cont.)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
53	DEFERRED DEBITS			
54	Unamortized Debt Expense (181)		\$2,175,280	\$2,132,724
55	Extraordinary Property Losses (182.1)	230	-	-
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230	-	-
57	Other Regulatory Assets (182.3)		-	-
58	Prelim. Survey and Investigation Charges (Electric) (183)		-	-
59	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
60	Clearing Accounts (184)		-	-
61	Temporary Facilities (185)		(1,658)	13,975
62	Miscellaneous Deferred Debits (186)	233	4,381,856	5,537,183
63	Def. Losses from Disposition of Utility Plant. (187)		-	-
64	Research, Devel. and Demonstration Expend. (188)	352-353	-	-
65	Unamortized Loss on Reacquired Debt (189)		302,197	281,876
66	Accumulated Deferred Income Taxes (190)	234	2,347,888	3,273,967
67	Unrecovered Purchased Gas Costs (191)		849,528	462,827
68	TOTAL Deferred Debits (Enter Total of lines 54 through 67)		10,055,091	11,702,552
69	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		144,674,297	150,361,213



## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	\$4,855,963	\$6,494,570
3	Preferred Stock Issued (204)	250-251	600,000	600,000
4	Capital Stock Subscribed (202, 205)		-	-
5	Stock Liability for Conversion (203, 206)		-	-
6	Premium on Capital Stock (207)		8,933,441	7,479,668
7	Other Paid-In Capital (208-211)	253	1,396,940	1,419,471
8	Installments Received on Capital Stock (212)		-	-
9	(Less) Discount on Capital Stock (213)		-	-
10	(Less) Capital Stock Expense (214)		(428,441)	(428,441)
11	Retained Earnings (215, 215.1, 216)	118-119	17,246,397	18,034,504
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,140,072	2,494,312
13	(Less) Reacquired Capital Stock (217)	250-251	(4,815,301)	(4,611,507)
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		29,929,071	31,482,577
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	52,500,000	52,500,000
17	(Less) Reacquired Bonds (222)	256-257	-	-
18	Advances from Associated Companies (223)	256-257	-	-
19	Other Long-Term Debt (224)	256-257	-	-
20	Unamortized Premium on Long-Term Debt (225)		-	-
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)		-	-
22	TOTAL Long-Term Debt (Enter Total of lines 16 through 21)		52,500,000	52,500,000
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		-	-
25	Accumulated Provision for Property Insurance (228.1)		1,952,677	2,163,367
26	Accumulated Provision for Injuries and Damages (228.2)		641,069	599,938
27	Accumulated Provision for Pensions and Benefits (228.3)		1,615,483	1,764,250
28	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
29	Accumulated Provision for Rate Refunds (229)		-	-
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		4,209,229	4,527,555
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		20,430,000	19,183,000
33	Accounts Payable (232)		5,637,315	7,471,568
34	Notes Payable to Associated Companies (233)		-	-
35	Accounts Payable to Associated Companies (234)		-	-
36	Customer Deposits (235)		3,996,197	5,143,772
37	Taxes Accrued (236)	262-263	346,818	676,235
38	Interest Accrued (237)		873,900	920,177
39	Dividends Declared (238)		541,088	560,251
40	Matured Long-Term Debt (239)		-	-
41	Matured Interest (240)		-	-
42	Tax Collections Payable (241)		1,221,698	1,028,997
43	Miscellaneous Current and Accrued Liabilities (242)		859,395	1,015,737
44	Obligations Under Capital Leases-Current (243)		-	-
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		\$33,906,411	\$35,999,737



## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS, continued)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		2,010,585	2,687,945
48	Accumulated Deferred Investment Tax Credits (255)	266-267	848,878	743,430
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	11,453,046	12,133,489
51	Other Regulatory Liabilities (254)	278	0	0
52	Unamortized Gain on Reacquired Debt (257)	269	0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	9,817,077	10,286,480
54	TOTAL Deferred Credits (Enter Total of lines 47 through 53)		24,129,586	25,851,344
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72	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,30 45 and 53)		\$144,674,297	\$150,361,213



## STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 02 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.

3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

4. Use page 122-123 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year ©	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$84,185,422	\$86,697,242
3	Operating Expenses			
4	Operation Expenses (401)	320-323	61,341,749	64,890,095
5	Maintenance Expenses (402)	320-323	2,473,804	2,891,972
6	Depreciation Expense (403)	336-337	4,599,211	4,262,282
7	Amort. & Depl. of Utility Plant (404-405)	336-337	366,225	255,458
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	(956)	(956)
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)	262-263	7,226,029	7,314,204
14	Income Taxes - Federal (409.1)	262-263	1,510,907	1,178,675
15	- Other (409.1)	262-263	257,390	200,669
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	(449,081)	(106,055)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(105,448)	(108,572)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-22)		77,219,830	80,777,772
24	Net Utility Operating Income (Total of line 2 less 23)		\$6,965,592	\$5,919,470
	(Carry forward to page 117, line 25)			



## STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of

allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 1 to 19, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
\$40,929,682	\$39,049,631	\$40,139,641	\$44,682,799	\$3,116,099	\$2,964,812	2
						3
31,110,224	29,268,777	29,262,014	34,797,504	969,511	823,814	4
1,363,154	1,634,732	797,255	837,643	313,395	419,597	5
2,187,520	2,132,826	2,037,146	1,815,161	374,545	314,295	6
-	-	366,225	255,458	-	-	7
-	-	(956)	(956)	-	-	8
-	-	-	-	-	-	9
-	-	-	-	-	-	10
-	-	-	-	-	-	11
-	-	-	-	-	-	12
3,288,947	3,120,617	3,386,993	3,683,363	550,089	510,224	13
567,731	261,446	684,491	719,634	258,685	197,595	14
96,657	44,335	116,607	122,611	44,126	33,723	15
(315,568)	149,944	(17,995)	(253,152)	(115,518)	(2,847)	16
-	-	-	-	-	-	17
(56,525)	(59,046)	(42,010)	(42,594)	(6,913)	(6,932)	18
-	-	-	-	-	-	19
-	-	-	-	-	-	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
38,242,140	36,553,631	36,589,770	41,934,672	2,387,920	2,289,469	23
\$2,687,542	\$2,496,000	\$3,549,871	\$2,748,127	\$728,179	\$675,343	24



FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2002	
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account	Ref. Page No.	TOTAL		
			Current Year	Previous Year	
25	Net Utility Operating Income (Carried forward from page 114)	--	6,965,592	5,919,470	
26	Other Income and Deductions				
27	Other Income	--			
28	Nonutility Operating Income	--			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	--	2,703,225	2,472,150	
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	--	(2,537,302)	(2,248,067)	
31	Revenues From Nonutility Operations (417)	--	-	-	
32	(Less) Expenses of Nonutility Operations (417.1)	--	-	-	
33	Nonoperating Rental Income (418)	--	800	-	
34	Equity in Earnings of Subsidiary Companies (418.1)	119	354,240	263,973	
35	Interest and Dividend Income (419)	--	455,781	375,784	
36	Allowance for Other Funds Used During Construction (419.1)	--	3,758	33,112	
37	Miscellaneous Nonoperating Income (421)	--	129,013	18,069	
38	Gain on Disposition of Property (421.1)	--	-	15,479	
		--			
39	TOTAL Other Income (Enter Total of lines 29 through 38)	--	1,109,515	930,500	
40	Other Income Deductions	--			
41	Loss on Disposition of Property (421.2)	--	-	-	
42	Miscellaneous Amortization (425)	340	-	-	
43	Miscellaneous Income Deductions (426.1-426.5)	340	16,946	24,034	
		--			
44	TOTAL Other Income Deductions (Total of lines 41 through 43)	--	16,946	24,034	
45	Taxes Applicable to Other Income and Deductions	--			
46	Taxes Other Than Income Taxes (408.2)	262-263	-	-	
47	Income Taxes - Federal (409.2)	262-263	292,517	242,577	
48	Income Taxes - Other (409.2)	262-263	50,051	41,522	
49	Provision for Deferred Income Taxes (410.2)	234,272-277	-	(2,913)	
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277	-	-	
51	Investment Tax Credit Adj.- Net (411.5)	--	-	-	
52	(Less) Investment Tax Credits (420)	--	-	-	
		--			
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)	--	342,568	281,186	
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	--	750,001	625,280	
55	Interest Charges				
56	Interest on Long-Term Debt (427)	--	3,937,289	2,606,258	
57	Amortization of Debt Disc. and Expense (428)	--	139,336	65,690	
58	Amortization of Loss on Recquired Debt (428.1)	--	-	-	
59	(Less) Amort. of Premium on Debt - Credit (429)	--	-	-	
60	(Less) Amortization of Gain on Recquired Debt - Credit (429.1)	--	-	-	
61	Interest on Debt to Assoc. Companies (430)	340	(156,402)	(98,713)	
62	Other Interest Expense (431)	340	612,618	1,024,541	
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	--	(180,181)	(104,489)	
		--			
64	Net Interest Charges (Total of lines 56 through 63)	--	4,352,660	3,493,287	
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	--	3,362,933	3,051,463	
66	Extraordinary Items				
67	Extraordinary Income (434) Cum.	--	-	-	
68	(Less) Extraordinary Deductions (435)	--	-	-	
69	Net Extraordinary Items (Enter Total of line 67 less line 68)	--	-	-	
70	Income Taxes - Federal and Other (409.3)	262-263	-	-	
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)	--	-	-	
		--			
72	Net Income (Enter Total of lines 65 and 71)		3,362,933	3,051,463	
	Earnings Per Share		0.86	0.80	



## STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount for each reservation or appropriation of retained earnings.

4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.

5. Show dividends for each class and series of capital stock.

6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.

7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount ©
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>		
1	Balance - Beginning of Year		\$17,246,397
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		-
5	Credit:		-
6	Credit:		-
7	Credit:		-
8	Credit:		-
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		-
10	Debit:		-
11	Debit:		-
12	Debit:		-
13	Debit:		-
14	Debit:		-
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)		3,008,693
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 21)		-
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred	2380	28,500
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 28)		28,500
30	Dividends Declared - Common Stock (Account 438)		
31	Common - Cash	2380	2,192,086
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 35)		2,192,086
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		-
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		\$18,034,504



## STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)	\$18,034,504
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	2,140,072
50	Equity in Earnings for Year (Credit) (Account 418.1)	354,240
51	(Less) Dividends Received (Debit)	0
52	Other Changes (Explain) Cost of shares issued for employee stock plan	
53	Balance - End of year (Total of Lines 49 Thru 52)	2,494,312



CONSOLIDATED STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 122-123. Information about noncash investing and financing activities should be provided on page 122-123. Provide also on page 122-123 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
1		
2	Net Income (Line 72(c) on page 14)	3,362,933
3	Less Net Income from Disc. Operation	(602,178)
4	Non-Cash Charges (Credits) to Income:	
5	Depreciation and Depletion	4,661,053
6	Amortization of (Specify)	365,269
7	Amortization of Gain on Sale of Non-Utility Property	93,286
8	Gain on Sale of Non-Utility Property	(112,462)
9	Deferred Income Taxes (Net)	(378,299)
10	Bad Debt Expense	400,181
11	Investment Tax Credit Adjustments (Net)	(102,854)
12	Net (Increase) Decreases in Receivables	(2,452,590)
13	Net (Increase) Decreases in Unbilled Receivables	-
14	Net (Increase) Decreases in Inventory	24,567
15	Net (Increase) Decreases in Allowances Inventory	-
16	Net (Decrease) Increase in Payables and Accrued Expenses	2,849,808
17	Net (Increase) Decreases in Other Regulatory Assets	-
18	Net (Decrease) Increase in Other Regulatory Liabilities	-
19	(Less) Allowance for Other Funds Used During Construction	(183,939)
20	(Less) Undistributed Earnings from Subsidiary Companies	-
21	Other: Storm Damage Reserve	210,690
22	Other Depreciation and Amortization	159,870
23	Over/(Under) Recovery of Energy Costs	314,827
24	Area Expansion Program deferred costs	(978,140)
25	Environmental Liability	(33,317)
26	Miscellaneous Deferred Credits	(93,574)
27	Other Assets	(194,729)
28	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 22)	7,310,402
29		
30		
31	Cash Flows from Investment Activities:	
32	Construction and Acquisition of Plant( including land):	
33	Gross Additions to Utility Plant	(14,136,238)
34	Purchase of Atlantic Assets	74,371
35	Purchase of Z Gas Assets	(2,540)
36	Purchase of Nature Coast Assets	(735,358)
37	Miscellaneous Construction	-
38	Gross Additions to Nonutility Plant	-
39	(Less) Allowance for Other Funds Used During Construction	-
40	Other: Customer Advances for Construction	332,153
41	Other: Purchase of Long-Term Investments	8,068,731
42	Other: Deposit Held in Escrow for Dividend Payment	541,088
43	Other: Miscellaneous Deferred Credits	876,889
44	Cash Outflows for Plant (Total of lines 28 through 35)	(4,980,904)
45		
46		
47		
48		
49		
50		
51		



## CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## 4. Investing Activities

## 5. Codes used:

Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122-123.

Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122-123.

- (a) Net proceeds or payments  
 (b) Bonds, debentures and other long-term debt.  
 (c) Include commercial paper  
 (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 122-123 clarifications and explanations.

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
51		
52	Net Cash Provided by (Used in) Investing Activities	(4,980,904)
53		
54		
55	Cash Flows From Financing Activities:	
56	Proceeds from Issuance of:	
57	Long-Term Debt (b)	(57,959)
58	Preferred Stock	-
59	Common Stock	-
60	Other:	-
61		
62	Net Increase in Short-term Debt (c)	49,807,983
63	Other:	-
64		
65		
66	Cash provided by Outside Sources (Total of lines 61 through 69)	49,750,024
67		
68	Payments of Retirement of:	
69	Long-Term Debt (b)	-
70	Preferred Stock	-
71	Common Stock	411,159
72	Other:	-
73		
74	Net Decrease in Short-Term Debt (c)	(51,054,983)
75		
76	Dividends on Preferred Stock	
77	Dividends on Common Stock	(2,201,421)
78		
79	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 through 81)	(3,095,221)
80		
81		
82	Net Cash Provided by Discontinued Operations	767,762
83		
84	Net Increase (Decrease) in Cash and Cash Equivalents (Total of lines 22,57, and 83)	2,039
85		
86		
87	Cash and Cash Equivalents at Beginning of Year	3,198,119
88		
89	Cash and Cash Equivalents at End of Year	3,200,158



## NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such , debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

SEE ATTACHED 10K SUPPLEMENTS



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Summary of Significant Accounting and Reporting Policies

**Business and Regulation** Florida Public Utilities Company (the Company or FPU) is an operating public utility engaged principally in the purchase, transmission, distribution and sale of electricity and in the purchase, transmission, distribution, sale and transportation of natural gas. The Company is subject to the jurisdiction of the Florida Public Service Commission (FPSC) with respect to its electric, natural gas and water operations. The FPSC stopped regulating the water segment of the Company's business on September 17, 2001 due to a resolution passed by Nassau County but regained regulation in July 2002. The suppliers of electrical power to the Northwest Florida division and of natural gas to the natural gas divisions are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). The Northeast Florida division is supplied most of its electrical power by a municipality which is exempt from FERC and FPSC regulation. The Company also distributes propane gas through a non-regulated subsidiary. The Company's accounting policies and practices conform to accounting principles generally accepted in the United States of America as applied to regulated public utilities and are in accordance with the accounting requirements and rate making practices of the FPSC.

The Company prepares its financial statements in accordance with the provisions of SFAS No. 71 – "Accounting for the Effects of Certain Types of Regulation". In general, SFAS No. 71 recognizes that accounting for rate-regulated enterprises should reflect the relationship of costs and revenues introduced by rate regulation. As a result, a regulated utility may defer recognition of a cost (a regulatory asset) or recognize an obligation (a regulatory liability) if it is probable that, through the rate making process, there will be a corresponding increase or decrease in revenues. Accordingly, the Company has recognized certain regulatory assets and regulatory liabilities in the consolidated balance sheets. The Company believes that the FPSC will continue to allow the Company to recover such items through its rates. In the event that a portion of FPU's operations are no longer subject to the provisions of SFAS No. 71, the Company would be required to write off related regulatory assets and liabilities that are not specifically recoverable through regulated rates. In addition, the Company would be required to determine if an impairment related to other assets exists, including plant, and write down the assets, if impaired, to their fair value. A summary of such items is as follows (dollars in thousands):

	2002	2001
<b>Assets</b>		
Deferred development costs	\$3,496	\$2,518
Under recovery of conservation and unbundling	36	343
Unamortized piping and conversion costs	1,501	1,601 <sup>(1)</sup>
Unamortized loss on reacquired debt	282	302
<b>Total Regulatory Assets</b>	<b>\$5,315</b>	<b>\$4,764</b>
<b>Liabilities</b>		
Regulatory tax liabilities	\$1,413	\$1,548
Environmental liability	5,204	5,237
Storm damage	2,163	1,954
Over recovery of fuel costs	1,807	1,800
<b>Total Regulatory Liabilities</b>	<b>\$10,587</b>	<b>\$10,539</b>

Deferred development costs, unamortized piping and conversion costs, and unamortized loss on reacquired debt are included in deferred charges in the consolidated balance sheets.

<sup>(1)</sup> 2001 has been adjusted to include unamortized piping and conversion costs related to the acquisition of Atlantic Utilities Company.



The Company has agreed with the FPSC staff to limit its earned return on equity for its regulated electric and natural gas operations. The disposition of any excess earnings is left to the discretion of the FPSC, with alternatives including a refund to customers, additional contributions to storm damage reserves, or the reduction of any depreciation reserve deficiency, if any. The excess earnings for 1997, 1998 and 1999 at one of the Company's electric divisions were ordered by the FPSC to be added to that division's storm damage reserve. Since that last order on the 1999 disposition of excess earnings, the FPSC has allowed the Company the automatic flexibility of funding the storm damage reserves each year thereafter through use of the excess earnings and allowing additional storm damage accruals up to a cap in those reserves of \$1,500,000 and \$1,400,000 in the Fernandina Beach and Marianna electric divisions, respectively. The Company funded its Fernandina Beach electric storm reserve with an additional \$237,000 relating to 2000 excess earnings. In 2001, the Company did not have any excess earnings and accordingly has not funded any additional amounts to its storm damage reserves. In 2002, the Company has reserved for \$30,000 in its electric segment for possible overearnings, and may also have additional over earnings in its natural gas segment. As of the end of 2002, the Fernandina Beach and Marianna electric storm reserves were at approximately \$1,257,000 and \$847,000, respectively.

The Company filed the appropriate unbundled tariffs to give its commercial natural gas customers the option of purchasing their gas supplies from third parties. The Company officially offered unbundled services to commercial customers on August 1, 2001. Even though FPU has had the overall lowest gas costs in the Florida market, third party suppliers may be able to offer our customers additional programs, which a regulated gas company cannot offer. Furthermore, by purchasing their gas supplies from third parties, our commercial customers may avoid certain taxes and fees, which FPU is required to collect and impose on the sale of natural gas. The Company's operating results will not be affected as the Company realizes the same gross profit regardless of whether the customer purchases the gas from us or uses our system to transport the gas since it does not profit on the fuel sales. The FPSC approved various mechanisms, which will allow the Company to be reimbursed for the incremental cost of providing unbundled services.

**Revenue** The Company bills utility customers on a monthly cycle basis; however, the billing cycle periods for most customers do not coincide with the accounting periods used for financial reporting. The Company accrues estimated revenue for gas and electric customers not yet billed during the accounting period. Determination of unbilled revenue relies on the use of estimates, fuel purchases, and historical data.

The rates of the Company include base revenues, fuel adjustment charges and the pass-through of certain governmental imposed taxes based on revenues. The base revenues are determined by the FPSC and remain constant until a request for an increase in such rates is filed and approved by the FPSC. From the FPSC perspective, the Company operates four distinct "entities", i.e., Northwest Florida electric, Northeast Florida electric, Northeast Florida water, and natural gas, consisting of Palm Beach County, and the Sanford and DeLand area in Central Florida. Thus, for the Company to recover through rate relief the effects of inflation and construction expenditures for all such "entities", a request for an increase in base revenues would require the filing of four separate rate cases. The FPSC allows for an annual automatic rate increase for water operations through the use of a price index. Fuel adjustment charges are estimated for customer billing purposes and any under/over-recovery difference between the incurred cost of fuel and estimated amounts billed to customers is deferred for future recovery or refund and either charged or credited to customers. Interest accrues on such under/over-recoveries and is included in the subsequent adjustment.

**Consolidation** The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Flo-Gas Corporation. All significant intercompany balances and transactions have been eliminated.

Certain reclassifications have been made to the prior years' financial statements and other financial information contained herein to conform to the 2002 presentation.



**Utility Plant and Depreciation** Utility plant is stated at original cost. Propane utility plant that has been acquired in recent acquisitions is stated at fair market value at the time of each acquisition. The costs of additions to utility plant include contracted services, direct labor, transportation and materials. The costs of units of property retired are removed from utility plant, and such costs plus removal costs, less salvage, are charged to accumulated depreciation. Maintenance and repairs of property and replacement and renewal of items determined not to be units of property are charged to operating expenses. Substantially all of the utility plant and the shares of Flo-Gas Corporation collateralize the Company's First Mortgage Bonds.

Depreciation is computed using the composite straight-line method at rates prescribed by the FPSC for financial accounting purposes. Propane depreciation is computed using a composite straight-line method at an average rate based on estimate life of approximately 20 years. Such rates are based on estimated service lives of the various classes of property. Depreciation provisions on average depreciable property approximate 3.3% in 2002, 3.4% in 2001 and 3.6% in 2000.

**Income Taxes** Deferred income taxes are provided on all significant temporary differences between the financial statements and tax basis of assets and liabilities at currently enacted tax rates. Investment tax credits have been deferred and are amortized based upon the average useful life of the related property in accordance with the rate treatment.

**Use of Estimates** Inherent in the accounting process is the use of estimates when preparing financial statements in accordance with generally accepted accounting principles. Actual results could differ from these estimates. The Company has used estimates in the preparation of its financial statements including the accrual for uninsured liability claims. The Company is self-insured for the first \$250,000 of each general and auto liability claim and therefore accrues for estimated losses occurring from both asserted and unasserted claims. The estimate for unasserted claims arising from unreported incidents is based on an analysis of historical claims data and judgment. Management believes that its accrual for potential liability claims is adequate.

**Notes Payable** The Company has a \$20,000,000 line of credit with its primary bank, of which \$19,183,000 was borrowed at the end of 2002. The line of credit provides for interest at LIBOR plus fifty basis points and expires in April 2003. During 2002 the Company closed a \$2,500,000 line of credit that it held with a secondary bank. The Company is in the process of negotiating a new line of credit effective in April 2003. The interest rate and terms will not be as favorable as the current line of credit. The Company reserves \$1,000,000 in cash or the line of credit as a contingency for major storm repairs in the Northwest Florida electric division. The interest rates for the line of credit at December 31, 2002, 2001, and 2000 were approximately 1.9%, 2.4% and 7.1% respectively.

### Acquisitions

In October 2001, the Company acquired Z-Gas Company, Inc., a propane gas service distribution company, in a stock for stock transaction valued at approximately \$600,000. The transaction involved the issuance of 42,613 shares of the Company's common stock and approximately \$20,000 in cash. The acquisition added about 1,000 customers to the propane operation in the Northeast Florida Division.

In December 2001, the Company acquired certain net assets of Atlantic Utilities, the Florida operation of Southern Union Company in a cash transaction valued at approximately \$10,000,000. Atlantic Utilities served about 4,400 natural gas customers in New Smyrna Beach and about 1,900 propane customers in central and south Florida.

The excess of the consideration paid over the estimated fair value, or the depreciated original cost for regulated entities, of net assets including intangibles acquired in both the Atlantic Utilities and Z-Gas acquisitions was approximately \$3,100,000. This was recorded as goodwill and according to SFAS No. 142 is not being amortized. This amount was subject to reclassifications to intangible assets and immaterial



adjustments to the purchase price in 2002. The natural gas portion of this amount is approximately \$1,500,000.

**Fair Market Value of Assets Acquired and Liabilities Assumed in 2001**  
(dollars in thousands)

	ATLANTIC	Z-GAS
<b>Utility plant</b>		
Natural gas	\$ 4,802	\$ -
Propane gas	1,246	333
Accumulated depreciation and amortization	(2,195)	-
Net utility plant	3,853	333
<b>Current Assets</b>		
Cash	-	14
Accounts receivable	99	23
Inventories	212	17
Total current assets	311	54
Goodwill-Natural gas	1,514	-
Goodwill-Propane gas	1,412	199
Intangibles-Natural gas	1,900	-
Intangibles-Propane gas	930	5
Deferred charges	348	-
Total other assets	6,104	204
<b>Current Liabilities</b>		
Interest accrued	(12)	-
Other accruals and payables	(279)	(12)
Customer deposits	(260)	-
Total current liabilities	(551)	(12)
<b>Total acquisition cost</b>	<b>\$ 9,717</b>	<b>\$ 579</b>

The following unaudited pro forma information combines the consolidated results of operations of Florida Public Utilities Company with those of Z-Gas and Atlantic Utilities as if these acquisitions had occurred at the beginning of 2000. The pro forma results are not necessarily an indication of the results that would have been achieved had the transactions been consummated as of the date indicated, or that may be achieved in the future. The 2001 information includes actual amounts for November and December information for Z-Gas and December 15-31 information for Atlantic Utilities. The income statement for 2002 includes all the effects from these two acquisitions and no pro forma adjustments are necessary.



**Pro Forma Results**  
(dollars in thousands except for per share data)  
Years ended December 31,

	2001	2000
Revenues	\$ 95,096	\$ 86,184
Cost of fuel and taxes based on revenues	62,560	55,356
Gross Profit	32,536	30,828
Operating Income from continuing operations	6,507	6,398
Net Income from continuing operations	3,204	3,070
Earnings for Common Stock from continuing operations	3,175	3,041
Average Shares Outstanding	3,837,251	3,801,960
Earnings per Common Share from continuing operations	\$ .82	\$ .79

In November 2002, the Company acquired Nature Coast Utilities, a propane gas service distribution company, in a cash for stock transaction valued at approximately \$740,000. The acquisition added about 1,200 customers to the Company's new Nature Coast division located in West Central Florida.

The excess of the consideration paid over the fair value of assets acquired and liabilities assumed associated with this acquisition, resulted in goodwill of approximately \$223,000 and in accordance with SFAS No. 142, it is not being amortized. There are no other intangible assets identified with this acquisition.

#### Goodwill and Intangible Assets

Effective January 1, 2002, the Company adopted (SFAS) No. 142, "Goodwill and Other Intangible Assets." Under this statement, the amortization of goodwill is no longer permitted and intangible assets with an indefinite life will not be amortized. The standard requires goodwill to be periodically tested for impairment and written down to fair value if considered impaired. The reporting units have been determined to be propane gas and natural gas for the purposes of impairment testing.

Intangible assets associated with the Company's recent acquisitions have been identified and are shown as separate line items on the balance sheet. Amounts as of December 31, 2001 have been reclassified to conform to this presentation. The intangibles subject to amortization over a five-year period are non-compete agreements totaling \$35,000. The remaining intangibles identified are customer distribution rights of \$1,900,000 and customer relationships of \$900,000, both of which have indefinite lives and are not subject to amortization.

All goodwill relates to the recent gas acquisitions and accordingly, there is no amortization of goodwill reported in the accompanying 2000, 2001, and 2002 consolidated financial statements. Goodwill is \$1,513,000 in the natural gas segment and \$1,835,000 in the propane segment. The test for goodwill impairment was performed for the reporting units during the second quarter of 2002, as of January 1, 2002. The test results showed that there was no impairment in either reporting unit.



## Discontinued Operations

On December 3, 2002 the Company entered into an agreement to sell certain assets comprising its water utility system to the City of Fernandina Beach. Pursuant to the Agreement, the closing of this transaction is required to take place on or before March 31, 2003, and is currently scheduled for March 27, 2003. The City has agreed to pay the Company \$18,950,000 in cash at closing, as well as contingent "futures" consideration until February 15, 2010, when it is estimated that the Company will receive a final payment from the City. The fair value of the consideration is approximately \$25,100,000. The assets amount to approximately \$10,200,000 or less than 10% of the Company's assets including water. The water segment's operating income before income taxes was approximately 12% of total operating income excluding income taxes before the reclassification to discontinued operations. In the event the sale is consummated, the Company would thereupon file an application with the FPSC for approval of the sale to a governmental authority, which, pursuant to Florida Statutes, must be approved by the Commission as a matter of right.

The accompanying consolidated financial statements have been restated for all periods presented for the discontinued operations of the water division. The net income of this water operation is reported as discontinued operations in the Consolidated Statements of Income. The Company has not ceased recording depreciation expense due to the regulatory requirements and will continue to expense depreciation through the anticipated sales date of March 27, 2003. The assets and liabilities of the water division have been included in current assets and current liabilities, as assets and liabilities held for sale until the sale is consummated. Results of discontinued operations for the years ended December 31, were as follows:

### Results of Water Operations

(dollars in thousands):

	2002	2001	2000
Revenues	\$ 3,116	\$ 2,965	\$ 2,805
Gross profit	\$ 2,983	\$ 2,836	\$ 2,680
Income from discontinued operations before income taxes	\$ 908	\$ 897	\$ 932
Income tax expense	306	301	309
Income from discontinued operations	\$ 602	\$ 596	\$ 623

The major balance sheet classes included in assets and liabilities of discontinued operations in the Consolidated Balance Sheets, as of December 31, are as follows:

### Major Balance Sheet Classes - Water Operations

(dollars in thousands):

	2002	2001
<b>Assets</b>		
Utility plant, net	\$ 9,782	\$ 9,241
Current assets	396	421
Total	\$ 10,178	\$ 9,662
<b>Liabilities</b>		
Current liabilities	\$ 15	\$ 8
Customer advances for construction	1,257	755
Total	\$ 1,272	\$ 763

### Gain on Sale of Property

The Company sold property held in Delray Beach, in its South Florida division, for a gain of approximately \$529,000 in the first quarter of 2002. This property was primarily regulated property and accordingly the majority of the gain was deferred awaiting Florida Public Service Commission (FPSC) approval on the disposition of that gain. The Company has been granted approval by the FPSC to allow amortization of the



gain with an offset to depreciation expense over five years beginning April 2002. The non-regulated portion of the gain has been recognized in the first quarter of 2002 and amounts to \$53,000, net of income taxes.

The Company sold property held in DeLand, in its Central Florida division, for a gain of approximately \$186,000 during the third quarter of 2002. This property was primarily regulated property and accordingly the majority of the gain was deferred awaiting Florida Public Service Commission (FPSC) approval on the disposition of that gain. The Company has been granted approval by the FPSC to allow amortization of the gain with an offset to depreciation expense over five years beginning August 2002. The non-regulated portion of the gain has been recognized in the third quarter of 2002 and amounts to \$17,000, net of income taxes.

The total earnings per share effect of both gains included in the Consolidated Statements of Income for the twelve months ended December 31, 2002 is \$0.02. Excluding the property gains in the twelve months ended December 31, 2002 total earnings per share would be \$0.84.

### **Capitalization**

#### **Common Stock Split**

In July 2002, the Company affected a four-for-three stock split in the form of a stock dividend and, accordingly, transferred from paid-in capital to common stock, an amount equal to the aggregate par value of the additional shares. All per share data included herein have been retroactively restated to reflect the stock split.

#### **Common Shares Reserved**

The Company has reserved 104,887 common shares for issuance under the Dividend Reinvestment Plan and 27,724 common shares for issuance under the Employee Stock Purchase Plan.

#### **Dividend Restriction**

The Indenture of Mortgage and Deed of Trust and supplements thereto provide for restriction of the payment of cash dividends. At December 31, 2002 approximately \$4,000,000 of retained earnings were free of such restriction.

#### **Long-Term Debt**

The Company issued its First Mortgage Bond, 6.85% Series due 2031 on September 27, 2001 in the aggregate principal amount of \$15,000,000 as security for the 6.85% Secured Insured Quarterly Notes, due October 1, 2031 (IQ Notes). Interest on the pledged bond accrues at the rate of 6.85% per annum payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, payable initially on January 1, 2002. The pledge bond constitutes the Fourteenth Series of the Company's First Mortgage Bonds.

Sinking fund payments are scheduled to begin in 2008.

#### **Restricted Bond Proceeds**

The Company issued \$14,000,000 of Palm Beach County municipal bonds (Industrial Development Revenue Bonds) on November 14, 2001 to finance development in the area. The interest rate on the thirty-year callable bonds is 4.90%. The bond proceeds were restricted and held in trust until construction expenditures were actually incurred by the Company. In 2002 \$8,008,000 was drawn from the restricted funds held by the trustee and no restricted funds were remaining at December 31, 2002.



### **Bond Proceeds**

The Company issued its First Mortgage Bond, 6.85% Series due 2031 on September 27, 2001 in the aggregate principal amount of \$15,000,000 as security for the 6.85% Secured Insured Quarterly Notes, due October 1, 2031 (IQ Notes). Interest on the pledged bond accrues at the rate of 6.85% per annum payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, payable initially on January 1, 2002. The pledged bond constitutes the Fourteenth Series of the Company's First Mortgage Bonds.

### **Segment Information**

The Company is organized into two continuing regulated business segments: natural gas and electric and one non-regulated business segment, propane gas. Water, a regulated segment, has been classified as discontinued operations and has been eliminated from segment information with the exception of Identifiable assets. There are no material inter-segment sales or transfers.

Identifiable assets are those assets used in the Company's operations in each business segment. Common assets are principally cash and overnight investments, deferred tax assets and common plant.



Business segment information for 2002, 2001 and 2000 is summarized as follows:  
(dollars in thousands)

	2002	2001	2000
<b>Revenues</b>			
Electric	\$ 40,930	\$ 39,050	\$ 39,304
Natural gas	40,140	44,729	38,270
Propane gas	7,391	5,399	4,380
Consolidated	\$ 88,461	\$ 89,178	\$ 81,954

<b>Operating income from continuing operations excluding income tax</b>			
Electric	\$ 2,980	\$ 2,893	\$ 3,016
Natural gas	4,291	3,295	3,789
Propane gas	498	431	264
Consolidated	\$ 7,769	\$ 6,619	\$ 7,069

<b>Identifiable assets</b>			
Electric	\$ 39,446	\$ 37,753	\$ 36,911
Natural gas	57,753	52,734	42,564
Propane gas	10,288	10,728	5,648
Water operations – held for sale	10,096	9,579	9,038
Common	27,240	29,195	14,885
Consolidated	\$ 144,823	\$ 139,989	\$ 109,046

<b>Depreciation and amortization</b>			
Electric	\$ 2,116	\$ 2,070	\$ 1,969
Natural gas	2,272	1,963	2,027
Propane gas	436	322	284
Common *	202	170	126
Consolidated	\$ 5,026	\$ 4,525	\$ 4,406

\* Common has been restated for 2001 and 2000 to exclude depreciation expenses related to water operations.

<b>Construction expenditures</b>			
Electric	\$ 3,278	\$ 4,418	\$ 3,015
Natural gas	9,373	7,508	3,300
Propane gas	1,298	1,147	757
Common	187	369	1,371
Consolidated	\$ 14,136	\$ 13,442	\$ 8,443

<b>Continuing operations income tax expense</b>			
Electric	\$ 292	\$ 397	\$ 475
Natural gas	741	547	728
Propane gas	151	84	26
Common	218	211	90
Consolidated	\$ 1,402	\$ 1,239	\$ 1,319



**Income Taxes**

The provision (benefit) for income taxes consists of the following (dollars in thousands):

	2002	2001	2000
<b>Current payable</b>			
Federal	\$ 1,609	\$ 1,413	\$ 981
State	274	240	167
	<u>1,883</u>	<u>1,653</u>	<u>1,148</u>
<b>Deferred</b>			
Federal	(338)	(275)	222
State	(40)	(32)	59
	<u>(378)</u>	<u>(307)</u>	<u>281</u>
<b>Investment tax credit</b>	<u>(103)</u>	<u>(107)</u>	<u>(110)</u>
<b>Income taxes – continuing operations</b>	<u>1,402</u>	<u>1,239</u>	<u>1,319</u>
<b>Income taxes – discontinued operations</b>	<u>306</u>	<u>301</u>	<u>309</u>
<b>Total</b>	<u>\$ 1,708</u>	<u>\$ 1,540</u>	<u>\$ 1,628</u>

The difference between the effective income tax rate and the statutory federal income tax rate applied to pretax income is accounted for as follows (dollars in thousands):

	2002	2001	2000
Federal income tax at statutory rate	\$ 1,724	\$ 1,561	\$ 1,671
State income taxes, net of federal benefit	146	139	166
Investment tax credit	(110)	(114)	(117)
Other	(52)	(46)	(92)
<b>Total provision for income taxes</b>	<u>\$ 1,708</u>	<u>\$ 1,540</u>	<u>\$ 1,628</u>

The tax effects of temporary differences producing accumulated deferred income taxes in the accompanying consolidated balance sheets are as follows (dollars in thousands):

	2002	2001	2000
<b>Deferred tax assets:</b>			
Environmental	\$ 2,112	\$ 2,125	\$ 1,997
Self insurance	664	75	107
Other	518	160	339
<b>Total deferred tax assets</b>	<u>3,294</u>	<u>2,360</u>	<u>2,443</u>
<b>Deferred tax liabilities:</b>			
Utility plant related	9,422	8,748	8,654
Under recovery of fuel costs	174	320	798
Pension	804	225	233
Other	260	375	195
<b>Total deferred tax liabilities</b>	<u>10,660</u>	<u>9,668</u>	<u>9,880</u>
<b>Net deferred income taxes</b>	<u>\$ 7,366</u>	<u>\$ 7,308</u>	<u>\$ 7,437</u>



## Employee Benefit Plans

Florida Public Utilities Company sponsors a qualified pension plan and postretirement medical and life benefit plans for its employees. The life plan obligations are de-minimis and not reflected in the Company's disclosures. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the 2-year period ending December 31, 2002, and a statement of the funded status as of December 31 of both years:

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
<b>Reconciliation of Benefit Obligation</b>				
Prior year obligation at December 31	\$ 26,164,049	\$ 26,186,445	\$ 1,410,368	\$ 1,875,972
Service cost	895,888	901,220	59,873	77,425
Interest cost	1,818,276	1,780,967	111,207	103,649
Participant contributions	0	0	20,498	15,625
Plan amendments	0	295,554	0	0
Actuarial (gain) loss	591,406	(1,844,718)	184,631	(590,995)
Acquisitions (divestitures)	0	0	0	0
Benefit payments	(1,186,293)	(1,155,419)	(60,938)	(71,308)
Curtailments	0	0	0	0
Settlements	0	0	0	0
Current year obligation at December 31	\$ 28,283,326	\$ 26,164,049	\$ 1,725,639	\$ 1,410,368
<b>Reconciliation of Fair Value of Plan Assets</b>				
Prior year fair value of plan assets at December 31	\$ 32,007,418	\$ 35,113,920	\$ 0	\$ 0
Actual return on plan assets	(3,867,807)	(1,951,083)	0	0
Acquisitions (divestitures)	0	0	0	0
Employer contributions	0	0	40,440	55,683
Participant contributions	0	0	20,498	15,625
Benefit payments	(1,186,293)	(1,155,419)	(60,938)	(71,308)
Settlements	0	0	0	0
Current year fair value of plan assets at December 31	\$ 26,953,318	\$ 32,007,418	\$ 0	\$ 0
<b>Funded Status</b>				
Funded status at December 31	\$ (1,330,008)	\$ 5,843,369	\$ (1,725,639)	\$ (1,410,368)
Unrecognized transition (asset) obligation	0	0	428,950	471,846
Unrecognized prior service cost	6,292,020	7,006,373	0	0
Unrecognized (gain) loss	(2,531,878)	(10,578,578)	(207,989)	(397,442)
Net amount recognized	\$ 2,430,134	\$ 2,271,164	\$ (1,504,678)	\$ (1,335,964)



The following table provides the amounts recognized in the statement of financial position as of December 31 of both years:

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
Prepaid benefit cost	\$ 2,430,134	\$ 2,271,164	\$ 0	\$ 0
Accrued benefit liability	0	0	(1,504,678)	(1,335,964)
Intangible asset	0	0	0	0
Accumulated other comprehensive income	0	0	0	0
Net amount recognized	\$ 2,430,134	\$ 2,271,164	\$ (1,504,678)	\$ (1,335,964)

The following table provides the components of net periodic benefit cost for the plans for fiscal years 2002, 2001, and 2000:

	Pension Benefits			Other Benefits		
	2002	2001	2000	2002	2001	2000
Service cost	\$ 895,888	\$ 901,220	\$ 971,596	\$ 59,873	\$ 77,425	\$ 87,596
Interest cost	1,818,276	1,780,967	1,694,069	111,207	103,649	118,285
Expected return on plan assets	(2,800,350)	(2,821,040)	(2,785,633)	0	0	0
Amortization of transition (asset) obligation	0	0	(183,269)	42,896	42,896	42,896
Amortization of prior service cost	714,353	722,015	716,418	0	0	0
Amortization of net (gain) loss	(787,137)	(829,342)	(875,582)	(4,822)	(4,778)	1,001
Net periodic benefit cost	\$ (158,970)	\$ (246,180)	\$ (462,401)	\$ 209,154	\$ 219,192	\$ 249,778
Curtailment (gain) loss	0	0	0	0	0	0
Settlement (gain) Loss	0	0	0	0	0	0
Net periodic benefit cost after Curtailments and settlements	\$ (158,970)	\$ (246,180)	\$ (462,401)	\$ 209,154	\$ 219,192	\$ 249,778

The amount included within other comprehensive income arising from a change in the additional minimum pension liability was \$0 at December 31, 2002, \$0 at December 31, 2001, and \$0 at December 31, 2000.

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

The pension plan is noncontributory; the postretirement medical plan is contributory with participants' contributions subject to adjustment annually. The accounting for the health care plan anticipates future cost-sharing changes to the written plan such that retiree contributions will increase over time at the same rate as the total plan cost.

The assumptions used in the measurement of the Company's benefit obligation are shown in the following table:

Weighted-average Assumptions as of December 31	Pension Benefits			Other Benefits		
	2002	2001	2000	2002	2001	2000
Discount rate	6.75%	7.25%	7.00%	6.75%	7.25%	7.00%
Expected return on plan assets	8.50%	8.50%	8.50%	N/A	N/A	N/A
Rate of compensation increase	4.00%	4.50%	5.50%	N/A	N/A	N/A

For measurement purposes, the annual rate of increase in the per capita cost of covered health care benefits during 2002 was 6.25%. These rates were assumed to decrease gradually each year to a rate of 4.50% for 2007 and remain at that level thereafter.



Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	\$ 21,753	\$ (18,347)
Effect on the health care component of the accumulated postretirement benefit obligation	\$ 192,591	\$ (164,373)

### Health Plan

The Company is principally self-insured for its employee and retiree medical insurance plan. The Company's health care liability under the plan is limited to \$125,000 per individual per year, with a maximum annual total liability of \$1,505,136.

A reserve for future benefit payments for active employees is maintained at a level sufficient to provide for estimated outstanding claims under the plan net of amounts contributed by employees. Net health care benefits paid by the Company for active employees were approximately \$732,000, \$629,000 and \$509,000 for 2002, 2001 and 2000, respectively.

### Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan offers common stock at a discount to qualified employees. During 2002, 2001 and 2000, 17,589, 15,699 and 14,465 shares, respectively, were issued under the Plan for aggregate consideration of \$195,000, \$162,000 and \$165,000, respectively.

### Dividend Reinvestment Plan

During 2002, 2001 and 2000, 13,413, 16,404 and 16,628 shares, respectively, were issued under the Company's Dividend Reinvestment Plan for aggregate consideration of \$185,000, \$196,000 and \$193,000, respectively.

### Fair Value of Financial Instruments

The carrying amounts reported in the balance sheet for investments held in escrow for environmental costs, notes payable, taxes accrued and other accrued liabilities approximate fair value. As the older bonds contain 'make whole' provisions it would negate any fluctuation in interest rates. The fair value of long-term debt is estimated by discounting the future cash flows of each issuance at rates currently offered to the Company for similar debt instruments of comparable maturities.

	2002		2001	
	Carrying Amounts	Approximate Fair Value	Carrying Amounts	Approximate Fair Value
Long-term debt	\$ 52,500,000	\$ 60,215,000	\$52,500,000	\$ 57,273,000

### Contingencies

#### Environmental

The Company is subject to federal and state legislation with respect to soil, groundwater and employee health and safety matters and to environmental regulations issued by the Florida Department of Environmental Protection (FDEP), the United States Environmental Protection Agency (EPA) and other federal and state agencies. Except as discussed below, the Company does not expect to incur material future expenditures for compliance with existing environmental laws and regulations.



#### West Palm Beach Site.

FPU is currently conducting a contamination assessment investigation of a parcel of property owned by it in West Palm Beach, Florida upon which FPU previously operated a gasification plant. After a preliminary contamination assessment investigation indicated soil and groundwater impacts, FPU entered into a consent order with the Florida Department of Environmental Protection ("FDEP"). The consent order required FPU to delineate the extent of soil and groundwater impacts associated with the prior operation of the gasification plant and to remediate such soil and groundwater impacts, if necessary. A Supplemental Contamination Assessment Report Addendum ("SCARA") was submitted to FDEP in December 2001 for review and comment. On September 26, 2002, FPU submitted a work plan for additional fieldwork to respond to FDEP's comments to the SCARA. This work will be undertaken in conjunction with additional soil investigation planned for January/February 2003 to assist in the preparation of a feasibility study to evaluate remedial alternatives for the site. The cost to complete the additional fieldwork, including the feasibility study, is approximately \$355,000.

Prior to completion of the contamination assessment/feasibility study phases, FPU is unable to determine the complete extent or cost of remedial action, which may be required. A revised preliminary estimate from FPU's environmental consultant projected that remediation costs for this site may reach approximately \$4,354,000. A portion of the on-site impacts have been determined to be eligible for reimbursement from a state fund and the FDEP has determined that a portion of the work conducted off-site may be eligible for reimbursement under state law.

#### Sanford Site.

FPU owns a parcel of property located in Sanford, Florida, upon which a gasification plant was operated prior to FPU's acquisition of the property. Upon the discovery of soil and groundwater impacts on the property, FPU has participated with four former owners and operators of the gasification plant in the funding of numerous investigations of the extent of the impacts and the identification of an appropriate remedy. On or about March 25, 1998, FPU executed an Administrative Order of Consent ("AOC") with the four former owners and operators (collectively, the "Group") and the United States Environmental Protection Agency ("EPA") that obligated the Group to implement a Remedial Investigation/Feasibility Study ("RI/FS") task and to pay EPA's past and future oversight costs for the RI/FS. The Group also entered into a Participation Agreement and an Escrow Agreement on or about April 13, 1998. These agreements governed the manner and means by which all parties were to satisfy their respective obligations under the AOC for the RI/FS task. FPU agreed to pay approximately 13.7% of the cost for the RI/FS. Fieldwork for the RI/FS was initiated in 1998. A final RI report was submitted to EPA in July 1999. The Group also submitted a Baseline Risk Assessment to EPA in January 2000, including an Ecological Risk Assessment ("ERA"). Additional fieldwork will be required to complete the ERA at a total estimated cost of less than \$50,000. FPU's share of the additional ERA work is 13.7%.

On July 5, 2000, EPA issued a Record of Decision ("ROD") approving the final remedial action for contaminated soils at the site ("OU1 Remedy"). The initial estimated cost for the OU1 Remedy described in the ROD ranges from \$5,593,000 to \$5,760,000. On June 12, 2001, EPA issued a ROD approving the final remedial action for contaminated groundwater at the site ("OU2 Remedy"). The present worth cost estimate for the OU2 Remedy is \$320,252.

The Group completed negotiations on a remedial design/remedial action ("RD/RA") Consent Decree with EPA to provide for the implementation of the OU1 Remedy and OU2 Remedy. The Group anticipates that the Consent Decree will be signed by EPA and lodged with the United States District Court for public comment in early Spring 2003. After lodging, there is a thirty (30) day minimum public comment period. At the conclusion of the comment period, the Court will enter the Consent Decree, unless there has been opposition filed.



Pursuant to the Consent Decree, pre-remedial design fieldwork was performed to assist in the design of the final remedy for OU1 and OU2. The cost of the additional field and design work was approximately \$850,000. Upon EPA's approval of the final design, the Group will be obligated to implement the remedy for OU1 and OU2. Based on fieldwork completed recently, it is now anticipated that the final cost of the remedy for OU1 and OU2 will exceed the \$6,000,000 combined estimate provided in the RODs for OU1 and OU2. Pursuant to the terms and conditions of the Second Participation Agreement entered into by members of the Group on August 1, 2000, FPU's share of costs for implementation of the OU1 Remedy and OU2 Remedy, including the pre-remedial design fieldwork, is 10.5%, up to a maximum cost of \$6,000,000. FPU will oppose any effort by the Group to increase FPU's share of total remedial costs above 10.5% of the current \$6,000,000 cap, since the increased remedial cost is due to the discovery of additional impacted soils on property not owned by FPU. The Consent Decree also obligates the Group to reimburse EPA's past costs of approximately \$142,500 and EPA's future oversight costs. FPU's share of EPA's past costs and future oversight costs is 10.5%.

#### Pensacola Site.

FPU is the prior owner/operator of the former Pensacola gasification plant, located at the intersection of Cervantes Street and the Louisville and Nashville (CSX) Railroad line, Pensacola, Florida. Following notification on October 5, 1990 that FDEP had determined that FPU was one of several responsible parties for any environmental impacts associated with the former gasification plant site, FPU entered into cost sharing agreements with three other responsible parties providing for the funding of certain contamination assessment activities at the site.

A final report describing the results of contamination assessment activities at the site was submitted to FDEP in November 1995. The report concluded that soil or groundwater remediation was not warranted at the site. The report further recommended that existing environmental impacts be monitored through periodic sampling of groundwater at the site. By letter dated July 16, 1997, FDEP approved a groundwater-monitoring plan that provides for annual sampling of selected monitoring wells at the site. To date, FPU's share of these costs has not exceeded \$3,000 annually.

In March 1999, the EPA requested site access in order to undertake an Expanded Site Inspection ("ESI"). The ESI was completed by the EPA's contractor in 1999 and an ESI report was transmitted to FPU in January 2000 (the "ESI Report"). The ESI Report recommends additional work at the site. The responsible parties met with FDEP on February 7, 2000 to discuss EPA's plans for the site. In February 2000, the EPA preliminarily indicated that it would defer management of the site to FDEP; however, as of this date, FPU has not received any written confirmation from the EPA or FDEP regarding this matter. Prior to receipt of EPA's written determination regarding site management, FPU is unable to determine whether additional field work or site remediation will be required by EPA, and if so, the scope or costs of such work.

Based on existing information, FPU believes that all future contamination assessment and remedial costs, legal fees and other related costs will not be in excess of the rate relief granted in favor of and insurance settlement proceeds received by FPU.

#### Insurance Claims and Rate Relief

FPU notified its insurance carriers of environmental impacts detected at the former gasification plant sites discussed above. As a result of negotiations with FPU's major insurance carriers that concluded in 1997, such carriers agreed to pay settlement proceeds totaling approximately \$4,300,000 for certain environmental costs. In addition, the Florida Public Service Commission has allowed FPU to recover through rate relief environmental expenses of approximately \$2,400,000 over a ten-year period at the rate of approximately \$240,000 per year. The Company currently has \$5,204,000 reserved, which is net of costs paid to date, for environmental contingencies as of December 31, 2002.



### Other

Violet Skipper, PC Buyers, Inc. and Thomas Wade Skipper v. Florida Public Utilities Company, Case No. CL 00-10131-AF, Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida. On or about October 18, 2000, FPU was sued by the Plaintiffs in this case for damages allegedly arising out of FPU's alleged negligence in failing to properly install and/or maintain electrical power lines, utility poles and related equipment which allegedly caused a fire that spread to and eventually destroyed a warehouse/office facility that was owned by Violet Skipper, that housed the place of business of the corporate plaintiff and that contained property therein owned by all the plaintiffs. The warehouse/office facility was located in Jackson County, Florida. Plaintiffs alleged damages in excess of \$1,000,000. FPU has denied the claims in the complaint and is defending same on the theory that the alleged fire started within the warehouse/office facility and not at or in its electrical equipment.

This case, though filed originally in Palm Beach County, Florida, was transferred to Jackson County, Florida. Discovery is still in process. No Motions are currently pending. No trial date has been scheduled. All the principal witnesses have been deposed including the Skippers and Mark Cutshaw of FPU. We anticipate the parties will depose expert witnesses shortly. Plaintiffs have identified Mr. Harold Deese and Mr. Frank Walker of Panama City as their expert witnesses. At this time, we are unable to provide an evaluation of the likelihood of an unfavorable outcome or provide an estimate of the amount or range of potential loss. In the event that the Company does not prevail in this suit, there may be a material adverse effect on the financial statements. However, FPU believes there are meritorious defenses to this pending litigation. FPU has liability insurance that will limit our exposure on this claim to a maximum of \$250,000.

Darrell Glenn v. Florida Public Utilities Company v. Utility Service and Maintenance of Missouri, Inc., Case No. CA 01-07810 AI, Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida; Case No. 02-37-CA, Division A, Circuit Court for the Fourth Judicial Circuit, Nassau County, Florida. This is an action that was pending in state court in Palm Beach County, Florida until FPU successfully moved to have the case transferred to Nassau County, Florida. Darrell Glenn ("Glenn"), an employee of a painting subcontractor, claimed to have been shocked and injured on May 16, 2001, while painting electrical equipment at FPU's Step down site in Fernandina Beach, Florida. His employer, Utility Service & Maintenance, Inc. ("USM"), was operating under an agreement that required it to supervise its own workers. This matter has been settled by an agreement reached at mediation on January 15, 2003 pursuant to which FPU agreed to pay \$300,000 to the plaintiff in return for a release. FPU will recover \$50,000 of the settlement through liability insurance.

Pipeline Contract On July 21, 2000, the Company entered into a Gas Transportation Agreement ("GTA") with Lake Worth Generation, LLC ("LWG"), that provided for: (i) the construction of a natural gas pipeline ("LWG Lateral") by the Company to a power generation project being developed by LWG on behalf of the City of Lake Worth, Florida ("LWG Project"); (ii) the Company's agreement to transport natural gas to the LWG Project via the LWG Lateral; and (iii) LWG's commitment to pay certain charges for the gas transportation services provided by the Company over a 30 year period. The charges for gas transportation services were set at an amount that would permit the Company to recover a return of 11.17% on its undepreciated investment in the construction of the LWG Lateral, plus recover its operation and maintenance ("O&M") expenses. LWG's obligation to pay for the gas transportation services was secured by an irrevocable letter of credit ("LC") issued on July 6, 2001, and provided to the Company in the amount of the initial estimated cost of construction of \$5,490,449. The GTA required monthly payments by LWG in the amount of \$109,423 for the first year of the contract, adjusted annually thereafter to account for depreciation of the LWG Lateral. The GTA also required LWG to increase the amount of the LC to cover the actual cost of construction of the LWG Lateral, plus \$37,900. In the fourth quarter of 2002, LWG notified the Company that, due to financial difficulties encountered by LWG and its contractors in connection with the LWG Project, LWG would not be able to increase the LC, as required by the GTA, or make monthly payments prospectively beginning in December for services performed in November 2002. The Company, LWG and the City of Lake Worth subsequently entered



into a Forbearance Agreement, dated December 31, 2002, and an Amended Forbearance Agreement, dated February 19, 2003. Pursuant to the terms and conditions of these agreements, the City and the Company are negotiating a new gas transportation agreement to replace the GTA, that would provide for the Company's agreement to provide gas transportation services to the City on the LWG Lateral, subject to payment by the City of transportation charges that would be set initially to permit the Company to recover a return of 8.77% on its undepreciated investment in the construction of the LWG Lateral, plus O&M expenses. The Company's rates would be subject to adjustment in subsequent rate proceedings before the Florida Public Service Commission. In the event that the Company and the City execute a new gas transportation agreement by March 31, 2003, the Company will receive payment for the shortfalls in monthly payments under the GTA through March 31, 2003, plus interest, plus a termination fee of \$1.5 million dollars, plus other expenses. In the event that a new gas transportation agreement is not executed by March 31, 2003, the forbearance agreements permit the Company to draw upon the LC and the GTA is deemed terminated. At this time, the Company is unable to predict with any degree of certainty the likelihood that a new gas transportation agreement will be executed by March 31, 2003 and has reserved an uncollectible amount for the current shortfalls in the monthly payments.

### Commitments

To ensure a reliable supply of power and natural gas at competitive prices, the Company has entered into long-term purchase and transportation contracts with various suppliers and producers, which expire at various dates through 2015. Purchase prices under these contracts are determined by formulas either based on market prices or at fixed prices. At December 31, 2002, the Company has firm purchase and transportation commitments adequate to supply its expected future sales requirements. The Company is committed to pay demand or similar fixed charges of approximately \$12,292,000 during 2003 related to gas purchase agreements. Substantially all costs incurred under the electric and gas purchase agreements are recoverable from customers through fuel adjustment clause mechanisms.

### Contractual Obligations

	Payments due by period (dollars in thousands):				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt	\$ 52,500	\$ -	\$ -	\$ -	\$ 52,500
Operating Lease Obligations	66	20	31	15	-
Gas Purchase Obligations	52,250	12,292	14,258	9,525	16,174
Electric Purchase Obligations	78	78	-	-	-
Other Purchase Obligations	218	214	5	-	-
Total	\$105,112	\$ 12,604	\$ 14,294	\$ 9,540	\$ 68,674

### Impact of Recent Accounting Standards

#### Financial Accounting Standard No. 143

In August 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations." The statement requires that the fair value of an asset retirement obligation be recognized in the period in which it is incurred and the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over its useful life. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. Management believes the ultimate effect on the financial statements will be immaterial and that the impact on the regulated portion of the business, if any, would be an allowable item for recovery in the Company's rates.

The Florida Public Service Commission (FPSC) is currently in the process of developing a rule on this treatment for regulated purposes and is currently proposing that the effects, if any, of the application of SFAS



No. 143 shall be revenue neutral in the rate making process. The FPSC is also proposing that all differences between the application of SFAS No. 143 and the method approved for regulated utilities will be recorded as Regulatory Assets or Liabilities. FPSC- Proposed Rule Development, "Accounting for Asset Retirement Obligations Under SFAS No. 143", Rule No. 25-14.014, F.A.C.

The estimated cost of removal expenses for normal retirements related to regulated fixed assets is being reserved under current commission guidelines through the depreciation expense and accumulated reserves. The estimated value of the reserve that has been accumulated for future cost of removal as of December 31, 2002 is approximately \$5,800,000 and is included in accumulated depreciation in the accompanying consolidated financial statements. The Company does not believe it owns assets with retirement obligations as defined by SFAS No. 143, but will continue monitoring the handling of utility long-lived assets for interpretations of assets that are considered to have retirement obligations.

#### Financial Accounting Standard No. 144

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The statement supercedes, with exceptions, SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. Management has evaluated the impact of implementing SFAS No. 144 and has shown the effects on the Company's financial statements with respect to the upcoming sale of its water division, see "Discontinued Operations" section for additional details. Management feels that any future effect would be an allowable item for recovery in the Company's rates for regulated operations and it does not have any material effect on non-regulated operations.

#### Financial Accounting Standard No. 146

In June 2002, FASB issued SFAS No. 146, "Accounting for Cost Associated with Exit or Disposal Activities." The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. The Company will apply this guidance prospectively to any exit or disposal activities initiated after December 31, 2002.

#### Financial Accounting Standards No. 148

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock Based Compensation-Transition and Disclosure" This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. Since the Company does not have any stock-based compensation for employees at this time the statement will not presently have any effect on our financial statements.

#### Quarterly Financial Data (Unaudited)

The quarterly financial data presented below reflects the influence of, among other things, seasonal weather conditions, the timing of rate increases and the migration of winter residents and tourists to Central and South Florida during the winter season. The water division has been classified as discontinued operations and is excluded from revenues, gross profit, and operating income excluding income tax. (dollars in thousands, except per share amounts):

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
2002				
Revenues	\$ 23,717	\$ 20,707	\$ 20,283	\$ 23,754
Gross profit	9,632	8,292	8,110	8,895
Operating income from continuing operations excluding income tax	3,161	1,731	1,316	1,561
Income from continuing operations, net of income taxes	1,466	489	275	531



Income from discontinued operations, net of income taxes	108	205	195	94
Net Income	1,574	694	470	625
Earnings per common share (basic and diluted):				
Continuing operations	0.38	0.12	0.07	0.13
Discontinued operations	0.03	0.05	0.05	0.02
Total	0.41	0.17	0.12	0.15

## 2001

Revenues	\$ 30,479	\$ 21,686	\$ 18,616	\$ 18,397
Gross profit	8,578	7,084	6,833	7,445
Operating income from continuing operations excluding income tax	2,878	1,292	1,133	1,316
Income from continuing operations, net of income taxes	1,400	317	352	387
Income from discontinued operations, net of income taxes	103	163	186	144
Net Income	1,503	480	538	531
Earnings per common share (basic and diluted):				
Continuing operations	0.37	0.08	0.09	0.10
Discontinued operations	0.03	0.04	0.05	0.04
Total	0.40	0.12	0.14	0.14



Florida Public Utilities Company		An Original	December 31, 2002	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	157,763,202		59,282,916
4	Property Under Capital Leases	-		-
5	Plant Purchased or Sold	-		-
6	Completed Construction not Classified	-		-
7	Experimental Plant Unclassified	-		-
8	TOTAL (Enter Total of lines 3 thru 7)	157,763,202		59,282,916
9	Leased to Others	-		-
10	Held for Future Use	-		-
11	Construction Work in Progress	3,477,432		650,106
12	TOTAL (Enter Total of lines 3 thru 7)	1,820,270		3,691
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12 )	163,060,904		59,936,713
14	Accum. Prov. for Depr., Amort., & Depl.	55,978,244		25,085,833
15	Net Utility Plant (Enter total of line 13 less 14)	107,082,660		34,850,880
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	55,663,895		25,082,142
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights	-		
20	Amort. of Underground Storage Land and Land Rights	-		
21	Amort. of Other Utility Plant	-		
22	TOTAL in Service (Enter Total of lines 18 thru 21)	55,663,895		25,082,142
23	Leased to Others			
24	Depreciation	-		
25	Amortization and Depletion	-		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	-		-
27	Held for Future Use			
28	Depreciation	-		
29	Amortization	-		
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	-		-
31	Abandonment of Leases (Natural Gas)	-		
32	Amort. of Plant Acquisition Adjustment	314,349		3,691
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	55,978,244		25,085,833







**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.  
 2. In addition to Account 101, Electric Plant in Service (Classified) this page and the nest include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric  
 3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.  
 4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.  
 5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for

reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	<b>1. INTANGIBLE PLANT</b>		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	0	0
6	<b>2. PRODUCTION PLANT</b>		
7	<b>A. Steam Production Plant</b>		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	<b>B. Nuclear Production Plant</b>		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	<b>C. Hydraulic Production Plant</b>		
25	(330) Land and Land Rights		
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	<b>D. Other Production Plant</b>		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement

showing subaccount classifications of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			\$0	(301)	1
			0	(302)	2
			0	(303)	3
0	0	0	0		4
					5
					6
			0	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
			0	(314)	11
			0	(315)	12
0	0	0	0	(316)	13
					14
					15
			0	(320)	16
			0	(321)	17
			0	(322)	18
			0	(323)	19
			0	(324)	20
0	0	0	0	(325)	21
					22
					23
		0	0	(330)	24
			0	(331)	25
			0	(332)	26
			0	(333)	27
			0	(334)	28
			0	(335)	29
0	0	0	0	(336)	30
					31
					32
			0	(340)	33
			0	(341)	34
			0	(342)	35
			0	(343)	36
			0	(344)	37
			0	(345)	38
					39



ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	0	0
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	0	0
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	74,148	0
45	(352) Structures and Improvements	26,401	0
46	(353) Station Equipment	1,950,347	11,883
47	(354) Towers and Fixtures	244,665	0
48	(355) Poles and Fixtures	1,774,572	691,060
49	(356) Overhead Conductors and Devices	986,486	1,015,053
50	(357) Underground Conduit	0	0
51	(358) Underground Conductors and Devices	0	0
52	(359) Roads and Trails	6,788	0
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	5,063,407	1,717,996
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	27,260	0
56	(361) Structures and Improvements	94,408	1,634
57	(362) Station Equipment	2,897,294	456,450
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	6,885,990	434,374
60	(365) Overhead Conductors and Devices	8,019,048	342,058
61	(366) Underground Conduit	1,684,722	50,949
62	(367) Underground Conductors and Devices	3,367,585	178,794
63	(368) Line Transformers	10,712,188	551,855
64	(369) Services	6,184,209	409,853
65	(370) Meters	2,826,424	121,106
66	(371) Installations on Customer Premises	1,314,640	192,722
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	978,385	113,376
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	44,992,153	2,853,171
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	72,462	0
72	(390) Structures and Improvements	1,354,062	5,301
73	(391) Office Furniture and Equipment	560,587	29,571
74	(392) Transportation Equipment	2,247,036	214,971
75	(393) Stores Equipment	107,679	0
76	(394) Tools, Shop and Garage Equipment	118,065	5,503
77	(395) Laboratory Equipment	73,677	31,561
78	(396) Power Operated Equipment	116,642	0
79	(397) Communication Equipment	128,694	0
80	(398) Miscellaneous Equipment	20,037	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	4,798,941	286,907
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	4,798,941	286,907
84	TOTAL (Accounts 101 and 106)	54,854,501	4,858,074
85	(102) Electric Plant Purchased	0	0
86	(Less) (102) Electric Plant Sold	0	0
87	(103) Experimental Plant Unclassified	0	0
88	TOTAL Electric Plant in Service	54,854,501	4,858,074



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	(346)	40
0	0	0	0		41
0	0	0	0		42
					43
0	0	0	74,148	(350)	44
0	0	0	26,401	(352)	45
0	0	0	1,962,230	(353)	46
0	0	0	244,665	(354)	47
(8,494)	0	0	2,457,138	(355)	48
0	0	0	2,001,539	(356)	49
0	0	0	0	(357)	50
0	0	0	0	(358)	51
0	0	0	6,788	(359)	52
(8,494)	0	0	6,772,909		53
					54
0	0	0	27,260	(360)	55
0	0	0	96,042	(361)	56
(36,722)	0	0	3,317,022	(362)	57
0	0	0	0	(363)	58
(48,516)	0	0	7,271,848	(364)	59
(29,318)	0	0	8,331,788	(365)	60
0	0	0	1,735,671	(366)	61
(6,671)	0	0	3,539,708	(367)	62
(69,608)	0	0	11,194,435	(368)	63
(7,614)	0	0	6,586,448	(369)	64
(54,078)	0	0	2,893,452	(370)	65
(43,835)	0	0	1,463,527	(371)	66
0	0	0	0	(372)	67
(21,747)	0	0	1,070,014	(373)	68
(318,109)	0	0	47,527,215		69
					70
0	0	0	72,462	(389)	71
0	0	0	1,359,363	(390)	72
(36,151)	0	3,199	557,206	(391)	73
(34,669)	0	(32,891)	2,394,447	(392)	74
0	0	0	107,679	(393)	75
(111)	0	0	123,457	(394)	76
(2,433)	0	0	102,805	(395)	77
0	0	0	116,642	(396)	78
0	0	0	128,694	(397)	79
0	0	0	20,037	(398)	80
(73,364)	0	(29,692)	4,982,792		81
				(399)	82
(73,364)	0	(29,692)	4,982,792		83
(399,967)	0	(29,692)	59,282,916		84
0	0	0	0	(102)	85
0	0	0			86
0	0	0	0	(103)	87
(399,967)	0	(29,692)	59,282,916		88



## CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).  
 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).

3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped

Line No.	Description of Project	Construction Work in Progress-Electric (Acct. 107)
1	NORTHWEST DIVISION	
2		
3	Line Extension/Underground Conduit	* 216,003
4		
5		
6		
7		
9		
10		
11		
12		
13		
14		
15	NORTHEAST DIVISION	
16		
17	Line Extension/Underground Conduit	* 434,103
18		
19		
20		
21		
22		
23		
24		
34		
35		
36	* Grouped Items	
37		
38		
39	TOTAL	\$650,106



## ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.

2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.

3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.

If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

## Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Item	23,264,870	23,264,870		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	2,129,293	2,129,293		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	224,962	224,962		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(13,040)	(13,040)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	2,341,215	2,341,215		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(399,967)	(399,967)		
12.	Cost of Removal	(170,650)	(170,650)		
13.	Salvage (Credit)	46,674	46,674		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(523,943)	(523,943)		
15.	Other Debit or Credit Items (Describe)-Rounding	0			
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	25,082,142	25,082,142		

## Section B. Balances at End of Year According to Functional Classifications

18.	Steam Production				
19.	Nuclear Production				
20.	Hydraulic Production - Conventional	0	0		
21.	Hydraulic Production - Pumped Storage		0		
22.	Other Production				
23.	Transmission	2,076,892	2,076,892		
24.	Distribution	20,709,417	20,709,417		
25.	General	2,295,833	2,295,833		
26.	TOTAL (Enter Total of lines 18 thru 25)	25,082,142	25,082,142		



Name of Respondent  
AEP Generating Company

This Report Is:  
(1) ☐ An Original  
(2) ☒ A Resubmission

Date of Report  
(Mo, Da, Yr)

Year of Report  
Dec. 31, 1996

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of non-utility property included in Account 121.

2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.

3. Furnish particulars ( details ) concerning sales, purchases, or transfers of Nonutility Property during the year.

4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.

5. Minor Items ( 5% of the Balance at the End of the Year), for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service (line 44), or (2) other nonutility property (line 45).

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1				
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7	See page 461			
8				
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43				
44	Minor Item Previously Devoted to Public Service			
45	Minor Items-Other Nonutility Property			
46	TOTAL			



INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.  
 2. Provide a subheading for each company and list thereunder the information called below. Subtotal by company and give a total in columns (e), (f) (g) and (h).  
 (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.  
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.  
 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Flo-Gas Corporation	May 1949		
2	Common Stock			2,150,072
3	less treasury stock			0
4				
5				
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36				
37	TOTAL Cost of Account 123.1: 10,000		TOTAL	2,150,072



Florida Public Utilities Company		An Original		December 31, 2002	
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
4. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge. 5. If Commission approval was required for any advance made or security acquired, designated such fact in a footnote and give name of Commission, date of authorization, and case or docket number. 6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.			7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between the cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includable in column (f). 8. Report on Line 37, column (a) the total cost of Account 123.1.		
Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)		
354,240 0		2,504,312 0		1	
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354,240	0	2,504,312		37	



## MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during year (in a footnote) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) Affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account	Balance Beginning of Year	Balance End of Year	Department or Departments Which Use Material
	(a)	(b)	(c)	(d)
1	Fuel Stock (Account 151)			Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	1,170,120	1,060,049	Electric, Gas & Water
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	390,040	353,350	Electric, Gas & Water
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	1,560,160	1,413,399	
12	Merchandise (Account 155)	713,852	628,254	Gas
13	Other Materials and Supplies (Account 156)	0	0	Gas
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials and Supplies (per Balance Sheet)	\$2,274,012	\$2,041,653	

Physical Inventories were taken and the appropriate adjustments recorded in the following:

	Amount	Account Debited	Account Credited
Northeast Electric Division - Materials & Supplies	62,516	1540.1	1630.3
Northeast Water Division - Materials & Supplies	23,039	1540.1	1630.3
Northwest Electric Division	11,919	1540.1	1630.3
Central Florida Gas Division - Materials & Supplies	143,214	1540.1	1630.3
Central Florida Gas Division - Merchandise	28,200	1540.1	1630.4
South Florida Gas Division - Merchandise	4,075	1540.1	1630.4



## OTHER REGULATORY ASSETS

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Description and Purpose of Other Regulatory Assets (a)		Debits (b)	Credits		Balance End of Year (e)
			Account Charged (c)	Amounts (d)	
1					
2	See Page 234				
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41	TOTAL				



## MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.

2. For any deferred debit being amortized, show period of amortization in column (a).

3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Description of Miscellaneous Deferred Debit (a)		Balance at Beginning of Year (b)	Debits (c)	Account Charged (d)	Credit Amount (e)	Balance End of Year (f)
1	Energy Conservation Program	\$0	\$0		\$0	\$0
2	Undistributed Capital					
3	- Accrued Payroll	31,904	0		14,485	\$46,389
4	Amortize Piping Costs	1,422,086	0		(134,862)	\$1,287,224
5	Amortized Conversion Costs	147,018	0		20,003	\$167,021
6	Underrecovery Conservation	650,088	0		(493,173)	\$156,915
7	AEP	2,518,334	0		978,140	\$3,496,474
8	Underrecovery Unbundling	38,964	0		(37,165)	\$1,799
9	Penny Elimination	(2)	0		2	\$0
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37	Misc. Work in Progress	(467,998)				\$361,617
38	Deferred Regulatory Comm. Expenses					
39	(See Pages 350 - 351)	32,762	0	928	13,018	\$19,744
40						
41	TOTAL	\$4,373,156				\$5,537,183



## ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. If more space is needed, use separate pages as required.
4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	AMT	-	-
3	Self Insurance Reserve and Audit Fees	40,012	219,299
	Conservation Program & Pensions	-	-
1	Uncollectible	23,491	16,138
2	Vacation Pay	63,248	74,664
3	Misc. Accrual	(6,996)	(4,449)
4	Interest Not Cap & Amort of Debt	-	-
5	Rate Refund	-	-
6	General Liability	(45,571)	(28,908)
7	Regulatory	-	-
8	Gain on Hydroplant	-	-
9			
10	TOTAL Electric (Lines 2 thru 13)	74,184	276,744
11	Gas		
12	AMT	-	-
13	Self Insurance Reserve and Audit Fees	63,308	439,301
14	Vacation Pay	124,238	157,624
15	Misc. Accrual	(13,557)	(9,185)
16	Uncollectible	12,321	88,955
17	Interest Not Cap & Amort Of Debt	-	-
18	Regulatory	-	-
19	Environmental	2,124,615	2,112,077
20	General Liability	(47,598)	(30,878)
21	Deferred Gains	-	196,536
22	TOTAL Gas (Lines 15 thru 25)	2,263,327	2,954,430
23	Other (Specify) Water Division	10,377	42,793
24	TOTAL (Account 190)(Lines 12, 23 & 24)	2,347,888	3,273,967
NOTES	(a)	(b)	(c)
	Other (Specify) Water Division		
	Self Insurance Reserve & Audit Fees	7,348	35,955
	Vacation Pay	11,294	11,062
	General Liability	(8,102)	(5,913)
	AMT	-	-
	Uncollectible	1,149	2,407
	Interest Not Capitalized	-	-
	Regulatory	-	-
	Misc. Accruals	(1,312)	(718)
	TOTAL WATER (LINE 27 ABOVE)	10,377	42,793
	Classification of Total:		
	Federal Income Tax	2,004,717	2,795,446
	State Income Tax	343,171	478,521



CAPITAL STOCK (Accounts 201 and 204)		An Original	Decemb
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form fill</p>		<p>ing, a specific reference to report form (i.e. year and c title) may be reported in column (a) provided the fiscal for both the 10-K report and this report are compatible</p> <p>2. Entries in column (b) should represent the no. of shares authorized by the articles of incorpor. as amended to end of</p> <p>3. Give particulars (details) concerning shares of any</p>	
Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)
1	Common Stock	6,000,000	\$1.50
	Additional Reacquired Stock Held By Flo-Gas Corporation (a wholly owned subsidiary)		
	TOTAL Common Stock	6,000,000	\$1.50
2	Preferred Stock	6,000	\$100.00
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December 31, 2002	Florida Public Utilities Company					An Original		December 31, 2002
Company all years le. shares auth- f year. class and	CAPITAL STOCK (Accounts 201 and 204) (Continued)							
	series of stock authorized to be issued by a regulatory commission which have not yet been issued.				has been nominally issued is nominally outstanding at end of year.			
	4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.				6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledge and purpose of pledge.			
	5. State in a footnote if any capital stock which							
Call Price at End of Year (d)	Outstanding Per Balance Sheet		Held by Respondent As Reacquired Stock (Account 217)		In Sinking and Other Funds		Line No.	
	Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)		
	4,329,380	* \$6,494,570	447,791	\$4,611,507			1	
			0	0				
	4,329,380	6,494,570	447,791	4,611,507				
	6,000	\$600,000					2	
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	* The Common Shares dollar amount includes \$500 in accordance with Florida Statutes						23	
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Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the account entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	ACCOUNT 211:	
2	Item	\$1,396,940
3	Gain on Resale of Reacquired Common Stock	\$22,531
4	Miscellaneous Paid in Capital - Ending Balance	\$1,419,471
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32	TOTAL	\$1,419,471
33		=====



## LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet the account particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated companies, and 224, Other Long-Term Debt.  
 2. In column (a), for new issues, give Commission authorization numbers and dates.  
 3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.  
 4. For advances from Associated Companies, report separately advances on note and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.  
 5. For receivers' certificates, show in column (a) the named of the court and date of court order under which

such certificates were issued.

6. In column (b) show the principal amount of bonds or other long-term debt originally issued.

7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.

9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the

Line No.	(a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)
1	FIRST MORTGAGE BONDS:		
2			
3			
4	9.57% Series Due 2018	10,000,000	7,211
5	10.03% Series Due 2018	5,500,000	3,883
6	9.08% Series Due 2022	8,000,000	4,067
7	4.90% Series Due 2031	14,000,000	4,275
8	6.85% Series Due 2031	15,000,000	7,767
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14			
15	Expenses incurred to obtain a \$5,000,000 line of credit is amortized in Account 4280.3 by the amount of \$0 for 2002.		
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29	TOTAL	52,500,000	27,203



## LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)

## Uniform System of Accounts.

10. Identify separate undisclosed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and expense, or credited to Account 429, Amortization of Premium on Debt- Credit.

12. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote.

including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or acquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
5/1/88	5/1/18	5/1/88	5/1/18	10,000,000	957,000	4
5/1/88	5/1/18	5/1/88	5/1/18	5,500,000	551,650	5
6/1/92	6/1/22	6/1/92	6/1/22	8,000,000	726,400	6
11/1/2001	11/1/1931	11/1/2001	11/1/1931	14,000,000	686,000	7
10/1/2001	10/1/1931	10/1/2001	10/1/1931	15,000,000	1,027,500	8
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				52,500,000	3,948,550	33



December 31, 2002

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 14) *	\$3,008,693
2	Reconciling Items for the Year	
3		
4	<b>Taxable Income Not Reported on Books</b>	
5	Service Contributions	900,000
6	Depreciation	164,480
7	Conservation Program Costs	246,647
8	Underrecoveries of Purchased Energy Costs	386,701
9	Self - Insurance Reserve	1,564,155
10		
11	<b>Deductions Recorded on Books Not Deducted for Return</b>	
12	Meals Expense	18,584
13	Vacation Pay	118,441
14	Depreciation Study	-
15	Natural Gas Odorizer	1,211
16	Loss on Reacquired Debt	20,321
17	Income Taxes (excluding current state income of \$ 377,800)	1,178,535
18	Rate Case Expense	13,018
17	Refurbish Project	5,036
18	Deferred Gain	522,290
19	Uncollectible Reserve	182,811
20	Gas Unbundling	23,269
21	Misc. Deferrals	19,979
22	General Liability	94,535
23		
24		
25	<b>Income Recorded on Books Not Included in Return</b>	
26	Environmental Costs	133,317
27		
28	<b>Deductions on Return Not Charged Against Book Income</b>	
29	Ordinary Loss on ACRS Property Retirements	180,000
30	Cost of Removal ADR Property	75,000
31	Pension Reserve	1,574,359
32	Outside Audit Fees	12,500
33	Penalties	12
34		
35		
36	Federal Tax Net Income	6,493,518
37	Show Computation of Tax:	
38		
39	Tax at 34%	2,207,796
40	Rounding	6
41	<b>TOTAL Federal Income Tax Payable</b>	<b>2,207,802</b>
42	* Excludes Flo-Gas Net Income of	\$354,240



## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by inclu-

sion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes)

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR				Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	
1	<b>Federal Taxes:</b>					
2	Income Tax	(125,120)		1,803,424	1,411,120	
3	Unemployment Tax - Current	1,034		21,406	21,617	
4	Environmental Tax - Prior	0		0	0	
5	Environmental Tax - Current	0		0	0	
6	F I C A - Current	0		1,090,033	1,091,043	
7	<b>Total Federal Taxes</b>	(124,086)	-	2,914,863	2,523,780	
8						
9	<b>State of Florida:</b>					
10	Income	(32,650)		307,441	233,625	
11	Emergency Excise Tax - Prior	0		(17,953)	(17,953)	
12	Emergency Excise Tax - Current	0		0	0	
13	Gross Receipts - Prior	0		0	0	
14	Gross Receipts - Current	143,198		1,894,612	1,845,713	
15	FPSC Assessment - Prior	0		0	0	
16	FPSC Assessment - Current	227,823		364,815	417,254	
17	Intangible Personal Prop.-Current	0		0	0	
18	Unemployment - Prior	0		0	0	
19	Unemployment - Current	608		15,250	15,267	
20	Licenses - Current	0		0	0	
21	<b>Total State of Florida Taxes</b>	338,979		2,564,165	2,493,906	
22						
23	<b>Local:</b>					
24	Advalorem - Prior	0		0	0	
25	Advalorem - Current	131,925		1,615,218	1,747,143	
26	Licenses - Current	0	0	3,730	3,730	
27	City Franchise Tax	0		99	99	
28	<b>Total Local Taxes</b>	131,925	0	1,619,047	1,750,972	
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	<b>TOTAL</b>	346,818	0	7,098,075	6,768,658	



## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

*covers more than one year, show the required information separately for each tax year, identifying the year in column (a).*

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll footnote. Designate debit adjustments by parentheses. deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in column (i) through (l) how the taxes were

distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (l) the taxes charged to utility plant or other balance sheet accounts.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustment to Ret. Earnings (Account 439) (k)	Other (l)	
						1
267,184	0	567,731			292,517	2
823	0	6,193			39,802	3
0	0	0			0	4
0	0	0			0	5
(1,010)	0	126,093			381,277	6
266,997	0	700,017			713,596	7
						8
						9
41,166	0	96,657			50,051	10
0	0	(8,079)			0	11
0	0	0			0	12
0	0	0			0	13
192,097	0	1,030,613			0	14
0	0	0			0	15
175,384	0	30,043			0	16
0	0	0			0	17
0	0	0			0	18
591	0	4,400			28,300	19
0	0	0			0	20
409,238		1,153,634			78,351	21
						22
						23
0	0	0			0	24
0	0	463,258			0	25
0	0	1,063			0	26
0	0	0			0	27
0	0	464,321			0	28
						29
						30
						31
						32
						33
						34
						35
						36
						37
676,235	0	2,317,972			791,947	38



## ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255.  
Where appropriate, segregate the balances and transactions  
by utility and nonutility operations. Explain

by footnote any correction adjustment to the account  
balance shown in column (g). Include in column (i) the  
average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	<b>Electric Utility</b>						
2	3%	(557)			411.4	27	2,127
3	4%	3,624			411.4	3,075	0
4	7%	0				6,033	56,789
5	8 & 10%	345,349			411.4	47,389	(66,685)
6	Prior Period Adjustment	(7,769)				-	7,769
7							
8	<b>TOTAL</b>	<b>340,647</b>		<b>0</b>		<b>56,524</b>	
9	Other List separately						
10	and show 3%, 4%, 7%,						
11	10% and TOTAL						
12							
13	<b>Gas Utility</b>						
14	3%	1,158			4110.4	926	0
15	4%	10,392			4110.4	2,655	0
16	7%	0				2,853	40,319
17	8 & 10%	409,848			4110.4	35,576	(40,368)
18	Prior Period Adjustment	(49)					49
19							
20	<b>TOTAL</b>	<b>421,349</b>		<b>0</b>		<b>42,010</b>	
21							
22	<b>Water Utility</b>						
23	3%	213			4110.4	94	0
24	4%	1,307			4110.4	218	0
25	7%	0				0	0
26	8 & 10%	85,339			4110.4	6,602	0
27	Prior Period Adjustment	23					0
28							
29	<b>TOTAL</b>	<b>86,882</b>		<b>0</b>		<b>6,914</b>	
30							
31							
32	<b>TOTAL UTILITIES</b>	<b>848,878</b>		<b>0</b>		<b>105,448</b>	<b>0</b>
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							



## ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)

Balance at End Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
1,543	28 YEARS		1
549	28 YEARS		2
50,756			3
231,275	28 YEARS		4
0			5
			6
			7
284,123			8
			9
			10
			11
			12
232	35 YEARS		13
7,737	35 YEARS		14
37,466			15
333,904	35 YEARS		16
0			17
			18
			19
379,339			20
			21
119	34 YEARS		22
1,089	34 YEARS		23
0			24
78,737	34 YEARS		25
23			26
			27
			28
79,968			29
			30
			31
743,430			32
			33
			34
			35
			36
			37
			38
			39
			40
			41
			42
			43
			44



1. Report below the particulars (details) called for concerning other deferred credits.  
2. For any deferred credit being amortized, show the period of amortization.

3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Over Recovery of Fuel Adjustment-Electric	815,142	456.1	990,550	1,732,649	1,557,241
2	(Amortized over succeeding six month		456.11			
3	period)					
4						
5	Over Recovery of Fuel Adjustment-Gas	1,833,967	495.1	2,152,874	1,031,709	712,802
6	(Amortized over succeeding twelve month		495			
7	period)					
8						
9	Environmental Insurance Proceeds	4,595,291	1860.1	1,336,872	1,945,554	5,203,973
10						
11	Over Recovery Conservation (Electric)	24,378	456.6	63,933	83,161	43,606
12						
13	Over Recovery Conservation (Gas)	265,754	495.7	461,716	195,962	0
14						
15	Over Recovery Unbundling (Gas)	55,407	495.8	35,290	58,671	78,788
16						
17	Gain on Sale of Property	13,522	4030.1	13,522	0	0
18						
19	Other Deferred Credit - Cashier	0	4030.1	398	398	0
20	Overage/Shortage					
21						
22	Gain on sale of property (Gas)	0		235,803	758,094	522,291
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	TOTAL	\$7,603,461		\$5,290,958	\$5,806,198	\$8,118,701
43						
44						



## ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.

Line No.	Account Subdivisions	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	3,637,884	(83,934)	
3	Gas	5,318,596	340,396	
4	Other - Water	(38,554)	(98,963)	
	Account 282			
5	TOTAL (Lines 2 thru 4)	8,917,926	157,499	0
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Lines 5 thru 8)	\$8,917,926	\$157,499	\$0
10	Classification of TOTAL			
11	Federal Income Tax	7,793,080	123,167	
12	State Income Tax	1,124,846	34,332	
13	Local Income Tax			
	Total	8,917,926	157,499	



## ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282) (Continued)

2. For Other (Specify), include deferrals relating to other income and deductions.

3. Use footnotes as required.

CHANGES DURING YEAR			ADJUSTMENTS			Balance at End of Year	Line No.
Amounts Debited	Amounts Credited	Credits		Debits			
(Account 410.2)	(Account 411.2)	Acct. Debited	Amount	Acct. Credited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)		
			0		0	3,553,950	1
			0		7,595	5,651,397	2
			0		0	(137,517)	3
0	0		0		7,595	9,067,830	4
						0	5
						0	6
						0	7
\$0	\$0		\$0		\$7,595	\$9,067,830	8
			0		7,595	7,908,652	9
						1,159,178	10
			0		7,595	9,067,830	11



## ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions	Balance at Beginning of Year	CHANGES DURING THE YEAR	
			Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)
	(a)	(b)	(c)	(d)
1	Account 283			
2	<b>Electric</b>			
3	Underrecoveries	319,678	(145,515)	
4	Pension Costs	82,102	177,394	
5	Conservation Costs	16,462	(32,871)	
6	Loss on Reacquired Debt	51,172	(4,500)	
7	Underrecoveries	0	0	
8	Rate Case	0	0	
9	Depreciation Study	0	0	
10				
11	TOTAL Electric (Total Lines 3-9)	469,414	(5,492)	0
12				
13				
14	<b>Gas</b>			
15	Underrecoveries	0	0	
16	Pension Costs	105,017	378,272	
17	Loss on Reacquired Debt	53,448	(3,596)	
18	Deltona Repairs	8,251	(1,896)	
19	Rate Case	0	0	
20	Conservation Cost	118,989	(59,943)	
21	Depreciation Study	0	0	
22	Odorizer	456	(456)	
23	AEP	72,844	0	
24	Unbundled	32,879	(8,755)	
25				
26	TOTAL Gas (Total Lines 15 - 23)	391,884	303,626	0
27	<b>Other - Water</b>	37,853	21,365	0
28				
29	TOTAL Account 283 (Total lines 11, 25 and 26)	\$899,151	\$319,499	\$0
30				
31				
32	Classification of TOTAL			
33	Federal Income Tax	767,602	272,801	
34	State Income Tax	131,549	46,698	
35	Local Income Tax			



## ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)(Continued)

3. Provide in the space below explanations for pages 276 and 277. Include amounts relating to insignificant items under Other.

4. Use footnotes required.

Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits		Credits		Balance at End of Year (k)	Line No.
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
0	0					174,163	3
0	0					259,496	4
0	0					(16,409)	5
0	0					46,672	6
0	0					0	7
0	0					0	8
						0	9
							10
0	0		0		0	463,922	11
							12
							13
						0	14
			0			483,289	15
						49,852	16
						6,355	17
0	0		0			0	18
						59,046	19
						0	20
						0	21
						72,844	22
						24,124	23
							24
0	0		0		0	695,510	25
0	0		0		0	59,218	26
							27
							28
							29
\$0	\$0		\$0		\$0	\$1,218,650	30
							31
							32
0	0					1,040,403	33
0	0		0		0	178,247	34
						0	35



## OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).

2. For regulatory liabilities being amortized, show period of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	DEBITS		Credits (d)	Balance End of Year (e)
		Account Credited (b)	Amount (c)		
1	See Page 274				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
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## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.  
 2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be

counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.

3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

OPERATING REVENUES			
Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	\$21,041,663	\$18,436,899
3	(442) Commercial and Industrial Sales	-	-
4	Small (or Commercial)	4,567,817	3,830,743
5	Large (or Industrial)	15,347,721	14,939,615
6	(444) Public Street and Highway Lighting	233,997	229,664
7	(445) Other Sales to Public Authorities	-	584,280
8	(456.3) Unbilled Revenues	(24,246)	49,680
9	(448) Interdepartmental Sales	144,506	138,893
10			
11	TOTAL Sales to Ultimate Consumers	41,311,458	38,209,774
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	41,311,458	38,209,774
15	(Less) (449.1) Provision for Rate Refunds	(30,000)	6,155
16			
17	TOTAL Revenue Net of Provision for Refunds	41,281,458	38,215,929
18	Other Operating Revenues		
19	(450) Forfeited Discounts	125,095	133,708
20	(451) Miscellaneous Service Revenues	165,206	130,780
21	(453) Sales of Water and Water Power	-	-
22	(454) Rent from Electric Property	103,874	107,033
23	(455) Interdepartmental Rents	-	-
24	(456.2) Other Electric Revenues	15,360	14,050
25	(456.1) Overrecoveries Purchase Electric	(742,099)	472,509
26	(456.6) Overrecoveries Conservation	(19,212)	(24,378)
27			
28			
29	TOTAL Other Operating Revenues	(351,776)	833,702
30			
31	TOTAL Electric Operating Revenues	\$40,929,682	\$39,049,631



## ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5. See page 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5, and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
333,069	310,687	22,243	21,866	1
				2
				3
65,180	57,732	3,376	3,092	4
340,677	339,484	622	586	5
1,865	1,720	18	36	6
0	11,753	0	247	7
(2,600)	4,221	0	0	8
2,847	3,019	7	6	9
				10
741,038	728,616	26,266	25,833	11
				12
				13
741,038	728,616	26,266	25,833	14
				15
				16
741,038	728,616	26,266	25,833	17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31



## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale which is reported on pages 310-311.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one

rate schedule in the same revenues account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the (12 if all billings are made monthly).

5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.

6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
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						
36						
37						
38						
39						
40	Total Billed	743,638,000	41,335,704	26,266	28,311.8	0.056
41	Total Unbilled Rev.	(2,600,000)	(24,246)			
42	Rate Refund		(30,000)			
43	TOTAL	741,038,000	41,281,458	26,266	28,212.8	0.056

\* Breakdown per each rate is not readily available.



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account (a)	Amount for Current Year (b)	Amount for Previous Year ©
1 (1) POWER PRODUCTION EXPENSES		
2 A. Steam Power Generation		
3 Operation		
4 (500) Operation Supervision and Engineering	-	-
5 (501) Fuel	-	-
6 (502) Steam Expenses	-	-
7 (503) Steam from Other Sources	-	-
8 (Less) (504) Steam Transferred-Cr.	-	-
9 (505) Electric Expenses	-	-
10 (506) Miscellaneous Steam Power Expenses	-	-
11 (507) Rents	-	-
12 TOTAL Operation	-	-
13 Maintenance		
14 (510) Maintenance Supervision and Engineering	-	-
15 (511) Maintenance of Structures	-	-
16 (512) Maintenance of Boiler Plant	-	-
17 (513) Maintenance of Electric Plant	-	-
18 (514) Maintenance of Miscellaneous Steam Plant	-	-
19 TOTAL Maintenance	-	-
20 TOTAL Power Production Expenses-Steam Plant	-	-
21 B. Nuclear Power Generation		
22 Operation		
23 (517) Operation Supervision and Engineering	-	-
24 (518) Fuel	-	-
25 (519) Coolants and Water	-	-
26 (520) Steam Expenses	-	-
27 (521) Steam from Other Sources	-	-
28 (Less) (522) Steam Transferred-Cr.	-	-
29 (523) Electric Expenses	-	-
30 (524) Miscellaneous Nuclear Power Expenses	-	-
31 (525) Rents	-	-
32 TOTAL Operation	-	-
33 Maintenance		
34 (528) Maintenance Supervision and Engineering	-	-
35 (529) Maintenance of Structures	-	-
36 (530) Maintenance of Reactor Plant Equipment	-	-
37 (531) Maintenance of Electric Plant	-	-
38 (532) Maintenance of Miscellaneous Nuclear Plant	-	-
39 TOTAL Maintenance	-	-
40 TOTAL Power Production Expenses-Nuclear Power	-	-
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	-	-
44 (536) Water for Power	-	-
45 (537) Hydraulic Expenses	-	-
46 (538) Electric Expenses	-	-
47 (539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48 (540) Rents	-	-
49 TOTAL Operation	-	-



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
50 C. Hydraulic Power Generation (Continued)		
51 Maintenance		
52 (541) Maintenance Supervision and Engineering	-	-
53 (542) Maintenance of Structures	-	-
54 (543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55 (544) Maintenance of Electric Plant	-	-
56 (545) Maintenance of Miscellaneous Hydraulic Plant	-	-
57 TOTAL Maintenance	-	-
58 TOTAL Power Production Expenses-Hydraulic Power	-	-
59 D. Other Power Generation		
60 Operation		
61 (546) Operation Supervision and Engineering	-	-
62 (547) Fuel	-	-
63 (548) Generation Expenses	-	-
64 (549) Miscellaneous Other Power Generation Expenses	-	-
65 (550) Rents	-	-
66 TOTAL Operation	-	-
67 Maintenance		
68 (551) Maintenance Supervision and Engineering	-	-
69 (552) Maintenance of Structures	-	-
70 (553) Maintenance of Generating and Electric Plant	-	-
71 (554) Maintenance of Miscellaneous Other Power Generation Plant	7	-
72 TOTAL Maintenance	7	-
73 TOTAL Power Production Expenses-Other Power	7	-
74 E. Other Power Supply Expenses		
75 (555) Purchased Power	26,497,851	25,289,869
76 (556) System Control and Load Dispatching	-	-
77 (557) Other Expenses	-	-
78 TOTAL Other Power Supply Expenses	26,497,851	25,289,869
79 TOTAL Power Production Expenses	26,497,858	25,289,869
80 2. TRANSMISSION EXPENSES		
81 Operation		
82 (560) Operation Supervision and Engineering	-	-
83 (561) Load Dispatching	-	-
84 (562) Station Expenses	12,569	13,382
85 (563) Overhead Line Expenses	-	-
86 (564) Underground Line Expenses	-	-
87 (565) Transmission of Electricity by Others	-	-
88 (566) Miscellaneous Transmission Expenses	7,541	110
89 (567) Rents	-	-
90 TOTAL Operation	20,110	13,492
91 Maintenance		
92 (568) Maintenance Supervision and Engineering	-	-
93 (569) Maintenance of Structures	-	-
94 (570) Maintenance of Station Equipment	20,483	76,730
95 (571) Maintenance of Overhead Lines	23,583	33,496
96 (572) Maintenance of Underground Lines	-	-
97 (573) Maintenance of Miscellaneous Transmission Plant	-	-
98 TOTAL Maintenance	44,066	110,226
99 TOTAL Transmission Expenses	64,176	123,718
100 3. DISTRIBUTION EXPENSES		
101 Operation		
102 (580) Operation Supervision and Engineering	236,209	254,604
103 (581) Load Dispatching	297	319



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account		Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105	(581) Load Dispatching		
106	(582) Station Expenses	34,779	14,289
107	(583) Overhead Line Expenses	89,323	69,646
108	(584) Underground Line Expenses	35,310	11,773
109	(585) Street Lighting and Signal System Expenses	28,908	17,309
110	(586) Meter Expenses	209,728	193,147
111	(587) Customer Installations Expenses	99,769	76,044
112	(588) Miscellaneous Distribution Expenses	162,651	171,513
113	(589) Rents	13,087	5,482
114	TOTAL Operation	910,061	814,126
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	61,053	57,697
117	(591) Maintenance of Structures	8,122	21,825
118	(592) Maintenance of Station Equipment	75,116	119,929
119	(593) Maintenance of Overhead Lines	804,504	934,967
120	(594) Maintenance of Underground Lines	136,634	138,058
121	(595) Maintenance of Line Transformers	86,676	108,716
122	(596) Maintenance of Street Lighting and Signal Systems	18,407	26,368
123	(597) Maintenance of Meters	38,364	25,423
124	(598) Maintenance of Miscellaneous Distribution Plant	52,281	38,013
125	TOTAL Maintenance	1,281,157	1,470,996
126	TOTAL Distribution Expenses	2,191,218	2,285,122
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	96,330	104,723
130	(902) Meter Reading Expenses	220,661	207,885
131	(903) Customer Records and Collection Expenses	685,164	670,029
132	(904) Uncollectible Accounts	27,468	99,147
133	(905) Miscellaneous Customer Accounts Expenses	76,607	75,120
134	TOTAL Customer Accounts Expenses	1,106,230	1,156,904
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(907) Supervision	79,477	81,647
138	(908) Customer Assistance Expenses	211,384	144,858
139	(909) Informational and Instructional Expenses	115,372	101,526
140	(910) Miscellaneous Customer Service and Informational Expenses	80,407	(29,751)
141	TOTAL Cust. Service and Informational Expenses	486,640	298,280
142	6. SALES EXPENSES		
143	Operation		
144	(911) Supervision	-	-
145	(912) Demonstrating and Selling Expenses	-	76
146	(913) Advertising Expenses	2,995	2,689
147	(916) Miscellaneous Sales Expenses	189	-
148	TOTAL Sales Expenses	3,184	2,765
149	7. ADMINISTRATIVE AND GENERAL EXPENSES		
150	Operation		
151	(920) Administrative and General Salaries	847,947	808,808
152	(921) Office Supplies and Expenses	229,330	184,730
153	(Less) (922) Administrative expenses Transferred-Cr.	-	-
154	(923) Outside Services Employed	94,186	63,563
155	(924) Property Insurance	157,715	150,329
156	(925) Injuries and Damages	362,414	183,072
157	(926) Employee Pensions and Benefits	254,693	217,923



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account		Amount for Current Year	Amount for Previous Year
157	7. ADMINISTRATIVE AND GENERAL EXPENSES		
158	(927) Franchise Requirements	-	-
159	(928) Regulatory Commission Expenses	5,442	2,520
160	(Less) (929) Duplicate Charges-Cr.	-	-
161	(930.1) General Advertising Expenses	713	742
162	(930.2) Miscellaneous General Expenses	129,670	78,326
163	(931) Rents	4,038	3,328
164	TOTAL Operation	2,086,148	1,693,341
165	Maintenance		
166	(935) Maintenance of General Plant	37,924	53,510
167	TOTAL Administrative and General Expenses	2,124,072	1,746,851
168	TOTAL Electric Operation and Maintenance Expenses	32,473,378	30,903,509

## NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

See page 462



**EX-For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.**



OS-for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm service regardless of the length of the contract and service from designated units of less than one year. Describe the nature of the service in a footnote.

AD-for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column(c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column(b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column(d), the average monthly non-coincident peak(NCP) demand in column(e), and the average monthly coincident peak(CP) demand in column(f). For all other types of service, enter NA in columns(d),(e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP Demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns

(e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column(g) the megawatthours shown on bills rendered to the respondent. Report in columns(h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column(j), energy charges in column(k), and the total of any other types of charges including out-of-period adjustments, in column(l). Explain in a footnote all components of the amount shown in column(l). Report in column(m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column(m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount(1) includes credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in columns(g) through (m) must be totalled on the last line of the schedule. The total amount in column(g) must be reported as Purchases on page 401, line 10. The total amount in column(h) must be reported as Exchange Received on page 401, line 12. The total amount in column(i) must be reported as Exchange Delivered on page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) or Settlement (\$) (m)	
445,276			5,268,721	730,252	7,955,334	13,954,307	1
4,348				81,310	0	81,310	2
330,961			4,897,216	386,929	6,791,311	12,075,456	3
							4
							5
							6
							7
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							9
							10
							11
							12
							13
780,585			10,165,937	1,198,491	14,746,645	26,111,073	14



Florida Public Utilities Company		An Original	December 31, 2002
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric)			
Line No.	Description (a)	Amount (b)	
1	Industry Association Dues	\$4,499	
2			
3	Nuclear Power Research Expenses		
4			
5	Other Experimental and General Research Expenses		
6			
7	Publishing and Distributing Information and		
8	Reports to Stockholders; Trustee, Registrar, and		
9	Transfer Agent Fees and Expenses, and Other		
10	Expenses of Servicing Outstanding Securities		
11	of the Respondent	32,973	
12			
13	Other Expenses (List items of \$5000 or more in		
14	this column showing the (1) purpose, (2) recipient		
15	and (3) amount of such items. Group amounts of		
16	less than \$5,000 by classes if the number of items		
17	so grouped is shown)		
18			
19	Chamber of Commerce (6 items)	483	
20	Director fees and expenses (23 items)	11,020	
21	Miscellaneous Expense (107 items)	30,035	
22	Stock Insurance	40,660	
23	Economic Development expense	10,000	
24			
25			
26			
27			
28			
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42			
43			
44			
45			
46			
47	TOTAL	\$129,670	



**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)**  
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for:  
(a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional

classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant	0			
2	Steam Production Plant	0			
3	Nuclear Production Plant	0			
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage**	(13,522)			(13,522)
6	Other Production Plant *	0			0
7	Transmission Plant	155,067			155,067
8	Distribution Plant	1,838,889			1,838,889
9	General Plant	135,337			135,337
10	Common Plant-Electric *	71,749			71,749
11	<b>TOTAL</b>	<b>\$2,187,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,187,520</b>

**B. Basis for Amortization Charges**

\* Not included on page 219, Line 3.

\*\* Not Included on page 219, Line 3 (Amortization of deferred gain on sale of hydro plant).



FLORIDA PUBLIC UTILITIES COMPANY							
An Original							
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
12		<b>NORTHWEST DIVISION</b>					
13							
14							
15	331	4,822	N/A	4 Year Recovery Schedule			
16	332	61,479	N/A	4 Year Recovery Schedule			
17	333	98,267	N/A	4 Year Recovery Schedule			
18	334	62,084	N/A	4 Year Recovery Schedule			
19	335	375	N/A	4 Year Recovery Schedule			
20							
21	360	22,841	N/A		1.8		50.0
22	361	8,614	N/A		2.2		29.0
23	362	752,334	N/A	(10)	3.0		23.0
24	364	3,272,761	N/A	(20)	4.1		21.0
25	365	3,817,877	N/A	(10)	3.9		18.9
26	366	109,340	N/A		1.9		41.0
27	367	300,351	N/A		2.9		27.0
28	368	3,727,180	N/A	(10)	4.2		16.0
29	369	1,473,665	N/A	(15)	4.3		19.4
30	370	831,754	N/A	(10)	4.2		13.8
31	371	328,909	N/A	20	7.1		9.4
32	373	169,806	N/A	5	5.7		13.5
33							
34	390	687,132	N/A	(5)	2.2		44.0
35	391.1	17,807		7 Years Amortization			
36	391.2	13,056		7 Years Amortization			
37	391.3	34,651		5 Years Amortization			
38	392.1	46,885	N/A	15	17.0		2.0
39	392.2	114,737	N/A	10	13.9		3.5
40	392.3	615,236	N/A	10	8.2		7.5
41	392.4	11,672	N/A	5	3.5		18.6
42	393.1	16,796	N/A		3.3		22.0
43	393.2	547		7 Years Amortization			
44	394.1	13,319	N/A		4.2		14.9
45	394.2	27,462		7 Years Amortization			
46	395.1	16,904	N/A		3.6		14.3
47	395.2	9,193		7 Years Amortization			
48	396	60,638	N/A	10	7.1		7.8
49	397	57,173	N/A		5.3		3.1
50	398	3,343		7 Years Amortization			
51							
52							
53							
54							
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62							
63							



FLORIDA PUBLIC UTILITIES COMPANY							
An Original							
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line	Account	Depreciable	Estimated	Net Salvage	Applied	Monthly Curve	Average
No.	No.	Plant Base	Avg. Service	(Percent)	Depr. Rate(s)	Type	Remaining
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
64				NORTHEAST DIVISION			
65							
66							
67	341	0					
68	342	0					
69	343	0					
70	344	0					
71	346	0					
72							
73	350	56,519		0	2.1		27.0
74	352	17,304	45	0	2.1		32.0
75	353	1,780,065	40	10	2.5		23.0
76	354	248,395	50	(10)	1.8		28.0
77	355	1,381,300	25	(20)	3.8		27.0
78	356	931,383	35	(10)	3.1		23.0
79	359	1,961	55	0	3.9		18.9
80							
81	360	188		0	5.0		19.9
82	361	33,577	44	0	2.2		23.0
83	362	1,456,419	23	10	3.9		17.7
84	364	1,279,531	25	(10)	4.9		18.3
85	365	2,358,377	33	(15)	4.5		21.0
86	366	965,825	50	0	2.0		40.0
87	367	1,817,435	30	0	2.8		23.0
88	368	3,753,926	29	(35)	4.4		17.8
89	369	2,072,020	20	(20)	3.8		25.0
90	370	1,369,322	38	(20)	3.5		16.9
91	371	186,970	18	5	6.1		7.6
92	373	290,773	22	0	4.3		15.3
93							
94	390	406,628	64	0	2.0		32.0
95	391.1	20,517		7 Year Amortization			
96	391.2	17,081		7 Year Amortization			
97	391.3	41,659		5 Year Amortization			
98	392.1	44,541	5	15	6.1		4.2
99	392.2	227,105	7	20	13.0		2.9
100	392.3	477,806	12	10	8.4		8.5
101	392.4	14,075	25	0	2.6		12.6
102	393.1	20,488	27	0	4.4		8.5
103	393.2	3,251		7 Year Amortization			
104	394.1	11,323	0	0	3.5		26.0
105	394.2	43,890		7 Year Amortization			
106	395.1	14,660	0	0	3.5		22.0
107	395.2	17,688		7 Year Amortization			
108	396	93,087	5	0	4.2		5.3
109	397	87,250	0	0	8.1		4.4
110	398	25,767		7 Year Amortization			
111							
112							
113							
114							
115							



Name of Respondent	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 19
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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) -- Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions -- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of

Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
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See page 463



## REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + ©	Deferred in Account 186 at Beginning of Year (e)
1					
2					
3					
4					
5	All expenses incurred by the company in its				
6	filings for Rate Relief for water. Docket				
7	Number 990535-WU		32,578	32,578	22,554
8					
9	All expenses incurred by the company in its				
10	Limited proceedings for the water division.				
11	Docket Number 001806-WU		13,202	13,202	10,208
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
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26					
27					
28					
29					
30					
31					
32					
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34					
35					
36					
37					
38					
41					
46	TOTAL		45,780	45,780	32,762



REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years or other accounts.  
which are being amortized. List in column (a) the period of  
amortization.

4. The totals of columns (f), (g) and (h) expenses incurred  
during year which were charged currently to income, plant

5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR		Deferred in	Line
CHARGED CURRENTLY TO	Account No.	Amount	Deferred to	Contra	Amount	Account 186	
Department	(g)	(h)	Account 186	Account	(k)	End of Year	No.
(f)			(i)	(j)		(l)	
				928			1
							2
							3
							4
							5
							6
Water - 15261				928	10,024	12,530	7
							8
							9
							10
Water - 3370				928 & 6668	2,994	7,214	11
							12
							13
							14
							15
							16
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							42
					13,018	19,744	46



## DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	<b>Electric</b>			
2	Operation			
3	Production	77		
4	Transmission	14,021		
5	Distribution	578,538		
6	Customer Accounts	553,597		
7	Customer Service and Informational	157,029		
8	Sales	-		
9	Administrative and General	(30,780)		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,272,482		
11	Maintenance			
12	Production			
13	Transmission	13,345		
14	Distribution	613,448		
15	Administrative and General	3,179		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	629,972		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	77		
19	Transmission (Enter Total of lines 4 and 13)	27,366		
20	Distribution (Enter Total of lines 5 and 14)	1,191,986		
21	Customer Accounts (Transcribe from line 6)	553,597		
22	Customer Service and Information (Transcribe from line 7)	157,029		
23	Sales (Transcribe from line 8)	-		
24	Administrative and General (Enter Total of lines 9 and 15)	(27,601)		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	1,902,454	851,958	2,754,412
26	<b>Gas</b>			
27	Operation			
28	Production - Manufactured Gas	-		
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	117,180		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	2,071,489		
34	Customer Accounts	1,071,493		
35	Customer Service and Informational	103,729		
36	Sales	928,294		
37	Administrative and General	(126,103)		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	4,166,082		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission	-		
45	Distribution	458,195		
46	Administrative and General	8,478		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	466,673		



## DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	<b>Gas (Continued)</b>			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas ( Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)	117,180		
52	Storage, LNG, Terminaling and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)			
54	Distribution (Enter Total of lines 33 and 45)	2,529,684		
55	Customer Accounts (Transcribe from line 34)	1,071,493		
56	Customer Service and Informational (From line 35)	103,729		
57	Sales (Transcribe from line 36)	928,294		
58	Administrative and General (Total of lines 37 and 46)	(117,625)		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	4,632,755	890,714	5,523,469
60	<b>Other Utility Departments - Water</b>			
61	Operation and Maintenance	392,725	183,422	576,147
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	6,927,934	1,926,094	8,854,028
63	<b>Utility Plant</b>			
64	Construction (By Utility Departments)			
65	Electric Plant	902,444		902,444
66	Gas Plant	996,918		996,918
67	Other - Water & Common	148,849		148,849
68	TOTAL Construction (Enter Total of lines 65 thru 67)	2,048,211	-	2,048,211
69	Plant Removal (By Utility Department)			
70	Electric Plant	83,089		83,089
71	Gas Plant	170,897		170,897
72	Other - Water	8,044		8,044
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	262,030		262,030
74	Other Accounts (Specify):			
75				
76				
77	Other Accounts Receivable/Employee	194,489		194,489
78	Temporary Facilities	28,381		28,381
79	Stores Expense	376,719		376,719
80	Clearing Accounts	220,879		220,879
81	Miscellaneous Deferred Debits	131,069		131,069
82	Merchandise and Jobbing	805,521		805,521
83	Taxes Other Than Income Taxes-Electric	(120,144)		(120,144)
84	Taxes Other Than Income Taxes-Gas	(317,999)		(317,999)
85	Taxes Other Than Income Taxes-Water	(11,236)		(11,236)
86	Vacation Pay	(170,010)		(170,010)
87	Non-Operating and Rental Income	-		-
88	Other Accounts Receivable	2,742,047	111,924	2,853,971
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	3,879,716	111,924	3,991,640
96	TOTAL SALARIES AND WAGES	13,117,891	2,038,018	15,155,909



## COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by account as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.

2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of

allocation and factors used.

3. Give for the year the expenses of operation, maintenance rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utilityplant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.

4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Account 118: Common Utility Plant	
General Office Buildings and Land	
Land & Land Rights	\$341,926
Structures & Improvements	2,076,772
Office Furniture & Equipment	2,285,270
Communications Equipment	134,861
	<hr/>
	\$4,838,828
	=====
 Account 119: Accumulated Provision for Depreciation of Common Utility Plant	
	\$1,102,441
	=====

SEE ATTACHED SCHEDULES FOR ALLOCATIONS

Note 1: Expenses of Operation and Maintenance are charged to clearing accounts "X" 921 and "X" 932 and to Flo-Gas Corporation (Account 146) on the basis of allocation of Common Utility Plant at 6-30-96 per schedule attached.



FLORIDA PUBLIC UTILITIES COMPANY  
ALLOCATION OF COMMON UTILITY PLANT  
AS OF JUNE 30, 2001

<u>Description</u>	<u>Amount</u>	<u>Allocation of Land &amp; Structures &amp; Improvements</u>	<u>Allocation Per Study Sq. Footage</u>	<u>Allocation Per Study %</u>	<u>Common Land &amp; Structures</u>
Land	\$341,926	Common - All Divisions	17,255	60.3%	1,420,321
Structures & Improvements	2,013,497	Local - WPB*	10,247	35.8%	843,241 (A)
		Local - Merchandising	1,118	3.9%	91,861 (B)
Sub-Total	2,355,423	Total	28,620	100.00%	2,355,423
Office Furniture & Equipment	22,261	Total Common Land & Structures & Improvements			\$2,355,423
Office Machines	67,508				
EDP Equipment	2,100,779				
Transportation Equipment-Cars	110,606				
Communication Equipment	111,090				
Total Common Plant	\$4,767,668				

<u>Allocation of Local - WPB*</u>	<u>6/30/2001 12 mos. Ave. Customers *</u>	<u>Allocation Per Study %</u>	<u>Common Land &amp; Structures</u>	<u>Common Plant (1180) Less Direct to WPB</u>	<u>4,767,668 935,102 (A+B)</u>
FPUC	29,295	83.5%	704,106	Remaining Common	3,832,566
Flo - Gas (Non-Regulated)	5,780	16.5%	139,135	Less EDP to allocated	2,100,779
Total	35,075	100.0%	843,241 (A)	Remaining Common Excl. EDP to allocate	1,731,787

\* Customers for 123, 993, and 991 include additional 4421, 410, and 279 respectively for estimated Atlantic addition.



(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)		
Utility Plant		Acquisition	Direct	Water	Sub-Total	Note 1	Remaining	Common	Adj.	Consolidated
(101,106,107)		(114)	Common	Contrib.	(A+B+C+D)	Allocation	Common	Equip	(E+G+H)	Allocation
All Division			Loc & Mer	(2710)		%				%
<b>Florida Public Utilities Co.</b>										
Marianna	\$24,103,318	\$3,691			\$24,107,009	18%	\$311,721	\$294,109	\$24,712,838	18%
Fernandina (E)	31,995,930				31,995,930	24%	415,629	315,117	32,726,676	24%
West Palm Beach	43,744,295	(29,523)	704,106		44,418,878	33%	571,490	714,265	45,704,633	33%
Central Florida	14,673,927	332,922			15,006,850	11%	190,497	357,132	15,554,479	11%
Fernandina (W)	16,411,249			(4,414,957)	11,996,292	9%	155,861	168,062	12,320,215	9%
Merchandising	0		91,861		91,861	0%	-	42,016	133,877	0%
Garbage and Sewer					-	0%	-	0	0	0%
<b>Flo - Gas Corporation</b>										
West Palm Beach	5,068,911		139,135		5,208,046	4%	69,271	147,055	5,424,372	4%
Central Florida	1,716,099				1,716,099	1%	17,318	63,023	1,796,440	1%
Fernandina	573,100				573,100	0%	-	0	573,100	0%
Total	\$138,286,829	\$307,090	935,102	(4,414,957)	\$135,114,065	100%	1,731,787	2,100,779	138,946,631	100%

Customers		EDP Equipment		FPUC	
12 mos. Ave.	6/30/2001	Allocation	Common	Allocation	
12,123	14%		294,109	16%	
13,473	15%		315,117	17%	
29,295	34%		714,265	39%	
15,212	17%		357,132	19%	
6,875	8%		168,062	9%	
1,591	2%		42,016		
142	0%		0		
Total					
605,830					13%
730,746					15%
1,989,861					42%
547,629					11%
323,923					7%
133,877					3%
0					0%
Total					
605,830					13%
730,746					15%
1,989,861					42%
547,629					11%
323,923					7%
133,877					3%
0					0%
Total					
355,461					7%
80,341					2%
0					0%
4,767,668					100%

Customers		EDP Equipment		FPUC	
12 mos. Ave.	6/30/2001	Allocation	Common	Allocation	
12,123	14%		294,109	16%	
13,473	15%		315,117	17%	
29,295	34%		714,265	39%	
15,212	17%		357,132	19%	
6,875	8%		168,062	9%	
1,591	2%		42,016		
142	0%		0		
Total					
311,721					11%
415,629					16%
571,490					48%
190,497					7%
155,861					6%
0					3%
0					0%
Total					
69,271					8%
17,318					1%
0					0%
1,731,787					100%

<b>Florida Public Utilities Co.</b>	
Marianna	
Fernandina (E)	
West Palm Beach	
Central Florida	
Fernandina (W)	
Merchandising	
Garbage and Sewer (Bus. Seg.)	
<b>Flo - Gas Corporation</b>	
West Palm Beach	
Central Florida	
Fernandina Beach	
Total	

Allocation	Total M & J	Total M & J	Total M & J
%	Common EDP	Remain Comm	Comm Plant
66.0%	27,731	60,628	88,359
34.0%	14,285	31,233	45,518
0.0%	0	0	0
100.0%	42,016	91,861	133,877

# Merchandise

West Palm Beach
Central Florida
Fernandina
Total



	Materials & Supplies			Note 2	Note 5
	Adj. Plant	SJ 45-69	Total	Allocation %	Allocation 80%
<u>Florida Public Utilities Co.</u>					
Marianna	24,712,838	262,895	24,975,733	18%	14%
Fernandina (E)	32,726,676	667,201	33,393,877	24%	19%
West Palm Beach	45,704,633	211,956	45,916,589	34%	27%
Central Florida	15,554,479	281,583	15,836,062	12%	10%
Fernandina (W)	16,735,172	75,516	16,810,688	12%	10%
Total	135,433,798	1,499,151	136,932,949	100%	80%

	Note 1	Note 3	Note 4
	Allocation %	Allocation 70%	Allocation 20%
<u>Florida Public Utilities Co.</u>			
Marianna	18%	12%	3%
Fernandina (E)	24%	17%	5%
West Palm Beach	33%	23%	7%
Central Florida	11%	8%	2%
Fernandina (W)	9%	6%	2%
Merchandising	0%	0%	0%
Garbage and Sewer	0%	0%	0%
<u>Flo - Gas Corporation</u>			
West Palm Beach	4%	3%	1%
Central Florida	1%	1%	0%
Fernandina	0%	0%	0%
Total	100%	70%	20%



FLORIDA PUBLIC UTILITIES COMPANY	An Original ELECTRIC ENERGY ACCOUNT	December 31, 2002
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged, and wheeled during the year.		

Line No.	Item (a)	Megawatt Hours (b)	Line No.	Item (a)	Megawatt Hours (b)
1	<b>SOURCES OF ENERGY</b>		21	<b>DISPOSITION OF ENERGY</b>	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	743,638
3	Steam		23	Requirements Sales For Resale (See instruction 4, page 311)	
4	Nuclear		24	Non-Requirements Sales For Resale (See instruction 4, page 311)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Department Only, Excluding Station Use)	871
7	Other		27	Total Energy Losses	31,720
8	Less Energy for Pumping		28	<b>TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)</b>	<b>776,229</b>
9	Net Generation (Enter Total of lines 3 thru 8)	0			
10	Purchases	776,229			
11	Interchanges:				
12	Received				
13	Delivered				
14	Purchases	0			
15	Transmission for/by Others (Wheeling)				
16	Received (MWh)				
17	Delivered (MWh)				
18	Net Transmission for Other (Lines 16 minus 17)	0			
19	Transmission By Other Losses				
20	<b>TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)</b>	<b>776,229</b>			

**MONTHLY PEAKS AND OUTPUT**

1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) the system's energy output for each month such that the total on Line 41 matches the total on Line 20.
3. Report in column © a monthly breakdown of the Non-Requirements Sales For Resale reported on Line 24. Include in the monthly amounts any energy and energy losses associated with the sales so that the total on Line 41 exceeds the amount on Line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales for Resale.
4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and ©.
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Required Sales for Resale & Associated Losses ©	MONTHLY PEAK		
				Megawatts (d)	Day of Month (e)	Hour (f)
29	January					
30	February					
31	March					
32	April					
33	May					
34	June		SEE ATTACHED	SCHEDULES		
35	July					
36	August					
37	September					
38	October					
39	November					
40	December					
41	<b>TOTAL</b>					



**MONTHLY PEAKS AND OUTPUT  
NORTHWEST FLORIDA SYSTEM**

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	70.3	4	7:30 a.m.	15 Min. Int.	26,321
February	70.1	28	6:45 a.m.	15 Min. Int.	23,870
March	68.8	5	6:30 a.m.	15 Min. Int.	23,964
April	51.7	29	3:45 p.m.	15 Min. Int.	24,129
May	58.4	8	4:30 p.m.	15 Min. Int.	28,133
June	65.5	3	2:15 p.m.	15 Min. Int.	29,683
July	69.4	18	4:30 p.m.	15 Min. Int.	32,509
August	65.5	19	4:15 p.m.	15 Min. Int.	32,738
September	63.1	12	3:45 p.m.	15 Min. Int.	30,950
October	58.1	7	4:00 p.m.	15 Min. Int.	26,597
November	52.3	29	7:15 a.m.	15 Min. Int.	23,864
December	58.3	16	7:00 a.m.	15 Min. Int.	28,200
TOTAL					330,958

**MONTHLY PEAKS AND OUTPUT  
NORTHEAST FLORIDA SYSTEM**

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	83.8	4	7:15 a.m.	15 Min. Int.	35,664
February	76.5	28	7:30 a.m.	15 Min. Int.	30,533
March	78.5	5	7:30 a.m.	15 Min. Int.	30,287
April	58.5	25	6:30 p.m.	15 Min. Int.	34,031
May	70.6	2	5:45 p.m.	15 Min. Int.	37,736
June	77.4	3	5:45 p.m.	15 Min. Int.	37,961
July	82.5	16	5:00 p.m.	15 Min. Int.	47,644
August	75.7	6	6:15 p.m.	15 Min. Int.	42,169
September	73.2	17	4:15 p.m.	15 Min. Int.	42,759
October	69.1	12	2:15 p.m.	15 Min. Int.	39,208
November	62.1	26	8:00 a.m.	15 Min. Int.	28,107
December	69.6	27	7:30 a.m.	15 Min. Int.	39,172
TOTAL					445,271



## TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below voltages in group totals only for each voltage.

2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.

3. Report data by individual lines for all voltages if so required by a State commission.

4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.

5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood, or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction.

If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.

6. Report in columns (f) and (g) the total pole miles of transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE		Type of Supporting Structure (e)	LENGTH		Number of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structures of Line Designated (f)	On Structures of Another Line (g)	
1	Yulee, FL	Block 97						
2		Fernandina			Steel Pole	1.35		
3		Beach, FL	138,000	138,000	Concrete Pole	10.1	NONE	1
4					Wood Pole	0.00		
5	Block 97	Block 83						
6	Fernandina	Fernandina						
7	Beach, FL	Beach, FL	69,000	69,000	Wood Pole	3.5	NONE	1
8								
9	Block 97							
10	Fernandina	State Road 105			Concrete Pole	0.8		
11	Beach, FL	and Julia St.	69,000	69,000	Wood Pole	5.2	NONE	1
12								
13	Block 83	Container						
14	Fernandina	Corporation						
15	Beach, FL	of America	69,000	69,000	Wood Pole	1.66	NONE	1
16								
17	Block 83							
18	Fernandina	ITT Rayonier						
19	Beach, FL	Inc.	69,000	69,000	Wood Pole	0.65	NONE	1
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30					TOTAL	23.21		



## TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and pole miles of the other line(s) in column (g).

8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or

share in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.

9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.

10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	Land (j)	COST OF LINE		EXPENSES, EXCEPT DEPRECIATION AND TAXES**				Line no.
		Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
394.6MCM Alum.	* 25,803	1,185,925	1,211,728					1
477 MCM Alum.								2
4/0 Alum.								3
394.6MCM Alum.								4
652MCM Alum.	32,677	474,069	474,069					5
477MCM Alum.								6
394.6MCM Alum.								7
4/0 Alum.								8
477MCM Alum.	32,677	489,789	522,466					9
394.6MCM Alum.								10
4/0 Alum.								11
								12
394.6MCM Alum.	32,677	90,636	90,636					13
4/0 Alum.								14
								15
								16
	58,480	2,240,419	2,298,899	15,858	47,202		63,060	17
								18
								19
								20
*Includes Roads and Trails	58,480	2,240,419	2,298,899	15,858	47,202		63,060	21
**Expenses Shown Below Include All Transmission Lines								22
								23
								24
	58,480	2,240,419	2,298,899	15,858	47,202		63,060	25
								26
								27
								28
	58,480	2,240,419	2,298,899	15,858	47,202		63,060	29
								30
								31
								32



## SUBSTATIONS

1. Report below the information called for concerning substations for the respondent as of the end of the year.

2. Substations which serve only one industrial or street railway customer should not be listed below.

3. Substations with capacities for less than 10,000 Kva except those serving customers with energy for resale,

may be grouped according to functional character, but the number of such substations must be shown.

4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Fernandina Beach, Fl	Distribution			
2	Jesse L. Terry, Substation	Unattended	69M	12.4M	
3					
4	Amelia Plantation Substation	Distribution	69M	12.4M	
5		Unattended			
6					
7	Rayonier Chip Mill	Distribution	69M	12.4M	
8					
9	Stepdown Substation	Transmission and Distribution			
10		Unattended	138M	69M	
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					
36					



## SUBSTATIONS (Continued)

5. Show in columns (i), (j) and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name

of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Trans- formers In Service (g)	Number of Spare Trans- formers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity	
			(i)	(j)	(k)	
50	3	0	Fans Added			1
						2
40	2	0	Fans Added			3
						4
						5
8	1	0	Fans Added			6
						7
						8
150	3	0	Fans Added			9
30	2	0	Fans Added			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
						36



**FLORIDA PUBLIC SERVICE COMMISSION**

# **DIVERSIFICATION REPORT**

PSC/AFA 16 (12/94)



## Affiliation of Officers and Directors

**Company: Florida Public Utilities Company**

**For the Year Ended December 31, 2002**

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
<b>Directors</b>			
Ellen Terry Benoit	Investor Palm Beach, Florida		
John T. English	President Florida Public Utilities Company		
Paul L. Maddock, Jr	President of Palamad Development Co. West Palm Beach, FL	President	McLean-Maddock multi family housing and land development Telluride, CO
Richard C. Hitchins	President of R.C. Hitchins & Co., P.A., a CPA firm, West Palm Beach, FL		
Rudy E. Schupp	Chairman and Chief Executive Officer of Republic Security Bank West Palm Beach, FL	President	Florida Bankers Association PO Box 1117 Tallahassee, FL 32302
<b>Officers</b>			
Charles L. Stein	Senior Vice President		
John T. English	President & Chief Executive Officer		
Jack R. Brown	Vice President & Secretary		
George M. Bachman	Treasurer & Chief Financial Officer		







# **Reconciliation of Gross Operating Revenues** **Annual Report versus Regulatory Assessment Fee Return**

**FLORIDA PUBLIC UTILITIES COMPANY**

**For the Year Ended December 31, 2002**

For the current year, reconcile the gross operating revenues as reported on Page 300 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

Line No.	(a) Description	(b) Gross Operating Revenues per Page 300	(c) Interstate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Gross Operating Revenues per RAF Return	(f) Intrastate and Sales for Resale Adjustments	(g) Adjusted Intrastate Gross Operating Revenues	(h) Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 448)	41,311,458		41,311,458	41,335,704		41,335,704	(24,246)
2	Sales for Resale (447)	-		-	-		-	-
3	Total Sales of Electricity	41,311,458		41,311,458	41,335,704		41,335,704	(24,246)
4	Provision for Rate Refunds (449.1)	(30,000)		(30,000)	(30,000)		(30,000)	-
5	Total Net Sales of Electricity	41,281,458		41,281,458	41,305,704		41,305,704	(24,246)
6	Total Other Operating Revenues (450-456)	(351,776)		(351,776)	(376,022.00)		(376,022)	24,246
7	Total Electric Operating Revenues	40,929,682		40,929,682	40,929,682		40,929,682	-
8	Other (specify): Refund of Fuel Overrecoveries				761,311		761,311	(761,311)
9								
10	<b>Total Gross Operating Revenues</b>	<b>40,929,682</b>		<b>40,929,682</b>	<b>41,690,993</b>		<b>41,690,993</b>	<b>(761,311)</b>

Notes:

- On page 300, total sales to ultimate customers include unbilled revenues of (24,246)
- Unbilled revenue is included in total other operating revenues on RAF return. (24,246)
- Refund of Fuel Overrecoveries for \$761,311 are reversed to pay RAF only on the actual collected revenue. (The original payment of the RAF occurred when the actual revenues were collected.)



## ***Analysis of Diversification Activity***

Changes in Corporate Structure

**Company: Florida Public Utilities Company**

**For the Year Ended December 31, 2002**

Provide any changes in Corporate Structure including partnerships, minority interest, and joint ventures and an updated organizational chart.

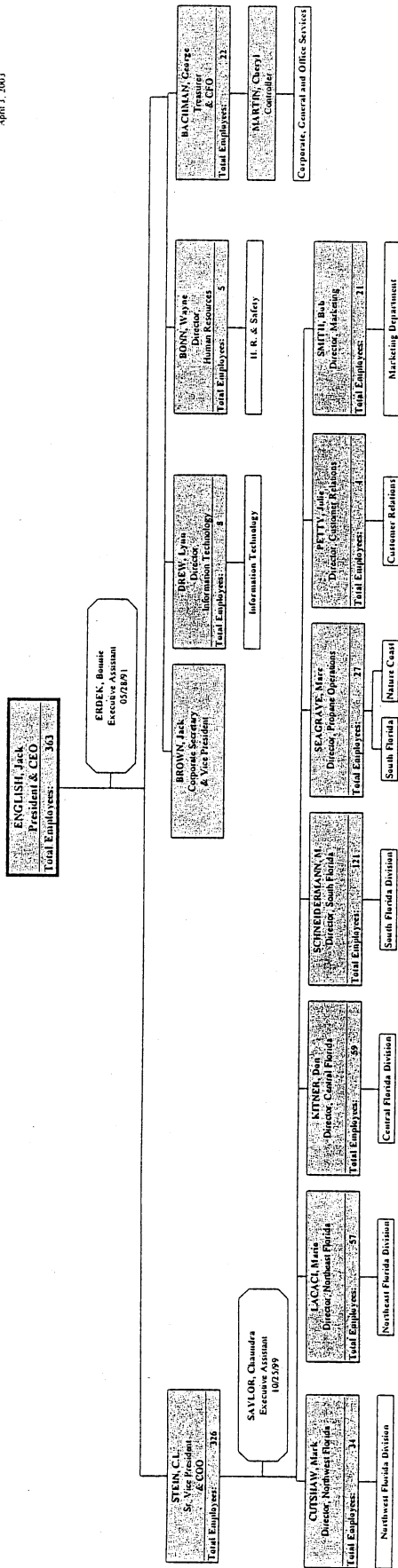
Effective Date (a)	Description of Change (b)
	<p>We have enclosed copies of our updated Organizational Chart for Florida Public Utilities Company</p> <p>Flo-Gas does not have any employees.</p>



# CORPORATE STRUCTURE

SENIOR MANAGEMENT TEAM

April 3, 2003



Positions	Total	Full-Time	Part-Time
WPB Ops	121	119	2
Flt-Gas	19	19	0
Nature Coast	8	7	1
Marketing	21	20	1
I.T.	6	6	0
Accounting	22	20	2
HR	5	4	1
Cust. Relations	4	4	0
Central FL	59	59	0
Northwest FL	34	34	0
Northeast FL	49	48	1
Execs	5	5	0
	355	347	8

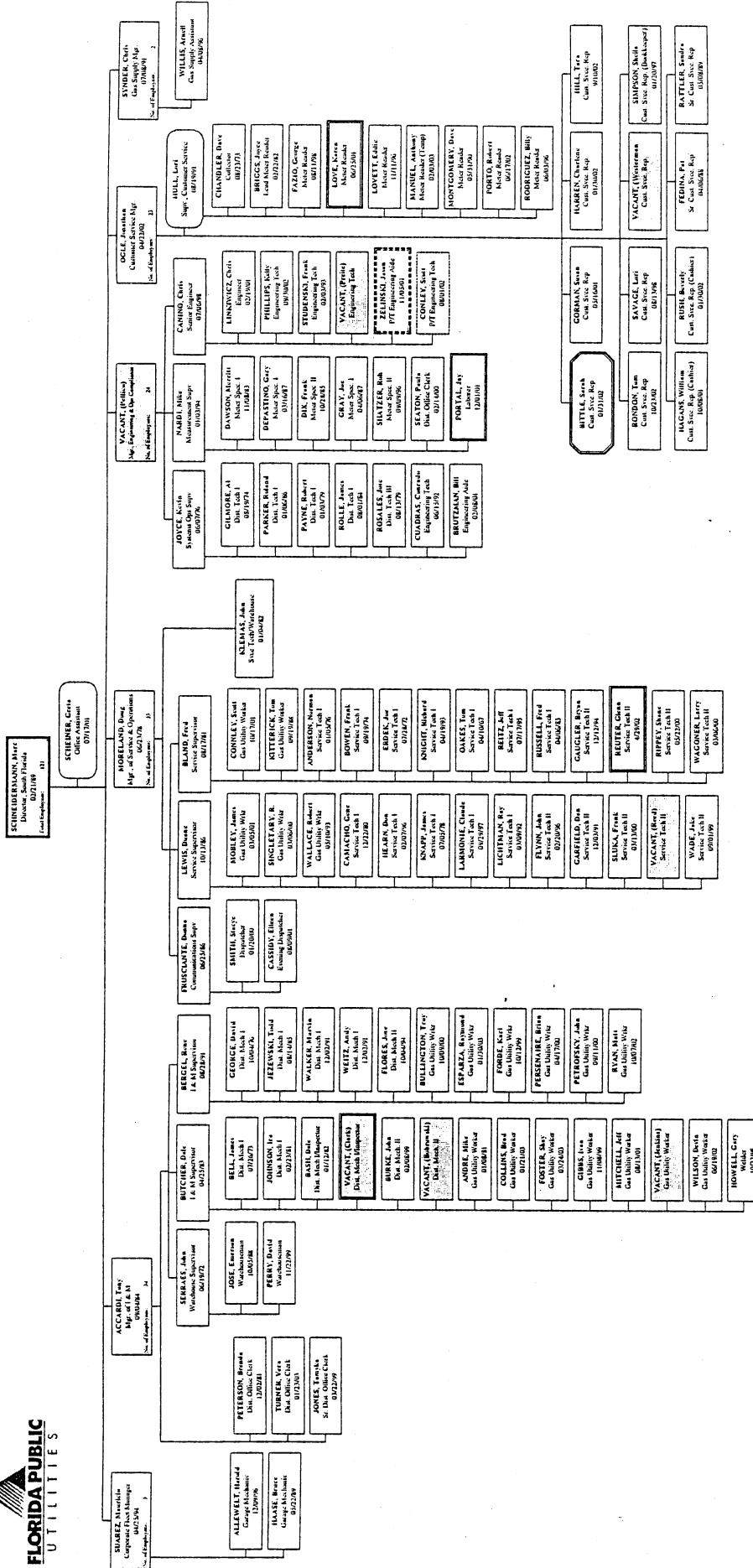
Execs = English, Brown, Stein, Bonnie, Chandra

## ORGANIZATIONAL CHART TOTAL

	Total	Full-Time	Part-Time
Number of Positions	355	347	8
Total Vacancies	15	15	0
Active Employees	340	332	8



# SOUTH FLORIDA GAS OPERATIONS - ORGANIZATIONAL CHART



Ops	Total		Acquisitions/Startups		Total Net		As of	
	12/30/2002	Additions	Additions	Reductions	Additions	01/01/03		
Full-Time	121	0	0	2	-2	119		
Part-Time	2	0	0	0	0	2		
	123	0	0	2	-2	121		

Additions

Acquisitions/Startups

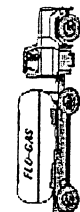
Additions

SFL Operations			
Total	Full-Time	Part-Time	
Number of Positions	121	2	
Total Vacancies	7	7	0
Active Employees	114	112	2

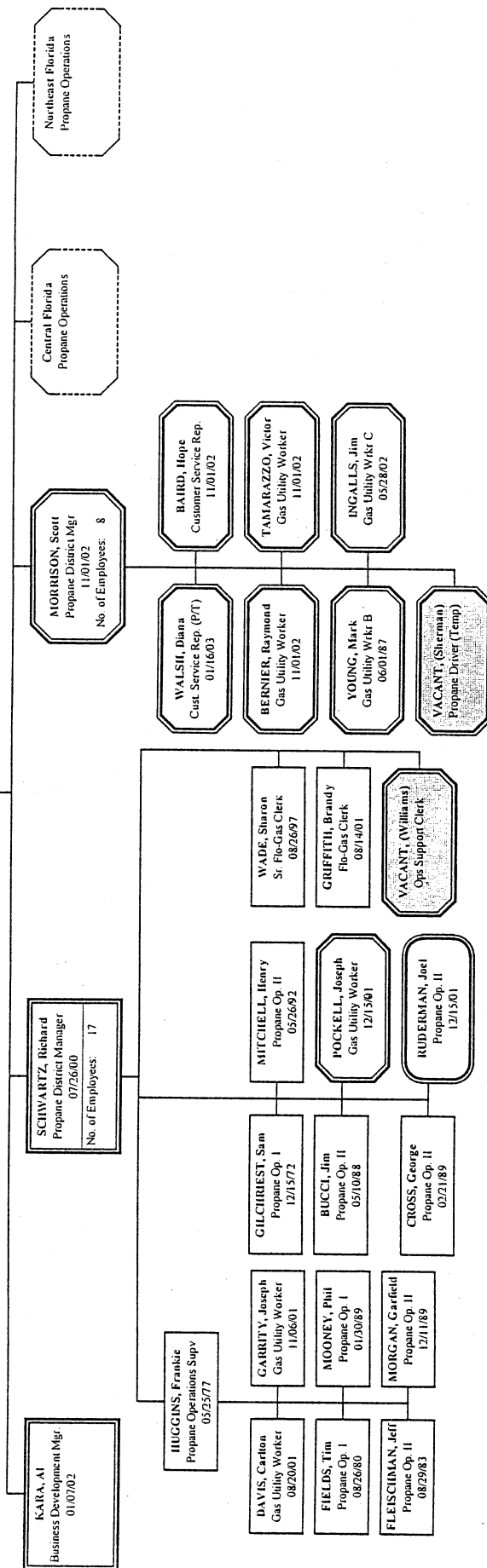
01/03/03



# Propane Operations Organizational Chart



SEAGRAVE, Marc  
Director, Propane Operations  
07/19/99  
Total Employees: 27



SF Propane Ops

Total	19	19	0
Number of Positions	1	1	0
Total Vacancies	18	18	0
Active Employees			

NC Propane Ops

Total	8	7	1
Number of Positions	1	1	0
Total Vacancies	7	6	1
Active Employees			

04/03/03

Additions  
Acquisition/Startup Additions

in-Gas ops



# MARKETING DEPARTMENT



SMITH, Bob  
Director, Marketing  
10/11/93  
Total Employees: 21

Central Florida  
Marketing & Conservation  
Department

NorthWest  
Marketing & Conservation  
Department

NorthEast  
Marketing & Conservation  
Department

PEACOCK, Mike  
Mgr. Customer Development  
02/09/81

SCOTTEN, Laura  
Mktg Communications Mgr.  
11/04/02  
No of Employees: 2

MONDS, Lila  
Mktg. Support Clerk  
05/01/95

SLYDELL, Chris  
P/T Mktg. Support Clerk  
8/28/01

GOODWIN, Pat  
Marketing Assistant  
02/21/89

VACANT, (Collins)  
Marketing Manager, S. FL  
No of Employees: 17

LONG, Robert  
New Cons Mktg. Rep.  
02/03/03

HURLEY, Bill  
New Cons. Specialist  
07/05/88

KINGREE, Roy  
Mgr. Major Accounts  
02/11/63

Marketing Supervisor  
No of Employees: 4

STEPHERSON, Leb  
Marketing Supervisor  
09/16/02  
No of Employees: 5

HUMPHREY, Winston  
Comm. Marketing Engineer  
11/2/98

GILLILAND, Steve  
Propane Marketing Rep.  
12/15/05

CRESPO, Sam  
Residential Mktg. Rep.  
10/21/02

SHAPIRO, Mark  
Residential Mktg. Rep.  
03/10/03

KEIP, Doug  
Comm. Mktg. Rep.  
06/06/83

LEISURE, Kim  
Propane Marketing Rep.  
11/04/02

GREENWALD, David  
Residential Mktg. Rep.  
03/03/03

ROBERTSON, Robbie  
Residential Mktg. Rep.  
06/01/87

ARAYA, Gia  
Customer Support Coord.  
04/24/95

VACANT, (Coley)  
Marketing Union Coord.  
01/05/70

MARKETING			
	Total	Full-Time	Part-Time
Number of Positions	21	20	1
Total Vacancies	2	2	0
Active Employees	19	18	1

Additions

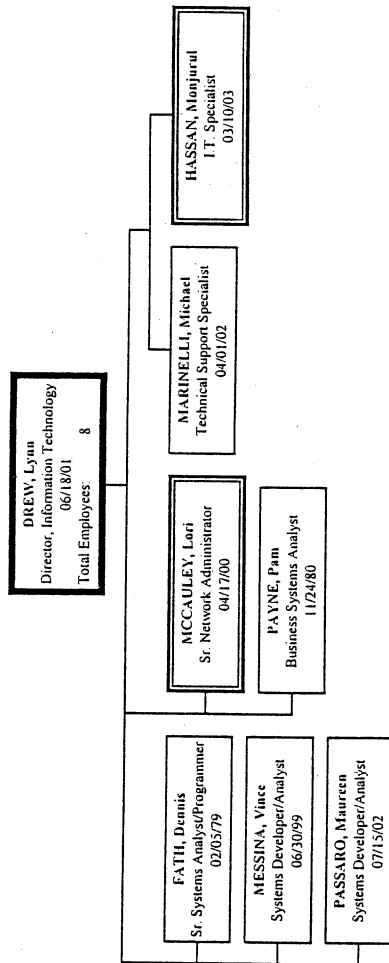
Acquisition/Startup

04/03/03



# INFORMATION TECHNOLOGY DEPARTMENT (IT)

04/03/03



Additions  
Acquisition/Startup Additions

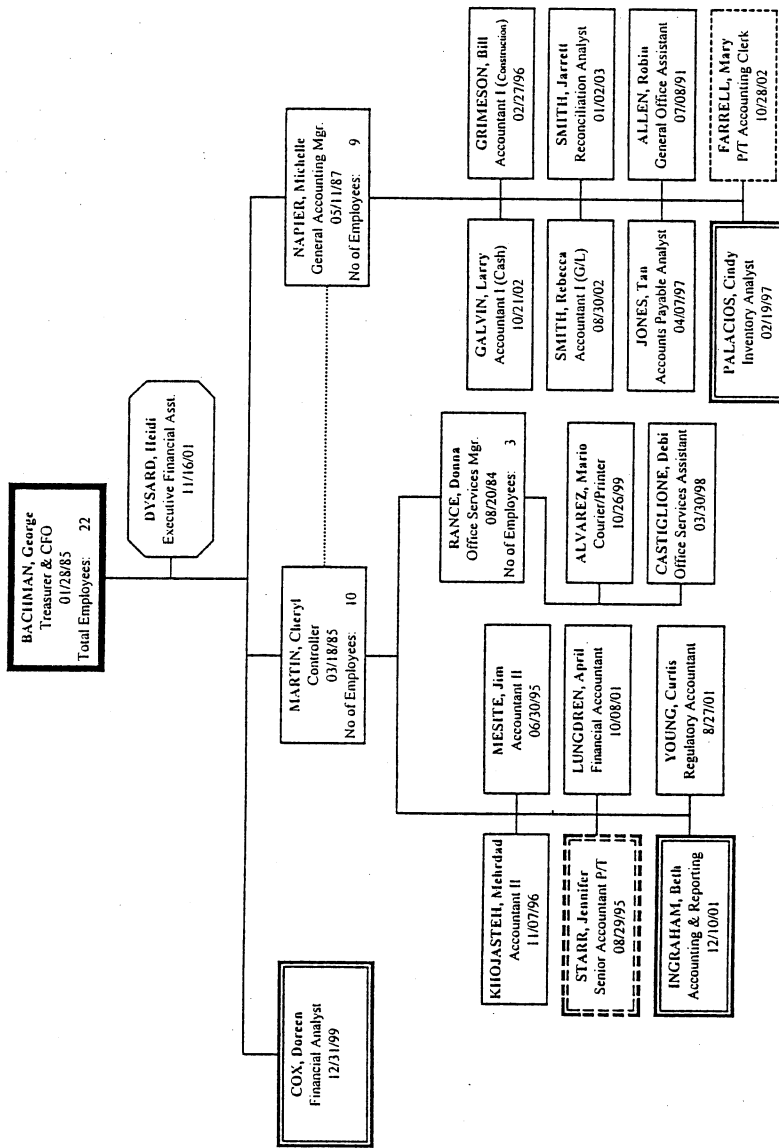
InfoTech.opx

IT DEPT			
	Total	Full-Time	Part-Time
Number of Positions	8	8	0
Total Vacancies	0	0	0
Active Employees	8	8	0





# ACCOUNTING DEPARTMENT



04/03/03

## ACCOUNTING

	Total	Full-Time	Part-Time
Number of Positions	22	20	2
Total Vacancies	0	0	0
Active Employees	22	20	2

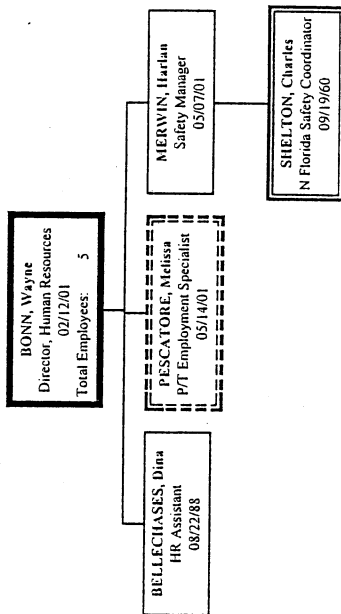
Additions  
Acquisition/Startup Additions  
Accounting opx





# HUMAN RESOURCES DEPARTMENT

04/03/03

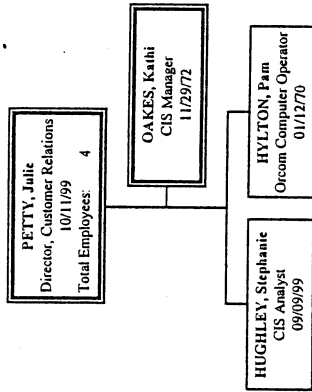


Human Resources		Total	Full-Time	Part-Time
Number of Positions		5	4	1
Total Vacancies		0	0	0
Active Employees		5	4	1





# CUSTOMER RELATIONS DEPARTMENT



Additions  
 Acquisition/Startup Additions  
*CustomerRel.opx*

04/03/03

Customer Relations		Total	Full-Time	Part-Time
Number of Positions		4	4	0
Total Vacancies		0	0	0
Active Employees		4	4	0

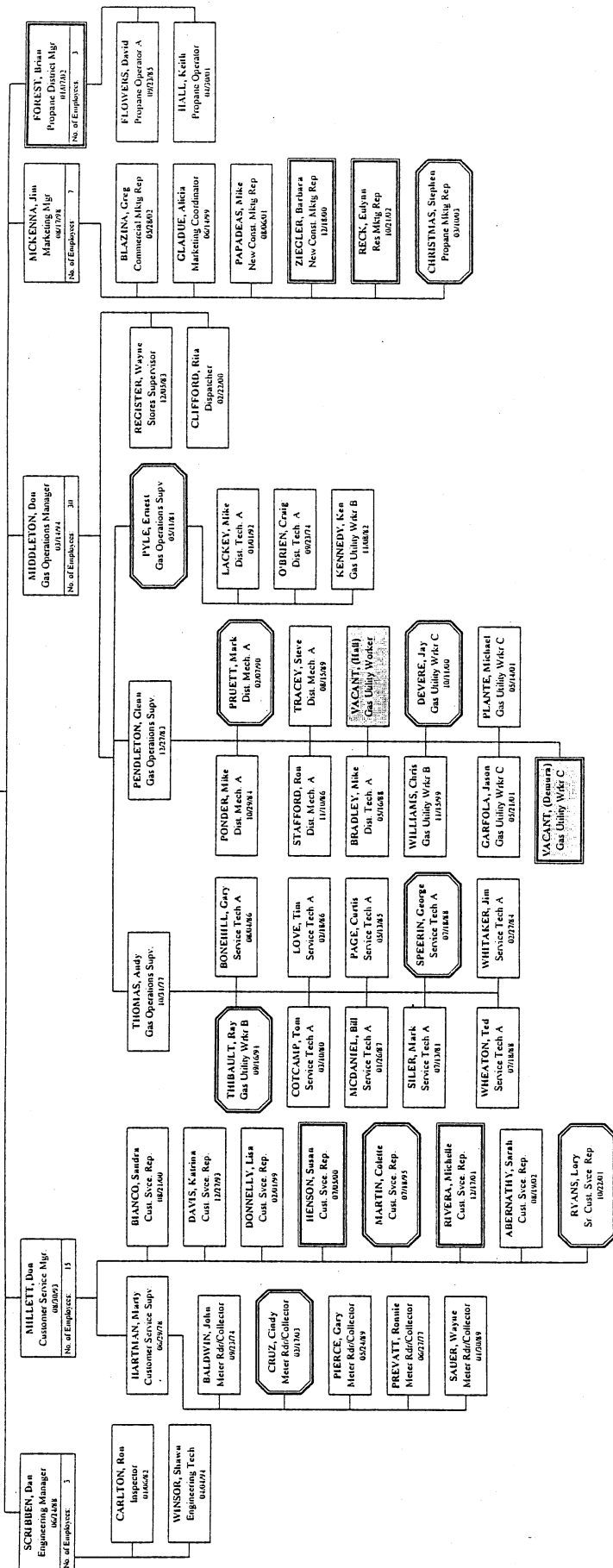


# CENTRAL FLORIDA DIVISION



April 3, 2003

KITNER, Don  
Director, Central Florida  
02/20/99  
Total Employees: 59



Central Florida	Total	Full-Time	Part-Time
Number of Positions	59	59	0
Total Vacancies	2	2	0
Active Employees	57	57	0

Additions  
Acquisition/Startup Additions

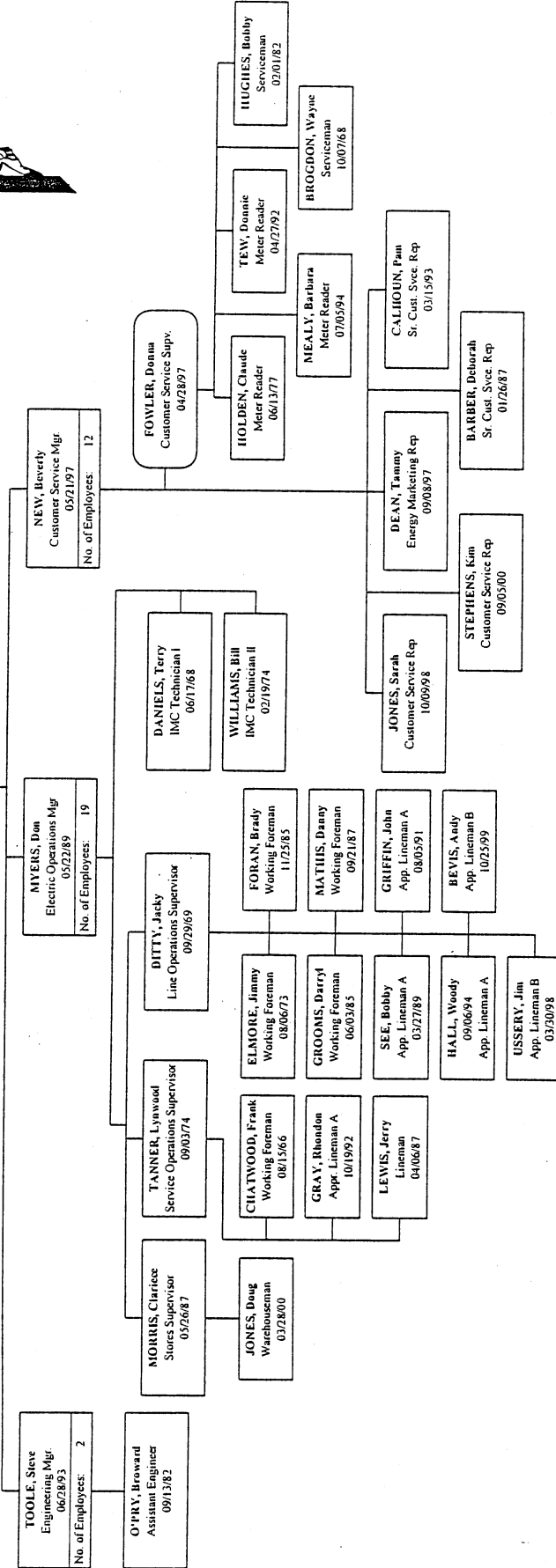
Central Florida02.gpx



# Northwest Florida Division - Organizational Chart



**CUTSHAW, Mark**  
Director, Northwest Florida  
05/13/91  
Total Employees: 34



**Additions**  
Acquisition/Startup Additions

Marianna opt

Marianna			
Total	34	Full-Time	34
Number of Positions	0	Part-Time	0
Total Vacancies	0		0
Active Employees	34		0

04/03/03

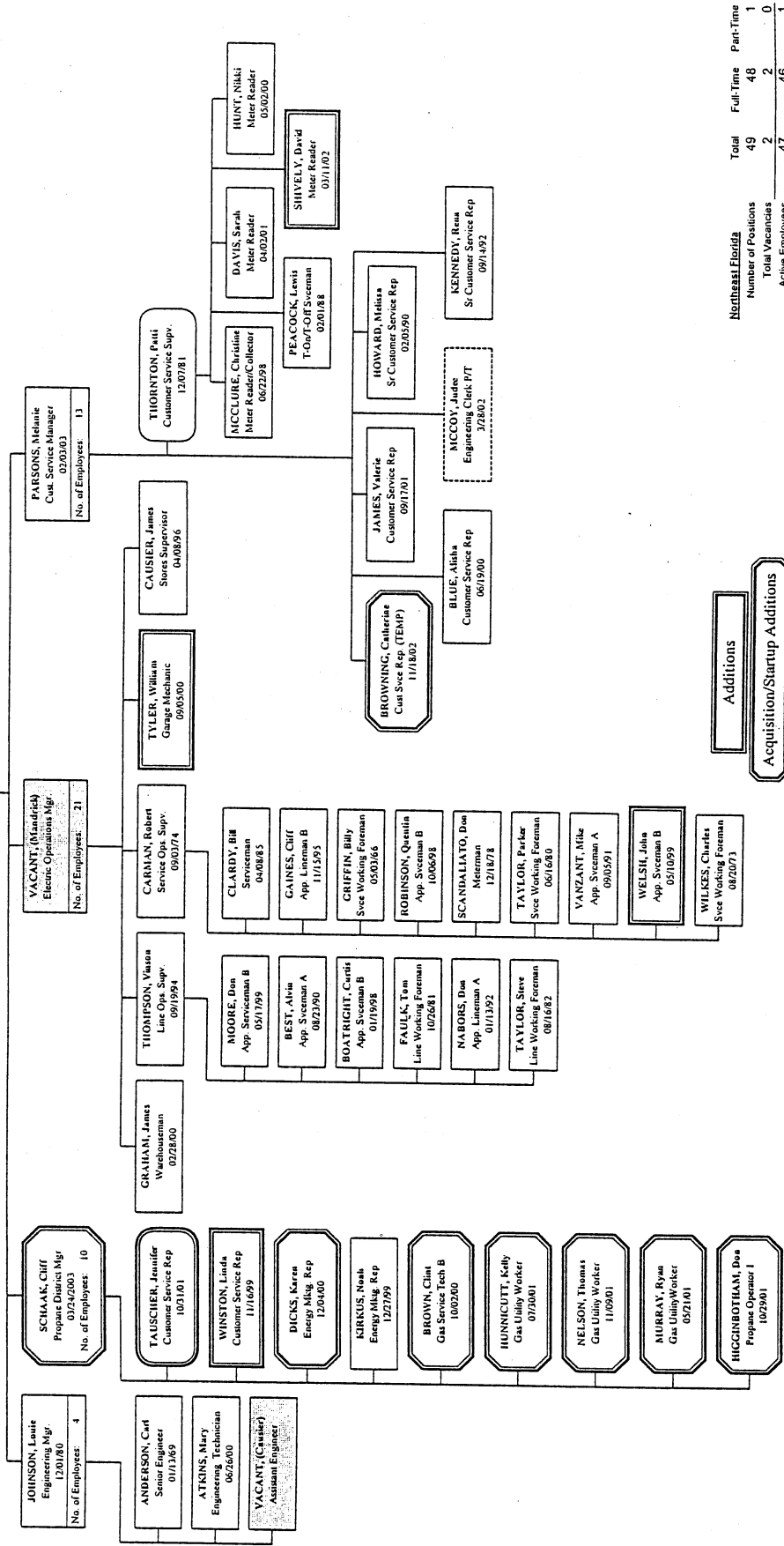


# NORTHEAST FLORIDA DIVISION - ORGANIZATIONAL CHART

04/03/03



**LACACI, Mario**  
Director, Northeast Florida  
06/18/01  
Total Employees: 49



**Additions**  
Acquisition/Startup Additions

Northeast Florida			
	Total	Full-Time	Part-Time
Number of Positions	49	48	1
Total Vacancies	2	2	0
Active Employees	47	46	1



***Analysis of Diversification Activity***

**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

**COMPANY: FLORIDA PUBLIC UTILITIES COMPANY**

**For the Year Ended December 31, 2002**

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

**Name of Affiliated  
Company  
(a)**

**Synopsis of  
Contract  
(b)**

**NONE**



(Schedules 2,3 & 4)

## **ANALYSIS OF DIVERSIFICATION ACTIVITY REPORT**

Flo-Gas Corporation is a wholly-owned subsidiary of Florida Public Utilities Company and transactions that exceed \$300 annually are numerous. Therefore, the enclosed summaries of Flo-Gas' Income Statement and Balance Sheet should be sufficient to meet the requirements of the report.

- Items relating specifically to Flo-Gas are charged directly.
- Corporate general expenses relating to both companies are allocated using factors previously reviewed by the Florida Public Service Commission during our last rate proceeding.
- Items that typically create intercompany transactions include payroll, cash Payments and receipts, and propane purchases.
- Flo-Gas does not have employees or cash.

Detailed transactions are available at our corporate office. If you require additional information, please let us know.

NOTE: Flo-Gas' Income Statement and Balance Sheet (Supplement pages 1 through 3).



**ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT**  
**FLO-GAS**  
**INCOME STATEMENT**  
**12 MONTHS ENDING 12/31/02**

	Year-to-Date Actual	Last Year-to-Date Actual
Operating Revenue	7,391,107	5,398,762
Operation Expenses	5,981,311	4,306,042
Maintenance Expenses	389,831	273,279
Depreciation Expense	436,388	322,575
Amortization of Utility Plant-		
Acquisition Adjustment	-	-
Tax Other Than Income Tax-Utility		
Operation Expense	85,915	65,846
Income Tax - Federal - Utility		
Operating Income	9,408	183,449
Income Tax - State - Utility		
Operating Income	1,443	31,107
Deferred Income Tax - Utility		
Operating Income	81,264	(124,685)
Investment Tax Credit - Utility		
Operating Income	(4,318)	(5,411)
<b>Operating Income</b>	<u>409,865</u>	<u>346,560</u>
<b>Other Income and Deductions</b>		
Interest and Dividend Income	-	-
Misc. Non-Operating Income	410,328	99,521
Other Income Deductions	(240,792)	(68,112)
Taxes Other Than Income - Other	(912)	(6,000)
Income Taxes-Federal-Other Income	(63,491)	(9,552)
Income Taxes-State-Other Income	-	-
<b>Other (Income) and Deductions</b>	<u>105,133</u>	<u>15,857</u>
<b>Interest Charges</b>		
Interest on Debt to Associated Companies	156,402	98,713
Other Interest Expense	4,357	(269)
<b>Interest Charges</b>	<u>160,759</u>	<u>98,444</u>
<b>Extraordinary Items</b>		
Cumulative Effect - Change in		
Accounting Principles - Net	-	-
<b>Net Income</b>	<u>354,239</u>	<u>263,973</u>



**ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT**  
**FLO-GAS**  
**BALANCE SHEET - 09**  
**December 31, 2002**

Assets and Other Debits	Current	Last Year End
<b>Utility Plant</b>		
Utility Plant in Service	11,744,153	8,825,976
Utility Plant Purchased/Sold	-	-
Completed Construction Not Classified		
Construction Work in Progress	422,640	403,491
<b>Utility Plant</b>	<u>12,166,793</u>	<u>9,229,467</u>
<b>Accumulated Depreciation</b>		
Accumulated Dep. - Utility Plant in Service	(2,680,529)	(2,413,594)
Accumulated Dep. - Transportation Equip.	(476,566)	(450,109)
Retirement Work in Progress		
Accumulated Dep. - Rental Equipment	-	-
<b>Accumulated Depreciation</b>	<u>(3,157,095)</u>	<u>(2,863,703)</u>
<b>Other Utility Plant</b>		
Utility Plant Acquisition Adj.	-	2,538,061
Accum. Amort. - Utility Acq. Adj.	-	-
<b>Other Utility Plant</b>	<u>-</u>	<u>2,538,061</u>
<b>Other Property and Investments</b>		
Investment in Assoc. Companies -		
Common Stock	-	-
<b>Other Property and Investments</b>	<u>-</u>	<u>-</u>
<b>Current and Accrued Assets</b>		
Customer Accounts Receivable	874,095	690,127
Allowance for Uncollectible Accounts	(24,301)	(28,627)
Accounts Rec. from Associated Companies		
Operating Supplies - Propane	1,148,381	1,068,648
Prepayments - Taxes	1,720	-
Interest and Dividends Receivable		
Merchandise-Applian. & Supplies		
Accrued Utility Revenues	207,884	93,797
<b>Current and Accrued Assets</b>	<u>2,207,779</u>	<u>1,823,945</u>
<b>Deferred Debits</b>		
Goodwill	1,835,163	
Misc. Deferred Debits - Other W.I.P.		
Misc. Deferred Debits - Miscellaneous	137,958	177,383
Accum. Deferred Income Taxes	20,414	12,202
<b>Deferred Debits</b>	<u>1,993,535</u>	<u>189,585</u>
<b>ASSETS AND OTHER DEBITS</b>	<u>13,211,012</u>	<u>10,917,355</u>



## ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT

## FLO-GAS

## BALANCE SHEET - 09

December 31, 2002

	<u>Current</u>	<u>Last Year End</u>
Liabilities and Other Credits		
Proprietary Capital		
Common Stock Issued	10,000	10,000
Appropriated Retained Earnings	-	-
Unappropriated Retained Earnings	2,140,071	1,876,099
<b>Proprietary Capital</b>	<u>2,150,071</u>	<u>1,886,099</u>
Current and Accrued Liabilities		
Accounts Payable to Assoc. Companies	8,350,800	6,807,358
Customer Deposits	486,730	457,900
Taxes Accrued	(139,008)	40,728
Interest Accrued	5,605	2,818
Dividends Declared	-	-
Tax Collections Payable	58,704	46,270
Misc. Current and Accrued Liabilities	-	-
Customer Advances for Construction	149,473	565
Other Deferred Income Taxes - Other	-	-
Accumulated Deferred I.T.C.	7,705	12,022
<b>Current and Accrued Liabilities</b>	<u>8,920,009</u>	<u>7,367,661</u>
Operating Reserves		
Misc. Operating Reserves	-	-
Accum. Deferred Income Tax -		
Liberalized Depreciation	1,786,693	1,399,622
Accum. Deferred Income Taxes - Other	-	-
<b>Operating Reserves</b>	<u>1,786,693</u>	<u>1,399,622</u>
Year-to-Date Income/Loss	<u>354,239</u>	<u>263,973</u>
<b>LIABILITIES AND OTHER CREDITS</b>	<u>13,211,012</u>	<u>10,917,355</u>



## Analysis of Diversification Activity

Summary of Affiliated Transfers and Cost Allocations

**Company: Florida Public Utilities Company**

**For the Year Ended December 31, 2002**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

(a) Enter name of affiliate.

(b) Give description of type of service, or name the product involved.

(C) Enter contract or agreement effective dates.

(d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.

(e) Enter utility account number in which charges are recorded.

(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (C). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (C)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
	SEE ATTACHED SCHEDULES				



***Analysis of Diversification Activity***  
**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

**FLORIDA PUBLIC UTILITIES COMPANY**  
**For the Year Ended December 31, 2002**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		414	211	203	\$ N/A	\$ N/A	N/A
Flo-Gas Corporation	Meters	414	211	203	N/A	Transfer	N/A
	Computer Equipment	-	-	-	N/A	Transfer	N/A
Sales to Affiliates:		13,729	3,882	9,847	\$ N/A	Sales Price	N/A
	Computer Equipment	1,118	91	1,027	N/A	Transfer	N/A
	Meters	12,249	3,661	8,588	N/A	Transfer	N/A
	Regulators	362	130	232	N/A	Transfer	N/A
<b>Total</b>						\$	



## ***Analysis of Diversification Activity***

### ***Employee Transfers***

***Company: Florida Public Utilities Company***

***For the Year Ended December 31, 2002***

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Flo-Gas Does Not Have Any Transfers				



**NONUTILITY PROPERTY (Account 121)**

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service (line 39), or (2) other nonutility property (line 40).

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	Land in Volusia County, Florida	\$0	\$0	-
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				
36				
37				
38				
39	Minor Items Previously Donated to Public Service			
40	Minor Items - Other Nonutility Property			
41	TOTAL	\$0	\$0	\$0



## ***Number of Electric Department Employees***

***Company: Florida Public Utilities Company***

***For the Year Ended December 31, 2002***

### **NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES**

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	11/03/02
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	89
3	Total Part-Time and Temporary Employees	1
4	Total Employees	90



Operations

	Customers			Current Year increase	Prior year Increase	Average Increase
	Current Year	Prior Year	Two Years Prior			
Marianna - Electric	12,266	12,171	12,034	1%	1%	1%
Fernandina Beach - Electric	14,000	13,662	13,264	2%	3%	3%
Fernandina Beach - Water	7,056	6,943	6,788	2%	2%	2%
Gas Operations	45,954	40,912	39,286	11%	4%	7%



December 31, 2002

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND  
INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425: Miscellaneous Amortization	None
2		
3	Account 426: Miscellaneous Income Deductions	
4	426.11 Charitable Contributions: Inside Service Area	9,397
5	426.12 Charitable Contributions: Outside Service Area	0
6	426.13 Civic and Social Club Dues	2,881
7	426.2 Life Insurance	266
8	426.3 Penalties	(12)
9	426.4 Expenditures for Lobbying and Other Politically Related Activities	106
10	426.5 Other	
11	Chamber of Commerce	4,308
12	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	16,946
13		
14		
15	Account 430: Interest on Debt to Associated Company	
16	Accounts Payable at 4.844% (12 mo. avg. of the interest rates applied)	(156,402)
17		
18		
19	Account 431: Other Interest Expense	
20	431.1 Interest on Customer Deposits	289,677
21	431.2 Interest on Notes Payable	324,069
22	431.3 Interest on Miscellaneous	(1,128)
23	TOTAL OTHER INTEREST EXPENSE	612,618
24		
25		
26		
27		
28		



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STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 20 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.

3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

4. Use page 122 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate

proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account	Ref. Page No.	Total Current Year	Total Previous Year
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$19,097,409	\$17,246,192
3	Operating Expenses			
4	Operation Expenses (401)	320-323	14,519,562	12,813,166
5	Maintenance Expenses (402)	320-323	772,820	698,203
6	Depreciation Expense (403,405)	336-337	977,326	953,572
7	Amort. & Depl. of Utility Plant (404-405)	336-337	-	-
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,689,287	1,526,275
14	Income Taxes - Federal (409.1)		131,716	121,792
15	- Other (409.1)		22,258	20,680
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	(69,460)	43,247
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(21,026)	(22,282)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-18)		18,022,483	16,154,653
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,074,926	\$1,091,539



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.  
 2. In addition to Account 101, Electric Plant in Service (Classified) this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric  
 3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.  
 4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.  
 5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for

reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	0	0
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	0	
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement

showing subaccount classifications of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			\$0	(301)	1
			0	(302)	2
			0	(303)	3
0	0	0	0		4
					5
					6
			0	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
			0	(314)	11
			0	(315)	12
0	0	0	0	(316)	13
					14
			0	(320)	15
			0	(321)	16
			0	(322)	17
			0	(323)	18
0	0	0	0	(324)	19
			0	(325)	20
					21
			0	(330)	22
		0	0	(331)	23
			0	(332)	24
			0	(333)	25
			0	(334)	26
			0	(335)	27
0	0	0	0	(336)	28
					29
			0	(340)	30
			0	(341)	31
			0	(342)	32
			0	(343)	33
			0	(344)	34
			0	(345)	35
					36
					37
					38
					39



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	-	-
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	-	-
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	-	-
45	(352) Structures and Improvements	-	-
46	(353) Station Equipment	-	-
47	(354) Towers and Fixtures	-	-
48	(355) Poles and Fixtures	-	-
49	(356) Overhead Conductors and Devices	-	-
50	(357) Underground Conduit	-	-
51	(358) Underground Conductors and Devices	-	-
52	(359) Roads and Trails	-	-
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	-	-
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	17,100	-
56	(361) Structures and Improvements	-	-
57	(362) Station Equipment	928,832	17,790
58	(363) Storage Battery Equipment	-	-
59	(364) Poles, Towers, and Fixtures	5,176,457	347,938
60	(365) Overhead Conductors and Devices	5,220,580	276,801
61	(366) Underground Conduit	113,774	3,839
62	(367) Underground Conductors and Devices	504,010	53,750
63	(368) Line Transformers	5,062,172	219,127
64	(369) Services	2,621,513	159,379
65	(370) Meters	1,021,518	45,895
66	(371) Installations on Customer Premises	876,630	98,098
67	(372) Leased Property on Customer Premises	-	-
68	(373) Street Lighting and Signal Systems	265,095	84,380
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	21,807,681	1,306,997
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	3,766	-
72	(390) Structures and Improvements	912,235	-
73	(391) Office Furniture and Equipment	124,512	8,404
74	(392) Transportation Equipment	1,089,145	193,941
75	(393) Stores Equipment	87,191	-
76	(394) Tools, Shop and Garage Equipment	25,085	-
77	(395) Laboratory Equipment	25,766	31,561
78	(396) Power Operated Equipment	5,103	-
79	(397) Communication Equipment	21,225	-
80	(398) Miscellaneous Equipment	8,857	-
81	SUBTOTAL (Enter Total of lines 71 through 80)	2,302,885	233,906
82	(399) Other Tangible Property	-	-
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,302,885	233,906
84	TOTAL (Accounts 101 and 106)	24,110,566	1,540,903
85	(102) Electric Plant Purchased	-	-
86	(Less) (102) Electric Plant Sold	-	-
87	(103) Experimental Plant Unclassified	-	-
88	TOTAL Electric Plant in Service	24,110,566	1,540,903



Northwest Division		An Original		December 31, 2002	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			0	(346)	40
-	-	-	-		41
-	-	-	-		42
-					43
-		-	-	(350)	44
-		-	-	(352)	45
-		-	-	(353)	46
-		-	-	(354)	47
-		-	-	(355)	48
-		-	-	(356)	49
-		-	-	(357)	50
-		-	-	(358)	51
-		-	-	(359)	52
-	-	-	-		53
-		-	17,100	(360)	54
-		-	-	(361)	55
(36,722)		-	909,900	(362)	56
-		-	-	(363)	57
(43,185)	-	-	5,481,210	(364)	58
(17,201)	-	-	5,480,180	(365)	59
-		-	117,613	(366)	60
(3,421)		-	554,339	(367)	61
(16,671)	-	-	5,264,628	(368)	62
(6,026)		-	2,774,866	(369)	63
(9,963)		-	1,057,450	(370)	64
(30,850)		-	943,878	(371)	65
-	-	-	-	(372)	66
(10,272)	-	-	339,203	(373)	67
(174,311)	-	-	22,940,367		68
-	-	-	3,766	(389)	69
-		-	912,235	(390)	70
(33,438)	-	-	99,478	(391)	71
(22,978)		-	1,260,108	(392)	72
-		-	87,191	(393)	73
(111)		-	24,974	(394)	74
(2,433)		-	54,894	(395)	75
-		-	5,103	(396)	76
-		-	21,225	(397)	77
-		-	8,857	(398)	78
(58,960)	-	-	2,477,831		79
-	-	-	-	(399)	80
(58,960)	-	-	2,477,831		81
(233,271)	-	-	25,418,198		82
			-	(102)	83
			-	(103)	84
(233,271)	-	-	25,418,198		85
					86
					87
					88



## ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.

2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.

3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If

the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

## Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Balance Beginning of Year	10,902,324	10,902,324		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	957,460	957,460		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	117,011	117,011		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	0	0		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,074,471	1,074,471		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(233,271)	(233,271)		
12.	Cost of Removal	(99,635)	(99,635)		
13.	Salvage (Credit)	43,072	43,072		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(289,834)	(289,834)		
15.	Other Debit or Credit Items (Describe)				
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	11,686,961	11,686,961		

## Section B. Balances at End of Year According to Functional Classifications

18.	Steam Production				
19.	Nuclear Production				
20.	Hydraulic Production - Conventional				
21.	Hydraulic Production - Pumped Storage				
22.	Other Production				
23.	Transmission				
24.	Distribution	10,718,326	10,718,326		
25.	General	968,634	968,634		
26.	TOTAL (Enter Total of lines 18 thru 25)	11,686,960	11,686,960		



## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.  
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer

counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.  
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

OPERATING REVENUES			
Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	\$9,571,932	\$8,535,516
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	2,418,437	1,974,622
5	Large (or Industrial)	6,805,607	5,640,570
6	(444) Public Street and Highway Lighting	135,188	128,588
7	(445) Other Sales to Public Authorities	0	505,226
8	(456.3) Unbilled Revenues	(49,994)	14,825
9	(448) Interdepartmental Sales		
10			
11	TOTAL Sales to Ultimate Consumers	18,881,170	16,799,347
12	(447) Sales for Resale	0	0
13			
14	TOTAL Sales of Electricity	18,881,170	16,799,347
15	(Less) (449.1) Provision for Rate Refunds	0	0
16			
17	TOTAL Revenue Net of Provision for Refunds	18,881,170	16,799,347
18	Other Operating Revenues		
19	(450) Forfeited Discounts	54,691	60,581
20	(451) Miscellaneous Service Revenues	101,494	86,907
21	(453) Sales of Water and Water Power	0	0
22	(454) Rent from Electric Property	75,353	77,656
23	(455) Interdepartmental Rents	0	0
24	(456.2) Other Electric Revenues	218	1,177
25	(456.1) Overrecoveries Purchase Electric	(23,208)	230,213
26	(456.6) Conservation Overrecoveries	7,691	(9,689)
27			
28			
29	TOTAL Other Operating Revenues	216,239	446,845
30			
31	TOTAL Electric Operating Revenues	\$19,097,409	\$17,246,192



ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5, and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
144,884	132,627	9,853	9,776	1
				2
31,328	26,650	2,010	1,858	3
138,116	120,834	392	358	4
1,120	958	11	29	5
0	10,495	0	150	6
(4,690)	1,391			7
	0			8
				9
310,758	292,955	12,266	12,171	10
				11
310,758	292,955	12,266	12,171	12
				13
310,758	292,955	12,266	12,171	14
				15
310,758	292,955	12,266	12,171	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account	Amount for Current Year	Amount for Previous Year
1 (1) POWER PRODUCTION EXPENSES		
2 A. Steam Power Generation		
3 Operation		
4 (500) Operation Supervision and Engineering		
5 (501) Fuel		
6 (502) Steam Expenses		
7 (503) Steam from Other Sources		
8 (Less) (504) Steam Transferred-Cr.		
9 (505) Electric Expenses		
10 (506) Miscellaneous Steam Power Expenses		
11 (507) Rents		
12 TOTAL Operation	-	-
13 Maintenance		
14 (510) Maintenance Supervision and Engineering		
15 (511) Maintenance of Structures		
16 (512) Maintenance of Boiler Plant		
17 (513) Maintenance of Electric Plant		
18 (514) Maintenance of Miscellaneous Steam Plant		
19 TOTAL Maintenance	-	-
20 TOTAL Power Production Expenses-Steam Plant	-	-
21 B. Nuclear Power Generation		
22 Operation		
23 (517) Operation Supervision and Engineering		
24 (518) Fuel		
25 (519) Coolants and Water		
26 (520) Steam Expenses		
27 (521) Steam from Other Sources		
28 (Less) (522) Steam Transferred-Cr.		
29 (523) Electric Expenses		
30 (524) Miscellaneous Nuclear Power Expenses		
31 (525) Rents		
32 TOTAL Operation	-	-
33 Maintenance		
34 (528) Maintenance Supervision and Engineering		
35 (529) Maintenance of Structures		
36 (530) Maintenance of Reactor Plant Equipment		
37 (531) Maintenance of Electric Plant		
38 (532) Maintenance of Miscellaneous Nuclear Plant		
39 TOTAL Maintenance	-	-
40 TOTAL Power Production Expenses-Nuclear Power	-	-
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	-	-
44 (536) Water for Power	-	-
45 (537) Hydraulic Expenses	-	-
46 (538) Electric Expenses	-	-
47 (539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48 (540) Rents		
49 TOTAL Operation	-	-



ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
50 C. Hydraulic Power Generation (Continued)		
51 Maintenance		
52 (541) Maintenance Supervision and Engineering		
53 (542) Maintenance of Structures	-	-
54 (543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55 (544) Maintenance of Electric Plant	-	-
56 (545) Maintenance of Miscellaneous Hydraulic Plant		
57 TOTAL Maintenance	-	-
58 TOTAL Power Production Expenses-Hydraulic Power	-	-
59 D. Other Power Generation		
60 Operation		
61 (546) Operation Supervision and Engineering		
62 (547) Fuel		
63 (548) Generation Expenses		
64 (549) Miscellaneous Other Power Generation Expenses		
65 (550) Rents		
66 TOTAL Operation	-	-
67 Maintenance		
68 (551) Maintenance Supervision and Engineering		
69 (552) Maintenance of Structures		
70 (553) Maintenance of Generating and Electric Plant		
71 (554) Maintenance of Miscellaneous Other Power Generation Plant	-	
72 TOTAL Maintenance	-	-
73 TOTAL Power Production Expenses-Other Power	-	-
74 E. Other Power Supply Expenses		
75 (555) Purchased Power	12,128,866	10,789,275
76 (556) System Control and Load Dispatching		
77 (557) Other Expenses		
78 TOTAL Other Power Supply Expenses	12,128,866	10,789,275
79 TOTAL Power Production Expenses	12,128,866	10,789,275
80 2. TRANSMISSION EXPENSES		
81 Operation		
82 (560) Operation Supervision and Engineering		
83 (561) Load Dispatching		
84 (562) Station Expenses		
85 (563) Overhead Line Expenses		
86 (564) Underground Line Expenses		
87 (565) Transmission of Electricity by Others		
88 (566) Miscellaneous Transmission Expenses		
89 (567) Rents		
90 TOTAL Operation	-	-
91 Maintenance		
92 (568) Maintenance Supervision and Engineering		
93 (569) Maintenance of Structures		
94 (570) Maintenance of Station Equipment		
95 (571) Maintenance of Overhead Lines		
96 (572) Maintenance of Underground Lines		
97 (573) Maintenance of Miscellaneous Transmission Plant		
98 TOTAL Maintenance	-	-
99 TOTAL Transmission Expenses	-	-
100 3. DISTRIBUTION EXPENSES		
101 Operation		
102 (580) Operation Supervision and Engineering	151,658	140,146
103 (581) Load Dispatching		



ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
104 3. DISTRIBUTION EXPENSES (Continued)		
105		
106 (582) Station Expenses	11,293	8,296
107 (583) Overhead Line Expenses	65,919	57,028
108 (584) Underground Line Expenses	1,215	1,009
109 (585) Street Lighting and Signal System Expenses	11,432	10,197
110 (586) Meter Expenses	132,819	128,124
111 (587) Customer Installations Expenses	53,445	46,017
112 (588) Miscellaneous Distribution Expenses	67,286	68,967
113 (589) Rents	645	695
114 TOTAL Operation	495,712	460,479
115 Maintenance		
116 (590) Maintenance Supervision and Engineering	24,806	23,002
117 (591) Maintenance of Structures	0	0
118 (592) Maintenance of Station Equipment	14,454	12,122
119 (593) Maintenance of Overhead Lines	596,512	531,845
120 (594) Maintenance of Underground Lines	9,701	8,490
121 (595) Maintenance of Line Transformers	55,848	55,696
122 (596) Maintenance of Street Lighting and Signal Systems	6,793	6,305
123 (597) Maintenance of Meters	13,228	13,616
124 (598) Maintenance of Miscellaneous Distribution Plant	31,527	23,215
125 TOTAL Maintenance	752,869	674,291
126 TOTAL Distribution Expenses	1,248,581	1,134,770
127 4. CUSTOMER ACCOUNTS EXPENSES		
128 Operation		
129 (901) Supervision	50,596	47,256
130 (902) Meter Reading Expenses	149,049	146,637
131 (903) Customer Records and Collection Expenses	348,317	321,945
132 (904) Uncollectible Accounts	19,970	47,384
133 (905) Miscellaneous Customer Accounts Expenses	32,001	32,337
134 TOTAL Customer Accounts Expenses	599,933	595,559
135 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136 Operation		
137 (907) Supervision	47,768	43,611
138 (908) Customer Assistance Expenses	110,026	74,006
139 (909) Informational and Instructional Expenses	65,677	52,861
140 (910) Misc. Cust. Service & Informational -Includes underrecovery (906)	45,391	(17,795)
141 TOTAL Cust. Service and Informational Expenses	268,862	152,683
142 6. SALES EXPENSES		
143 Operation		
144 (911) Supervision		
145 (912) Demonstrating and Selling Expenses	-	-
146 (913) Advertising Expenses	869	1,510
147 (916) Miscellaneous Sales Expenses	63	-
148 TOTAL Sales Expenses	932	1,510
149 7. ADMINISTRATIVE AND GENERAL EXPENSES		
150 Operation		
151 (920) Administrative and General Salaries	356,601	365,850
152 (921) Office Supplies and Expenses	104,269	88,461
153 (Less) (922) Administrative expenses Transferred-Cr.	-	-
154 (923) Outside Services Employed	46,523	29,942
155 (924) Property Insurance	115,582	112,759
156 (925) Injuries and Damages	200,239	62,631
157 (926) Employee Pensions and Benefits	129,083	110,334



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account		Amount for Current Year	Amount for Previous Year
157	7. ADMINISTRATIVE AND GENERAL EXPENSES		
158	(927) Franchise Requirements		
159	(928) Regulatory Commission Expenses	2,618	1,587
160	(Less) (929) Duplicate Charges-Cr.		
161	(930.1) General Advertising Expenses	0	21
162	(930.2) Miscellaneous General Expenses	68,323	40,411
163	(931) Rents	2,019	1,664
164	TOTAL Operation	1,025,257	813,660
165	Maintenance		
166	(935) Maintenance of General Plant	19,951	23,912
167	TOTAL Administrative and General Expenses	1,045,208	837,572
168	TOTAL Electric Operation and Maintenance Expenses	15,292,382	13,511,369

## NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1	Payroll Period Ended (Date)	11/3/2002
2	Total Regular Full-Time Employees	34
3	Total Part-Time and Temporary Employees	-
4	Total Employees	34



DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)  
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for:  
(a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional

classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				
2	Steam Production Plant				
3	Nuclear Production Plant				
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage **	(13,522)			(13,522)
6	Other Production Plant	0			0
7	Transmission Plant	0			0
8	Distribution Plant	917,588			917,588
9	General Plant	39,872			39,872
10	Common Plant-Electric	33,388			33,388
11	TOTAL	\$977,326	\$0	\$0	\$977,326

B. Basis for Amortization Charges

\* Not included on page 219, Line 3.

\*\* Not Included on page 219, Line 3 (Amortization of deferred gain on sale of hydro plant).



FLORIDA PUBLIC UTILITIES COMPANY  
MARIANNA ELECTRIC DIVISION  
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(6)  
2002

PLANT IN SERVICE (\$)							RESERVE (\$)					(CREDIT BALANCES)				
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance
350	-	-	-	-	-	-	350	-	-	-	-	-	-	-	-	-
3501	-	-	-	-	-	-	3501	-	-	-	-	-	-	-	-	-
352	-	-	-	-	-	-	352	-	-	-	-	-	-	-	-	-
353	-	-	-	-	-	-	353	-	-	-	-	-	-	-	-	-
354	-	-	-	-	-	-	354	-	-	-	-	-	-	-	-	-
355	-	-	-	-	-	-	355	-	-	-	-	-	-	-	-	-
356	-	-	-	-	-	-	356	-	-	-	-	-	-	-	-	-
359	-	-	-	-	-	-	359	-	-	-	-	-	-	-	-	-
360	1,100	-	-	-	-	1,100	360	(4,945)	-	300	-	-	-	-	-	(4,645)
3601	16,000	-	-	-	-	16,000	3601	1,185	-	-	-	-	-	-	-	1,185
361	-	-	-	-	-	-	361	(5,205)	-	5,205	-	-	-	-	-	-
362	928,832	17,790	-	-	(36,722)	909,900	362	462,689	(36,722)	20,203	-	-	-	-	-	446,170
364	5,176,457	347,938	-	-	(43,185)	5,481,210	364	2,193,065	(43,185)	206,515	3,393	(57,004)	-	-	-	2,302,784
365	5,220,580	276,801	-	-	(17,201)	5,480,180	365	2,582,074	(17,201)	228,498	7,770	(25,106)	-	-	-	2,776,035
366	113,774	3,839	-	-	-	117,613	366	29,840	-	(1,401)	-	-	-	-	-	28,439
367	504,010	53,750	-	-	(3,421)	554,339	367	146,056	(3,421)	(6,379)	3,550	(268)	-	-	-	139,538
368	5,062,172	219,127	-	-	(16,671)	5,264,628	368	2,618,274	(16,671)	206,955	788	(3,348)	-	-	-	2,805,998
369	2,621,513	159,379	-	-	(6,026)	2,774,866	369	1,126,070	(6,026)	118,382	3,369	(8,371)	-	-	-	1,233,424
370	1,021,518	45,895	-	-	(9,963)	1,057,450	370	633,620	(9,963)	38,645	1,292	(165)	-	-	-	663,429
371	876,630	98,098	-	-	(30,850)	943,878	371	199,583	(30,850)	85,053	5,033	(3,841)	-	-	-	254,978
373	265,095	84,380	-	-	(10,272)	339,203	373	65,931	(10,272)	15,612	1,252	(1,532)	-	-	-	70,991
389	3,766	-	-	-	-	3,766	389	-	-	-	-	-	-	-	-	-
390	912,235	-	-	-	-	912,235	390	170,727	-	(11,359)	-	-	-	-	-	159,368
3911	2,657	-	-	-	-	2,657	3911	2,620	-	35	-	-	-	-	-	2,655
3912	13,755	-	-	-	-	13,755	3912	5,556	-	248	-	-	-	-	-	5,804
3913	108,100	8,404	-	-	(33,438)	83,066	3913	63,511	(33,438)	10,810	-	-	-	-	-	40,883
3921	41,517	-	-	-	-	41,517	3921	8,763	-	10,352	-	-	-	-	-	19,115
3922	218,851	21,156	-	-	(22,978)	217,029	3922	121,766	(22,978)	21,303	2,500	-	-	-	-	122,591
3923	808,742	120,274	-	-	-	929,016	3923	392,954	-	104,318	12,000	-	-	-	-	509,272
3924	20,035	52,511	-	-	-	72,546	3924	7,446	-	3,230	-	-	-	-	-	10,676
3931	86,430	-	-	-	-	86,430	3931	36,011	-	9,341	-	-	-	-	-	45,352
3932	761	-	-	-	-	761	3932	351	-	108	-	-	-	-	-	459
3941	5,063	-	-	-	(111)	4,952	3941	2,089	(111)	597	-	-	-	-	-	2,575
3942	20,022	-	-	-	-	20,022	3942	15,755	-	1,108	-	-	-	-	-	16,863
3951	9,547	24,025	-	-	-	33,572	3951	3,838	-	1,143	-	-	-	-	-	4,981
3952	16,219	7,536	-	-	(2,433)	21,322	3952	11,978	(2,433)	1,046	-	-	-	-	-	10,591
396	5,103	-	-	-	-	5,103	396	1,134	-	348	-	-	-	-	-	1,482
397	21,225	-	-	-	-	21,225	397	6,323	-	4,248	2,125	-	-	-	-	12,696
398	8,857	-	-	-	-	8,857	398	3,271	-	-	-	-	-	-	-	3,271
24,110,566	1,540,903	-	-	0	(233,271)	25,418,198		10,902,331	(233,271)	1,074,464	43,072	(99,635)	-	-	-	11,686,961



STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 20 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate

proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account	Ref. Page No.	Total Current Year	Total Previous Year
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$21,832,273	\$21,803,439
3	Operating Expenses			
4	Operation Expenses (401)	320-323	16,590,662	16,455,611
5	Maintenance Expenses (402)	320-323	590,334	936,529
6	Depreciation Expense (403,405)	336-337	1,210,194	1,179,254
7	Amort. & Depl. of Utility Plant (404-405)	336-337	-	-
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,599,660	1,594,342
14	Income Taxes - Federal (409.1)		436,015	139,654
15	- Other (409.1)		74,399	23,655
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	(246,108)	106,697
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(35,499)	(36,764)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
	TOTAL Utility Operating Expenses (Total of lines 4-18)		20,219,657	20,398,978
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,612,616	\$1,404,461



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.  
 2. In addition to Account 101, Electric Plant in Service (Classified) this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric  
 3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.  
 4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.  
 5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for

reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	0	0
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	0	0
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements		
19	(322) Reactor Plant Equipment		
20	(323) Turbogenerator Units		
21	(324) Accessory Electric Equipment		
22	(325) Misc. Power Plant Equipment		
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	0	
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment		
30	(335) Misc. Power Plant Equipment		
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		



## ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement

showing subaccount classifications of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			\$0	(301)	1
			0	(302)	2
			0	(303)	3
0	0	0	0		4
			0		5
					6
			0	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
			0	(314)	11
			0	(315)	12
0	0	0	0	(316)	13
			0		14
			0		15
			0	(320)	16
			0	(321)	17
			0	(322)	18
			0	(323)	19
			0	(324)	20
0	0	0	0	(325)	21
			0		22
			0		23
			0	(330)	24
			0	(331)	25
			0	(332)	26
			0	(333)	27
			0	(334)	28
			0	(335)	29
0	0	0	0	(336)	30
			0		31
			0		32
			0	(340)	33
			0	(341)	34
			0	(342)	35
			0	(343)	36
			0	(344)	37
			0	(345)	38
			0		39



Northeast Division		December 31, 2002	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	0	0
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	0	0
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	74,148	0
45	(352) Structures and Improvements	26,401	0
46	(353) Station Equipment	1,950,347	11,883
47	(354) Towers and Fixtures	244,665	0
48	(355) Poles and Fixtures	1,774,572	691,060
49	(356) Overhead Conductors and Devices	986,486	1,015,053
50	(357) Underground Conduit	0	0
51	(358) Underground Conductors and Devices	0	0
52	(359) Roads and Trails	6,788	0
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	5,063,407	1,717,996
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	10,160	0
56	(361) Structures and Improvements	94,408	1,634
57	(362) Station Equipment	1,968,462	438,660
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	1,709,533	86,436
60	(365) Overhead Conductors and Devices	2,798,468	65,257
61	(366) Underground Conduit	1,570,948	47,110
62	(367) Underground Conductors and Devices	2,863,575	125,044
63	(368) Line Transformers	5,650,016	332,728
64	(369) Services	3,562,696	250,474
65	(370) Meters	1,804,906	75,211
66	(371) Installations on Customer Premises	438,010	94,624
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	713,290	28,996
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	23,184,472	1,546,174
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	68,696	0
72	(390) Structures and Improvements	441,827	5,301
73	(391) Office Furniture and Equipment	436,075	21,167
74	(392) Transportation Equipment	1,157,891	21,030
75	(393) Stores Equipment	20,488	0
76	(394) Tools, Shop and Garage Equipment	92,980	5,503
77	(395) Laboratory Equipment	47,911	0
78	(396) Power Operated Equipment	111,539	0
79	(397) Communication Equipment	107,469	0
80	(398) Miscellaneous Equipment	11,180	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	2,496,056	53,001
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,496,056	53,001
84	TOTAL (Accounts 101 and 106)	30,743,935	3,317,171
85	(102) Electric Plant Purchased	0	0
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	0	0
88	TOTAL Electric Plant in Service	\$30,743,935	\$3,317,171



Northeast Division		An Original			December 31, 2002	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)						
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.	
			0	(346)	40	
0	0	0	0		41	
0	0	0	0		42	
					43	
0	0	0	74,148	(350)	44	
0	0	0	26,401	(352)	45	
0	0	0	1,962,230	(353)	46	
0	0	0	244,665	(354)	47	
(8,494)	0	0	2,457,138	(355)	48	
0	0	0	2,001,539	(356)	49	
0	0	0	0	(357)	50	
0	0	0	0	(358)	51	
0	0	0	6,788	(359)	52	
(8,494)	0	0	6,772,909		53	
					54	
0	0	0	10,160	(360)	55	
0	0	0	96,042	(361)	56	
0	0	0	2,407,122	(362)	57	
0	0	0	0	(363)	58	
(5,331)	0	0	1,790,638	(364)	59	
(12,117)	0	0	2,851,608	(365)	60	
0	0	0	1,618,058	(366)	61	
(3,250)	0	0	2,985,369	(367)	62	
(52,937)	0	0	5,929,807	(368)	63	
(1,588)	0	0	3,811,582	(369)	64	
(44,115)	0	0	1,836,002	(370)	65	
(12,985)	0	0	519,649	(371)	66	
0	0	0	0	(372)	67	
(11,475)	0	0	730,811	(373)	68	
(143,798)	0	0	24,586,848		69	
					70	
0	0	0	68,696	(389)	71	
0	0	0	447,128	(390)	72	
(2,713)	0	3,199	457,728	(391)	73	
(11,691)	0	(32,891)	1,134,339	(392)	74	
0	0	0	20,488	(393)	75	
0	0	0	98,483	(394)	76	
0	0	0	47,911	(395)	77	
0	0	0	111,539	(396)	78	
0	0	0	107,469	(397)	79	
0	0	0	11,180	(398)	80	
(14,404)	0	(29,692)	2,504,961		81	
				(399)	82	
(14,404)	0	(29,692)	2,504,961		83	
(166,696)	0	(29,692)	33,864,718		84	
0			0	(102)	85	
					86	
0			0	(103)	87	
(\$166,696)	\$0	(\$29,692)	33,864,718		88	



## ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If

the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

## Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1.	Balance Beginning of Year	12,362,546	12,362,546		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,171,833	1,171,833		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	107,951	107,951		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(13,040)	(13,040)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,266,744	1,266,744		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(166,696)	(166,696)		
12.	Cost of Removal	(71,015)	(71,015)		
13.	Salvage (Credit)	3,602	3,602		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(234,109)	(234,109)		
15.	Other Debit or Credit Items (Describe)				
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	13,395,181	13,395,181		

## Section B. Balances at End of Year According to Functional Classifications

18.	Steam Production				
19.	Nuclear Production				
20.	Hydraulic Production - Conventional	0	0		
21.	Hydraulic Production - Pumped Storage				
22.	Other Production	0	0		
23.	Transmission	2,076,892	2,076,892		
24.	Distribution	9,991,091	9,991,091		
25.	General	1,327,198	1,327,198		
26.	TOTAL (Enter Total of lines 18 thru 25)	13,395,181	13,395,181		



## ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.  
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer

counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.  
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

OPERATING REVENUES			
Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	\$11,469,731	\$9,901,383
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	2,149,380	1,856,121
5	Large (or Industrial)	8,542,114	9,299,045
6	(444) Public Street and Highway Lighting	98,809	101,076
7	(445) Other Sales to Public Authorities	0	79,054
8	(456.3) Unbilled Revenues	25,748	34,855
9	(448) Interdepartmental Sales	144,506	138,893
10			
11	TOTAL Sales to Ultimate Consumers	22,430,288	21,410,427
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	22,430,288	21,410,427
15	(Less) (449.1) Provision for Rate Refunds	(30,000)	6,155
16			
17	TOTAL Revenue Net of Provision for Refunds	22,400,288	21,416,582
18	Other Operating Revenues		
19	(450) Forfeited Discounts	70,404	73,127
20	(451) Miscellaneous Service Revenues	63,712	43,873
21	(453) Sales of Water and Water Power	0	0
22	(454) Rent from Electric Property	28,521	29,377
23	(455) Interdepartmental Rents	0	0
24	(456.2) Other Electric Revenues	15,142	12,873
25	(456.1) Overrecoveries Purchase Electric	(718,891)	242,296
26	(456.6) Overrecoveries Conservation	(26,903)	(14,689)
27			
28			
29	TOTAL Other Operating Revenues	(568,015)	386,857
30			
31	TOTAL Electric Operating Revenues	\$21,832,273	\$21,803,439



ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

5. See page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5, and 6, see page 304 for amounts relating to unbilled revenues by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
188,185	178,060	12,390	12,090	1
				2
				3
33,852	31,082	1,366	1,234	4
202,561	218,650	230	228	5
745	762	7	7	6
0	1,258	0	97	7
2,090	2,830			8
2,847	3,019	7	6	9
				10
430,280	435,661	14,000	13,662	11
				12
				13
430,280	435,661	14,000	13,662	14
				15
				16
430,280	435,661	14,000	13,662	17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account	Amount for Current Year	Amount for Previous Year
1 (1) POWER PRODUCTION EXPENSES		
2 A. Steam Power Generation		
3 Operation		
4 (500) Operation Supervision and Engineering		
5 (501) Fuel		
6 (502) Steam Expenses		
7 (503) Steam from Other Sources		
8 (Less) (504) Steam Transferred-Cr.		
9 (505) Electric Expenses		
10 (506) Miscellaneous Steam Power Expenses		
11 (507) Rents		
12 TOTAL Operation	-	-
13 Maintenance		
14 (510) Maintenance Supervision and Engineering		
15 (511) Maintenance of Structures		
16 (512) Maintenance of Boiler Plant		
17 (513) Maintenance of Electric Plant		
18 (514) Maintenance of Miscellaneous Steam Plant		
19 TOTAL Maintenance	-	-
20 TOTAL Power Production Expenses-Steam Plant	-	-
21 B. Nuclear Power Generation		
22 Operation		
23 (517) Operation Supervision and Engineering		
24 (518) Fuel		
25 (519) Coolants and Water		
26 (520) Steam Expenses		
27 (521) Steam from Other Sources		
28 (Less) (522) Steam Transferred-Cr.		
29 (523) Electric Expenses		
30 (524) Miscellaneous Nuclear Power Expenses		
31 (525) Rents		
32 TOTAL Operation	-	-
33 Maintenance		
34 (528) Maintenance Supervision and Engineering		
35 (529) Maintenance of Structures		
36 (530) Maintenance of Reactor Plant Equipment		
37 (531) Maintenance of Electric Plant		
38 (532) Maintenance of Miscellaneous Nuclear Plant		
39 TOTAL Maintenance	-	-
40 TOTAL Power Production Expenses-Nuclear Power	-	-
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	-	-
44 (536) Water for Power		
45 (537) Hydraulic Expenses	-	-
46 (538) Electric Expenses	-	-
47 (539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48 (540) Rents		
49 TOTAL Operation	-	-



## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
50 C. Hydraulic Power Generation (Continued)		
51 Maintenance		
52 (541) Maintenance Supervision and Engineering	-	-
53 (542) Maintenance of Structures	-	-
54 (543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55 (544) Maintenance of Electric Plant	-	-
56 (545) Maintenance of Miscellaneous Hydraulic Plant		
57 TOTAL Maintenance	-	-
58 TOTAL Power Production Expenses-Hydraulic Power	-	-
59 D. Other Power Generation		
60 Operation		
61 (546) Operation Supervision and Engineering		
62 (547) Fuel		
63 (548) Generation Expenses		
64 (549) Miscellaneous Other Power Generation Expenses		
65 (550) Rents		
66 TOTAL Operation	-	-
67 Maintenance		
68 (551) Maintenance Supervision and Engineering		
69 (552) Maintenance of Structures		
70 (553) Maintenance of Generating and Electric Plant		
71 (554) Maintenance of Miscellaneous Other Power Generation Plant	7	
72 TOTAL Maintenance	7	-
73 TOTAL Power Production Expenses-Other Power	7	-
74 E. Other Power Supply Expenses		
75 (555) Purchased Power	14,368,985	14,500,594
76 (556) System Control and Load Dispatching		
77 (557) Other Expenses		
78 TOTAL Other Power Supply Expenses	14,368,985	14,500,594
79 TOTAL Power Production Expenses	14,368,992	14,500,594
80 2. TRANSMISSION EXPENSES		
81 Operation		
82 (560) Operation Supervision and Engineering		
83 (561) Load Dispatching		
84 (562) Station Expenses	12,569	13,382
85 (563) Overhead Line Expenses		
86 (564) Underground Line Expenses		
87 (565) Transmission of Electricity by Others		
88 (566) Miscellaneous Transmission Expenses	7,541	110
89 (567) Rents		
90 TOTAL Operation	20,110	13,492
91 Maintenance		
92 (568) Maintenance Supervision and Engineering		
93 (569) Maintenance of Structures		
94 (570) Maintenance of Station Equipment	20,483	76,730
95 (571) Maintenance of Overhead Lines	23,583	33,496
96 (572) Maintenance of Underground Lines		
97 (573) Maintenance of Miscellaneous Transmission Plant	-	-
98 TOTAL Maintenance	44,066	110,226
99 TOTAL Transmission Expenses	64,176	123,718
100 3. DISTRIBUTION EXPENSES		
101 Operation		
102 (580) Operation Supervision and Engineering	84,551	114,458
103 (581) Load Dispatching	297	319



ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
104 3. DISTRIBUTION EXPENSES (Continued)		
105		
106 (582) Station Expenses	23,486	5,993
107 (583) Overhead Line Expenses	23,404	12,618
108 (584) Underground Line Expenses	34,095	10,764
109 (585) Street Lighting and Signal System Expenses	17,476	7,112
110 (586) Meter Expenses	76,909	65,023
111 (587) Customer Installations Expenses	46,324	30,027
112 (588) Miscellaneous Distribution Expenses	95,365	102,546
113 (589) Rents	12,442	4,787
114 TOTAL Operation	414,349	353,647
115 Maintenance		
116 (590) Maintenance Supervision and Engineering	36,247	34,695
117 (591) Maintenance of Structures	8,122	21,825
118 (592) Maintenance of Station Equipment	60,662	107,807
119 (593) Maintenance of Overhead Lines	207,992	403,122
120 (594) Maintenance of Underground Lines	126,933	129,568
121 (595) Maintenance of Line Transformers	30,828	53,020
122 (596) Maintenance of Street Lighting and Signal Systems	11,614	20,063
123 (597) Maintenance of Meters	25,136	11,807
124 (598) Maintenance of Miscellaneous Distribution Plant	20,754	14,798
125 TOTAL Maintenance	528,288	796,705
126 TOTAL Distribution Expenses	942,637	1,150,352
127 4. CUSTOMER ACCOUNTS EXPENSES		
128 Operation		
129 (901) Supervision	45,734	57,467
130 (902) Meter Reading Expenses	71,612	61,248
131 (903) Customer Records and Collection Expenses	336,847	348,084
132 (904) Uncollectible Accounts	7,498	51,763
133 (905) Miscellaneous Customer Accounts Expenses	44,606	42,783
134 TOTAL Customer Accounts Expenses	506,297	561,345
135 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136 Operation		
137 (907) Supervision	31,709	38,036
138 (908) Customer Assistance Expenses	101,358	70,852
139 (909) Informational and Instructional Expenses	49,695	48,665
140 (910) Misc. Cust. Service and Informational -Includes underrecovery	35,016	(11,956)
141 TOTAL Cust. Service and Informational Expenses	217,778	145,597
142 6. SALES EXPENSES		
143 Operation		
144 (911) Supervision		
145 (912) Demonstrating and Selling Expenses	-	76
146 (913) Advertising Expenses	2,126	1,179
147 (916) Miscellaneous Sales Expenses	126	-
148 TOTAL Sales Expenses	2,252	1,255
149 7. ADMINISTRATIVE AND GENERAL EXPENSES		
150 Operation		
151 (920) Administrative and General Salaries	491,345	442,958
152 (921) Office Supplies and Expenses	125,060	96,269
153 (Less) (922) Administrative expenses Transferred-Cr.	-	-
154 (923) Outside Services Employed	47,663	33,621
155 (924) Property Insurance	42,132	37,570
156 (925) Injuries and Damages	162,174	120,441
157 (926) Employee Pensions and Benefits	125,609	107,589



ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
157 7. ADMINISTRATIVE AND GENERAL EXPENSES		
158 (927) Franchise Requirements		
159 (928) Regulatory Commission Expenses	2,824	933
160 (Less) (929) Duplicate Charges-Cr.		
161 (930.1) General Advertising Expenses	713	721
162 (930.2) Miscellaneous General Expenses	61,352	37,915
163 (931) Rents	2,019	1,664
164 TOTAL Operation	1,060,891	879,681
165 Maintenance		
166 (935) Maintenance of General Plant	17,973	29,598
167 TOTAL Administrative and General Expenses	1,078,864	909,279
168 TOTAL Electric Operation and Maintenance Expenses	17,180,996	17,392,140

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1 Payroll Period Ended (Date)	11/3/2002
2 Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	55
3 Total Part-Time and Temporary Employees	1
4 Total Employees	56



DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)  
(Except amortization of acquisition adjustments)

1. Report in Section A for the year the amounts for:  
(a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional

classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.

If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

## A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				
2	Steam Production Plant				
3	Nuclear Production Plant				
4	Hydraulic Production Plant-Conventional	0			0
5	Hydraulic Production Plant-Pumped Storage	0			0
6	Other Production Plant	0			0
7	Transmission Plant	155,067			155,067
8	Distribution Plant	921,301			921,301
9	General Plant	95,465			95,465
10	Common Plant-Electric *	38,361			38,361
11	TOTAL	\$1,210,194	\$0	\$0	\$1,210,194

## B. Basis for Amortization Charges

\* Not included on page 219, Line 3.



FLORIDA PUBLIC UTILITIES COMPANY  
FERNANDINA BEACH ELECTRIC DIVISION  
REPORT OF DEPRECIATION DATA UNDER RULE 25-5.0436(8)  
2002

Plant	PLANT IN SERVICE (\$)				Plant Acct.	Beginning Balance	RESERVE (\$)				(CREDIT BALANCES)		
	Beginning Balance	Additions	Purchases & Adjustments	Transfers			Retirements	Accruals	Salvage	Cost of Removal	Adjustments	Transfers	Reclassi- fications
350	17,629				350	27,668	-	1,188					28,856
3501	56,519				3501	-	-	-	-	-	-	-	12,395
352	26,401				352	11,843	-	552					811,761
353	1,950,347	11,883			353	762,973	-	48,788					161,763
354	244,665				354	157,359	-	4,404					664,409
355	1,774,572	691,060			355	603,893	(8,494)	69,295		(285)			394,847
356	986,486	1,015,053			356	392,708	-	30,576		(28,437)			2,861
359	6,788				359	2,597	-	264					121
360	9,972				360	109	-	12					-
3601	188				3601	-	-	-					22,171
361	94,408	1,634			361	20,068	-	2,103		(4,474)			997,690
362	1,968,462	438,660			362	925,388	-	76,776		(13,493)			829,472
364	1,709,533	86,436			364	762,677	(5,331)	85,529	90	(8,132)			1,356,082
365	2,798,468	65,257			365	1,246,742	(12,117)	126,928	2,661				350,454
366	1,570,948	47,110			366	318,574	-	31,880		(899)			1,046,816
367	2,863,575	125,044			367	969,247	(3,250)	81,718		(11,079)			2,571,669
368	5,650,016	332,728			368	2,384,003	(52,937)	251,581	101	(1,258)			1,497,046
369	3,562,696	250,474			369	1,360,096	(1,588)	139,796		(1,021)			941,981
370	1,804,906	75,211			370	923,418	(44,115)	63,699		(866)			164,221
371	438,010	94,624			371	147,873	(12,985)	30,199		(1,071)			213,368
373	713,290	28,996			373	194,834	(11,475)	31,080					6,704
389	68,696				389	6,704	-	8,858					193,896
390	441,827	5,301			390	185,038	-	432					2,924
3911	4,713				3911	2,492	-	2,052					18,104
3912	23,961				3912	16,052	-	50,927					233,676
3913	407,401	21,167		3,199	3913	184,591	(2,713)	4,121				871	24,383
3921	66,365	21,030		(32,891)	3921	34,173	-	41,970	750			(13,911)	183,155
3922	331,609				3922	152,126	(11,691)	60,984					394,446
3923	726,038				3923	333,462	-	876					9,364
3924	33,879				3924	8,488	-	962					16,632
3931	20,488				3931	15,670	-	-					14,329
3932	-				3932	-	-	-					39,673
3941	32,821				3941	9,817	-	4,512					15,896
3942	60,159	5,503			3942	35,329	-	4,344					15,530
3951	30,675				3951	12,200	-	3,696					72,462
3952	17,236				3952	14,954	-	576					78,033
396	111,539				396	67,782	-	4,680					7,991
397	107,469				397	64,137	-	13,896					-
398	11,180				398	7,460	-	531					-
	30,743,935	3,317,171	-	(29,692)		12,362,545	(166,696)	1,279,785	3,602	(71,015)	-	(13,040)	13,395,181



**FLORIDA PUBLIC UTILITIES COMPANY  
ANNUAL STATUS REPORT FOR  
STORM DAMAGE RESERVE (MARIANNA)**

**Status of Reserve**

Beginning Balance 01/01/2002		747,216
Accruals under Docket #93-0400 EI (001/02 - 12/02)	<u>99,996</u>	
Total Accruals During 2002		99,996
Additional Accrual from Overrecovery		0
Total Charges During 2002		<u>0</u>
Ending Balance, 12/31/02		<u><u>\$847,212</u></u>

**Reasonableness of Reserve**

**Distribution Plant - Book Cost**

Storm Damage Reserve Balance @ 12/31/2002	\$847,212
Total Distribution Plant (per books) @ 12/31/2002	<u>\$22,940,367</u>
Ratio of Reserve to Distribution Plant	<u><u>3.69%</u></u>

**Distribution Plant - Replacement Cost**

Storm Damage Reserve Balance @ 12/31/2002	\$847,212
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/02 times 2)	<u>\$45,880,734</u>
Ratio of Reserve to Replacement Distribution Plant	<u><u>1.85%</u></u>

**Availability of Distribution Systems Insurance**

Insurance for the Distribution Systems is now available but the costs would be significant.