

Form Approved
OMB No. 1902-0021
(Expires 3/31/2005)

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Item 2: <input type="checkbox"/> An Original Signed Form	OR <input type="checkbox"/> Conformed Copy



FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

RECEIVED
PUBLIC SERVICE
COMMISSION
09 MAY 29 PM 3:56
ECONOMIC REGULATION

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 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, 2008



BDO Seidman, LLP
Accountants and Consultants

1601 Forum Place, Suite 904
West Palm Beach, FL 33401
Telephone: (561) 688-1600
Fax: (561) 688-1848

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, 2008, and the related statement 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 122, excluding additional information on pages 114 f – Northeast Division, 114 m - 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 for 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, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2008, and the results of its operations and its cash flows for the year then ended, 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.

BDO Seidman LLP

BDO Seidman, LLP
Certified Public Accountants
May 27, 2009

EXECUTIVE SUMMARY

SUPPLEMENT TO ANNUAL REPORT

OF

FLORIDA PUBLIC UTILITIES COMPANY

FOR THE

YEAR ENDED DECEMBER 31, 2008

Executive Summary

Instructions

Purpose of Executive Summary

The Executive Summary provides the Florida Public Service Commission management with contact persons, positions and telephone numbers a brief narrative of the company profile, corporate records and corporate organization. The Executive Summary is both more readable and shorter than an annual report. It contains non-technical data of general interest and applicability to individuals who are not intimately familiar with the individual utility.

Part I - Telephone Numbers:

The utility's primary telephone number for its main administrative office is to be included in Section A on Page 2. The name, title, and telephone number (other than the universal number: in Section A) for officers of the utility are to be included in Section B. Include the name of the directors, their position title and employer, and telephone number in Section C:

Part II - Company Profile:

The company profile is a brief synopsis, which should be approximately three pages long for a major utility, in narrative format with a few statistics included. The six areas covered are:

- A. Brief Company History - Year and state of the organization, whether as a subsidiary or. parent name changes and other pertinent data.
- B. Operating Territory - Provide the area of state or states served, and a few statistics such as the number of cities served, the number of customers or similar available statistics that provide a reader a basic understanding of the scope and nature of the operations of the utility.
- C. Major Goals and Objectives - State the goals and objectives of the utility such as desired return on equity, increased productivity by a specific percentage and other such goals. Specific goals such as "to achieve a rate of return on equity of 14.5% is preferable to general statements of goals such as to achieve a reasonable return on equity."

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

A. Company's Universal Telephone Number: (561) 832-2461		
B. Direct Telephone Number for Officer (s)		
Officer (s) Name	Title	Telephone Numbers
1. John T. English	President & Chief Executive Officer	(561) 838-1762
2. Charles L. Stein	Senior Vice President	(561) 838-1760
3. George Bachman	Chief Financial Officer & Treasurer	(561) 838-1731
C. Direct Telephone Number for Director (s)		
Officer (s) Name	Title	Telephone Numbers
1. Ellen Terry Benoit	Director	(561) 845-3766
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. Troy Maschmeyer, Jr	Director	(561) 848-9112
6. Dennis Hudson, III	Director	(772) 288-6086

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 39,300 customers within Palm Beach and Broward Counties. The Central Florida division serves 23,600 customers in Seminole, Volusia and Marion Counties.

The Northwest division, located in the panhandle of Florida, serves 15,500 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 and propane services to 15,800 and 1,600 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	0 % Annual
Fernandina Beach - Electric	1%	Annually	0 % Annual
Gas Operations	1%	Annually	0 % Annual

PART III - CORPORATE RECORDS

A: Location

Divisional Offices

Address

West Palm Beach (South Florida)	401 South Dixie Highway, West Palm Beach
Debary (Central Florida)	450 South Highway, Debary
Marianna (Northwest Florida)	2825 Pennsylvania Avenue, Marianna
Fernandina Beach (Northeast Florida)	911 S. 8th Street, Fernandina Beach
Nature Coast (Central Florida)	19510 SE Diana Street, Inglis

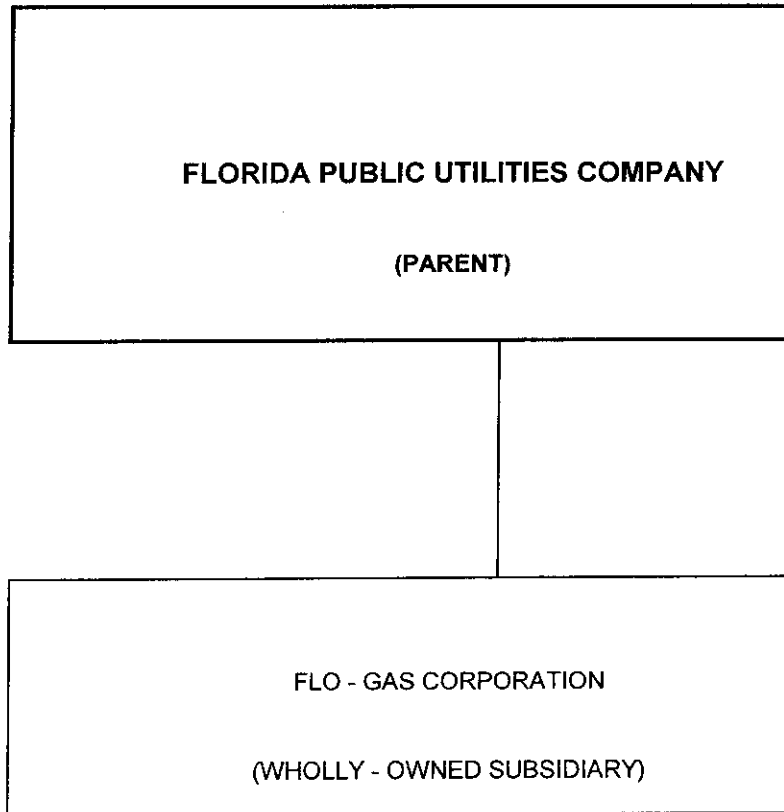
Each divisional office has on file records limited to individual divisional operations. The general office in West Palm Beach contains the general corporate accounting records for Company-wide operations.

C: List Audit Groups Reviewing Records and Operations

BDO Seidman, LLP - Annual and quarterly corporate audits. Review of income tax return.
Florida Public Service Commission - Electric and gas.
Crowe Harwath, LLP, - Professional accounting services for internal audits.
Ana Blanchard, CPA PA - Professional accounting services.

PART IV - PARENT / AFFILIATE ORGANIZATION CHART

CURRENT AS OF : December 31, 2008



PART V - LIAISON PERSONNEL DIRECTORY ⁽⁴⁾

A. List

Name of Company <small>(1) (2)</small> Representative	Title or Position	Organizational Unit <small>(3)</small> Title (Dept/Div/Etc.)	Name of Immediate Supervisor	Area (s) Responsible
John T. English	President & Chief Operating Officer	Electric and Gas Operations		Engineering, Rates Rules and Regulations
Charles L. Stein	Senior Vice President	Electric and Gas Operations	J. T. English	Engineering, Rates Rules and Regulations
Drane Shelley	GM - North West Florida	NW Florida Electric Operations	C. Stein	Conservation, Rates and Engineering
P. Mark Cutshaw	GM - North East Florida	NE Florida Electric Operations	C. Stein	Rates and Engineering
Geoff Hartman	Customer Development Manager	Electric and Gas Operations	M. Seagrave	Conservation
George Bachman	Chief Financial Officer & Treasurer	Electric and Gas Operations	J. T. English	Open Dockets, Accounting, Rules and Regulations
Cheryl Martin	Controller	Electric and Gas Operations	G. M. Bachman	Open Dockets, Accounting, Rules and Regulations
Marc Seagrave	Director of Marketing	Electric and Gas Operations	C. Stein	Conservation & Marketing
Norman Horton, Jr. (850) 222-0720	Attorney	Messer, Caparello, & Self	-	Fuel Adj., PGA, and Conservation, All Divisions

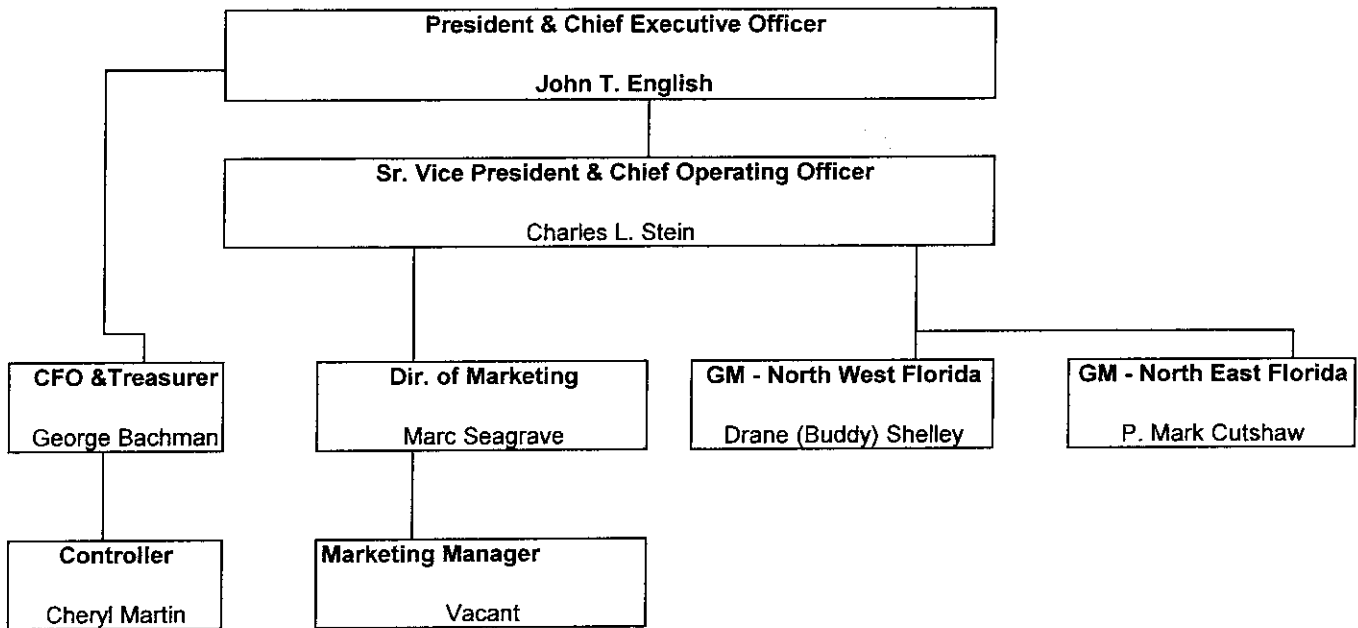
- (1) Also list appropriate legal counsels, and others who may not be on the general payroll.
 (2) Please provide individual telephone numbers if the person cannot be reached through the Company's operator.
 (3) Please provide appropriate organization charts for all persons listed within the Company.
 (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: December 31, 2008

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, 2008 to December 31, 2008, 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.

5/27/09

Date



Signature

George Bachman

Name

Chief Financial Officer & Treasurer

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.)

111. 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 111 (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 MMH) 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 other 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 of 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		02 Year of Report	
FLORIDA PUBLIC UTILITIES COMPANY		December 31, 2008	
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)			
401 South Dixie Highway, West Palm Beach, FL 33401-5807			
05 Name of Contact Person		06 Title of Contact Person	
George Bachman		Chief Financial Officer & Treasurer	
07 Address of Contact Person (Street, City, State, Zip Code)			
Same as above			
08 Telephone of Contact Person, Including Area Code	09 This Report Is		10 Date of Report (Mo, Da, Yr)
(561) 838-1731	(1) <input checked="checked" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2008
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		02 Title	
George Bachman		Chief Financial Officer & Treasurer	
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	December 31, 2008	December 31, 2008

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)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
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	pg. 107 - 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
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
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	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other credits)			
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	December 31, 2008	December 31, 2008

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)
BALANCE SHEET SUPPORTING SCHEDULES (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	
INCOME ACCOUNT SUPPORTING SCHEDULES			
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
COMMON SECTION			
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	
ELECTRIC PLANT STATISTICAL DATA			
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

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	December 31, 2008	December 31, 2008

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)
ELECTRIC PLANT STATISTICAL DATA (CONTINUED)			
Transmission Line Statistics.....	422-423	Ed. 12-87	
Transmission Lines Added During Year.....	424-425	Ed. 12-86	None
Substations.....	426-427	Ed. 12-96	
Electric Distribution Meters and Line Transformers.....	429	Ed. 12-88	None
Environmental Protection Facilities.....	430	Ed. 12-88	None
Environmental Protection Expenses.....	431	Ed. 12-88	None
Footnote Data.....	450	Ed. 12-87	None
Marianna Division Section			
Statement of Income for the Year.....	114M		
Electric Plant in Service.....	204M-207M		
Accumulated Provision for Depreciation of Electric Utility Plant..	219M		
Electric Operating Revenues.....	300M-301M		
Electric Operation and Maintenance Expense.....	320M-323M		
Depreciation and Amortization of Electric Plant.....	336M		
Fernandina Beach Division Section			
Statement of Income for the Year.....	114F		
Electric Plant in Service.....	204F-207F		
Accumulated Provision for Depreciation of Electric Utility Plant..	219F		
Electric Operating Revenues.....	300F-301F		
Electric Operation and Maintenance Expense.....	321F-323F		
Depreciation and Amortization of Electric Plant.....	336F		
Marianna Storm Reserve			
Stockholders' Reports			
Check appropriate box:			
<input checked="" type="checkbox"/> Four Copies will be submitted.			
<input type="checkbox"/> No annual report to stockholders is prepared.			

FLORIDA PUBLIC UTILITIES COMPANY	An Original	December 31, 2008
GENERAL INFORMATION		
<p>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.</p> <p style="margin-left: 40px;">Florida Public Utilities Company 401 South Dixie Highway, P.O. Box 3395 West Palm Beach, Florida 33401</p>		
<p>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.</p> <p style="margin-left: 40px;">State of Florida March 6, 1924; Reincorporated April 25, 1929</p>		
<p>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.</p> <p style="margin-left: 40px;">N/A</p>		
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p style="margin-left: 40px;">Distribution of electricity and gas in the state of Florida.</p>		
<p>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?</p> <p>(1) YES ...Enter the date when such independent accountant was initially engaged: _____</p> <p>(2) <input checked="" type="checkbox"/> NO</p>		

December 31, 2008

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
Flo - Gas Corporation	Propane Gas	100%	

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	\$294,432
2			
3	Sr. Vice President & COO	Charles L. Stein	\$198,291
4			
5	CFO, Treasurer & Secretary	George M. Bachman	\$216,318
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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
D. Hudson	PO Box 9012 Stuart, Florida
Ellen Terry Benoit	250 El Pueblo Way Palm Beach, Florida
T. Maschmeyer	1142 Watertower Road Lake Park, Florida

December 31, 2008

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not complied within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became

vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

VOTING SECURITIES

Name (Title) and Address of Security Holder (a)	Number of votes as of (date): 12/31/2008			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities	6087441	6,087,441		
TOTAL number of security holders	872	872		
TOTAL votes of security holders listed below	632,652	632,652		
1 Dino Casali, PO Box 387, Thomas, CT 06787	283,530	283,530		
2 Florida Public Utilities, PO Box 3395, West Palm Beach, FL 33402	97,350	97,350		
3 George F. Parris, Jr., P. O. Box 1420, Las Vegas, NV 89125-1420	87,439	87,439		
4 Walter P. Large, 11479 Orange Grove Blvd, Royal Palm Beach, FL	34,109	34,109		
5 John T. English, 15410 Woodmar Ct. Wellington, FL	31,014	31,014		
6 Eduardo B. Arcentales Trust, 209 Avila Rd., West Palm Beach, FL	28,044	28,044		
7 Charles L. Stein, 711 Hummingbird Way Apt. 106, NPB, FL	22,425	22,425		
8 Mildred K. Hall, 12944 SE Papaya St. Hobe Sound, FL	16,743	16,743		
9 Joyce Davis, 3709 Quando Cir, Orlando, FL 32812	15,999	15,999		
10 Edward J Patterson III, P.O. Box 1512, Jupiter, FL 33468	15,999	15,999		

December 31, 2008

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 inquiries. 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

IMPORTANT CHANGES DURING THE YEAR

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None

FLORIDA PUBLIC UTILITIES COMPANY		An Original	December 31, 2008	
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	188,682,029	197,227,669
3	Construction Work in Progress (107)	200-201	2,405,503	2,011,845
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		191,087,532	199,239,514
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(60,598,626)	(64,967,958)
6	Net Utility Plant (Enter Total of line 4 less 5)		130,488,906	134,271,556
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)		130,488,906	134,271,556
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)			
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	461	8,436	8,436
15	(Less) Accum. Prov. for Depr. and Amort. (122)		-	-
16	Investments in Associated Company (123)	224-225	-	-
17	Investment in Subsidiary Companies (123.1)	224-225	859,603	1,480,594
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)		5,621,672	5,619,015
21	Special Funds		-	-
22	TOTAL Other Property and Investments (Total of lines 14 through 20)		6,489,711	7,108,045
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		3,442,010	2,961,407
25	Special Deposits (132-133)		3,762,094	3,636,815
26	Working Funds (135)		33,738	35,650
27	Temporary Cash Investments (136)		-	-
28	Notes Receivable (141)		298,411	252,000
29	Customer Accounts Receivable (142)		10,128,699	11,825,771
30	Other Accounts Receivable (143)		158,153	930,802
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(264,805)	(389,382)
32	Notes Receivable from Associated Companies (145)		-	-
33	Accounts Receivable from Assoc. Companies (146)		15,251,882	14,712,473
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	1,510,732	1,524,027
38	Merchandise (155)	227	393,194	401,495
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)		860,951	1,036,785
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenues (173)		1,505,850	1,714,063
51	Miscellaneous Current and Accrued Assets (174)		-	-
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 through 51)		\$37,080,909	\$38,641,906

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008	
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)		-	-	
55	Extraordinary Property Losses (182.1)		-	-	
56	Unrecovered Plant and Regulatory Study Costs (182.2)		-	-	
57	Other Regulatory Assets (182.3)		7,652,656	17,037,022	
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)		14,060	(3,698)	
62	Miscellaneous Deferred Debits (186)	233	6,227,313	6,394,122	
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)		190,458	172,174	
66	Accumulated Deferred Income Taxes (190)	234	4,493,908	5,648,204	
67	Unrecovered Purchased Gas Costs (191)	233	-	756,074	
68					
69	TOTAL Deferred Debits (Enter Total of lines 54 through 67)		18,578,395	30,003,898	
70	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		192,637,927	210,025,405	
			0		

December 31, 2008

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	\$9,274,975	\$9,299,105
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)		5,722,679	5,890,209
7	Other Paid-In Capital (208-211)	253	868,931	(947,777)
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	34,946,727	34,979,795
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	849,603	1,444,205
13	(Less) Reacquired Capital Stock (217)	250-251	(2,289,976)	(1,725,042)
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		49,544,498	49,112,054
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	50,771,520	49,329,161
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)		50,771,520	49,329,161
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		-	-
25	Accumulated Provision for Property Insurance (228.1)		2,387,270	2,417,615
26	Accumulated Provision for Injuries and Damages (228.2)		217,991	264,922
27	Accumulated Provision for Pensions and Benefits (228.3)		4,817,053	19,351,582
28	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
29	Accumulated Provision for Rate Refunds (229)		26,325	-
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		7,448,639	22,034,119
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		11,122,000	12,747,000
33	Accounts Payable (232)		9,900,495	11,480,775
34	Notes Payable to Associated Companies (233)		-	-
35	Accounts Payable to Associated Companies (234)		-	-
36	Customer Deposits (235)		9,742,265	10,250,728
37	Taxes Accrued (236)	262-263	2,910,651	551,512
38	Interest Accrued (237)		1,148,920	1,079,676
39	Dividends Declared (238)		688,174	724,077
40	Long-Term Debt Current(239)		-	-
41	Matured Interest (240)		-	-
42	Tax Collections Payable (241)		750,142	1,228,989
43	Miscellaneous Current and Accrued Liabilities (242)		3,419,785	3,291,907
44	Obligations Under Capital Leases-Current (243)		-	-
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		\$39,682,431	\$41,354,664

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)	266-267	2,407,196	2,405,970
48	Accumulated Deferred Investment Tax Credits (255)		266,236	202,797
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	16,020,976	14,620,227
51	Other Regulatory Liabilities (254)	278	10,154,498	11,011,140
52	Unamortized Gain on Reacquired Debt (257)	269	0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	16,341,925	19,955,273
54	TOTAL Deferred Credits (Enter Total of lines 47 through 53)		45,190,831	48,195,407
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,30 and 53)		\$192,637,920	\$210,025,405

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	\$151,279,113	\$120,370,859
3	Operating Expenses			
4	Operation Expenses (401)	320-323	120,245,263	92,685,784
5	Maintenance Expenses (402)	320-323	3,303,752	2,998,611
6	Depreciation Expense (403)	336-337	6,507,435	5,818,771
7	Amort. & Depl. of Utility Plant (404-405)	336-337	1,549,477	1,537,430
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	31,060	31,060
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	11,874,190	9,998,829
14	Income Taxes - Federal (409.1)	262-263	(925,763)	2,207,316
15	- Other (409.1)	262-263	(170,261)	376,552
16	Provision for Deferred Inc. Taxes (410.1) *	234,272-277	2,359,060	(1,354,173)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(63,439)	(68,910)
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)		144,710,774	114,231,270
24	Net Utility Operating Income (Total of line 2 less 23) (Carry forward to page 117, line 25)		\$6,568,339	\$6,139,589
	* Excludes Common			

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting allocations and apportionments from those used in the pre-revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts. preceding year. Also give the approximate dollar effect of such changes.

7. If any notes appearing in the report to stockholders are different from that reported in prior reports. 9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

are applicable to this Statement of Income, such notes may be attached at page 122. 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.

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

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
\$78,654,826	\$55,520,851	\$72,624,287	\$64,850,008	\$0	\$0	2
						3
63,230,942	43,850,103	57,014,321	48,835,681	0	0	4
2,146,970	1,915,790	1,156,782	1,082,821	-	-	5
3,314,955	2,819,833	3,192,480	2,998,938	-	-	6
-	-	1,549,477	1,537,430	-	-	7
-	-	31,060	31,060	-	-	8
-	-	-	-	-	-	9
-	-	-	-	-	-	10
-	-	-	-	-	-	11
-	-	-	-	-	-	12
5,757,128	4,282,076	6,117,062	5,716,753	-	-	13
(95,850)	625,170	(829,913)	1,582,146	-	-	14
(28,461)	106,719	(141,800)	269,833	-	-	15
1,080,190	(238,568)	1,278,870	(1,115,605)	-	-	16
-	-	-	-	-	-	17
(26,598)	(29,538)	(36,841)	(39,372)	-	-	18
-	-	-	-	-	-	19
-	-	-	-	-	-	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
75,379,276	53,331,585	69,331,498	60,899,685	0	0	23
\$3,275,550	\$2,189,266	\$3,292,789	\$3,950,323	\$0	\$0	24

FLORIDA PUBLIC UTILITIES COMPANY		An Original	December 31, 2008	
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)	--	6,568,339	6,139,589
26	Other Income and Deductions	--		
27	Other Income	--		
28	Nonutility Operating Income	--		
29	Revenues From Merchandising, Jobbing and Contract Work (415)	--	2,494,461	2,862,097
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	--	(2,250,801)	(2,500,156)
31	Revenues From Nonutility Operations (417)	--	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	--	-	-
33	Nonoperating Rental Income (418)	--	3,156	2,891
34	Equity in Earnings of Subsidiary Companies (418.1)	119	594,602	463,076
35	Interest and Dividend Income (419)	--	381,094	345,624
36	Allowance for Other Funds Used During Construction (419.1)	--	-	-
37	Miscellaneous Nonoperating Income (421)	*	252,229	252,468
38	Gain on Disposition of Property (421.1)	--	-	-
39	TOTAL Other Income (Enter Total of lines 29 through 38)	--	1,474,741	1,426,000
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)	463	25,378	21,012
44	TOTAL Other Income Deductions (Total of lines 41 through 43)	--	25,378	21,012
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	195,885	213,377
48	Income Taxes - Other (409.2)	262-263	45,546	51,197
49	Provision for Deferred Income Taxes (410.2)	234,272-277	188	-
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)	--	241,619	264,574
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	--	1,207,744	1,140,414
55	Interest Charges	--		
56	Interest on Long-Term Debt (427)	--	3,854,840	3,948,132
57	Amortization of Debt Disc. and Expense (428)	--	99,925	97,523
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	(525,316)	(887,407)
62	Other Interest Expense (431)	340	859,559	822,175
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	--	-	-
64	Net Interest Charges (Total of lines 56 through 63)	--	4,289,008	3,980,423
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	--	3,487,075	3,299,580
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)	--	3,487,075	3,299,580
73	Earnings Per Share	--	0.57	0.54

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; applicable to this statement attach them at page 122-123. 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 ©
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$34,946,727
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)		-
#	Debit:		-
#	Debit:		-
#	Debit:		-
#	Debit:		-
#	Debit	0	-
#	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		-
#	Balance Transferred from Income (Account 433 less Account 418.1)		2,892,473
#	Appropriations of Retained Earnings (Account 436)		
#			
#			
#	TOTAL Appropriations of Retained Earnings (Account 436) (Enter Total of lines 18 through 21)		-
#	Dividends Declared - Preferred Stock (Account 437)		
#	Preferred	2380	28,500
#			
#	TOTAL Dividends Declared - Preferred Stock (Account 437) (Enter Total of lines 24 through 28)		28,500
#	Dividends Declared - Common Stock (Account 438)		
#	Common - Cash	2380	2,830,905
#			
#	TOTAL Dividends Declared - Common Stock (Account 438) (Enter Total of lines 31 through 35)		2,830,905
#	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		-
#	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		\$34,979,795

FLORIDA PUBLIC UTILITIES COMPANY		An Original	December 31, 2008
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)	<u>\$34,979,795</u>	
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
49	Balance - Beginning of Year (Debit or Credit)	849,603	
50	Equity in Earnings for Year (Credit) (Account 418.1)	594,602	
51	(Less) Dividends Received (Debit)	0	
52	Other Changes (Explain) Cost of shares issued for employee stock plan	0	
53	Balance - End of year (Total of Lines 49 Thru 52)	<u>1,444,205</u>	

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	Cash Flow from Operating Activities	
2	Net Income	3,485,965
3		
4		
5	Depreciation & Amortization	8,911,789
6	Deferred Income Taxes (Net)	2,526,344
7	Bad Debt Expense	830,714
8	Investment Tax Credit	(63,439)
9	Net Other non-cash charges to income	708,098
10	Comp. from issuance of Stock	56,936
11	Interest income for sale of Asset	(243,682)
12	Receivables	(2,835,632)
13	Unbilled Receivables	(162,319)
14	Inventory	(1,666,655)
15	Other	(1,103,659)
16	Payables and Accrued Expenses	2,516,407
17	Non cash Storm Reserve Transfer	30,345
18	Over/(under) Recovery of Energy Cost	(1,997,677)
19	Area Expansion Program Deferred Costs	103,701
20	Environmental Liabilities	560,148
21	Storm Reserve Liability	-
22	Retirement Plan Liability	558,450
23	Deferred Credits	404,601
24	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 23)	12,620,434
25		
26		
27		
28	Cash Flow from Investing Activities	
29	Construction Expenditure	(11,226,634)
30	Acquisition of Plant Assets	-
31	Customer Advances for Construction	(21,064)
32	Purchase of Long-Term Investments	(52,251)
33	Payment on Sale of Plant Assets	282,750
34	Issuance of Stock	-
35	Cash Outflows for Plant (Total of lines 29 through 34)	(11,017,200)
36		
37		
38		
39		
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41		
42		

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

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.

5. Codes used:

- (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)
43		
44	Net Cash Provided by (Used in) Investing Activities	(11,017,200)
45		
46		
47	Cash Flows From Financing Activities:	
48		
49	Short Term Borrowing	1,625,000
50	Long Term Borrowing	(1,442,359)
51	Dividend Reinvesting Plan	191,660
52	ESSP Activity	(178,581)
53	Compensation Expense from the Issuance of Stock	(56,936)
54	Treasury Stock Purchased	564,934
55	Dividends Paid	(2,787,599)
56	Purchase of Treasury	-
57		
58	Net Cash Provided by (Used in) Financing Activities	(2,083,881)
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75		
76	Net Increase (Decrease) in Cash and Cash Equivalents	(480,646)
77	(Total of lines 24, 44, and 58)	
78		
79	Cash and Cash Equivalents at Beginning of Year	3,477,698
80		
81	Cash and Cash Equivalents at End of Year	2,997,052

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

1. Summary of Significant Accounting and Reporting Policies

A. General

Florida Public Utilities Company (FPUC or the Company) 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 natural gas and electric operations. The suppliers of electric 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 electric power by a municipality which is exempt from FERC and FPSC regulation. The Company also distributes propane gas through a non-regulated subsidiary.

B. Basis of Presentation

The consolidated financial statements include the accounts of Florida Public Utilities Company and its wholly owned subsidiary, Flo-Gas Corporation. All significant intercompany balances and transactions have been eliminated. The Company's accounting policies and practices conform to accounting principles generally accepted in the United States of America (GAAP) as applied to regulated public utilities and are in accordance with the accounting requirements and rate-making practices of the FPSC and in accordance to the rule requirements of the Securities and Exchange Commission (SEC).

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of these estimates include the accruals for pensions, allowance for doubtful accounts, environmental liabilities, liability reserves, unbilled revenue, regulatory deferred tax liabilities and over-earnings liability. Actual results may differ from these estimates and assumptions.

D. Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the 2008 presentation.

E. Regulation

The financial statements are prepared in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 71 – "Accounting for the Effects of Certain Types of Regulation". SFAS No. 71 recognizes that accounting for rate-regulated enterprises should reflect the relationship of costs and revenues introduced by rate regulation. A regulated utility may defer recognition of a cost (a regulatory asset) or show recognition of an obligation (a regulatory liability) if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in revenues. The Company has recognized certain regulatory assets and liabilities in the consolidated balance sheets. The Company believes that the FPSC will continue to allow recovery of such items through rates. As these regulatory assets and liabilities are recovered through rates or paid through a reduction of rates, the assets and liabilities are amortized to revenue and expense. In the event that a portion of the Company'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. The Company would be required to expense the regulatory assets and record revenue or reduce expenses for the regulatory liabilities, with the exception of the deferred retirement plan which would be recorded to Other Comprehensive income (loss) and

cost of removal, if they no longer were subject to the provisions of SFAS No. 71, or the FPSC disallowed the deferral of these regulatory assets and liabilities. Upon disallowance, it is possible some liabilities would have to be refunded to customers.

Summary of Regulatory Assets and Liabilities

(Dollars in thousands)

	<u>2008</u>	<u>2007</u>
Assets		
Deferred development costs (1)	\$ 4,161	\$ 4,265
Unamortized fuel related regulatory costs (5)	24	36
Environmental assets (2)	7,092	7,653
Deferred retirement plan costs (4)	9,945	-
Unamortized Rate Case expense (7)	861	535
Under-recovery of fuel costs (6)	756	-
Unamortized piping and conversion costs (1)	1,273	1,379
Unamortized loss on reacquired debt (1)	172	190
Total Regulatory Assets	<u>\$24,284</u>	<u>\$14,058</u>
Liabilities		
Tax liabilities (8)	\$ 707	\$ 796
Cost of removal (9)	10,304	9,359
Deferred retirement plan costs (4)	-	564
Storm reserve liabilities(3)	2,418	2,387
Over-recovery of fuel costs (6)	1,608	2,761
Over-recovery of conservation (6)	357	446
Over-earnings liability (3)	-	26
Total Regulatory Liabilities	<u>\$15,394</u>	<u>\$16,339</u>

- (1) Deferred development costs, unamortized piping and conversion costs, and unamortized loss on reacquired debt are included in deferred charges in the consolidated balance sheets.
- (2) The Company has included the amount due from customers as a regulatory asset for environmental costs. The FPSC authorized recovery of these environmental costs from customers over 20 years.
- (3) The Commission ordered disposition in 2008 of our 2006 natural gas over-earnings to additionally fund our storm reserve for our natural gas operations. Our natural gas storm reserve is approximately \$790,000 as of December 31, 2008. Our electric storm reserve is approximately \$1,629,000 as of December 31, 2008.
- (4) The actuarial valuation of the retirement plan obligations has been completed and the recognition provisions of Statement 158 resulted in a regulatory liability for \$564,000 at December 31, 2007 and a regulatory asset for \$9.9 million at December 31, 2008.
- (5) The Company has deferred certain regulatory fuel-related costs and as of January 2006 has been amortizing these over five years according to a FPSC order in the November 2005 fuel hearings.
- (6) The Company has certain costs that are passed directly through to customers for recovery including fuel and conservation costs. There are amounts related to these expenses that are either over or under-recovered in a calendar year. These over-recoveries will be returned to customers and under-recoveries will be collected from customers in the following year, but both are deferred in the current period.
- (7) The Company has costs associated with preparing and filing rate proceedings before the FPSC. These costs are amortized over a four year period. This represents the

unamortized portion of these costs. The Company has incurred rate case costs associated with the recent electric filing finalized in 2008 and the natural gas filing expected to be finalized in 2009. Amortization will not begin on the natural gas proceeding until mid 2009.

- (8) The Company has deferred tax liabilities associated with property. The Company uses a FPSC-approved method to amortize these liabilities.
- (9) The Company has a liability for the estimated future costs to remove or retire existing fixed assets.

The base revenue rates for regulated segments are determined by the FPSC and remain constant until a request for an increase is filed and approved by the FPSC or the FPSC orders the Company to reduce their rates. For the Company to recover increased costs from the effects of inflation and construction expenditures for regulated segments, a request for an increase in base revenues would be required. Separate filings would be required for the electric and natural gas segments. The Company is currently seeking rate relief in their natural gas segment. Approval of interim rate relief of \$1.0 million was granted effective for meter readings on or after March 12, 2009 and final approval, if any, is expected in the second quarter of 2009.

At December 31, 2008, all of our regulatory assets and all of our regulatory liabilities are reflected or are expected to be reflected in rates charged to customers.

Criteria that give rise to the discontinuance of SFAS No. 71 include increasing competition that restricts our ability to establish prices to recover specific costs, and a significant change in the manner in which rates are set by regulators from cost-based regulation to another form of regulation. We periodically review these criteria to ensure that the continuing application of SFAS No. 71 is appropriate. Based on a current evaluation of the various factors and conditions that are expected to impact future cost recovery, we believe that our regulatory assets are probable of recovery.

F. Derivatives

None of the Company's gas or electric contracts are accounted for using the fair value method of accounting. All material contracts that meet the definition of derivative instruments are considered "normal purchase" under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities".

G. Revenue Recognition

The Company's revenues consist of base revenues, fuel adjustment charges, conservation charges and the pass-through of certain governmental imposed taxes based on revenues.

The FPSC approves base revenue rates that are intended to permit a specified rate of return on investment and limits the maximum amount of earnings of regulated operations. Fuel adjustment charges, conservation charges and the pass-through of certain governmental imposed taxes based on revenues are approved by the FPSC to allow recovery of fuel, conservation and revenue based taxes from the Company's customers. Any over or under-recovery of these expense items are deferred and subsequently refunded or collected in the following period.

Annually, any earnings in excess of this maximum amount permitted in the base rates are accrued for as an over-earning liability and revenues are reduced an equivalent amount. The calculations supporting these liabilities are complex and involve a variety of projections and estimates before the ultimate settlement of such obligations. The FPSC determines the disposition of any over-earnings with alternatives that include refunding to customers, funding storm damage or environmental reserves, or reducing any depreciation reserve deficiency.

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 on usage not yet billed for the accounting period. Determination of unbilled revenue relies on the use of estimates, fuel purchases and historical data.

Electric interim rate relief for partial recovery of the increased expenditures was approved by the FPSC on October 23, 2007. Interim rates were effective November 2007. A final annual electric rate increase of approximately \$3.9 million a year was approved in April 2008, with the new rates which began on May 22, 2008. These revenues provided an increase to our overall profitability for the electric segment and recovery of increased expenditures including depreciation, storm readiness mandates and initiatives and other expenses incurred throughout 2008.

We filed a request with the FPSC in the fourth quarter of 2008 for a base rate increase in our natural gas segment. This request included recovery of increased expenses and some capital expenditures since our last rate proceeding in 2004. Finalization of this request and approval, if any, of a natural gas base rate increase would not occur until mid 2009. Interim rates which will produce additional annual revenues of approximately \$1 million went into effect for meter readings on and after March 12, 2009. These interim revenues are collected subject to refund pending the outcome of our final rate increase.

H. Taxes Collected from Customers and Remitted to Governmental Authorities

The Company remits to governmental authorities various taxes collected from customers throughout the year including gross receipts and franchise taxes. These taxes are pass through revenues and expenses and do not impact the Company's results of operations. The amount of gross receipts and franchise taxes for the year ending December 31, 2008 and 2007 was \$8.7 million and \$7.1 million, respectively.

I. Allowance for Doubtful Accounts

The Company records an allowance for doubtful accounts. This liability is estimated based on historical information and trended current economic conditions, certain assumptions, and is subject to unknown future events. Actual results could differ from our estimates.

Our accounts receivable are considered delinquent after 21 days. The customer receives a delinquent notice reminder to pay within 5 days. If payment is not received by the date specified on the delinquent notice, we send a collector out to either collect the past due amount or disconnect the account for nonpayment. We provide for a bad debt provision for all accounts over 90 days unless special circumstances exist. We also provide for a bad debt provision based on historical data for those accounts less than 90 days. All accounts are generally written off after 90 days and sent to an outside, third party collection agency.

The following is a summary of the activity in Allowance for Doubtful Accounts for the years ending December 31:

Allowance for Doubtful Accounts (Dollars in thousands)				
	Balance at Beginning of Year	Write-offs	Provisions to Bad Debt Expense	Balance at End of Year
2006	\$ 272	466	623	\$ 429
2007	\$ 429	551	448	\$ 326
2008	\$ 326	702	831	\$ 455

A large industrial customer in our Northeast electric division filed for bankruptcy on January 26, 2009. This customer has currently paid for all outstanding receivable amounts as of December 31, 2008 and accordingly, there has been no provision for bad debt allowances as of December 31, 2008 for this customer.

J. Utility Plant and Depreciation

Utility plant is stated at original cost. The propane gas utility plant that was acquired was stated at fair market value at the time of the acquisition. Additions to utility plant include contracted services, direct labor, transportation and materials for additions. Units of property are removed from utility plant when retired. 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.

Plant Classification	Utility Plant (Dollars in thousands)		
	Annual Composite Depreciation Rate	2008	2007
Land		\$ 4,545	\$ 4,537
Buildings	2.0% to 4.9%	7,647	7,085
Distribution	1.8% to 7.5%	174,810	167,327
Transmission	1.8% to 3.8%	6,970	6,957
Equipment	2.2% to 20.0%	14,190	13,307
Furniture and Fixtures	4.8% to 20.0%	444	417
Work-in-Progress		2,022	2,754
		<u>\$ 210,628</u>	<u>\$ 202,384</u>

Depreciation for the Company's regulated segments is computed using the composite straight-line method at rates prescribed by the FPSC for financial accounting purposes. Propane gas depreciation is computed using a composite straight-line method at an average rate based on estimated average life of approximately 20-30 years. Such rates are based on estimated service lives of the various classes of property. Depreciation provisions on average depreciable property approximate 3.9% in 2008, 3.8% in 2007 and 3.9% in 2006. Depreciation expense was \$7.3 million, \$6.7 million and \$6.2 million for 2008, 2007 and 2006, respectively.

K. Earnings Per Share

The Company includes earnings per common share (basic and diluted) on the consolidated statements of income. The Company does not have any outstanding stock based awards that would be dilutive or anti-dilutive.

L. Impact of Recent Accounting Standards

Financial Accounting Standard No. 157

In September 2006, the FASB issued Statement of Financial Accounting Standard (SFAS) No. 157, "Fair Value Measurements". This statement clarifies fair value as the market value received to sell an asset or paid to transfer a liability, that is, the exit value, and applies to any assets or liabilities that require recurring determination of fair value. The measurement includes any applicable risk factors and does not include any adjustment for volume. On February 12, 2008, the FASB issued proposed FASB Staff Position No. 157-2, "Effective Date of FASB Statement No. 157" which deferred the effective date for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (that is, at least annually) to fiscal years beginning after November 15, 2008. The Company has adopted SFAS No. 157 effective January 1, 2008 for financial assets and liabilities and effective January 1, 2009 for nonfinancial assets and nonfinancial liabilities. This statement did not have a material impact on our financial condition or results of operation.

Financial Accounting Standard No. 159

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities". This statement permits measurement at fair value of certain firm

commitments, nonfinancial insurance contracts and warranties, host financial instruments and recognized financial assets and liabilities, excluding consolidating investments in subsidiaries, consolidating variable interest entities, various forms of deferred compensation agreements, leases, depository institution deposit liabilities and financial instruments included in shareholders' equity. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. We did not elect to report any additional assets or liabilities at fair value and accordingly, the adoption of SFAS 159 did not have a material effect on our on our financial position or results of operations.

Financial Accounting Standard No. 160

In December 2007, the FASB issued Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51". This standard requires noncontrolling ownership interests be disclosed separately in equity, separate disclosure of income contributable to each party, changes in controlling interests be reported consistently, and deconsolidation be measured at fair value. As the Company does not currently have any noncontrolling interests, this standard will not have an impact on our financial condition or results of operations.

Financial Accounting Standard No. 141R

In December 2007, the FASB issued a revision to Statement No. 141, "Business Combinations". This statement is effective prospectively for business combinations occurring on or after January 1, 2009 for our Company. This revision broadens the scope of a business combination to include transactions in which no consideration has been exchanged, sets the acquisition date as the date control is obtained, replaces the cost allocation method with fair value method to assign values to assets and liabilities assumed, requires restructuring costs to be recorded separate from the business combination. As this revision is adopted prospectively and all qualifying future business combinations would be evaluated under the new provisions, the effects on our results of operations will depend on the nature and size of any future acquisitions.

Financial Accounting Standard No. 161

In March 2008, the FASB issued Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133". This standard requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company expects to adopt SFAS No. 161 effective January 1, 2009. The Company does not anticipate the adoption of this standard will have a material effect on our disclosures.

FASB Staff Position, FAS No. 142-3

In April 2008, the FASB issued FASB Staff Position, or "FSP", FAS 142-3, "Determination of the Useful Life of Intangible Assets," effective for financial statements issued for fiscal year beginning after December 15, 2008, and interim periods within those fiscal years. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142 "Goodwill and Other Intangible Assets," thereby resulting in improved consistency between the useful life applied under SFAS No. 142, and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141R, "Business Combinations." We will adopt FSP FAS 142-3 effective January 1, 2009. We do not expect that the adoption of FSP, FAS No. 142-3 will have a material effect on our results of operations or financial position.

Financial Accounting Standard No. 162

In May 2008, the FASB issued Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles". This standard offers guidance on the principles used to prepare financial statements in accordance with GAAP. FASB Statements of Financial Accounting Concepts now supersede industry practice. The Company does not anticipate the adoption of this standard will

have a material effect on our financial position or results of operation.

M. Advertising Expense

The Company follows the accounting policy of expensing advertising costs as they are incurred. The amounts recognized for advertising expenses were \$249,000 and \$308,000 in 2008 and 2007, respectively.

2. Goodwill and Intangible Assets

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets", the Company does not amortize goodwill or intangibles with indefinite lives. The Company at least annually, or periodically, if events or circumstances may indicate possible impairment tests the goodwill and indefinite lived intangibles for impairment by reporting segment. In the event impairment exists, the Company would write-down the associated goodwill and intangible assets with indefinite lives to fair value. The impairment tests performed in 2007 and 2008 resulted in no impairment charges.

Goodwill associated with the Company's acquisitions is identified as a separate line item on the consolidated balance sheet and consists of \$1.9 million in the propane gas segment and \$550,000 in the natural gas segment.

Intangible assets associated with the Company's acquisitions and software have been identified as a separate line item on the balance sheet. Summaries of those intangible assets at December 31 are as follows:

Intangible Assets (Dollars in thousands)		2008	2007
Customer distribution rights	(Indefinite life)	\$ 2,800	\$ 2,800
Software	(Five to nine year life)	3,542	3,499
Accumulated amortization		(2,284)	(1,869)
Total intangible assets, net of amortization		<u>\$4,058</u>	<u>\$ 4,430</u>

The 2008 amortization expense of computer software was approximately \$424,000. The Company expects the amortization expense of computer software to be approximately \$400,000 annually over the next five years, with the current level of software investment.

3. Notes Receivables

As of December 31, 2008 there was approximately \$5.9 million in receivables from the 2003 sale of our water assets with the interest of 4.34%. We received an installment of \$252,000 in February of 2009. Final payment of principal and interest totaling \$5.8 million is expected in February 2010.

4. Over-earnings - Natural Gas

The FPSC approves rates that are intended to permit a specified rate of return on investment and limits the maximum amount of earnings of regulated operations. The Company has agreed with the FPSC staff to limit the earned return on equity for regulated natural gas and electric operations. The table below summarizes our overearnings activities for the years ending 2008, 2007 and 2006.

Natural Gas Over-Earnings Summary (Dollars in thousands)			
Years Ended December 31			
	2008	2007	2006
Revenues:			
Revenues excluding over-earnings	\$72,759	\$64,820	\$71,160
2005 Over-earnings	-	(16)	-

2006 Over-earnings	(135)	46	(21)
Natural Gas Revenue	\$72,624	\$ 64,850	\$71,139
Other Income and (Expense):			
Interest expense excluding interest on over-earnings	\$649	\$658	\$551
2005 Over-earnings interest	-	76	-
2006 Over-earnings interest	16	1	-
Interest expense on customer deposits and other	\$ 665	\$ 735	\$ 551

	<u>As of December 31,</u>	
	<u>2008</u>	<u>2007</u>
Capitalization and Liabilities:		
Beginning Over-earnings liability	\$26	\$722
Adjustment for 2005 Over-earnings	-	92
Transfer of 2005 Over-earnings to storm reserve	-	(610)
Applied 2005 Over-earnings to regulatory asset – storm reserve	-	(133)
Adjustment for 2006 Over-earnings	151	(45)
Transfer of 2006 Over-earnings to storm reserve	(177)	-
Ending Over-earnings liability	\$ -	\$ 26

In 2008, there are no estimated natural gas and electric over-earnings.

On September 29, 2008 the FPSC finalized the 2006 over-earnings for the natural gas segment. Total over-earnings was determined to be \$160,000, plus interest of \$ 17,000. The FPSC ordered the disposition of 2006 over-earnings to provide additional funds for the natural gas storm reserve.

On August 14, 2007 the FPSC finalized the disposition of 2005 over-earnings for the natural gas segment. Total over-earnings was determined to be \$666,000, plus interest of \$76,000. The FPSC ordered disposition of 2005 over-earnings to eliminate the related regulatory asset-storm reserve in natural gas operations and the storm surcharge collected from customers. The remaining over-earnings was used to fund a storm reserve for any future storm costs.

5. Storm Reserves

As of December 31, 2008, the Company had a storm reserve of approximately \$1.6 million for the electric segment and approximately \$790,000 for the natural gas segment. The Company does not have a storm reserve for the propane gas segment.

The FPSC ordered disposition of 2005 over-earnings to eliminate the related regulatory asset – storm reserve in natural gas operations and the storm surcharge collected from customers. The remaining 2005 over-earnings and the 2006 over-earnings were used to fund a storm reserve for any future storm costs.

6. Income Taxes

A. Provision for Income Taxes

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

(Dollars in thousands)	Years ended December 31,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current payable:			
Federal	\$ (558)	\$ 2,518	\$ 3,652
State	(102)	446	664
Current	(660)	2,964	4,316
Deferred:			

Federal	2,152	(1,028)	(1,723)
State	374	(170)	(280)
Deferred – net	2,526	(1,198)	(2,003)
Investment tax credit	(63)	(69)	(75)
Total income taxes	\$ 1,803	\$ 1,697	\$ 2,238

B. Effective Tax Rate Reconciliation

The difference between the effective income tax rate and the statutory federal income tax rate applied to pretax income is as follows:

(Dollars in thousands)	Effective Rate Reconciliation		
	Years ended December 31,		
	2008	2007	2006
Federal income tax at statutory rate (34%)	\$ 1,798	\$ 1,699	\$ 2,178
State income tax, net of federal benefit	194	181	233
Investment tax credit	(63)	(69)	(75)
Tax exempt interest	(83)	(85)	(85)
Other	(43)	(29)	(13)
Total provision for income taxes	\$ 1,803	\$ 1,697	\$ 2,238

C. Deferred Income Taxes

Tax effect of temporary differences which give rise to deferred taxes assets and deferred tax liabilities are as follows:

(Dollars in thousands)	Years ended December 31,	
	2008	2007
Deferred tax assets:		
Environmental liability	\$ 2,384	\$ 2,249
Self insurance liability	792	763
Vacation payable	542	384
Allowance for doubtful accounts	171	123
General liability	100	82
Storm reserve liability	910	898
Amortizable customer based intangible	733	670
Pension liability	847	1,086
Under/over Recoveries – conservation costs	134	167
Other assets	117	57
Total deferred tax assets	\$ 6,730	\$ 6,479
Deferred tax liabilities:		
Utility plant related and intangibles	\$ 22,790	\$ 21,458
Underrecovery of fuel costs	843	406
Rate case expense	324	201
Other liabilities	80	95
Total deferred tax liabilities	\$ 24,037	\$ 22,160
Net deferred income taxes	\$ 17,307	\$ 15,681

Deferred tax liabilities included in the consolidated balance sheets are as follows:

(Dollars in thousands)	Years ended December 31,	
	2008	2007

Deferred income tax - long term liabilities	\$	17,820	\$	16,630
Less: Deferred income tax - current assets		<u>513</u>		<u>949</u>
Net deferred income tax liabilities	\$	<u>17,307</u>	\$	<u>15,681</u>

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.

D. Financial Accounting Standard Board Interpretation No. 48

On January 1, 2007 the Company adopted FIN 48. The interpretation prescribes a more likely-than-not recognition threshold and establishes new measurement requirements for financial statements reporting of an entity's income tax positions. We have performed an analysis of tax positions taken and expected to be taken on the tax returns and assessed the technical merits of each tax position (by relying on legislation and statutes, common legislative intent, regulations, rulings, and case law). We have determined that we have no material uncertain tax positions.

E. IRS Audits and Income Taxes Receivable

In February 2008, the IRS completed its examination of our 2003 and 2004 federal income tax returns. We reclassified the tax liability recognized in 2007 related to this audit as a current tax payable. We paid this tax liability and the interest of approximately \$195,000 and \$48,000 respectively in July 2008. This adjustment does not affect our annual effective income tax rate, and did not result in a material change in our financial position.

The Company amended its 2004 Florida corporate income tax returns to reflect the 2004 IRS audit adjustments.

During 2008, the IRS also examined our 2005 and 2006 tax years. Based on the completion of the IRS examination, at December 31, 2008 we had an income tax receivable of \$346,000 and interest income of approximately \$45,000 for the 2005 and 2006 tax years. The federal portion of this refund was received in 2009.

Due to the significant increase in our pension liability and in our pension contributions, our income tax for 2008 will be lower than originally estimated. We paid tax estimates in the first half of 2008 with the expectation of paying pension payments that were consistent with prior years. The additional tax deduction that will result from the increased pension expense will result in an overpayment of taxes for 2008. We have filed for a quick refund of that estimate overpayment of approximately \$1.9 million which is included in income taxes receivable on the consolidated balance sheets at December 2008. We expect to receive this tax refund in the first half of 2009.

7. Capitalization

A. Common Shares Reserved

The Company has 3,800,930 authorized but unissued shares and 97,350 treasury shares as of December 31, 2008. The Company has reserved the following common shares for issuance as of December 31, 2008:

Dividend Reinvestment Plan	21,649
Employee Stock Purchase Plan	121,351
Board Compensation Plan	13,399

B. Preferred Stock

The Company has 6,000 shares of 4 % Series A preferred stock \$100 par value authorized for issuance of which 6,000 were issued and outstanding at December 31, 2008. The preferred stock is included in stockholders' equity on the balance sheet.

The Company also has 5,000 shares, 4 ¾% Series B preferred stock \$100 par value authorized for issuance none of which has been issued.

The Company also has 32,500 shares, \$1.12 Convertible Preference stock, \$20 par value and \$22 redemption price, authorized for issuance none of which has been issued.

C. Dividend Restriction

The Company's Fifteenth Supplemental Indenture of Mortgage and Deed of Trust restricts the amount that is available for cash dividends. At December 31, 2008, approximately \$10.2 million of retained earnings were free of such restriction and therefore available for the payment of dividends. The line of credit agreement contains covenants that, if violated, could restrict or prevent the payment of dividends. As of December 31, 2008 the Company was not in violation of these covenants. See Note 14 in Notes to Consolidated Financial Statements.

D. Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan offers common stock at a discount to qualified employees.

E. Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan is offered to all Company shareholders and allows the shareholder to reinvest dividends received and purchase additional shares without a fee.

8. Long-term Debt

The Company issued its Fourteenth Series of First Mortgage Bond on September 27, 2001 in the aggregate principal amount of \$15 million as security for the 6.85% Secured Insured Quarterly Notes, due October 1, 2031. Interest on the pledged bond accrues at the annual rate of 6.85% payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year beginning January 1, 2002.

The Company issued \$14 million 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 Company's long-term mortgage bonds are callable only if they are in default or the Company is in violation or the Company wishes to pre-pay the bonds. Although the Company has the option to pre-pay the bonds, the company currently does not plan to do so within the next 12 months.

The bond proceeds were restricted and held in trust until construction expenditures were actually incurred by the Company. In 2002 the remaining \$8 million was drawn from the restricted funds held by the trustee.

In 1992, the Company issued its First Mortgage Bond 9.08% Series in the amount of \$8 million. The thirty-year bond is due in June 2022.

The Company issued two of its Twelfth Series First Mortgage bond series on May 1, 1988; the 9.57% Series due 2018 in the amount of \$10 million and 10.03% Series due 2018 in the amount of \$5.5 million. These two issuances require annual sinking fund payments of \$909,000 and \$500,000 respectively, which began in 2008.

Long-term debt on the balance sheet has been reduced for unamortized debt discount. The unamortized debt discount at December 31 included in long-term debt on the balance sheet is \$1.6 million in 2008 and \$1.7 million in 2007.

Annual Maturities of Long-Term Debt

(Dollars in thousands)							
	Total	2009	2010	2011	2012	2013	Thereafter
Long-term Debt	\$50,966	\$1,409	\$1,409	\$1,409	\$1,409	\$1,409	\$ 43,921

9. Line of Credit

In 2004, the Company entered into an amended and restated loan agreement that allows the Company to increase the line of credit upon 30 days notice by the Company to a maximum of \$20 million. In 2008, the agreement was amended with an expiration date of July 1, 2010, and a maximum of \$26 million. The amendment also reduces the interest rate paid on borrowings by 0.10% or 10 basis points. Effective April 29, 2008, we increased the available line of credit from \$12 million to \$15 million, with a current outstanding balance of \$12.7 million. The Company reserves \$1 million of the line of credit to cover expenses for any major storm repairs in its electric segment. An additional \$250,000 of the line of credit is reserved for a 'letter of credit' insuring our propane facilities.

The average interest rates for the line of credit were as follows as of December 31:

Year	Rate
2008	3.5%
2007	6.1%
2006	6.0%

10. 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. The fair value of long-term debt excluding the unamortized debt discount 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. The indentures governing our two first mortgage bond series outstanding contain "make-whole" provisions (pre-payment penalties that charge for lost interest). The values at December 31 are shown below.

(Dollars in thousands)	2008		2007	
	Carrying Amounts	Approximate Fair Value	Carrying Amounts	Approximate Fair Value
Long-term debt	\$ 50,966	\$56,600	\$ 52,490	\$60,000

11. 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, the United States Environmental Protection Agency 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.

(Dollars in thousands)		
Site	Range From	Range To
West Palm Beach	\$ 5,100	\$ 18,300
Sanford	645	645
Pensacola and Key West	120	120
Total	\$ 5,865	\$ 19,065

The Company currently has \$13.4 million recorded as our best estimate of the environmental liability. The FPSC approved up to \$14 million for total recovery from insurance and rates based on the original 2005 projections as a basis for rate recovery. On October 18, 2004 the FPSC approved recovery of \$9.1 million for environmental liabilities from rates. The Company has recovered a total of \$6.3 million from insurance and rate recovery, net of costs incurred to date. The remaining balance of \$7.1 million is recorded as a regulatory asset. The amortization of this recovery and reduction to the regulatory asset began on January 1, 2005. The majority of environmental cash expenditures is expected to be incurred before 2010, but may continue for another 10 years.

West Palm Beach Site

The Company is currently evaluating remedial options to respond to environmental impacts to soil and groundwater at and in the immediate vicinity of a parcel of property owned by us in West Palm Beach, Florida upon which we previously operated a gasification plant. Pursuant to a Consent Order between the Company and the Florida Department of Environmental Protection effective April 8, 1991, the Company completed the delineation of soil and groundwater impacts at the site. On June 30, 2008, the Company transmitted a revised feasibility study, evaluating appropriate remedies for the site, to the Florida Department of Environmental Protection.

The feasibility study evaluated a wide range of remedial alternatives based on criteria provided by applicable laws and regulations. The total costs for the remedies evaluated in the feasibility study ranged from a low of \$2.8 million to a high of \$54.6 million. Based on the likely acceptability of proven remedial technologies described in the feasibility study and implemented at similar sites, consulting/remediation costs to address the impacts now characterized at the West Palm Beach site are projected to range from \$4.6 million to \$17.9 million. This range of costs covers such remedies as in situ solidification for deeper soil impacts, excavation of surficial soil impacts, installation of a barrier wall with a permeable biotreatment zone, monitored natural attenuation of dissolved impacts in groundwater, or some combination of these remedies. The feasibility study proposed a remedy of surficial soil excavation, installation of a hanging barrier wall with permeable biotreatment zone, and monitored natural attenuation, the cost of which is projected to range from \$4.6 million to \$9.9 million.

Negotiations between the Company and the Florida Department of Environmental Protection on a final remedy for the site continue. Prior to the conclusion of those negotiations, we are unable to determine, to a reasonable degree of certainty, the complete extent or cost of remedial action that may be required. As of December 31, 2008, and subject to the limitations described above, the Company's remediation expenses, including attorneys' fees and costs, are projected to range from approximately \$5.1 million to \$18.3 million for this site.

Sanford Site

The Company owns a parcel of property located in Sanford, Florida, upon which a gasification plant was operated prior to our acquisition of the property. On March 25, 1998, the Company executed an Administrative Order on Consent with the four former owners and operators (collectively, the "Group") and the United States Environmental Protection Agency that obligated the Group to implement a Remedial Investigation/Feasibility Study and to pay the United States Environmental Protection Agency's past and future oversight costs. The Group also entered into a Participation Agreement and an Escrow Agreement on or about April 13, 1998. Work under the Remedial Investigation/Feasibility Study Administrative Order on Consent and Participation Agreement and an Escrow Agreement is now complete and the Company has no further obligations under either document.

In 2008, a revised Consent Decree was signed by all Group Members and the United States Environmental Protection Agency, providing for the implementation by the Group of the remedies the United States Environmental Protection Agency approved earlier for the site, which are set forth in the Records of Decision for Operable Units 1-3, and for the payment of the United States Environmental Protection Agency's past and future oversight costs. The Consent Decree was entered by the federal Court in Orlando and became effective on January 15, 2009; the parties to the Consent Decree are now obligated to implement the remedy approved by United States Environmental Protection Agency for the site.

In January 2007, the Company and other members of the Group signed a Third Participation Agreement, which provides for funding the remediation work specified in the Records of Decision for Operable Units 1-3 and supersedes and replaces the Second Participation Agreement. The Company's share of remediation costs under the Third Participation Agreement is set at 5% of a maximum of \$13 million, or \$650,000. To date, the Company has contributed \$100,000 of its total share of remediation costs under the Third Participation Agreement. It is currently anticipated that the total cost of the final remedy will exceed \$13 million. The Company has advised the other members of the Sanford Group that we are unwilling at this time to agree to pay any sum in excess of the \$650,000 committed by us in the Third Participation Agreement.

Several members of the Sanford Group recently concluded negotiations with two adjacent property owners to resolve damages that the property owners allege that they have/will incur as a result of the implementation of the EPA approved remedy. In settlement of these claims, members of the Sanford Group (excluding the Company) have agreed to pay specified sums of money to the parties. In one case, the settlement agreement requires the select members of the Sanford Group to purchase the third party's property for approximately \$2 million; the third party then has an option to buy back the property after completion of the remedy for approximately the same amount. In the other case, the select members agreed to a lump sum payment of \$428,000. The Company has refused to participate in the funding of the third party settlement agreements based on the contention that it did not contribute to the release of hazardous substances at the site giving rise to the third party claims.

As of December 31, 2008, the Company's share of remediation expenses, plus the Company's attorneys' fees and costs, are projected to be approximately \$645,000 for this site. However, at this time, we are unable to determine, to a reasonable degree of certainty, whether the other members of the Sanford Group will accept the Company's asserted defense to liability for costs exceeding \$13 million to implement the final remedy for the site or will pursue a claim against the Company for a sum in excess of the \$650,000 that FPUC has committed to fund the remedy. Accordingly, we are unable to conclude that the likelihood of an adverse outcome is probable or remote.

Pensacola Site

The Company 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 the Florida Department of Environmental Protection had determined that the Company was one of several responsible parties for any environmental impacts associated with the former gasification plant site, the Company entered into cost sharing agreements with three other responsible parties providing for the funding of certain contamination assessment activities at the site.

Following field investigations performed on behalf of the responsible parties, on July 16, 1997, the Florida Department of Environmental Protection approved a final remedy for the site that provides for annual sampling of selected monitoring wells. Such annual sampling has been undertaken at the site since 1998. The Company's share of these costs is less than \$2,000 annually.

In March 1999, the United States Environmental Protection Agency requested site access in order to undertake an Expanded Site Inspection. The Expanded Site Inspection was completed by the United States Environmental Protection Agency's contractor in 1999 and an Expanded Site Inspection

Report was transmitted to the Company in January 2000. The Expanded Site Inspection Report recommends additional work at the site. The responsible parties met with the Florida Department of Environmental Protection on February 7, 2000 to discuss the United States Environmental Protection Agency's plans for the site. In February 2000, the United States Environmental Protection Agency indicated preliminarily that it will defer management of the site to the Florida Department of Environmental Protection; as of July 31, 2008, the Company has not received any written confirmation from the United States Environmental Protection Agency or the Florida Department of Environmental Protection regarding this matter. Prior to receipt of the United States Environmental Protection Agency's written determination regarding site management, we are unable to determine whether additional field work or site remediation will be required by the United States Environmental Protection Agency and, if so, the scope or costs of such work.

As of December 31, 2008, the Company's share of remediation expenses for the site, including attorney's fees and costs, are projected to be approximately \$27,000.

Key West Site

Between 1927 and 1938, the Company owned and operated a gasification plant on Catherine Street, in Key West, Florida. The plant discontinued operations in the late 1940s; the property on which the plant was located is currently used for a propane gas distribution business. In March 1993, a Preliminary Contamination Assessment Report was prepared by a consultant jointly retained by the Company and the current site owner and was delivered to the Florida Department of Environmental Protection. The Preliminary Contamination Assessment Report reported that very limited soil and groundwater impacts were present at the site. By letter dated December 20, 1993, the Florida Department of Environmental Protection notified the Company that the site did not warrant further "CERCLA consideration and a Site Evaluation Accomplished disposition is recommended." the Florida Department of Environmental Protection then referred the matter to its Marathon office for consideration of whether additional work would be required by the Florida Department of Environmental Protection's district office under Florida law. As of December 31, 2008, the Company has received no further communication from the Florida Department of Environmental Protection with respect to the site. At this time, we are unable to determine whether additional field work will be required by the Florida Department of Environmental Protection and, if so, the scope or costs of such work. In 1999, the Company received an estimate from its consultant that additional costs to assess and remediate the reported impacts would be approximately \$166,000. As of December 31, 2008 and assuming the current owner shared in such costs according to the allocation agreed upon by the parties for the Preliminary Contamination Assessment Report, the Company's share of remediation expenses, including attorneys' fees and costs, is projected to be \$93,000 for this site.

12. Commitments

A. General

To ensure a reliable supply of electric 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 2023. At December 31, 2008, the Company had 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 \$31.1 million during 2009 related to gas purchase agreements. Substantially all costs incurred under the electric and gas purchase agreements are currently recoverable from customers through fuel adjustment clause mechanisms.

13. Employee Benefit Plans

A. Pension Plan

The Company sponsors a qualified defined benefit pension plan for non-union employees that were hired before January 1, 2005 and for unionized employees that work under one of the six Company union contracts and were hired before their respective contract dates in 2005 and 2006.

In an effort to reduce the anticipated expenses and pension liability, the Company is proposing to freeze the pension plan effective December 31, 2009 for all employees currently in the Company's pension plan. The freeze will reduce both pension expenses and pension contribution beginning in 2010. The freeze will stop additional benefits from accruing in the future, including freezing salary rates at levels existing in 2009. With the freeze, total pension expense and total pension contributions for the next five years are expected to be approximately \$1 million and \$12 million, respectively.

Our Company adopted the recognition provisions of SFAS No. 158, as required, at December 31, 2006 and used December 31 as the measurement date to measure the assets and obligations of our retirement plans. This resulted in an additional liability for retirement plans. The tax on the non-regulated portion of the liability has been recorded as a deferred income tax asset. As an offset, the regulatory portion of this liability has been deferred as a regulatory asset to be recovered in future periods and the remaining loss has been included in other accumulated comprehensive income (loss) net of taxes.

The fair value of our retirement plan assets and obligations are subject to change based on market fluctuations.

The following tables provide a reconciliation of the changes in the plan's benefit obligations and fair value of assets over the three year period ending December 31, 2008 and a statement of the funded status as of December 31, of all three years:

Benefit Obligations and Funded Status			
	Fiscal Year Ending December 31,		
	2008	2007	2006
Accumulated Benefit Obligation at the End of the Year	\$37,441,162	\$34,139,719	\$33,693,860
Change in Projected Benefit Obligation on a Measurement Year Basis:			
Projected Benefit Obligation at the Beginning of the Period	39,519,824	38,650,888	36,349,925
Service Cost	1,014,581	1,053,824	1,225,495
Interest Cost	2,582,227	2,293,540	2,160,719
Actuarial (Gain) or Loss	1,553,709	(909,856)	541,865
Benefits Paid	(1,603,717)	(1,568,572)	(1,529,258)
Curtailment	-	-	(97,858)
Projected Benefit Obligation at the End of the Period	<u>\$43,066,624</u>	<u>\$39,519,824</u>	<u>\$38,650,888</u>
Change in Plan Assets on a Measurement Year Basis:			
Fair Value of Plan Assets at the Beginning of the Period	\$36,240,316	\$35,635,214	\$32,936,666
Actual Return on Plan Assets	(9,726,707)	1,923,674	3,977,806
Benefits Paid	(1,603,717)	(1,568,572)	(1,529,258)
Employer Contributions	400,000	250,000	250,000
Fair Value of Assets at the End of the Period	<u>\$25,309,892</u>	<u>\$36,240,316</u>	<u>\$35,635,214</u>
Funded Status at the End of the Measurement Year:	<u>\$ (17,756,732)</u>	<u>\$ (3,279,508)</u>	<u>\$ (3,015,674)</u>

Amounts Recognized in the Statement of Financial Position At
Year-End after Applying FAS 158:

Portion of Amount Recognized as Accumulated Other Comprehensive (Income) Loss	\$2,590,973	\$(29,768)	\$207,885
Portion of Amount Recognized as Regulatory Asset (Liability) –retirement plans	10,363,894	(156,979)	737,049
Net Amount Recognized at Year-End	<u>\$12,954,867</u>	<u>\$(186,747)</u>	<u>\$944,934</u>

Amounts Recognized in Accumulated Other Comprehensive (Income) Loss and Regulatory Asset (Liability) after Applying FAS 158:

Transition Obligation (Asset)	\$ -	\$ -	\$ -
Prior Service Cost (Credit)	2,535,898	3,255,374	3,992,489
Net (Gain) or Loss	10,418,969	(3,442,121)	(3,047,555)
Net Amount Recognized at the End of the Year (Note 13. C.)	<u>\$12,954,867</u>	<u>\$(186,747)</u>	<u>\$944,934</u>

Weighted Average Assumptions at the End of the Year

Discount Rate	6.35%	6.65%	6.00%
Rate of Compensation Increase	3.75%	3.90%	3.25%
Mortality	RP-2000	RP-2000	GAM 83

The following table provides the components of net periodic benefit cost for the plans for fiscal years 2008, 2007 and 2006:

Net Periodic Pension Cost			
	Years Ended December 31,		
	2008	2007	2006
(1) Service Cost	\$1,014,581	\$1,053,824	\$1,225,495
(2) Interest Cost	2,582,227	2,293,540	2,160,719
(3) Expected Return on Plan Assets	(2,580,674)	(2,438,964)	(2,426,064)
(4) Amortization of Transition Obligation/(Asset)	-	-	-
(5) Amortization of Prior Service Cost	719,476	737,115	737,115
(6) Amortization of Net (Gain)	-	-	-
(7) Total FAS 87 Net Periodic Pension Cost	<u>\$1,735,610</u>	<u>\$1,645,515</u>	<u>\$1,697,265</u>
(8) FAS 88 Charges / (Credits)	-	-	(97,858)
(a) Curtailment	-	-	-
(9) Total Net Periodic Pension Cost	<u>\$1,735,610</u>	<u>\$1,645,515</u>	<u>\$1,599,407</u>
(10) Weighted Average Assumptions			
(a) Discount Rate at Beginning of the Period	6.65%	6.00%	5.90%
(b) Expected Return on Plan Assets	8.50%	8.50%	8.50%
(c) Rate of Compensation Increase	3.90%	3.25%	3.15%

Expected Amortizations

	Fiscal Year Ending December 31,		
	2009	2008	2007
(1) Expected Amortization of Transition Obligation (Asset)	\$ -	\$ -	\$ -
(2) Expected Amortization of Prior Service Cost (Credit)	684,830	719,476	737,115
(3) Expected Amortization of Net Loss (Gain)	<u>\$140,000</u>	<u>\$ -</u>	<u>\$ -</u>

		Plan Assets			
		Target	Percentage of Plan		
		Allocation	Assets at December 31		
		2009	2008	2007	2006
(1)	Plan Assets				
(a)	Equity Securities	40% - 75%	69%	64%	68%
(b)	Debt Securities	25% - 50%	30%	36%	30%
(c)	Real Estate	0% - 0%	0%	0%	0%
(d)	Other	0% - 15%	1%	0%	2%
(e)	Total		100%	100%	100%

Expected Return on Plan Assets

The expected rate of return on plan assets is 8.5%. The Company expects 8.5% to fall within the 50 to 60 percentile range of returns on investment portfolios with asset diversification similar to that of the Pension Plan's target asset allocation.

Investment Policy and Strategy

The Company has established and maintains an investment policy designed to achieve a long-term rate of return, including investment income and appreciation, sufficient to meet the actuarial requirements of the Pension Plan. The Company seeks to accomplish its return objectives by investing in a diversified portfolio of equity, fixed income and cash securities seeking a balance of growth and stability as well as an adequate level of liquidity for pension distributions as they fall due. As a guideline, no more than 10% of the portfolio is invested in any one issue.

Cash Flows

(1)	Expected Contributions for Fiscal Year Ending December 31, 2009	
	Required Minimum Employer Contributions for 2008 plan year	\$ 560,000
	Voluntary Employer Contributions for 2008 plan year	4,065,000
	Total Employer Contributions in 2009 for 2008 plan year	4,625,000
	Required Minimum Payments for 2009 plan year	1,230,000
	Expected Employer Contributions in 2009	\$5,855,000
	Expected Employee Contributions	-
(2)	Estimated Future Benefit Payments Reflecting Expected Future Service for the years ending December 31,	
	2009	\$2,007,172
	2010	\$2,130,588
	2011	\$2,229,920
	2012	\$2,373,239
	2013	\$2,550,996
	2014 - 2018	\$15,225,040
	Amount of Plan Assets Expected to be Returned to the Employer in the Fiscal Year Ending	
(3)	12/31/09	-

Other Accounting Items

		Years Ended December 31,		
		2008	2007	2006
(1)	Market-Related Value of Assets as of beginning of fiscal year	\$31,152,347	\$29,485,534	\$29,290,131

(2) Amount of Future Annual Benefits of Plan Participants Covered by Insurance Contracts Issued by the Employer or Related Parties	-	-	-
(3) Alternative Amortization Methods Used to Amortize			
(a) Prior Service Cost	Straight Line	Straight Line	Straight Line
(b) Unrecognized Net (Gain) or Loss	Straight Line	Straight Line	Straight Line
(4) Average Future Service	10.3	10.56	10.8
(5) Employer Commitments to Make Future Plan Amendments(that Serve as the Basis for the Employer's Accounting for the Plan)	None	None	None
(6) Description of Special or Contractual Termination Benefits Recognized During the Period	N/A	N/A	N/A
(7) Cost of Benefits Described in (6)	N/A	N/A	N/A
(8) Explanation of Any Significant Change in Benefit Obligation or Plan Assets not Otherwise Apparent in the Above Disclosures	N/A	N/A	N/A
(9) Measurement Date Used	12/31/2008	12/31/2007	12/31/2006

B. Medical Plan

The Company sponsors a postretirement medical program. The medical plan is contributory with participants' contributions adjusted annually. The following tables provide required financial disclosures over the three-year period ended December 31, 2008:

Benefit Obligations and Funded Status			
	Fiscal Year Ending December 31,		
	2008	2007	2006
Change in Accumulated Postretirement Benefit Obligation on a Measurement Year Basis:			
Accumulated Postretirement Benefit Obligation at the Beginning of the Period	\$1,621,553	\$1,865,353	\$ 2,343,583
Service Cost	52,592	54,603	59,982
Interest Cost	103,917	95,348	105,483
Actuarial (Gain) or Loss	(13,642)	(329,969)	(568,755)
Benefits Paid	(105,953)	(96,975)	(117,459)
Change in Plan Provisions	-	-	-
Plan Participant Contributions	34,740	33,193	42,519
Accumulated Postretirement Benefit Obligation at the End of the Period	<u>\$1,693,207</u>	<u>\$1,621,553</u>	<u>\$1,865,353</u>
Change in Plan Assets on a Measurement Year Basis:			
Fair Value of Plan Assets at the Beginning of the Period	\$ -	\$ -	\$ -
Benefits Paid	(105,953)	(96,975)	(117,459)
Employer Contributions	71,213	63,782	74,940
Plan Participant Contributions	34,740	33,193	42,519
Fair Value of Assets at the End of the Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded Status at the End of the Measurement Year:	<u><u>\$(1,693,207)</u></u>	<u><u>\$(1,621,553)</u></u>	<u><u>\$(1,865,353)</u></u>
Amounts Recognized in the Statement of Financial Position At Year-End After Applying FAS 158			
Net Asset (Liability):	\$(1,693,207)	\$(1,621,553)	\$(1,865,353)
Portion of Amount Recognized as Accumulated Other Comprehensive (Income)	(104,845)	(110,565)	(42,346)
Portion of Amount Recognized as Regulatory Asset	(419,380)	(406,768)	(150,134)

(Liability) -retirement plans

Net Asset (Liability) Recognized in the Statement of Financial
Position At Year-End After Applying FAS 158

(Current Liabilities) included in Other Accruals and
Payables

(98,355) (88,176) (150,589)

(Noncurrent Liabilities) included in Long-term medical and
pension reserve

(1,594,852) (1,533,377) (1,714,764)

Total Net Asset (Liability):

\$(1,693,207) \$(1,621,553) \$(1,865,353)

Amounts Recognized in Accumulated Other Comprehensive
Income After Applying FAS 158

Transition Obligation (Asset)

171,574 214,470 257,366

Prior Service Cost (Credit)

- - -

Net (Gain) or Loss

(695,799) (731,803) (449,846)

Net Amount Recognized at the End of the Year (Note 13. C.)

\$(524,225) \$(517,333) \$(192,480)

Weighted Average Assumptions at the End of the Year

Discount Rate

6.60% 6.45% 6.00%

Rate of Compensation Increase

N/A N/A N/A

Mortality

RP-2000 RP-2000 GAM 83

Assumed Health Care Cost Trend Rates

Health Care Cost Trend Rate Assumed for Next Year

9.50% 10.50% 11.50%

Ultimate Rate

5.00% 5.00% 5.00%

Year that the Ultimate Rate is Reached

2014 2014 2014

Net Periodic Postretirement Benefit Cost

		Years ended December 31,		
		2008	2007	2006
(1)	Service Cost	\$52,592	\$54,603	\$59,982
(2)	Interest Cost	103,917	95,348	105,483
(3)	Amortization of Transition Obligation/(Asset)	42,896	42,896	42,896
(4)	Amortization of Prior Service Cost	-	-	-
(5)	Amortization of Net (Gain) or Loss	(49,646)	(48,012)	(17,981)
(6)	Total Net Periodic Benefit Cost	<u>\$149,759</u>	<u>\$144,835</u>	<u>\$190,380</u>
(7)	Weighted Average Assumptions			
(a)	Discount Rate	6.45%	6.00%	5.90%
(b)	Expected Return on Plan Assets	N/A	N/A	N/A
(c)	Rate of Compensation Increase	N/A	N/A	N/A
(8)	Assumed Health Care Cost Trend Rates			
(a)	Health Care Cost Trend Rate Assumed for Current Year	10.50%	11.50%	12.50%
(b)	Ultimate Rate	5.00%	5.00%	5.00%
(c)	Year that the Ultimate Rate is Reached	2014	2014	2014

Expected Amortizations

		Years ended December 31,		
		2009	2008	2007
(1)	Expected Amortization of Transition Obligation (Asset)	\$42,896	\$42,896	\$42,896
(2)	Expected Amortization of Prior Service Cost (Credit)	-	-	-
(3)	Expected Amortization of Net Loss (Gain)	\$(49,668)	\$(49,646)	\$(48,012)
(4)	Impact of One-Percentage-Point Change in			

Sensitivity			
(1)	Assumed Health Care Cost Trend Rates	<u>Increase</u>	<u>Decrease</u>
(a)	Effect on Service Cost + Interest Cost	\$21,105	(\$18,078)
(b)	Effect on Postretirement Benefit Obligation	\$184,496	(\$160,397)

Plan Assets				
		<u>Target</u>	<u>Percentage of Plan</u>	
		<u>Allocation</u>	<u>Assets at December 31</u>	
		<u>2009</u>	<u>2008</u>	<u>2007</u>
				<u>2006</u>
(1)	Plan Assets			
(a)	Equity Securities	N/A	N/A	N/A
(b)	Debt Securities	N/A	N/A	N/A
(c)	Real Estate	N/A	N/A	N/A
(d)	Other	N/A	N/A	N/A
(e)	Total	N/A	N/A	N/A

Cash Flows				
(1)	Expected Contributions for Fiscal Year Ending 12/31/2009			
(a)	Expected Employer Contributions			\$98,355
(b)	Expected Employee Contributions			\$36,332
(2)	Estimated Future Benefit Payments Reflecting Expected Future Service for the Fiscal Year(s) Ending			
		<u>Total</u>	<u>Medicare Part-D</u>	
			<u>Reimbursement</u>	<u>Employee</u>
				<u>Employer</u>
(a)	12/31/2009	\$146,143	\$11,456	\$98,355
(b)	12/31/2010	\$157,907	\$12,004	\$106,578
(c)	12/31/2011	\$169,174	\$12,603	\$116,843
(d)	12/31/2012	\$192,641	\$13,099	\$135,961
(e)	12/31/2013	\$187,531	\$14,050	\$127,976
(f)	12/31/2014 - 12/31/2018	\$1,136,158	\$82,872	\$783,763
(3)	Amount of Plan Assets Expected to be Returned to the Employer in the Fiscal Year Ending 12/31/2009			
				\$ 0

Other Accounting Items				
		<u>Years Ended December 31,</u>		
		<u>2008</u>	<u>2007</u>	<u>2006</u>
(1)	Market-Related Value of Assets as of beginning of year	N/A	N/A	N/A
(2)	Amount of Future Annual Benefits of Plan Participants Covered by Insurance Contracts Issued by the Employer or Related Parties	-	-	-
(3)	Alternative Amortization Methods Used to Amortize			
(a)	Prior Service Cost	Straight Line	Straight Line	Straight Line
(b)	Unrecognized Net (Gain) or Loss	Straight Line	Straight Line	Straight Line
(4)	Average Future Service	10.60	10.90	11.10
(5)	Employer Commitments to Make Future Plan Amendments (that Serve as the Basis for the	None	None	None

Employer's Accounting for the Plan)			
(6)	Description of Special or Contractual Termination Benefits Recognized During the Period	N/A	N/A
(7)	Cost of Benefits Described in (6)	N/A	N/A
(8)	Explanation of Any Significant Change in Benefit Obligation or Plan Assets not Otherwise Apparent in the Above Disclosures	N/A	N/A
(9)	Measurement Date Used	12/31/2008	12/31/2007
			12/31/2006

Discount Rate Assumption

The discount rate assumption used to determine the postretirement benefit obligations is based on current yield rates in the double A bond market. The current year's discount rate was selected using a method that matches projected payouts from the plan with a zero-coupon double A bond yield curve. This yield curve was constructed from the underlying bond price and yield data collected as of the plan's measurement date and is represented by a series of annualized, individual discount rates with durations ranging from six months to thirty years. Each discount rate in the curve was derived from an equal weighting of the double A or higher bond universe, apportioned into distinct maturity groups. These individual discount rates are then converted into a single equivalent discount rate, which is then used for FAS discount purposes. To assure that the resulting rates can be achieved by a postretirement benefit plan, only bonds that satisfy certain criteria and are expected to remain available through the period of maturity of the plan benefits are used to develop the discount rate. Prior years' discount rate assumptions were set based on investment yields available on double A, long-term corporate bonds.

Actuarial Equivalent

In determining "Actuarial Equivalence," Aon's proprietary prescription drug pricing tool was used. This tool allowed us to determine the estimated Per Member Per Month prescription drug cost for both the company plan and the Medicare plan. The two Per Member Per Month's were adjusted for monthly retiree contributions. We assumed that 60% of the monthly combined medical and prescription drug retiree contribution for the company plan applies towards prescription drugs. Because the subsidy is the same regardless of the cost sharing structure (unless the plan is not "Actuarial Equivalent"), in general a plan that has higher cost sharing would reduce their annual cost as a percentage greater than a plan would that has lower cost sharing.

Voluntary Prescription Drug Coverage

Legislation enacted in December 2003 provides for the addition of voluntary prescription drug coverage under Medicare starting in 2006. The legislation also provides for a 28% tax-free subsidy for each qualified covered retiree's drug cost between certain thresholds if the employer's coverage is at least actuarially equivalent to the standard Medicare drug benefit. Based on the final regulations issued by the Centers for Medicare and Medicaid Services on January 21, 2005, we determined our prescription drug coverage of the Postretirement Medical Benefits plan to be actuarially equivalent to Medicare Part D.

C. Accumulated Other Comprehensive (Income) Loss and Regulatory Asset/ (Liability)

The amount recognized in Accumulated Other Comprehensive Income after applying FAS 158 is shown in the Balance Sheet as Regulatory Asset -- Retirement Plan and is computed as follows:

	Year Ending December 31,	
	2008	2007
Amount recognized in Accumulated Other Comprehensive Income After Applying FAS 158:		
Relating to Pension	\$ 12,954,867	\$ (186,747)
Deferred Tax relating to Pension	(974,983)	14,258
Relating to Post Retirement Medical	(524,225)	(517,333)

Deferred Tax relating to Post Retirement Medical	39,453	38,549
Total Amounts Recognized in Accumulated		
Other Comprehensive Income After Applying FAS 158	<u>\$ 11,495,112</u>	<u>\$ (651,273)</u>
Allocated portion to regulated segments,		
shown as Regulatory Asset (Liability)-Retirement Plan	\$ 9,944,514	\$ (563,747)
Allocated portion to non-regulated segments,		
shown as Other Comprehensive (Income)/Loss	2,486,128	(140,333)
Deferred Tax	(935,530)	52,807
Other Comprehensive (Income) Loss net of Deferred Tax	<u>1,550,598</u>	<u>(87,526)</u>
Total for regulated and non-regulated segments	<u>\$ 11,495,112</u>	<u>\$ (651,273)</u>

D. Health Plan

In December 2003, the Company became fully insured for its employee and retiree's medical insurance. Net health care benefits paid by the Company were approximately \$2 million in 2008, \$1.8 million in 2007 and \$1.7 million in 2006 excluding administrative and stop-loss insurance.

E. 401K Plan

The Company has discontinued eligibility to the defined benefit pension plan for all new hires, and replaced it with the 401K match discussed below.

For new hires not eligible for the defined benefit pension plan, we established an employer match to the employee's contribution to their 401K plans. It provides for a company match of 50% for each dollar contributed by the employee, up to 6% of their salary, for a company contribution of up to 3%. Beginning in 2007, for non-union employees the plan was enhanced to provide a company match of 100% for the first 2% of an employee's contribution, and a match of 50% for the next 4% of an employee's contribution, for a total company match of up to 4%. This enhanced match was successfully negotiated with our six union contracts in 2007. Employees are automatically enrolled at 3% contribution, with the option of opting out, and are eligible for the company match after six months of continuous service, with vesting of 100% after three years of continuous service.

The Company plans to replace the current pension plan with the 401K match discussed above at the end of 2009 for all remaining employees.

F. Employee Stock Purchase Plan

The Company offers an employee stock purchase plan to substantially all of its employees. The plan offers a 15% discount on the Company's stock at market price fixed six months prior to the date of purchase. The recorded stock compensation expense relating to the Company's employee stock purchase plan is not material.

14. Covenants

We have historically met all our line of credit and fuel supplier covenants. As of December 2008 we were in violation of a covenant regarding our total liabilities to tangible net worth ratio included in one of our supply agreements with a fuel provider. The violation was caused primarily by a significant increase in our pension liability. Failure to meet this covenant would have required us to provide a one year irrevocable letter of credit for \$3.3 million; however, we received a 30 day time extension to March 27, 2009 to meet this covenant ratio. On March 20, 2009, we calculated the covenant ratio, as of February 28, 2009, and are now in compliance with this covenant. We plan to notify the fuel provider before March 27, 2009 of our compliance. At this time management does not anticipate any further covenant violations.

Our line of credit contains a similar covenant ratio. The Company is in compliance with all covenants on our line of credit and other fuel supply agreements at December 31, 2008. Management is

continuing to take steps to comply with all covenants going forward, but there can be no assurance that further deterioration of the market or the economy will not occur and give rise to a violation.

15. Segment Information

The Company is organized into two regulated business segments: natural gas and electric, and one non-regulated business segment, propane gas. 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 2008, 2007 and 2006 is summarized as follows:

(Dollars in thousands)	2008	2007	2006
Revenues			
Natural gas	\$ 72,624	\$ 64,850	\$ 71,139
Electric	78,655	55,521	48,527
Propane gas	17,269	16,171	15,115
Consolidated	<u>\$ 168,548</u>	<u>\$ 136,542</u>	<u>\$ 134,781</u>
Operating income, excluding income tax			
Natural gas	\$ 3,563	\$ 4,647	\$ 6,118
Electric	4,205	2,653	3,053
Propane gas	1,341	1,521	1,006
Consolidated	<u>\$ 9,109</u>	<u>\$ 8,821</u>	<u>\$ 10,177</u>
Identifiable assets			
Natural gas	\$ 101,920	\$ 99,295	\$ 93,689
Electric	58,220	54,202	52,251
Propane gas	18,534	19,371	19,239
Common	30,257	19,476	16,055
Consolidated	<u>\$ 208,931</u>	<u>\$ 192,344</u>	<u>\$ 181,234</u>
Depreciation and amortization			
Natural gas	\$ 4,569	\$ 4,374	\$ 4,095
Electric	3,202	2,714	2,610
Propane gas	824	898	720
Common	317	300	317
Consolidated	<u>\$ 8,912</u>	<u>\$ 8,286</u>	<u>\$ 7,742</u>
Construction expenditures			
Natural gas	\$ 6,017	\$ 11,134	\$ 7,643
Electric	3,907	4,387	3,184
Propane gas	1,041	773	1,885
Common	262	446	404
Consolidated	<u>\$ 11,227</u>	<u>\$ 16,740</u>	<u>\$ 13,116</u>
Income tax expense			
Natural gas	\$ 270	\$ 730	\$ 1,336
Electric	929	430	546
Propane gas	361	272	110
Common	243	265	246
Consolidated	<u>\$ 1,803</u>	<u>\$ 1,697</u>	<u>\$ 2,238</u>

16. Quarterly Financial Data (Unaudited)

The quarterly financial data presented below reflects the influence of 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.

(Dollars in thousands, except per share amounts):	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2008				
Revenues	\$ 45,030	\$ 41,376	\$ 41,934	\$ 40,208
Gross profit	\$ 14,118	\$ 12,025	\$ 11,863	\$ 13,221
Operating income	\$ 4,011	\$ 1,142	\$ 1,566	\$ 2,390
Earnings before income taxes	\$ 3,016	\$ 60	\$ 644	\$ 1,569
Net Income	\$ 1,950	\$ 81	\$ 424	\$ 1031
Earnings per common share (basic and diluted)	\$ 0.32	\$ 0.01	\$ 0.07	\$ 0.17
2007				
Revenues	\$ 38,612	\$ 32,468	\$ 31,641	\$ 33,821
Gross profit	\$ 13,843	\$ 11,769	\$ 11,062	\$ 12,047
Operating income	\$ 3,738	\$ 1,596	\$ 1,414	\$ 2,073
Earnings before income taxes	\$ 2,827	\$ 607	\$ 519	\$ 1,045
Net Income	\$ 1,798	\$ 410	\$ 355	\$ 738
Earnings per common share (basic and diluted)	\$ 0.30	\$ 0.07	\$ 0.06	\$ 0.12

Florida Public Utilities Company		An Original		December 31, 2008	
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)	194,408,219	80,039,877		
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)	194,408,219	80,039,877		
9	Leased to Others	999,180	-		
10	Held for Future Use	-	-		
11	Construction Work in Progress	2,011,845	615,905		
12	Acquisition Adjustment	1,820,270	3,691		
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	199,239,514	80,659,473		
14	Accum. Prov. for Depr., Amort., & Depl.	64,967,958	30,635,073		
15	Net Utility Plant (Enter total of line 13 less 14)	134,271,556	50,024,400		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
17	In Service:				
18	Depreciation	64,071,443	30,631,382		
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)	64,071,443	30,631,382		
23	Leased to Others				
24	Depreciation	-			
25	Amortization and Depletion	456,018			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	456,018	-		
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	440,497	3,691		
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	64,967,958	30,635,073		

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 year tentative account distributions of these amounts. Careful observance of the above instructions and the texts of account 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		
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
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
0	0	0	0	(316)	14
					15
					16
			0	(320)	17
			0	(321)	18
			0	(322)	19
			0	(323)	20
			0	(324)	21
0	0	0	0	(325)	22
					23
					24
		0	0	(330)	25
			0	(331)	26
			0	(332)	27
			0	(333)	28
			0	(334)	29
			0	(335)	30
0	0	0	0	(336)	31
					32
					33
			0	(340)	34
			0	(341)	35
			0	(342)	36
			0	(343)	37
			0	(344)	38
			0	(345)	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	22,006	0
46	(353) Station Equipment	2,426,032	0
47	(354) Towers and Fixtures	224,665	137
48	(355) Poles and Fixtures	2,362,224	1,689
49	(356) Overhead Conductors and Devices	1,881,021	12,213
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)	6,996,884	14,039
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	37,891	0
56	(361) Structures and Improvements	96,042	0
57	(362) Station Equipment	6,157,068	891,481
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	9,410,748	444,856
60	(365) Overhead Conductors and Devices	10,025,108	318,498
61	(366) Underground Conduit	2,933,990	300,262
62	(367) Underground Conductors and Devices	5,351,197	214,257
63	(368) Line Transformers	13,900,716	399,427
64	(369) Services	8,568,245	468,297
65	(370) Meters	3,475,238	141,024
66	(371) Installations on Customer Premises	2,185,956	256,380
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	1,234,650	51,046
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	63,376,849	3,485,528
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	72,462	0
72	(390) Structures and Improvements	1,420,963	10,737
73	(391) Office Furniture and Equipment	1,289,398	15,148
74	(392) Transportation Equipment	2,805,432	448,430
75	(393) Stores Equipment	114,323	8,742
76	(394) Tools, Shop and Garage Equipment	137,909	5,071
77	(395) Laboratory Equipment	95,756	1,291
78	(396) Power Operated Equipment	194,335	0
79	(397) Communication Equipment	142,860	0
80	(398) Miscellaneous Equipment	16,340	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	6,289,778	489,419
82	(399) Other Tangible Property	10,000	0
83	TOTAL General Plant (Enter Total of lines 81 and 82)	6,299,778	489,419
84	TOTAL (Accounts 101 and 106)	76,673,511	3,988,986
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	76,673,511	3,988,986

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	22,006	(352)	45
(1,512)	0	0	2,424,520	(353)	46
0	0	0	224,802	(354)	47
0	0	0	2,363,913	(355)	48
0	0	0	1,893,234	(356)	49
0	0	0	0	(357)	50
0	0	0	0	(358)	51
0	0	0	6,788	(359)	52
(1,512)	0	0	7,009,411		53
					54
0	0	0	37,891	(360)	55
0	0	0	96,042	(361)	56
0	0	0	7,048,549	(362)	57
0	0	0	0	(363)	58
(44,689)	0	0	9,810,915	(364)	59
(28,742)	0	0	10,314,864	(365)	60
(72)	0	0	3,234,180	(366)	61
(71,186)	0	0	5,494,268	(367)	62
(65,509)	0	0	14,234,634	(368)	63
(2,996)	0	0	9,033,546	(369)	64
(86,873)	0	(1)	3,529,388	(370)	65
(43,916)	0	0	2,398,420	(371)	66
0	0	0	0	(372)	67
(8,558)	0	0	1,277,138	(373)	68
(352,541)	0	(1)	66,509,835		69
					70
0	0	0	72,462	(389)	71
0	0	2,219	1,433,919	(390)	72
(18,052)	0	0	1,286,494	(391)	73
(224,995)	22	0	3,028,889	(392)	74
0	0	0	123,065	(393)	75
0	0	0	142,980	(394)	76
(2,279)	0	0	94,768	(395)	77
(10,574)	0	0	183,761	(396)	78
(14,907)	0	0	127,953	(397)	79
0	0	0	16,340	(398)	80
(270,807)	22	2,219	6,510,631		81
0	0	0	10,000	(399)	82
(270,807)	22	2,219	6,520,631		83
(624,860)	22	2,218	80,039,877		84
0	0	0	0	(102)	85
0	0	0			86
0	0	0	0	(103)	87
(624,860)	22	2,218	80,039,877		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	Station Equipment	29,852
4	Poles	55,467
5	O/H Conductors	57,935
6	EDP Equipment	5,449
7		
9		
10		
11		
12		
13		
14		
15	NORTHEAST DIVISION	
16		
17	Station Equipment	87,564
18	Poles	14,641
19	O/H Conductors	16,963
20	U/G Conductors	293,412
21	Line Transformers	37,630
22	* Other	16,992
23		
24		
34		
35		
36	* Grouped Items	
37		
38		
39	TOTAL	\$615,905

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	34,147,963	34,147,963		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	3,202,068	3,202,068		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	126,137	126,137		
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)	3,328,205	3,328,205		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(624,860)	(624,860)		
12.	Cost of Removal	(141,993)	(141,993)		
13.	Salvage (Credit)	26,113	26,113		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(740,740)	(740,740)		
15.	Other Debit or Credit Items (Describe)-Rounding				
16.		0	0		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	36,735,428	36,735,428		

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	2,664,140	2,664,140		
24.	Distribution	30,441,792	30,441,792		
25.	General	3,619,649	3,619,649		
26.	TOTAL (Enter Total of lines 18 thru 25)	36,725,581	36,725,581		

Florida Public Utilities Company		An Original		December 31, 2008	
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. Sub-total 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			859,603	
3	less treasury stock			0	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37	TOTAL Cost of Account 123.1: 10,000		TOTAL	859,603	

Florida Public Utilities Company		An Original		December 31, 2008	
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)		
620,991 0		1,480,594 0		1	
				2	
				3	
				4	
				5	
				6	
				7	
				8	
				9	
				10	
				11	
				12	
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				26	
				27	
				28	
				29	
				30	
				31	
				32	
				33	
				34	
				35	
				36	
620,991	0	1,480,594		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)	1,133,048	1,143,020	Electric & Gas
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	377,683	381,007	Electric & Gas
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	1,510,731	1,524,027	
12	Merchandise (Account 155)	393,194	401,495	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)	\$1,903,925	\$1,925,522	

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

	Amount	Account Debited	Account Credited
Northeast Electric Materials & Supplies	1,698	1630.3	1540.1
South Florida - Materials & Supplies	1,593	1540.1	1630.1
South Florida Gas Division - Merchandise	1,127	1630.4	1550.1
Central Florida - Materials & Supplies	533	1540.1	1630.1
Central Florida Gas Division - Merchandise	62	1630.4	1550.1
Northwest Electric Division - Materials & Supplies	4,278	1630.3	1540.1
Central Florida Propane Division - Merchandise	61	1630.4	1550.1
Northeast Florida Propane Division - Materials & Supplies	35	1630.3	1540.1

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				
3					
4					
5					
6					
7					
8					
9					
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12					
13					
14					
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26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
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	Undistributed Cap. - Accrued Payroll	10,000	12,745		-	22,745
2	Amortized Piping Costs	1,107,611	165,601		(375,993)	897,219
3	Amortized Conversion Cost	261,785	357,461		(265,902)	353,344
4	Underrecovery Conservation	-	26,890		-	26,890
5	Underrecovery Natural Gas AEP	4,264,682	424,058		(527,759)	4,160,981
6	Underrecovery Fuel	1,079,935	1,160,507		-	2,240,442
7	Penny Elimination	-	194		(89)	105
8	-	-	-		-	-
9	-	-	-		-	-
10	-	-	-		-	-
11						
12						
13						
14						
15						
16						
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23						
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25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	Reclass of Underrecovery of Fuel					(\$1,511,258)
36						
37	Misc. Work in Progress	1,118,085				\$1,467,408
38	Deferred Regulatory Comm. Expenses					
39	(See Pages 350 - 351)	(534,850)	(258,636)	928	285,806	(\$507,680)
40						
41	TOTAL	\$7,307,248				\$7,150,196

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)	Amounts Debited to 4100 (c)	Adjustments (d)	Balance at End of Year (e)
1	Electric				
2	AMT	-	-	-	-
3	Self Insurance Res. & Audit Fee	300,816	21,328	-	322,144
4	Uncollectible	11,830	(16,895)	-	(5,065)
5	Vacation Pay	99,862	46,406	-	146,268
6	Misc. Accrual	-	-	-	-
7	Interest Not Cap. & Amort of Dept.	-	-	-	-
8	Rate Refund	-	-	-	-
9	General liability	35,272	7,596	-	42,868
10	Regulatory	-	-	-	-
11	Gain on Hydroplant	-	-	-	-
12	Storm Reserve	667,744	(54,784)	-	612,960
13	TOTAL Electric (Lines 2 thru 13)	1,115,524	3,651	0	1,119,175
14	Gas				
15	Deferred Gain	-	-	-	-
16	Self Insurance Res. & Audit Fee	550,706	78,957	-	629,663
17	Uncollectible	87,815	53,845	-	141,660
18	Vacation Pay	203,563	83,558	-	287,121
19	Environmental	2,249,050	135,223	-	2,384,273
20	General liability	46,757	10,066	-	56,823
21	Storm Reserve	230,587	798,902	-	1,029,489
22	Rate Refund	9,906	(9,906)	-	-
23					
24					
25					
26	TOTAL Gas (Lines 15 thru 25)	3,378,384	1,150,645	-	4,529,029
27					
28	Other (Specify) Common	-	-	-	-
29	TOTAL (Account 190)(Lines 12, 23 & 24)	4,493,908	1,154,296	-	5,648,204
Classification of Total:					
Federal Income Tax		3,837,080			4,822,661
State Income Tax		656,828			825,543

CAPITAL STOCK (Accounts 201 and 204)

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 fil

ing, a specific reference to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the no. of shares authorized by the articles of incorp. as amended to end of year.

3. Give particulars (deatils) concerning sharesof any class and

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)	Call Price at End of Year (d)
1	Common Stock Additional Reacquired Stock Held By Flo-Gas Corporation (a wholly owned subsidiary)	6,000,000	\$1.50	
	TOTAL Common Stock	6,000,000	\$1.50	
2	Preferred Stock	6,000	\$100.00	
3				
4				
5				
6				
7				
8				
9				
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Outstanding Per Balance Sheet		Held by Respondent As Recquired Stock (Account 217)		In Sinking and Other Funds		Line No.
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
6,199,070 *	\$9,299,105	97,350	\$1,725,042			1
		0	0			
6,199,070	9,299,105	97,350	1,725,042			
6,000	\$600,000					2
						3
						4
						5
						6
						7
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						9
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						20
						21
						22
* The Common Shares dollar amount includes \$500 in accordance with Florida Statutes						23
						24
						25
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						34
						35

December 31, 2008

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	Miscellaneous Paid in Capital - Beginning Balance	\$781,403
3	Gain on Resale of Reacquired Common Stock	(\$178,581)
4	Miscellaneous Paid in Capital - Ending Balance	<u>\$602,822</u>
5		
6		
7		
8		
9		
10		
11	ACCOUNT 219:	
12		
13	Comprehensive Income - Beginning Balance	87,528
14	Activity	(1,638,127)
15	Comprehensive Income - Ending Balance	<u>(1,550,599)</u>
16		
17		
18		
19		
20		
21		
22		
23		
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25		
26		
27		
28		
29		
30		
31		
32	TOTAL	<u>(\$947,777)</u>
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	6,555
5	10.03% Series Due 2018	5,500,000	3,530
6	9.08% Series Due 2022	8,000,000	4,067
7	4.90% Series Due 2031	14,000,000	26,865
8	6.85% Series Due 2031	15,000,000	40,624
9			
10			
11			
12			
13			
14			
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19			
20			
21			
22			
23			
24			
25			
26	Reclass. unamortize debt exp. to LT debt.		
27			
28			
29	TOTAL	52,500,000	81,641

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	9,091,000	899,006	4
5/1/88	5/1/18	5/1/88	5/1/18	5,000,000	518,217	5
6/1/92	6/1/22	6/1/92	6/1/22	8,000,000	726,400	6
11/1/01	11/1/31	11/1/01	11/1/31	13,900,000	684,469	7
9/27/01	10/1/31	9/27/01	10/1/31	14,975,000	1,026,748	8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
				(1,636,839)		26
						27
				49,329,161	3,854,840	32
						33

December 31, 2008

**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)
	*	\$2,892,473
1	Net Income for the Year	
2	Reconciling Items for the Year	(243,682)
3	Interest on Water Installment Payment	
4	Taxable Income Not Reported on Books	1,115,063
5	Depreciation	327
6	Penalties	176,638
7	Self Insurance Reserve	89,857
8	Outside Audit Fees	30,344
9	Storm Reserve	12,102
10	Electric Consultant Fee	166,981
11	Customers Intangibles	
12		
13		
14		
15	Deductions Recorded on Books Not Deducted for Return	8,456
16	Meals Expense	10,244
17	Natural Gas Odorizer	345,372
18	Vacation Pay	18,284
19	Loss on Reacquired Debt	1,280,884
20	Income Taxes (excluding current state income of \$ 98,000)	359,350
21	Environmental Costs	98,188
22	Uncollectible Reserve	251
23	Lobby cost	46,931
24	General Liability	45,549
25	ESPP Compensation Expense	
26		
27		
28		
29		
30		
31	Income Recorded on Books Not Included in Return	(326,129)
32	Rate Case Expense	(26,325)
33	Rate Refund Pending	
34		
35		
36		
37		
38		
39	Deductions on Return Not Charged Against Book Income	(1,680,507)
40	Underrecoveries of Purchased Energy Costs	(89,027)
41	Conservation Program Costs	(2,889,389)
42	Pension Reserve	
43		
44		1,444,235
45	Federal Tax Net Income	-
46	Show Computation of Tax:	
47		491,040
48	Tax at 34%	36
49	Rounding	491,076
50	TOTAL Federal Income Tax Payable	620,991
51	* Excludes Flo-Gas Net Income of	
52		
53		
54		

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 inclusion 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)

BALANCE AT BEGINNING OF YEAR						
Line No.	Kind of Tax (See Instruction 5) (a)	Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
1	Federal Taxes:					
2	Income Tax	(2,051,675)		(729,551)	2,497,535	342,223
3	Unemployment Tax - Current	(778)		(20,706)	21,448	
4	Environmental Tax - Prior	0				
5	Environmental Tax - Current	0				
6	FICA - Current	0		(1,311,891)	1,263,069	
7	Total Federal Taxes	(2,052,453)	-	(2,062,148)	3,782,052	
8						
9	State of Florida:					
10	Income	(395,186)		(102,154)	425,204	80,853
11	Emergency Excise Tax - Prior	0				
12	Emergency Excise Tax - Current	1,815		(1,815)		
13	Gross Receipts - Prior	0				
14	Gross Receipts - Current	(311,209)		(4,080,561)	4,004,454	
15	FPSC Assessment - Prior	0				
16	FPSC Assessment - Current	(153,239)		(413,697)	384,369	
17	Intangible Personal Prop.-Current	0				
18	Unemployment - Prior	0				
19	Unemployment - Current	(379)		(11,130)	11,489	
20	Licenses - Current	0				
21	Total State of Florida Taxes	(858,198)		(4,609,357)	4,825,516	0
22						
23	Local:					
24	Advalorem - Prior	-		0	0	
25	Advalorem - Current	-		(1,873,886)	1,873,886	
26	Licenses - Current	-		0	0	
27	City Franchise Tax	-		0	0	
28	Total Local Taxes	-	0	(1,873,886)	1,873,886	
29						
30	Reclassified to Prepaid Taxes					
31	Federal Taxes:					
32	Income Tax					
33	State of Florida:					
34	Income					
35						
36						
37						
38	TOTAL	(2,910,651)	0	(8,545,391)	10,481,454	0

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 Gas & Common (l)	
						1
					(634,028)	2
58,532	0	(95,850)			7,489	3
(36)	0	2,781			0	4
0	0	0			0	5
0	0	0			600,624	6
(48,822)	0	278,171			(25,915)	7
9,674	0	185,102				8
						9
					(96,254)	10
8,717	0	(28,461)			0	11
0	0	0			0	12
0	0	0			0	13
0	0	0			2,131,203	14
(387,316)	0	1,949,358			0	15
0	0	0			356,681	16
(182,567)	0	57,017			0	17
0	0	0			0	18
0	0	0			4,035	19
(20)	0	1,510			0	20
0	0	0			2,395,665	21
(561,186)		1,979,424				22
						23
0	0	0			0	24
0	0	558,710			1,315,175	25
0	0	405			4,061	26
0	0	2,909,174			1,697,796	27
0	0	3,468,289			3,017,032	28
						29
						30
						31
						32
						33
						34
						35
						36
						37
(551,512)	0	5,632,815			5,386,782	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	Electric Utility						
2	3%	1,428			411.4	23	0
3	4%	0			411.4	-	0
4	8	24,637				5,259	0
5	10%	68,614			411.4	22,420	0
6	Prior Period Adjustment	745				(1,104)	0
7							
8	TOTAL	95,424		0		26,598	0
9	Other List separately						
10	and show 3%, 4%, 7%,						
11	10% and TOTAL						
12							
13	Gas Utility						
14	3%	0			4110.4	0	0
15	4%	0			4110.4	0	0
16	8	22,371			4110.4	3,130	0
17	10%	148,441			4110.4	33,711	0
18	Prior Period Adjustment	0					0
19							
20	TOTAL	170,812		0		36,841	
21							
22							
23							
24							
25							
26							
27							
28							
29	TOTAL	0		0		0	0
30							
31	TOTAL UTILITIES	266,236		0		63,439	0
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							

Florida Public Utilities Company		An Original	December 31, 2008
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)			
Balance at End Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
1,405	28 YEARS		1
0	28 YEARS		2
19,378			3
46,194	28 YEARS		4
1,849			5
			6
			7
68,826			8
			9
			10
			11
			12
0	35 YEARS		13
0	35 YEARS		14
19,241	36 YEARS		15
114,730	35 YEARS		16
0			17
			18
			19
133,971			20
			21
			22
			23
			24
			25
			26
			27
			28
0			29
			30
			31
202,797			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	2,462,503	456.1	100	630,236	3,092,639
2	(Amortized over succeeding six month period)		456.11			
3						
4						
5	Over Recovery of Fuel Adjustment-Gas	1,378,279	495.1	1,378,279	0	0
6	(Amortized over succeeding twelve month period)		495			
7						
8						
9	Environmental Insurance Proceeds	13,629,402	1860.1	773,545	572,745	13,428,602
10						
11	Over Recovery Conservation (Electric)	17,795	456.6	19,798	2,003	0
12						
13	Over Recovery Conservation (Gas)	428,585	495.7	54,566	10,225	384,244
14						
15	Over Recovery Unbundling (Gas)	0	495.8	0	0	0
16						
17	Gain on Sale of Property	0	4030.1	0	0	0
18						
19	Other Deferred Credit - Cashier	0	4030.1	0	0	0
20	Overage/Shortage					
21						
22	Other Reg. Liability - Retirement Plan	0		1,319	1,319	0
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Reclass of over recov. fuel & enviro proc.	(2,459,335)				(2,285,258)
40						
41						
42	TOTAL	\$15,457,229		\$2,227,607	\$1,216,528	\$14,620,227
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	CHANGES DURING YEAR		
		Balance at Beginning of Year	Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	5,407,822	536,351	0
3	Gas	9,471,508	981,941	0
4	Other - Water	0		
5	Other - Common	2,921,062	188	0
6	TOTAL (Lines 2 thru 4)	17,800,392	1,518,480	0
7	Other (Specify)			
8	Reclassification of Deferred taxes			
9				
10				
11	TOTAL Account 282 (Lines 5 thru 8)	\$17,800,392	\$1,518,480	\$0
12				
13	Classification of TOTAL			
14	Federal Income Tax	15,278,017	904,035	0
15	State Income Tax	2,522,375	614,445	0
16	Local Income Tax			
17	Total	17,800,392	1,518,480	0
18				
19	Other Reclassification for SFAS no. 143. COR	9,358,947	-	
20				
21	Total	27,159,339	1,518,480	-
22				
23				
24				
25				
26				

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 (Account 410.2)	Amounts Credited (Account 411.2)	Acct. Debited (g)	Credits Amount (h)	Acct. Credited (i)	Debits Amount (j)		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
		1460.009	0		0	5,944,173	1
		1460.009	0		0	10,453,449	2
			0		0	0	3
		1460.009	165,677		0	3,086,927	4
0	0		165,677		0	19,484,549	5
						0	6
			0		0	0	7
						0	8
						0	9
							10
\$0	\$0		\$165,677		\$0	\$19,484,549	11
							12
			165,677		0	16,347,729	13
			0		0	3,136,820	14
							15
			165,677		0	19,484,549	16
							17
-	-	2820	945,044	-	-	10,303,991	18
							19
-	-		1,110,721	-	-	29,788,540	20
							21
							22
							23
							24
							25
							26

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	Electric			
3	Underrecoveries	406,380	152,187	
4	Pension Costs	(346,266)	367,704	
5	Conservation Costs	(6,696)	16,815	
6	Loss on Reacquired Debt	30,819	(2,960)	
8	Rate Case	621,597	23,122	
9	Depreciation Study	0	0	
9	Consulting Fees	13,660	(4,552)	
10	Adjustment from 4100.1 to 4090.1	0	(4,826)	
11	TOTAL Electric (Total Lines 3-9)	719,494	547,490	0
12				
13				
14	Gas			
15	Underrecoveries	0	284,511	
16	Pension Costs	(836,837)	880,365	
20	Conservation Cost	(161,278)	16,688	
17	Loss on Reacquired Debt	40,852	(3,922)	
18	Deltona Repairs	0	0	
19	Rate Case	(435,419)	99,598	
21	Depreciation Study	0	0	
22	Odorizer	10,272	(3,855)	
23	AEP	0	0	
24	Unbundled	0	0	
25	Adjustment from 4100.1 to 4090.1	0	174,189	
26	TOTAL Gas (Total Lines 15 - 23)	(1,382,410)	1,447,574	0
27				
28	Total Gas and Electric (line 11 and 26)	(662,916)	1,995,064	0
29				
30				
31	Other - Common	0	0	0
32				
33	TOTAL Account 283 (Total lines 11, 25 and 31)	(662,916)	\$1,995,064	\$0
34				
35				
36	Classification of TOTAL			
37	Federal Income Tax	(566,027)	1,571,742	
38	State Income Tax	(96,889)	269,047	
39	Local Income Tax	0		

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.

			Debits		Credits			Line
Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)	Balance at End of Year (k)	No.	
							1	
						558,567	2	
				1460.009	0	21,438	3	
				1460.009		10,119	4	
						27,859	5	
					(510,791)	133,928	6	
						0	7	
						9,108	8	
							9	
							10	
							11	
0	0		0		(510,791)	761,019	12	
							13	
							14	
							15	
						284,511	16	
				1460.009	-	43,528	17	
						(144,590)	18	
						36,930	19	
						0	20	
					525,879	190,058	21	
						0	22	
						6,417	23	
						0	24	
						0	25	
						0	26	
0	0		0		525,879	416,854	27	
							28	
0	0		0		15,088	1,177,873	29	
							30	
							31	
						0	32	
							33	
							34	
\$0	\$0		\$0		\$15,088	\$1,177,873	35	
							36	
							37	
0	0		0			1,005,715	38	
0	0		0			172,158	39	
						0	40	
							41	

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					
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11					
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40					

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	\$37,831,711	\$27,189,934
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	7,345,127	5,214,181
5	Large (or Industrial)	31,073,667	22,485,603
6	(443) Outdoor Lighting	1,394,508	1,149,072
7	(444) Public Street and Highway Lighting	467,141	347,228
8	(445) Other Sales to Public Authorities	0	-
10	(448) Interdepartmental Sales	53,693	36,272
9	(456.3) Unbilled Revenues	145,390	(13,371)
11			
12	TOTAL Sales to Ultimate Consumers	78,311,237	56,408,919
13	(447) Sales for Resale		
14			
15	TOTAL Sales of Electricity	78,311,237	56,408,919
16	(Less) (449.1) Provision for Rate Refunds	-	-
17			
18	TOTAL Revenue Net of Provision for Refunds	78,311,237	56,408,919
19	Other Operating Revenues		
20	(450) Forfeited Discounts	478,492	347,773
21	(451) Miscellaneous Service Revenues	256,427	227,968
22	(453) Sales of Water and Water Power	-	-
23	(454) Rent from Electric Property	200,023	110,516
24	(455) Interdepartmental Rents	-	-
25	(456.2) Other Electric Revenues	20,988	15,857
26	(456.1) Overrecoveries Purchase Electric	(630,136)	(1,617,039)
27	(456.6) Overrecoveries Conservation	17,795	26,857
28			
29			
30	TOTAL Other Operating Revenues	343,589	(888,068)
31			
32	TOTAL Electric Operating Revenues	\$78,654,826	\$55,520,851

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		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
329,646	349,709	23,848	23,734	1
58,155	61,135	3,576	3,502	2
341,310	393,570	742	730	3
5,565	5,470			4
2,260	2,306	22	21	5
0	-	0	0	6
687	706	14	14	7
1,909	(2,293)	0	0	8
739,532	810,603	28,202	28,001	9
739,532	810,603	28,202	28,001	10
739,532	810,603	28,202	28,001	11
739,532	810,603	28,202	28,001	12
				13
				14
				15
				16
				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	737,623,000	78,165,847	28,202	26,155.0	0.106
41	Total Unbilled Rev.	1,909,000	145,390			
42	Rate Refund		0			
43	TOTAL	739,532,000	78,311,237	28,202	26,222.7	0.106

* Breakdown per each rate is not readily available.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account	Amount for Current Year	Amount for Previous Year
(a)	(b)	©
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	353	-
47 (539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48 (540) Rents	-	-
49 TOTAL Operation	353	-

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008	
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	353		-	
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	56,105,378		37,049,816	
76	(556) System Control and Load Dispatching	-		-	
77	(557) Other Expenses	91,411		91,109	
78	TOTAL Other Power Supply Expenses	56,196,789		37,140,925	
79	TOTAL Power Production Expenses	56,197,142		37,140,925	
80	2. TRANSMISSION EXPENSES				
81	Operation				
82	(560) Operation Supervision and Engineering	9,342		-	
83	(561) Load Dispatching	-		-	
84	(562) Station Expenses	25,856		14,930	
85	(563) Overhead Line Expenses	-		-	
86	(564) Underground Line Expenses	-		-	
87	(565) Transmission of Electricity by Others	-		-	
88	(566) Miscellaneous Transmission Expenses	4,497		7,070	
89	(567) Rents	-		-	
90	TOTAL Operation	39,695		22,000	
91	Maintenance				
92	(568) Maintenance Supervision and Engineering	-		-	
93	(569) Maintenance of Structures	-		-	
94	(570) Maintenance of Station Equipment	31,293		79,801	
95	(571) Maintenance of Overhead Lines	15,915		28,833	
96	(572) Maintenance of Underground Lines	-		-	
97	(573) Maintenance of Miscellaneous Transmission Plant	-		-	
98	TOTAL Maintenance	47,208		108,634	
99	TOTAL Transmission Expenses	86,903		130,634	
100	3. DISTRIBUTION EXPENSES				
101	Operation				
102	(580) Operation Supervision and Engineering	384,702		286,493	
103	(581) Load Dispatching	36		108	

FLORIDA PUBLIC UTILITIES COMPANY		An Original	December 31, 2008
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	101,195	60,673	
107 (583) Overhead Line Expenses	141,019	167,705	
108 (584) Underground Line Expenses	47,050	43,338	
109 (585) Street Lighting and Signal System Expenses	36,788	18,214	
110 (586) Meter Expenses	305,610	277,791	
111 (587) Customer Installations Expenses	129,039	97,716	
112 (588) Miscellaneous Distribution Expenses	224,648	244,597	
113 (589) Rents	852	833	
114 TOTAL Operation	1,370,939	1,197,468	
115 Maintenance			
116 (590) Maintenance Supervision and Engineering	187,795	128,408	
117 (591) Maintenance of Structures	6,313	4,829	
118 (592) Maintenance of Station Equipment	85,536	45,604	
119 (593) Maintenance of Overhead Lines	1,231,009	1,034,980	
120 (594) Maintenance of Underground Lines	166,005	198,972	
121 (595) Maintenance of Line Transformers	124,092	123,889	
122 (596) Maintenance of Street Lighting and Signal Systems	80,932	49,895	
123 (597) Maintenance of Meters	36,832	40,686	
124 (598) Maintenance of Miscellaneous Distribution Plant	89,713	81,598	
125 TOTAL Maintenance	2,008,227	1,708,861	
126 TOTAL Distribution Expenses	3,379,166	2,906,329	
127 4. CUSTOMER ACCOUNTS EXPENSES			
128 Operation			
129 (901) Supervision	141,016	118,563	
130 (902) Meter Reading Expenses	227,463	279,331	
131 (903) Customer Records and Collection Expenses	883,921	835,831	
132 (904) Uncollectible Accounts	135,438	49,976	
133 (905) Miscellaneous Customer Accounts Expenses	94,302	90,634	
134 TOTAL Customer Accounts Expenses	1,482,140	1,374,335	
135 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
136 Operation			
137 (906) Underrecovery Conservation	(26,890)	-	
138 (907) Supervision	88,059	104,623	
139 (908) Customer Assistance Expenses	234,687	173,626	
140 (909) Informational and Instructional Expenses	192,565	217,891	
141 (910) Miscellaneous Customer Service and Informational Expenses	21,337	18,883	
142 TOTAL Cust. Service and Informational Expenses	509,758	515,023	
143 6. SALES EXPENSES			
144 Operation			
145 (911) Supervision	-	-	
146 (912) Demonstrating and Selling Expenses	-	-	
147 (913) Advertising Expenses	38,451	113,390	
148 (916) Miscellaneous Sales Expenses	660	773	
149 TOTAL Sales Expenses	39,111	114,163	
150 7. ADMINISTRATIVE AND GENERAL EXPENSES			
151 Operation			
152 (920) Administrative and General Salaries	945,873	1,024,949	
153 (921) Office Supplies and Expenses	331,637	199,637	
154 (Less) (922) Administrative expenses Transferred-Cr.	-	-	
155 (923) Outside Services Employed	248,535	192,837	
156 (924) Property Insurance	178,554	178,519	
157 (925) Injuries and Damages	481,537	756,452	
158 (926) Employee Pensions and Benefits	917,799	881,394	

FLORIDA PUBLIC UTILITIES COMPANY

An Original

December 31, 2008

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account		Amount for Current Year	Amount for Previous Year
159	7. ADMINISTRATIVE AND GENERAL EXPENSES		
160	(927) Franchise Requirements	-	-
161	(928) Regulatory Commission Expenses	234,139	154,471
162	(Less) (929) Duplicate Charges-Cr.	-	-
163	(930.1) General Advertising Expenses	16	-
164	(930.2) Miscellaneous General Expenses	242,977	86,266
165	(931) Rents	11,090	11,664
166	TOTAL Operation	3,592,157	3,486,189
167	Maintenance		
168	(935) Maintenance of General Plant	91,535	98,295
169	TOTAL Administrative and General Expenses	3,683,692	3,584,484
170	TOTAL Electric Operation and Maintenance Expenses	65,377,912	45,765,893

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

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column(a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column(b), enter a Statistical Classification Code based on the original contractual terms and conditions of the services as follows:

RQ-for requirements service. Requirements service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF-for long-term service. "Long-term" means five years longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service

which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF-for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years.

SF-for short-term firm service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU-for long-term service from a designated generating unit. Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU-for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.

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.

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Jacksonville Electric Authority	RQ	MS	76.46	NA	NA
2	Jefferson Smurfit Corporation	OS		NA	NA	NA
3	Gulf Power Company	RQ	RE	97.94	NA	NA
4	Southern Company Services	RQ		64.70	NA	NA
	Footnote: Column (f) other Charges					
	Jacksonville Electric Authority					
	Transmission Charge	1,775,619				
	Special Cost	69,363				
		<u>1,844,982</u>				
	Southern Company Services					
	Distribution Facility Charge	952,448				
	Meter reading & Processing Charge	9,300				
		<u>961,748</u>				

PURCHASED POWER (Account 555) (Continued)

(Including power 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)	(capacity) Demand Charges (\$) (j)	(fuel cost) Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) or Settlement (\$) (m)	
423,776			6,422,835	21,564,321	1,844,982	29,832,138	1
6,760				320,752	0	320,752	2
346,377			9,167,556	14,612,582	22,052	23,802,190	3
NA			1,684,390		961,748	2,646,138	4
							5
							6
							7
							8
							9
							10
							11
							12
							13
776,913			17,274,781	36,497,655	2,828,782	56,601,218	14

Florida Public Utilities Company		An Original		December 31, 2008
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric)				
Line No.	Description (a)		Amount (b)	
1	Industry Association Dues			\$4,287
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			23,195
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		Items		
19	Directors Fees and Expenses	65		21,390
20	Miscellaneous Expenses	103		4,462
21	Write-off Stock offering	2		151,242
22	Stock Insurance	26		36,406
23	Economic Development Expense			2,000
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	TOTAL			\$242,982

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	0			0
6	Other Production Plant	0			0
7	Transmission Plant	218,595			218,595
8	Distribution Plant	2,754,946			2,754,946
9	General Plant	228,625			228,625
10	Common Plant-Electric *	112,789			112,789
11	Adjustment*	0			0
12	TOTAL	\$3,314,955	\$0	\$0	\$3,314,955

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

FLORIDA PUBLIC UTILITIES COMPANY				An Original		December 31, 2008	
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)	Life	(d)	(e)	(f)	Life
			(c)				(g)
12		CONSOLIDATED ELECTRIC DIVISION					
13							
14	TRANSMISSION PLANT						
15	350.1	56,519	N/A	0	2.2		21.0
16	352	26,401	N/A	0	2.0		25.0
17	353	2,004,229	N/A	10	2.3		24.0
18	354	244,665	N/A	(20)	2.2		24.0
19	355	2,349,304	N/A	(30)	3.8		27.0
20	356	1,945,093	N/A	(20)	3.2		31.0
21	359	6,788	N/A	0	3.9		13.9
22	DISTRIBUTION PLANT						
23	360.1	16,188	N/A	0	1.9		40.0
24	361	96,042	N/A	0	2.2		34.0
25	362	3,805,275	N/A	(10)	3.0		24.0
26	364	7,744,022	N/A	(40)	4.2		23.0
27	365	8,707,520	N/A	(30)	3.8		22.0
28	366	2,193,163	N/A	0	2.0		41.0
29	367	3,989,658	N/A	0	2.9		24.0
30	368	11,614,852	N/A	(20)	4.2		15.8
31	369	6,958,775	N/A	(30)	3.8		23.0
32	370	3,074,461	N/A	(10)	3.6		15.4
33	371	1,575,822	N/A	15	6.1		9.0
34	373	1,104,292	N/A	(10)	5.6		14.6
35	GENERAL PLANT						
36	390	1,363,383	N/A	0	2.0		36.0
37	391.1			7 Years Amortization			
38	391.2			5 Years Amortization			
39	391.3			5 Years Amortization			
40	392.1	96,020	N/A	15	9.2		3.1
41	392.2	504,786	N/A	10	11.3		3.9
42	392.3	1,658,320	N/A	10	9.5		3.7
43	392.4	107,072	N/A	5	4.0		20.0
44	393.1			7 Years Amortization			
45	393.2			7 Years Amortization			
46	394.1			7 Years Amortization			
47	394.2			7 Years Amortization			
48	395.1			7 Years Amortization			
49	395.2			7 Years Amortization			
50	396	116,642	N/A	5	6.3		4.3
51	397			5 Years Amortization			
52	398			7 Years Amortization			
53	399			5 Years Amortization			
54							
55							
56							
57							
58							
59							
60							
61							
62							
63							
64							
65							

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) + (c)	Deferred in Account 186 at Beginning of Year (e)
1	All expenses incurred by the company				
2	filings for Rate Relief for electric. Docket				
3	Number 030438-EI		(65,267)	(65,267)	(105,946)
4					
5	All expenses incurred by the company in its				
6	filings for Rate Relief for Gas. Docket				
7	Number 040216-GU				(88,630)
8					
9	All expenses incurred by the company in its				
10	Number 070304 - EI		(183,777)	(183,777)	(340,274)
11					
12					
13					
14					
15					
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17					
18					
19					
20					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41	TOTAL		(249,044)	(249,044)	(534,850)

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008			
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.				or other accounts.			
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							
CHARGED CURRENTLY TO			Deferred to		AMORTIZED DURING YEAR		Deferred in
Department	Account No.	Amount	Account 186	Contra	Amount	Account 186	Line
(f)	(g)	(h)	(i)	(j)	(k)	(l)	No.
	Electric-33556			928	40,679	(65,267)	1
							2
							3
							4
							5
	Gas - 33800			928	88,630		6
							7
							8
	Electric-36164	(258,636)	(258,636)	928	156,497	(442,413)	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
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							29
							30
							31
							32
							33
							34
							35
							36
							37
							39
		(258,636)	(258,636)		285,806	(507,680)	42
							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	Electric			
2	Operation			
3	Production			
4	Transmission	21,371		
5	Distribution	813,380		
6	Customer Accounts	716,734		
7	Customer Service and Informational	224,743		
8	Sales			
9	Administrative and General	(263,685)		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,512,543		
11	Maintenance			
12	Production			
13	Transmission	13,917		
14	Distribution	877,486		
15	Administrative and General	2,857		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	894,260		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	-		
19	Transmission (Enter Total of lines 4 and 13)	35,288		
20	Distribution (Enter Total of lines 5 and 14)	1,690,866		
21	Customer Accounts (Transcribe from line 6)	716,734		
22	Customer Service and Information (Transcribe from line 7)	224,743		
23	Sales (Transcribe from line 8)	-		
24	Administrative and General (Enter Total of lines 9 and 15)	(260,828)		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	2,406,803	911,782	3,318,585
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	149,552		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	2,771,105		
34	Customer Accounts	1,172,114		
35	Customer Service and Informational	476,853		
36	Sales	873,059		
37	Administrative and General	(529,018)		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	4,913,665		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution	650,762		
46	Administrative and General	2,136		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	652,898		

DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
Gas (Continued)				
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)	149,552		
52	Storage, LNG, Terminating 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)	3,421,867		
55	Customer Accounts (Transcribe from line 34)	1,172,114		
56	Customer Service and Informational (From line 35)	476,853		
57	Sales (Transcribe from line 36)	873,059		
58	Administrative and General (Total of lines 37 and 46)	(526,882)		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	5,566,563	1,217,513	6,784,076
60	Other Utility Departments			
61	Operation and Maintenance	-	-	-
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	7,973,366	2,129,295	10,102,661
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	1,140,509		1,140,509
66	Gas Plant	1,572,034		1,572,034
67	Other - Common	6,884		6,884
68	TOTAL Construction (Enter Total of lines 65 thru 67)	2,719,427	-	2,719,427
69	Plant Removal (By Utility Department)			
70	Electric Plant	120,698		120,698
71	Gas Plant	166,126		166,126
72	Other - Water	-		-
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	286,824		286,824
74	Other Accounts (Specify):			
75				
76				
77	Other Accounts Receivable/Employee	208,702		208,702
78	Temporary Facilities	13,143		13,143
79	Stores Expense	535,368		535,368
80	Clearing Accounts	307,621		307,621
81	Miscellaneous Deferred Debits	298,949		298,949
82	Merchandise and Jobbing	648,876	-	648,876
83	Taxes Other Than Income Taxes-Electric	(116,608)		(116,608)
84	Taxes Other Than Income Taxes-Gas	(332,366)		(332,366)
85				-
86	Vacation Pay	(150,358)		(150,358)
87	Non-Operating and Rental Income			-
88	Other Accounts Receivable	3,088,159	264,134	3,352,293
89	Environmental Cost			-
90	Merchandise plant leased to other - Gas	4,855		4,855
91				-
92				
93				
94				
95	TOTAL Other Accounts	4,506,341	264,134	4,770,475
96	TOTAL SALARIES AND WAGES	15,485,958	2,393,429	17,879,387

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 utility plant 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

\$343,759

Structures & Improvements

2,417,578

Office Furniture & Equipment

3,070,698

Communications Equipment

118,975

Miscellaneous Taggible

58,927

\$6,009,937

=====

Account 119: Accumulated Provision for Depreciation
of Common Utility Plant

\$2,420,363

=====

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.

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Allocation 2008 FINAL PLANT 5/26/2009

Allocation of Utility Plant All Division	(A) Utility Plant (101,106,107)	(B) Acquisition Adjust (114)	(C) Direct Common Loc & Mer	(D) Sub-Total (A+B+C+D)	(E) Note 1 Allocation %	(F) Remaining Common	(G) Common EDP Equip	(H) Adj. Plant (E+G+H)	Consolidated Allocation %	FPU Allocation %
Florida Public Utilities										
Northwest Electric	\$31,274,107	\$3,691		\$31,277,798	17%	\$419,580	\$339,722	\$32,037,100	17%	18%
Northwest Electric	43,802,094			43,802,094	23%	567,667	418,120	44,787,881	23%	25%
South FL NG	69,598,476	(29,523)	344,497	69,913,450	36%	888,522	888,505	71,690,477	36%	40%
Central Florida NG*	27,169,902	1,846,102		29,016,004	15%	370,217	522,650	29,908,871	15%	17%
Merchandising	656,017		145,561	801,578	0%	-	78,398	879,976	0%	
Propane Operations										
South FL Propane*	9,035,593		67,088	9,102,681	5%	123,406	245,538	9,471,625	5%	
Central FL Propane* ^	6,096,077			6,096,077	3%	74,043	176,994	6,347,114	3%	
Northwest FL Propane*	2,462,608			2,462,608	1%	24,681	68,543	2,555,832	1%	
Total	\$190,094,874	\$1,820,270	\$557,146	\$192,472,290	100%	2,468,116	2,738,470	197,678,876	100%	100%

* Excludes acct. 3031 intangible non-competes & Goodwill account 1140.2

^ Includes West FL

Customers Billed 6/30/2007	EDP Equipment		FPUC Allocation %	Remaining Common			Total Common	Allocation %
	Allocation %	Common EDP		Remaining Common	Direct Common	Total Remaining Common		
12,809	13%	339,722	16%	419,580	-	419,580	634,083	11%
15,018	16%	418,120	19%	567,667	-	567,667	985,787	17%
32,654	34%	888,505	41%	888,522	344,497	1,233,019	2,121,524	38%
18,820	20%	522,650	24%	370,217	-	370,217	892,867	16%
2,826	3%	78,398		0	145,561	145,561	223,959	4%
Propane Operations								
6,382	7%	245,538		123,406	67,088	190,494	436,032	8%
4,716	5%	176,994		74,043	-	74,043	251,037	4%
1,632	2%	68,543		24,681	-	24,681	93,224	2%
94,857	100%	2,738,470	100%	2,468,116	557,146	3,025,262	5,638,513	100%
Total								

Allocation %	Total M & J Common EDP	Total M & J Remain Comm	Total M & J Comm Plant
59.0%	46,255	85,881	132,136
38.0%	29,791	55,313	85,104
3.0%	2,352	4,367	6,719
100.0%	78,398	145,561	223,959

Merchandise

South FL
Central FL
Northwest FL

Total

	Materials & Supplies SJ 45-69			Note 2 Allocation %	Note 5 Allocation 80%	Note 6 Allocation %
	Adj. Plant	Total				
Florida Public Utilities						
Northwest Electric	32,037,100	299,604	32,336,704	18%	14%	22%
Northeast Electric	44,787,881	657,962	45,445,843	25%	20%	48%
South FL NG	71,690,477	254,984	71,945,461	40%	32%	19%
Central Florida NG*	29,908,871	149,164	30,058,035	17%	14%	11%
Total	178,424,329	1,361,714	179,786,043	100%	80%	100%

	Note 1		Note 3		Note 4	
	Allocation %		Allocation 70%		Allocation 20%	
Florida Public Utilities						
Northwest Electric	17%		12%		3%	
Northeast Electric	23%		16%		5%	
South FL NG	36%		25%		7%	
Central Florida NG*	15%		11%		3%	
Merchandising	0%		0%		0%	
Propane Operations						
South FL Propane*	5%		4%		1%	
Central FL Propane* ^	3%		2%		1%	
Northeast FL Propane*	1%		1%		0%	
Total	100%		70%		20%	

FLORIDA PUBLIC UTILITIES COMPANY			An Original		December 31, 2008	
ELECTRIC ENERGY ACCOUNT						
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	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY		
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	737,623	
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)	687	
7	Other		27	Total Energy Losses	38,603	
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	776,913	
9	Net Generation (Enter Total of lines 3 thru 8)	0				
10	Purchases	776,913				
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	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	776,913				
MONTHLY PEAKS AND OUTPUT						
<p>1. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>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.</p> <p>3. Report in column (c) 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.</p> <p>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 (c).</p> <p>5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).</p>						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Required Sales for Resale & Associated Losses (c)	Megawatts (d)	Day of Month (e)	Hour (f)
29	January		SEE ATTACHED SCHEDULES			
30	February					
31	March					
32	April					
33	May					
34	June					
35	July					
36	August					
37	September					
38	October					
39	November					
40	December					
41	TOTAL					

**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	78.9	22	7:00 a.m.	15 Min. Int.	32,779
February	74.6	12	7:00 a.m.	15 Min. Int.	25,776
March	57.4	6	6:45 a.m.	15 Min. Int.	24,533
April	48.8	28	4:45 p.m.	15 Min. Int.	23,777
May	64.3	29	3:45 p.m.	15 Min. Int.	29,474
June	71.1	26	2:45 p.m.	15 Min. Int.	32,994
July	72.9	21	3:30 p.m.	15 Min. Int.	35,034
August	71.5	10	2:30 p.m.	15 Min. Int.	32,847
September	65.8	8	3:00 p.m.	15 Min. Int.	30,547
October	55.3	6	3:00 p.m.	15 Min. Int.	26,006
November	65.5	23	7:15 a.m.	15 Min. Int.	25,805
December	64.1	21	7:30 a.m.	15 Min. Int.	26,805
TOTAL					346,377 =====

**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	88.7	3	7:45 a.m.	15 Min. Int.	36,939
February	77.0	28	7:30 a.m.	15 Min. Int.	31,070
March	59.8	10	8:15 a.m.	15 Min. Int.	30,730
April	59.3	25	5:45 p.m.	15 Min. Int.	29,535
May	75.5	9	5:00 p.m.	15 Min. Int.	38,436
June	87.1	4	2:45 p.m.	15 Min. Int.	44,305
July	84.1	25	5:00 p.m.	15 Min. Int.	43,477
August	82.4	7	2:45 p.m.	15 Min. Int.	43,938
September	102.1	11	4:15 p.m.	15 Min. Int.	38,155
October	64.2	7	5:00 p.m.	15 Min. Int.	32,227
November	62.0	19	7:45 a.m.	15 Min. Int.	29,996
December	75.3	8	8:30 a.m.	15 Min. Int.	31,728
TOTAL					430,536 =====

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			Steel Tower	0.55		
2		Fernandina			Steel Pole	0.8		
3		Beach, FL	138,000	138,000	Concrete Pole	7.7	NONE	2
4								
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	1.7		
11	Beach, FL	and Julia St.	69,000	69,000	Wood Pole	4.3	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	20.26		

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)		
652 MCM Alum.	* 25,803	2,494,226	2,520,029					1	
394.6MCM Alum.								2	
								3	
								4	
								5	
4/0 Alum.	32,677	474,069	474,069					6	
394.6MCM Alum.								7	
477 MCM Alum.								8	
636 MCM Alum.								9	
								10	
477MCM Alum.	32,677	786,408	819,085					11	
								12	
								13	
								14	
								15	
394.6MCM Alum.		90,636	90,636					16	
								17	
								18	
								19	
								20	
4/0 Alum.								21	
								22	
								23	
								24	
								25	
								26	
								27	
								28	
								29	
	58,480	3,845,339	3,903,819	15,858	47,202		63,060	30	

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	138M	69M	
10		Distribution	69M	12.4M	
11		Unattended			
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	2	0	Fans Added			1
						2
						3
40	1	0	Fans Added			4
						5
						6
8	1	0	Fans Added			7
						8
150	3	0	Fans Added			9
40	2	0	Fans Added			10
						11
						12
						13
						14
						15
						16
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						18
						19
						20
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						31
						32
						33
						34
						35
						36

FLORIDA PUBLIC SERVICE COMMISSION

DIVERSIFICATION REPORT

Affiliation of Officers and Directors

Company: Florida Public Utilities Company

For the Year Ended December 31, 2008

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	
		Affiliatin or Connection	Name and Address
Directors			
Ellen Terry Benoit	Investor Palm Beach, Florida	President	McLean-Maddock multi family housing and land development Telluride, CO
John T. English	President Florida Public Utilities Company		
Paul L. Maddock, Jr	President of Palamad Development Co. West Palm Beach, FL		
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
Dennis S Hudson, III	Seacoast Banking Corp. of Florida 215 Colorado Ave Stuart, Florida		
Troy W. Maschmeyer, Jr.	Maschmeyer Concrete Company 1142 Watertower Road Lake Park, Florida		
Officers			
Charles L. Stein	Senior Vice President		
John T. English	President & Chief Executive Officer		
George M. Bachman	Treasurer & Chief Financial Officer		

Business Contracts with Officers, Directors, and Affiliates

Company: *Florida Public Utilities Company*

For the Year Ended December 31, 2008

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation- related to position with respondent) between the respondent and each officer and director listed in Part 1 of the Executive Summary. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

Note* Business agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service
	<i>NONE</i>		

*Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

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

FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 2008

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, 44)	78,311,237		78,311,237	78,165,847		78,165,847	145,390
2	Sales for Resale (447)	-		-	-		-	-
3	Total Sales of Electricity	78,311,237		78,311,237	78,165,847		78,165,847	145,390
4	Provision for Rate Refunds (449.1)	-		-	-		-	-
5	Total Net Sales of Electricity	78,311,237		78,311,237	78,165,847		78,165,847	145,390
6	Total Other Operating Revenues (450-456)	343,589		343,589	406,344		406,344	(62,755)
7	Total Electric Operating Revenues	78,654,826		78,654,826	78,572,191		78,572,191	82,635
8	Other (specify): Deferred fuel revenue				612,341		612,341	(612,341)
9								
10	Total Gross Operating Revenues	78,654,826		78,654,826	79,184,532		79,184,532	(529,706)

Notes:

- 1 On page 300, total sales to ultimate customers include unbilled revenues of 145,390
- 6 Unbilled revenue is included in total other operating revenues on RAF return. 145,390
- 7 The RAF return does not include a late JE that was booked after the return was filed. 82,633
- 8 Deferred fuel revenue of \$612,341 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

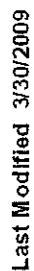
Changes in Corporate Structure

Company: Florida Public Utilities Company

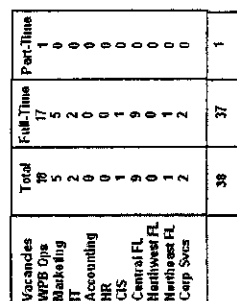
For the Year Ended December 31, 2008

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>



SENIOR MANAGEMENT TEAM



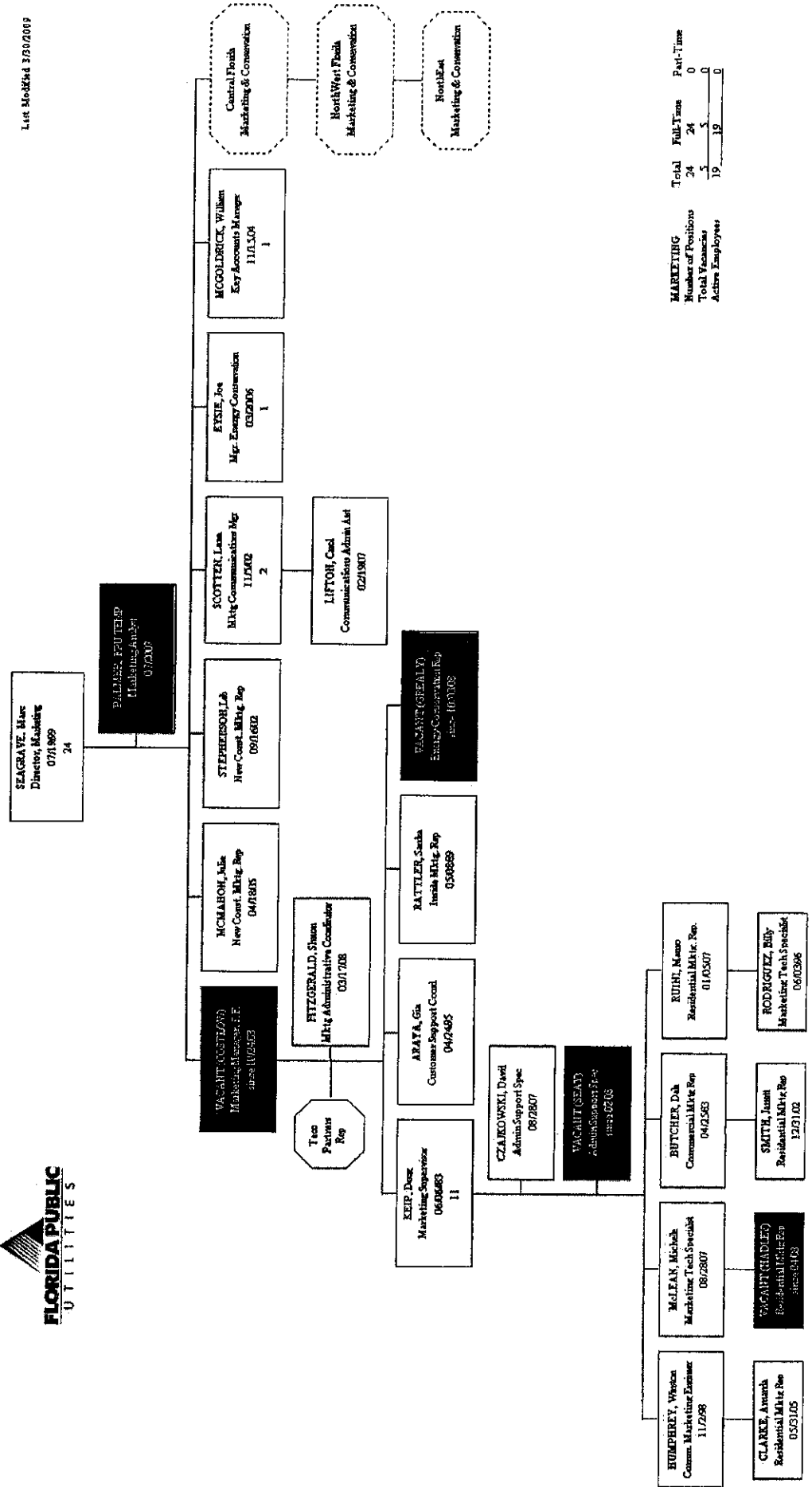
Position	Total	Full-Time	Part-Time
WFO Ops	135	1	0
Marketing	24	24	0
IT	9	9	0
Accounting	26	23	0
HR	3	3	0
CS	5	5	0
Call Center	74	74	0
Northwest FL	37	37	0
Northwest FL	47	47	0
Corp Svcs	48	13	2
Offices/Admin	45	4	0
	381	374	7

	Total	Full-Time	Part-Time
Number of Positions	381	374	7
Total Vacancies	38	37	1
Active Employees	343	337	6



MARKETING DEPARTMENT

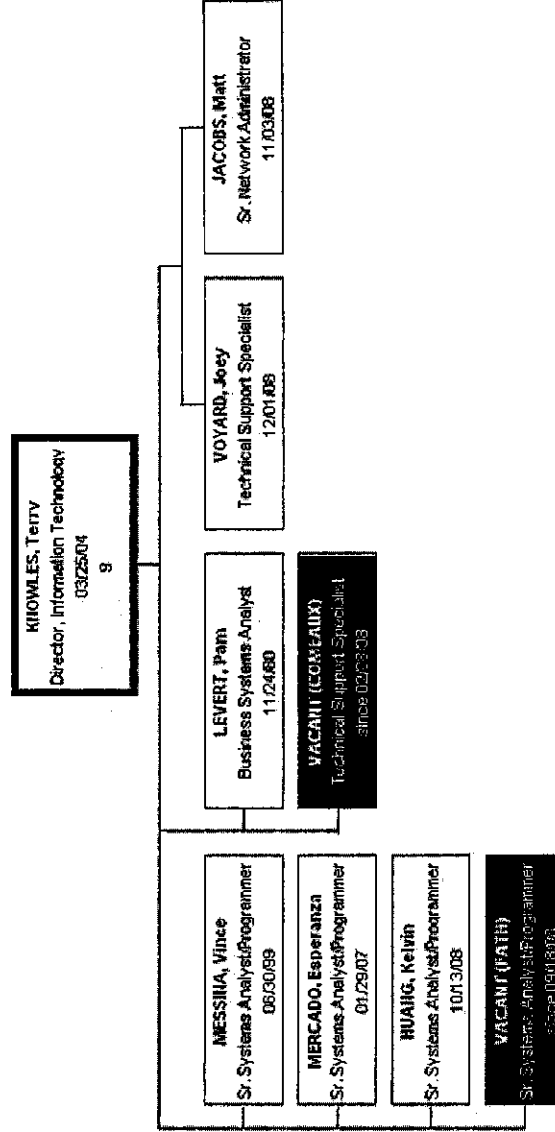
List Modified 3/30/2009





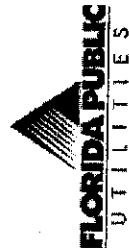
INFORMATION TECHNOLOGY DEPARTMENT (IT)

Last Modified 3/13/2008



IT DEPT		Total	Full-Time	Part-Time
Number of Positions		9	9	0
Total Vacancies		2	2	0
Active Employees		7	7	0

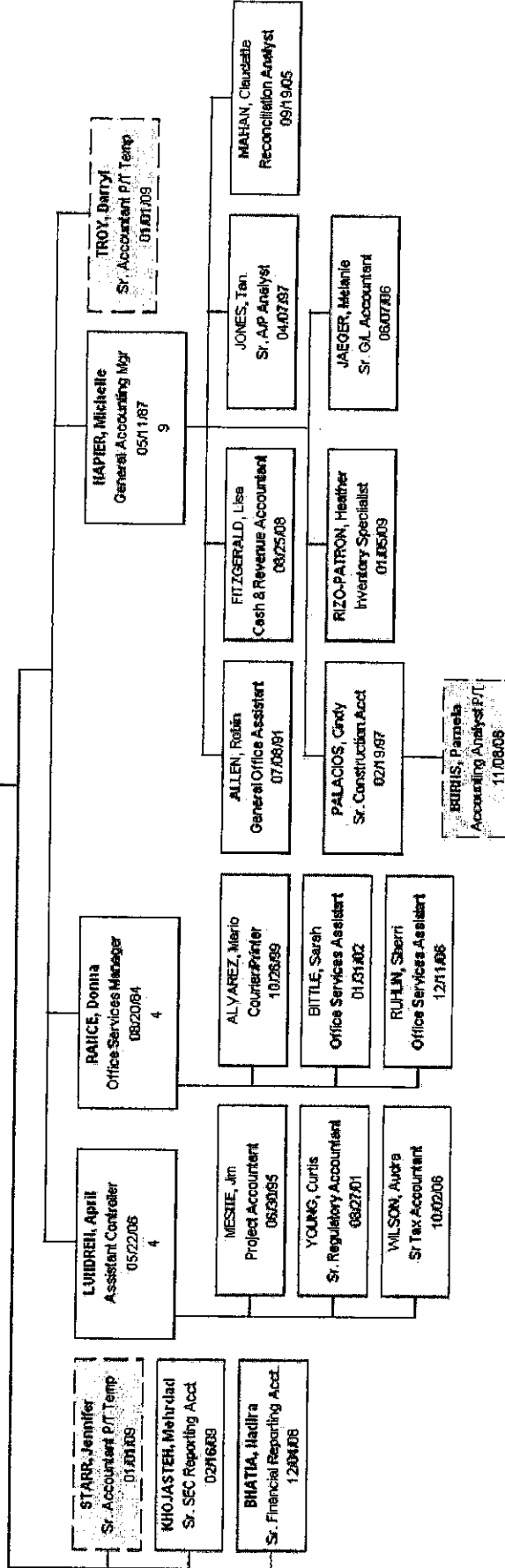
ACCOUNTING DEPARTMENT



Last Modified 3/13/2009

ACCOUNTING	Total	Full-Time	Part-Time
Number of Positions	22	19	3
Total Vacancies	0	0	0
Active Employees	22	19	3

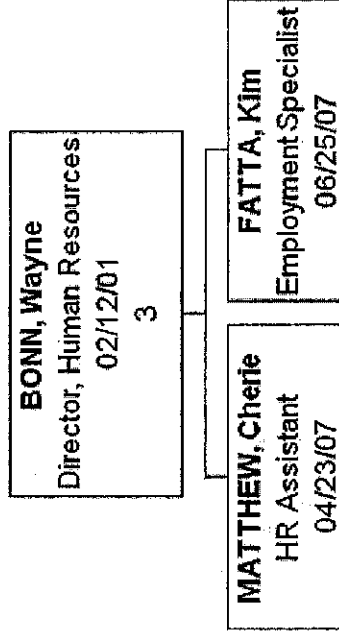
MARTIN, Cheryl
Controller
03/18/85
22





HUMAN RESOURCES DEPARTMENT

Last Modified 3/17/2009

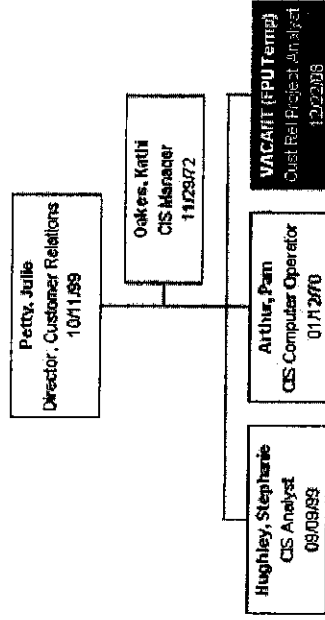


Human Resources	Total	Full-Time	Part-Time
Number of Positions	3	3	0
Total Vacancies	0	0	0
Active Employees	3	3	0



CUSTOMER RELATIONS DEPARTMENT

Last Modified 3/13/2009



CUSTOMER RELATIONS	Total	Full-Time	Part-Time
Number of Positions	5	5	0
Total Vacancies	1	1	0
Active Employees	4	4	0



CORPORATE SERVICES

CORPORATE SERVICES	Total	Full-Time	Part-Time
Number of Positions	15	13	2
Total Vacancies	2	2	0
Active Employees	13	11	2

SCHNEIDERMAN, Marc
Director, Corporate Services
02/21/89
15

VACANT
Administrative Assistant
Approved 4th Qtr 2008

GILMORE, AL
Bldg Maint. PT
04/05/05

WILLIS, Arnell
CR Trainer
04/08/96
1

PRENTICE, James
Bldg Maint. PT
07/12/06

SNYDER, Chris
Gas Logistics Manager
07/08/91
2

ROHOMAN, Abidali
Energy Logistics Specialist
08/02/04

STOTTSBERRY, Donnie
Corporate Fleet Manager
03/07/05
4

STUCKART, Gerry
Safety Manager
10/17/05
4

ALLEWELT, Harold
Garage Mechanic
12/09/96

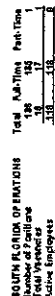
DELAHAY, Dan
SF Gas Safety Coordinator II
03/05/07

HAASE, Bruce
Garage Mechanic
05/22/05

SHELTON, Charles Temp
NE Elec. Safety Coordinator III
01/12/09

MILITARY LEAVE (RAGOONATH)
Garage Mechanic
Since 04/08

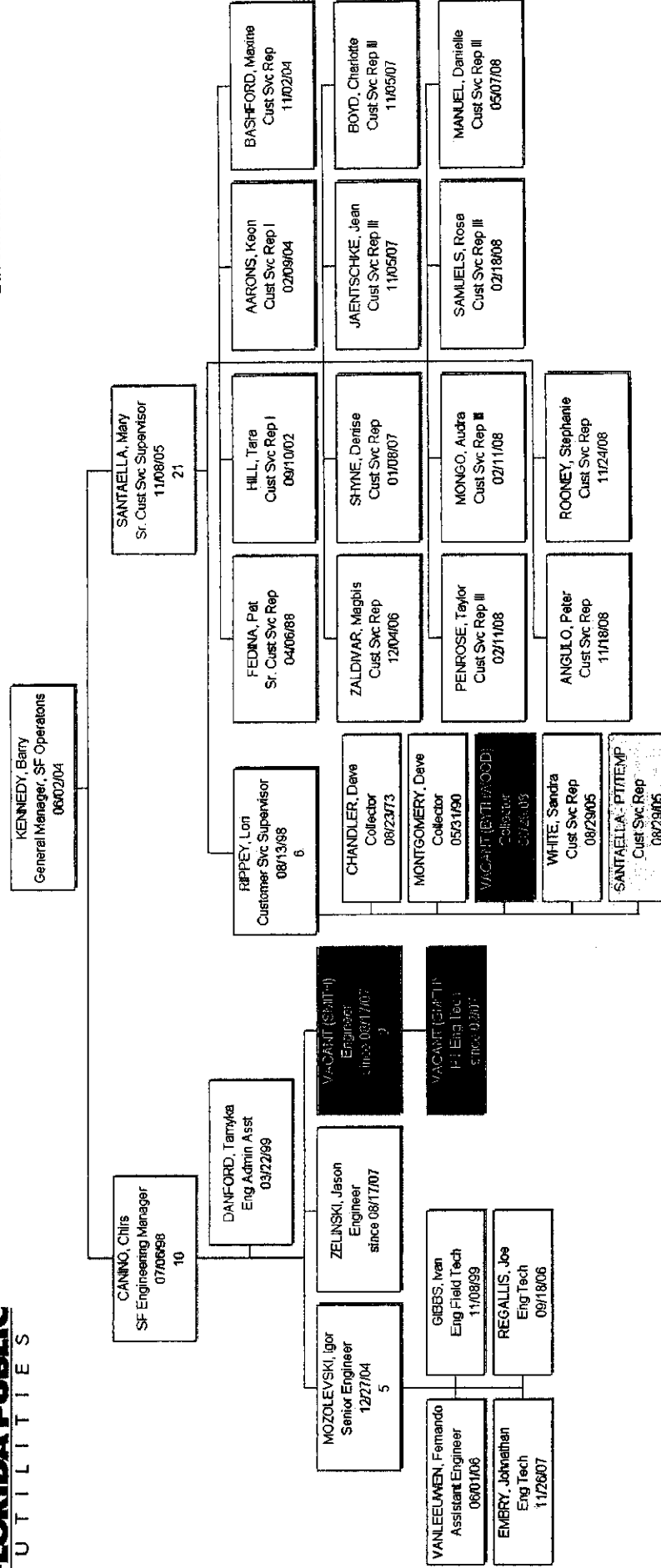
VACANT
NW Elec. Safety Coordinator III



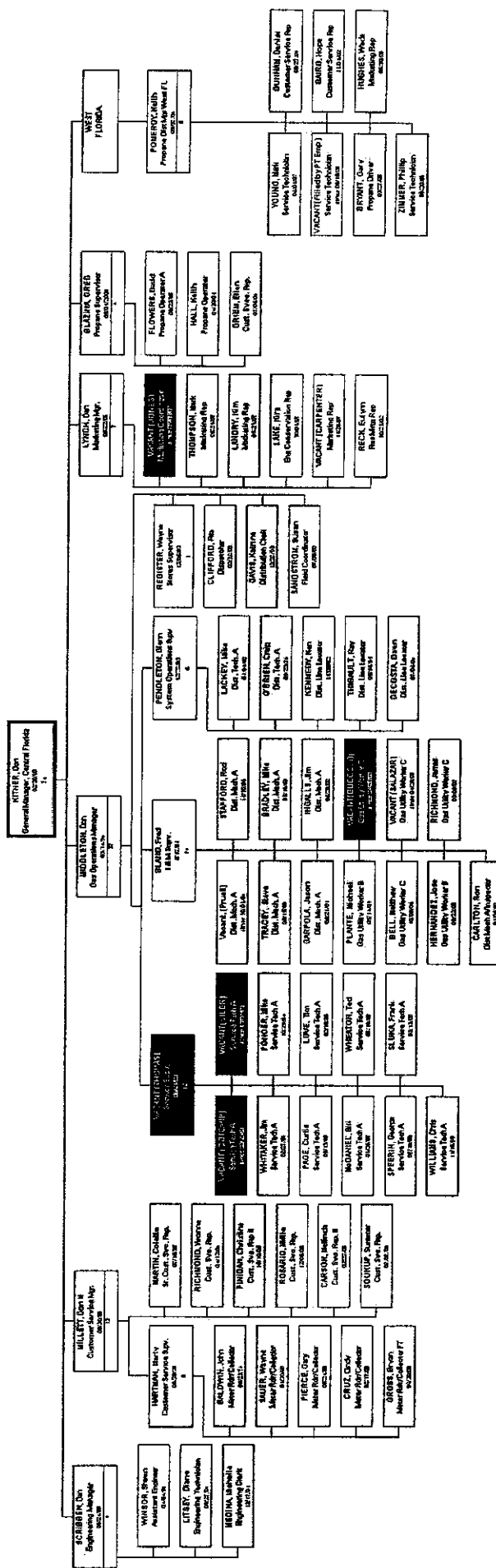


SOUTH FLORIDA OPERATIONS ENGINEERING & CUSTOMER SERVICE

Last Modified 3/13/2009



FLORIDA PUBLIC UTILITIES
April 11, 1949



CENTRAL FLORIDA	Total	Post-Ten	Post-Ten
Number of Positions	74	74	0
Total vacancies	3	3	0
Active employees	55	55	0

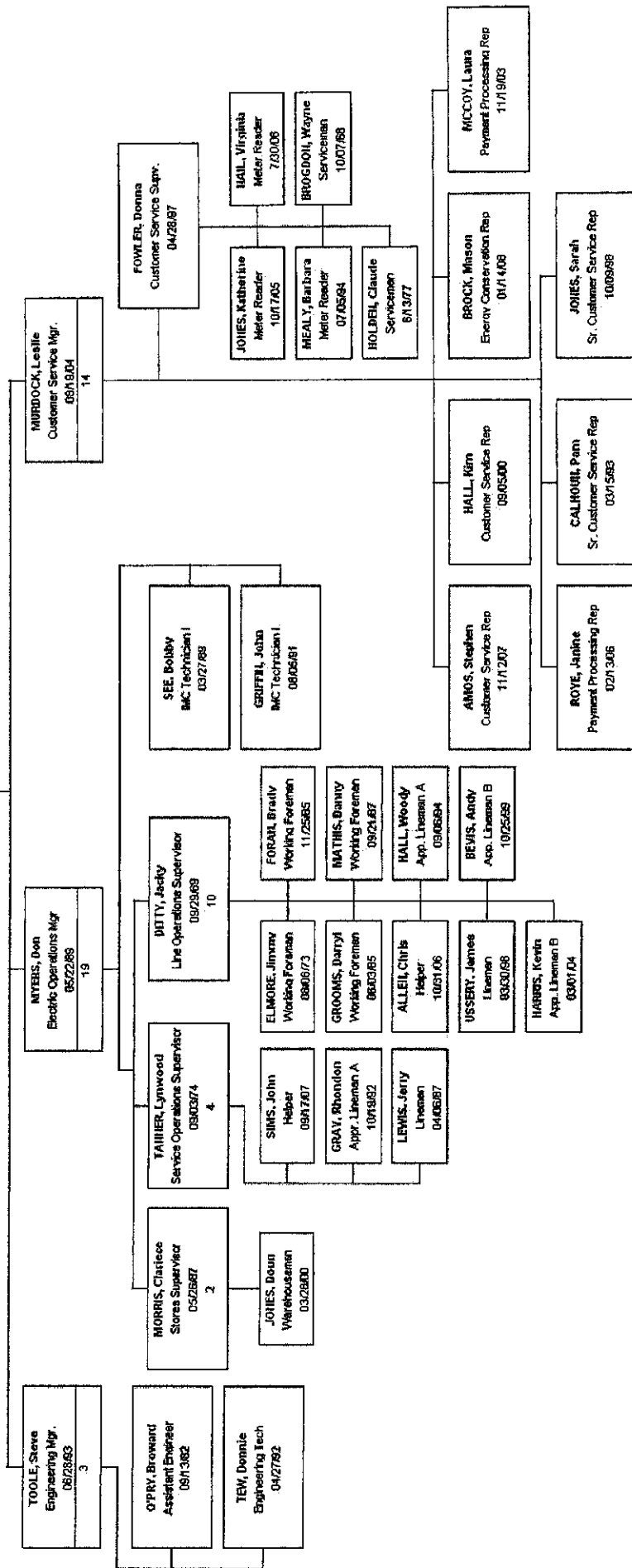
Total include vacant position



Northwest Florida Division - Organizational Chart

Last Modified 3/13/2008

SHELLEY, Buddy General Manager - NW FL 12/11/86	37
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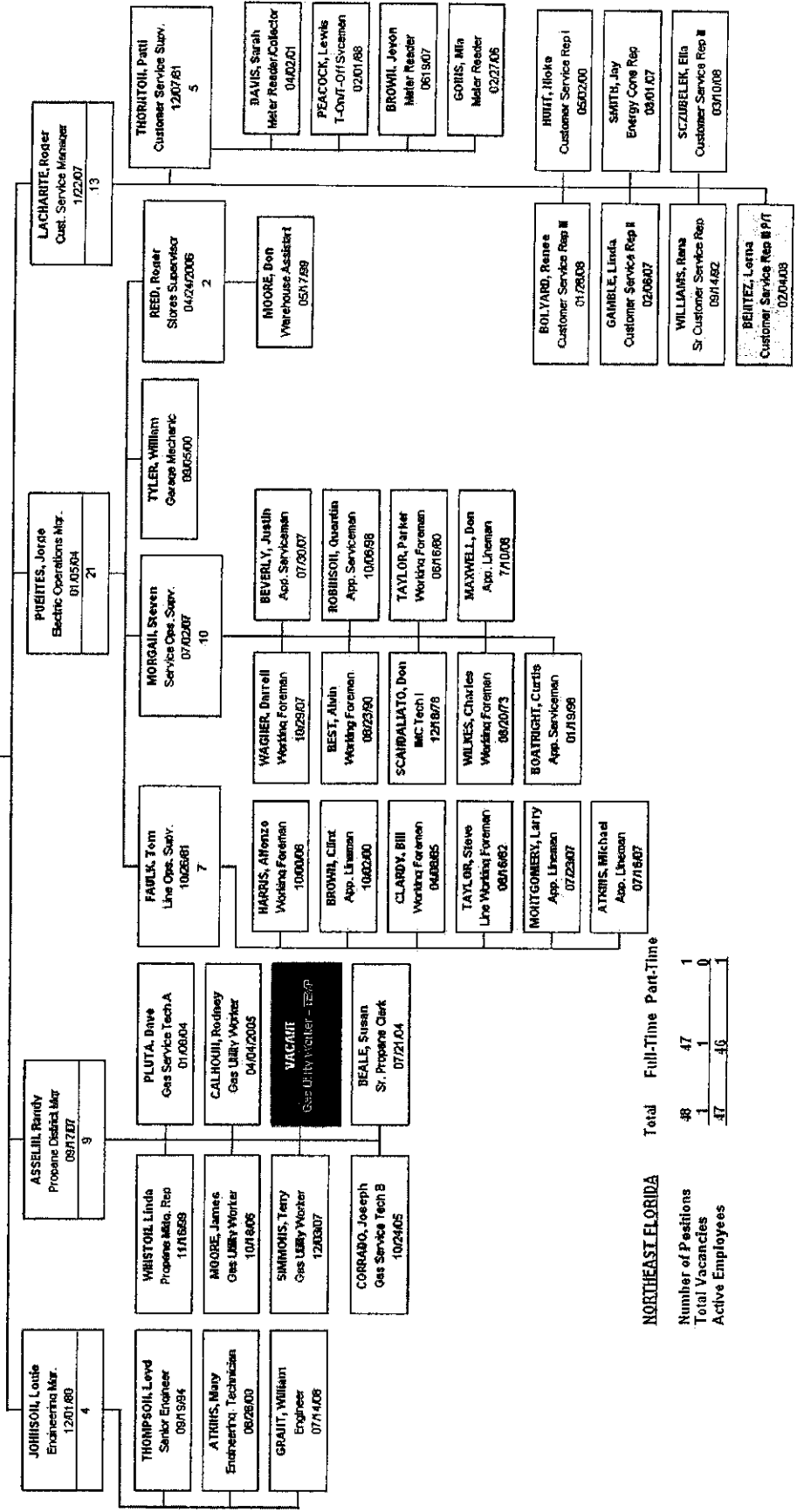
NORTHWEST FLORIDA	Total	Full-Time	Part-Time
Number of Positions	37	37	0
Total Vacancies	0	0	0
Active Employees	37	37	0

NORTHEAST FLORIDA DIVISION - ORGANIZATIONAL CHART



Last Modified: 3/17/2009

CUTSHAW, Mark
General Manager - NE FL
USF 3/1/91 45



NORTHEAST FLORIDA			
	Total	Full-Time	Part-Time
Number of Positions	48	47	1
Total Vacancies	1	1	0
Active Employees	47	46	

Analysis of Diversification Activity
New or Amended Contracts with Affiliated Companies

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY
For the Year Ended December 31, 2008

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 12/31/08

	Year-to-Date Actual	Last Year-to-Date Actual
Operating Revenue	17,269,044	16,171,521
Operation Expenses	14,477,195	13,189,980
Maintenance Expenses	432,979	403,134
Depreciation Expense	823,816	898,467
Amortization of Utility Plant-		
Acquisition Adjustment	-	-
Tax Other Than Income Tax-Utility		
Operation Expense	167,744	159,758
Income Tax - Federal - Utility		
Operating Income	126,469	53,792
Income Tax - State - Utility		
Operating Income	14,000	9,369
Deferred Income Tax - Utility		
Operating Income	167,096	169,831
Investment Tax Credit - Utility		
Operating Income	-	-
Operating Income	<u><u>1,059,745</u></u>	<u><u>1,287,190</u></u>
 <u>Other Income and Deductions</u>		
Interest and Dividend Income	-	-
Misc. Non-Operating Income	509,381	405,503
Other Income Deductions	(367,787)	(300,960)
Taxes Other Than Income - Other	-	-
Income Taxes-Federal-Other Income	(53,271)	(39,290)
Income Taxes-State-Other Income	-	-
Other (Income) and Deductions	<u><u>88,323</u></u>	<u><u>65,253</u></u>
 <u>Interest Charges</u>		
Interest on Debt to Associated Companies	525,316	887,407
Other Interest Expense	1,761	1,960
Interest Charges	<u><u>527,077</u></u>	<u><u>889,367</u></u>
 <u>Extraordinary Items</u>		
Cumulative Effect - Change in Accounting Principles - Net	-	-
 Net Income	<u><u>620,991</u></u>	<u><u>463,076</u></u>

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
BALANCE SHEET - 09
December 31, 2008

Assets and Other Debits	Current	Last Year End
Utility Plant		
Utility Plant in Service	18,177,554	17,642,573
Utility Plant Purchased/Sold	-	-
Completed Construction Not Classified		
Construction Work in Progress	34,477	464,351
Utility Plant	<u>18,212,031</u>	<u>18,106,924</u>
Accumulated Depreciation		
Accumulated Dep. - Utility Plant in Service	(4,807,980)	(4,592,157)
Accumulated Dep. - Transportation Equip.	(749,235)	(648,828)
Retirement Work in Progress		
Accumulated Dep. - Rental Equipment	-	-
Accumulated Depreciation	<u>(5,557,215)</u>	<u>(5,240,985)</u>
Other Utility Plant		
Utility Plant Acquisition Adj.	-	-
Accum. Amort. - Utility Acq. Adj.	-	-
Other Utility Plant	<u>-</u>	<u>-</u>
Other Property and Investments		
Investment in Assoc. Companies -		
Common Stock	-	-
Other Property and Investments	<u>-</u>	<u>-</u>
Current and Accrued Assets		
Customer Accounts Receivable	1,620,573	1,984,620
Allowance for Uncollectible Accounts	(65,879)	(61,361)
Accounts Rec. from Associated Companies		
Operating Supplies - Propane	2,035,957	2,346,847
Prepayments - Taxes	-	-
Interest and Dividends Receivable	-	-
Merchandise-Applian. & Supplies		
Accrued Utility Revenues	327,158	373,052
Current and Accrued Assets	<u>3,917,809</u>	<u>4,643,158</u>
Deferred Debits		
Goodwill	1,852,435	1,852,435
Misc. Deferred Debits - Other W.I.P.		
Misc. Deferred Debits - Miscellaneous	1,768	688
Accum. Deferred Income Taxes	100,968	62,142
Deferred Debits	<u>1,955,171</u>	<u>1,915,265</u>
ASSETS AND OTHER DEBITS	<u>18,527,796</u>	<u>19,424,362</u>

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
BALANCE SHEET - 09
December 31, 2008

	<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	823,214	386,527
Proprietary Capital	<u>833,214</u>	<u>396,527</u>
Current and Accrued Liabilities		
Accounts Payable to Assoc. Companies	14,712,473	15,251,882
Customer Deposits	847,778	804,803
Taxes Accrued	(1,716,341)	(1,570,271)
Interest Accrued	1,339	1,510
Dividends Declared	-	-
Tax Collections Payable	57,266	77,845
Misc. Current and Accrued Liabilities	-	-
Customer Advances for Construction	70,325	90,163
Other Deferred Income Taxes - Other	-	-
Accumulated Deferred I.T.C.	-	-
Current and Accrued Liabilities	<u>13,972,840</u>	<u>14,655,932</u>
Operating Reserves		
Misc. Operating Reserves	-	-
Accum. Deferred Income Tax - Liberalized Depreciation	3,100,751	3,908,827
Accum. Deferred Income Taxes - Other	-	-
Operating Reserves	<u>3,100,751</u>	<u>3,908,827</u>
Year-to-Date Income/Loss	<u>620,991</u>	<u>463,076</u>
LIABILITIES AND OTHER CREDITS	<u>18,527,796</u>	<u>19,424,362</u>

Analysis of Diversification Activity
Individual Affiliated Transactions in Excess of \$500,000

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended December 31, 2008

Provide information regarding individual affiliated transactions in excess of \$500,000. Recurring monthly affiliated transactions which exceed \$500,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
None		

Analysis of Diversification Activity

Summary of Affiliated Transfers and Cost Allocations

Company: Florida Public Utilities Company

For the Year Ended December 31, 2008

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 a 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, 2008

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:		318,319	63,563	#####	\$ N/A	\$ N/A	N/A
Flo-Gas Corporation	Meters	6,086	4,791	1,295	N/A	Transfer	N/A
	Trans Equip	265,722	39,157	#####	N/A	Transfer	N/A
	Regulators	-	-	-	N/A	Transfer	N/A
	Computer	-	-	-	N/A	Transfer	N/A
	Power Equip	38,012	15,233	22,779	N/A	Transfer	N/A
	Tools	8,499	4,382	4,117	N/A	Transfer	N/A
Sales to Affiliates:		44,164	14,353	4,369	\$ N/A	Sales Price	N/A
	Meters	6962	2593	4,369	N/A	Transfer	N/A
	Trans Equip	37202	11760		N/A	Transfer	N/A
	Regulators	0	0	-	N/A	Transfer	N/A
	Computer	0	0		N/A	Transfer	N/A

Analysis of Diversification Activity

Employee Transfers

Company: Florida Public Utilities Company

For the Year Ended December 31, 2008

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				

Analysis of Diversification Activity
Non-Tariffed Services and Products Provided by the Utility

Company: Florida Public Utilities Company

For the Year Ended December 31, 2008

Provide the following information regarding all non-tariffed services and products provided by the utility.

Description of Product or Service (a)	Account No. (b)	Regulated or Non-regulated (c)
None		

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	123.1210.1 Non-Utility Property - Land - Central Florida	\$8,436		8,436
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
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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	\$8,436	\$0	\$8,436

Number of Electric Department Employees

Company: Florida Public Utilities Company

For the Year Ended December 31, 2008

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)	11/11/08
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	84
3	Total Part-Time and Temporary Employees	-
4	Total Employees	84

December 31, 2008

**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	14,634
5	426.12 Charitable Contributions: Outside Service Area	0
6	426.13 Civic and Social Club Dues	4,074
7	426.2 Life Insurance	0
8	426.3 Penalties	327
9	426.4 Expenditures for Lobbying and Other Politically Related Activities	250
10	426.5 Other	6,093
11		
12		
13	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	25,378
14		
15	Account 430: Interest on Debt to Associated Company	
16	Accounts Payable at 4.844% (12 mo. avg. of the interest rates applied)	(525,316)
17		
18		
19	Account 431: Other Interest Expense	
20	431.1 Interest on Customer Deposits	538,045
21	431.2 Interest on Notes Payable	296,342
22	431.3 Interest on Miscellaneous	25,172
23	TOTAL OTHER INTEREST EXPENSE	859,559
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	\$37,018,992	\$24,063,288
3	Operating Expenses			
4	Operation Expenses (401)	320-323	29,172,309	18,329,873
5	Maintenance Expenses (402)	320-323	1,116,310	944,021
6	Depreciation Expense (403,405)	336-337	1,550,349	1,290,336
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)		3,195,533	2,167,889
14	Income Taxes - Federal (409.1)		133,093	226,514
15	- Other (409.1)		10,860	38,604
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	344,658	(681)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266	(8,437)	(10,020)
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)		35,514,675	22,986,536
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,504,317	\$1,076,752

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
					7
			0	(310)	8
			0	(311)	9
			0	(312)	10
			0	(313)	11
			0	(314)	12
			0	(315)	13
0	0	0	0	(316)	14
					15
			0	(320)	16
			0	(321)	17
			0	(322)	18
			0	(323)	19
			0	(324)	20
			0	(325)	21
0	0	0	0		22
					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
					31
			0	(340)	32
			0	(341)	33
			0	(342)	34
			0	(343)	35
			0	(344)	36
			0	(345)	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	22,300	-
56	(361) Structures and Improvements	-	-
57	(362) Station Equipment	1,372,074	52,979
58	(363) Storage Battery Equipment	-	-
59	(364) Poles, Towers, and Fixtures	7,007,199	363,944
60	(365) Overhead Conductors and Devices	6,548,774	246,146
61	(366) Underground Conduit	159,961	17,374
62	(367) Underground Conductors and Devices	930,653	(6,308)
63	(368) Line Transformers	6,402,504	265,011
64	(369) Services	3,639,249	245,212
65	(370) Meters	1,279,647	62,669
66	(371) Installations on Customer Premises	1,207,467	100,789
67	(372) Leased Property on Customer Premises	-	-
68	(373) Street Lighting and Signal Systems	382,647	31,892
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	28,952,475	1,379,708
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	3,766	-
72	(390) Structures and Improvements	925,572	10,737
73	(391) Office Furniture and Equipment	585,702	4,112
74	(392) Transportation Equipment	1,456,161	291,110
75	(393) Stores Equipment	70,667	-
76	(394) Tools, Shop and Garage Equipment	22,310	-
77	(395) Laboratory Equipment	53,708	1,291
78	(396) Power Operated Equipment	3,931	-
79	(397) Communication Equipment	51,955	-
80	(398) Miscellaneous Equipment	9,512	-
81	SUBTOTAL (Enter Total of lines 71 through 80)	3,183,284	307,250
82	(399) Other Tangible Property	5,000	-
83	TOTAL General Plant (Enter Total of lines 81 and 82)	3,188,284	307,250
84	TOTAL (Accounts 101 and 106)	32,140,759	1,686,958
85	(102) Electric Plant Purchased	-	-
86	(Less) (102) Electric Plant Sold	-	-
87	(103) Experimental Plant Unclassified	-	-
88	TOTAL Electric Plant in Service	32,140,759	1,686,958

Northwest Division		An Original		December 31, 2008	
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
					54
-		-	22,300	(360)	55
-		-	-	(361)	56
-		-	1,425,053	(362)	57
-		-	-	(363)	58
(42,305)	-	-	7,328,838	(364)	59
(12,222)	-	-	6,782,698	(365)	60
-		-	177,335	(366)	61
(7,929)		-	916,416	(367)	62
(17,473)	-	-	6,650,042	(368)	63
(2,208)		-	3,882,253	(369)	64
(39,167)		(3,565)	1,299,584	(370)	65
(40,236)		-	1,268,020	(371)	66
-	-	-	-	(372)	67
(5,813)	-	-	408,726	(373)	68
(167,353)	-	(3,565)	30,161,265		69
					70
-	-	-	3,766	(389)	71
-		2,219	938,528	(390)	72
(10,768)	-	-	579,046	(391)	73
(224,995)		-	1,522,276	(392)	74
-		-	70,667	(393)	75
-		-	22,310	(394)	76
-		-	54,999	(395)	77
-		-	3,931	(396)	78
(14,298)		-	37,657	(397)	79
-		-	9,512	(398)	80
(250,061)	-	2,219	3,242,692		81
-	-	-	6,481,618	(399)	82
(250,061)	-	2,219	3,247,692		83
(417,414)	-	(1,346)	33,408,957		84
			-	(102)	85
			-	(103)	86
(417,414)	-	(1,346)	33,408,957		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	15,987,741	15,987,741		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,500,058	1,500,058		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	64,070	64,070		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(1,944)	(1,944)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,562,184	1,562,184		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(417,414)	(417,414)		
12.	Cost of Removal	(78,651)	(78,651)		
13.	Salvage (Credit)	14,591	14,591		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(481,474)	(481,474)		
15.	Other Debit or Credit Items (Describe)				
16.		0	0		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	17,068,451	17,068,451		

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	15,693,850	15,693,850		
25	General	1,400,397	1,400,397		
26	Adjustment	0	0		
27	TOTAL (Enter Total of lines 18 thru 25)	17,094,247	17,094,247		

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	\$17,497,244	\$11,407,849
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	4,132,318	2,716,762
5	Large (or Industrial)	14,259,912	9,002,004
6	(443) Outdoor Lighting	932,719	743,186
7	(444) Public Street and Highway Lighting	242,115	180,216
8	(445) Other Sales to Public Authorities	0	0
9	(448) Interdepartmental Sales	20,386	11,284
10	(456.3) Unbilled Revenues	54,132	(6,999)
11			
12	TOTAL Sales to Ultimate Consumers	37,138,826	24,054,302
13	(447) Sales for Resale	0	0
14			
15	TOTAL Sales of Electricity	37,138,826	24,054,302
16	(Less) (449.1) Provision for Rate Refunds	0	0
17			
18	TOTAL Revenue Net of Provision for Refunds	37,138,826	24,054,302
19	Other Operating Revenues		
20	(450) Forfeited Discounts	257,486	177,604
21	(451) Miscellaneous Service Revenues	132,811	127,190
22	(453) Sales of Water and Water Power	0	0
23	(454) Rent from Electric Property	76,106	76,106
24	(455) Interdepartmental Rents	0	0
25	(456.2) Other Electric Revenues	18,859	10,769
26	(456.1) Overrecoveries Purchase Electric	(433,369)	(454,888)
27	(456.6) Conservation Overrecoveries	(171,727)	72,205
28			
29			
30	TOTAL Other Operating Revenues	(119,834)	8,986
31			
32	TOTAL Electric Operating Revenues	\$37,018,992	\$24,063,288

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.
143,796	153,677	10,363	10,357	1
				2
				3
29,298	31,141	2,094	2,062	4
147,501	156,408	439	427	5
4,181	4,158	2,572	2,568	6
1,133	1,132	15	14	7
0	0	0	0	8
236	234	3	3	9
490	(1,222)	0	0	10
				11
326,635	345,528	15,486	15,431	12
				13
				14
326,635	345,528	15,486	15,431	15
				16
				17
326,635	345,528	15,486	15,431	18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32

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	353	-
47	(539) Miscellaneous Hydraulic Power Generation Expenses	-	-
48	(540) Rents		
49	TOTAL Operation	353	-

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008
NORTHWEST DIVISION		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	353	-	
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	25,958,872	14,987,955	
76	(556) System Control and Load Dispatching	22,050	44,782	
77	(557) Other Expenses	25,980,922	15,032,737	
78	TOTAL Other Power Supply Expenses	25,981,275	15,032,737	
79	TOTAL Power Production Expenses			
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	164,244	127,534	
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	15,641	11,962
107 (583) Overhead Line Expenses	74,155	111,167
108 (584) Underground Line Expenses	149	1,208
109 (585) Street Lighting and Signal System Expenses	18,172	14,483
110 (586) Meter Expenses	187,730	175,882
111 (587) Customer Installations Expenses	60,437	53,453
112 (588) Miscellaneous Distribution Expenses	107,011	101,800
113 (589) Rents	852	833
114 TOTAL Operation	628,391	598,322
115 Maintenance		
116 (590) Maintenance Supervision and Engineering	79,042	33,571
117 (591) Maintenance of Structures	0	0
118 (592) Maintenance of Station Equipment	37,410	14,223
119 (593) Maintenance of Overhead Lines	824,376	709,000
120 (594) Maintenance of Underground Lines	21,217	12,564
121 (595) Maintenance of Line Transformers	52,492	57,029
122 (596) Maintenance of Street Lighting and Signal Systems	11,432	10,335
123 (597) Maintenance of Meters	5,961	15,924
124 (598) Maintenance of Miscellaneous Distribution Plant	44,900	50,629
125 TOTAL Maintenance	1,076,830	903,275
126 TOTAL Distribution Expenses	1,705,221	1,501,597
127 4. CUSTOMER ACCOUNTS EXPENSES		
128 Operation		
129 (901) Supervision	55,797	49,745
130 (902) Meter Reading Expenses	107,561	148,301
131 (903) Customer Records and Collection Expenses	416,225	395,511
132 (904) Uncollectible Accounts	146,233	30,066
133 (905) Miscellaneous Customer Accounts Expenses	59,044	51,116
134 TOTAL Customer Accounts Expenses	784,860	674,739
135 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136 Operation		
137 (906) Underrecovery Conservation	(220,984)	
138 (907) Supervision	45,245	53,023
139 (908) Customer Assistance Expenses	108,622	90,370
140 (909) Informational and Instructional Expenses	95,577	118,725
141 (910) Misc. Cust. Service & Informational -Includes underrecovery (906)	12,058	10,426
142 TOTAL Cust. Service and Informational Expenses	40,518	272,544
143 6. SALES EXPENSES		
144 Operation		
145 (911) Supervision	-	0
146 (912) Demonstrating and Selling Expenses	-	-
147 (913) Advertising Expenses	24,163	59,192
148 (916) Miscellaneous Sales Expenses	-	-
149 TOTAL Sales Expenses	24,163	59,192
150 7. ADMINISTRATIVE AND GENERAL EXPENSES		
151 Operation		
152 (920) Administrative and General Salaries	388,050	435,603
153 (921) Office Supplies and Expenses	164,141	100,645
154 (Less) (922) Administrative expenses Transferred-Cr.	-	-
155 (923) Outside Services Employed	118,156	92,342
156 (924) Property Insurance	124,888	125,222
157 (925) Injuries and Damages	242,695	377,619
158 (926) Employee Pensions and Benefits	436,681	434,028

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
159 7. ADMINISTRATIVE AND GENERAL EXPENSES		
160 (927) Franchise Requirements	115,506	74,490
161 (928) Regulatory Commission Expenses	0	0
162 (Less) (929) Duplicate Charges-Cr.	8	0
163 (930.1) General Advertising Expenses	117,654	48,575
164 (930.2) Miscellaneous General Expenses	5,323	5,815
165 (931) Rents	1,713,102	1,692,339
166 TOTAL Operation	39,480	40,746
167 Maintenance	1,752,582	1,733,085
168 (935) Maintenance of General Plant	30,288,619	19,273,894
169 TOTAL Administrative and General Expenses		
170 TOTAL Electric Operation and Maintenance Expenses	30,288,617	

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)	11/11/2008
2 Total Regular Full-Time Employees	37
3 Total Part-Time and Temporary Employees	-
4 Total Employees	37

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	0			0
8	Distribution Plant	1,359,725			1,359,725
9	General Plant	140,406			140,406
10	Common Plant-Electric	50,218			50,218
11	Adjustment*				0
12	TOTAL	\$1,550,349	\$0	\$0	\$1,550,349

B. Basis for Amortization Charges

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and proceedings where a contingency exists such that refunds of a Expenses from Utility Plant Leased to Others, in another utility material amount may need to be made to the utility's column (i,k,m,o) in a similar manner to a utility department. customers or which may result in a material refund to the utility. Spread the amount (s) over lines 01 through 20 as appropriate with respect to power or gas purchases. State for each year Include these amounts in columns (c) and (d) totals. affected the gross revenues or costs to which the contingency
2. Report amounts in Account 414, Other Utility Operating relates and the tax effects together with an explanation of the Income, in the same manner as Accounts 412 and 413 above. major factors which affect the rights of the utility to retain
3. Report data for lines 7,9,10 for Natural Gas companies such revenues or recover amounts paid with respect to power and gas purchases. 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
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	\$41,635,834	\$31,457,563
3	Operating Expenses			
4	Operation Expenses (401)	320-323	34,058,633	25,520,230
5	Maintenance Expenses (402)	320-323	1,030,660	971,769
6	Depreciation Expense (403,405)	336-337	1,764,606	1,529,497
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)		2,561,595	2,114,187
14	Income Taxes - Federal (409.1)		(228,943)	398,656
15	- Other (409.1)		(39,321)	68,115
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	735,532	(237,887)
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277		
18	Investment Tax Credit Adj. - Net (411.4)	266	(18,161)	(19,518)
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)		39,864,601	30,345,049
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,771,233	\$1,112,514

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 observation 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		4
0	0	0	0		5
					6
			0	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
			0	(314)	11
			0	(315)	12
			0	(316)	13
0	0	0	0		14
					15
			0	(320)	16
			0	(321)	17
			0	(322)	18
			0	(323)	19
			0	(324)	20
			0	(325)	21
0	0	0	0		22
					23
			0	(330)	24
			0	(331)	25
			0	(332)	26
			0	(333)	27
			0	(334)	28
			0	(335)	29
			0	(336)	30
0	0	0	0		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	22,006	0
46	(353) Station Equipment	2,426,032	0
47	(354) Towers and Fixtures	224,665	137
48	(355) Poles and Fixtures	2,362,224	1,689
49	(356) Overhead Conductors and Devices	1,881,021	12,213
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)	6,996,884	14,039
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	15,591	0
56	(361) Structures and Improvements	96,042	0
57	(362) Station Equipment	4,784,994	838,502
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	2,403,549	80,912
60	(365) Overhead Conductors and Devices	3,476,334	72,352
61	(366) Underground Conduit	2,774,029	282,888
62	(367) Underground Conductors and Devices	4,420,544	220,565
63	(368) Line Transformers	7,498,212	134,416
64	(369) Services	4,928,996	223,085
65	(370) Meters	2,195,591	78,355
66	(371) Installations on Customer Premises	978,489	155,591
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	852,003	19,154
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	34,424,374	2,105,820
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	68,696	0
72	(390) Structures and Improvements	495,391	0
73	(391) Office Furniture and Equipment	703,696	11,036
74	(392) Transportation Equipment	1,349,271	157,320
75	(393) Stores Equipment	43,656	8,742
76	(394) Tools, Shop and Garage Equipment	115,599	5,071
77	(395) Laboratory Equipment	42,048	0
78	(396) Power Operated Equipment	190,404	0
79	(397) Communication Equipment	90,905	0
80	(398) Miscellaneous Equipment	6,828	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	3,106,494	182,169
82	(399) Other Tangible Property	5,000	0
83	TOTAL General Plant (Enter Total of lines 81 and 82)	3,111,494	182,169
84	TOTAL (Accounts 101 and 106)	44,532,752	2,302,028
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	\$44,532,752	\$2,302,028

Northeast Division		An Original			December 31, 2008	
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	22,006	(352)	45	
(1,512)	0	0	2,424,520	(353)	46	
0	0	0	224,802	(354)	47	
0	0	0	2,363,913	(355)	48	
0	0	0	1,893,234	(356)	49	
0	0	0	0	(357)	50	
0	0	0	0	(358)	51	
0	0	0	6,788	(359)	52	
(1,512)	0	0	7,009,411		53	
					54	
0	0	0	15,591	(360)	55	
0	0	0	96,042	(361)	56	
0	0	0	5,623,496	(362)	57	
0	0	0	0	(363)	58	
(2,384)	0	0	2,482,077	(364)	59	
(16,520)	0	0	3,532,166	(365)	60	
(72)	0	0	3,056,845	(366)	61	
(63,257)	0	0	4,577,852	(367)	62	
(48,036)	0	0	7,584,592	(368)	63	
(788)	0	0	5,151,293	(369)	64	
(47,706)	0	3,564	2,229,804	(370)	65	
(3,680)	0	0	1,130,400	(371)	66	
0	0	0	0	(372)	67	
(2,745)	0	0	868,412	(373)	68	
(185,188)	0	3,564	36,348,570		69	
					70	
0	0	0	68,696	(389)	71	
0	0	0	495,391	(390)	72	
(7,284)	0	0	707,448	(391)	73	
0	22	0	1,506,613	(392)	74	
0	0	0	52,398	(393)	75	
0	0	0	120,670	(394)	76	
(2,279)	0	0	39,769	(395)	77	
(10,574)	0	0	179,830	(396)	78	
(609)	0	0	90,296	(397)	79	
0	0	0	6,828	(398)	80	
(20,746)	22	0	3,267,939		81	
0	0	0	5,000	(399)	82	
(20,746)	22	0	3,272,939		83	
(207,446)	22	3,564	46,630,920		84	
0			0	(102)	85	
					86	
0			0	(103)	87	
(\$207,446)	\$22	\$3,564	46,630,920		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	18,160,222	18,160,222		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,702,010	1,702,010		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	62,067	62,067		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	1,944	1,944		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,766,021	1,766,021		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(207,446)	(207,446)		
12.	Cost of Removal	(63,342)	(63,342)		
13.	Salvage (Credit)	11,522	11,522		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(259,266)	(259,266)		
15.	Other Debit or Credit Items (Describe)				
16.	0	0	0		
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	19,666,977	19,666,977		

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	2,664,140	2,664,140		
24	Distribution	14,747,942	14,747,942		
25	General	2,219,251	2,219,251		
26	Adjustments	0	0		
27	TOTAL (Enter Total of lines 18 thru 25)	19,631,333	19,631,333		

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST DIVISION

An Original

December 31, 2008

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	\$20,334,467	\$15,782,085
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	3,212,809	2,497,419
5	Large (or Industrial)	16,813,755	13,483,599
6	(443) Outdoor Lighting	461,789	405,886
7	(444) Public Street and Highway Lighting	225,026	167,012
8	(445) Other Sales to Public Authorities	0	0
9	(448) Interdepartmental Sales	33,307	24,988
10	(456.3) Unbilled Revenues	91,258	(6,372)
11			
12	TOTAL Sales to Ultimate Consumers	41,172,411	32,354,617
13	(447) Sales for Resale		
14			
15	TOTAL Sales of Electricity	41,172,411	32,354,617
16	(Less) (449.1) Provision for Rate Refunds	0	0
17			
18	TOTAL Revenue Net of Provision for Refunds	41,172,411	32,354,617
19	Other Operating Revenues		
20	(450) Forfeited Discounts	221,006	170,169
21	(451) Miscellaneous Service Revenues	123,616	100,778
22	(453) Sales of Water and Water Power	0	0
23	(454) Rent from Electric Property	123,917	34,410
24	(455) Interdepartmental Rents	0	0
25	(456.2) Other Electric Revenues	2,129	5,088
26	(456.1) Overrecoveries Purchase Electric	(196,767)	(1,162,151)
27	(456.6) Overrecoveries Conservation	189,522	(45,348)
28			
29			
30	TOTAL Other Operating Revenues	463,423	(897,054)
31			
32	TOTAL Electric Operating Revenues	\$41,635,834	\$31,457,563

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST DIVISION

An Original

December 31, 2008

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.
185,850	196,032	13,485	13,377	1
28,857	29,994	1,482	1,440	2
193,809	237,162	303	303	3
1,384	1,312	519	508	4
1,127	1,174	7	7	5
0	0	0	0	6
451	472	11	11	7
1,419	(1,071)	0	0	9
				8
412,897	465,075	15,807	15,646	10
				11
412,897	465,075	15,807	15,646	12
				13
412,897	465,075	15,807	15,646	14
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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	-	-

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008
NORTHEAST DIVISION		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	30,146,506	22,061,861	
76	(556) System Control and Load Dispatching	69,361	46,327	
77	(557) Other Expenses	30,215,867	22,108,188	
78	TOTAL Other Power Supply Expenses	30,215,867	22,108,188	
79	TOTAL Power Production Expenses	30,215,867	22,108,188	
80	2. TRANSMISSION EXPENSES			
81	Operation			
82	(560) Operation Supervision and Engineering	9,342		
83	(561) Load Dispatching	25,856	14,930	
84	(562) Station Expenses			
85	(563) Overhead Line Expenses			
86	(564) Underground Line Expenses			
87	(565) Transmission of Electricity by Others	4,497	7,070	
88	(566) Miscellaneous Transmission Expenses			
89	(567) Rents	39,695	22,000	
90	TOTAL Operation			
91	Maintenance			
92	(568) Maintenance Supervision and Engineering			
93	(569) Maintenance of Structures			
94	(570) Maintenance of Station Equipment	31,293	79,801	
95	(571) Maintenance of Overhead Lines	15,915	28,833	
96	(572) Maintenance of Underground Lines			
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-	
98	TOTAL Maintenance	47,208	108,634	
99	TOTAL Transmission Expenses	86,903	130,634	
100	3. DISTRIBUTION EXPENSES			
101	Operation			
102	(580) Operation Supervision and Engineering	220,458	158,959	
103	(581) Load Dispatching	36	108	

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	85,554	48,711
107 (583) Overhead Line Expenses	66,864	56,538
108 (584) Underground Line Expenses	46,901	42,130
109 (585) Street Lighting and Signal System Expenses	18,616	3,731
110 (586) Meter Expenses	117,880	101,909
111 (587) Customer Installations Expenses	68,602	44,263
112 (588) Miscellaneous Distribution Expenses	117,637	142,797
113 (589) Rents	-	-
114 TOTAL Operation	742,548	599,146
115 Maintenance		
116 (590) Maintenance Supervision and Engineering	108,753	94,837
117 (591) Maintenance of Structures	6,313	4,829
118 (592) Maintenance of Station Equipment	48,126	31,381
119 (593) Maintenance of Overhead Lines	406,633	325,980
120 (594) Maintenance of Underground Lines	144,788	186,408
121 (595) Maintenance of Line Transformers	71,600	66,860
122 (596) Maintenance of Street Lighting and Signal Systems	69,500	39,560
123 (597) Maintenance of Meters	30,871	24,762
124 (598) Maintenance of Miscellaneous Distribution Plant	44,813	30,969
125 TOTAL Maintenance	931,397	805,586
126 TOTAL Distribution Expenses	1,673,945	1,404,732
127 4. CUSTOMER ACCOUNTS EXPENSES		
128 Operation		
129 (901) Supervision	85,219	68,818
130 (902) Meter Reading Expenses	119,902	131,030
131 (903) Customer Records and Collection Expenses	467,696	440,320
132 (904) Uncollectible Accounts	(10,795)	19,910
133 (905) Miscellaneous Customer Accounts Expenses	35,258	39,518
134 TOTAL Customer Accounts Expenses	697,280	699,596
135 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136 Operation		
137 (906) Underrecovery Conservation	194,094	
138 (907) Supervision	42,814	51,600
139 (908) Customer Assistance Expenses	126,065	83,256
140 (909) Informational and Instructional Expenses	96,988	99,166
141 (910) Misc. Cust. Service and Informational -Includes underrecovery	9,279	8,457
142 TOTAL Cust. Service and Informational Expenses	469,240	242,479
143 6. SALES EXPENSES		
144 Operation		
145 (911) Supervision		
146 (912) Demonstrating and Selling Expenses	-	-
147 (913) Advertising Expenses	14,288	54,198
148 (916) Miscellaneous Sales Expenses	660	773
149 TOTAL Sales Expenses	14,948	54,971
150 7. ADMINISTRATIVE AND GENERAL EXPENSES		
151 Operation		
152 (920) Administrative and General Salaries	557,822	589,346
153 (921) Office Supplies and Expenses	167,495	98,992
154 (Less) (922) Administrative expenses Transferred-Cr.	-	-
155 (923) Outside Services Employed	130,379	100,495
156 (924) Property Insurance	53,665	53,297
157 (925) Injuries and Damages	238,841	378,833
158 (926) Employee Pensions and Benefits	481,117	447,366

FLORIDA PUBLIC UTILITIES COMPANY		An Original		December 31, 2008	
NORTHEAST DIVISION		ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
Account		Amount for Current Year		Amount for Previous Year	
159	7. ADMINISTRATIVE AND GENERAL EXPENSES				
160	(927) Franchise Requirements				
161	(928) Regulatory Commission Expenses	118,633		79,981	
162	(Less) (929) Duplicate Charges-Cr.	0		-	
163	(930.1) General Advertising Expenses	8		-	
164	(930.2) Miscellaneous General Expenses	125,328		39,691	
165	(931) Rents	5,767		5,849	
166	TOTAL Operation	1,879,055		1,793,850	
167	Maintenance				
168	(935) Maintenance of General Plant	52,055		57,549	
169	TOTAL Administrative and General Expenses	1,931,110		1,851,399	
170	TOTAL Electric Operation and Maintenance Expenses	35,089,293		26,491,999	
<p>NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES</p> <p>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.</p> <p>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.</p> <p>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.</p>					
1	Payroll Period Ended (Date)			11/11/2008	
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)			47	
3	Total Part-Time and Temporary Employees				
4	Total Employees			47	

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	218,595			218,595
8	Distribution Plant	1,395,221			1,395,221
9	General Plant	88,219			88,219
10	Common Plant-Electric *	62,571			62,571
11	TOTAL	\$1,764,606	\$0	\$0	\$1,764,606

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

2008

44	532.752	2.302.028	22	3.564	(207.448)	46.630.920	18.180.222	11.522	1.764.077	(207.448)	11.522	(63.342)	1.944	19.536.331
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**FLORIDA PUBLIC UTILITIES COMPANY
ANNUAL STATUS REPORT FOR
STORM DAMAGE RESERVE CONSOLIDATED ELECTRIC**

Status of Reserve

Beginning Balance 01/01/2008		1,774,497
Accruals under Docket #93-0400 EI (001/08 - 12/08)	<u>121,620</u>	
Total Accruals During 2008		121,620
Additional Accrual from Overrecovery		0
Total Charges During 2008		<u>(232,137)</u>
Ending Balance, 12/31/08		<u><u>\$1,663,980</u></u>

Reasonableness of Reserve

Distribution Plant - Book Cost

Storm Damage Reserve Balance @ 12/31/2008	\$1,663,980
Total Distribution Plant (per books) @ 12/31/2008	<u>\$73,519,246</u>
Ratio of Reserve to Distribution Plant	<u><u>2.26%</u></u>

Distribution Plant - Replacement Cost

Storm Damage Reserve Balance @ 12/31/2008	\$1,663,980
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/08 times 2)	<u>\$147,038,492</u>
Ratio of Reserve to Replacement Distribution Plant	<u><u>1.13%</u></u>

Availability of Distribution Systems Insurance

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

CUSTOMER GROWTH

	2008	2007	2006			
	Customers			Current	Prior year	Average
	Current Year	Prior Year	Two Years Prior	Year increase	Increase	Increase
<u>Operations</u>						
Marianna - Electric	15,486	15,431	15,265	0%	1%	1%
Fernandina Beach - Electric	15,807	15,646	15,372	1%	2%	1%
Gas Operations	51,957	51,590	51,207	1%	1%	1%