

EI803-96-AR

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FLORIDA PUBLIC SERVICE
COMMISSION

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AUDITING &
FINANCIAL ANALYSIS DIV



BUREAU OF REVENUE REQUIREMENTS
ELECTRIC & GAS ACCOUNTING

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

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR141.1. 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) FERC	Year of Report Dec. 31, 19 96
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INDEPENDENT AUDITORS' REPORT

Florida Public Utilities Company
West Palm Beach, Florida:

We have audited the balance sheets—regulatory basis of Florida Public Utilities Company (the “Company”) as of December 31, 1996 and 1995, and the related statements of income—regulatory basis for the years then ended, and the statements of retained earnings—regulatory basis and cash flows for the year ended December 31, 1996, included on pages 110 through 122h, excluding additional information on pages 114 - Fernandina Division, 114 - Marianna 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 audits.

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

These financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles. The principal differences from generally accepted accounting principles include accounting for the Company’s investment in a wholly-owned subsidiary on the equity method rather than consolidating the assets, liabilities, revenues, and expenses of the subsidiary, the inclusion of certain accumulated provisions in other noncurrent liabilities rather than current liabilities, the exclusion of comparative statements of retained earnings and cash flows, and the reporting of deferred tax assets and liabilities net of the related regulatory assets and liabilities rather than reporting them separately.

The 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 and income statements in which an investment in a wholly-owned subsidiary is accounted for on the equity method.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of Florida Public Utilities as of December 31, 1996 and 1995, and the results of its operations for the years then ended, and its cash flows for the year ended December 31, 1996, in

accordance with 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 114 - Fernandina Division, 114 - Marianna 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 Florida Public Utilities Company and for filing with the Florida Public Service Commission and should not be used for any other purpose.

Deloitte & Touche LLP

February 21, 1997

EXECUTIVE SUMMARY

SUPPLEMENT TO ANNUAL REPORT

OF

FLORIDA PUBLIC UTILITIES COMPANY

FOR THE YEAR

1996

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 nontechnical 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 and 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. Robert L. Terry	Chairman of the Executive Committee	(561) 838-1765
2. Franklin C. Cressman	President and Chief Executive Officer	(561) 838-1763
3. Jack Brown	Treasurer & Secretary	(561) 838-1729
4. John T. English	Senior Vice President	(561) 838-1762
5. George Bachman	Director of Accounting	(561) 838-1731
6. William D. Little, Jr.	Asst. Secretary & Asst. Treasurer	(561) 838-1741
7. Darryl L. Troy	Vice President	(561) 838-1761
8. Charles L. Stein	Vice President	(561) 838-1760

C. Direct Telephone Number for Director (s)

Officer (s) Name	Title	Telephone Numbers
1. E. James Carr, Jr.	Director	(561) 848-7200
2. Franklin C. Cressman	President and Chief Executive Officer	(561) 838-1763
3. Daniel Downey	Director	(561) 655-8761
4. Gordon O. Jerauld	Director	(561) 626-0783
5. Robert L. Terry	Chairman of the Executive Committee	(561) 838-1765
6. John T. English	Senior Vice President	(561) 838-1762
7. Richard C. Hitchins	Director	(561) 832-8833

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.

B. Operating Territory

Four areas of Florida are served by Florida Public Utilities Company. The West Palm Beach Division serves 32,900 customers within eastern Palm Beach County. The Sanford division, located in the heart of central Florida, serves 5,900 customers in Seminole County. Serving 6,100 customers, the DeLand division lies in western Volusia County.

The Marianna division, located in the panhandle of Florida, serves 11,700 customers in portions of Jackson, Calhoun, and Liberty Counties. The Fernandina Beach division, which serves Amelia Island on the upper east coast of Florida, furnishes electricity and water services to 11,600 and 5,800 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 and bottled gas are provided by the West Palm Beach, Sanford, and DeLand divisions. These three divisions also service customers in offering gas appliance sales and repairs.

Electricity is supplied by the divisions in Marianna and Fernandina. 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, Sanford, and DeLand areas.

F. Current and Projected Growth Patterns

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

PART III - CORPORATE RECORDS

A. Location	
Divisional Offices	Address
West Palm Beach	401 South Dixie Highway, West Palm Beach
Delray Beach	325 N.E. 2nd Street, Delray Beach
Sanford	830 West 6th Street, Sanford
DeLand	401 N. Stone Street, DeLand
Marianna	2825 Pennsylvania Avenue, Marianna
Fernandina Beach	911 S. 8th Street, Fernandina Beach

B. Description
<p>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.</p>

C. List Audit Groups Reviewing Records and Operations
<p>Deloitte & Touche - Annual and quarterly corporate audits. Florida Public Service Commission - Electric, gas, and water operations.</p>

PART IV - PARENT / AFFILIATE ORGANIZATION CHART

CURRENT AS OF : DECEMBER 31, 1996

FLORIDA PUBLIC UTILITIES COMPANY
(PARENT)

FLO - GAS CORPORATION
(WHOLLY - OWNED SUBSIDIARY)

PART V - LIAISON PERSONNEL DIRECTORY

(4)

A. List

Name of Company Representative ^{(1) (2)}	Title or Position	Organizational Unit Title (Dept/Div/Etc.) ⁽³⁾	Name of Immediate Supervisor	Area (s) Responsible
Franklin C. Cressman	President	Electric, Gas, and Water Operations		Engineering, Rates Rules and Regulations
Jack R. Brown	Treasurer and Secretary	Electric, Gas, and Water Operations	F. C. Cressman	Financial Items, Rules and Regulations
John T. English	Senior Vice President	Marianna Electric, Fernandina Beach Electric and Water Operations	F. C. Cressman	Engineering, Rates Rules and Regulations
Darryl L. Troy	Vice President	Electric, Gas, and Water Operations	F. C. Cressman	Open Dockets, Accounting, Rules and Regulations
Charles L. Stein	Vice President	Gas Operations	F. C. Cressman	Engineering, Rates, Rules and Regulations
P. Mark Cutshaw	Division Manager	Marianna Electric Operations	J. T. English	Conservation, Rates and Engineering
Patrick W. Foster	Division Manager	Fernandina Beach Electric and Water Operations	J. T. English	Rates and Engineering
Michael Peacock	Director of Customer Relations	Electric Operations	P. Mark Cutshaw	Conservation
George Bachman	Director of Accounting	Electric, Gas, and Water Operations	D. L. Troy	Taxes, Fuel Adj., PGA, Conservation, Accounting
Cheryl Martin	Corporate Accounting Manager	Electric, Gas, and Water Operations	G. M. Bachman	Taxes, Fuel Adj., PGA, Conservation, Accounting
William Willingham (904) 681-6788	Attorney	Rutledge, Ecenia, Underwood, Purnell & Hoffman	---	Fuel Adj., PGA, and Conservation, All Divisions
Wayne Schiefelbein (904) 877-7191	Attorney	Gatlin, Woods, Carlson and Cowdery	---	Rate Cases

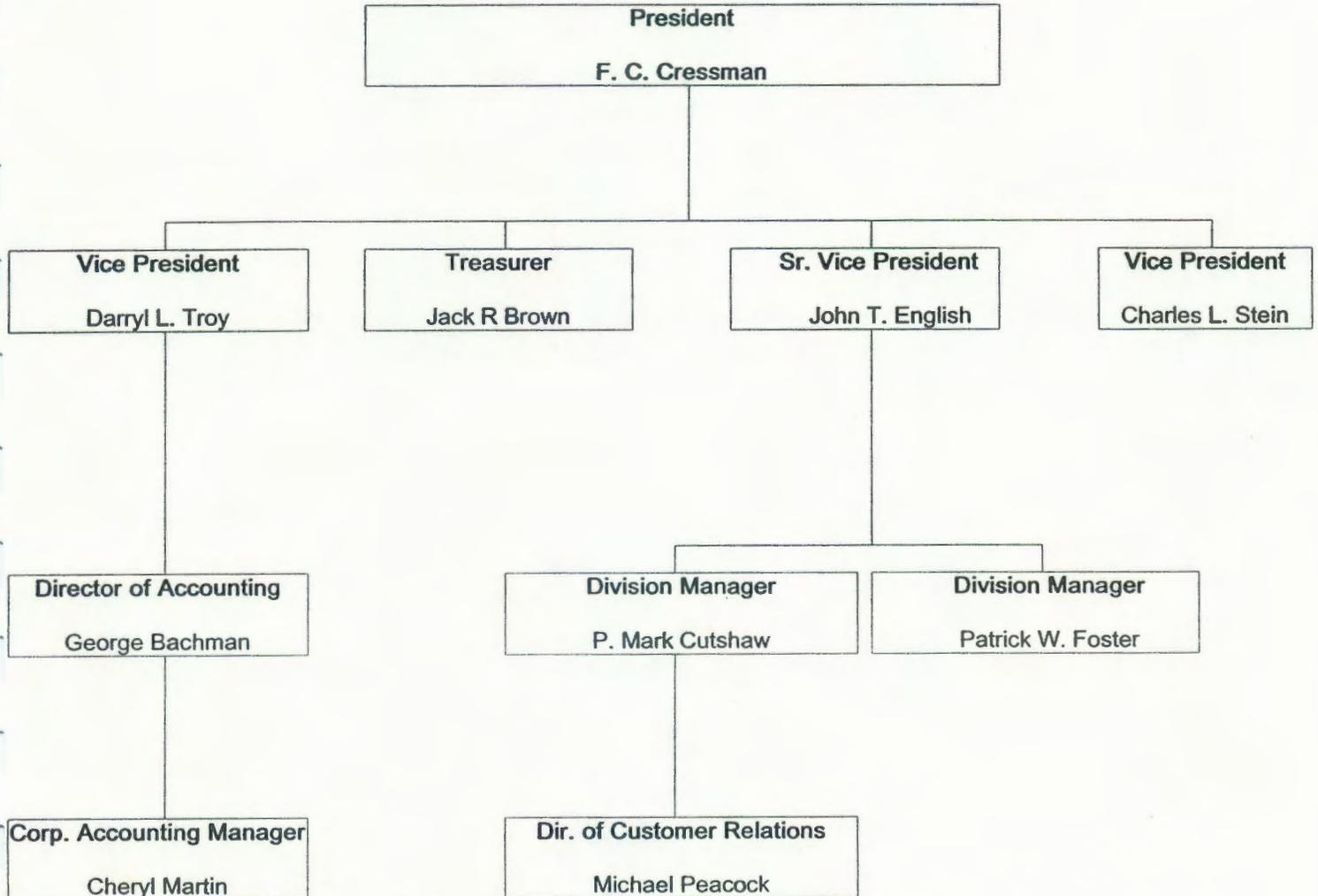
- (1) Also list appropriate legal counsels, and others who may not be on the general payroll.
- (2) Please provide individual telephone numbers if the person cannot be reached through the Company's operator.
- (3) Please provide appropriate organization charts for all persons listed within the Company.
- (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, 1996

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, 1996 to December 31, 1996, inclusive.

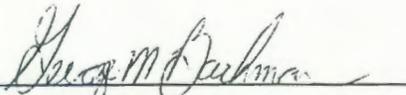
I also certify that all affiliated transfer prices and affiliated cost allocations
were determined consistent with the methods reported to this Commission on the
appropriate forms included in this report.

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

Whoever knowingly makes a false statement in writing
with the intent to mislead a public servant in the
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.

5/20/97

Date



Signature

George Bachman
Name

Director of Accounting & Asst. Treasurer
Title

**INSTRUCTIONS FOR FILING THE
FERC FORM NO. 1**

GENERAL INFORMATION

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 non-confidential 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,
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

- (a) Submit an original and six (6) copies of this form to:

Office of the Secretary
Federal Energy Regulatory Commission
825 North Capitol Street, NE.
Room 3110
Washington, DC 20426

Retain one copy of this report for your files.

- (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
825 N. Capitol St., NE.
Room 946
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.)

<u>Schedules</u>	<u>Reference Pages</u>
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 Chief Accountant at the address indicated at III (b).

III. What and Where to Submit (Continued)

(c) Continued

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 statement 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:

Legal Reference and Records Management Branch
Federal Energy Regulatory Commission
941 North Capitol Street, NE.
Room 3100 ED-12.1
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 1,215 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, 825 North Capitol Street NE., Washington, DC 20426 (Attention: Michael Miller, ED-12.3); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

GENERAL INSTRUCTIONS (Continued)

- IV. For any page(s) that is not applicable to the respondent, either
- (a) Enter the words "Not Applicable" on the particular page(s), or
 - (b) 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. Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. The copies, however, may be carbon copies or other similar means of reproduction provided the impressions are clear and readable.
- VI. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VIII. below).
- VII. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses. ().
- VIII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation page, page 1. Mail dated resubmissions to:
- Chief Accountant
Federal Energy Regulatory Commission
825 North Capitol Street, NE.
Room 946
Washington, DC 20426
- IX. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8½ by 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- X. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI. 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.
- XII. Respondents may submit computer printed schedules (reduced to 8½ by 11) instead of the preprinted schedules if they are in substantially the same format.

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.

EXCERPTS FROM THE LAW

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."

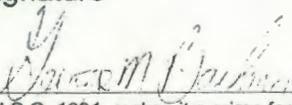
"Sec. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The 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 or document required by the Commission in the course of an investigation conducted under this Act, . . . shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing. . . ."

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

IDENTIFICATION				
01	Exact Legal Name of Respondent FLORIDA PUBLIC UTILITIES COMPANY	02	Year of Report Dec. 31, 1996	
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 George Bachman	06	Title of Contact Person Director of Accounting	
07	Address of Contact Person (Street, City, State, Zip Code) Same as above			
08	Telephone of Contact Person, Including Area Code (561) 838-1731	09	This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10	Date of Report (Mo, Da, Yr) May 28, 1997	
ATTESTATION				
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.				
01	Name George Bachman	02	Title Director of Accounting	
03	Signature 		04	Date Signed (Mo, Da, Yr) 5/20/97
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.				

Name of Respondent Florida Public Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 28, 1997	Year of Report December 31, 1996
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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	
Important Changes During the Year.....	108-109	Ed. 12-90	Pg. 109-None
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	
General Description of Construction Overhead Procedure.....	218	Ed. 12-88	
Accumulated Provision for Depreciation of Electric Utility Plant..	219	Ed. 12-88	
Nonutility Property.....	221	Ed. 12-95	
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	
Other Paid-in Capital.....	253	Ed. 12-87	
Discount on Capital Stock.....	254	Ed. 12-87	
Capital Stock Expense.....	254	Ed. 12-86	
Long-Term Debt.....	256-257	Ed. 12-91	

Name of Respondent Florida Public Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) May 28, 1997	Year of Report December 31, 1996
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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	
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.....	336-337	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts.....	340	Ed. 12-87	
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 (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) May 28, 1997	December 31, 1996

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	
Substations.....	426-427	Ed. 12-95	
Electric Distribution Meters and Line Transformers.....	429	Ed. 12-88	
Environmental Protection Facilities.....	430	Ed. 12-88	None
Environmental Protection Expenses.....	431	Ed. 12-88	None
Footnote Data.....	450	Ed. 12-87	None
Stockholders' Reports			
	Check appropriate box:		
	<input checked="" type="checkbox"/>	Four Copies will be submitted.	
	<input type="checkbox"/>	No annual report to stockholders is prepared.	

GENERAL INFORMATION

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

George Bachman, Director of Accounting & Asst. Treasurer
401 South Dixie Highway, P.O. Box 3395
West Palm Beach, Florida 33401

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

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

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

N/A

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

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

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

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

(2) X NO

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.
 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

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.
 3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Executive Committee	Robert L. Terry	\$74,894
2			
3	President	Franklin C. Cressman	* \$148,937
4			
5	Senior Vice President	John T. English	\$97,169
6			
7	Vice President	Darryl L. Troy	\$78,206
8			
9	Vice President	Charles L. Stein	\$90,856
10			
11	Treasurer	Jack R. Brown	\$97,169
12			
13	Assistant Secretary & Assistant Treasurer	William D. Little Jr.	\$64,457
14			
15	Assistant Treasurer	George M. Bachman	\$59,470
16			
17			
18			
19	* Information obtained from Proxy Statement for Annual Meeting of Stockholders dated March 5, 1997.		
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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)	# OF DIRECTOR MEETINGS ATTENDED DURING YEAR	FEES DURING YEAR
R.L. Terry** Chairman of the Executive Committee	401 South Dixie Highway West Palm Beach, Florida	4	0
F.C. Cressman* President & Chief Executive Officer	401 South Dixie Highway West Palm Beach, Florida	4	0
D. Downey*	400 Royal Palm Way Palm Beach, Florida	4	1,600
G.O. Jerauld	700 Osprey Way No. Palm Beach, Florida	4	1,600
E. James Carr, Jr.	217 Tom O'Shanter Drive Palm Springs, Florida	4	1,600
J.T. English Senior Vice President	401 South Dixie Highway West Palm Beach, Florida	4	0
R.C. Hitchins	325 South Olive Avenue West Palm Beach, Florida	4	1,600

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 compiled 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 other 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 other 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. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to the end year, and state the purpose of such closing:

December 13, 1996
Dividend Record Date

2. State the total number of votes cast at the latest general meeting prior to the end of year for the election of directors of the respondents and number of such votes cast by proxy.

Total: 1,464,479
By Proxy: 1,182,505

3. Give the date and place of such meeting:
4/15/97

401 S. Dixie Highway
West Palm Beach, FL

VOTING SECURITIES

Number of votes as of (date):

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	1,585,478	1,585,478	0	NONE
5	TOTAL number of security holders			0	
6	TOTAL votes of security holders listed below	1,212,952	1,212,952	0	
7	* Cede & Company	810,326	810,326	0	
8	P.O. Box 20, New York, NY 10274				
9	Chesapeake Utilities Corp.	109,232	109,232	0	
10	Box 615, Dover, DE 19903				
11	Atlee M. Kohl	101,100	101,100	0	
12	3007 Skyway Circle North, Irving, Texas 75038				
13	Robert L. Terry, Chairman, Exec. Comm.	85,500	85,500	0	
14	137 Kings Rd., Palm Beach, FL 33402				
15	Dino Casali	35,040	35,040	0	
16	Box 886 Keene, NH 03431-0886				
17	George F. Parris, Jr.	21,920	21,920	0	
18	P.O. Box 89, Galveston, TX 77553				
19	Ralph Peiscop Grau	15,000	15,000	0	
20	P.O. Box 381, Punta Gorda, FL 33951				

* Includes 156,777 shares held in trust. Robert L. Terry, a Director of the Corporation, is co-trustee for trust accounts established under the wills of his parents and shares voting and dispositive powers for his stock.

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (Title) and Address of Security Holder	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
21 22	Philadep & Co Box 8068-475, Philadephia, PA 19177	13,546	13,546	0	NONE
23 24	A. P. Maheu 250 Lakeview Dr. Sanford, FL	11,155	11,155	0	
25 26	Franklin C. Cressman 7990 W Lake Dr., West Palm Beach, FL	10,133	10,133	0	
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IMPORTANT CHANGES DURING THE YEAR

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

1. Changes in and important information to franchise rights:

Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state the 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 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. Estimate increase or decrease in annual revenues due to important rate changes: State effective rate and approximate amount of increase or decrease from each revenue classification. State the number of customers affected.

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 attached to this page.

- 1. None
- 2. None
- 3. None
- 4. None
- 5. None
- 6. None
- 7. None
- 8. None
- 9. None
- 10. None
- 11. None
- 12. None

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	UTILITY PLANT			
2	Utility Plant (101-106, 114, 118)	200-201	95,696,572	100,314,032
3	Construction Work in Progress (107)	200-201	765,145	2,157,803
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		96,461,717	102,471,835
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115, 119)	200-201	(32,276,717)	(34,615,243)
6	Net Utility Plant (Enter Total of line 4 less 5)		64,185,000	67,856,592
7	Nuclear Fuel (120.1-102.4, 120.0)	202-203	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)		64,185,000	67,856,592
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)			
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	70,546	70,546
15	(Less) Accum. Prov. for Depr. and Amort. (122)		30,364	12,880
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	2,195,724	1,795,733
18	(For Cost of Account 123.1, See Footnote Page 224-225, line 23)		0	0
19	Other Investments (124)		10	10
20	Special Funds (125-128)		0	0
21	TOTAL Other Property and Investments (Total of lines 14 through 20)		2,296,644	1,879,169
22	CURRENT AND ACCRUED ASSETS			
23	Cash (131)		(326,540)	(155,754)
24	Special Deposits (132-134)		2,737,025	2,880,714
25	Working Funds (135)		12,300	9,800
26	Temporary Cash Investments (136)		0	0
27	Notes Receivable (141)		0	0
28	Customer Accounts Receivable (142)		5,881,986	6,386,709
29	Other Accounts Receivable (143)		52,612	3,948
30	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(72,475)	(83,053)
31	Notes Receivable from Associated Companies (145)		0	0
32	Accounts Receivable from Assoc. Companies (146)		2,053,418	2,208,075
33	Fuel Stock (151)	227	0	0
34	Fuel Stock Expense Undistributed (152)	227	0	0
35	Residuals (Elec) and Extracted Products (Gas) (153)	227	0	0
36	Plant Material and Operating Supplies (154)	227	1,207,007	1,249,662
37	Merchandise (155)	227	395,547	267,096
38	Other Material and Supplies (156)	227	0	0
39	Nuclear Materials Held for Sale (157)	202-203	0	0
40	Allowances (158.1 and 158.2)		0	0
41	(Less) Noncurrent Portion of Allowances		0	0
42	Stores Expenses Undistributed (163)		0	0
43	Gas Stored Underground - Current (164.1)		0	0
44	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
45	Prepayments (165)		804,126	1,153,443
46	Advances for Gas Explor., Devel., and Prod. (166)		0	0
47	Other Advances for Gas (167)		0	0
48	Interest and Dividends Receivable (171)		0	0
49	Rents Receivable (172)		0	0
50	Accrued Utility Revenues (173)		938,501	889,767
51	Miscellaneous Current and Accrued Assets (174)		0	0
52	TOTAL Current and Accrued Assets (Enter Total of lines 23 through 50)		\$13,683,507	\$14,810,407

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)		\$300,065	\$284,904
55	Extraordinary Property Losses (182.1)	230	0	0
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
57	Other Regulatory Assets (182.3)		0	0
58	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
59	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		0	0
60	Clearing Accounts (184)		0	0
61	Temporary Facilities (185)		(1,145)	(7,139)
62	Miscellaneous Deferred Debits (186)	233	234,446	322,831
63	Def. Losses from Disposition of Utility Plant. (187)		0	0
64	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
65	Unamortized Loss on Reacquired Debt (189)		436,367	414,005
66	Accumulated Deferred Income Taxes (190)	234	3,934,310	2,735,706
67	Unrecovered Purchased Gas Costs (191)		467,802	1,771,579
68	TOTAL Deferred Debits (Enter Total of lines 53 through 67)		5,371,845	5,521,886
69	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 21, 52, and 68)		85,536,996	90,068,054

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)	251	\$2,367,173	\$2,378,717
3	Preferred Stock Issued (204)	251	600,000	600,000
4	Capital Stock Subscribed (202, 205)	251	0	0
5	Stock Liability for Conversion (203, 206)	251	0	0
6	Premium on Capital Stock (207)	252	10,335,076	10,475,395
7	Other Paid-In Capital (208-211)	253	890,324	946,112
8	Installments Received on Capital Stock (212)	251	0	0
9	(Less) Discount on Capital Stock (213)	253	0	0
10	(Less) Capital Stock Expense (214)	254	(428,440)	(428,441)
11	Retained Earnings (215, 215.1, 216)	118-119	9,803,959	11,205,475
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,386,975	1,945,237
13	(Less) Reacquired Capital Stock (217)	251	(2,053,073)	(2,011,327)
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		<u>23,901,994</u>	<u>25,111,168</u>
15	LONG-TERM DEBT			
16	Bonds (221)	256	23,500,000	23,500,000
17	(Less) Reacquired Bonds (222)	256	0	0
18	Advances from Associated Companies (223)	256	0	0
19	Other Long-Term Debt (224)	256	0	0
20	Unamortized Premium on Long-Term Debt (225)	256	0	0
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)		0	0
22	TOTAL Long-Term Debt (Enter Total of lines 16 through 21)		<u>23,500,000</u>	<u>23,500,000</u>
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		0	0
25	Accumulated Provision for Property Insurance (228.1)		744,698	1,613,574
26	Accumulated Provision for Injuries and Damages (228.2)		0	0
27	Accumulated Provision for Pensions and Benefits (228.3)		697,073	711,654
28	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
29	Accumulated Provision for Rate Refunds (229)		0	123,000
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		<u>1,441,771</u>	<u>2,448,228</u>
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		5,600,000	7,900,000
33	Accounts Payable (232)		5,076,454	6,220,551
34	Notes Payable to Associated Companies (233)		0	0
35	Accounts Payable to Associated Companies (234)		0	0
36	Customer Deposits (235)		3,042,958	3,127,421
37	Taxes Accrued (236)	262-263	810,502	(232,367)
38	Interest Accrued (237)		533,812	560,057
39	Dividends Declared (238)		430,553	449,219
40	Matured Long-Term Debt (239)		0	0
41	Matured Interest (240)		0	0
42	Tax Collections Payable (241)		620,732	500,517
43	Miscellaneous Current and Accrued Liabilities (242)		652,788	672,348
44	Obligations Under Capital Leases-Current (243)		0	0
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		<u>\$16,767,799</u>	<u>\$19,197,746</u>

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)		808,714	982,243
48	Accumulated Deferred Investment Tax Credits (255)	266	1,526,587	1,414,578
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits & CIAC (253,271)		7,249,888	7,569,115
51	Other Regulatory Liabilities (254)		0	0
52	Unamortized Gain on Reacquired Debt (257)		0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	10,340,243	9,844,976
54	TOTAL Deferred Credits (Enter Total of lines 47 through 52)		<u>19,925,432</u>	<u>19,810,912</u>
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 45 and 53)		<u>\$85,536,996</u>	<u>\$90,068,054</u>

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	\$74,409,370	\$65,196,268
3	Operating Expenses			
4	Operation Expenses (401)	320-323	56,253,091	51,126,760
5	Maintenance Expenses (402)	320-323	2,265,609	2,154,895
6	Depreciation Expense (403,405)	336-337	3,532,749	3,360,872
7	Amort. & Depl. of Utility Plant (404-405)	336-337	0	0
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	(956)	(956)
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		0	0
10	Amort. of Conversion Expenses (407)		0	0
11	Regulatory Debits (407.3)		0	0
12	(Less) Regulatory Credits (407.4)		0	0
13	Taxes Other Than Income Taxes (408.1)		5,472,688	2,246,932
14	Income Taxes - Federal (409.1)		654,307	1,075,745
15	- Other (409.1)		167,413	266,672
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	703,337	101,288
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	0	0
18	Investment Tax Credit Adj. - Net (411.4)	266	(112,009)	(112,523)
19	(Less) Gains from Disp. of Utility Plant (411.6)		0	0
20	Losses from Disp. of Utility Plant (411.7)		0	0
21	(Less) Gains from Disposition of Allowances (411.8)		0	0
22	Losses from Disposition of Allowances (411.9)		0	0
	TOTAL Utility Operating Expenses (Total of lines 4-18)		68,936,229	60,219,685
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$5,473,141	\$4,976,583

STATEMENT OF INCOME FOR THE YEAR (Continued)

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

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

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

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

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

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

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
						1
\$40,700,856	\$38,369,721	\$31,854,322	\$25,230,806	\$1,854,192	\$1,595,741	2
						3
31,971,305	31,577,180	23,737,102	18,992,530	544,684	557,050	4
1,164,262	1,129,602	782,843	721,775	318,504	303,518	5
1,589,194	1,494,870	1,732,246	1,653,513	211,309	212,489	6
0	0	0	0	0	0	7
0	0	(956)	(956)	0	0	8
0	0	0	0	0	0	9
0	0	0	0	0	0	10
0	0	0	0	0	0	11
0	0	0	0	0	0	12
2,834,684	1,089,768	2,353,029	961,969	284,975	195,195	13
349,352	364,795	106,815	625,133	198,140	85,817	14
73,611	107,086	53,188	140,652	40,614	18,934	15
302,114	261,251	526,496	(110,229)	(125,273)	(49,734)	16
0	0	0	0	0	0	17
(49,907)	(50,437)	(55,165)	(55,149)	(6,937)	(6,937)	18
0	0	0	0	0	0	19
0	0	0	0	0	0	20
0	0	0	0	0	0	21
0	0	0	0	0	0	22
38,234,615	35,974,115	29,235,598	22,929,238	1,466,016	1,316,332	23
\$2,466,241	\$2,395,606	\$2,618,724	\$2,301,568	\$388,176	\$279,409	24

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)	-	\$5,473,141	\$4,976,583
26	Other Income and Deductions			
27	Other Income	-		
28	Nonutility Operating Income	-		
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	1,759,868	1,540,572
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	(1,810,938)	(1,523,592)
31	Revenues From Nonutility Operations (417)	-	0	0
32	(Less) Expenses of Nonutility Operations (417.1)	-	0	0
33	Nonoperating Rental Income (418)	-	200	(7,463)
34	Equity In Earnings of Subsidiary Companies (418.1)	119	58,262	46,077
35	Interest and Dividend Income (419)	-	30,800	71,677
36	Allowance for Other Funds Used During Construction (419.1)	-	4,888	5,886
37	Miscellaneous Nonoperating Income (421)	-	0	0
38	Gain on Disposition of Property (421.1)	-	0	0
39	TOTAL Other Income (Enter Total of lines 29 through 38)	-	43,080	133,157
40	Other Income Deductions	-		
41	Loss on Disposition of Property (421.2)	-	0	0
42	Miscellaneous Amortization (425)	340	0	0
43	Miscellaneous Income Deductions (426.1-426.5)	340	20,823	23,326
44	TOTAL Other Income Deductions (Total of lines 37 through 39)	-	20,823	23,326
45	Taxes Applic. to Other Income and Deductions	-		
46	Taxes Other Than Income Taxes (408.2)	262-263	0	0
47	Income Taxes - Federal (409.2)	262-263	(11,716)	19,887
48	Income Taxes - Other (409.2)	262-263	(1,994)	3,354
49	Provision for Deferred Income Taxes (410.2)	234,272-273	0	0
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-273	0	0
51	Investment Tax Credit Adj.- Net (411.5)	-	0	0
52	(Less) Investment Tax Credits (420)	-	0	0
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)	-	(13,710)	23,241
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	-	35,967	86,590
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	2,235,050	2,248,370
57	Amortization of Debt Disc. and Expense (428)	-	43,827	44,030
58	Amortization of Loss on Reacquired Debt (428.1)	-	0	0
59	(Less) Amort. of Premium on Debt - Credit (429)	-	0	0
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-	0	0
61	Interest on Debt to Assoc. Companies (430)	340	(82,868)	(124,530)
62	Other Interest Expense (431)	340	565,209	461,318
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	-	(3,200)	(3,853)
64	Net Interest Charges (Total of lines 56 through 63)	-	2,758,018	2,625,335
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	-	2,751,090	2,437,838
66	Extraordinary Items			
67	Extraordinary Income (434) Cum. Effect - Change in Acctg. Prin. - Net	-	0	0
68	(Less) Extraordinary Deductions (435)	-	0	0
69	Net Extraordinary Items (Enter Total of line 63 less line 64)	-	0	0
70	Income Taxes - Federal and Other (409.3)	262-263	0	0
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)	-	0	0
72	Net Income (Enter Total of lines 65 and 71)		\$2,751,090	\$2,437,838
	Earnings Per Share		1.85	1.66

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. follows 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
 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.

Line No.	Item	Contra Primary Account Affected	Amount
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		\$9,803,959
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: DIVIDENDS FROM SUBSIDIARY		500,000
5	Credit:		0
6	Credit:		0
7	Credit:		0
8	Credit:		0
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		500,000
10	Debit:		0
11	Debit:		0
12	Debit:		0
13	Debit:		0
14	Debit:		0
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		0
16	Balance Transferred from Income (Account 433 less Account 418.1)		2,692,825
17	(Less) Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 21)		0
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred	2380	28,500
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 28)		28,500
30	Dividends Declared - Common Stock (Account 438)		
31	Common - Cash	2380	1,762,809
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 35)		1,762,809
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		0
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		\$11,205,475

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item	Amount
	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 , Réserve, Federal (Account 215.1)	
	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 Réserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)	<u>\$11,205,475</u>
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	2,386,975
50	Equity in Earnings for Year (Credit) (Account 418.1)	58,262
51	(Less) Dividends Received (Debit)	(500,000)
52	Other Changes (Explain) Cost of shares issued for employee stock plan	
53	Balance - End of year	<u>1,945,237</u>

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. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

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 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

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

Line No.	***** CASH FLOW ON A CONSOLIDATED BASIS *****	Amounts
1	Net Cash Flow From Operating Activities:	
2	Net Income (Line 68(c) on page 117)	\$2,751,090
3	Non-Cash Charges (Credits) to Income:	
4	Depreciation and Depletion	3,876,815
5	Amortization of (Specify)	(956)
6	Doubtful Accounts	171,372
7	Deferred Income Taxes (Net)	578,417
8	Investment Tax Credit Adjustments (Net)	(120,556)
9	Net (Increase) Decreases in Receivables	(936,289)
10	Net (Increase) Decreases in Inventory and Prepayments	(923,899)
11	Net (Increase) Decreases in Allowances Inventory	0
12	Net (Decrease) Increase in Payables and Accrued Expenses	2,917,900
13	Net (Increase) Decreases in Other Regulatory Assets	0
14	Net (Decrease) Increase in Other Regulatory Liabilities	0
15	(Less) Allowance for Other Funds Used During Construction	(8,088)
16	(Less) Undistributed Earnings from Subsidiary Companies	0
17	Other: Depreciation charged to transportation	444,194
18	Amortization of Debt expenses	43,827
19	Underrecoveries of energy costs	(1,196,847)
20	Other	(179,520)
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 21)	7,417,460
22		
23	Cash Flows from Investment Activities:	
24	Construction and Acquisition of Plant(including land)	
25	Gross Additions to Utility Plant (less nuclear fuel)	(7,704,512)
26	Gross Additions to Nuclear Fuel	
27	Gross Additions to Common Utility Plant	0
28	Gross Additions to Nonutility Plant	
29	(Less) Allowance for Other Funds Used During Construction	51,821
30	Other: Customer Advances for Construction	173,529
31	Other: Purchase of Long-Term Investments	(143,689)
32		
33	Cash Outflows for Plant (Total of lines 26 through 33)	(7,622,851)
34		
35	Acquisition of Other Noncurrent Assets (d)	0
36	Proceeds from Disposal of Noncurrent Assets (d)	0
37	Investment in and Advances to Assoc. and Subsidiary Companies	0
38	Contributions and Advances from Assoc. and Subsidiary Companies	0
39	Disposition of Investments in (and Advances to)	
40	Associated and Subsidiary Companies	0
41	Purchases of Investment Securities (a)	0
42	Proceeds from Sales of Investment Securities (a)	0

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

5. Codes used:

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

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.

- (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 clarifications and explanations.

Line No.	*****CASH FLOW ON A CONSOLIDATED BASIS, cont.*****	Amounts
46	Loans Made or Purchased	0
47	Collections on Loans	\$0
48		
49	Net (Increase) Decrease in Receivables	0
50	Net (Increase) Decrease in Inventory	0
51	Net (Increase) Decrease in Allowances Held for Speculation	0
52		0
53	Net Increase (Decrease) in Payables and Accrued Expenses	0
54	Other:	0
55		
56	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 through 55)	<u>(7,622,851)</u>
57		
58		
59	Cash Flows From Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	0
62	Preferred Stock	0
63	Common Stock	249,397
64	Other	0
65		0
66	Net Increase in Short-term Debt (c)	28,900,000
67	Other:	0
68		
69		
70	Cash provided by Outside Sources (Total of lines 61 through 69)	<u>29,149,397</u>
71		
72	Payments of Retirement of:	
73	Long-Term Debt (b)	0
74	Preferred Stock	0
75	Common Stock	0
76	Other:	0
77		
78	Net Decrease in Short-Term Debt (c)	(26,600,000)
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	(1,772,644)
82	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 through 81)	<u>776,753</u>
83		
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents (Total of lines 22,57, and 83)	571,362
86		
87		
88	Cash and Cash Equivalents at Beginning of Year	269,940
89		
90	Cash and Cash Equivalents at End of Year	<u>841,302</u>

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 ANNUAL REPORT SUPPLEMENTS

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting and Reporting Policies

Business and Regulation Florida Public Utilities Company (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 electric, natural gas and water operations. The suppliers of electrical power to the Marianna division and of natural gas to the natural gas divisions are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). The Fernandina Beach division is supplied most of its electrical power by a municipality which is exempt from FERC and FPSC regulation. The Company also distributes propane gas through a non-regulated subsidiary. The Company's accounting policies and practices conform to generally accepted accounting principles as applied to regulated public utilities and are in accordance with the accounting requirements and rate making practices of the FPSC.

The Company prepares its financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 71 - "Accounting for the Effects of Certain Types of Regulation" (SFAS 71). In general, SFAS 71 recognizes that accounting for rate regulated enterprises should reflect the relationship of costs and revenues introduced by rate regulation. As a result, a regulated utility may defer recognition of a cost (a regulatory asset) or recognize an obligation (a regulatory liability) if it is probable that, through the rate making process, there will be a corresponding increase or decrease in revenues.

Accordingly, the Company has recognized certain regulatory assets and liabilities. Such regulatory assets relate to deferred income taxes, unamortized debt reacquisition costs and unamortized rate case expense. Such regulatory liabilities relate to deferred income taxes and property damage self-insurance reserves. The Company believes that the FPSC will continue to allow the Company to recover its regulatory assets and liabilities through its rates.

The Company has agreed with the FPSC staff to limit its earned return on equity for its regulated electric and natural gas operations. The disposition of any

excess earnings is left to the discretion of the FPSC, with alternatives including a refund to customers, additional contributions to storm damage reserves, or the reduction of any depreciation reserve deficiency. Excess earnings for 1995 at one of the Company's electric divisions was ordered by the FPSC to be added to that division's storm damage reserve. The Company believes it has adequately reserved for 1996 excess earnings.

Various states, other than Florida, have enacted or are considering enacting legislation or other initiatives that would provide utility customers with the ability to choose their supplier, thus establishing competition between the suppliers of utility services. No such proposals are currently being considered in Florida.

Revenues The Company records utility revenues as service is provided and bills its customers monthly on a cycle billing basis. Accordingly, at the end of each month, the Company accrues for estimated unbilled revenues.

The rates of the Company include base revenues, fuel adjustment charges and the pass-through of certain governmental imposed taxes based on revenues. The base revenues are determined by the FPSC and remain constant until a request for an increase in such rates is filed and approved by the FPSC. From the FPSC perspective, the Company operates four distinct "entities", i.e., Marianna electric, Fernandina Beach electric, Fernandina Beach water, and natural gas, consisting of Palm Beach County, Sanford and DeLand. Thus, for the Company to recover through rate relief the effects of inflation for all such "entities", a request for an increase in base revenues would require the filing of four separate rate cases. At the present time, the Company does not have the resources to file more than one rate case per year. However, the FPSC allows for an annual automatic rate increase for water operations through the use of a price index. Fuel adjustment charges are estimated for customer billing purposes and any under/over-recovery difference between the incurred cost of fuel and estimated amounts billed to customers is deferred for future recovery or refund and either charged or credited to customers. Interest accrues on such under/over-recoveries and is included in the subsequent adjustment.

Consolidation The consolidated financial statements include the accounts of the Company and its wholly-

owned subsidiary, Flo-Gas Corporation. All significant intercompany balances and transactions have been eliminated.

Certain reclassifications have been made to the prior years' financial statements and other financial information contained herein to conform with the 1996 presentation.

Utility Plant and Depreciation Utility plant is stated at original cost. The costs of additions to utility plant include contracted services, direct labor, materials and allowances for borrowed and equity funds used during construction. The costs of units of property retired are removed from utility plant, and such costs plus removal costs, less salvage, are charged to accumulated depreciation. Maintenance and repairs of property and replacement and renewal of items determined to be less than units of property are charged to operating expenses. Substantially all of the utility plant and the shares of Flo-Gas Corporation collateralize the Company's First Mortgage Bonds.

Depreciation is computed using the composite straight-line method at rates prescribed by the FPSC for financial accounting purposes. Such rates are based on estimated service lives of the various classes of property. Depreciation provisions on average depreciable property approximate 4.0% per year.

Income Taxes Deferred income taxes are provided on all significant temporary differences between the financial statement 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.

Deferred Charges Deferred charges consist principally of unamortized debt issuance expense and early extinguishment premium. Such expenses are being amortized over the lives of the issues to which they pertain.

Use of Estimates Inherent in the accounting process is the use of estimates when preparing financial statements in accordance with generally accepted accounting principles. Accordingly, the Company has used estimates in the preparation of its financial statements and the only such estimate that might result in a material change is the accrual for uninsured liability

claims. The Company is self-insured for the first \$250,000 of each liability claim and therefore accrues for estimated losses occurring from both asserted and unasserted claims. The estimate for unasserted claims arising from unreported incidents is based on an analysis of historical claims data. The Company's portion of liability claims incurred for the ten year period ended in 1996 averaged approximately \$90,000 per year and the accrual for such claims was approximately \$800,000 at December 31, 1996. The Company believes that its accrual for potential liability claims is adequate.

Notes Payable

The Company has a line of credit agreement with its primary bank providing for a \$15,000,000 loan with interest at LIBOR plus $\frac{1}{2}$ %. \$14,000,000 of such loan is available for general corporate purposes with the remaining \$1,000,000 reserved as a contingency for major storm repairs in the Marianna electric division. At December 31, 1996 there was a balance outstanding of \$7,900,000. The weighted-average interest rates at December 31, 1996 and 1995 were 6.2% and 6.4%, respectively.

Capitalization

Common Shares Reserved The Company has reserved 27,372 common shares for issuance under the Dividend Reinvestment Plan and 16,992 common shares for issuance under the Employee Stock Purchase Plan.

Dividend Restriction The Indenture of Mortgage and Deed of Trust and supplements thereto provide for restriction of the payment of cash dividends. At December 31, 1996 approximately \$3,500,000 of retained earnings were free of such restriction.

Maturities of Long-Term Debt Sinking fund payments are scheduled to begin in 2008.

Rate Matters

On September 23, 1994, the Company filed a request with the FPSC for an increase in annual natural gas revenues of \$2,079,000 and requested that the interim rates be put into effect pending final action on the permanent increase. In December 1994, the FPSC granted an interim rate increase of \$387,000. The final

order granting a permanent increase of \$1,282,000 was effective May 6, 1995. The principal reasons for the increase in base rates were attributed to increased operating and plant replacement costs, a deteriorated return on the Company's investment and an aggressive marketing plan to attract new customers.

On September 1, 1993, the Company filed a request with the FPSC for an increase of \$858,000 in annual electric revenues in the Marianna division and requested that the interim rates be put into effect pending final action on the permanent increase. In November 1993, the FPSC granted an interim rate increase of \$137,000 that was effective November 18, 1993. On January 18, 1994, the FPSC authorized a permanent

increase of \$515,000 that became effective February 17, 1994. The principal reason for the final increase being lower than the Company's request was that the FPSC authorized the use of a lower return on common equity capital and approved smaller increases in storm reserve and tree trimming expenses than the Company had requested.

Following FPSC rules for water utilities, the Company in mid-1996 filed for and was granted a price index revenue increase in the Fernandina Beach water division. This increase, approximating \$19,000 on an annual basis, was placed into effect on June 4, 1996. A similar price index filing is planned for 1997.

Segment Information

The Company operates distribution systems providing natural and propane gas service in three locations in central and southern Florida, electric service in two locations in northern Florida and water service in one location in northern Florida. There are no material intersegment sales or transfers.

Operating profit consists of revenues less operating

expenses and does not include other income, interest income, interest expense and income taxes.

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 1996, 1995 and 1994 is summarized as follows (in thousands):

	REGULATED				NON-REGULATED	
	Gas	Electric	Water	Common	Propane Gas	Consolidated
1996						
Revenues	\$ 31,854	\$ 40,701	\$ 1,854	\$	\$ 4,401	\$ 78,810
Operating profit	3,250	3,141	495		138	7,024
Identifiable assets	33,977	33,038	4,584	13,295	6,100	90,994
Depreciation	1,654	1,540	201	137	344	3,876
Construction expenditures	3,369	2,360	257	1,324	343	7,653
1995						
Revenues	26,144	40,074	1,674		4,135	72,027
Operating profit	2,902	3,078	328		212	6,520
Identifiable assets	32,115	32,155	4,508	10,596	5,866	85,240
Depreciation	1,578	1,453	204	125	334	3,694
Construction expenditures	3,245	2,533	(17)	312	328	6,401
1994						
Revenues	21,679	37,441	1,589		4,046	64,755
Operating profit	1,786	2,946	378		180	5,290
Identifiable assets	29,093	31,189	4,721	11,532	5,746	82,281
Depreciation	1,566	1,449	190	141	326	3,672
Construction expenditures	2,617	2,400	195	351	375	5,938

Income Taxes

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

	1996	1995	1994
Current payable			
Federal	\$ 751	\$ 871	\$ 1,471
State	188	239	192
	<u>939</u>	<u>1,110</u>	<u>1,663</u>
Deferred			
Federal	532	387	(574)
State	46	(20)	(37)
	<u>578</u>	<u>367</u>	<u>(611)</u>
Investment tax credits	<u>(121)</u>	<u>(121)</u>	<u>(109)</u>
Total	<u>\$ 1,396</u>	<u>\$ 1,356</u>	<u>\$ 943</u>

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

	1996	1995	1994
Federal income tax at statutory rate	\$ 1,406	\$ 1,298	\$ 912
Effect of state income taxes	154	145	102
Investment tax credit	(121)	(121)	(109)
Other	(43)	34	38
Provision for income taxes	\$ 1,396	\$ 1,356	\$ 943

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

	1996	1995
Deferred tax assets		
Environmental	\$ 1,806	\$ 1,689
Alternative minimum tax credit	210	428
Other	345	336
Total deferred tax assets	<u>\$ 2,361</u>	<u>\$ 2,453</u>
Deferred tax liabilities		
Utility plant related	\$ 7,625	\$ 8,837
Under recovery of fuel costs	667	176
Other	291	304
Total deferred tax liabilities	<u>\$ 8,583</u>	<u>\$ 9,317</u>

Employee Benefit Plans

Pension Plan The Company has a noncontributory defined benefit pension plan covering substantially all its employees. The benefits are based on the employee's credited service and average compensation, generally during the last five years before retirement. The Company's policy is to fund pension costs in accordance with contribution guidelines established by The Employee Retirement Income Security Act of 1974. Plan assets consist of stocks, bonds and short-term investments.

The components of net pension income are as follows (in thousands):

	1996	1995	1994
Service cost	\$ 539	\$ 513	\$ 473
Interest cost	935	875	791
Actual return on assets	(3,278)	(4,499)	230
Net amortization and deferral	1,636	3,061	(1,644)
Net periodic pension income	<u>\$ (168)</u>	<u>\$ (50)</u>	<u>\$ (150)</u>

The Plan's funded status at December 31, 1996 and 1995, is as follows (in thousands):

	1996	1995
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$ (10,938)	\$ (10,289)
Accumulated benefit obligation	\$ (11,599)	\$ (10,878)
Projected benefit obligation	\$ (14,403)	\$ (13,530)
Plan assets at fair value	24,178	21,790
Plan assets in excess of projected benefit obligation	9,775	8,260
Unrecognized net gain	(9,720)	(8,030)
Unrecognized prior service cost	1,513	1,354
Unrecognized net asset at January 1, 1986 being recognized over 15 years	(733)	(916)
Prepaid pension cost	\$ 835	\$ 668
Actuarial assumptions:		
Discount rate	7%	7%
Rate of increase in future compensation levels	5½%	5½%
Expected long-term rate of return on assets	8%	8%

Health Plan The Company is principally self-insured for its employee and retiree medical insurance plan. The Company's health care liability under the plan is limited to \$60,000 per individual per year, with a maximum total liability currently approximating \$1,175,000.

A reserve for future benefit payments for active employees is maintained at a level sufficient to provide for estimated outstanding claims under the plan net of amounts contributed by employees. Net health care benefits paid by the Company for active employees were approximately \$408,000, \$493,000 and \$622,000 for 1996, 1995 and 1994, respectively.

Other Postretirement Benefits As of January 1, 1993, the Company adopted SFAS No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions". The Statement requires accrual of postretirement benefits during the years an employee provides service. The Company provides postretirement health care benefits for certain retired employees and their eligible dependents and reduced postretirement life insurance benefits for retired employees. The accumulated health care postretirement benefit obligation (transition obligation) under SFAS No. 106 is being amortized over 20 years beginning 1993. The Company is not accruing for reduced postretirement life insurance benefits as the actual outlay to the Company is offset by employee contributions.

The components of postretirement benefit costs are as follows (in thousands):

	1996	1995
Service cost	\$ 66	\$ 69
Interest cost	78	76
Amortization of transition obligation	43	43
Periodic postretirement benefit cost	\$ 187	\$ 188

The Plan's funded status at December 31, 1996 and 1995, is as follows (in thousands):

	1996	1995
Accumulated postretirement benefit obligation (APBO):		
Retirees	\$ (253)	\$ (231)
Fully eligible active plan participants	(135)	(108)
Other active plan participants	(860)	(884)
Total APBO	(1,248)	(1,223)
Plan assets	0	0
APBO less than plan assets	(1,248)	(1,223)
Unamortized transition obligation	686	730
Unrecognized (gain) loss	1	83
Accrued post benefit obligation	\$ (561)	\$ (410)

The measurement of the APBO assumes a 7% discount rate and a health care cost trend rate of 9.5% in 1996 decreasing to 5.5% by the year 2007 and beyond. A one-percentage point increase in the assumed health care cost trend rate would increase the APBO by approximately 13% and the periodic cost by about 13%.

Employee Stock Purchase Plan The Company's Employee Stock Purchase Plan offers common stock at a discount to qualified employees. During 1996, 1995 and 1994, 5,455, 3,774 and 5,062 shares, respectively, were issued under the Plan for aggregate consideration of \$90,000, \$55,000 and \$81,000, respectively.

Financial Instruments

The carrying amounts reported in the balance sheet for cash and overnight investments, investments held in escrow for environmental costs, notes payable, taxes accrued and other accrued liabilities' approximate fair value. The Company does not enjoy a debt rating and therefore the Company has no reasonable way of estimating the current rate at which similar first mortgage bonds would be made to borrowers with similar debt ratings and maturities. However, the current bonds outstanding were issued in 1988 and 1992 and since that time interest rates have declined, and thus it is reasonable to assume that the fair value of existing first mortgage bonds would be more than their carrying value.

Contingencies

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

West Palm Beach Site The Company is currently conducting a contamination assessment investigation of a parcel of property owned by it in West Palm Beach, Florida. After a preliminary contamination assessment investigation indicated soil and groundwater impacts, the Company entered into a consent order with the FDEP. The consent order requires the Company to delineate the extent of soil and groundwater impacts associated with the prior operation of a gasification plant on the property and requires the Company to remediate any soil and groundwater impacts, if necessary. In June 1992 the Company commenced the contamination assessment investigation. The Company completed the additional contamination assessment activities in December 1995, and submitted a report to FDEP summarizing the results of such activities. Following discussions with FDEP, the Company agreed to conduct further limited assessment activities in 1997. Prior to the completion of this work, it is not possible to determine to an acceptable degree of certainty the complete extent or cost of remedial action, if any, which may be required. However, preliminary estimates from the Company's environmental consultant suggest that total contamination assessment and remediation costs for this site may reach approximately \$3,250,000. Until the FDEP determines the contamination assessment investigation is completed, it is not possible at this time to determine when and how much of such costs the Company will have to pay. A portion of the on-site impacts have been determined to be eligible for reimbursement from a state fund and the FDEP has determined that a portion of the work conducted off-site is eligible for reimbursement under state law. Due to the rate relief granted to the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, as well as the potential

for reimbursement from the state for a portion of the assessment and remediation, the Company believes that it will not incur material future expenditures to achieve compliance with existing environmental laws and regulations.

Sanford Site The Company owns a parcel of property located in Sanford, Florida. Prior to the Company's acquisition of this property, it had been the site of a gasification plant. The FDEP issued a Warning Notice to the Company which required the Company to conduct a contamination assessment investigation of the property. A preliminary investigation revealed that soil was impacted throughout the center of the property.

In 1992, the Company brought suit in federal court in Orlando against former owners and operators of the gasification plant to seek recovery of the Company's compliance costs at this property. The Company later entered into a cost sharing agreement with four former owners/operators of the gasification plant. Under that agreement, the parties agreed to share equally in the cost of the contamination assessment investigation of the property. Upon implementation of the cost-sharing agreement, the Company dismissed the cost recovery action in 1995.

The initial contamination assessment investigation was completed and a Contamination Assessment Report (CAR) was delivered to FDEP on February 4, 1994. In April 1995, FDEP provided the parties with its response to the CAR requiring additional soil and groundwater sampling. At present, the parties have been unable to reach agreement with FDEP or EPA on the scope of the additional assessment activities in the vicinity of the site. By letter, dated May 9, 1995, EPA, Region IV, extended an offer to the Company to conduct an Expanded Site Investigation (ESI) and a Remedial Investigation/Feasibility Study (RI/FS) in connection with EPA's effort to evaluate whether the site should be proposed for addition to the national priorities list. The Company declined to fund or perform the ESI because the primary scope of the ESI was focused on off-site areas where historical practices may have resulted in contamination many years before FPUC acquired title to the real property on which the gasification plant was located. In July 1995, EPA advised the Company that EPA would proceed with the ESI. Pending completion of the ESI and RI/FS by EPA, we are unable

to determine, to an acceptable degree of certainty, the extent or cost of remediation by EPA or FDEP at this site and it is not possible to determine the complete extent or cost of remedial action, if any, which may be required. However, preliminary estimates from the Company's environmental consultant suggest that total contamination assessment and remedial costs for the site may reach approximately \$2,750,000. Pending completion of the ESI and RI/FS by EPA, it is not possible to determine when and how much of such costs the Company will have to pay. Due to the rate relief granted to the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, as well as the potential for recovery of a portion of the assessment and remediation costs from several owners/operators of the gasification plant, the Company believes that it will not incur material future expenditures to achieve compliance with existing environmental laws and regulations for this site.

Pensacola Site The Company was a former owner/operator of a gasification plant at this site for several years. The FDEP notified the Company and other alleged responsible parties to conduct additional soils and groundwater sampling to determine the extent of soil and groundwater impacts at a property previously the site of a gasification plant in Pensacola, Florida. The Company and other alleged responsible parties have agreed to share equally the costs of such an investigation.

A contamination assessment report addendum (CARA) describing the results of completed contamination assessment investigations was delivered to FDEP in November 1995. By letter dated March 29, 1996, FDEP notified all parties of FDEP's approval of a monitoring only plan (MOP) as a permanent remedy for the site. The Company has agreed to share the costs of the MOP with the other alleged responsible parties. Due to the rate relief granted to the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, as well as the potential for recovery of a portion of the assessment and remediation costs from several current and former owners/operators of the site, the Company believes that it will not incur material future expenditures to achieve compliance with existing environmental laws and regulations for this site.

Georgia Transformer Site In October 1994, the Environmental Protection Agency (EPA) issued a Notice of Potential Liability to the Company in which the EPA identified the Company as a potentially responsible party (PRP) in connection with a site in Georgia where the Company was alleged to have sent transformers for repair. In the notice, the EPA demanded that PRPs for the site reimburse the EPA for response costs that it had incurred through August 1994 in connection with soil remediation efforts.

The Company, along with the PRPs, has entered into settlement agreement in 1995 with the EPA and the Company paid its share of the response costs in the amount of approximately \$8,300. Since the EPA and the State of Georgia are currently evaluating whether additional contamination assessment and remedial action may be required at this site, it is not possible to determine the nature and extent of soil or groundwater impacts on the site, nor is it possible to determine the extent or cost of additional remedial action which may be required. Based on the Company's volumetric share of materials sent to the site, the Company believes that it will not incur significant future expenditures to satisfy its obligations at this site.

Insurance Claims and Rate Relief The Company notified its insurance carriers of environmental impacts detected at each of the former manufactured gas plant (MGP) sites discussed above.

As a result of negotiations with the Company's major insurance carriers that concluded in 1995, such carriers agreed to pay settlement proceeds totaling approximately \$4,200,000 for certain environmental costs. In addition, the Florida Public Service Commission has allowed the Company to recover through rate relief environmental expenses of approximately \$2,400,000 over a ten-year period at the rate of approximately \$240,000 per year.

Due to the rate relief granted the Company for environmental costs and insurance settlement proceeds for environmental costs received by the Company which are being held in escrow, the Company believes that any future contamination assessment and remedial costs arising from any of these sites will not be material to the Company's operating results or liquidity.

Quarterly Financial Data (Unaudited)

The quarterly financial data presented below reflects the influence of, among other things, seasonal weather conditions, the timing of rate increases and the migration of winter residents and tourists to central and southern Florida during the winter season (in thousands, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1996				
Revenues	\$ 23,519	\$ 17,918	\$ 18,756	\$ 18,617
Operating margin	7,995	6,187	6,177	6,412
Operating profit	3,221	1,368	1,188	1,247
Net income	1,564	418	341	428
Earnings per share ¹	1.06	.28	.23	.29
1995				
Revenues	\$ 18,565	\$ 17,681	\$ 17,729	\$ 18,052
Operating margin	7,044	5,876	5,980	6,501
Operating profit	2,453	1,204	1,216	1,647
Net income	1,113	352	354	619
Earnings per share	.76	.24	.24	.42

¹The sum of the quarterly earnings per share amounts does not equal the annual earnings per share amount reflected in the consolidated statement of income due to the effect of changes in average common shares outstanding during the fiscal year.

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)	100,006,942	44,354,984
4	Property Under Capital Leases	0	
5	Plant Purchased or Sold	0	
6	Completed Construction not Classified	0	0
7	Experimental Plant Unclassified	0	
8	TOTAL (Enter Total of lines 3 thru 7)	100,006,942	44,354,984
9	Leased to Others	0	
10	Held for Future Use	0	
11	Construction Work in Progress	2,157,803	399,365
12	Acquisition Adjustments	307,091	3,691
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	102,471,836	44,758,040
14	Accum. Prov. for Depr., Amort., & Depl.	34,615,244	15,936,035
15	Net Utility Plant (Enter total of line 13 less 14)	67,856,592	28,822,005
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	34,295,158	15,932,343
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights	0	
20	Amort. of Underground Storage Land and Land Rights	0	
21	Amort. of Other Utility Plant	0	
22	TOTAL in Service (Enter Total of lines 18 thru 21)	34,295,158	15,932,343
23	Leased to Others		
24	Depreciation	0	
25	Amortization and Depletion	0	
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0	0
27	Held for Future Use		
28	Depreciation	0	
29	Amortization	0	
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	0	0
31	Abandonment of Leases (Natural Gas)	0	
32	Amort. of Plant Acquisition Adjustment	320,086	3,691
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	34,615,244	15,936,034

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)

Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
44,719,836	9,189,914	Not Applicable	Not Applicable	1,742,208	3
					4
0	0				5
					6
44,719,836	9,189,914	0	0	1,742,208	7
					8
343,425	68,930			1,346,083	9
303,400					10
45,366,661	9,258,844	0	0	3,088,291	11
15,799,617	2,163,034			716,558	12
29,567,044	7,095,810	0	0	2,371,733	13
					14
					15
					16
15,483,223	2,163,034			716,558	17
					18
					19
					20
15,483,223	2,163,034	0	0	716,558	21
					22
					23
0	0	0	0	0	24
					25
					26
0	0	0	0	0	27
					28
					29
316,395					30
					31
15,799,618	2,163,034	0	0	716,558	32
					33

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 clearances of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

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

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

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	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	17,303	1,700
46	(353) Station Equipment	1,777,920	6,474
47	(354) Towers and Fixtures	244,665	0
48	(355) Poles and Fixtures	1,543,893	85,538
49	(356) Overhead Conductors and Devices	960,779	208
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)	4,625,496	93,920
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	34,101	0
56	(361) Structures and Improvements	42,191	0
57	(362) Station Equipment	2,385,043	0
58	(363) Storage Battery Equipment	0	0
59	(364) Poles, Towers, and Fixtures	5,264,430	255,833
60	(365) Overhead Conductors and Devices	6,880,362	177,396
61	(366) Underground Conduit	1,130,907	57,010
62	(367) Underground Conductors and Devices	2,362,493	103,879
63	(368) Line Transformers	8,166,538	489,922
64	(369) Services	4,176,331	302,472
65	(370) Meters	2,356,872	109,751
66	(371) Installations on Customer Premises	663,633	155,980
67	(372) Leased Property on Customer Premises	0	0
68	(373) Street Lighting and Signal Systems	518,848	66,766
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	33,981,749	1,719,009
70	5. GENERAL PLANT	0	0
71	(389) Land and Land Rights	73,462	0
72	(390) Structures and Improvements	1,261,448	98,781
73	(391) Office Furniture and Equipment	247,276	86,773
74	(392) Transportation Equipment	1,956,741	136,525
75	(393) Stores Equipment	86,980	0
76	(394) Tools, Shop and Garage Equipment	106,211	4,279
77	(395) Laboratory Equipment	85,056	1,339
78	(396) Power Operated Equipment	121,726	51,806
79	(397) Communication Equipment	158,060	2,438
80	(398) Miscellaneous Equipment	23,572	0
81	SUBTOTAL (Enter Total of lines 71 through 80)	4,120,532	381,942
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	4,120,532	381,942
84	TOTAL (Accounts 101 and 106)	42,727,777	2,194,871
85	(102) Electric Plant Purchased	0	
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	0	
88	TOTAL Electric Plant in Service	42,727,777	\$2,194,871

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	19,003	(352)	45
0	0	0	1,784,394	(353)	46
0	0	0	244,665	(354)	47
(16,544)	0	0	1,612,886	(355)	48
0	0	0	960,987	(356)	49
0	0	0	0	(357)	50
0	0	0	0	(358)	51
0	0	0	6,788	(359)	52
(16,544)	0	0	4,702,872		53
0	0	0			54
0	0	0	34,101	(360)	55
0	0	0	42,191	(361)	56
(8,572)	0	0	2,376,471	(362)	57
0	0	0	0	(363)	58
(43,545)	2,258	0	5,478,976	(364)	59
(24,466)	4,533	0	7,037,826	(365)	60
0	0	0	1,187,917	(366)	61
(11,429)	0	0	2,454,943	(367)	62
(27,806)	6,581	(6,266)	8,628,970	(368)	63
(8,798)	0	0	4,470,004	(369)	64
(19,356)	80	0	2,447,347	(370)	65
(21,562)	0	0	798,051	(371)	66
0	0	0	0	(372)	67
(12,683)	52	0	572,983	(373)	68
(178,216)	13,505	(6,266)	35,529,780		69
		0			70
0	0	0	73,462	(389)	71
0	0	0	1,360,229	(390)	72
(779)	0	2,191	335,461	(391)	73
(299,134)	0	(14,397)	1,779,736	(392)	74
0	0	0	86,980	(393)	75
0	0	0	110,491	(394)	76
0	0	0	86,395	(395)	77
(26,792)	(41,232)	0	105,508	(396)	78
0	0	0	160,498	(397)	79
0	0	0	23,572	(398)	80
(326,704)	(41,232)	(12,206)	4,122,332		81
		0		(399)	82
(326,704)	(41,232)	(12,206)	4,122,332		83
(521,464)	(27,727)	(18,472)	44,354,985		84
			0	(102)	85
			0	(103)	87
(\$521,464)	(\$27,727)	(\$18,472)	44,354,985		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	MARIANNA	
2		
3	Line Extension/Station Equipment	* 11,995
4	Install Poles & Wire - Jackson County Juvenile Facility	24,666
5	Freightliner Chasis	44,487
6	1997 Pick-up Truck	17,454
7		
9		
10	TOTAL MARIANNA	98,602
11		
12		
13	FERNANDINA	
14		
15		
16		
17	Install U/G Dist. System/Replace street lights/Line extension/Install transformers	* 45,791
18	Circuit Breaker and Buss-Stepdown Substation	146,823
19	Update Mapping System	28,374
20	Provide Electric Service to Ocean Place	25,752
21	Replace 7 Transmission Poles	54,022
22		
23		
24	TOTAL FERNANDINA	300,762
34		
35		
36	* Grouped Items	
37		
38		
39		
40		
41	TOTAL	\$399,364

CONSTRUCTION OVERHEADS-ELECTRIC

1. List in column (a) the kinds of overheads according to titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.

2. On page 218 furnish information concerning construction overheads.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 218 the accounting procedures employed

and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.

4. Enter on this page engineering, supervision, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Description of Overhead	Total Amount Charged for the Year
1 Allowance For Funds Used During Construction	\$3,335
2 Payroll Taxes, Pensions, Group and Worker's Compensation Insurance	129,066
3	
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41 TOTAL	\$132,401

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instructions 3 (17) of the U.S. of A.
 3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Administrative and general overheads are intended to cover that portion of administrative and general expenses determined as applicable to construction. Overheads are distributed to construction jobs on the basis of direct labor costs incurred. Engineering and superintendence treated as overheads include only such portion as are not directly chargeable to specific construction jobs. All supervision costs which are directly applicable are charged to construction.

Allowance for Funds Used During Construction is applied at the rate of 8.67% per annum, except in the Marianna division which is 8.20% per annum. In electric and gas it includes projects that involve gross additions in excess of \$25,000 and are expected to be completed in excess of one year after commencement of construction. Water includes projects that involve gross additions to plant in excess of \$5,000 and are expected to be completed in excess of 60 days after commencement. (See attached schedule for methods used to determine Allowance for Funds Used During construction.)

Payroll taxes, pensions, group insurance and workmen's compensation insurance are all directly applied to all company labor charged to construction. The rates are revised monthly, based upon cost. Only the workmen's compensation insurance rate varies with the type of construction -- electric, gas or water -- with the basis being the cost of insurance as determined by utility experience rates.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D		d
(4)	Preferred Stock	P		p
(5)	Common Equity	C		c
(6)	Total Capitalization			
(7)	Average Construction Work in Progress Balance	W	100%	

2. Gross Rate for Borrowed Funds: $\frac{S}{W} + \frac{D}{D+P+C} \frac{s}{W}$ (1-)
 NOTE: Average short-term debt exceeds average construction work in progress.

3. Rate for Other Funds: $\frac{S}{W} + \frac{P}{D+P+C} + \frac{C}{D+P+C}$ [1-] [p(---)+c(---)]

4. Weighted Average Rate Actually Used for the Year:
 a. Rate for Borrowed Funds - SEE ATTACHED SCHEDULE
 b. Rate for Other Funds -

**FLORIDA PUBLIC UTILITIES COMPANY
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION
FOR YEAR ENDING DECEMBER 31, 1996**

In order to be in compliance with the Florida Public Service Commission procedure on Allowance for Funds Used During Construction, Order No. 6640 dated April 28, 1975, the following method of allocation was used:

<u>Source of Capital</u>	<u>12/31/77 **</u> <u>Amount</u>	<u>Ratio</u>	<u>Cost</u>	<u>Rate (%)</u>
Common Equity	\$7,265,711	0.3440	14.50	4.988%
Preferred Equity	1,123,700	0.0532	4.81	0.256%
Long-Term Debt	9,108,000	0.4312	7.26	3.131%
Customer Deposits	1,045,484	0.0495	6.00	0.297%
Unclaimed Deposits	40,679	0.0019		
Deferred Income Tax	2,409,158	0.1141		
Investment Tax Credit	128,611	0.0061		
Total	<u>\$21,121,343</u>	<u>1.0000</u>		<u>8.672%</u>
Rounded				<u>8.67%</u>
Equity Portion	(Account 419.1)			5.24
Debt Portion	(Account 432)			3.43

Effective October 1, 1978, in the Marianna Division only, the following was used:

<u>Source of Capital</u>	<u>Amount</u>	<u>Ratio</u>	<u>Cost</u>	<u>Rate (%)</u>
Common Equity	\$6,584,987	0.3402	13.25	4.51%
Preferred Equity	1,123,700	0.0581	4.84	0.28%
Long-Term Debt	9,108,000	0.4706	7.24	3.41%
Deferred Income Tax	2,409,158	0.1245		
Investment Tax Credit	128,611	0.0066		
Total	<u>\$19,354,456</u>	<u>1.0000</u>		<u>8.20%</u>

***The difference between the 12/31/77 and the 12/31/96 Sources of Capital were not material enough to merit a change in the AFUDC rates between 1978 and 1996.

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	14,841,319	14,841,319		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	1,522,824	1,522,824		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	141,883	141,883		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(9,222)	(9,222)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	1,655,485	1,655,485		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(508,043)	(508,043)		
12.	Cost of Removal	(97,852)	(97,852)		
13.	Salvage (Credit)	41,434	41,434		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(564,461)	(564,461)		
15.	Other Debit or Credit Items (Describe)				
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	15,932,343	15,932,343		

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	1,430,051	1,430,051		
24.	Distribution	13,151,440	13,151,440		
25.	General	1,350,852	1,350,852		
26.	TOTAL (Enter Total of lines 18 thru 25)	15,932,343	15,932,343		

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 43), or (2) other nonutility property (line 44).

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	Two frame dwellings and one small storage building in Jackson County, Florida	4,505		4,505
2				
3				
4	Land in Jackson County, Florida	65,841		65,841
5				
6	Land in Volusia County, Florida	200		200
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37				
38				
39	Minor Items Previously Donated to Public Service			
40	Minor Items - Other Nonutility Property			
41	TOTAL	\$70,546	\$0	\$70,546

INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.

2. Provide a subheading for each company and list thereunder the information called below. Subtotal by company and give a total in columns (e), (f) (g) and (h).

s - 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	Fio-Gas Corporation	May 1949		
2	Common Stock			2,396,975
3	less treasury stock			(201,251)
4				
5				
6				
7				
8				
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37	TOTAL Cost of Account 123.1: 10,000		TOTAL	2,195,724

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, designate 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 23, 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)	
				1
				2
				3
				4
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				37
(399,991)	0	1,795,733		

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 (on a supplemental page) 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)	905,255	937,247	Electric, Gas & Water
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	301,752	312,415	Electric, Gas & Water
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	1,207,007	1,249,662	
12	Merchandise (Account 155)	395,547	267,096	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)	\$1,602,554	\$1,516,758	

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

	Amount	Account Debited	Account Credited
Marianna - Electric	(5,418)	1630	1540
Fernandina - Electric	(41,930)	1630	1540
Fernandina - Water	(6,845)	1630	1540

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).

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.

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

	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					
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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)	Amount (e)	Balance End of Year (f)
1 Energy Conservation Program	(\$1,305)	\$130,350	906-910	(\$129,045)	\$0
2 Undistributed Capital					
3 - Accrued Payroll	17,889	334,487		(329,396)	\$22,980
4 Amortize Piping Costs	118,641	311,861		(59,393)	\$371,109
5 Amortized Conversion Costs	11,815	28,587		(5,680)	\$34,722
6 Underrecovery Conservation	0	39,524		0	\$39,524
7					
8					
9					
10					
11					
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23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37 Misc. Work in Progress	(21,889)				(\$219,543)
38 Deferred Regulatory Comm. Expenses					
39 (See Pages 350 - 351)	109,295	0	928	35,256	\$74,039
40					
41 TOTAL	\$234,446				\$322,831

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	AMT	93,706	(37,353)
3	Self Insurance Reserve and Audit Fees	41,249	32,014
4	Conservation Program & Pensions		0
5	Uncollectible	18,365	13,294
6	Vacation Pay	44,989	47,186
7	Customer Deposits & Dep Study	0	0
8	Interest Not Cap & Amort of Debt	4,645	4,554
9	Rate Refund	11,250	46,300
		0	(351)
10	Regulatory	1,186,639	528,662
11			
12	TOTAL Electric (Lines 2 thru 10)	1,400,843	634,306
13	Gas		
14	AMT	78,259	(31,104)
15	Self Insurance Reserve and Audit Fees	73,057	50,290
16	Vacation Pay	90,651	95,729
17	Customer Deposits & Dep Study	0	0
18	Uncollectible	8,907	17,957
19	Interest Not Cap & Amort Of Debt	4,487	4,396
20	Regulatory	409,261	66,321
21	Environmental	168,859	1,806,676
22			
23	TOTAL Gas (Lines 14 thru 21)	2,353,217	2,010,265
24	Other (Specify) Water Division	180,250	91,135
25			
26	TOTAL (Account 190)(Lines 12, 23 & 24)	3,934,310	\$2,735,706
NOTES			
	(a)	(b)	(c)
	Other (Specify) Water Division		
	Self Insurance Reserve & Audit Fees	7,263	5,219
	Vacation Pay	8,226	8,160
	Pensions	0	0
	AMT	18,715	2,875
	Amortization of Debt	856	842
	Interest Not Capitalized	0	0
	Regulatory	145,190	74,039
	TOTAL WATER (LINE 24 ABOVE)	180,250	\$91,135
Classification of Total:			
	Federal Income Tax	3,450,449	2,313,084
	State Income Tax	483,861	422,622

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 fill

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)	2,000,000	\$1.50	
	TOTAL Common Stock	2,000,000	\$1.50	
2	Preferred Stock	6,000	\$100.00	
3				
4				
5				
6				
7				
8				
9				
10				
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CAPITAL STOCK (Accounts 201 and 204) (Continued)

series of stock authorized to be issued by a regulatory commission which have not yet been issued.

has been nominally issued is nominally outstanding at end of year.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.

6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

5. State in a footnote if any capital stock which

Outstanding Per Balance Sheet		Held by Respondent As Reacquired Stock (Account 217)		In Sinking and Other Funds		Line No.
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,585,478 *	\$2,378,717	89,460	\$1,851,822			1
		22,371	159,505			
1,585,478	2,378,717	111,831	2,011,327			
6,000	\$600,000					2
						3
						4
						5
						6
						7
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						20
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						22
* The Common Shares dollar amount includes \$500 in accordance with Florida Statutes						23
						24
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**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**
(Accounts 202 and 205, 203 and 206, 207, 212)

- | | |
|---|---|
| <p>1. Show for each of the above accounts the amount applying to each class and series of capital stock.</p> <p>2. For Account 202, Common Stock Subscribed, Account 205, Preferred stock subscribed, show the subscription price and the balance due on each class at the end of the year.</p> <p>3. Describe in a footnote the agreement and transactions</p> | <p>under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.</p> <p>4. For Premium on Account 207, Capital Stock, designate with an asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p> |
|---|---|

Line no.	Name of Account and Description of Item	Number of Shares	Amount
1	Premium on Capital Stock - Account 207	1,585,478	\$10,475,395
2			
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39			
40	TOTAL	1,585,478	\$10,475,395

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	\$890,324
3	Gain on Resale of Reacquired Common Stock	\$55,788
4	Miscellaneous Paid in Capital - Ending Balance	\$946,112
5		
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31		
32	TOTAL	\$946,112
33		

DISCOUNT ON CAPITAL STOCK (Account 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	NONE	
11		
12		
13		
14		
15		
16		
17		

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	COMMON STOCK	(428,441)
2		
3		
4		
5		
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17		

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

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

- such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the

Line No.	(a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)
1	FIRST MORTGAGE BONDS:		
2			
3			
4	9.57% Series Due 2018	10,000,000	7,211
5	10.03% Series Due 2018	5,500,000	3,883
6	9.08% Series Due 2022	8,000,000	4,067
7			
8			
9			
10			
11			
12			
13			
14			
15	Note: Expenses incurred to obtain a \$13,000,000		
16	line of credit is amortized in Account 428. The		
17	amount for 1996 is \$6,304.		
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29	TOTAL	23,500,000	15,161

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

Uniform System of Accounts.

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

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

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

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

including name of pledgee and purpose of the pledge.

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

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

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
5/1/88	5/1/18	5/1/88	5/1/18	10,000,000	957,000	4
5/1/88	5/1/18	5/1/88	5/1/18	5,500,000	551,650	5
6/1/92	6/1/22	6/1/92	6/1/22	8,000,000	726,400	6
						7
						8
						9
						10
						11
						12
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						16
						17
						18
						19
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						25
						26
						27
						32
				23,500,000	2,235,050	33

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 accrual 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.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	\$2,751,091
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Service Contributions	635,000
6	Rate Refund Pending	93,000
7		
8	Deductions Recorded on Books Not Deducted for Return	
9	Rate Case Expense	35,255
10	Uncollectible Reserve	10,572
11	Vacation Pay	17,625
12	Income Taxes (Excluding Current State Income Taxes)	1,253,438
13	Outside Audit Fees	22,750
14	Meals Expense	8,952
15	Depreciation Study	18,130
16	Loss on Reacquired Debt	22,362
17	Natural Gas Odorizer	4,190
18	Environmental Cost	73,250
19	Income Recorded on Books Not Included in Return	
20	Equity in Subsidiary	58,262
21		
22	Deductions on Return Not Charged Against Book Income	
23	Underrecoveries of Purchased Energy Costs	1,303,777
24	Self - Insurance Reserve	115,058
25	Ordinary Loss on ACRS Property	150,000
26	Depreciation	668,205
27	Pension Reserve	37,921
28	Conservation Program Costs	22,239
29	Cost of Removal ADR	80,000
30		
31		
32		
33	Federal Tax Net Income	2,510,153
34	Show Computation of Tax:	
35		
36	Tax at 34%	853,452
37	Rounding	48
38		
39	TOTAL Federal Income Tax Payable	\$853,500

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
 2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by inclu-

sion of these taxes.
 3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
 4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
 5. If any tax (exclude Federal and State income taxes)

Line No.	Kind of Tax (See Instruction 5) (A)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (b)	Prepaid Taxes (c)			
1	Federal Taxes:					
2	Income Tax	506,881		642,591	1,661,121	
3	Unemployment Tax - 1995	382		18,333	18,216	
4	Environmental Tax - 1994	0		4,576	0	
5	Environmental Tax - 1995	0		0	0	
6	F I C A - 1995	0		787,828	787,828	
7	Total Federal Taxes	507,263		1,453,328	2,467,165	
8						
9	State of Florida:					
10	Income	131,821		165,419	327,993	
11	Emergency Excise Tax - 1994	0		(2,828)	0	
12	Emergency Excise Tax - 1995	0		0	0	
13	Gross Receipts - 1994	0		0	0	
14	Gross Receipts - 1995	41,218		1,746,211	1,632,638	
15	FPSC Assessment - 1994	0		0	0	
16	FPSC Assessment - 1995	129,913		233,661	210,702	
17	Intangible Personal Prop. - 1995	0		13,058	13,058	
18	Unemployment - 1994	0		0	0	
19	Unemployment - 1995	287		4,583	4,745	
20	Licenses - 1995	0		0	0	
21	Total State of Florida Taxes	303,239		2,160,104	2,189,136	
22						
23	Local:					
24	Advalorem - 1994	0		0	0	
25	Advalorem - 1995	0		1,103,250	1,103,250	
26	Licenses - 1995	0		6,491	6,491	
27	City Franchise Tax	0		54	54	
28	Total Local Taxes	0		1,109,795	1,109,795	
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	TOTAL	810,502		4,723,227	5,766,096	

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. Enter accounts to which taxes charged were distributed

in columns (i) thru (l). In column (i), report the amounts charged to accounts 408.1 and 409.1 for electric departments only. Group the amounts charged to 408.1, 409.1, 408.2, and 409.2 under other accounts in column (i). For taxes charge to other accounts or utility plant, show the number of the appropriate balance sheet account, plant account or subaccount.

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

END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
Taxes Accrued (ACCOUNT 236) (g)	Prepaid Taxes (Incl. in Account 165) (l)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (m)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	
						1
(511,649)	0	349,352			(11,716)	2
499	0	938			12,484	3
4,576	0	2,133			0	4
0	0	0			0	5
0	0	130,846			245,064	6
(506,574)		483,269			245,832	7
						8
						9
(30,753)	0	73,611			(1,994)	10
(2,828)	0	(1,317)			0	11
0	0	0			0	12
0	0	0			0	13
154,791	0	1,008,914			0	14
0	0	0			0	15
152,872	0	33,987			0	16
0	0	0			0	17
0	0	6,648			0	18
125	0	295			2,951	19
0	0	0			0	20
274,207		1,122,138			957	21
						22
						23
0	0	0			0	24
0	0	418,071			0	25
0	411	500			0	26
0	0	0			0	27
0	411	418,571			0	27
						28
						29
						30
						31
						32
						33
						34
						35
						36
(232,367)	411	2,023,978			246,789	37

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%	2,431			411.4	1,126	
3	4%	40,599			411.4	5,810	
4	7%	0				0	
5	10%	635,214			411.4	42,970	
6	Prior Period Adjustment	(7,769)					
7							
8	TOTAL	670,475		0		49,906	
9	Other List separately and show 3%, 4%, 7%, 10% and TOTAL						
10							
11							
12							
13	Gas Utility						
14	3%	20,950			4110.4	4,089	
15	4%	28,902			4110.4	3,300	
16	7%	0				0	
17	10%	677,811			4110.4	47,777	
18	Prior Period Adjustment	(49)					
19							
20	TOTAL	727,614		0		55,166	
21							
22	Water Utility						
23	3%	915			4110.4	118	
24	4%	2,609			4110.4	217	
25	7%	0				0	
26	10%	124,951			4110.4	6,602	
27	Prior Period Adjustment	23					
28							
29	TOTAL	128,498		0		6,937	
30							
31							
32	TOTAL UTILITIES	1,526,587		0		112,009	0
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							

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

Balance at End Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
1,305	28 YEARS		2
34,789	28 YEARS		3
0			4
592,244	28 YEARS		5
(7,769)			6
			7
620,569			8
			9
			10
			11
			12
			13
16,861	35 YEARS		14
25,602	35 YEARS		15
0			16
630,034	35 YEARS		17
(49)			18
			19
672,448			20
			21
			22
797	34 YEARS		23
2,392	34 YEARS		24
0			25
118,349	34 YEARS		26
23			27
			28
121,561			29
			30
			31
1,414,578			32
			33
			34
			35
			36
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			41
			42
			43
			44

OTHER DEFERRED CREDITS (Account 253)

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 (Amortized over succeeding six month period)	423,824	456.1	708,767	708,625	423,682
2			456.11			
3						
4						
5	Over Recovery of Fuel Adjustment-Gas (Amortized over succeeding twelve month period)	(88,481)	495.1	830,766	919,247	0
6			495			
7						
8						
9	Environmental Insurance Proceeds	4,385,840	1860.1	23,742	169,007	4,531,106
10						
11	Over Recovery Conservation	0	456.6	14	18,605	18,591
12						
13						
14						
15						
16						
17						
18						
19						
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21						
22						
23						
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15						
16						
17						
18	TOTAL	\$4,721,183		\$1,563,289	\$1,815,484	\$4,973,379

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 (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)
1	Account 282			
2	Electric	4,981,692	(542,363)	
3	Gas	4,831,236	(218,017)	
4	Other - Water	59,585	(212,796)	
5	TOTAL (Lines 2 thru 4)	9,872,513	(973,176)	0
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Lines 5 thru 8)	\$9,872,513	(\$973,176)	\$0
10	Classification of TOTAL			
11	Federal Income Tax	8,805,075	(909,054)	
12	State Income Tax	1,067,438	(64,122)	
13	Local Income Tax			

*Note: Federal Income Tax includes \$1,548,218 for the Regulatory Gross Up.

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

- 2. For Other (Specify), include deferrals relating to other income and deductions.
- 3. Use separate pages as required.

CHANGES DURING YEAR			ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits Acct. No. (g)	Amount (h)	Credits Acct. No. (i)	Amount (j)	(k)		
								1
						4,439,329		2
						4,613,219		3
						(153,211)		4
0	0		0		0	8,899,337		5
						0		6
						0		7
						0		8
\$0	\$0		\$0		\$0	8,899,337		9
								10
						7,896,021		11
						1,003,316		12
								13

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 (a)	Balance at Beginning of Year (b)	CHANGES DURING THE YEAR	
			Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)
1	Account 283			
2	Electric			
3	Underrecoveries	176,033	86,691	
4	Pension Costs	26,695	(5,264)	
5	Conservation Costs	(492)	8,369	
6	Loss on Reacquired Debt	75,366	(4,092)	
7	Environmental	0	0	
8	Rate Case	5,753	(2,655)	
9	Depreciation Study	13,587	(5,109)	
10				
11	TOTAL Electric (Total Lines 2-11)	296,942	77,940	0
12				
13				
14	Gas			
15	Underrecoveries	0	403,922	
16	Pension Costs	30,887	14,859	
17	Loss on Reacquired Debt	74,738	(3,318)	
18	Deltona Repairs	0	0	
19	Rate Case	35,374	(10,611)	
20	Environmental Cost	0	0	
21	Depreciation Study	5,144	(1,715)	
22	Odorizer	7,883	(1,576)	
23				
24	TOTAL Gas (Total Lines 15 and 16)	154,026	401,561	0
25	Other - Water	16,762	(1,592)	0
26				
27	TOTAL Account 283 (Total lines 13, 17 and 18)	\$467,730	\$477,909	\$0
28				
29				
30	Classification of TOTAL			
31	Federal Income Tax	399,367	408,058	
32	State Income Tax	68,363	69,851	
33	Local Income Tax	0		

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

3. Provide in the space below explanations for pages 272 and 273. Include amounts relating to insignificant items under Other.

4. Use separate pages as required.

Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits		Credits		Balance at End of Year (k)	Line No.
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
							2
0	0					262,724	3
0	0					21,431	4
0	0					7,877	5
0	0					71,274	6
0	0					0	7
0	0					3,098	8
						8,478	9
							10
0	0		0		0	374,882	11
							12
							13
							14
						403,922	15
				0		45,746	16
						71,420	17
						0	18
0	0		0		0	24,763	19
						0	20
						3,429	21
						6,307	22
							23
0	0		0		0	555,587	24
0	0		0		0	15,170	25
							26
							27
\$0	\$0		\$0		\$0	\$945,639	28
							29
							30
0	0		0			807,425	31
0	0		0		0	138,214	32
						0	33

OTHER REGULATORY LIABILITIES

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).

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.

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

	Description and Purpose of Other Regulatory Liabilities (a)	Debits		Credits (d)	Balance End of Year (e)
		Account Credited (b)	Account (c)		
1					
2	See Page 274				
3					
4					
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38					
39					
40					
41	TOTAL				

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	\$19,725,963	\$18,386,332
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	13,111,312	12,520,686
5	Large (or Industrial)	7,012,697	6,509,530
6	(444) Public Street and Highway Lighting	228,226	225,298
7	(445) Other Sales to Public Authorities	464,243	450,790
8	(446) Unbilled Revenues	(32,142)	(6,631)
9	(448) Interdepartmental Sales	132,363	121,652
10			
11	TOTAL Sales to Ultimate Consumers	40,642,662	38,207,657
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	40,642,662	38,207,657
15	(Less) (449.1) Provision for Rate Refunds	(154,651)	(30,000)
16			
17	TOTAL Revenue Net of Provision for Refunds	40,488,011	38,177,657
18	Other Operating Revenues		
19	(450) Forfeited Discounts		
20	(451) Miscellaneous Service Revenues	120,143	102,140
21	(453) Sales of Water and Water Power	0	0
22	(454) Rent from Electric Property	92,428	35,552
23	(455) Interdepartmental Rents	0	0
24	(456) Other Electric Revenues	18,723	7,055
25	Overrecoveries Purchase Electric	142	47,317
26		(18,591)	0
27			
28			
29	TOTAL Other Operating Revenues	212,845	192,064
30			
31	TOTAL Electric Operating Revenues	\$40,700,856	\$38,369,721

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.
273,601	261,637	19,722	19,290	1
217,177	211,977	3,145	3,085	2
123,981	111,731	6	6	3
2,053	2,123	49	49	4
7,460	7,257	197	182	5
(3,052)	(737)	0	0	6
2,340	2,107	1	1	7
623,560	596,095	23,120	22,613	8
623,560	596,095	23,120	22,613	9
623,560	596,095	23,120	22,613	10
				11
				12
				13
				14
				15
				16
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the KWH 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 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)	KWH 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						
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29						
30						
31						
32						
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34						
35						
36						
37						
38						
39						
40	Total Billed	626,612,389	40,674,803	23,120	27,102.6	0.065
41	Total Unbilled Rev.	(3,051,813)	(32,142)			
42	Rate Refund		(154,651)			
43	TOTAL	623,560,576	40,488,010	23,120	26,970.6	0.065

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	0	0
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	0	0
20 TOTAL Power Production Expenses-Steam Plant	0	0
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	0	0
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	0	0
40 TOTAL Power Production Expenses-Nuclear Power	0	0
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	0	0
44 (536) Water for Power		
45 (537) Hydraulic Expenses	0	0
46 (538) Electric Expenses	0	0
47 (539) Miscellaneous Hydraulic Power Generation Expenses	0	0
48 (540) Rents		
49 TOTAL Operation	0	0

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	0	0
54	(543) Maintenance of Reservoirs, Dams, and Waterways	0	0
55	(544) Maintenance of Electric Plant	0	0
56	(545) Maintenance of Miscellaneous Hydraulic Plant		
57	TOTAL Maintenance	0	0
58	TOTAL Power Production Expenses-Hydraulic Power	0	0
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	0	0
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	0	
72	TOTAL Maintenance	0	3,838
73	TOTAL Power Production Expenses-Other Power	0	3,838
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	29,181,088	28,796,845
76	(556) System Control and Load Dispatching		
77	(557) Other Expenses		
78	TOTAL Other Power Supply Expenses	29,181,088	28,796,845
79	TOTAL Power Production Expenses	29,181,088	28,800,683
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering		
83	(561) Load Dispatching		
84	(562) Station Expenses	14,536	14,941
85	(563) Overhead Line Expenses		
86	(564) Underground Line Expenses		
87	(565) Transmission of Electricity by Others		
88	(566) Miscellaneous Transmission Expenses		0
89	(567) Rents		
90	TOTAL Operation	14,536	14,941
91	Maintenance		
92	(568) Maintenance Supervision and Engineering		
93	(569) Maintenance of Structures		
94	(570) Maintenance of Station Equipment	13,265	18,829
95	(571) Maintenance of Overhead Lines	20,126	32,532
96	(572) Maintenance of Underground Lines		
97	(573) Maintenance of Miscellaneous Transmission Plant	0	78
98	TOTAL Maintenance	33,391	51,439
99	TOTAL Transmission Expenses	47,927	66,380
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	170,549	151,833
103	(581) Load Dispatching	45	0

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
104 3. DISTRIBUTION EXPENSES (Continued)		
105 (582) Station Expenses	9,831	9,090
106 (583) Overhead Line Expenses	59,279	53,652
107 (584) Underground Line Expenses	15,210	12,706
108 (585) Street Lighting and Signal System Expenses	18,341	16,988
109 (586) Meter Expenses	157,691	144,110
110 (587) Customer Installations Expenses	47,652	46,159
111 (588) Miscellaneous Distribution Expenses	121,700	105,377
112 (589) Rents	752	476
113 TOTAL Operation	601,050	540,391
114 Maintenance		
115 (590) Maintenance Supervision and Engineering	52,120	37,906
116 (591) Maintenance of Structures	2,579	4,060
117 (592) Maintenance of Station Equipment	44,225	36,829
118 (593) Maintenance of Overhead Lines	754,486	702,346
119 (594) Maintenance of Underground Lines	95,146	91,765
120 (595) Maintenance of Line Transformers	75,610	96,945
121 (596) Maintenance of Street Lighting and Signal Systems	17,270	18,503
122 (597) Maintenance of Meters	19,275	14,600
123 (598) Maintenance of Miscellaneous Distribution Plant	21,483	20,201
124 TOTAL Maintenance	1,082,194	1,023,155
125 TOTAL Distribution Expenses	1,683,244	1,563,546
126 4. CUSTOMER ACCOUNTS EXPENSES		
127 Operation		
128 (901) Supervision	68,525	63,857
129 (902) Meter Reading Expenses	165,234	153,577
130 (903) Customer Records and Collection Expenses	509,862	497,146
131 (904) Uncollectible Accounts	63,936	65,283
132 (905) Miscellaneous Customer Accounts Expenses	42,438	35,413
133 TOTAL Customer Accounts Expenses	849,995	815,276
134 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
135 Operation		
136 (907) Supervision	17,215	34,979
137 (908) Customer Assistance Expenses	20,733	(225)
138 (909) Informational and Instructional Expenses	27,131	43,159
139 (910) Miscellaneous Customer Service and Informational Expenses	2,199	0
140 TOTAL Cust. Service and Informational Expenses	67,278	77,913
141 6. SALES EXPENSES		
142 Operation		
143 (911) Supervision		
144 (912) Demonstrating and Selling Expenses	0	295
145 (913) Advertising Expenses	3,115	3,215
146 (916) Miscellaneous Sales Expenses	109	797
147 TOTAL Sales Expenses	3,224	4,307
148 7. ADMINISTRATIVE AND GENERAL EXPENSES		
149 Operation		
150 (920) Administrative and General Salaries	395,308	364,964
151 (921) Office Supplies and Expenses	92,180	96,755
152 (Less) (922) Administrative expenses Transferred-Cr.	0	0
153 (923) Outside Services Employed	85,461	115,624
154 (924) Property Insurance	144,973	155,469
155 (925) Injuries and Damages	256,229	305,819
156 (926) Employee Pensions and Benefits	213,126	212,049

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
157 7. ADMINISTRATIVE AND GENERAL EXPENSES		
158 (927) Franchise Requirements	0	0
159 (928) Regulatory Commission Expenses	17,237	28,397
160 (Less) (929) Duplicate Charges-Cr.		
161 (930.1) General Advertising Expenses	0	0
162 (930.2) Miscellaneous General Expenses	45,483	45,355
163 (931) Rents	4,135	3,075
164 TOTAL Operation	1,254,132	1,327,507
165 Maintenance		
166 (935) Maintenance of General Plant	48,679	51,171
167 TOTAL Administrative and General Expenses	1,302,811	1,378,678
168 TOTAL Electric Operation and Maintenance Expenses	33,135,567	32,706,783

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)	10/31/96
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	75
3	Total Part-Time and Temporary Employees	0
4	Total Employees	75

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

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

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

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

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

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

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

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

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

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) or Settlement (\$) (m)	
359,255			5,259,456	4,329,023	6,630,955	16,219,434	1
2,219				41,486	(1,200)	40,286	2
295,470			4,762,336	2,035,791	6,352,415	13,150,541	3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
656,914			10,021,792	6,406,300	12,982,170	29,410,261	14

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$4,148
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	30,286
5	Other Expenses (List items of \$5000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown)	
6		
7	Chamber of Commerce	0
8	Director fees and expenses (32 items)	3,478
9	Miscellaneous Expense	6,698
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	TOTAL	\$44,610

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 *	17,484			17,484
7	Transmission Plant	125,065			125,065
8	Distribution Plant	1,307,995			1,307,995
9	General Plant	89,763			89,763
10	Common Plant-Electric *	48,888			48,888
11	TOTAL	\$1,589,195	\$0	\$0	\$1,589,195

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

FLORIDA PUBLIC UTILITIES COMPANY				An Original		Dec. 31, 1995	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
MARIANNA DIVISION							
12							
13							
14							
15	331	4,822	N/A	4 Year Recovery Schedule			
16	332	61,479	N/A	4 Year Recovery Schedule			
17	333	98,267	N/A	4 Year Recovery Schedule			
18	334	62,084	N/A	4 Year Recovery Schedule			
19	335	375	N/A	4 Year Recovery Schedule			
20							
21	360	22,841	N/A		2.3		42.0
22	361	8,614	N/A		2.2		34.0
23	362	752,334	N/A	(10)	2.9		25.0
24	364	3,272,761	N/A	(20)	3.5		23.0
25	365	3,817,877	N/A	(10)	3.3		22.0
26	366	109,340	N/A		2.0		45.0
27	367	300,351	N/A		2.8		30.0
28	368	3,727,180	N/A	(10)	4.0		17.9
29	369	1,473,665	N/A	(15)	4.6		18.5
30	370	831,754	N/A	(10)	4.1		15.2
31	371	328,909	N/A	20	5.7		10.2
32	373	169,806	N/A	5	2.9		18.6
33							
34	390	687,132	N/A	(5)	2.1		49.0
35	391.1	17,807		7 Years Amortization			
36	391.2	13,056		7 Years Amortization			
37	391.3	34,651		5 Years Amortization			
38	392.1	46,885	N/A	15	29.9		1.7
39	392.2	114,737	N/A	10	13.0		3.7
40	392.3	615,236	N/A	10	6.9		6.8
41	392.4	11,672	N/A	5	2.8		22.0
42	393.1	16,796	N/A		5.3		15.8
43	393.2	547		7 Years Amortization			
44	394.1	13,319	N/A		3.8		19.5
45	394.2	27,462		7 Years Amortization			
46	395.1	16,904	N/A		3.4		19.6
47	395.2	9,193		7 Years Amortization			
48	396	60,638	N/A	10	6.4		12.5
49	397	57,173	N/A		8.6		4.7
50	398	3,343		7 Years Amortization			
51							
52							
53							
54							
55							
56							
57							
58							
59							
60							
61							
62							
63							

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
64				FERNANDINA BEACH			
65							
66							
67	341	0					
68	342	0					
69	343	0					
70	344	0					
71	346	0					
72							
73	350	56,519		0	2.40		32.0
74	352	17,304	45	0	1.60		36.0
75	353	1,780,065	40	10	2.20		28.0
76	354	248,395	50	(10)	1.80		39.0
77	355	1,381,300	25	(20)	3.30		30.0
78	356	931,383	35	(10)	2.80		30.0
79	359	1,961	55	0	1.00		32.0
80							
81	360	188		0	2.90		22.0
82	361	33,577	44	0	1.90		38.0
83	362	1,456,419	23	10	2.60		24.0
84	364	1,279,531	25	(10)	4.10		19.7
85	365	2,358,377	33	(15)	3.60		24.0
86	366	965,825	50	0	2.00		48.0
87	367	1,817,435	30	0	3.10		28.0
88	368	3,753,926	29	(35)	4.70		21.0
89	369	2,072,020	20	(20)	3.80		22.0
90	370	1,369,322	38	(20)	3.70		20.0
91	371	186,970	18	5	5.60		10.3
92	373	290,773	22	0	4.10		15.8
93							
94	390	406,628	64	0	1.90		35.0
95	391.1	20,517		7 Year Amortization			14.1
96	391.2	17,081		7 Year Amortization			9.7
97	391.3	41,659		5 Year Amortization			6.5
98	392.1	44,541	5	15	24.00		2.3
99	392.2	227,105	7	20	4.10		5.2
100	392.3	477,806	12	10	7.40		7.6
101	392.4	14,075	25	0	2.80		18.5
102	393.1	20,488	27	0	4.00		29.0
103	393.2	3,251		7 Year Amortization			
104	394.1	11,323	0	0	3.00		23.0
105	394.2	43,890		7 Year Amortization			
106	395.1	14,660	0	0	3.60		25.0
107	395.2	17,688		7 Year Amortization			
108	396	93,087	5	0	3.80		10.0
109	397	87,250	0	0	10.70		6.7
110	398	25,767		7 Year Amortization			22.0
111							
112							
113							
114							
115							

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

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

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

Line No.	Item (a)	Amount (b)
1	Account 425: Miscellaneous Amortization	None
2		
3		
4	Account 426: Miscellaneous Income Deductions	
5	426.11 Charitable Contributions: inside service area	\$6,203
6	426.12 Charitable Contributions: outside service area	0
7	426.13 Civic and Social Club Dues	6,060
8	426.3 Penalties	613
9	426.4 Expenditures for lobbying and other politically related activities	192
10	426.5 Other	
11	Chamber of Commerce	7,755
12	Total Miscellaneous Income Deductions	\$20,823
13		
14	Account 430: Interest on Debt to Associated Company	
15	Accounts Payable at 4.844% (12 mo. avg. of the interest rates applied)	(\$82,868)
16		
17	Account 431: Other Interest Expense	
18	431.1 Interest on Customer Deposits	\$197,421
19	431.2 Interest on Notes Payable	348,072
20	431.3 Interest on Miscellaneous	19,715
21	Total Other Interest Expense	\$565,209
22		
23		
24		
25		
26		
27		

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. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

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 to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	Legal Fees and Miscellaneous Expenses incurred by the Company in its filing for rate relief on Docket number 9330400-EI				
2					
3			28,224	28,224	15,288
4					
5	Legal Fees and Miscellaneous Expenses incurred by the Company in its filing for rate relief on Docket number 940620-GU				
6					
7			112,807	112,807	94,007
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					
41					
46	TOTAL		141,031	141,031	109,295

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.

5. List in column (f), (g) and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 223 for Account 186.

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

EXPENSES INCURRED DURING YEAR

CHARGED CURRENTLY TO		AMORTIZED DURING YEAR			Deferred in	Line No.	
Department	Account No.	Amount	Deferred to	Contra	Amount		Account 186
(f)	(g)	(h)	Account 186	Account	(k)	(l)	
			(i)	(j)			
Electric			0	928	7,056	8,232	1 2 3 4 5
Gas			0	928	28,200	65,807	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 39 42
			0		35,256	74,039	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	9,670		
5	Distribution	440,140		
6	Customer Accounts	513,967		
7	Customer Service and Informational	14,634		
8	Sales			
9	Administrative and General	131,485		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	1,109,896		
11	Maintenance			
12	Production			
13	Transmission	12,335		
14	Distribution	505,716		
15	Administrative and General	8,401		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	526,452		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)			
19	Transmission (Enter Total of lines 4 and 13)	22,005		
20	Distribution (Enter Total of lines 5 and 14)	945,856		
21	Customer Accounts (Transcribe from line 6)	513,967		
22	Customer Service and Information (Transcribe from line 7)	14,634		
23	Sales (Transcribe from line 8)			
24	Administrative and General (Enter Total of lines 9 and 15)	139,886		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	1,636,348	202,441	1,838,789
26	Gas			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply	81,558		
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution	1,747,933		
34	Customer Accounts	731,257		
35	Customer Service and Informational			
36	Sales	572,539		
37	Administrative and General	223,375		
38	TOTAL Operation (Enter Total of lines 28 thru 37)	3,356,662		
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution	459,075		
46	Administrative and General	9,868		
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)	468,943		

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)	81,558		
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)	2,207,008		
55	Customer Accounts (Transcribe from line 34)	731,257		
56	Customer Service and Informational (From line 35)			
57	Sales (Transcribe from line 36)	572,539		
58	Administrative and General (Total of lines 37 and 46)	233,243		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	3,825,605	412,223	4,237,828
60	Other Utility Departments - Water			
61	Operation and Maintenance	375,442	(76,539)	298,903
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	5,837,395	538,125	6,375,520
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	788,442		788,442
66	Gas Plant	633,563		633,563
67	Other - Water	71,348		71,348
68	TOTAL Construction (Enter Total of lines 65 thru 67)	1,493,353	-	1,493,353
69	Plant Removal (By Utility Department)			
70	Electric Plant	57,686		57,686
71	Gas Plant	132,807		132,807
72	Other - Water	168		168
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	190,661		190,661
74	Other Accounts (Specify):			
75				
76	Other Accounts Receivable/Employee	78,165		78,165
77	Merchandise			-
78	Temporary Facilities	13,739		13,739
79	Stores Expense	282,241		282,241
80	Clearing Accounts	122,038		122,038
81	Miscellaneous Deferred Debits	194,391		194,391
82	Merchandise and Jobbing	536,827		536,827
83	Taxes Other Than Income Taxes-Electric	(58,428)		(58,428)
84	Taxes Other Than Income Taxes-Gas	(197,771)		(197,771)
85	Taxes Other Than Income Taxes-Water	(4,300)		(4,300)
86	Vacation Pay	(25,874)		(25,874)
87	Non-Operating and Rental Income			-
88	Other Accounts Receivable	1,507,909	101,056	1,608,965
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	2,448,937	101,056	2,549,993
96	TOTAL SALARIES AND WAGES	9,970,346	639,181	10,609,527

COMMON UTILITY PLANT AND EXPENSES

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

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

allocation and factors used.

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

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

<p>Account 118: Common Utility Plant</p> <ul style="list-style-type: none"> General Office Buildings and Land Land & Land Rights Structures & Improvements Office Furniture & Equipment Communications Equipment 	<p>\$341,926</p> <p>466,138</p> <p>923,003</p> <p>11,141</p> <hr style="border-top: 1px solid black;"/> <p>\$1,742,208</p> <hr style="border-top: 3px double black;"/>
<p>Account 119: Accumulated Provision for Depreciation of Common Utility Plant</p>	<p>\$716,558</p> <hr style="border-top: 3px double black;"/>

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 6-30-95 per schedule attached.

FLORIDA PUBLIC UTILITIES COMPANY
 ALLOCATION OF COMMON UTILITY PLANT
 AS OF JUNE 30, 1995

<u>Description</u>	<u>Amount</u>
Land	\$341,926
Structures & Improvements	<u>453,678</u>
Sub-Total	<u>795,604</u>
Office Furniture & Equipment	45,388
Office Machines	46,071
EDP Equipment	785,475
Transportation Equipment-Cars	121,562
Communication Equipment	<u>11,565</u>
Total Common Plant	<u>\$1,805,665</u>

Total Common Land & Structures & Improvements \$795,604

<u>Allocation of Land & Structures & Improvements</u>	<u>Allocation Per Study Sq. Footage</u>	<u>Allocation Per Study %</u>	<u>Common Land & Structures</u>
Common - All Divisions	11,235	58.33%	464,076
Local - WPB*	6,227	32.33%	257,219 (A)
Local - Merchandising	<u>1,798</u>	<u>9.34%</u>	<u>74,309 (A)</u>
Total	<u>19,260</u>	<u>100.00%</u>	<u>795,604</u>

<u>Allocation of Local - WPB*</u>	<u>6/30/95 Customers</u>	<u>Allocation Per Study %</u>	<u>Common Land & Structures</u>
FPUC	26,668	82.72%	212,772
Flo - Gas (Non-Regulated)	<u>5,570</u>	<u>17.28%</u>	<u>44,447</u>
Total	<u>32,238</u>	<u>100.00%</u>	<u>257,219</u>

Common Plant (1180)	1,805,665
Less Direct to WPB (A)	<u>331,528</u>
Remaining Common	1,474,137
Less EDP to allocated	<u>785,475</u>
Remaining Common Excl. EDP to allocate	<u>688,662</u>

Allocation of Utility Plant All Division	(A) Utility Plant	(B) Acquisition Adjust	(C) Direct Common Loc & Mer	(D) Water Contrib (2710)	(E) Sub-Total (A+B+C+D)	(F) Remaining Common	(G) Common EDP Equip	Adj. Plant (E+F+G)	Allocation %
Florida Public Utilities Co.									
Marianna	\$19,045,073	\$3,691			\$19,048,764	\$135,666	\$120,963	\$19,305,393	19.6%
Fernandina (E)	22,874,842				\$22,874,842	162,524	117,036	23,154,402	23.5%
West Palm Beach	32,669,606	(29,523)	212,772		\$32,852,855	233,458	283,557	33,369,870	33.9%
Sanford	6,088,919	102,833			\$6,191,752	44,074	54,983	6,290,809	6.4%
Deland	2,338,295	230,090			\$2,568,385	18,594	25,135	2,612,114	2.7%
Fernandina (W)	8,689,322			(2,402,572)	\$6,286,750	44,763	58,125	6,389,638	6.5%
Merchandising			74,309		\$74,309	0	20,422	94,731	0.1%
Flo - Gas Corporation									
West Palm Beach	3,798,631		44,447		\$3,843,078	27,546	58,911	3,929,535	4.0%
Sanford	485,142				\$485,142	3,443	7,069	495,654	0.5%
Deland	2,664,036				\$2,664,036	18,594	39,274	2,721,904	2.8%
Total	\$98,653,866	\$307,091	331,528	(2,402,572)	\$96,889,913	\$688,662	\$785,475	\$98,364,050	100.0%

Allocation of Remaining Common Plant:

	EDP Equipment			Remaining Common			Total Common Plant
	Customers 12 mos ending 6/30/95	Allocation %	Common EDP	Adj. Plant (Above)	Allocation %	Remaining Common	
Florida Public Utilities Co.							
Marianna	137,069	15.4%	120,963	19,048,764	19.7%	135,666	256,629
Fernandina (E)	132,002	14.9%	117,036	22,874,842	23.6%	162,524	279,560
West Palm Beach	320,027	36.1%	283,557	32,852,855	33.9%	233,458	517,015
Sanford	62,323	7.0%	54,983	6,191,752	6.4%	44,074	99,057
Deland	27,959	3.2%	25,135	2,568,385	2.7%	18,594	43,729
Fernandina (W)	65,870	7.4%	58,125	6,286,750	6.5%	44,763	102,888
Merchandising	22,890	2.6%	20,422	74,309	0.0%	0	20,422
Flo - Gas Corporation							
West Palm Beach	66,849	7.5%	58,911	3,843,078	4.0%	27,546	86,457
Sanford	7,905	0.9%	7,069	485,142	0.5%	3,443	10,512
Deland	44,418	5.0%	39,274	2,664,036	2.7%	18,594	57,868
Total	887,312	100.0%	785,475	96,889,913	100.0%	688,662	1,474,137

Allocation of Total Common Plant:

	Remaining Common (a)	Direct Common (b)	Remaining Common (a + b)	Remaining Common Allocation (%)	Common EDP	Common EDP Allocation (%)	Total Common	Total Common %
Florida Public Utilities Co.								
Marianna	135,666		135,666	13.3%	120,963	15.4%	256,629	14.2%
Fernandina (E)	162,524		162,524	15.9%	117,036	14.9%	279,560	15.5%
West Palm Beach	233,458	212,772	446,230	43.8%	283,557	36.1%	729,787	40.5%
Sanford	44,074		44,074	4.3%	54,983	7.0%	99,057	5.5%
Deland	18,594		18,594	1.8%	25,135	3.2%	43,729	2.4%
Fernandina (W)	44,763		44,763	4.4%	58,125	7.4%	102,888	5.7%
Merchandising	0	74,309	74,309	7.3%	20,422	2.6%	94,731	5.2%
Flo - Gas Corporation								
West Palm Beach	27,546	44,447	71,993	7.1%	58,911	7.5%	130,904	7.2%
Sanford	3,443		3,443	0.3%	7,069	0.9%	10,512	0.6%
Deland	18,594		18,594	1.8%	39,274	5.0%	57,868	3.2%
Total	688,662	331,528	1,020,190	100.0%	785,475	100.0%	1,805,665	100.0%

Line No.	Item (a)	Megawatt Hours (b)	Line No.	Item (a)	Megawatt Hours (b)
1	SOURCES OF ENERGY		20	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		21	Sales to Ultimate Consumers (Including Interdepartmental Sales)	626,612
3	Steam		22	Requirements Sales For Resale (See instruction 4, page 311)	
4	Nuclear		23	Non-Requirements Sales For Resale (See instruction 4, page 311)	
5	Hydro-Conventional		24	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		25	Energy Used by the Company (Electric Department Only, Excluding Station Use)	701
7	Other		26	Total Energy Losses	29,627
8	Less Energy for Pumping		27	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	656,940
9	Net Generation (Enter Total of lines 3 thru 8)	0			
10	Purchases	656,940			
11	Interchanges:				
12	In (gross)				
13	Out (gross)				
14	Net Interchanges (Lines 12 & 13)	0			
15	Transmission for/by Others (Wheeling)				
16	Received (MWh)				
17	Delivered (MWh)				
18	Net Transmission (lines 16 & 17)	0			
19	TOTAL (Enter Total of lines 9, 10, 14, and 18)	656,940			

MONTHLY PEAKS AND OUTPUT

- Report below the information called for pertaining to simultaneous peaks established monthly (in megawatts) and the monthly output (in megawatt-hours) for the combined sources of electric energy of respondent
- Report in column (b) the respondent's maximum MW load as measured by the sum of its coincidental net generation and purchases plus or minus net interchange, minus temporary deliveries (not interchange) of emergency power to another system. Show monthly peak including such emergency deliveries in a footnote and briefly explain the nature of the emergency. There may be cases of commingling of purchases and exchanges and "wheeling," also of direct deliveries by the supplier to customers of the reporting utility wherein segregation of MW demand for determination of peaks as specified by this report may be unavailable. In these cases, report peaks which include the intermingled transactions. Furnish an explanatory note which indicates, among other things, the relative significance of the deviation from basis otherwise applicable. If the individual MW amounts of such totals are needed for billing under separate rate schedules and are estimated, give the amount and basis of estimate.
- State type of monthly peak reading (instantaneous 15, 30, or 60 minutes integrated).
- Monthly output is the sum of respondent's net generation for load and purchases plus or minus net interchange and plus or minus net transmission or wheeling. Total for the year must agree with line 19 above.
- If the respondent has two or more power systems not physically connected, furnish the information called for below for each system.

Line No.	Month (a)	Megawatts Week (b)	Day of Week (c)	MONTHLY PEAK			Monthly Output (MWh) (See Instr. 4) (g)
				Day of Month (d)	Hou (e)	Type of Reading (f)	
33	January						
34	February						
35	March						
36	April						
37	May						
38	June						
39	July						
40	August						
41	September						
42	October						
43	November						
44	December						
45	TOTAL						

SEE ATTACHED SCHEDULES

**MONTHLY PEAKS AND OUTPUT
MARIANNA, FLORIDA SYSTEM**

Month (a)	Megawatts (b)	Day of Week (c)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	64.3	Tuesday	9	7:15 a.m.	15 Min. Int.	26,717
February	68.6	Monday	5	6:45 a.m.	15 Min. Int.	22,396
March	51.9	Saturday	9	8:45 a.m.	15 Min. Int.	20,922
April	43.2	Monday	29	1:45 p.m.	15 Min. Int.	20,475
May	61.0	Friday	24	1:15 p.m.	15 Min. Int.	25,744
June	65.0	Monday	24	3:30 p.m.	15 Min. Int.	25,400
July	64.8	Monday	22	3:15 p.m.	15 Min. Int.	32,435
August	60.8	Wednesday	7	4:30 p.m.	15 Min. Int.	28,563
September	60.9	Monday	9	2:30 p.m.	15 Min. Int.	26,538
October	46.5	Tuesday	29	1:30 p.m.	15 Min. Int.	21,617
November	47.2	Wednesday	27	8:00 a.m.	15 Min. Int.	19,251
December	66.8	Friday	20	7:15 a.m.	15 Min. Int.	25,408
TOTAL						295,466

**MONTHLY PEAKS AND OUTPUT
FERNANDINA BEACH SYSTEM**

Month (a)	Megawatts (b)	Day of Week (c)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	71.8	Tuesday	9	7:45 a.m.	15 Min. Int.	31,331
February	93.8	Monday	5	6:30 a.m.	15 Min. Int.	29,220
March	72.9	Saturday	9	7:30 a.m.	15 Min. Int.	25,410
April	63.7	Wednesday	10	6:30 a.m.	15 Min. Int.	29,010
May	67.2	Thursday	23	1:30 p.m.	15 Min. Int.	30,766
June	81.6	Tuesday	25	5:45 p.m.	15 Min. Int.	30,514
July	73.8	Friday	19	4:45 p.m.	15 Min. Int.	38,124
August	77.2	Friday	9	3:15 p.m.	15 Min. Int.	32,784
September	79.3	Friday	27	12:45 p.m.	15 Min. Int.	34,489
October	62.4	Tuesday	1	11:00 a.m.	15 Min. Int.	27,038
November	56.1	Saturday	23	7:00 p.m.	15 Min. Int.	23,117
December	76.7	Friday	20	9:15 a.m.	15 Min. Int.	29,673
TOTAL						361,474

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below voltages in group totals only for each voltage.
 2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
 3. Report data by individual lines for all voltages if so required by a State commission.
 4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
 5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood, or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction.

If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
 6. Report in columns (f) and (g) the total pole miles of transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE		Type of Supporting Structure (e)	LENGTH		Number of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structures of Line Designated (f)	On Structures of Another Line (g)	
1	Yulee, FL	Block 97						
2		Fernandina			Steel Pole	1.35		
3		Beach, FL	138,000	138,000	Concrete Pole	2.0	NONE	1
4					Wood Pole	8.05		
5	Block 97	Block 83						
6	Fernandina	Fernandina						
7	Beach, FL	Beach, FL	69,000	69,000	Wood Pole	3.5	NONE	1
8								
9	Block 97							
10	Fernandina	State Road 105			Concrete Pole	0.6		
11	Beach, FL	and Julia St.	69,000	69,000	Wood Pole	5.4	NONE	1
12								
13	Block 83	Container						
14	Fernandina	Corporation						
15	Beach, FL	of America	69,000	69,000	Wood Pole	1.66	NONE	1
16								
17	Block 83							
18	Fernandina	ITT Rayonier						
19	Beach, FL	Inc.	69,000	69,000	Wood Pole	0.65	NONE	1
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30					TOTAL	23.21		

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and pole miles of the other line(s) in column (g).
 8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or

share in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
 9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
 10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	Land (j)	COST OF LINE		EXPENSES, EXCEPT DEPRECIATION AND TAXES**					Line no.
		Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)		
394.6MCM Alum.	25,803	1,185,925	1,211,728						1
									2
									3
									4
									5
									6
4/0 Alum.		474,069	474,069						7
394.6MCM Alum.									8
652MCM Alum.									9
477MCM Alum.	32,677	489,789	522,466						10
									11
									12
									13
									14
394.6MCM Alum.		90,636	90,636						15
									16
									17
4/0 Alum.									18
									19
									20
									21
									22
*Includes Roads and Trails									23
**Expenses Shown Below Include All Transmission Lines									24
									25
									26
									27
									28
									29
	58,480	2,240,419	2,298,899	13,692	41,356		55,048		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 and Distribution			
10		Unattended	138M	69M	
11					
12					
13					
14					
15					
16					
17					
18					
19					
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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 Transformers In Service (g)	Number of Spare Transformers (h)	Type of Equipment (i)	Number of Units (j)	Total Capacity (k)	Line No.
28	3	0	Fans Added			1
						2
40	2	0	Fans Added			3
						4
						5
8	1	0	Fans Added			6
						7
150	3	0	Fans Added			8
						9
30	2	0	Fans Added			10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36

ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

1. Report below the information called for concerning distribution watt-hour meters and line transformers.
 2. Include watt-hour demand distribution meters, but not external demand meters.
 3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses 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.

Line No.	Item (a)	Number of Watt Hour Meters (b)	Line Transformers	
			Number (c)	Total Capacity (In MVa) (d)
1	Number at Beginning of Year	24,151	8,966	352.119
2	Additions During Year			
3	Purchases	621	310	16.550
4	Associated with Utility Plant Acquired	0	0	0.000
5	Total Additions (Enter Total of lines 3 and 4)	621	310	16.550
6	Reductions During Year			
7	Retirements	258	66	1.600
8	Associated with Utility Plant Sold	0	0	0.000
9	Total Reductions (Enter Total of lines 7 and 8)	258	66	1.600
10	Number at End of Year (Lines 1 + 5 - 9)	24,514	9,210	367.069
11	In Stock	582	208	20.593
12	Locked Meters on Customers' Premises	498	0	0.000
13	Inactive Transformers on System	0	0	0.000
14	In Customers' Use	23,432	9,000	346.266
15	In Company's Use	2	2	0.200
16	TOTAL End of Year(Enter Total of lines 11 to 15. This line should equal line 10.)	24,514	9,210	367.059

Affiliation of Officers and Directors

COMPANY: Florida Public Utilities Company

For the Year Ended December 31, 1996

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

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization, Firm, or Partnership	
		Affiliation or Connection	Name and Address
		<i>NONE</i>	

Business Contracts with Officers, Directors, and Affiliates

Company: Florida Public Utilities Company

For the Year Ended December 31, 1996

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.

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*

Company: *Florida Public Utilities Company*

For the Year Ended December 31, 1996

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 (h).

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) Interstate and Sales for Resale Adjustments	(g) Adjusted Intrastate Gross Operating Revenues	(h) Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 448)	\$40,642,662	\$	40,642,662	\$40,674,803	\$	40,674,803	(32,141)
2	Sales for Resale (447)							
3	Total Sales of Electricity	\$40,642,662		40,642,662	\$40,674,803		40,674,803	(32,141)
4	Provision for Rate Refunds (449.1)	(\$154,651)		(154,651)	(31,651)			(154,651)
5	Total Net Sales of Electricity	\$40,488,011		40,488,011	\$40,643,152		40,643,152	(155,141)
6	Total Other Operating Revenues (450-456)	\$212,845		212,845	\$180,704		180,704	32,141
7	Other (Specify)							
8								
9								
10	Total Gross Operating Revenues	\$40,700,856	\$	40,700,856	\$40,823,856	\$	40,823,856	(123,000)

Notes:

The Provision for Rate Refund was reclassified as accumulated provisions for rate refund, which caused the difference of (\$123,000) in the Regulatory Assessment Fee Return.

Analysis of Diversification Activity
Changes in Corporate Structure

Company: Florida Public Utilities Company

For the Year Ended December 31, 1996

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>

FLORIDA PUBLIC SERVICE COMMISSION

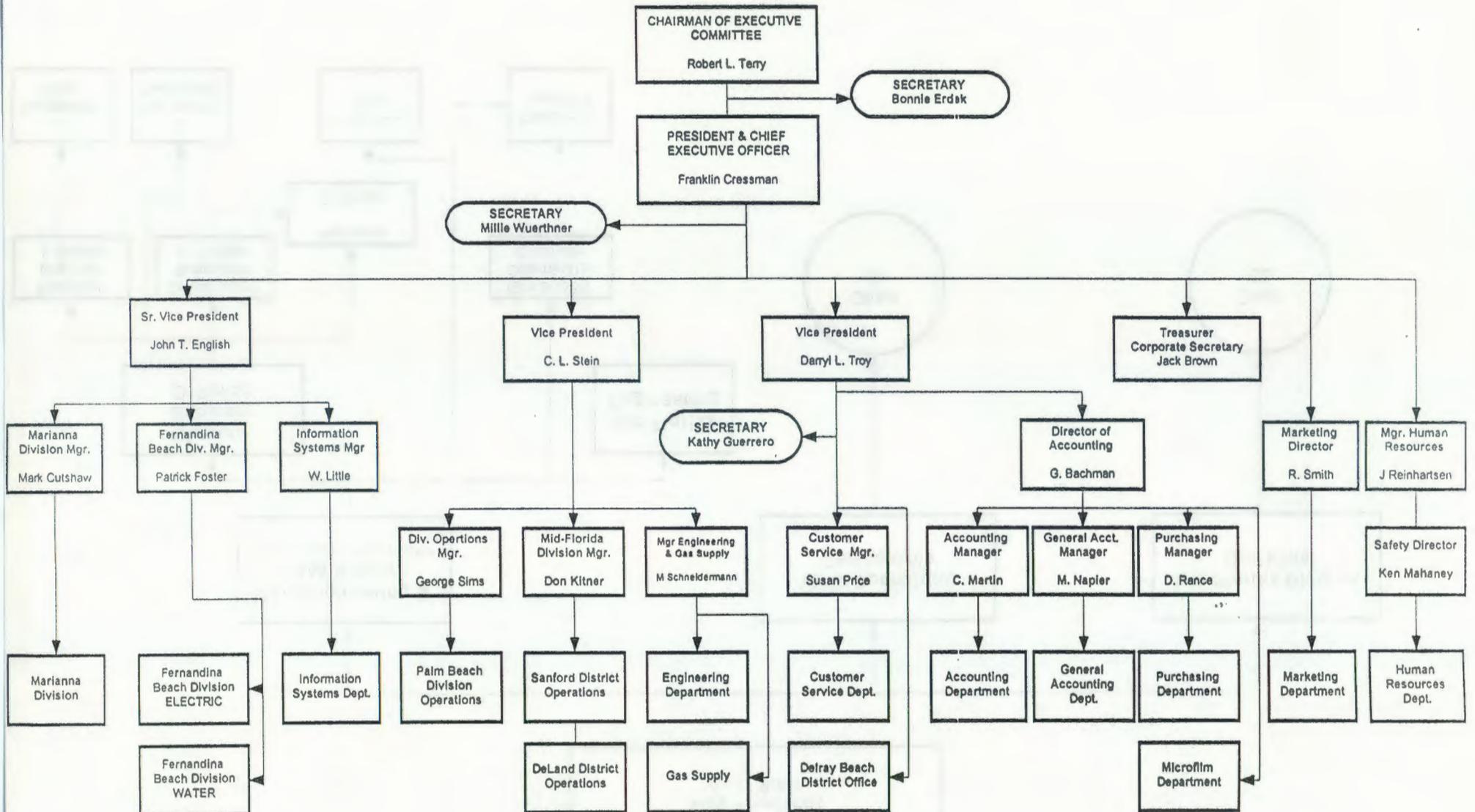
DIVERSIFICATION REPORT

PSC/AFA 16 (12/94)

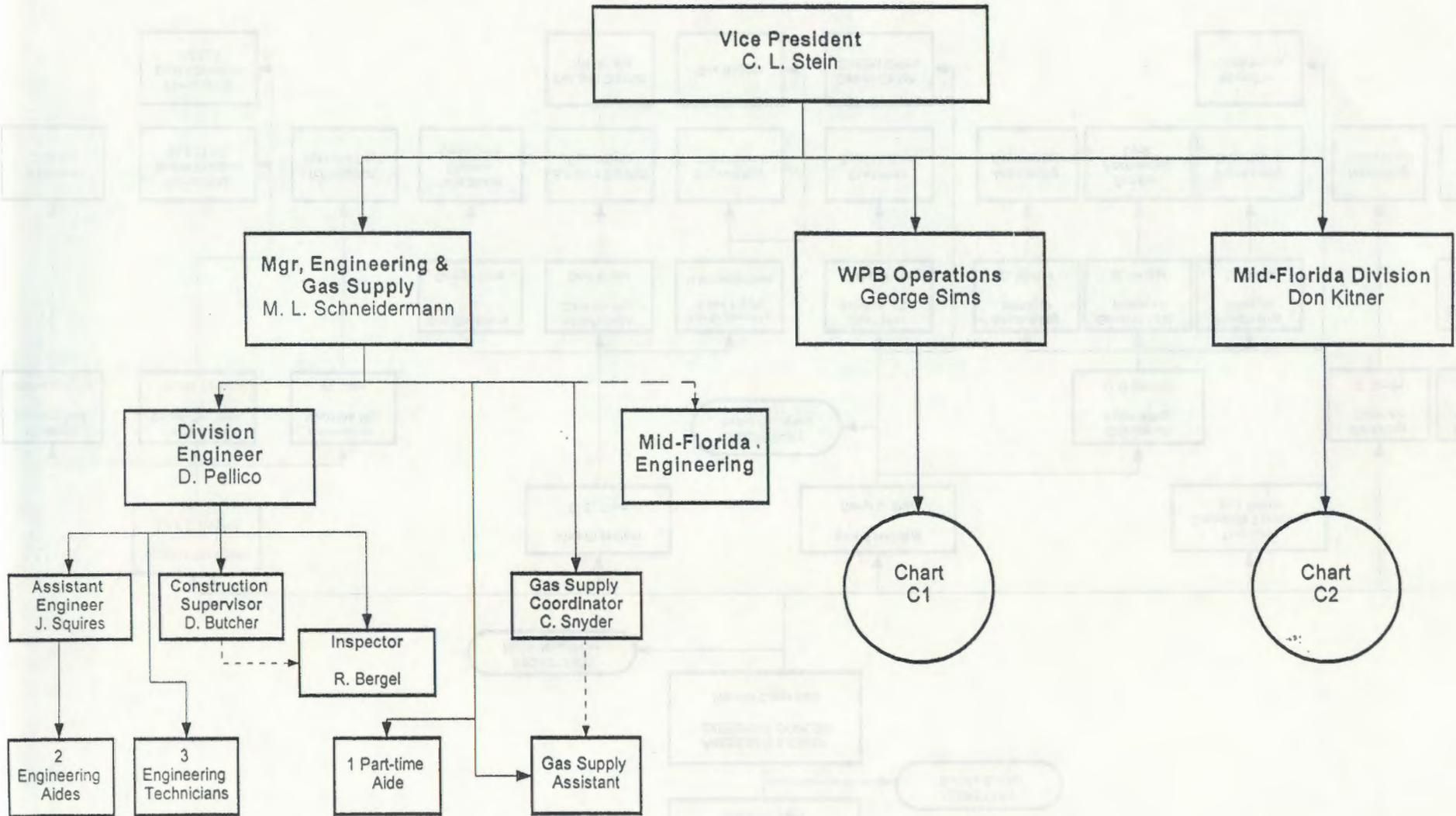
FLORIDA PUBLIC UTILITIES COMPANY

Organizational Chart

Chart A

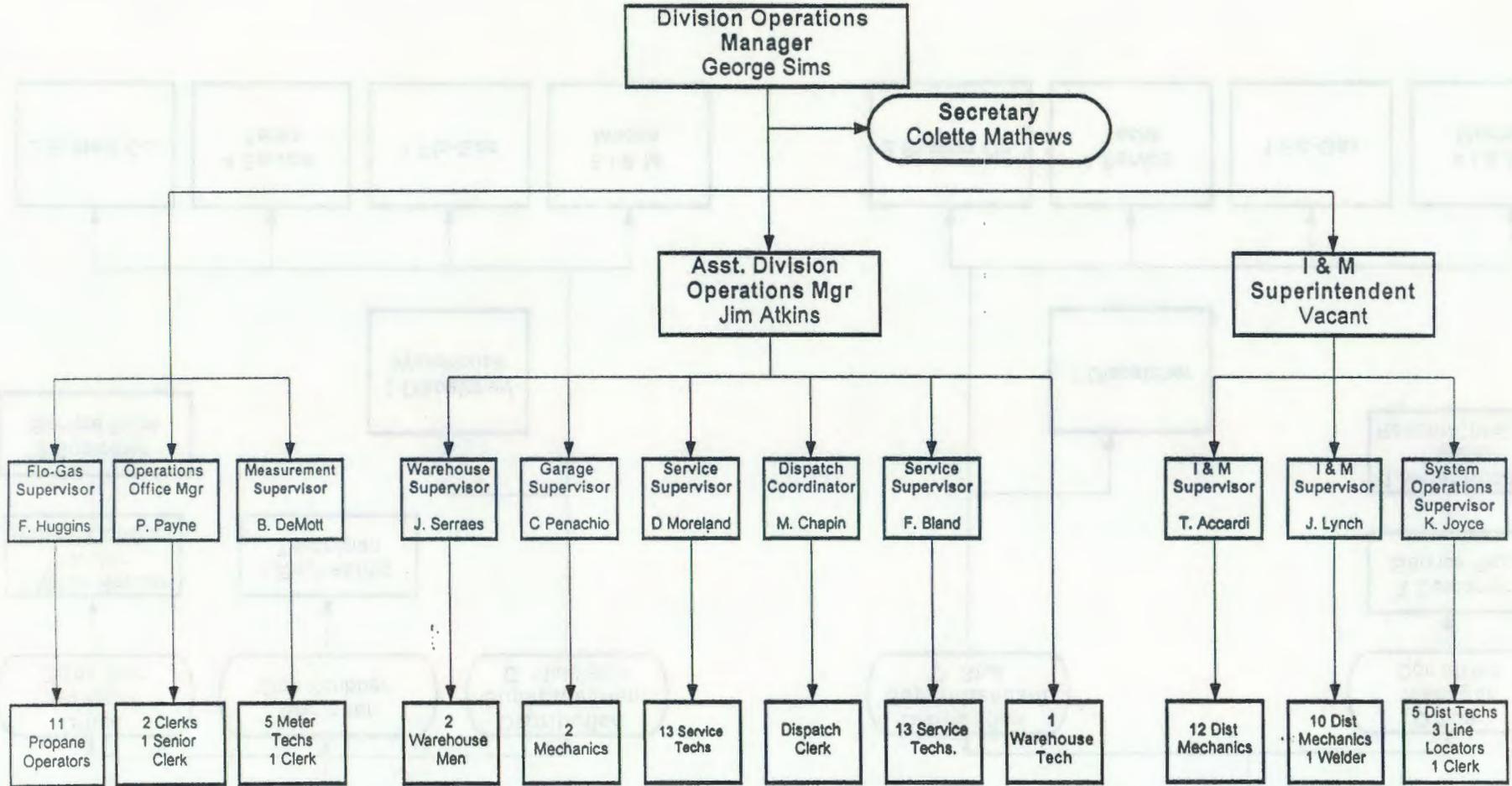


FLORIDA PUBLIC UTILITIES COMPANY
Gas Operations Organizational Chart
Chart B



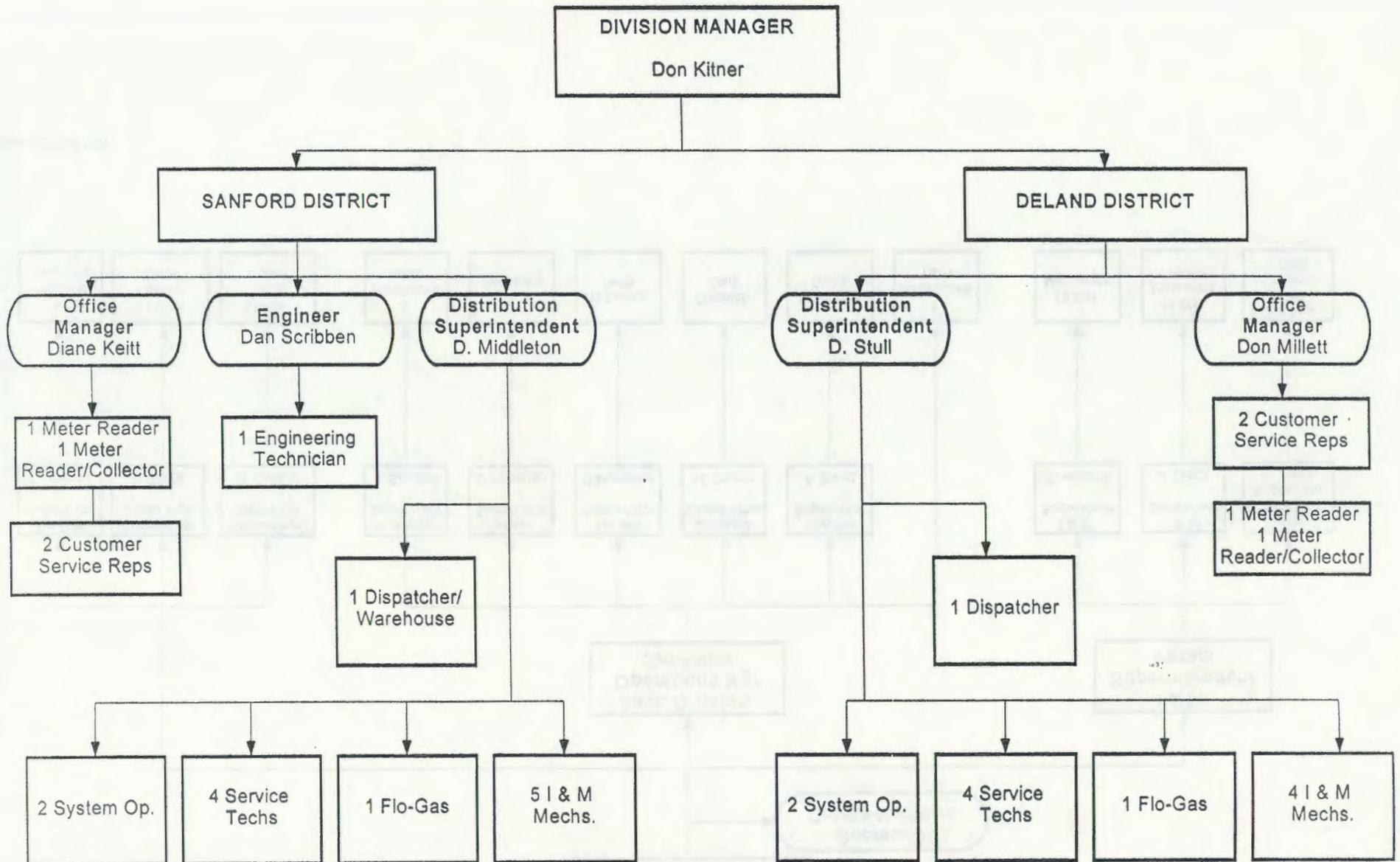
Revised 03/01/91

FLORIDA PUBLIC UTILITIES COMPANY
 West Palm Beach Gas Operations Organizational Chart
 Chart C1

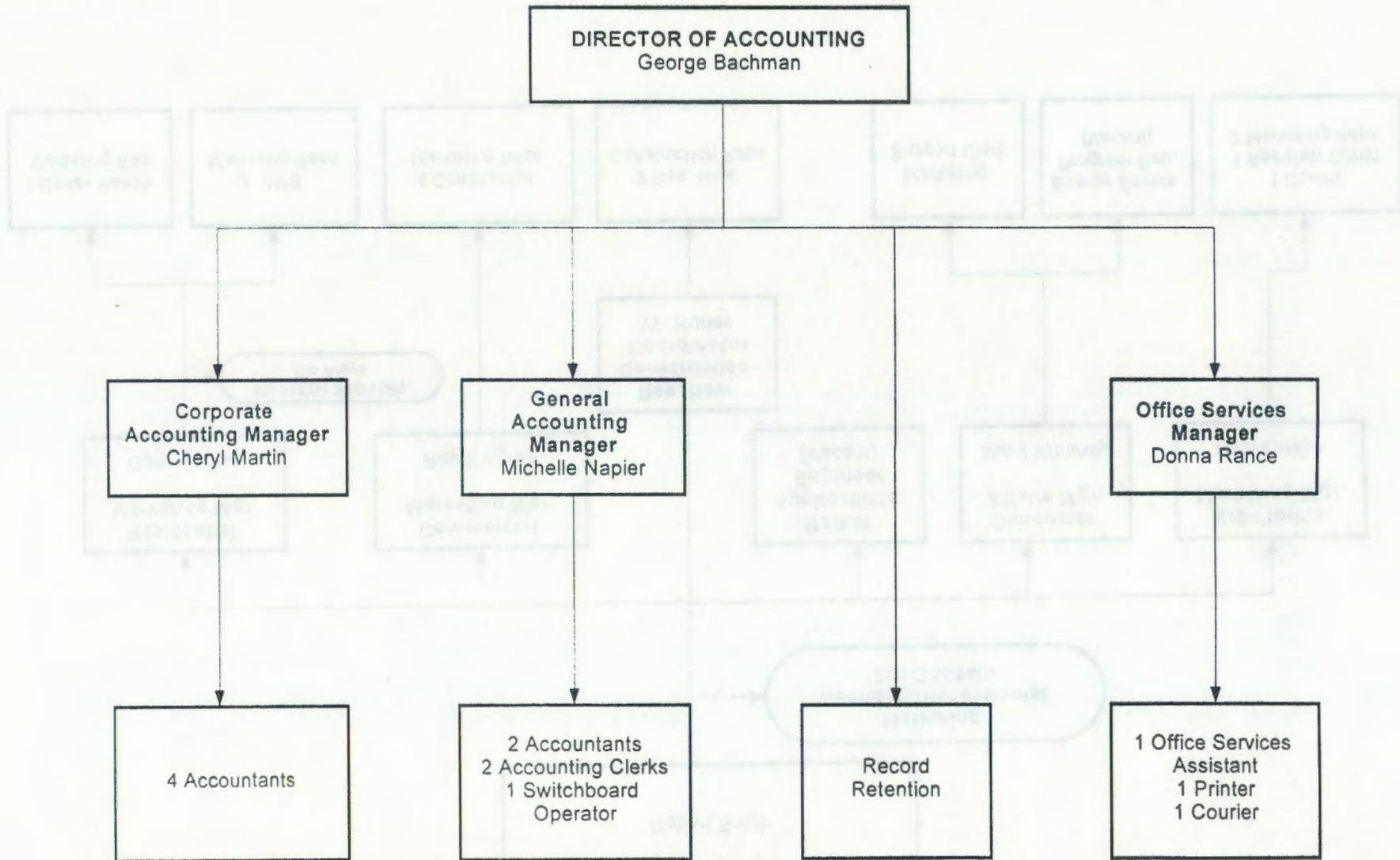


Revised 03/01/97

FLORIDA PUBLIC UTILITIES COMPANY
 Mid-Florida Division Organizational Chart
 Chart C2

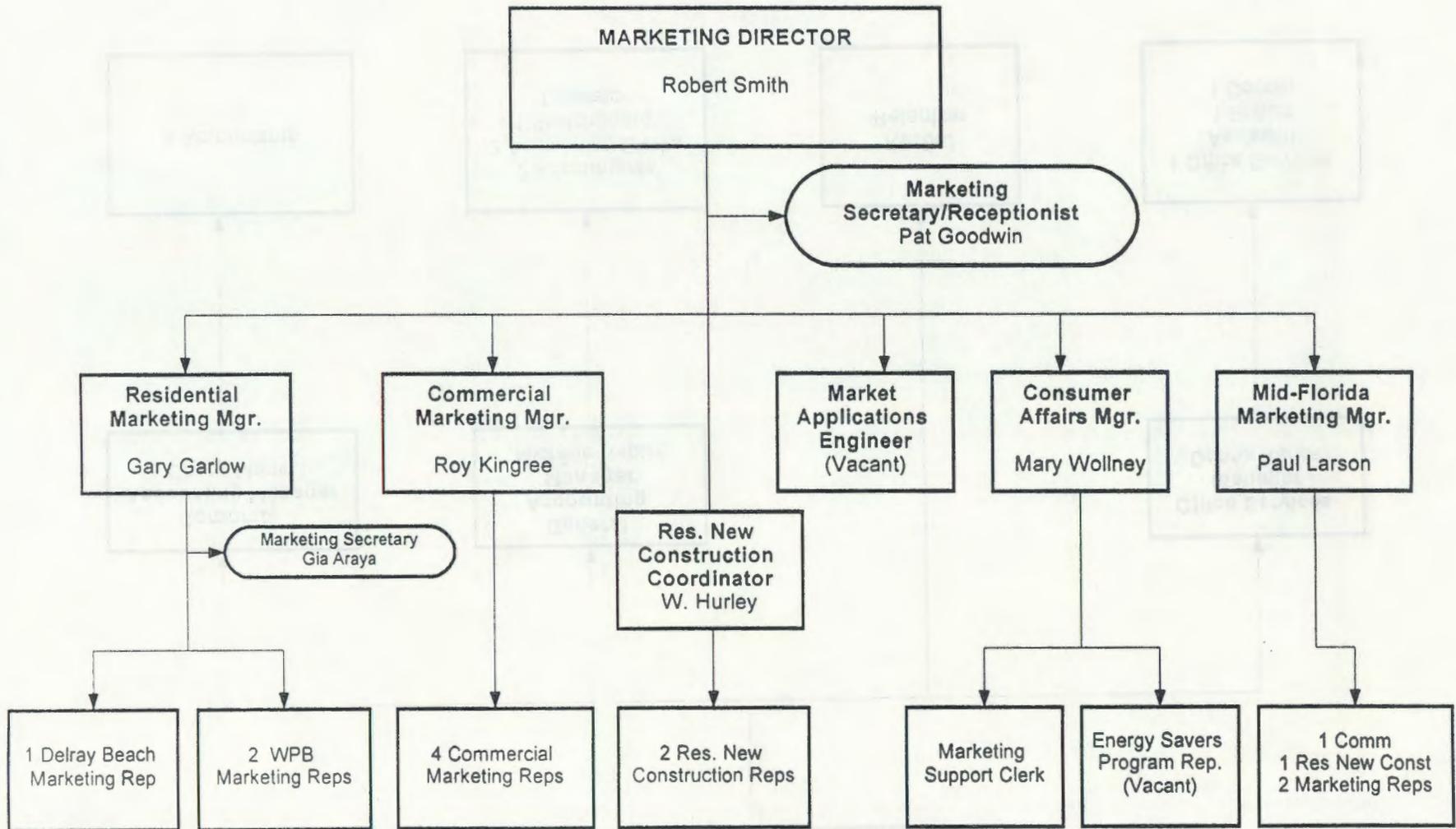


FLORIDA PUBLIC UTILITIES COMPANY
General Office Organizational Chart
Chart D



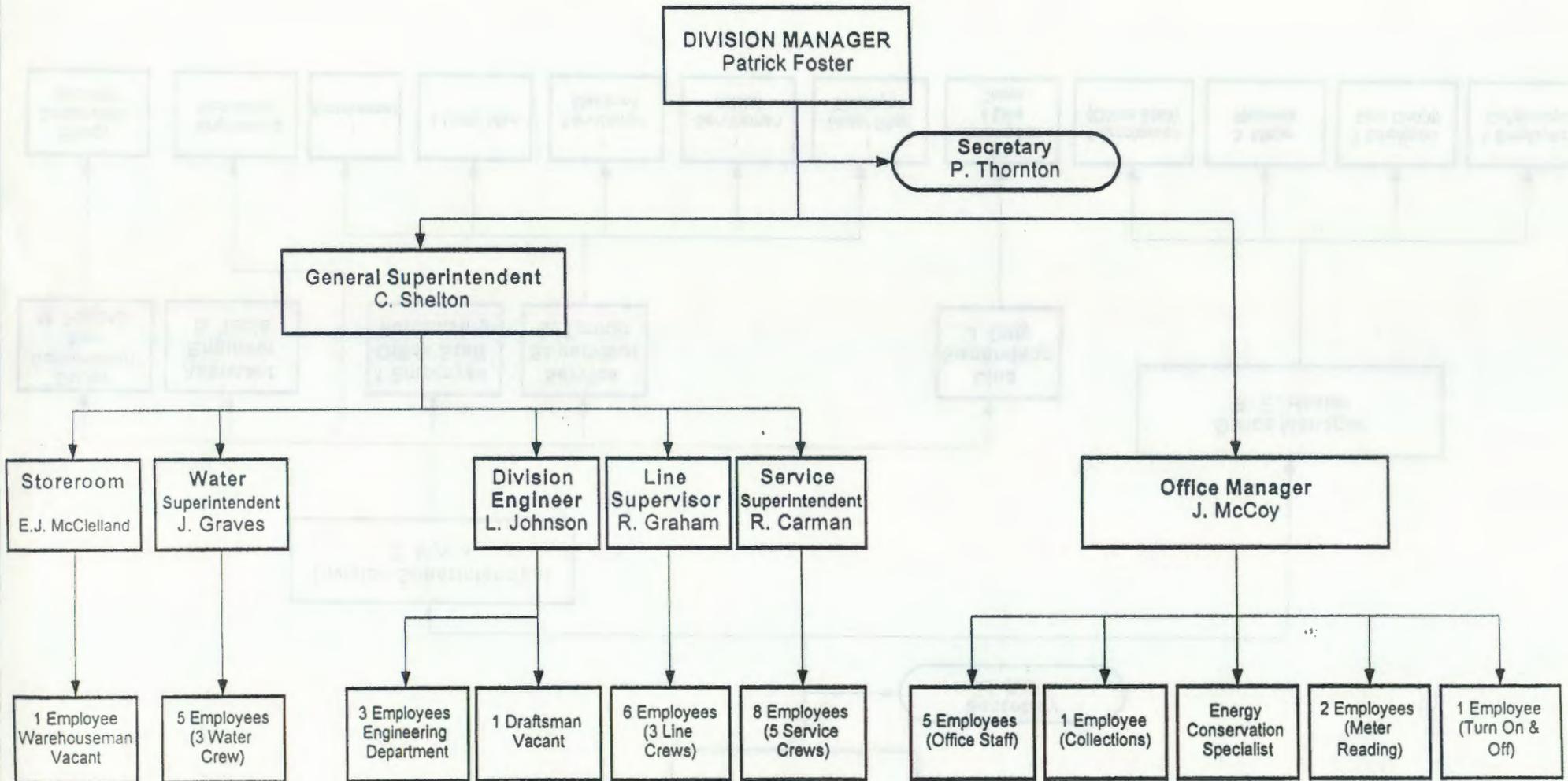
Revised 05/16/97

FLORIDA PUBLIC UTILITIES COMPANY
Marketing Department Organizational Chart
Chart E

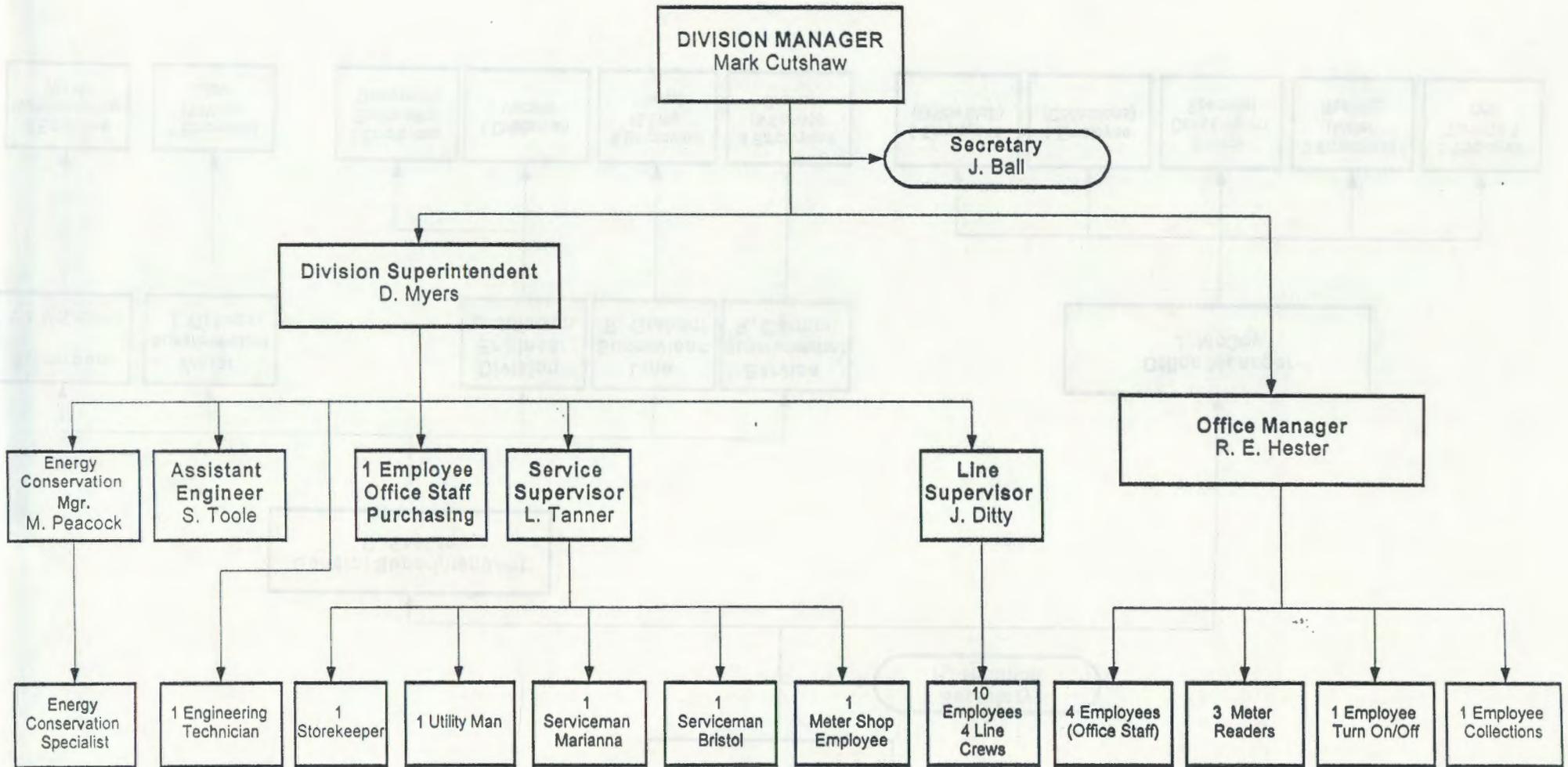


Revised 05/16/97

FLORIDA PUBLIC UTILITIES COMPANY
 Organizational Chart for Fernandina Beach Division
 Chart F

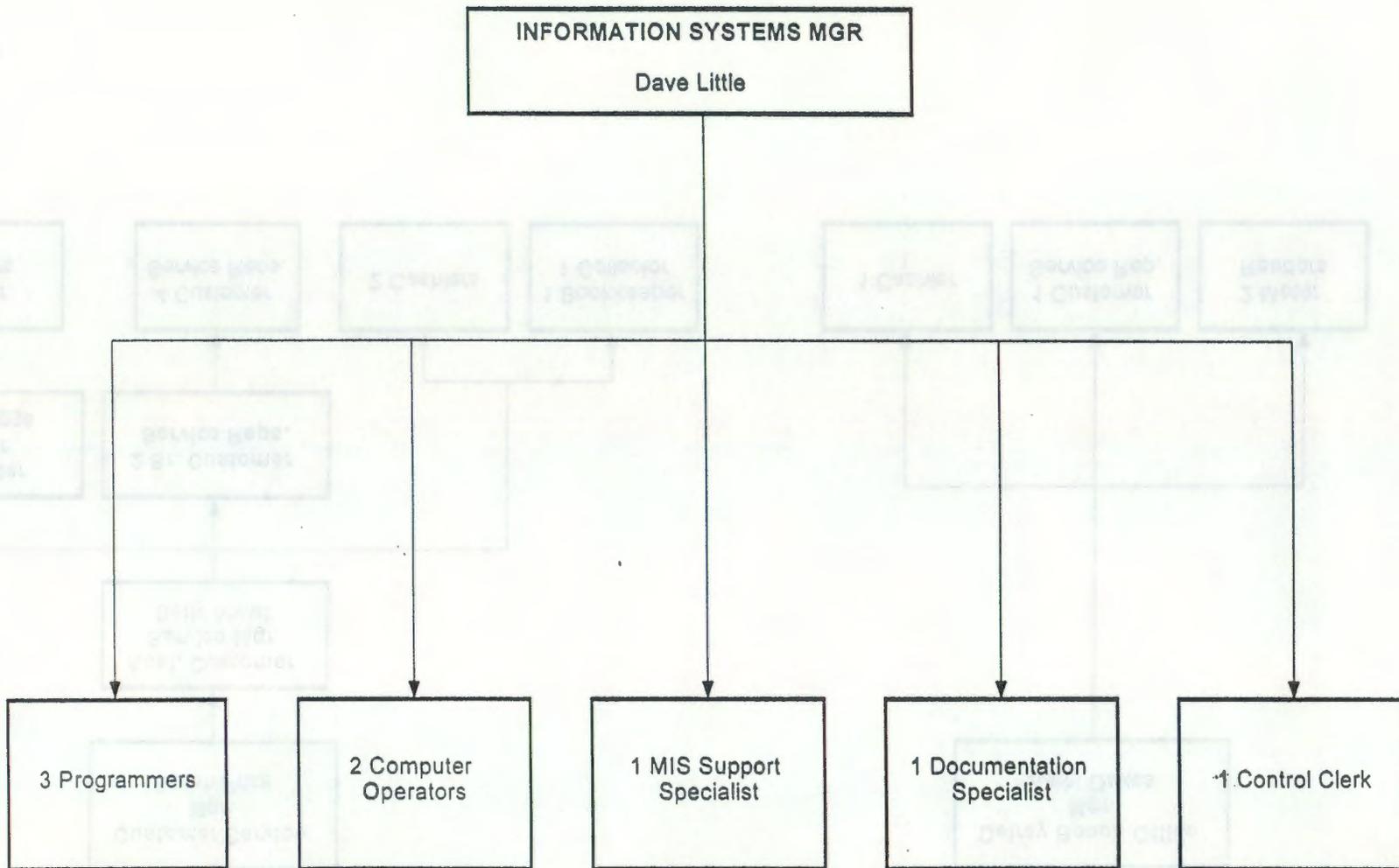


FLORIDA PUBLIC UTILITIES COMPANY
 Organizational Chart for Marianna Division
 Chart G



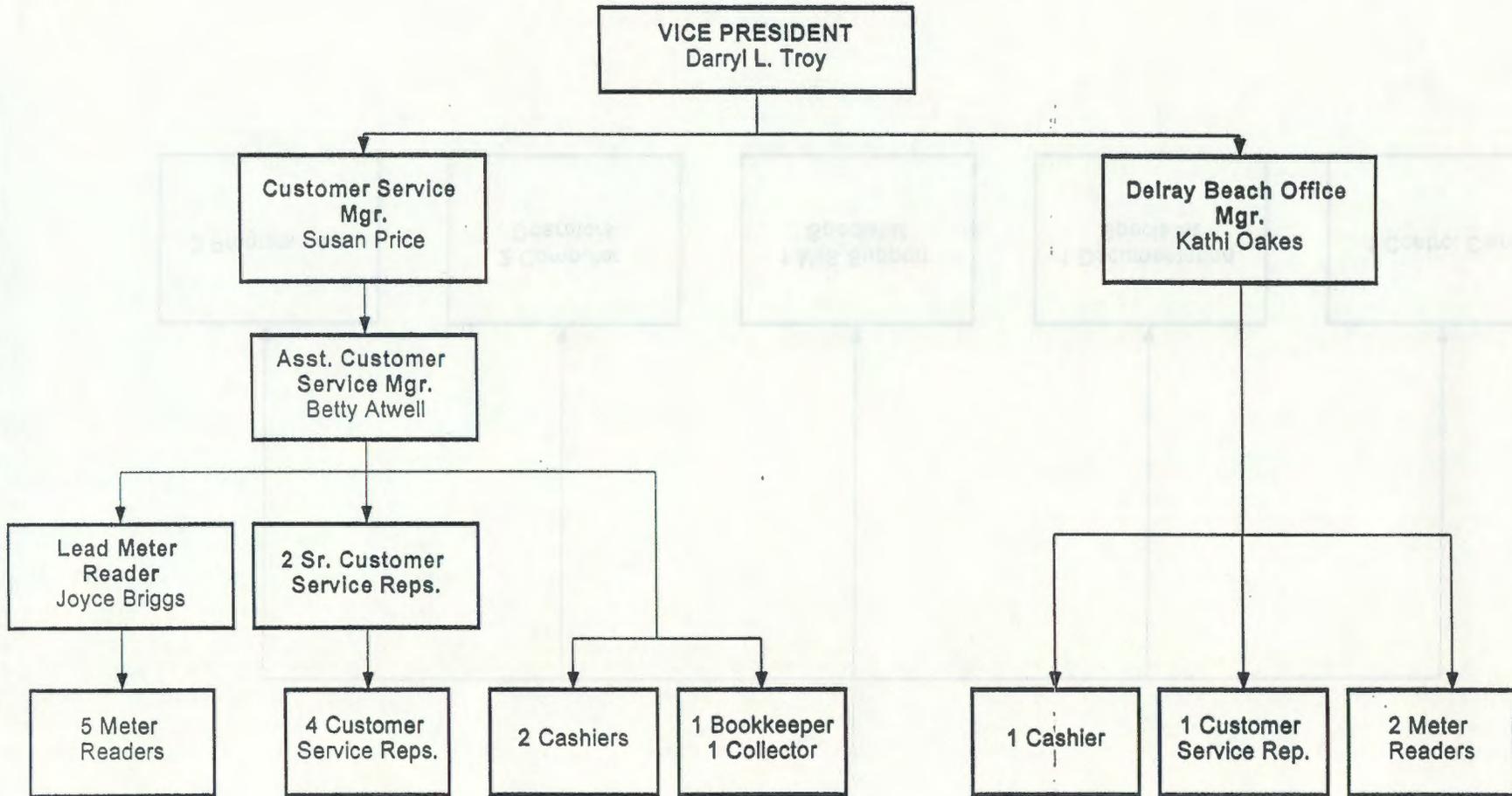
Revised 03/01/97

FLORIDA PUBLIC UTILITIES COMPANY
Management Information Systems (MIS) Organizational Chart
Chart I



Revised 1/3/01/97

FLORIDA PUBLIC UTILITIES COMPANY
Customer Service Organizational Chart
Chart H



Revised 03/01/97

Analysis of Diversification Activity
Summary of Affiliated Transfers and Cost Allocations

Company: Florida Public Utilities Company

For the Year Ended December 31, 1996

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)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
SEE ATTACHED SCHEDULES					

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 12/31/96

	<u>Year-to-Date</u> <u>Actual</u>	<u>Last</u> <u>Year-to-Date</u> <u>Actual</u>
Operating Revenue	4,400,718	4,135,581
Operation Expenses	3,589,060	3,280,645
Maintenance Expenses	260,305	254,770
Depreciation Expense	344,066	334,203
Amortization of Utility Plant- Acquisition Adjustment	-	-
Tax Other Than Income Tax-Utility Operation Expense	69,347	54,450
Income Tax - Federal - Utility Operating Income	96,275	(204,296)
Income Tax - State - Utility Operating Income	20,238	(28,316)
Deferred Income Tax - Utility Operating Income	(124,920)	265,480
Investment Tax Credit - Utility Operating Income	(8,547)	(8,624)
Operating Income	<u>154,894</u>	<u>187,269</u>
<u>Other Income and Deductions</u>		
Interest and Dividend Income	-	-
Misc. Non-Operating Income	-	-
Other Income Deductions	4,550	-
Taxes Other Than Income - Other	-	-
Income Taxes-Federal-Other Income	(1,400)	-
Income Taxes-State-Other Income	(300)	-
Other (Income) and Deductions	<u>2,850</u>	<u>-</u>
<u>Interest Charges</u>		
Interest on Debt to Associated Companies	82,868	124,530
Other Interest Expense	16,614	16,662
Interest Charges	<u>99,482</u>	<u>141,192</u>
<u>Extraordinary Items</u>		
Cumulative Effect - Change in Accounting Principles - Net	-	-
Net Income	<u>58,262</u>	<u>46,077</u>

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
FLO-GAS
BALANCE SHEET - 09
AS OF DECEMBER 31, 1996

Assets and Other Debits	Current	Last Year End
<i>Utility Plant</i>		
Utility Plant in Service	7,155,966	6,997,090
Utility Plant Purchased/Sold		
Completed Construction Not Classified		
Construction Work in Progress		
Utility Plant	7,155,966	6,997,090
<i>Accumulated Depreciation</i>		
Accumulated Dep. - Utility Plant in Service	(2,170,736)	(2,020,483)
Accumulated Dep. - Transportation Equip.	(370,489)	(355,124)
Retirement Work in Progress		
Accumulated Dep. - Rental Equipment		
Accumulated Depreciation	(2,541,225)	(2,375,607)
<i>Other Utility Plant</i>		
Utility Plant Acquisition Adj.	-	-
Accum. Amort. - Utility Acq. Adj.	-	-
Other Utility Plant	-	-
<i>Other Property and Investments</i>		
Investment in Assoc. Companies - Common Stock	159,505	201,251
Other Property and Investments	159,505	201,251
<i>Current and Accrued Assets</i>		
Customer Accounts Receivable	421,655	415,568
Allowance for Uncollectible Accounts	(7,920)	(13,587)
Accounts Rec. from Associated Companies	-	-
Operating Supplies - Propane	977,388	748,817
Prepayments - Taxes		
Interest and Dividends Receivable		
Accrued Utility Revenues	93,797	93,797
Current and Accrued Assets	1,484,920	1,244,595
<i>Deferred Debits</i>		
Misc. Deferred Debits - Other W.I.P.	-	-
Misc. Deferred Debits - Miscellaneous	2,892	6,644
Accum. Deferred Income Taxes	89,454	359,823
Deferred Debits	92,346	366,467
 ASSETS AND OTHER DEBITS	 6,351,512	 6,433,796

ANALYSIS OF DIVERSIFICATION ACTIVITY SUPPLEMENT
 FLO-GAS
 BALANCE SHEET - 09
 AS OF DECEMBER 31, 1996

Liabilities and Other Credits	<u>Current</u>	<u>Last Year End</u>
<i>Proprietary Capital</i>		
Common Stock Issued	10,000	10,000
Appropriated Retained Earnings	-	-
Unappropriated Retained Earnings	<u>2,386,976</u>	<u>2,340,898</u>
Proprietary Capital	<u><u>2,396,976</u></u>	<u><u>2,350,898</u></u>
<i>Current and Accrued Liabilities</i>		
Accounts Payable to Assoc. Companies	2,208,075	2,053,418
Customer Deposits	506,285	506,583
Taxes Accrued	108,885	(501,139)
Interest Accrued	14,787	14,970
Dividends Declared	(500,000)	-
Tax Collections Payable	31,712	32,623
Misc. Current and Accrued Liabilities	-	-
Customer Advances for Construction	-	-
Other Deferred Credits	-	-
Accumulated Deferred I.T.C.	46,968	55,515
Current and Accrued Liabilities	<u><u>2,416,712</u></u>	<u><u>2,161,970</u></u>
<i>Operating Reserves</i>		
Misc. Operating Reserves	-	-
Accum. Deferred Income Tax - Liberalized Depreciation	1,479,562	1,874,851
Accum. Deferred Income Taxes - Other	-	-
Operating Reserves	<u><u>1,479,562</u></u>	<u><u>1,874,851</u></u>
Year-To-Date Income/Loss	<u><u>58,262</u></u>	<u><u>46,077</u></u>
LIABILITIES AND OTHER CREDITS	<u><u>6,351,512</u></u>	<u><u>6,433,796</u></u>

Analysis of Diversification Activity

Employee Transfers

Company: Florida Public Utilities Company

For the Year Ended December 31, 1996

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
<p>Flo-Gas Does Not Have Any Employees</p>				

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

Status of Reserve

Beginning Balance 01/01/96		\$109,619.91
Accruals under Docket #93-0400 EI (03/94 - 12/96)	<u>99,996.00</u>	
Total Accruals During 1996		99,996.00
Total Charges During 1996		8,089.30
Ending Balance, 12/31/96		<u><u>\$201,526.61</u></u>

Reasonableness of Reserve

Distribution Plant - Book Cost

Storm Damage Reserve Balance @ 12/31/96		\$201,526.61
Total Distribution Plant (per books) @ 12/31/96		<u>\$17,996,771.04</u>
Ratio of Reserve to Distribution Plant		<u><u>1.1198%</u></u>

Distribution Plant - Replacement Cost

Storm Damage Reserve Balance @ 12/31/96		\$201,526.61
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/96 times 2)		<u>\$35,993,542.08</u>
Ratio of Reserve to Replacement Distribution Plant		<u><u>0.5599%</u></u>

Availability of Distribution Systems Insurance

Insurance for the Distribution Systems is now available. The following information relates to the available insurance:

Broker: McGriff, Seibels, and William - Insurance Broker

Coverage: The coverage is for Transmission and Distribution Plant (overhead only) in an amount not to exceed \$5,000,000; replacement value of such plant is estimated at \$25,000,000.

Policy Term: 1 Year

Retention: \$2,000,000 minimum per occurrence.

Premium: Estimated at \$500,000 for \$5,000,000.

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	\$18,623,142	\$16,941,464
3	Operating Expenses			
4	Operation Expenses (401)		14,705,414	14,053,609
5	Maintenance Expenses (402)		635,194	626,501
6	Depreciation Expense (403,405)		757,785	716,832
7	Amort. & Depl. of Utility Plant (404-405)		-	-
8	Amort. of Utility Plant Acq. Adj. (406)		-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,156,452	247,076
14	Income Taxes - Federal (409.1)		153,645	173,339
15	- Other (409.1)		33,878	49,415
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	114,627	79,685
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(23,985)	(24,453)
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)		-	-
23	TOTAL Utility Operating Expenses (Total of lines 4-18)		17,533,010	15,922,004
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,090,132	\$1,019,460

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	1
			(301)	2
			0	3
			0	4
0	0	0	0	5
				6
				7
			0	8
			0	9
			0	10
			0	11
			0	12
			0	13
			0	14
0	0	0	0	15
				16
			0	17
			0	18
			0	19
			0	20
			0	21
0	0	0	0	22
				23
			0	24
			0	25
			0	26
			0	27
			0	28
			0	29
			0	30
0	0	0	0	31
				32
				33
			0	34
			0	35
			0	36
			0	37
			0	38
			0	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	0	
45	(352) Structures and Improvements	0	
46	(353) Station Equipment	0	
47	(354) Towers and Fixtures	0	
48	(355) Poles and Fixtures	0	
49	(356) Overhead Conductors and Devices	0	
50	(357) Underground Conduit	0	
51	(358) Underground Conductors and Devices	0	
52	(359) Roads and Trails	0	
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	0	0
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	23,941	
56	(361) Structures and Improvements	8,614	
57	(362) Station Equipment	853,693	
58	(363) Storage Battery Equipment	0	
59	(364) Poles, Towers, and Fixtures	3,924,412	199,125
60	(365) Overhead Conductors and Devices	4,427,198	138,585
61	(366) Underground Conduit	99,360	(1,094)
62	(367) Underground Conductors and Devices	390,773	21,525
63	(368) Line Transformers	4,078,006	230,108
64	(369) Services	1,823,506	131,330
65	(370) Meters	911,463	38,506
66	(371) Installations on Customer Premises	454,090	144,956
67	(372) Leased Property on Customer Premises	0	
68	(373) Street Lighting and Signal Systems	212,771	18,488
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	17,207,827	921,529
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	4,766	
72	(390) Structures and Improvements	832,261	91,856
73	(391) Office Furniture and Equipment	110,336	16,249
74	(392) Transportation Equipment	1,045,222	
75	(393) Stores Equipment	63,241	
76	(394) Tools, Shop and Garage Equipment	41,888	
77	(395) Laboratory Equipment	29,792	1,339
78	(396) Power Operated Equipment	27,535	
79	(397) Communication Equipment	67,690	
80	(398) Miscellaneous Equipment	3,343	
81	SUBTOTAL (Enter Total of lines 71 through 80)	2,226,074	109,445
82	(399) Other Tangible Property	0	
83	TOTAL General Plant (Enter Total of lines 81 and 82)	2,226,074	109,445
84	TOTAL (Accounts 101 and 106)	19,433,901	1,030,973
85	(102) Electric Plant Purchased	0	
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	0	
88	TOTAL Electric Plant in Service	\$19,433,901	\$1,030,973

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	42
				43
			0	(350) 44
			0	(352) 45
			0	(353) 46
			0	(354) 47
			0	(355) 48
			0	(356) 49
			0	(357) 50
			0	(358) 51
			0	(359) 52
0	0	0	0	53
				54
			23,941	(360) 55
			8,614	(361) 56
(8,572)			845,121	(362) 57
			0	(363) 58
(33,395)	2,258		4,092,399	(364) 59
(17,194)	4,533		4,553,122	(365) 60
			98,266	(366) 61
(1,559)			410,739	(367) 62
(27,713)	6,581	(6,266)	4,280,716	(368) 63
(7,792)			1,947,044	(369) 64
(12,155)			937,814	(370) 65
(20,979)			578,068	(371) 66
			0	(372) 67
(10,383)	52		220,927	(373) 68
(139,742)	13,424	(6,266)	17,996,771	69
				70
			4,766	(389) 71
			924,117	(390) 72
		1,484	128,069	(391) 73
(138,163)			907,059	(392) 74
			63,241	(393) 75
			41,888	(394) 76
			31,131	(395) 77
			27,535	(396) 78
			67,690	(397) 79
			3,343	(398) 80
(138,163)	0	1,484	2,198,839	81
				(399) 82
(138,163)	0	1,484	2,198,839	83
(277,906)	13,424	(4,782)	20,195,610	84
			0	(102) 85
				86
			0	(103) 87
(\$277,906)	\$13,424	(\$4,782)	20,195,610	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	6,989,239	6,989,239		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	716,312	716,312		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	82,927	82,927		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	1,017	1,017		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	800,256	800,256		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(264,483)	(264,483)		
12.	Cost of Removal	(54,031)	(54,031)		
13.	Salvage (Credit)	26,845	26,845		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(291,669)	(291,669)		
15.	Other Debit or Credit Items (Describe)				
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	7,497,826	7,497,826		

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			
23.	Transmission	0	0		
24.	Distribution	6,905,616	6,905,616		
25.	General	592,210	592,210		
26.	TOTAL (Enter Total of lines 18 thru 25)	7,497,826	7,497,826		

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 ©, (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

OPERATING REVENUES

Line No.	Title of Account (a)	Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	\$9,330,047	\$8,523,675
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	7,253,529	6,783,298
5	Large (or Industrial)	1,528,477	1,476,830
6	(444) Public Street and Highway Lighting	125,679	117,333
7	(445) Other Sales to Public Authorities	142,119	136,222
8	(446) Unbilled Revenues	2,848	(5,032)
9	(448) Interdepartmental Sales		0
10			
11	TOTAL Sales to Ultimate Consumers	18,382,699	17,032,326
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	18,382,699	17,032,326
15	(Less) (449.1) Provision for Rate Refunds	(49,000)	
16			
17	TOTAL Revenue Net of Provision for Refunds	18,333,699	17,032,326
18	Other Operating Revenues		
19	(450) Forfeited Discounts		
20	(451) Miscellaneous Service Revenues	82,019	81,893
21	(453) Sales of Water and Water Power		
22	(454) Rent from Electric Property	69,819	35,552
23	(455) Interdepartmental Rents		
24	(456) Other Electric Revenues	11,696	5,387
25	Overrecoveries Purchase Electric	144,500	(213,694)
26	Conservation Overrecoveries	(18,591)	
27			
28			
29	TOTAL Other Operating Revenues	289,443	(90,862)
30			
31	TOTAL Electric Operating Revenues	\$18,623,142	\$16,941,464

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.
125,658	119,998	9,533	9,404	1
120,736	117,452	1,984	1,939	2
30,197	30,389	4	4	3
1,149	1,176	43	41	4
2,109	2,114	99	99	5
(149)	(448)			6
	0	0	0	7
				8
279,700	270,681	11,663	11,487	9
				10
279,700	270,681	11,663	11,487	11
				12
279,700	270,681	11,663	11,487	13
				14
279,700	270,681	11,663	11,487	15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account		Amount for Current Year	Amount for Previous Year
1	(1) POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	TOTAL Operation	0	0
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	0	0
20	TOTAL Power Production Expenses-Steam Plant	0	0
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	0	0
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	0	0
40	TOTAL Power Production Expenses-Nuclear Power	0	0
41	C. Hydraulic Power Generation		
42	Operation		
43	(535) Operation Supervision and Engineering	0	0
44	(536) Water for Power		
45	(537) Hydraulic Expenses	0	0
46	(538) Electric Expenses	0	0
47	(539) Miscellaneous Hydraulic Power Generation Expenses	0	0
48	(540) Rents		
49	TOTAL Operation	0	0

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	0	0
54	(543) Maintenance of Reservoirs, Dams, and Waterways	0	0
55	(544) Maintenance of Electric Plant	0	0
56	(545) Maintenance of Miscellaneous Hydraulic Plant		
57	TOTAL Maintenance	0	0
58	TOTAL Power Production Expenses-Hydraulic Power	0	0
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	0	0
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	0	0
72	TOTAL Maintenance	0	0
73	TOTAL Power Production Expenses-Other Power	0	0
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	13,080,816	12,462,798
76	(556) System Control and Load Dispatching		
77	(557) Other Expenses		
78	TOTAL Other Power Supply Expenses	13,080,816	12,462,798
79	TOTAL Power Production Expenses	13,080,816	12,462,798
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	0	0
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	0	0
99	TOTAL Transmission Expenses	0	0
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	107,515	100,121
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 (582) Station Expenses	4,749	4,535
106 (583) Overhead Line Expenses	54,617	55,246
107 (584) Underground Line Expenses	3,535	992
108 (585) Street Lighting and Signal System Expenses	10,283	7,683
109 (586) Meter Expenses	115,698	101,042
110 (587) Customer Installations Expenses	31,906	34,269
111 (588) Miscellaneous Distribution Expenses	52,962	52,031
112 (589) Rents	752	476
113 TOTAL Operation	382,017	356,395
114 Maintenance		
115 (590) Maintenance Supervision and Engineering	32,610	23,658
116 (591) Maintenance of Structures		
117 (592) Maintenance of Station Equipment	5,928	18,753
118 (593) Maintenance of Overhead Lines	486,530	472,338
119 (594) Maintenance of Underground Lines	5,178	2,041
120 (595) Maintenance of Line Transformers	45,447	51,454
121 (596) Maintenance of Street Lighting and Signal Systems	8,980	10,102
122 (597) Maintenance of Meters	8,487	5,420
123 (598) Maintenance of Miscellaneous Distribution Plant	13,700	14,696
124 TOTAL Maintenance	606,860	598,462
125 TOTAL Distribution Expenses	988,877	954,857
126 4. CUSTOMER ACCOUNTS EXPENSES		
127 Operation		
128 (901) Supervision	38,104	35,321
129 (902) Meter Reading Expenses	119,993	109,728
130 (903) Customer Records and Collection Expenses	288,307	279,175
131 (904) Uncollectible Accounts	39,796	33,981
132 (905) Miscellaneous Customer Accounts Expenses	22,420	20,458
133 TOTAL Customer Accounts Expenses	508,620	478,663
134 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
135 Operation		
136 (907) Supervision	17,617	21,624
137 (908) Customer Assistance Expenses	896	(225)
138 (909) Informational and Instructional Expenses	14,399	23,496
139 (910) Miscellaneous Customer Service and Informational Expenses	1,104	0
140 TOTAL Cust. Service and Informational Expenses	34,016	44,895
141 6. SALES EXPENSES		
142 Operation		
143 (911) Supervision		
144 (912) Demonstrating and Selling Expenses	0	245
145 (913) Advertising Expenses	456	358
146 (916) Miscellaneous Sales Expenses	109	797
147 TOTAL Sales Expenses	565	1,400
148 7. ADMINISTRATIVE AND GENERAL EXPENSES		
149 Operation		
150 (920) Administrative and General Salaries	217,603	203,068
151 (921) Office Supplies and Expenses	47,521	40,131
152 (Less) (922) Administrative expenses Transferred-Cr.	0	0
153 (923) Outside Services Employed	36,308	33,047
154 (924) Property Insurance	110,620	115,177
155 (925) Injuries and Damages	129,671	154,381
156 (926) Employee Pensions and Benefits	120,291	121,125

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
157 7. ADMINISTRATIVE AND GENERAL EXPENSES		
158 (927) Franchise Requirements		
159 (928) Regulatory Commission Expenses	12,028	18,340
160 (Less) (929) Duplicate Charges-Cr.		
161 (930.1) General Advertising Expenses		0
162 (930.2) Miscellaneous General Expenses	23,108	22,478
163 (931) Rents	2,229	1,711
164 TOTAL Operation	699,379	709,458
165 Maintenance		
166 (935) Maintenance of General Plant	28,334	28,040
167 TOTAL Administrative and General Expenses	727,713	737,498
168 TOTAL Electric Operation and Maintenance Expenses	15,340,607	14,680,111

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)	10/31/96
2 Total Regular Full-Time Employees	34
3 Total Part-Time and Temporary Employees	0
4 Total Employees	34

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

1. Report in Section A for the year the amounts for:
 (a) Depreciation Expense (Account 403); (b) Amortiza-
 tion 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 amor-
 tization 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, report-
 ing 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 classifica-
 tion, 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 in-
 formation 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 *	17,484			17,484
7	Transmission Plant	0			0
8	Distribution Plant	672,424			672,424
9	General Plant	43,888			43,888
10	Common Plant-Electric *	23,990			23,990
11	TOTAL	\$757,786	\$0	\$0	\$757,786

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

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	\$22,077,714	\$21,428,257
3	Operating Expenses			
4	Operation Expenses (401)		17,265,891	17,523,571
5	Maintenance Expenses (402)		529,068	503,101
6	Depreciation Expense (403,405)		831,409	778,038
7	Amort. & Depl. of Utility Plant (404-405)		-	-
8	Amort. of Utility Plant Acq. Adj. (406)		-	-
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		-	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		1,678,232	842,692
14	Income Taxes - Federal (409.1)		195,707	191,456
15	- Other (409.1)		39,733	57,671
16	Provision for Deferred Inc. Taxes (410.1)	234,272-277	187,487	181,566
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)	234,272-277	-	-
18	Investment Tax Credit Adj. - Net (411.4)	266	(25,922)	(25,984)
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)		-	-
23	TOTAL Utility Operating Expenses (Total of lines 4-18)		20,701,605	20,052,111
24	Net Utility Operating Income (Total of line 2 less 19) (Carry forward to page 117, line 25)		\$1,376,109	\$1,376,146

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, 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	
45	(352) Structures and Improvements	17,303	1,700
46	(353) Station Equipment	1,777,920	6,474
47	(354) Towers and Fixtures	244,665	
48	(355) Poles and Fixtures	1,543,893	85,538
49	(356) Overhead Conductors and Devices	960,779	208
50	(357) Underground Conduit	0	
51	(358) Underground Conductors and Devices	0	
52	(359) Roads and Trails	6,788	
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	4,625,496	93,920
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	10,160	
56	(361) Structures and Improvements	33,577	
57	(362) Station Equipment	1,531,350	
58	(363) Storage Battery Equipment	0	
59	(364) Poles, Towers, and Fixtures	1,340,018	56,708
60	(365) Overhead Conductors and Devices	2,453,164	38,811
61	(366) Underground Conduit	1,031,547	58,104
62	(367) Underground Conductors and Devices	1,971,720	82,354
63	(368) Line Transformers	4,088,532	259,814
64	(369) Services	2,352,825	171,142
65	(370) Meters	1,445,409	71,245
66	(371) Installations on Customer Premises	209,543	11,024
67	(372) Leased Property on Customer Premises	0	
68	(373) Street Lighting and Signal Systems	306,077	48,279
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	16,773,922	797,481
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	68,696	
72	(390) Structures and Improvements	429,187	6,925
73	(391) Office Furniture and Equipment	136,940	70,524
74	(392) Transportation Equipment	911,519	136,525
75	(393) Stores Equipment	23,739	
76	(394) Tools, Shop and Garage Equipment	64,323	4,279
77	(395) Laboratory Equipment	55,264	
78	(396) Power Operated Equipment	94,191	51,806
79	(397) Communication Equipment	90,370	2,438
80	(398) Miscellaneous Equipment	20,229	
81	SUBTOTAL (Enter Total of lines 71 through 80)	1,894,458	272,497
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	1,894,458	272,497
84	TOTAL (Accounts 101 and 106)	23,293,876	1,163,898
85	(102) Electric Plant Purchased	0	
86	(Less) (102) Electric Plant Sold		
87	(103) Experimental Plant Unclassified	0	
88	TOTAL Electric Plant in Service	\$23,293,876	\$1,163,898

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		42
					43
			74,148	(350)	44
			19,003	(352)	45
			1,784,394	(353)	46
			244,665	(354)	47
(16,544)			1,612,886	(355)	48
			960,987	(356)	49
			0	(357)	50
			0	(358)	51
			6,788	(359)	52
(16,544)	0	0	4,702,872		53
					54
			10,160	(360)	55
			33,577	(361)	56
			1,531,350	(362)	57
			0	(363)	58
(10,150)			1,386,576	(364)	59
(7,272)			2,484,703	(365)	60
			1,089,651	(366)	61
(9,870)			2,044,204	(367)	62
(93)			4,348,254	(368)	63
(1,006)			2,522,961	(369)	64
(7,202)	80		1,509,533	(370)	65
(583)			219,983	(371)	66
			0	(372)	67
(2,299)			352,056	(373)	68
(38,474)	80	0	17,533,009		69
					70
			68,696	(389)	71
			436,112	(390)	72
(779)		707	207,392	(391)	73
(160,971)		(14,397)	872,677	(392)	74
			23,739	(393)	75
			68,603	(394)	76
			55,264	(395)	77
(26,792)	(41,232)		77,973	(396)	78
			92,808	(397)	79
			20,229	(398)	80
(188,541)	(41,232)	(13,689)	1,923,493		81
				(399)	82
(188,541)	(41,232)	(13,689)	1,923,493		83
(243,558)	(41,152)	(13,689)	24,159,375		84
			0	(102)	85
					86
			0	(103)	87
(\$243,558)	(\$41,152)	(\$13,689)	24,159,375		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	7,852,080	7,852,080		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	806,512	806,512		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	58,956	58,956		
6.	Other Clearing Accounts				
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	(10,239)	(10,239)		
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	855,229	855,229		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(243,560)	(243,560)		
12.	Cost of Removal	(43,821)	(43,821)		
13.	Salvage (Credit)	14,589	14,589		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(272,792)	(272,792)		
15.	Other Debit or Credit Items (Describe)				
16.					
17.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	8,434,517	8,434,517		

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	1,430,051	1,430,051		
24.	Distribution	6,245,824	6,245,824		
25.	General	758,642	758,642		
26.	TOTAL (Enter Total of lines 18 thru 25)	8,434,517	8,434,517		

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	\$10,395,916	\$9,862,657
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	5,857,783	5,737,388
5	Large (or Industrial)	5,484,220	5,032,700
6	(444) Public Street and Highway Lighting	102,547	107,965
7	(445) Other Sales to Public Authorities	322,124	314,568
8	(446) Unbilled Revenues	(34,990)	(1,599)
9	(448) Interdepartmental Sales	132,363	121,652
10			
11	TOTAL Sales to Ultimate Consumers	22,259,963	21,175,331
12	(447) Sales for Resale		
13			
14	TOTAL Sales of Electricity	22,259,963	21,175,331
15	(Less) (449.1) Provision for Rate Refunds	(105,651)	(30,000)
16			
17	TOTAL Revenue Net of Provision for Refunds	22,154,312	21,145,331
18	Other Operating Revenues		
19	(450) Forfeited Discounts		
20	(451) Miscellaneous Service Revenues	38,124	20,247
21	(453) Sales of Water and Water Power		
22	(454) Rent from Electric Property	22,609	0
23	(455) Interdepartmental Rents		
24	(456) Other Electric Revenues	7,027	1,668
25	Overrecoveries Purchase Electric	(144,358)	261,011
26			
27			
28			
29	TOTAL Other Operating Revenues	(76,598)	282,926
30			
31	TOTAL Electric Operating Revenues	\$22,077,714	\$21,428,257

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.
147,942	141,639	10,189	9,886	1
96,441	94,525	1,161	1,146	2
93,784	81,342	2	2	3
904	948	9	8	4
5,351	5,143	93	83	5
(2,903)	(289)			6
2,340	2,107	3	1	7
343,859	325,415	11,457	11,126	8
343,859	325,415	11,457	11,126	9
343,859	325,415	11,457	11,126	10
				11
				12
				13
				14
				15
				16
				17
				18
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				31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Account	Amount for Current Year	Amount for Previous Year
1 (1) POWER PRODUCTION EXPENSES		
2 A. Steam Power Generation		
3 Operation		
4 (500) Operation Supervision and Engineering		
5 (501) Fuel		
6 (502) Steam Expenses		
7 (503) Steam from Other Sources		
8 (Less) (504) Steam Transferred-Cr.		
9 (505) Electric Expenses		
10 (506) Miscellaneous Steam Power Expenses		
11 (507) Rents		
12 TOTAL Operation	0	0
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	0	0
20 TOTAL Power Production Expenses-Steam Plant	0	0
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	0	0
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	0	0
40 TOTAL Power Production Expenses-Nuclear Power	0	0
41 C. Hydraulic Power Generation		
42 Operation		
43 (535) Operation Supervision and Engineering	0	0
44 (536) Water for Power		
45 (537) Hydraulic Expenses	0	0
46 (538) Electric Expenses	0	0
47 (539) Miscellaneous Hydraulic Power Generation Expenses	0	0
48 (540) Rents	0	0
49 TOTAL Operation	0	0

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	0	0
54	(543) Maintenance of Reservoirs, Dams, and Waterways	0	0
55	(544) Maintenance of Electric Plant	0	0
56	(545) Maintenance of Miscellaneous Hydraulic Plant		
57	TOTAL Maintenance	0	0
58	TOTAL Power Production Expenses-Hydraulic Power	0	0
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	0	0
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	0	3,838
72	TOTAL Maintenance	0	3,838
73	TOTAL Power Production Expenses-Other Power	0	3,838
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	16,100,272	16,334,047
76	(556) System Control and Load Dispatching		
77	(557) Other Expenses		
78	TOTAL Other Power Supply Expenses	16,100,272	16,334,047
79	TOTAL Power Production Expenses	16,100,272	16,337,885
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering		
83	(561) Load Dispatching		
84	(562) Station Expenses	14,536	14,941
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	14,536	14,941
91	Maintenance		
92	(568) Maintenance Supervision and Engineering		
93	(569) Maintenance of Structures		
94	(570) Maintenance of Station Equipment	13,265	18,829
95	(571) Maintenance of Overhead Lines	20,126	32,532
96	(572) Maintenance of Underground Lines		
97	(573) Maintenance of Miscellaneous Transmission Plant	0	78
98	TOTAL Maintenance	33,391	51,439
99	TOTAL Transmission Expenses	47,927	66,380
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	63,034	51,712
103	(581) Load Dispatching	45	

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
104 3. DISTRIBUTION EXPENSES (Continued)		
105 (582) Station Expenses	5,082	4,555
106 (583) Overhead Line Expenses	4,662	(1,594)
107 (584) Underground Line Expenses	11,675	11,714
108 (585) Street Lighting and Signal System Expenses	8,058	9,305
109 (586) Meter Expenses	41,993	43,068
110 (587) Customer Installations Expenses	15,746	11,890
111 (588) Miscellaneous Distribution Expenses	68,738	53,346
112 (589) Rents		
113 TOTAL Operation	219,033	183,996
114 Maintenance		
115 (590) Maintenance Supervision and Engineering	19,510	14,248
116 (591) Maintenance of Structures	2,579	4,060
117 (592) Maintenance of Station Equipment	38,297	18,076
118 (593) Maintenance of Overhead Lines	267,956	230,008
119 (594) Maintenance of Underground Lines	89,968	89,724
120 (595) Maintenance of Line Transformers	30,163	45,491
121 (596) Maintenance of Street Lighting and Signal Systems	8,290	8,401
122 (597) Maintenance of Meters	10,788	9,180
123 (598) Maintenance of Miscellaneous Distribution Plant	7,783	5,505
124 TOTAL Maintenance	475,334	424,693
125 TOTAL Distribution Expenses	694,367	608,689
126 4. CUSTOMER ACCOUNTS EXPENSES		
127 Operation		
128 (901) Supervision	30,421	28,536
129 (902) Meter Reading Expenses	45,241	43,849
130 (903) Customer Records and Collection Expenses	221,555	217,971
131 (904) Uncollectible Accounts	24,140	31,302
132 (905) Miscellaneous Customer Accounts Expenses	20,018	14,955
133 TOTAL Customer Accounts Expenses	341,375	336,613
134 5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
135 Operation		
136 (907) Supervision	(402)	13,355
137 (908) Customer Assistance Expenses	19,837	0
138 (909) Informational and Instructional Expenses	12,732	19,663
139 (910) Miscellaneous Customer Service and Informational Expenses	1,095	0
140 TOTAL Cust. Service and Informational Expenses	33,262	33,018
141 6. SALES EXPENSES		
142 Operation		
143 (911) Supervision		
144 (912) Demonstrating and Selling Expenses	0	50
145 (913) Advertising Expenses	2,659	2,857
146 (916) Miscellaneous Sales Expenses		
147 TOTAL Sales Expenses	2,659	2,907
148 7. ADMINISTRATIVE AND GENERAL EXPENSES		
149 Operation		
150 (920) Administrative and General Salaries	177,705	161,896
151 (921) Office Supplies and Expenses	44,659	56,624
152 (Less) (922) Administrative expenses Transferred-Cr.	0	0
153 (923) Outside Services Employed	49,153	82,577
154 (924) Property Insurance	34,353	40,292
155 (925) Injuries and Damages	126,558	151,438
156 (926) Employee Pensions and Benefits	92,835	90,924

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

Account	Amount for Current Year	Amount for Previous Year
157 7. ADMINISTRATIVE AND GENERAL EXPENSES		
158 (927) Franchise Requirements		
159 (928) Regulatory Commission Expenses	5,209	10,057
160 (Less) (929) Duplicate Charges-Cr.		
161 (930.1) General Advertising Expenses		
162 (930.2) Miscellaneous General Expenses	22,375	22,877
163 (931) Rents	1,906	1,364
164 TOTAL Operation	554,753	618,049
165 Maintenance		
166 (935) Maintenance of General Plant	20,345	23,131
167 TOTAL Administrative and General Expenses	575,098	641,180
168 TOTAL Electric Operation and Maintenance Expenses	17,794,960	18,026,672

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)	10/31/96
2 Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	41
3 Total Part-Time and Temporary Employees	0
4 Total Employees	41

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	125,065			125,065
8	Distribution Plant	635,571			635,571
9	General Plant	45,875			45,875
10	Common Plant-Electric *	24,898			24,898
11	TOTAL	\$831,409	\$0	\$0	\$831,409

B. Basis for Amortization Charges

* Not included on page 219, Line 3.

FLORIDA PUBLIC UTILITIES COMPANY
MARIANNA ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1996

PLANT IN SERVICE (\$)						
Plant Acct	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
360	7,941					7,941
3601	16,000					16,000
361	8,614					8,614
362	853,693				(8,572)	845,121
364	3,924,412	199,125	2,258		(33,395)	4,092,400
365	4,427,198	138,585	4,533		(17,194)	4,553,122
366	99,360	(1,094)				98,266
367	390,773	21,525			(1,559)	410,739
368	4,078,006	230,108	6,581	(6,266)	(27,713)	4,280,717
369	1,823,506	131,330			(7,792)	1,947,044
370	911,462	38,506			(12,155)	937,813
371	454,090	144,956			(20,979)	578,067
373	212,771	18,488	52		(10,383)	220,927
389	4,766					4,766
390	832,261	91,856				924,117
3911	21,269					21,269
3912	21,678	748				22,426
3913	67,388	15,501		1,484		84,373
3921	56,379				(40,378)	16,001
3922	169,256				(9,025)	160,231
3923	797,855				(88,760)	709,095
3924	21,733					21,733
3931	62,694					62,694
3932	547					547
3941	13,319					13,319
3942	28,568					28,568
3951	16,904					16,904
3952	12,888	1,339				14,227
396	27,535					27,535
397	67,690					67,690
398	3,343					3,343
19,433,901	1,030,973	13,424	(4,782)	(277,906)	20,195,610	

RESERVE (\$)										(CREDIT BALANCES)	
Plant Acct	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Purchases & Adjustments	Transfers	Reclassifications	Ending Balance		
360			372						372		
3601	1,185								1,185		
361	2,641		192						2,833		
362	311,046	(8,572)	24,546						327,020		
364	1,490,171	(33,396)	139,983	4,310	(20,415)	1,951			1,582,584		
365	1,629,642	(17,194)	167,477	5,223	(12,645)	5,902			1,778,404		
366	16,602		2,066						18,668		
367	71,054	(1,559)	11,364	386	(904)				80,341		
368	1,643,346	(27,712)	167,233	125	(5,475)	8,404			1,785,921		
369	611,042	(7,792)	86,354	1,761	(7,027)	850			685,188		
370	448,586	(12,156)	37,916		(112)				474,234		
371	92,201	(20,980)	28,661	8,562	(6,681)				101,763		
373	72,757	(10383)	6,280	325	(1,929)	52			67,102		
389											
390	61,528		17,488						79,015		
3911	19,014		480						19,494		
3912	16,627		842						17,469		
3913	29,158		11,098				1,017		41,274		
3921	41,833	(40,378)	10,521			2,825			14,801		
3922	55,248	(9,025)	21,420	751					68,394		
3923	243,105	(88,759)	50,374						204,720		
3924	5,107		612						5,719		
3931	15,396		3,324						18,720		
3932	547								547		
3941	4,957		504						5,461		
3942	24,526		1,464						25,990		
3951	6,934		576						7,510		
3952	9,721		528						10,249		
396	5,940		1,764						7,704		
397	55,983		5,335						61,318		
398	3,343		485						3,828		
6,989,239	(277,906)	799,239	21,443	(55,188)	19,984	1,017			7,497,826		

FLORIDA PUBLIC UTILITIES COMPANY
FERNANDINA BEACH - ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
1996

PLANT IN SERVICE (\$)						
Plant	Beginning	Purchases &			Ending	
Acct	Balance	Additions	Adjustments	Transfers	Retirements	Balance
350	17,629					17,629
3501	56,519					56,519
352	17,303	1,700				19,003
353	1,777,920	6,474				1,784,394
354	244,665					244,665
355	1,543,893	85,538			(16,544)	1,612,887
356	960,779	208				960,987
359	6,788					6,788
360	9,972					9,972
3601	188					188
361	33,577					33,577
362	1,531,350					1,531,350
364	1,340,018	56,708			(10,150)	1,386,576
365	2,453,164	38,811			(7,272)	2,484,703
366	1,031,547	58,104				1,089,651
367	1,971,720	82,354			(9,869)	2,044,205
368	4,088,532	259,815			(93)	4,348,254
369	2,352,825	171,142			(1,005)	2,522,962
370	1,445,409	71,245		80	(7,202)	1,509,532
371	209,543	11,023			(583)	219,983
373	306,077	48,279			(2,300)	352,056
389	68,696					68,696
390	429,187	6,925				436,112
3911	20,517	742				21,259
3912	18,040	748				18,788
3913	98,383	69,034		707	(778)	167,346
3921	35,951	32,890		(14,396)	(9,276)	45,169
3922	261,616					261,616
3923	599,877	103,634			(151,695)	551,816
3924	14,075					14,075
3931	20,488					20,488
3932	3,251					3,251
3941	11,323	58				11,381
3942	53,000	4,222				57,222
3951	36,574					36,574
3952	18,690					18,690
396	94,191	51,806		(41,232)	(26,791)	77,974
397	90,370	2,438				92,808
398	20,229					20,229
	23,293,876	1,163,898		(54,841)	(243,558)	24,159,375

RESERVE (\$)					(CREDIT BALANCES)				
Plant	Beginning	Retirements	Accruals	Salvage	Cost of	Purchases &	Reclass-	Ending	
Acct	Balance				Removal	Adjustments	ifications	Balance	
350	20,036		1,356					21,392	
3501									
352	9,718		282		(400)			9,600	
353	494,068		39,164					533,232	
354	130,935		4,404					135,339	
355	383,342	(16,544)	52,883		(22,372)			397,309	
356	304,615		26,904					331,519	
359	1,589		72					1,661	
360	73							73	
3601									
361	15,099		636					15,735	
362	572,693		39,816					612,509	
364	477,824	(10,150)	55,428	1,787	(10,546)	652		514,995	
365	753,748	(7,272)	88,653	2,070	(5,043)			832,156	
366	170,564		20,881		(45)			191,400	
367	592,626	(9,869)	61,637		(593)			643,801	
368	1,495,527	(93)	196,717		(2,901)			1,689,250	
369	708,612	(1,005)	91,896		(692)			798,811	
370	680,870	(7,202)	54,777		(176)			728,269	
371	72,360	(583)	11,945	252	(122)			83,852	
373	125,018	(2,300)	13,185		(931)			134,972	
389	6,704							6,704	
390	133,327		8,270					141,597	
3911	20,202		156					20,358	
3912	13,385		1,082					14,467	
3913	28,759	(779)	18,144				413	46,537	
3921	27,035	(9,276)	9,499	2,000			(10,654)	18,604	
3922	124,679		10,728					135,407	
3923	285,147	(151,695)	38,333					171,785	
3924	7,659		396					8,055	
3931	10,401		816					11,217	
3932	3,251							3,251	
3941	3,837		336					4,173	
3942	39,989		2,229					42,218	
3951	5,537		1,320					6,857	
3952	17,688		144					17,832	
396	66,773	(26,791)	2,981	7,828				50,791	
397	30,808		9,870					40,678	
398	17,583		528					18,111	
	7,852,081	(243,559)	865,468	13,937	(43,821)	652	(10,241)	8,434,517	