REBUTTAL TESTIMONY
OF
P. MARK CUTSHAW
IN

FLORIDA PUBLIC UTITITIES COMPANY
DOCKET NO. 70304-EI

IN RE: PETITION OF
FLORIDA PUBLIC UTILITIES COMPANY
FOR AN ELECTRIC RATE INCREASE

Q. **Please state your name, affiliation, business address and summarize your professional experience and academic background.**

A. Witness Cutshaw: My name is P. Mark Cutshaw. I am the General Manager, Northeast Florida for Florida Public Utilities Company (FPU). My business office address is 911 South 8th Street, Fernandina Beach, Florida 32034. I joined FPUC in May 1991 as Division Manager in the Marianna (Northwest Florida) Division. In January 2006, I moved into my current position of General Manager in our Northeast Florida Division. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering and began my career with Mississippi Power Company in June 1982. While at Mississippi Power Company I held positions of increasing responsibility that involved budgeting, operations and maintenance activities at different company locations. My work experience at FPUC includes all aspects of budgeting, customer service, operations and maintenance in both the Northeast and Northwest Florida Divisions. In 1993, I participated in the Cost of Service study for the Marianna Division Rate Case Filing and testified during the proceeding. I also participated in the 2003 rate case filing that consolidated the rates for both divisions. I have also been involved with other filings, audits and data requests before the FPSC.

Q. **What is the purpose of your testimony in this proceeding?**

A. This testimony is to provide additional testimony and information in support of our rate proceeding in response to the testimony provided by the Office of Public

Counsel witnesses, Patricia Merchant and Hugh Larkin. Also included in this testimony is response to testimony provided by third party attachers in Docket #070300.

Q. Please summarize what areas you will be addressing in your testimony.

A. The majority of my testimony will focus on storm hardening issues in which I do not agree with the testimony of Office of Public Counsel witnesses Patricia Merchant and Hugh Larkin. Issues regarding special deposits, temporary services, storm reserve, advertising, economic development and rental expense will also be addressed. Testimony is response to storm hardening testimony provided by third party attachers is also included.

Q. What is the total cost associated with the storm hardening initiatives, and what is the estimated annual cost associated with those initiatives?

A. We have detailed some of the individual issues and cost estimates related to the storm hardening initiatives within our testimony, but I have also included a summary of our latest cost estimates compared to our original estimates as Exhibit MCR-1. The plan filed in June 2007 is our current plan; however, some of the cost estimates have changed. The Company has offered support for our projections and used expert estimates and bids to support those estimates used in projections. If the Commission determines that changes are required to the plan filed in June 2007, then cost estimates would need to be revised accordingly.

<u>**Transmission Pole Replacement**</u>

Q. What did the company propose in regard to the replacement of 69 KV transmission poles?

A. The Company proposed to replace approximately ten poles per year during a 20 year time period in order to improve the overall integrity of the 190 wood poles remaining in the 69 KV transmission system. The $4,085,000 total cost (2007 cost) associated with this would be amortized over a 20 year period. The proposal is outlined in the OPC Production of Documents Exhibit 27.1 which is included as Exhibit MCR-2 to this testimony.

Q. How long have the poles on the 69 KV transmission system been in service?

A. Regarding the 190 wood transmission poles in service, there are 55 poles that have been in service 30 or more years and 56 poles that have been in service between 20 and 30 years. If these are replaced in accordance with the proposal, a total of eleven years would be necessary to complete the process which results in the replacement of poles which had been in service in excess of 30 years. Based on the age of these poles and damage imposed on wood pole by wood peckers, it is important that these older poles be replaced on a routine cycle. Exhibit MCR-3 is attached which shows the information for all 69 KV wood poles on the Company transmission system.

Q. Do you have information on cost associated with the replacement of similar type poles?

A. The last project to replace 69 KV wood transmission poles similar to the type work contained in the proposal was completed in 1998 and involved the replacement of three 69 KV wood transmission poles with 82 foot concrete poles. A contractor was used to perform this work. The work was performed on IR #20034 with a total cost of $44,387 (See Exhibit MCR-4). If this cost were escalated at a conservative 3.5% per year the 2007 amount would total $60,494 or $20,164 per pole replaced. This verifies that the estimate used in the development of this project of $21,500 is reasonable. Exhibit MCR-5 shows current pricing (11/29/07) on 82' concrete poles with a cost of $5,717 per pole that will be purchased in January 2008. Exhibit MCR-6 shows bids received recently for the installation of concrete poles that range in amounts from $17,500 to $20,177 per pole.

<u>Recovery of Transmission Pole Replacement Cost</u>

Q. Do you agree with Ms Merchant's recommendation regarding the amortization of cost associated with replacement of transmission poles?

A. No I do not. Although this approach is different than the normal approach used in rate proceedings, this mechanism has been used and approved by the commission in the replacement of bare steel gas mains in our natural gas operations. Based upon the significant expense to the company, the normal approach to rate making does not allow adequate recovery to the company in order to comply with the requirements. The amortization will allow the company to more quickly upgrade the transmission system, make preparation for a significant storm event and provide for the long term benefit of our customers.

Q. How will the Company be monitored by the Commission if this is approved?

A. Annual reports will be provided to the Commission regarding the work completed, expenses incurred and compared to the revenues received. This will provide a documented method of oversight to ensure compliance with the program.

Q. What is the appropriate depreciation for concrete poles that are not included in the amortization proposal?

A. Currently, a small number of concrete poles are included in the depreciation study along with wood poles and depreciated accordingly. In our in-process depreciation study under Docket No. 307382-EI, Staff is proposing that the Company establish account 355.1 – Concrete Transmission Poles, with a 40 year life, -30% Net Salvage, and 3.3% Remaining Life Rate (annual depreciation rate). The Company agrees with this proposal.

Q. Is it possible to offset cost and comply with the storm hardening requirements by bracing and guying the transmission poles?

A. In some cases it is possible to increase the loading capacity of transmission poles through the use of bracing and guying. Transmission lines are typically constructed on right of ways that allow for the use of guying thus increasing the loading capabilities of the structure. However, the vast majority of the 69 KV transmission system on Amelia Island is located on city streets which will not physically allow for the placement of guy wires. Similarly, based on the urban location, the use of bracing would not be appropriate due to the aesthetic concerns and would not be accepted within the community.

<u>**Special Deposits**</u>

Q. What are the terms of the Special Deposits that the Company has paid to the transmission providers associated with the Network Operating Agreements beginning in 2008.

A. A total of $189,530 was paid to JEA in the form of a deposit which will be refunded to the Company, with interest less any cost associated with studies that may be performed, in conjunction with the first months billing for January 2008. A total of $130,306 was paid to Southern Company in the form of a deposit which will be refunded to the Company, with interest, after one year of service or January 2009. The final documents related to these agreements were completed at the end of December 2007 and are attached as Exhibit MCR-7. Recommendations on the appropriate adjustments are included in Mr. Jim Mesite's rebuttal testimony.

<u>**Temporary Services**</u>

Q. Please explain the issue with the collection of temporary service charges addressed in Mr. Larkin's testimony.

A. During this rate proceeding, an adjustment has been proposed to the charge for temporary service in the amount of $200 per overhead service and $170 per underground service as well as additional charges if excess facilities are required. The currently approved tariff includes $150 per overhead service and $110 per underground service. This has resulted in the under collection of revenues for temporary service installation. The issue with the temporary service charges continues to be addressed and the charges to this account are reviewed closely in order to attempt to balance the amounts that are approved in the tariff for temporary service charges.

Q. What should be done to correct the adjustment suggested in Mr. Larkin's testimony.

A. The account is being handled according to the approved tariff and an arbitrary adjustment has impacts on other areas within the proceeding. Additional information is required in order to determine if any adjustment is required and would be contingent upon the approval of the proposed temporary service fees. If an adjustment is warranted, the changes necessary should also be made to the tariff.

<u>**Storm Reserve**</u>

Q. Do you agree with the recommendation in Mr. Larkin's testimony regarding a reduction in the storm reserve amount?

A. No. As was indicated in the testimony, over the last 19 years the company has not experienced a catastrophic storm event in either division. One division is located on an island in Northeast Florida and one is located within a short distance of the coast in the Florida Panhandle. Based on these locations and the lack of a significant event in 19 years, the storm reserve does appear reasonable based on past experience. However, it does not appear to be in the best interest of the ratepayers or the company considering the probabilities as having a major storm occur seems to be increasing with every passing year.

Q. What impact could a significant event have on the Company?

A. Being a relatively small company with small compact service territories, a significant event could have a large impact on the company and the rate payers. Should a significant event occur with the currently approved storm reserve, it would be necessary to petition for a large storm surcharge to cover the damage. As has been indicated from recent customer surveys and customer comments, customers expect the company to be prepared for events that could cause the rates to increase dramatically. One measure is to increase the storm reserve to avoid a dramatic increase when a significant storm event occurs. Living in Florida we all know it will happen, we just don't know when and not having a hurricane in many years' only increases this possibility.

Forfeited Discounts

Q. Do you agree with Mr. Larkin's recommendations regarding late payment fees?

A. No, I do not. Mr. Larkin stated that revenue projections from late fees should be increased due to the decrease in time to pay the bill. It was not the intent of the Company to decrease the time allowed for customers to pay the bills but to get a documented date while still ensuring the customers had 20 days from mailing to pay the bill. Although the proposed tariff wording allows for improved documentation of dates, the Company is willing to re-file tariff language to clarify that the time for payments does not decrease and allow for compliance with the rule. Actual revenues from January through November for late payments for 2007 (\$315,179) compared to 2006 (\$323,038) have in fact declined 2.4%. Based upon this factor, indications are that this trend may continue.

Q. What is your recommendation on the appropriate method to handle late payment fees?

A. The late fee adjustment recommended by Mr. Larkin due to time to pay the bills is unjustified. My recommendation is that no adjustment be made to late fee payments. The Company will also re-file the tariff language to clarify when late payments are assessed and comply with the commission rules regarding this issue.

Other Information Advertising

Q. Do you anticipate that advertising expenses will remain at the increased level which is included in this filing?

A. Yes. As was indicated in Mr. Larkin's testimony, expenditures on advertising in the past were extremely low. This was as a result of the customers enjoying low rates and excellent service. During 2006, with the increases in fuel cost, the Company focused on keeping customers informed on what was and would be occurring regarding electrical cost. Based upon limited customer response received after the higher rates became effective in Northeast Florida, it appeared the communications were successful. With the higher costs, customers are much more concerned with what service they are receiving for their money. Continuing in

2008 there will be the need to continue to provide excellent service and to keep the customers informed of issues surrounding electrical cost and operations. Issues like annual fuel cost increases, increased vegetation management, tree planting information, undergrounding of electric lines, photovoltaic/renewable energy generators, automated meter reading and franchise negotiations will be of great interest to customers. It is fair and reasonable for customers to be provided this information from the Company on a timely basis.

Tree Replacement

Q. What benefits would occur related to a tree replacement program?

A. As other Florida companies have addressed with similar programs, the most effective method of addressing tree related outages is to avoid having a tree planted that will contact the overhead electric lines. If property owners can be educated on what types of trees are appropriate near overhead electric lines, the planting of large trees near electric lines can be reduced. Also, if existing trees that conflict with overhead electric lines can be removed rather than being continually trimmed, both outages and overall tree trimming cost will begin to decrease as the program continues. However, in most cases property owners do not want the tree removed or even trimmed. In some cases, being able to provide them with a location appropriate tree to replace the one being removed may enable the Company to remove the tree. This will avoid future issues with tree trimming while tree related outages and tree trimming cost decrease as the program continues.

Q. What will occur in the tree replacement program?

A. A limited number of trees will be available to be used in providing location specific trees to customers in conjunction with advertising programs or when trees that conflict with overhead electric lines are being removed as part of the vegetation management program. In reality, many customers become very attached to certain trees and do not care that the tree may be located on public rights of way or conflict with electric lines; they just do not want the tree removed. This program will provide some alternatives to improve the vegetation management program while minimizing the negative publicity that results from trees being removed.

Q. Do you agree with Mr. Larkin's recommendation that the program be eliminated and the expense removed?

A. No. The expense should be approved. Implementation of this program will provide for reduced vegetation management cost and improved reliability in the future. Educating customers in location appropriate trees and removal of trees in conflict with electric lines will remove the need to trim these trees in the future.

Substation Maintenance and Testing

Q. Has the Company developed a specific plan for performing substation maintenance?

A. Yes. The company used the information provided by the International Electric Testing Association Inc. (OPC Exhibit 50.2) to develop the substation maintenance plan. This document is provided in Exhibit MCR-8 to this testimony. Based upon these guidelines, a plan for the 2008 -2012 time period was developed. The plan includes annual costs for maintenance along with the type maintenance being performed on each substation transformer and breaker contained in the Northeast Florida Division substations. OPC Interrogatory Question Exhibit 50.1 was submitted to document the substation maintenance requirements for those years. Inadvertently only the annual cost information was submitted. Attached is Exhibit MCR-9 which shows the OPC Interrogatory Questions Exhibit 50.1 and the detailed maintenance schedule used to develop the total annual cost for the maintenance.

Q. Do you agree with Mr. Larkin's recommendation that these expenses be removed?

A. No I do not. For 2006, distribution substation maintenance was $70,208 and transmission substation maintenance was $99,061. The expenses included in substation maintenance accounts include normal general maintenance and repairs of equipment. The items shown on Exhibit MCR-9 are proposed as scheduled maintenance in accordance with manufacturer's recommendation that is in addition to what was completed in 2006. This maintenance activity will ultimately reduce the expected repairs that were necessary during 2006. The scheduled maintenance was estimated as $126,000 for 2008 while the over and above amount included in the rate proceeding for transmission and distribution substations is $73,050. The reduced amount of $73,050 included in the rate proceeding accounts for the long term reduction anticipated in repairs that will avoided based on the scheduled maintenance activities. The scheduled maintenance will also allow for equipment to be in service longer thus reducing the need of significant substation capital replacements that have occurred.

Q. Should the over and above substation maintenance expenses be included as submitted?

A. Yes. The $73,050 expense should be approved as submitted.

<u>**Economic Development**</u>

Q. Why has the Company not made contribution to Economic Development entities to the level of that approved in the last rate proceeding.

A. The decrease in the level of economic development contributions was based on the evaluation of economic development opportunities during this time period. The Company examines economic development opportunities on an annual basis and determines the prudence of these expenditures. During 2006 and 2007, economic develop opportunities were not identified that ensured that use of these funds would allow for economic growth which would offset the burden to other customers as industry is developed in the area. Customers will benefit from the use of the funds in our storm reserve or, if the situation warrants, to assist with economic development opportunities.

Q. Was there are requirement based on the last rate proceeding to transfer the unexpended economic development funds to the storm reserve?

A. Yes. The unexpended funds were transferred to the storm reserve. This is another consideration when examining the use of economic development funds. The prudence review also considers the current amount included in the storm reserve compared to the economic development opportunities. As previously described, since there were no significant economic development opportunities, the funds were used to supplement the storm reserve in order to prepare for future storm events and assist in reducing the burden on customers should a major storm event occur.

<u>Collaborative Research</u>

Q. Do you agree with the recommendation made by Mr. Larkin regarding the Collaborative Research?

A. No. Based on the agreement with PURC who is conducting the collaborative research, the total amount of payments for 2008 is projected at $870 which was verified in OPC Production of Document Request #70. In addition to this amount, $2,000 should be added to cover company labor, travel, expenses and possible overruns or changes from contractors working on the collaborative research projects. The total amount should be $2,870 for this project.

<u>Post Storm Data Collection and Forensics</u>

Q. Do the costs for development of the program for Post Storm Data Collection and Forensics Analysis appear to be recoverable in the from the storm reserve?

A. No. The development of the program through the use of a contactor is not directly related to the storm restoration process, it is a one time cost and should not be recovered through the storm reserve. This amount should be included based on the one time cost of $17,000 to develop the program which complies with the storm hardening plan. Amortization over four year seems to be the most appropriate method of addressing this expense.

Q. Do the costs for the actual Post Storm Data Collection and Forensics Analysis appear to be recoverable in the from the storm reserve?

A. It may be possible. The post storm data collection and forensics analysis is somewhat related to the actual storm restoration process in that many of the events occur during or immediately following restoration. Based on the requirement to provide the data and analysis after a restoration event, it does appear reasonable that costs associated with these efforts could be charged against the storm reserve. However, should a commission ruling state that these activities cannot be charged against the storm reserve, the $10,000 should remain as proposed.

Rental Expense

Q. Will the company continue to require the rental of a transformer at the AIP substation after the new transformer is installed?

A. It is anticipated that the new substation transformer will be installed in the AIP substation during February 2008. The installation and testing should be completed by the end of February and the rental transformer can be removed from service. After the new transformer is operating properly, additional work will be required to physically remove the transformer from the substation and make preparations to transport this back to JEA. Removal of the transformer should be completed by the end of March 2008 at which time the rental costs should conclude.

Q. Should the rental cost be included in the 2008 test year?

A. Yes. Rental cost for three months in the amount of $6,420 should be included.

Training Apprentices

Q. Who will be responsible for administering the training programs and will they have other duties?

A. With the addition of this position, there will be positions in both divisions that will handle the training and safety programs. Currently the safety programs and reporting requirements for both divisions are handled by one existing position. With the addition of the second position, the safety and training programs will be handled by the position located in that division. The work load associated with the safety and training programs are such that at least two positions are required to fulfill the requirements.

Q. Why did the Company change positions regarding the training of apprentice lineman?

A. The Company purchased a training program from TECO in 2004 that was to be used for training of apprentice lineman. During the customization of the program, it was determined that a significant amount of work was required and took several years to complete due to work load and existing staffing. The customization was nearing completion during the initial submission of the MFR's. During the final stages of the customization and after the MFR's were submitted, it was determined that the original plans for conducting the program were underestimated and that the TECO training facilities would not be available. Based on this information, but primarily due to the under estimation of the work load associated with conducting the program, the program was revised and a summary included in OPC Interrogatory Question #45. This response is included in Exhibit MRC-10 for the purpose of this testimony.

Q. What are the current plans for the training of apprentice linemen?

A. The apprentice lineman will be involved in two separate programs. One program which has been in existence for many years involves a home study course that is available through the State of Florida. The only change to this program is that the number of participants that can be involved in the program has been expanded so that all apprentice linemen can participate. Completion of this program is typically four to five years.

The other program is a TECO Lineman Training program that has been customized for use by the Company. This program consists of 204 modules that will be administered over a four year time frame. Modules include formal classroom training and testing, and in most cases, actual hands on training which requires the apprentice lineman to demonstrate proficiency in the skills.

For both programs, the documentation will ensure that all training, testing and skill assessments are available for all participants. The in house program will also be required to be updated as materials, specifications and equipment change.

Q. How many participants will be involved in the program?

A. In the Northeast Florida Division there are 7 apprentice linemen that will participate in both the in house and state training programs. In the Northwest Florida Division, there are 6 apprentice linemen (4 immediately and 2 within two years) that will participate in the in house program and 5 apprentice linemen (3 immediately and 2 within two years) that will participate in the state training program. This will require that 13 apprentice linemen participate in the in house program and 12 will participate in the state program.

Q. What will occur when all participants complete the program?

A. As the apprentice linemen complete the program, they will be moved to a lineman position. Due to the status of our Working Foreman, many of which are nearing retirement, these new lineman are needed to ensure a stable work force and to provide knowledgeable employees to continue to provide excellent customer service. This will also allow the Company to attract and retain employees rather than having them leave the company after training for better paying jobs elsewhere.

Q. What should be approved regarding the training of Apprentice Lineman?

A. The revised cost identified in OPC Interrogatory Question #45 should be approved in the amount of $127,135 which replaces the original amount submitted in the MFR's of $25,127.

<u>Position for Storm Hardening</u>

Q. What will be the duties of the new position that will handle pole inspections and joint use audits that is included in the MFR's

A. The job description, along with the job advertisement, of this position is included in Exhibit MCR-11 which shows the general duties. The position will coordinate the pole inspection and joint use audits and the necessary documentation and reporting for both divisions. In addition to these duties other storm hardening activities and the associated documentation and reporting will also be included in this position. This position will also be responsible for a portion of the design of those facilities that require upgrading.

Q. What should be adjustments should be made to the costs associated with this position?

A. There should be no changes to the amount requested other than a possible adjustment to the benefits percentage. In the proposed calculation 30% was used to adjust for overheads. This percentage may change depending upon the outcome of the issue related to the proper percentage to be used in calculating benefits and overheads. Ms. Merchant proposed a reduction in the travel component of transportation in the amount of $22,838. This amount should not be reduced due to the travel requirements required between the two divisions and the fact that the normal transportation cost in included in this amount and that travel between the divisions will be necessary.

Q. Do you agree with the position taken in Ms. Merchant's testimony that this position could be combined with the training position?

A. No. As outlined in earlier in my testimony regarding the training/safety position, the storm hardening position and the training/safety positions are totally separate job functions with the amount of work required that prohibits them being combined. For those with experience in these operational areas, it is clear that the programs, planning, documentation and reporting requirements of either position can not be combined and be expected to fulfill the requirements of the job responsibilities. Although combining these may appear reasonable on paper, this would not work in the real world.

Transmission Inspection Contract

Q. Do you agree with the reduction proposed in Ms. Merchant's testimony regarding the amount included for climbing inspections on the transmission system?

A. No I do not. The Company has proposed to include one sixth of the overall climbing inspection cost ($18,540) each year although the total cost of the inspection ($112,240) will be incurred in either a one or two year period in order perform these in a cost effective manner. This appears to be a reasonable method for including this cost in the rate case and should be included.

Q. Was the cost estimate provided obtained in the most reasonable manner?

A. Yes. When the estimate was obtained, the contractor was working for the company on a daily basis and was familiar with the system and the areas to be inspected. Based on this experience, the contractor provided an estimate with knowledge of the Company requirements, system conditions and the location of such facilities. Estimates from other contractors would have been based on limited knowledge of the conditions which would have lead to less confidence in the bidding process and less reliable, and probably higher, cost estimates with additional contingencies that could result in even higher cost. Based on this the estimates provided are appropriate.

Pole Inspection Cost

Q. What amounts should be included for the pole inspection cost in this proceeding?

A. The estimates provided in OPC Production of Documents request #72 in Exhibit 72.2 were based on a May 17, 2007 estimate obtained from Osmose Utilities Services, Inc. who is a recognized expert in this area and performs numerous pole inspections for utilities throughout the nation. Two other companies contacted declined to bid on the project due to the fact that did not perform the excavation around the base of the pole. Based on the information and the specification included in our pole inspection plan, the External Treat ($29.88), Sound and Bore

($7.75) and LoadCalc ($7.26) are combined for a total of $44.89 per pole. Escalating this amount by 3.5% results in a 2008 cost of $46.46 per pole which should be included in this proceeding. The differences in this amount and the $46.35 included in the original filing are due to differences in the calculation methods but the overall difference is negligible. Based on this the amount included in the proceeding should not be adjusted.

Tree Trimming

Q. What is the appropriate number of tree trimming crews necessary to keep up with the 3 year feeder and 6 year lateral trim cycle?

A. The company revised the proposed amount for the additional tree trimming crews as detailed in OPC Interrogatory Question #58. This proposal includes a total of seven tree trimming crews with an additional amount included in the rate case of $234,840. A total of five (5) crews will be needed in Northwest Florida and two (2) in Northeast Florida. The amount is for a total of two additional tree trimming crews over and above the 2006 historic year amounts. This will allow the Company to comply with the 3 year feeder and 6 year lateral trim cycle.

Q. Why did the Company revise its original request for vegetation management?

A. During the original submittal of the Storm Hardening Plan in Docket #070300, the Company included a plan for a three (3) year trim cycle on all distribution lines. Based upon additional information, it was determined that a reduction in the trim cycle was acceptable to all parties and the company revised the plan to include a three (3) year trim cycle on all main feeders and a six (6) year trim cycle on all laterals. This allowed a reduction of one tree trimming crew.

Q. Do you agree with Ms. Merchant's recommendation of the number of tree trimming crews needed in Northwest Florida?

A. No I do not. For the years 2004 through 2006 there were approximately 36 miles of line trimmed for each tree trimmed crew. Ms. Merchant's selection of 2006 and the average miles of line trimmed was correct information. However, those experienced in the area of vegetation management understand that tree conditions change dramatically from one area to another which drastically impacts the long term average productivity rates for tree trimming crews. Also, the calculation of the 3.67 year productivity rate of 43.09 miles per crew referenced in Ms. Merchant's testimony was based on three crews which is not correct since there were four crews during the 2004 and 2005 years. Using the correct number of crews for the years 2004 through August 2007, the average trim rate per crew is 38.52 miles per year.

Q. How did you determine the requirement to have five tree trimming crews for Northwest Florida in order to maintain a three year main feeder and six year lateral trim cycle.

A. As outlined in OPC Interrogatory Question #58 and OPC Production of Documents Exhibit #73.1 (included in this testimony as Exhibit MCR-12) and assuming the 2004 – 2006 average trim rates of 36 miles of line per crew per year, a minimum of 3.5 crews are required to minimally meet the requirements. In order to ensure compliance with the storm hardening plan, a total of four (4) crews will be required to maintain the vegetation management trim cycle and one (1) additional crew will be required to address danger trees and spot trimming as required to address system reliability issues.

Q. What information does the Company have to justify the need to have one additional crew to handle danger trees and spot trimming responsibilities?

A. The Company has not collected data to identify the number of danger trees and spot trimming but will begin collecting this information in accordance with the vegetation management plan. However, those involved in the day to day operations of the vegetation management plan frequently receive calls from customers to have tree related situations investigated or concerning outages that have occurred as a result of tree conflict. Addressing these issues require having a crew to move to the affected area in order to perform trimming or removal of trees in order to avoid any possible impacts on system reliability or public safety. Although the documentation is not available at this time, the realistic need to perform this work is required.

<u>Personnel at the EOC's</u>

Q. Do you agree with Ms. Merchant's recommendation that the expense related to locating personnel at the EOC's during emergency conditions is appropriate?

A. No. Ms. Merchant recommended that $19,991 be removed from the 2008 expenses. Based on inclusion of locating personnel at the EOC during emergencies as documented within the storm hardening plan, the fact that this has not occurred in past emergencies and non-electric personnel being used for this purpose; costs related to this should be included in the expenses.

Q. What amount should be included in expenses?

A. During the original submission of the MFR's, an amount of $19,991 rather than the correct amount of $9,991 was included. In order to correct this amount, the amount that should be included is $9,991 which would require a total of $10,000 should be removed from the test year expenses.

Q. Is it more appropriate to recover this through the storm reserve?

A. It may be possible to include this in the storm reserve. Since these costs are directly related to the storm restoration and would include employees who are not involved in electric operations, it may be appropriate to include the total cost for recovery through the storm reserve. If approval of including the total cost for recovery through the storm reserve is received, this amount can be removed.

<u>Third Party Attachers</u>

Q. Have you reviewed testimony provided from third party attachers?

A. Yes I have.

Q. Please summarize the testimony.

A. The testimony is basically focusing on a need for additional information regarding detailed plans and procedures included in the storm hardening plan. Additional questions focus on the type construction and the communications with third party attachers.

Q. Has the Company completed the detailed plans and procedures?

A. There have no additional details developed in addition to those included in the storm hardening plan. Based on the approval of the overall storm hardening plan and the rate proceeding, details will be developed to support the successful implementation of the approved plan.

Q. Have the Company and third party attachers been in communication regarding the storm hardening plan?

A. Yes we have. The parties have completed the "Process to Engage" agreement and are in the process of completing the stipulation agreement that is similar to the agreement between third party attachers and other investor owned electric utilities in the state. We have been discussing resolution of other issues with the parties and hope to conclude those discussions soon. All parties understand the need to continue to communicate and develop the details to ensure the successful implementation of the storm hardening plans.

Conclusion

Q. Does this conclude your testimony?

A. Yes.

Exhibit MCR-1
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

Florida Public Utilities Company

Summary of Storm Hardening Activities

Storm Dockets # 060638, 070300 and 070304

Plan #		Docket # 060638	Docket # 070300	Docket # 070304	Updated	Notes
		Initial Filing	Storm Hardening Plan	Rate Filing MFRs	Projections	
	Date Filed	May-07	Jun-07	Sep-07	Nov-07	
		2008	2008	2008	2008	
1.0	Wood Pole Inspection	$ 219,833	$ 227,000	$ 219,833	$ 219,833	1
2.1	Vegetation Management	352,260	363,000	352,260	234,840	2
2.2	Joint Use Attachment Audits	20,909	21,500	20,909	20,909	3
2.3	Transmission Inspection	18,540	18,500	18,540	18,540	4
2.4	Transmission Structures Storm Hardening			See below		5
2.5	Geographic Information System (GIS)	4,000	4,000	4,000	9,064	6
2.6	Post Storm Data Collection	10,000	Unknown	27,000	27,000	7
2.7	Outage Data for OH & UG Systems	-	-	-	-	
2.8	Utility Coordination	9,991	10,000	19,991	9,991	8
2.9	Collaborative Research	25,750	10,000	25,750	5,170	9
2.10	Disaster Preparedness & Recovery Plans	-	-	-	-	
	Depreciation - GIS System	38,000	Calc	38,000	45,000	10
	Amortization - Transmission Pole Program			354,600	354,600	11
	Return on Capital	12,297	Calc	12,297	12,297	12
	Expense related Items	**$ 711,580**	**$ 654,000**	**$ 1,093,180**	**$ 957,244**	
3.4	Extreme Wind Loading	-	296,000	-	142,000	13
	20 Year Transmission Pole Replacement Program	-	285,950	354,600	354,600	11
	Recovery thru amortization	-	-	(354,600)	(354,600)	11
	Total Storm Hardening Activity	**$ 711,580**	**$ 1,235,950**	**$ 1,093,180**	**$ 1,099,244**	

Notes:
1 Difference due to rounding.
2 Reduction in number of tree-trimming crews.
3 Rounded estimate used in Docket #070300.
4 Rounded estimate used in Docket #070300.
5 Capital item, see Note # 13
6 Maintenance costs previously underestimated
7 First year projected to be $27,000 and then $10,000 annually for subsequent years.
8 MFR incorrect - should be $9,991.
9 Original estimates assumed that the investor owned utilities only. With other utilities collaborating the percentage decreased. (OPC 2nd POD # 70)
10 Depreciation on GIS System $45K, based on revised estimated cost of GIS ($190,000 to $225,000)
11 Pole replacement Program - $7M over 20 years amortized ($354.6K).
12 Estimated - will vary in accordance with the capital expenditure.
13 Inadvertently omitted from rate case filing - $142,000 represents revised amount budgeted for 2008.

FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST DIVISION

Exhibit 27.1
OPC POD 2
070304-EI

6/14/2007 LCJ

Exhibit MCR-2
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

69kV Transmission Pole Replacement-Wood to Spun Concrete

Number of Poles 190

Materials/per pole:

Pole, Spun Concrete,	$4,500	
Insulator, Polymer	$1,300	
Miscellaneous	$300	
Sub total		$6,100

Labor/per pole:

Installation*	$15,000	
*Per conversation on 6-14-07 with Robert Jones, Southeast Power.		
Engineering, Design	$400	
Sub total		$15,400
Total Estimated Cost Per Pole		$21,500

Estimated cost to replace 190 poles in 2007 Dollars $4,085,000

Replacement cost at the rate ≈9-10 poles per year

Cost for year 2008	$214,463 **
Cost for year 2009	$225,186 **
Cost for year 2010	$236,445 **
Cost for year 2011	$248,267 **
Cost for year 2012	$260,681 **
Cost for year 2013	$273,715 **
Cost for year 2014	$287,400 **
Cost for year 2015	$301,770 **
Cost for year 2016	$316,859 **
Cost for year 2017	$332,702 **
Cost for year 2018	$349,337 **
Cost for year 2019	$366,804 **
Cost for year 2020	$385,144 **
Cost for year 2021	$404,401 **
Cost for year 2022	$424,621 **
Cost for year 2023	$445,852 **
Cost for year 2024	$468,145 **
Cost for year 2025	$491,552 **
Cost for year 2026	$516,130 **
Cost for year 2027	$541,936 **

** Esculation rate of 5% added to previous years cost.

Estimated cost to replace 190 poles over 20 years ~~$7,091,407~~ ~~$354,570 PER YEAR~~

Say $7,092,000 $354,600 PER YEAR
$29,550 PER MONTH

69kV Line-Stepdown to JLT

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg. Date	Location
1	107-A	Wood, 60	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	East Side of S/D
2	107-B	Wood, 65	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	East Side of S/D
3	107	Wood, 75/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Front of S/D
4	107-G	Wood, 40	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Front of S/D
5	108	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Front of Flash Foods
6	109	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Front of Waves
7	110	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Friendly Road
8	111	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Bailey Road
9	112	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	E. of Amelia CC
10	113	Wood, 70/1	N/A		001.1.5.3550.0010	14750	1996	469	N/A	Midway Rd.
11	114	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	W. of Sonny's
12	115	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Front of Sonny's
13	116	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Proline Lot
14	117	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	W. of Proline
15	118	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Pizza Hut
16	119	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	N of Pizza Hut
17	120	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Old County Bldg.
18	121	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1976	1733	N/A	Carpet & Interior
19	122	Wood, 70/2	N/A		001.1.5.3550.0010	14734	1991	1733	N/A	S. of Island Liq.
20	123	Wood, 75/1	N/A		001.1.5.3550.0010	14750	1984	559	N/A	Applbee's DDE
21	124	Wood, 70/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Sadler & SR200
22	125	Wood, 70/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Wendy's
23	126	Wood, 70/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Burger King
24	127	Wood, 70/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Woodrow & SR20
25	128	Wood, 75/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Car Wash DE
26	129	Wood, 75/1	N/A		001.1.5.3550.0010	14738	1984	599	N/A	Woodrow
27	130	Wood, 75/1	N/A		001.1.5.3550.0010	14747	1993	629	N/A	Woodrow & Island V
28	130-G	Wood, 40	N/A		001.1.5.3550.0010	14747	1993	629	N/A	Woodrow & Island V

Exhibit MCR-3
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

69kV Line-Stepdown to JLT

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg. Date	Location
OMIT	**131**	**DISTRIBUTION POLE**								
29	132	Wood, 75/2	N/A		001.1.5.3550.0010	14736	1989	173	N/A	N of Rayland
30	133	Wood, 75	N/A		001.1.5.3550.0010	14742	1989	173	N/A	69kV Disconnect
31	134	Wood, 75	N/A		001.1.5.3550.0010	14759	1999	20141	N/A	1891 So. 14th St.
32	135	Wood, 70	N/A		001.1.5.3550.0010	14736	1980	101	N/A	1881 So. 14th St.
33	136	Wood, 75/1	N/A		001.1.5.3550.0010	14747	1993	528	N/A	At Courson Rd.
34	137	Wood, 70	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S 14th St.
35	138	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
36	139	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
37	140	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
38	141	Wood, 75	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
39	142	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
40	143	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th St.
41	144	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th & Nectarine
42	144-G	Wood, 40	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 14th & Nectarine
43	145	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Nectarine St
44	146	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Nectarine St.
45	147	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Nectarine St.
46	148	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Nectarine St.
47	149	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Nectarine & S. 11th
48	150	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 11th St.
49	151	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	S. 11th St.
50	152	Wood, 65	N/A		001.1.5.3550.0010	14736	1980	101	N/A	Magnolia (Line DE)
51	153	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
52	154	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
53	155	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
54	156	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
55	157	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.

69kV Line-Stepdown to JLT

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg. Date	Location
56	158	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
57	159	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
58	160	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
59	161	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S.8th St.
60	162	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
61	163	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S.8th St.
62	164	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S.8th St.
63	165	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S.8th St.
64	166	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S. 8th St.
65	167	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	S, 8th & Magnolia
66	168	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	Magnolia St.
67	169	Wood, 70	N/A		001.1.5.3550.0010	14742	1989	173	N/A	10th & Magnolia
68	170	Wood, 75	N/A		001.1.5.3550.0010	16402	2004	21156	N/A	S. 10th St. @ JLT

Wood-Trans	65
Wood-Guy	3
Total	68

69kV Line-S/D to AIP

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg.Date	Remarks
1	1-A	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen @ Stepdown
2	1	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen @ Stepdown
3	2	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen Road
4	3	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen Road
5	4	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen Road
6	5	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen and Bailey
7	6	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Cashen and Pine
8	7	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey Road
9	8	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey and Sunset
10	9	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey Road
11	10	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey Road
12	11	Wood, 75	N/A		001.1.5.3550.0010	16152	2004	21309	N/A	Bailey Road @ Isle de Mai
13	12	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	2958 Bailey Road
14	13	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey and Simmons
15	13-G	Wood, 40'	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Bailey and Simmons
16	14	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
17	15	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
18	16	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons West of Lake
19	17	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons East of Lake
20	18	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
21	19	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
22	20	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
23	21	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
24	22	Concrete, 80	307	300T	001.1.5.3550.0010	14744	1990	340	7/31/1989	Simmons and Amelia
25	23	Concrete, 80	307	300T	001.1.5.3550.0010	14744	1990	340	7/27/1989	Simmons East of Amelia
26	24	Concrete, 80	307	300T	001.1.5.3550.0010	14744	1990	340	7/28/1989	Simmons and 14th St.
27	25	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
28	26	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
29	27	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	1525 Simmons

69kV Line-S/D to AIP

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg.Date	Remarks
30	28	Concrete, 80	293	300T	001.1.5.3550.0010	14744	1990	421	1/30/1990	Simmons
31	29	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
32	30	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
33	31	Wood, 70	N/A		001.1.5.3550.0010	14741	1988	969	N/A	Simmons,1st pole E.of Myers
34	32	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
35	33	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
36	34	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons
37	35	Wood, 70	N/A		001.1.5.3550.0010	14735	1978	1617	N/A	Simmons & Will Hardee
38	36	Concrete, 75	535	300T	001.1.5.3550.0010	15125	2002	20662	12/3/1999	Simmons
38	37	Concrete, 75	515	300T	001.1.5.3550.0010	15126	2002	20662	8/23/2001	Simmons
40	38	Concrete, 75	515	300T	001.1.5.3550.0010	15486	2002	20906	11/23/2002	Simmons 1st E.of Egans
41	39	Concrete, 82	526	300T	001.1.5.3550.0010	14759	1999	20034	12/14/1998	Simmons
42	40	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	Simmons
43	41	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	3105 1st Ave.
44	42	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	1st Ave & Hutchins
45	43	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	
46	44	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	1st Ave & Okalawha
47	45	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	1st Ave & Mantanzas
48	46	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	3475 1st Ave
49	47	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	3533 1st Ave
50	48	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	3625 1st Ave
51	49	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	3684 1st Ave
52	50	Concrete, 82	577	300T	001.1.5.3550.0010	14754	1997	685	11/18/1996	1st Ave & Alachua
53	51	Concrete, 82	577	300T	001.1.5.3550.0010	14754	1997	685	11/15/1996	Alachua & So. Fletcher
54	51-G	Wood, 40'	577		001.1.5.3550.0010	14754	1997	685	N/A	Alachua & So. Fletcher
55	51-G	Wood, 35'	577		001.1.5.3550.0010	14754	1997	685	N/A	Alachua & So. Fletcher
56	52	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
57	53	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
58	54	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.

69kV Line-S/D to AIP

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg.Date	Remarks
59	55	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
60	56	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
61	57	Concrete, 82	527	300T	001.1.5.3550.0010	14754	1997	685	11/13/1996	4088 So. Fleteher
62	58	Concrete, 82	527	300T	001.1.5.3550.0010	14754	1997	685	11/15/1996	4136 So. Fletcher
63	59	Concrete, 82	527	300T	001.1.5.3550.0010	14754	1997	685	11/13/1996	4198 So. Fletcher
64	60	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
65	61	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
66	62	Concrete, 82	527	300T	001.1.5.3550.0010	14754	1997	685	11/12/1996	4300 So. Fletcher
67	63	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
68	64	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
69	65	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
70	66	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
71	67	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
72	68	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
73	69	Concrete, 82	510	300T	001.1.5.3550.0010	14747	1993	809	7/6/1993	So. Fletcher N. of Peters
74	70	Concrete, 82	527	300T	001.1.5.3550.0010	14754	1997	685	11/14/1996	So. Fletcher S. of Peters
75	71	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
76	72	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
77	73	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
78	74	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
79	75	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
80	76	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
81	77	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
82	78	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
83	79	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
84	80	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
85	81	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher Ave.
86	82	Concrete, 82	528	300T	001.1.5.3550.0010	14824	2000	20324	4/19/2000	So. Fletcher Ave.
87	83	Concrete, 82	528	300T	001.1.5.3550.0010	14824	2000	20324	4/20/2000	So. Fletcher Ave.

69kV Line-S/D to AIP

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg.Date	Remarks
	OMIT	-	-	-	-	-	-	-	-	
88	85	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher & AIA
89	86	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	So. Fletcher & AIA
90	87	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
91	88	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
92	89	Concrete, 82	528	300T	001.1.5.3550.0010	14824	2000	20324	4/21/2000	Forest Dr.
93	90	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
94	91	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
95	92	Concrete, 82	528	300T	001.1.5.3550.0010	15159	2002	20273	8/20/2000	Manucey Rd.
96	93	Concrete, 82	526	300T	001.1.5.3550.0010	14759	1999	20034	12/11/1998	Baxters
97	94	Concrete, 82	526	300T	001.1.5.3550.0010	14759	1999	20034	12/12/1998	AIA
98	95	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
99	96	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
100	97	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
101	98	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
102	99	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
103	100	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
104	101	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
105	102	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
106	103	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
107	104	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
108	105	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
109	106	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
110	107	Wood, 70	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA
111	107-G	Wood. 40	N/A		001.1.5.3550.0010	16238	1982	399	N/A	AIA

Concrete Trans	22
Wood Trans	85
Wood Guy	4
Total	111

69kV Line-JLT to CCA & Rayonier

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg. Date	Remarks
1	171-S	Wood, 75	N/A		001.1.5.3550.0010	16402	2005	21156	N/A	East side of JLT
2	171-R	Wood, 75	N/A		001.1.5.3550.0010	16402	2005	21156	N/A	East side of JLT
3	172	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	East side of JLT
4	173	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	1116 S. 11th St.
5	174	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 11th & Kelp
6	175	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	1010 S. 11th St.
7	176	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	924 S. 11th Street
8	177	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 11th & Indigo
9	177-G	Wood, 40	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 11th & Indigo
10	178	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 10th & Indigo
11	179	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 9th & Indigo
12	180	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	S. 8th & Indigo
13	181	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	West end of Ingigo
14	182	Wood, 70	N/A		001.1.5.3550.0010	13279	1969	1320	N/A	West end of Ingigo
15	191	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Hickory
16	192	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Gum
17	193	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Fir
18	194	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Elm
19	195	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Date
20	196	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Cedar
21	197	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Beech
22	198	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	S. 11th & Ash
23	199	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	25 S. 11th
24	200	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	11 S. 11th St.
25	201	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	N. 11th
26	202	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	N. 11th & Alachua
27	203	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	N. 11th & Broome
28	204	Wood, 70	N/A		001.1.5.3550.0010	14748	1993	957	N/A	N. 11th & Calhoun

69kV Line-JLT to CCA & Rayonier

Qty.	Pole No.	Pole Size	GL Moment	Span	Accounting Location	Asset Number	Asset Year	IR No.	Mfg. Date	Remarks
29	205	Wood, 75	N/A		001.1.5.3550.0010	14748	1993	957	N/A	N. 11th St. S. of Pond
30	205A	Wood, 75	N/A		001.1.5.3550.0010	14748	1993	957	N/A	N. 11th St. N. of Pond
31	206	Wood, 70	N/A		001.1.5.3550.0010	14733	1974	1641	N/A	400 Blk. N. 11th
32	207	Wood, 75	N/A		001.1.5.3550.0010	16814	2006	21829	N/A	N. 11th & Franklin
33	208	Wood, 75	N/A		001.1.5.3550.0010	14744	1989	432	N/A	CCA Property
34	209	Concrete, 110'			001.1.5.3550.0010	14742	1989	207		Chip Mill @ Rayonier
35	210	Concrete, 115'			001.1.5.3550.0010	14742	1989	207		Chip Mill @ Rayonier

Concrete Trans.	2
Wood Trans	32
Wood Guy	1
Total	35

Exhibit MCR-4
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

IMPROVEMENT AN

IMPROVEMENT # 115.1070. 20034

*RETIREMENT #

[X] FPUC DIVISION FERNANDINA BEACH [X] IMPROVEMENT [X] SPECIFIC [ ] REVISED

[ ] FLO-GAS DATE SEPTEMBER 1, 1998 [ ] RETIREMENT* [ ] LOCAL [ ] MEMO

[ ] * CHECK IF RETIREMENT TRACKING NUMBER IS DESIRED

BUDGET INFO: MONTHS JUN-NOV	PAGE #	ITEM # 1	AMOUNT $200,000.00
TITLE OF WORK	REPLACE WOOD TRANSMISSION POLES	LOCATION	FERNANDINA BEACH, FLORIDA
DESCRIPTION OF WORK:	REPLACE THREE (3) ROTTEN WOOD TRANSMISSION POLES ON STATE ROAD A-I-A.		
DATE WORK TO BE STARTED	SEPT 1998	DATE WORK TO BE COMPLETED	NOV 1998

IMPROVEMENT REQUISITION SECTION

IMPROVEMENT COST		IMPROVEMENT FINANCIAL PLAN	
	AMOUNT		AMOUNT
MATERIALS	$11,500.00	TOTAL COST	$51,955.00
MATERIALS DONATED (ELECTRIC DIVISIONS)		LESS: DEPOSITS ON EXTENSIONS (REFUNDABLE)	
STORES EXPENSE 0.17 %	1,955.00	LESS: MATERIALS FROM NON-TRACKED PLANT	0.00
TOTAL MATERIAL COST	$13,455.00		
LABOR - COMPANY	4,000.00		
LABOR - DONATED			
LABOR - OTHER	34,000.00	TOTAL DEDUCTIONS	$0.00
TRANSPORTATION EXPENSE	500.00	NET CASH REQUIREMENTS	$51,955.00
OTHER - INCLUDES INTEREST AND CAPITALIZED OVERHEADS		ANNUAL NON-FUEL PROJECTED REVENUES	
TOTAL I.R. COST	$51,955.00	EXPENDITURES BY QUARTER OF	
LESS NON-REFUNDABLE CONTRIBUTIONS - ENTER AS NEGATIVE		TOTAL AMOUNT AUTHORIZED:	AMOUNT
TOTAL AMOUNT AUTHORIZED	$51,955.00	JAN - MAR YEAR:	
PLUS:		APR - JUN YEAR:	
METERS/REGULATORS FROM NON-TRACKED PLANT		JUL - SEP YEAR: 1998	$10,000.00
SERVICES & METER INSTALLATIONS FROM NON-TRACKED PLANT		OCT - DEC YEAR: 1998	$41,995.00
TRANSFORMERS FROM NON-TRACKED PLANT		TOTAL THIS YEAR	$51,995.00
• LESS: NON-REFUNDABLE CONTRIBUTION FOR SERVICES		TOTAL NEXT YEAR	
TOTAL COST	$51,955.00	TOTAL AMOUNT AUTHORIZED	$51,995.00

DISTRIBUTION (DETAIL MAJOR ITEMS OF MATERIAL & LABOR) (ATTACH RIDER IF NECESSARY)

ASSET DESCRIPTION	ACCOUNTING LOCATION	PHYSICAL LOCATION	RATE	QUANTITY	TOTAL AUTHORIZED
POLE, CONCRETE. 82', SPUN	115.355		17,331.5	3	$51,995.00
Wire [illegible] (insulators [illegible])	11[illegible].3657				
				TOTAL AMOUNT AUTHORIZED	$51,995.00

RECEIVED
SEP 21 1998
FLORIDA PUBLIC UTILITIES CO.
Fernandina Beach, Florida

FORM 028.24P1 022096A JVMJ

IMPROVEMENT REQUISITION SECTION - CONTINUED

REMARKS (THIS SPACE FOR EXPLANATION COVERING PLAN OF FINANCING IMPROVEMENT, CONTRIBUTIONS, REFUND PLANS AND ALLOWANCES):

REASONS FOR: OVERRUN $ OR UNDERRUN $

IF OMITTED FROM ANNUAL BUDGET GIVE REASONS:

NECESSITY AND BENEFITS OF WORK TO BE PERFORMED:

WORK IS NECESSARY TO REPLACE THREE (3) WOOD TRANSMISSION POLES WHICH HAVE BEEN DAMAGED BY WOODPECKERS. THE POLES WERE IDENTIFIED DURING ANNUAL POLE LINE INSPECTION. THE CIRCUIT IN WHICH THE POLES ARE LOCATED FEEDS THE AIP SUBSTATION. REPLACEMENT OF POLES IS NECESSARY TO MAINTAIN CONTINUNITY OF ELECTRIC SERVICE TO CUSTOMERS ON THE SOUTH END OF AMELIA ISLAND.

IF THIS REQUISITION REPLACES PROPERTY CARRIED IN PLANT, PLEASE COMPLETE THE RETIREMENT REQUISITION SECTION.

RETIREMENT REQUISITION SECTION

	AMOUNT		
BOOK VALUE OF PROPERTY RETIRED (PLACE X HERE IF ESTIMATE) [X]	$8,463.00	DESCRIPTION OF RETIREMENT	RETIRE POLES
COST OF REMOVAL	5,000.00	DATE OF RETIREMENT	DEC 1998
LESS: SALVAGE - JUNK VALUE			
- STOCK VALUE			
- USED IN NEW WORK			
- TRADE IN ALLOWANCE			
CASH REQUIREMENTS (COST OF REMOVAL LESS SALVAGE)	5,000.00	ORIGINAL DATE INSTALLED	1981
NET CHARGE TO: RETIREMENT RESERVE (BOOK VALUE OF PROPERTY, PLUS COST OF REMOVAL, LESS SALVAGE)	$13,463.00	IMPROVEMENT #	~~IR402~~ 399

IF THIS PROPERTY IS TO BE REPLACED, PLEASE COMPLETE THE IMPROVEMENT REQUISITION SECTION.

DISTRIBUTION (DETAIL MAJOR ITEMS OF MATERIAL & LABOR) (ATTACH RIDER IF NECESSARY)

ASSET DESCRIPTION	ACCOUNTING LOCATION	PHYSICAL LOCATION	RATE	QUANTITY	TOTAL COST
POLES, WOOD 75' WOOD	115.355		2,821.00	3	8,463.00
				TOTAL COST	$8,463.00

OFFICE APPROVALS

		DATE			DATE
ESTIMATED BY	LCJ	9-1-98	VICE PRESIDENT		
RECOMMENDED BY		9/15/98	TREASURER		
RECOMMENDED BY			PRESIDENT		9/17/98

FORM 028.24P1 022096A JVMJ

Patrick Foster, Division Manager **Re:** Revision/Review of Completed I.R.s **Date:** 03/05/99

RECEIVED
MAR 9 1999
FLORIDA PUBLIC UTILITIES CO.
Fernandina Beach Florida

The following I.R. is complete. A review has determined that a variance exists which requires a response as to Units of Property (type / quantity) and/or costs. Please complete this form by explaining the major variances*, and submit the form for review and approval. If the ledger is incorrect, attach instructions on what corrections need to be booked.

- - - PLEASE COMPLETE AND RETURN WITHIN 30 DAYS - - -

Thank you. **Michelle Napier - General Accounting Manager**

[X] **FLORIDA PUBLIC UTILITIES COMPANY**
[ ] **FLO-GAS CORPORATION**

DATE OF I.R.: 09/98 **I.R. #:** 20034
DIVISION: FERNANDINA

DESCRIPTION OF I.R.: REPLACE WOOD TRANSMISSION POLES

QUANTITIES:	PER I.R.	PER LEDGER	VARIANCE	%	EXPLANATION OF VARIANCE
Materials - Stock:					
			0		
			0		
			0		
			0		
			0		
			0		
			0		
			0		
Materials - Non-Stock:					
POLE, CONCRETE 82'	3	3	0	0%	
			0		
			0		
			0		
COSTS:					
Materials- Stock:					
Stores:					
Total Stock	0	160	-160	-100%	MISC NON-PLANT MATERIAL REQUIRED - NOT ANTICIPATED.
Materials - Non-Stock:	13455	9369	4086	30%	IR WRITTEN WITH ANTICIPATED OF SPUN CONCRETE POLES. ACTUAL POLE QUOTE LESS THAN ANTICIPATED
Labor - Company:	4000	2249	1751	44%	LESS COMPANY INVOLVEMENT REQ'D THAN ANTICIPATED
Labor - Other:	34000	32250	1750	5%	
Transportation:	500	359	141	28%	LESS COMPANY TRANSP REQ'D THAN ANTICIPATED
Other:			0		
Interest Charged:			0		
Contributions:			0		LESS COMPANY LABOR & TRANSP. REQUIRED THAN ANTICIPATED
TOTAL COSTS	51955	44387	7568	15%	

* **Major line items with variances between I.R. and actual (ledger) should be explained if:**

- Major materials are different in KIND
- Quantities vary by 10% or more
- Total costs vary by at least 15% & greater than $1000.
- Total costs vary by more than $30,000.

Return Routing and Authorizations:

A. Local Mgr. C. President / Sr. VP
B. Vice Pres. D. Accounting

OK J.C.
6-26-99

	Name	Date	Name	Date
A.			C.	
B.			D.	

Prepared By: Bill Grimeson

SUB-LEDGER REFERENCE DETAIL DISPLAY (GLR005)

ENTER SUB-LEDGER REFERENCE NO. 20034 YEAR & MONTH (BLANK=ALL) ______ ___

REPLACE WOOD TRANS. POLES

Sub-Ledger	Year/Mo	Description	Entry type	Amount
020034	1998 09	REPLACE WOOD TRANS. POLES	J 12 TRANSPO	69.00
020034	1998 10	REPLACE WOOD TRANS. POLES	J 9 PAYROLL	1,391.00
020034	1998 10	REPLACE WOOD TRANS. POLES	J 12 TRANSPO	178.00
020034	1998 11	REPLACE WOOD TRANS. POLES	J 9 PAYROLL	132.00
020034	1998 11	REPLACE WOOD TRANS. POLES	J 12 TRANSPO	26.00
020034	1998 12	SOUTHEAST POWER CORPORATION	P 98202 A/P	32,250.00
020034	1998 12	NEWMARK INTERNATIONAL INC	P 1505087-IN	9,281.04
020034	1998 12	REPLACE WOOD TRANS. POLES	J 9 PAYROLL	611.00
020034	1998 12	REPLACE WOOD TRANS. POLES	J 12 TRANSPO	86.00
020034	1999 01	REPLACE WOOD TRANS. POLES	J 9 PAYROLL	115.00
020034	1999 01	CITY ELECTRIC SUPPLY COMPANY	P 57009 A/P	26.29
020034	1999 01	CITY ELECTRIC SUPPLY COMPANY	P 57150 A/P	61.96
020034	1999 01	REPLACE WOOD TRANS. POLES	J 3 STORES,I	160.00
020034	1999 01	CLOSING CWIP	J 20 CLOSING	44,227.29-
020034	1999 01	CLOSING CWIP	J 20 CLOSING	160.00 +

F3=EXIT Total for 0019 Sub-Ledger-Reference items. **.00**

SUB-LEDGER REFERENCE DETAIL DISPLAY (GLR005)

ENTER SUB-LEDGER REFERENCE NO. 20034 YEAR & MONTH (BLANK=ALL) ______ ___

REPLACE WOOD TRANS. POLES

Sub-Ledger	Year/Mo	Description	Entry type	Amount
020034	1999 02	REPLACE WOOD TRANS. POLES	J 3 STORES,I	485.00
020034	1999 02	REPLACE WOOD TRANS. POLES	J 3 STORES,I	135.00
020034	1999 02	CLOSING CWIP	J 20 CLOSING	485.00-
020034	1999 02	CLOSING CWIP	J 20 CLOSING	135.00-

F3=EXIT Total for 0019 Sub-Ledger-Reference items. **.00**

Exhibit MCR-5
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

FLORIDA PUBLIC UTILITIES COMPANY
PURCHASE REQUISITION FORM

COMPANY	DELIVER TO (COMPLETE STREET ADDRESS - USE BOTH LINES):	SHIP TO THE ATTENTION OF:	DIVISION	DATE	REQUISITION NO.
FLORIDA PUBLIC UTILITIES COMPANY	611LIME STREET FERNANDINA BEACH, FL 32034	LORNA BENITEZ/LJ	NE FL	12/13/07	075.5011.63

TO BE CHARGED TO:

%	MAIN ACCOUNT	SUBLEDGER	ITEM #	TO BE USED FOR	APPROVALS:		DATE:
					REQUESTER		12/13/2007
100%	115.1070.355	2		STOCK, TRANSMISSION POLES	LOCAL MANAGER	LCJ	12/13/07
					DIVISION MANAGER	PMC mc	12/17/07
					EXECUTIVE		
					FINANCIAL		
					PURCHASING		

TERMS AND SHIPPING INSTRUCTIONS:		HANDLING INSTRUCTIONS:		
DELIVERY: 6-8 WEEKS AFTER RECEIPT OF	X	FAX P.O. TO #: (407) 679-2297	ATTN	BOBBIE D MIRANDA
APPROVED DRAWINGS.		FORWARD ORIGINAL P.O. TO:	SUPPLIER NAME:	ACCORD INDUSTRIES
		SEND ATTACHMENTS WITH ORIGINAL	ADDRESS:	4001 FORSYTH ROAD
			CITY/STATE/ZIP:	WINTER PARK, FL 32792

P. O. NUMBER	INQUIRY NO.	SOLE SOURCE?		
				YES
			X	NO

IF THIS IS AN "A" REQUISITION, INCLUDE P.O. NUMBER ABOVE — IF YES, SIGN HERE

PHONE: (407) 671-7676
FAX: (407) 679-2297

ITEM #	QTY.	U.O.M.	COMPLETE DESCRIPTION OF ARTICLE	UNIT PRICE	BIN NUMBER	EXPECTED DELIVERY	EXTENDED PRICE
1	4		82' SPUN CONCRETE POLES	$ 4,840.00			$ 19,360.00
2							$ -
3							$ -
4			PER ATTACHED QUOTE AND POLE APPROVED DETAIL				$ -
5			POLE DRAWING TO BE FURNISHED BY ACCORD				$ -
6							$ -
7							$ -
8			OTHER QUOTE: VALMONT/NEWMARK $23,540.OO PLUS TAX				$ -
9							$ -
10							$ -
11							$ -
12							$ -
13							$ -
14							$ -
15							$ -
16							$ -
17							$ -
18							$ -
19							$ -
20							$ -
21							$ -
22							$ -

	SUBTOTAL	$ 19,360.00
	SHIPPING CHARGE	$ 2,250.00
0 **CHARGE SALES TAX? - ENTER 1 FOR YES AND 0 FOR NO (SEE LEFT)	SALES TAX**	$ 1,258.40
7.0% **SALES TAX RATE - ENTER NUMBER ONLY (NOT % SIGN) - 6, 6.5, 7, OR 7.5		
	TOTAL	$ 22,868.40

FPU-032 REV 6/07

Concrete Products Division
4001 Forsyth Road, Winter Park, FL 32792 Ph. 407-671-7676 Fax 407-679-2297
www.accordindustries.com

11/29/07

FLORIDA PUBLIC UTILITIES
P.O. BOX 3395

WEST PALM BCH, FL 334023395

Customer #:H006400
Fax # (407)833-0151
Telephone # (407)832-2461

Quotation #: 7977

RE: FERNANDINA BEACH

Dear LOUIE JOHNSON:

Pursuant to your request and in accordance with the scope documents that you provided and AASHTO and ASCE 7-98 (2004 FBC), Accord Industries Concrete Products would be pleased to provide the above project per the following quotation:

Quantity	Item	Description	Unit Weight	Unit Price	Line Total
4	840-1401-082	82' SPUN CONCRETE POLE	26,516	$ 4,840.00	$ 19,360.00

Subtotal	$	19,360.00
Tax	$	1,258.40
Shipping Delivery to: FERNANDINA BEACH	$	2,250.00
Total Bid	$	22,868.00

Design Wind Speed: 140 mph, Exposure Category C

Standard Lead Times:

- Drawings: 1-2 weeks after receipt of approved Purchase Order
- Delivery: 6-8 weeks after receipt of approved drawings
  - Please note that these lead times are subject to change based on backlog at time of order.

Terms:

- Quotation is firm for 30 days, after which it is subject to re-negotiation.
- Above freight charge is quoted as Best Freight Method to offer the least total cost of delivery. It includes delivery to one location and two hours of offloading. Additional drops or offloading (detention) will result in additional charges. Customer is responsible for personnel and equipment to offload poles.
- Freight prices are subject to evaluation at time of shipment. If freight differs from above quoted price, a new purchase order must be issued before shipment will be made.
- Net 30 days after shipment or fabrication, if customer is unable to take delivery of finished poles upon completion.

We hope this merits your favorable review. Should you have any additional questions or need further clarification, please do not hesitate to contact me. We will be in contact with you shortly regarding this proposal.

Respectfully,
ACCORD INDUSTRIES CONCRETE PRODUCTS DIVISION

BOBBI DMIRANDA

valmont
NEWMARK

Utility Division, Valmont Industries, Inc.
4131 Highway 17 South
Bartow, Florida 33830 USA
863-533-6465 Fax 863-533-2841
www.valmont.com

To: Mr. Louie Johnson
Florida Public Utilities

From: John C. Chandler, III
General Manager
E-mail: ccc@valmont.com

Date: November 30, 2007

Pages (including this one): 2

Subject: RFQ.# Revised Spun Concrete Pole Quote, 82' Poles, Fernandina Beach, Fl.

We are pleased to quote the following lump sum price (see attached price and analysis sheet for unit pricing) for spun concrete poles for the above referenced project:

1 Line Item, 4 Poles	**$ 23,540.00**

NOTES:

FOB Terms:	Destination, freight charges are included.
Shipping Point:	Bartow, Florida
Payment Terms:	Net 30 Days
Pole Delivery:	6-7 Weeks After Receipt of Approved Drawings.

Standard "Terms and Conditions" of Valmont-Newmark dated September 15, 2004 shall apply to this quotation and subsequent order. Valmont-Newmark Terms and Conditions supersede any other real or implied warranties or conditions.

Thank you for your consideration of Valmont-Newmark poles. Please call me or Jenny Brown at the Bartow, Fl. plant, if you have any questions or need more information.

Sincerely,

JOHN C. CHANDLER, III

John C. (Chip) Chandler, III

VALMONT-NEWMARK
PRICE AND ANALYSIS SHEET
Mr. Louie Johnson
Florida Public Utilities
Fernandina Beach, Florida
November 30, 2007

Revised Design and Pricing

Qty	Description	Pole Price	Freight	Ext. Price
4 ea.	82 ft., Spun 67 ft. AGL 22,700 lbs.	$ 4,799	$ 1,086	$ 5,885

4 each X $ 5,885= $ 23,540

Bid Notes-

1. The pole pricing shown above includes freight (4 Loads) to Fernandina Beach, Florida. The freight is quoted at current freight rates. If freight rates go up before pole shipments we reserve the right to increase the freight pricing before the actual shipments occur.
2. The pricing includes: The spun concrete pole and internal ground wire.
3. The pricing does not include any other pole hardware, lights, lighting equipment or signed and sealed foundation/PE drawings.
4. The pole designs were based on information received from FPU. Any future changes in the pole designs, may result in a change to the pole pricing.
5. This quote is valid for 30 days.
6. The above pricing does not include any taxes, licenses, fees or permits. Exemption from sales tax requires a current Re-sale certificate or a letter of self-pay.
7. If you have not been a previous customer of Valmont-Newmark and want to purchase poles on credit, you must fill out a credit application that will have to be approved by our financial department before pole production may begin.

Exhibit MCR-6
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

Phone: (321) 268-0540
Fax: (321) 383-9477

Southeast Power Corporation

1805 Hammock Road
Titusville, Florida 32796

January 16, 2008

Florida Public Utilities
911 South 8th Street
Fernandia Beach, Florida 32034

Attn: Mr. Louie Johnson

69
Re: ~~138~~Kv Transmission Structure Work

Gentlemen:

Information concerning of our recent telephone conversation, we offer the following:

1. Change out completely one wood transmission structure with distribution underbuild. Set one new concrete transmission pole and transfer all facilities to this new pole.
2. All work will be done with the circuits remaining energized.
3. All work is readily accessible for the equipment to reach and work the structures. No board word or swamp equipment included.
4. Traffic control is included—work is supposed to be road side.
5. The cost for this is approximately $17,500.00. Please not that this is an estimate only. Actual conditions will be variable.

Very Truly Yours,
Southeast Power Corporation

Marvin Bridges
Vice President

Cutshaw Mark

From: Johnson Louie
Sent: Wednesday, January 16, 2008 4:42 PM
To: Cutshaw Mark
Subject: FW: 69kV Pole Change out proposal
Importance: High
Sensitivity: Confidential

One more.

Louie Johnson

From: Todd Badgett [mailto:TBadgett@pike.com]
Sent: Wednesday, January 16, 2008 4:25 PM
To: Johnson Louie
Subject: 69kV Pole Change out proposal
Importance: High
Sensitivity: Confidential

Description: Change out 75' wood tangent 69kV pole with an 82' spun concrete pole. Concrete pole shall be set at 15' depth. The work shall be performed under energized conditions. Price includes crane set up, and all required MOT and required mobilization on and off the project. Pricing assumes the pole is accessible with no matting or specialized track equipment needed. Price also includes the transferring of energized 3 phase under build.

Louie,

We appreciate the opportunity to price this work.
Our proposed lump sum price per structure is **$19,375.00.**

Please give me a call if you have any questions.

Sincerely,

Todd Badgett
Operations Manager
Pike Electric, Inc.

Office: 336-719-4431
Cell: 336-755-9089

the sender immediately by replying to this e-mail and permanently delete the original message. Thank you.

C and C POWERLINE INC.

12035 Palm Lake Drive 32218 • P.O. Box 26100 • Jacksonville, FL 32226-6100
(904) 751-6020 • FAX (904) 757-0964

NC-25782-U
FL-EC-0001670

SC-G-110370
FL-CG-C057613

SC-M-107629
GA-EN-212425

January 10,2008

Louie Johnson
Florida Public Utilities
P. O. Box 418
Fernandina Beach, Florida 32035

RE: Change Out 69KV pole Hot

Dear Mr. Johnson;

The following is our scope for the 69KV pole change out:

- Spot and Set Spun Concrete Pole
- Frame pole and tie-in 69KV circuit hot
- Relocate all of the distribution under build hot, and relocate to new pole
- Cut and pull old pole and dispose of
- All material to be furnished by Florida Public Utility
- All MOT is included in this price
- All Crane Rental is included in this price
- No Matting is included in this price

Our price to set spun Concrete pole is **$20,177.00**

If you would like to discuss this in further detail or if you require any additional information please contact me at (904) 751-6020 at your convenience.

Sincerely,

Rick Sprenger
Vice-President
C and C Powerline, Inc

Z/DATA/ RICK/FLORIDA PUBLIC UTILITY-C/O 69KV POLE HOT -08

Exhibit MCR-7
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

John E. Lucas
Director,
Transmission Policy
and Services

Southern Company Transmission
600 North 18th Street / 13N-8812
Post Office Box 2641
Birmingham, Alabama 35203-8812

Tel 205.257.7200
Fax 205.257.6654

SOUTHERN COMPANY
Energy to Serve Your World

December 26, 2007

C. L. Stein
Senior Vice President, and Chief Operating Officer
Florida Public Utilities
401 South Dixie Highway
West Palm Beach, Florida 33401

Dear Mr. Stein:

Florida Public Utilities Company (FPU) has provided to Southern Company Services, Inc. (Southern Companies) a deposit in the amount of $130,306 for Network Integration Transmission Service consistent with Section 29.2 of Southern Companies' Open Access Transmission Tariff. This deposit shall be refunded in full, with interest calculated at the Federal Energy Regulatory Commission prescribed rate (18 C.F.R. §35.19a), after one year following the commencement of transmission service for FPU, on January 1, 2008.

If you have any questions regarding this matter, please call me, Daryl C. McGee (205-257-7531) or Dean Ulch (205-257-6715).

Sincerely,

John E. Lucas

John E. Lucas
Director, Transmission Policy
& Services

Service Agreement
For
Network Integration Transmission Service

1.0 This Service Agreement, dated as of ________________________, is entered into by and between JEA ("Transmission Provider") and Florida Public Utilities Company ("Network Customer").

2.0 The Network Customer has been determined by JEA to have submitted a completed Application for Network Integration Transmission Service under Part III of the Tariff and has submitted a deposit in the amount of $189,530, in accordance with the provisions of Section 29.2 of the Tariff. Said Application is found in the "Application" for Network Integration Transmission Service, which is attached hereto as Exhibit A, and by this reference is made a part hereof. Any out of pocket expenses necessary to evaluate the request and authorized by Network Customer shall be deducted from the deposit. Any remaining deposit including applicable interest will be credited to the first month's invoice for transmission services.

3.0 Transmission Service under this Service Agreement shall commence on the later of: (1) 0001 hours on January 1, 2008, or (2) the date on which construction of transmission facilities and/or Network Upgrades identified in Exhibit B are completed.

4.0 JEA agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of the Tariff and this Service Agreement. Any notice or request made to or by any Party regarding this Service Agreement shall be made in writing and shall be delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party to the other.

JEA:

Attention: Director, Bulk Power Systems
JEA
7720 Ramona Blvd.
Jacksonville, FL 32221

NETWORK CUSTOMER:

Attention: General Manager

Florida Public Utilities Companies

911 South 8th Street

Fernandina Beach, Florida 32034

5.0 The amount of credit, if any, for a Network Customer's owned transmission facilities that meet the requirements of Section 30.9 of the Tariff is as follows:

None

6.0 The Tariff is incorporated herein and made a part hereof.

7.0 Such other terms and conditions that the Parties may agree on or may be required by the nature of the service requested.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized representatives as of the date first above written.

FLORIDA PUBLIC UTILITIES COMPANY

BY: John T. English

Name: **John T. English**
Title: **President & CEO**
12/31/07

JEA

BY: ____________________

Name:
Title:

Approved to Form

BY: ____________________
Van Ness Feldman, P.C.

Exhibit A

APPLICATION FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Term of Network Integration Transmission Service:
Start Date: January 1, 2008
Termination Date: December 31, 2010

2.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates).

FPU has procured firm generating resources from the JEA balancing area necessary to meet FPU's network load requirements including all ancillary services except Schedules 1 and 2.

3.0 Network Resources

(1) Transmission Customer Generation Owned:
Resource Capacity: 0 MW Capacity Designated: 0 MW

(2) Transmission Customer Generation Purchased:
Source: JEA Capacity: 119MW

Total Network Resources: (1)+(2) = 119 MW

4.0 Network Load

(1) Transmission Customer Network Load:
Network Load 119MW Transmission Voltage Level 138kV

(2) Member Systems Loads Designated as Network Load:
Member System Load N/A Transmission Voltage Level N/A

Total Network Load (Estimated): (1)+(2) = 119MW

5.0 Service under this Service Agreement may be subject to some combination of the charges below. (The appropriate charges will be determined in accordance with the terms and conditions of the Tariff).

- Transmission Service Charges: $1.51/kw-month times the Network Customer Monthly Network Load pursuant to Section 34.2 of the Tariff.
- Ancillary Service Charges: $0.06568/kw-month times the Network Customer Monthly Network Peak Load pursuant to Section 34.2 of the Tariff.
- System Impact and/or Facilities Study Charges: paid in full from customer deposit provided by FPU
- Direct Assignment Facilities Charge: None

Exhibit B
Network Upgrades
For Network Integration Transmission Services

None.

NETA MTS-2005

MAINTENANCE TESTING SPECIFICATIONS

Exhibit MCR-8
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

Exhibit 50.2
OPC Interrogatory 1
Docket 070304-EI

FOR ELECTRICAL POWER DISTRIBUTION EQUIPMENT AND SYSTEMS

Celebrating 35 Years of Setting the Standard

NETA
InterNational Electrical Testing Association Inc.
Quality Since 1972
Setting the Standard

2005

InterNational Electrical Testing Association

APPENDIX B

Frequency of Maintenance Tests

NETA recognizes that the ideal maintenance program is reliability-based, unique to each plant and to each piece of equipment. In the absence of this information and in response to requests for a maintenance timetable, NETA's Standards Review Council presents the following time-based maintenance schedule and matrix.

One should contact a NETA Full-Member company for a reliability-based evaluation.

The following matrix is to be used in conjunction with NETA's Frequency of Maintenance Tests table. Application of the matrix is recognized as a guide only.

Specific condition, criticality, and reliability must be determined to correctly apply the matrix. Application of the matrix, along with the culmination of historical testing data and trending, should provide a quality electrical preventive maintenance program.

MAINTENANCE FREQUENCY MATRIX				
		EQUIPMENT CONDITION		
		POOR	AVERAGE	GOOD
EQUIPMENT RELIABILITY REQUIREMENT	LOW	1.0	2.0	2.5
	MEDIUM	0.50	1.0	1.5
	HIGH	0.25	0.50	0.75

APPENDIX B (cont.)

Inspections and Tests

(Frequency in Months)

Multiplier for Inspections and Tests

(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.1	Switchgear & Switchboard Assemblies	12	12	24
7.2	Transformers			
7.2.1.1	Small Dry-Type Transformers	2	12	36
7.2.1.2	Large Dry-Type Transformers	1	12	24
7.2.2	Liquid-Filled Transformers	1	12	24
	Sampling	–	–	12
7.3	Cables			
7.3.2	Low-Voltage Cables	2	12	36
7.3.3	Medium- and High-Voltage Cables	2	12	36
7.4	Metal-Enclosed Busways	2	12	24
	Infrared Only	–	–	12
7.5	Switches			
7.5.1.1	Low-Voltage Air Switches	2	12	36
7.5.1.2	Medium-Voltage Metal-Enclosed Switches	–	12	24
7.5.1.3	Medium- and High-Voltage Open Switches	1	12	24
7.5.2	Medium-Voltage Oil Switches	1	12	24
7.5.3	Medium-Voltage Vacuum Switches	1	12	24
7.5.4	Medium-Voltage SF_6 Switches	1	12	24
7.5.5	Cutouts	12	24	24
7.6	Circuit Breakers			
7.6.1.1	Low-Voltage Insulated-Case/Molded-Case CB	1	12	36
7.6.1.2	Low-Voltage Power CB	1	12	36
7.6.1.3	Medium-Voltage Air CB	1	12	36
7.6.2	Medium-Voltage Oil CB	1	12	36
	Sampling	–	–	12
7.6.2	High-Voltage Oil CB	1	12	12
	Sampling	–	–	12
7.6.3	Medium-Voltage Vacuum CB	1	12	24
7.6.4	Extra-High-Voltage SF_6	1	12	12
7.7	Circuit Switchers	1	12	12
7.8	Network Protectors	12	12	24

APPENDIX B (cont.)
Inspections and Tests
(Frequency in Months)
Multiplier for Inspections and Tests
(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.9	Protective Relays			
7.9.1	Electrical/Mechanical and Solid State	1	12	12
7.9.2	Microprocessor-Based	1	12	12
7.10	Instrument Transformers	12	12	36
7.11	Metering Devices	12	12	36
7.12	Regulating Apparatus			
7.12.1.1	Step-Voltage Regulators	1	12	24
	Sample Liquid	–	–	12
7.12.1.2	Induction Regulators	12	12	24
7.12.2	Current Regulators	1	12	24
7.12.3	Load-Tap-changers	1	12	24
	Sample Liquid	–	–	12
7.13	Grounding Systems	2	12	24
7.14	Ground-Fault Protection Systems	2	12	12
7.15	Rotating Machinery			
7.15.3	AC Motors	1	12	24
7.15.1	DC Motors	1	12	24
7.15.3	AC Generators	1	12	24
7.15.4	DC Generators	1	12	24
7.16	Motor Control			
7.16.1.1	Low-Voltage Motor Starters	2	12	24
7.16.1.2	Medium-Voltage Motor Starters	2	12	24
7.16.2.1	Low-Voltage Motor Control Centers	2	12	24
7.16.2.2	Medium-Voltage Motor Control Centers	2	12	24
7.17	Adjustable Speed Drive Systems	1	12	24
7.18	Direct-Current Systems			
7.18.1	Batteries	1	12	12
7.18.2	Battery Chargers	1	12	12
7.18.3	Rectifiers	1	12	24
7.19	Surge Arresters			
7.19.1	Low-Voltage Devices	2	12	24
7.19.2	Medium- and High-Voltage Devices	2	12	24

APPENDIX B (cont.)
Inspections and Tests
(Frequency in Months)

Multiplier for Inspections and Tests
(Multiply Value by Matrix)

Section	Description	Visual	Visual & Mechanical	Visual & Mechanical & Electrical
7.20	Capacitors and Reactors			
7.20.1	Capacitors	1	12	12
7.20.2	Capacitor Control Devices	1	12	12
7.20.3.1	Reactors – Dry-Type	2	12	24
7.20.3.2	Reactors – Liquid-Filled	1	12	24
	Sampling	–	–	12
7.21	Outdoor Bus Structures	1	12	36
7.22	Emergency Systems			
7.22.1	Engine Generator	1	2	12
	Functional Testing	–	–	2
7.22.2	Uninterruptible Power Systems	1	12	12
	Functional Testing	–	–	2
7.22.3	Automatic Transformer Switches	1	12	12
	Functional Testing	–	–	2
7.23	Telemetry/Pilot Wire SCADA	1	12	12
7.24	Automatic Circuit Reclosers and Line Sectionalizers			
7.24.1	Automatic Circuit Reclosers, Oil/Vacuum	1	12	24
	Sample	–	–	12
7.24.2	Automatic Line Sectionalizers, Oil	1	12	24
	Sample	–	–	12
7.27	EMF Testing	12	12	12

APPENDIX C

About the InterNational Electrical Testing Association

The InterNational Electrical Testing Association (NETA) is an accredited standards developer for the American National Standards Institute (ANSI) and defines the standards by which electrical equipment is deemed safe and reliable. NETA Certified Technicians conduct the tests that ensure this equipment meets the association's stringent specifications. NETA is the leading source of specifications, procedures, testing, and requirements, not only for commissioning new equipment but for testing the reliability and performance of existing equipment.

Certification

Certification of competency is particularly important in the electrical testing industry. Inherent in the determination of the equipment's serviceability is the prerequisite that individuals performing the tests be capable of conducting the tests in a safe manner and with complete knowledge of the hazards involved. They must also evaluate the test data and make an informed judgment on the continued serviceability, deterioration, or nonserviceability of the specific equipment. NETA, a nationally-recognized certification agency, provides recognition of four levels of competency within the electrical testing industry in accordance with *ANSI/NETA ETT Standard for Certification of Electrical Testing Technicians.*

Qualifications of the Testing Organization

An independent overview is the only method of determining the long-term usage of electrical apparatus and its suitability for the intended purpose. NETA companies best support the interest of the owner, as the objectivity and competency of the testing firm is as important as the competency of the individual technician. NETA Members are part of an independent, third-party electrical testing association dedicated to setting world standards in electrical maintenance and acceptance testing. Hiring a NETA Member company assures the customer that:

- The NETA Technician has broad-based knowledge -- this person is trained to inspect, test, maintain, and calibrate all types of electrical equipment in all types of industries.
- NETA Technicians meet stringent educational and experience requirements in accordance with *ANSI/NETA ETT Standard for Certification of Electrical Testing Technicians.*
- A Registered Professional Engineer will review all engineering reports.
- All tests will be performed objectively, according to NETA specifications, using calibrated instruments traceable to the National Institute of Science and Technology (NIST).
- The firm is a well-established, full-service electrical testing and maintenance business.

APPENDIX C (cont.)

About the InterNational Electrical Testing Association

Specifications and Publications

As a part of its service to the industry, the InterNational Electrical Testing Association provides nationally-recognized publications:

ANSI/NETA ETT	*Standard for Certification of Electrical Testing Technicians*
ANSI/NETA MTS 7.2.1	*Standard for Electrical Maintenance Testing of Dry-Type Transformers*
ANSI/NETA MTS 7.2.2	*Standard for Electrical Maintenance Testing of Liquid-Filled Transformers*
NETA MTS	*Electrical Maintenance Testing Specifications for Electrical Power Distribution Equipment and Systems*
NETA ATS	*Electrical Acceptance Testing Specifications for Electrical Power Distribution Equipment and Systems*

The Association also produces a quarterly technical journal, *NETA World*, which features articles of interest to electrical testing and maintenance companies, consultants, engineers, architects, and plant personnel directly involved in electrical testing and maintenance.

Educational Programs

NETA's Annual Technical Conference draws hundreds of qualified industry professionals from around the globe. This conference provides a forum for current industry advances, critical informational updates, networking, and more. Regular attendees include technicians from electrical testing and maintenance companies, consultants, engineers, architects, and plant personnel directly involved in electrical testing and maintenance. Paper presentations from field-experienced industry experts share practical knowledge and experience while in-depth seminars offer interactive training. One highlight of this meeting is the trade show. Attendees enjoy the highest-quality gathering of industry-specific suppliers displaying state-of-the-art products and services directly related to the electrical testing industry. It is impossible to find better opportunities for interaction and input in a professional technical environment.

WAUKESHA ELECTRIC SYSTEMS

Transformer Maintenance

GENERAL

Transformers in service are often subjected to heavy electrical and mechanical stresses. In order to avoid faults and disturbances, it is extremely important that the transformers are carefully supervised.

Certain items on or in a transformer must be inspected regularly to insure long life. The frequency of these inspections is determined by the size and type of the transformer, the atmospheric conditions, and the importance of continuity of service. The actual frequency of inspection should be adjusted for each device as experience dictates or at the minimum interval specified on the chart on, page 4.

Observation of oil condition and temperature on an annual basis is recommended.

Spare transformers must be inspected and maintained in the same manner as transformers in operation.

EXTERNAL MAINTENANCE - CLEANING

Use solvent to thoroughly remove all oil that appears on the outside of the tank or on the gaskets. This oil, later showing up on the painted surface, often gives the false impression of a leak.

The bushing porcelains must be kept free of dust and dirt and inspected at least once per year. Abnormal conditions such as sandstorms, salt deposits, dust or chemical fumes, require regular cleaning to avoid accumulations on the external surface. Accepted methods of hot line washing or cleaning with solvents may be used.

Keep the heat radiating surfaces of the transformer clean. External surfaces of forced oil heat exchangers should be periodically cleaned as the environment may dictate. Transformers near the sea coast or in corrosive atmosphere areas should be painted regularly to prevent corroding or rusting of metal parts.

If it becomes necessary to remove a radiator, first close the top and bottom valves and bolt them in the closed position. Next, drain the oil from the radiator by removing the 3/4 inch drain plug from the bottom header and the 3/4 inch vent plug from the top. After draining the oil, remove the radiator. If the radiator is to be off for any length of time, the transformer valves should be gasketed and protected with covers. This also applies to the radiator header openings.

All breathers and small openings in pressure relief valves and pressure-vacuum bleeders must be kept clean and in operating condition.

All ground buses and wiring leads to ground must be kept in good condition. Proper relay operation depends on low ground resistance. Ground resistance should be measured annually.

PERIODIC INSPECTION

External Circuit And Control Equipment

The following must be inspected 30 days after installation and once per year thereafter.

A. Control circuit voltage.

B. Excess heating of parts - as evidenced by discoloration of metal parts, charred insulation or odor.

C. Freedom of moving parts (no binding or sticking).

D. Excessive noise in relay coils.

E. Excessive arcing in opening circuits.

F. Proper functioning of timing devices, sequencing of devices, relief device alarm contacts and thermometer contacts.

G. Evidence of water or liquids in control cabinets.

Cooling System

With naturally cooled transformers and transformers equipped with air cooled oil coolers, there is, in general, no need for taking special steps to keep the internal cooling surfaces clean, as long as the oil is in good condition. If, however, formation of sludge in the oil has set in, the sludge may deposit in horizontal surfaces in radiators and coolers. In such a case, the radiators and the coolers should be rinsed in conjunction with changing of oil and overhauling the transformer.

External cooling surfaces should be checked annually for accumulation of dirt or debris that can block external air passages of radiators or coolers. Clear as necessary to maintain free air flow.

⚠ CAUTION

Follow proper safety precautions when working with solvents. Dispose of solvents in accordance with all applicable local, state and federal regulations.

Oil Levels

The oil levels in the tank and mechanism compartment should be checked at two-week intervals during the first month of operation and annually after that.

Oil Dielectric Test

Any insulating oil from a transformer in service, testing 26 kV or less per ASTM-D877, should be filtered. Test the oil annually or more frequently if the operation seems to warrant a question of the oil's dielectric strength.

Low insulating oil strength may also be an indication that the transformer insulation contains excess moisture. Further investigations should then be made, such as making power factor tests, measuring oil moisture content and taking dew point measurements.

PERIODIC POWER FACTOR TESTING

Power factor tests on the unit must be made whenever the unit is de-energized for long periods (one month or more) or the unit is opened for any reason.

PERIODIC INSPECTION – EXTERNAL TANK, COVER, GASKETS, VALVES

Regular annual inspection is required on these components. Any required replacement or adjustment should be accomplished as soon as possible. Nitrile rubber gaskets around doors, maintenance holes, covers, etc. may be re-used if in good condition.

ACCESSORIES

Test all accessories once a year. Examine all apparatus, electrical cables and conductors, signalling and operating devices to the control room or control board. Megger test is also recommended.

MAINTENANCE INSPECTION CHART

Refer to the chart on page 4 for inspection interval and type of inspection recommendation.

PAINT MAINTENANCE

WES transformers are supplied with a standard paint system or with the paint system specified by the purchaser. The paint system must be free from scratches through to the bare metal or exposed primer when a transformer is placed into storage and when it is placed into service. In order to obtain maximum corrosion protection from the paint system, all damage should be restored to its minimum thickness as soon as possible after any damage occurs.

If bare metal is exposed, the area must be sanded down to blend the damaged area into the undamaged paint surface. Wipe the sanded areas with denatured alcohol or a safety solvent to remove dust, oil, or road contamination. The area must then be brush or spray painted with primer, intermediate coat if applicable, and finish coat. If the primer is intact, lightly sand the damaged paint surface to smooth rough edges. Spray or brush on the intermediate coat, if applicable, and the finish coat to restore or exceed the original finish thickness.

In locations where the transformer will be exposed to abrasive, wind blown materials, the finish coats, and intermediate coats if applicable, should be restored to original thickness on a regular basis and as soon as possible after the finish coat has been abraded through.

Fans
Fan motors use pre-lubricated sealed ball bearings that do not require lubrication maintenance. During extended periods of reduced capacity not requiring fan operation, it is suggested that the fans be run periodically (quarterly for example) to insure satisfactory operation when required. Make sure that the proper drain holes on the motor are open. Motors on vertically mounted fans must have the drain screw in the bell end removed and the two drain holes in the motor housing plugged. If the fan is mounted for horizontal blowing the two drain screws in the body of the motor must be removed and the hole in the bell end plugged.

Dissolved Gas Analysis
IEEE and ANSI standards provide guidance for the sampling, detection and interpretation of gases generated in oil filled transformers (IEEE C57.104-1991). Application of these guidelines can provide early warning of evolving problems within the transformer and allow preventive actions to be taken before serious damage or loss of life occurs.

Periodic Inspection - Oil
Transformer oil is hygroscopic and thus easily absorbs moisture from the air. The absorption of moisture is minimized by the oil preservation system. In a sealed tank system, the pressure-vacuum regulator permits the entry of very small quantities of air only during a -3.0 psi vacuum condition. The positive pressure nitrogen system precludes the entry of any air as long as positive gas pressure is maintained. The oil conservator system with a silica gel breather also minimizes the entry of moisture as long as the gel is properly renewed or regenerated as soon as its ability to absorb moisture begins to diminish. Saturation with moisture is signalled by a change in color from blue to pink.

If some work has been carried out on a transformer and the oil has, during that time, been exposed to the humidity of the air, the breakdown value and moisture content of the oil should be checked. Aside from this, a similar check of the oil should be made on all transformers at regular intervals.

IEEE and ANSI standards provide guidance for the acceptance, maintenance, continued use and reclamation of insulating oil. These guidelines should be applied to **WES** transformers. <u>The limits in this manual will supercede the Guides limits when they are more restrictive than the Guide limits.</u> The applicable Guides are:

> IEEE C57.106-1991, Guide for Acceptance and Maintenance of Insulating Oil in Equipment.
>
> IEEE Std 637-1985 (Reaff 1992) Guide for the reclamation of insulating oil and its continued use (ANSI).

Temperature
The life of a transformer is highly dependent upon the temperature prevailing in the core and coils. It is therefore important that the temperature be continually kept under observation.

When the temperature of the transformer's cooling oil is relatively low, the transformer can within limits, be safely overloaded. But note that a given increment of load increase will produce a greater than proportional increase (1.6th power) in oil temperature. The ANSI Loading Guide may be used, but do not exceed its recommendations without consulting **WES**.

If, without an increase in load, there is a tendency for the temperature of a transformer to rise, the reason may be that in some way the cooling is impaired. This situation should be fully investigated before increasing the transformer load.

The overload capacity is sometimes limited by the accessories of the transformer, such as, bushings, tapchangers etc. Know these limitations before increasing the transformer load. After every continuous overload of 20% or more, a complete investigation to detect degradation of the transformer insulation system is recommended.

SUGGESTED MAINTENANCE SCHEDULE

COMPONENT	Visual 1	Cleaning 2	Testing 3	Filtering 4	Lubrication 5	Operational Testing 6	Testing of Electrical circuits 7	Megger Testing 8	Inspecting Contacts 9	Changing of Contacts 10
Tank, cover, gaskets		A								
Conservator tank, open		A								
Conservator tank, sealed with rubber diaphragm		M								
Radiators		A								
Coolers with fans		A			S	A	A	A		
Coolers, water cooled, (oil side)		WR								
Coolers, water cooled, (water side)		WR								
Valves		WR								
Oil pumps with motors		WR				A	A	A		
Fans with motors		WR				A	A	A		
Oil			A	WR						
Bushings		A								
Oil level indicators	D	WR				A	A	A		
Gas operated relay	W	WR				A	A	A		
Temperature indicator	D	WR				A	A	A		
Thermostats		WR				A	A	A		
Flow indicators for oil and water	D	WR				A	A	A		
Pressure gauges for oil and water	D	WR				A	A	A		
Explosion vent	M	A				A	A	A		
Silica gel breathers	W	WR								
Nitrogen equipment	D	WR				A	A	A		
Deenergized Tap Changer		A			A	A	A	A		
Load tap changer:										
Main contacts		F							F	WR
Oil			A	WR						
Oil level indicator	D	WR				A	A	A		
Thermostat		WR				A	A			
Pressure gauge	D	WR				A	A	A		
Driving mechanism	A				A	A	A	A		
Automatic system for operation						A	A	A		
Lightning arresters		A				A				
Protective relays		A				A	A	A		

D = Daily
A = Annually
S = Semi-annually
M = Monthly
F = Five years or 100,000 operations
W = Weekly
WR = When Required

Figure 7-1. Maintenance schedule.

Exhibit MCR-9
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

NE Division - Substation Maintenance

Equipment	***2008***	***2009***	***2010***	***2011***	***2012***
Transformers	$77,000	$27,000	$27,000	$41,000	$76,000
Circuit Breakers (oil & SF6)	$8,000	$54,000	$30,000	$0	$0
Circuit Switchers	$9,000	$0	$0	$9,000	$0
Potential Transformers	$4,000	$1,000	$4,000	$1,000	$4,000
Relays	$10,000	$1,000	$10,000	$1,000	$10,000
Switches	$5,000	$5,000	$5,000	$5,000	$5,000
Infrared (all stations)	$3,000	$3,000	$3,000	$3,000	$3,000
Washing Insulators (Stepdown Only)	$10,000	$10,000	$10,000	$10,000	$10,000
Totals	$126,000	$101,000	$89,000	$70,000	$108,000

Assumptions & Notes:

- New CBs and Tx at SD & JLT require less maintenance in early years.
- Time-based maintenance schedule based on 2005 NETA's (National Electrical Testing Association) guidelines and manufacturer's recommendations
- SF6 CBs at AIP are replaced in 2009
- Above figures to change contingent upon equipment failures and repairs

		2008		2009		2010		2011		2012
SD										
ST 911	degasify & gen testing	25000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 908	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 907	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing (5yr)	10000
ST 906	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
ST 913	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
JLT										
ST 904	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
ST 905	General Testing & LTC Mtc	10000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000
AIP										
ST 910	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000	doble bushings/oil samples	3000
ST 909	doble bushings/oil samples	3000	doble bushings/oil samples	3000	doble bushings/oil samples	3000	General Testing & LTC Mtc (5yr)	10000	doble bushings/oil samples	3000
TOTALS FOR TRANSFORMERS		**77000**		**27000**		**27000**		**41000**		**76000**
SD 138KV										
GCB 401					major 6yr	3000				
GCB 402					major 6yr	3000				
SD 69KV										
OCB 301	Oil Samples (baseline)/visua	500			major 6yr	3000				
OCB 302	Oil Samples (baseline)/visua	500			major 6yr	3000				
OCB 303	Oil Samples (baseline)/visua	500			major 6yr	3000				
OCB 306	Oil Samples (baseline)/visua	500			major 6yr	3000				
GCB 304			major 6yr	3000						
GCB 305			major 6yr	3000						
GCB 309			major 6yr	3000						
GCB 313	major 6 yr	3000								
GCB 315	major 6 yr	3000								
SD 15KV										
VCB 307			major 5 yr.	3000						
VCB 308			major 5 yr.	3000						
VCB 310			major 5 yr.	3000						
VCB 311			major 5 yr.	3000						
VCB 312			major 5 yr.	3000						

JLT 69KV							
GCB 201				major 6yr	3000		
GCB 202				major 6yr	3000		
GCB 203				major 6yr	3000		
GCB 204				major 6yr	3000		
JLT 15KV							
VCB 206		major 5 yr.	3000				
VCB 207		major 5 yr.	3000				
VCB 208		major 5 yr.	3000				
VCB 209		major 5 yr.	3000				
VCB 210		major 5 yr.	3000				
VCB 211		major 5 yr.	3000				
VCB 212		major 5 yr.	3000				
VCB 213		major 5 yr.	3000				
VCB 214		major 5 yr.	3000				
VCB 215		major 5 yr.	3000				
AIP 69KV							
GCB 150							
GCB 151							
TOTAL FOR CBS	**8000**		**54000**		**30000**	**0**	**0**

42. Please refer to Schedule C-6, pages 2 and 3. Please provide the expenses, by month, in each of the accounts shown on Schedule C-6 for the nine-months ended September 30, 2007.

RESPONSE:

Please see "Exhibit #42".

Witness: Khojasteh

43. Please provide the Company's employee count, by description, separated by division of northwest Florida and northeast Florida and administrative for each month of the year 2000 through the current month available in 2007.

Please see exhibits OPC Interrog. #43.1-#43.8

MAR = Marianna, FL = Northwest Electric division
FBCH = Fernandina Beach, FL = Northeast Electric division

(Martin)

44. Please refer to the Company's explanation of over/above expenses on page 96. The Company has increased the 2008 projected test year by $56,497 for a vacant position-Operations Manager for the Northwest Florida Division. Please state the following:

a. Has the Company filled this position?

b. Has there ever been a person which held this position between the year 2002 and the current year 2007?

a. Yes. The company filled this position December 11, 2006.

b. Yes. This position was held by Don Myers during the period 2002 until December 2006. In January 2006, Mr. Myers was promoted from the Operations Manager position to the acting General Manager position when the General Manager was transferred to the Northeast Florida Division. This Operations Manager position was open from January 2006 until December 11, 2006 when it was filled.

Witness: Cutshaw / Khojasteh

45. The Company shows in the projected test year 2008, the cost of $27,127 for each of the northeast and northwest divisions to train eight apprentices in each division. Please provide the following information:

a. Have any apprentices been hired in the year 2007? If so, provide the date each apprentice was hired and the position which he/she occupies.

b. Provide the basis in the form of invoices or contracts upon which the Company based its projection of $27,127 to train the eight apprentices in each division.

a. Yes. Four Apprentices and one Helper were hired during 2007. One Apprentice Lineman B in January 2007, 3 in July 2007 and 1 Helper in September 2007. In addition to those apprentices who require training, there are 8 current apprentice linemen who also require training; 5 Apprentice Lineman A and 3 Apprentice Lineman B.

b. The basis for the estimates was to allow for eight apprentices in each division to begin the FPUC Lineman Training Program and the State Lineman Training program. The 2006 estimate included three weeks of training ($850/week) at the Tampa Electric Company training facility along with an additional $10,000 to cover costs associated with the State Lineman Training Program. This amount was escalated 6.8% to arrive at the $27,127 per division amount.

However, since the preparation of the rate case information, it was determined that the Tampa Electric Company training facility can no longer be used for our training needs and no other acceptable outside facility is available. This resulted in a change in the structure of the training needs in order to attract, train and retain Lineman for the future.

Revised plans are to train a total of 11 Apprentice Lineman in the FPU Lineman Training Program and State Lineman Training Program using in-house personnel, facilities and equipment. This will require the addition of one Training position and the associated equipment and supplies necessary. The will place a Trainer in each division that will also have responsibilities associated with the safety program of the company. The additional cost for 2008 is projected as follows:

Additional Trainer Salary and Benefits	$87,750
Travel Expense for Trainer	$9,600
Training Supplies (non-capital)	$5,150
Preparation of Training Materials	$2,325
Actual Materials used for Training	$11,310
State Lineman Program Materials	$11,000
Total	$127,135

Attached is Exhibit 45.1 which includes the details associated with the training.

Witness: Cutshaw / Khojasteh

46. The Company has included in each division the sum of $14,904, which it has labeled as "Inform and Educate Customers on Various Issues." Please provide the following information:

a. State exactly how the Company arrived at the amount of $14,904 for each division.

b. Provide the information and education which each customer will receive which would not be covered by the current information or advertising program which was included in the actual expenses of the year 2006.

RESPONSE:

a. The basis for the amounts is as follows and applies to account 9134 for which these funds are designated.

2006 Actual Amount-	$121,227
2007 YTD (August) -	$100,476
2007 Projection (current) -	$150,714 (trended based on August actual expenditures)
2007 Projection (in filing) -	$154,148 (estimated based on scheduled work for 2007)

The 2007 amount included in the filing on C-8 was determined by estimating the communication work remaining for 2007 which resulted in the estimate of $154,148. The

Exhibit MCR-11
Docket 070304-EI
Florida Public Utilities Company
Witness Mark Cutshaw

POSITION: ENGINEER

ACCOUNTABLE TO: Engineering Manager, Northeast Florida

RESPONSIBILITIES: Responsibilities include but are not limited to the following.

1. Manage the following programs, monitor contractors and provide documentation and reports as required.
   A. Wood pole inspection and loading program.
   B. Joint use audits, permits and billing.
   C. Vegetation management accomplishments.
   D. Transmission climbing inspection program.
   E. Street light inspection program.
   F. Underground and confined space inspection program.
   G. Coastal facilities inspection program.

2. Improvement and Retirement Requisitions resulting from inspection programs.
   A. Prepare local and specific requisitions.
   B. Initiate stock slips.
   C. Prepare permits, easements, CIAC documents, etc.
   D. Complete/revise requisitions.

3. Provide for updates to the distribution mapping system to ensure the maps are accurate and updated regularly with information from the inspection programs. This should include updating facilities and documenting data from the inspections.

4. Federal, state and local regulation compliance.
   A. FERC, National Electric Safety Code, Hazardous Waste/PCB, Department of Transportation and OSHA (Safety) Compliance.
   B. Florida Public Service Commission report preparation, request and audits.
   C. DOT/Transportation requirements/permits and Right-to-know laws.
   D. County and city ordinances/building codes and local utility coordinating committee.

5. Assist in Budget preparation as needed. This will include engineering design and estimates on all budgeted distribution line and substation projects.

6. Develop, publish and revise, as needed, a complete set of procedures, construction standards and material specifications related to the inspection programs. This will be updated annually and as needed.

7. Customer electric service.
   A. Meet with customers, determine service requirements, take field notes, layout and estimate line extensions and services.
   B. Investigate service/high bill complaints and recommend corrective action.

8. Assist and fill in for the Engineering Manager in his absence.

9. Rotate on a regular basis as "On Call" supervisor for after work hours.

10. Customer/Public relations.

11. Special assignments as required.

Engineer Qualifications

- Must possess excellent interpersonal, communication and organizational skills.
- Must have experience in electric utility design and specification of transmission, substation, and distribution systems.

- Must have experience in transmission, substation, and distribution materials and specifications.
- Must be capable of producing professional, error-free written correspondence.
- Must have a working knowledge or capable of developing a working knowledge of personal computers and computer software such as Word, Excel, etc.
- Must have a working knowledge or capable of developing a working knowledge of all mainframe computer applications used by FPUC.
- Must exhibit a high degree of accuracy while performing duties.
- Must dress neatly and handle themselves in a professional manner at all times.
- Must have the willingness and ability to handle certain tasks in a confidential manner.
- Must be willing to travel as needed.
- Four year Bachelors Degree in an engineering related field from an ABET accredited or equivalent college or university or equivalent utility specific experience.
- Five years electric engineering related experience in the utility industry.

Engineer

Company:	Florida Public Utilities Company	**Location:**	US-FL-Fernandina Beach
Status:	Full Time, Employee	**Job Category:**	Engineering
Relevant Work Experience:	5+ to 7 Years	**Career Level:**	Experienced (Non-Manager)
Education Level:	Bachelor's Degree		

Job Description

Engineer

Florida Public Utilities Company is seeking a highly motivated professional to fill the position of Engineer located in our Fernandina Beach office. This position is responsible for the overhead and underground distribution and overhead transmission electric activities. The ideal candidate for this position will have experience in the electric utility industry while capable of planning, organizing and controlling all activities associated facility inspection programs and related facility upgrades. This position includes significant interaction with employees, contractors and the public while performing the job resposibilities listed below.

Duties:

- Manage the following programs, monitor contractors and provide documentation and reports as required.

- Wood pole inspection and loading program.
- Joint use audits, permits and billing.
- Vegetation management program accomplishments.
- Transmission climbing inspection program.
- Street light inspection program accomplishments.
- Underground and confined space inspection program accomplishments.
- Coastal facilities inspection program accomplishments.

- Improvement and Retirement Requisitions resulting from inspection programs.
  - Prepare local and specific requisitions.
  - Initiate stock slips.
  - Prepare permits, easements, CIAC documents, etc.
  - Complete/revise requisitions.
- Provide for updates to the distribution mapping system to ensure the maps are accurate and updated regularly with information from the inspection programs. This should include updating facilities and documenting data from the inspections.
- Federal, state and local regulation compliance.
  - FERC, National Electric Safety Code, Hazardous Waste/PCB, Department of Transportation and
  - OSHA (Safety) Compliance.
  - Florida Public Service Commission report preparation, request and audits.
  - DOT/Transportation requirements/permits and Right-to-know laws.
  - County and city ordinances/building codes and local utility coordinating committee.
- Assist in Budget preparation as needed. This will include engineering design and estimates on all budgeted distribution line and substation projects.
- Develop, publish and revise, as needed, a complete set of procedures, construction standards and material specifications related to the inspection programs. This will be updated annually and as needed.
- Customer electric service
  - Meet with customers, determine service requirements, take field notes, layout and estimate line extentions and services
  - Investigate service/high bill complaints and recommed corrective action.
- Assist and fill in for the Engineering Manager in his absence.
- Rotate on a regular basis as "On Call" supervisor for after work hours.
- Customer/Public relations.
- Special assignments as required.

Qualifications:

- Must possess excellent interpersonal, communication and organizational skills.
- Must have experience in electric utility design and specification of transmission, substation, and distribution systems.
- Must have experience in transmission, substation, and distribution materials and specifications.
- Must be capable of producing professional, error-free written correspondence.
- Must have a working knowledge or capable of developing a working knowledge of personal computers and computer software such as MS Office (Word, Excel, etc.)
- Must have a working knowledge or capable of developing a working knowledge of all mainframe computer applications used by FPUC.
- Must exhibit a high degree of accuracy while performing duties.
- Must dress neatly and handle themselves in a professional manner at all times.
- Must have the willingness and ability to handle certain tasks in a confidential manner.
- Must be willing to travel as needed.

Education:

- Four year Bachelors Degree in an engineering related field from an ABET accredited or equivalent college or university or equivalent utility specific experience.
- Five years electric engineering related experience in the utility industry.

Interested applicants can fax or email resume to our Fernandina Beach office 904-261-3666 or ljohnson@fpuc.com

Contact:

Company: Florida Public Utilities Company
Email: ljohnson@fpuc.com
Address: 911 S. 8th Street
Fernandina Beach,FL 32034
Fax: 904-261-3666

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* = Required Information

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We'll save the email address you've entered so that we can contact you about the status of your application if necessary.

Step 2:

Personalize the cover letter below, or add your own note instead. To send your resume without a note, leave this box empty.

Note: Use plain text only. HTML is not supported.

Character Count: 0 (4,000 character limit) ✔ABC

Step 3:

Upload a resume Copy and paste a resume

Character Count: 0 (20,000 character limit) ✔ABC
Note: Microsoft Word files (97 and newer), 500 KB or smaller.
Cancel Submit

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Additional Position	
Salary & Benefits –	$76,609
Transportation and Expenses -	$22,838
Total Cost of Position -	$99,447

Expense Breakdown	
Joint Use Audits (21%) -	$20,909
Pole Inspections (79%) -	$78,538 (3050 poles * $25.75/pole)

Pole Inspection Cost

Pole Inspection Cost - $46.35/pole *3050 poles= $141,367/year

Additional Position (Pole Inspections)	$78,538/year
Total Cost	$219,905/year

e. The new employee will be used to coordinate and handle the Joint Use Audit and Pole Inspection programs associated with the storm hardening initiatives and ensure all data is collected and submitted to the FPSC in accordance with annual reporting requirements. Additional support will also be provided by this position to coordinate the data collection and reporting for the Vegetation Management and Transmission Pole Inspection programs.

The Pole Inspection Program using contractors to perform very detailed inspections and loading analysis is an entirely new program for FPU. This along with the collection of data and reporting requirements are functions that FPU is not staffed to perform. In addition, the coordinating, data collection and reporting associated with the joint use attachment programs, transmission line inspections and vegetation management programs add additional functions to this position. Staffing for these functions is not currently available.

Witness: Cutshaw / Khojasteh

58. In the Company's over/above expenses it has added $352,260 for an additional three crews for a total of six crews in northwest Florida for tree trimming. Provide the following information regarding this request:

a. State the number of miles the tree trimming that the Company currently is able to accomplish with its current level of three crews in the northwest Florida division.

b. State the total number of miles of distribution and transmission in the northwest division that requires tree trimming.

c. Provide the analysis which the Company used to calculate the dollar amount of $352,260.

RESPONSE:

a. The Company average miles of line trimmed per crew as determined in the 2007-2009 Storm Hardening Plan is 36 miles per crew or 108 miles per year for three crews.

b. In the 2007-2009 Storm Hardening Plan filed by FPUC, a total of five (5) tree trimming crews were required in the Northwest Florida Division to meet the requirement of the three year main feeder and six year lateral trim cycle. The following information was provided and is shown based upon a three year trim cycle for main feeders and six year trim cycle. The Northwest Florida Division has no transmission facilities.

Line Miles (NW FL)	50 miles/crew	40 miles/crew	35 miles/crew
112 miles (feeders)	0.8	0.9	1.1
514 miles (laterals)	1.7	2.1	2.4
Total Resources (crews)	2.5	3.0	3.5

Based upon these results, a total of four (4) tree trimming crews are required to ensure the normal three year main feeder and six year lateral trim cycle is accomplished. One (1) additional tree trimming crew is required to address danger trees and spot trimming necessary to avoid outages related to trees conflicts.

c. Based upon the 2007 – 2009 Storm Hardening Plan that was filed to include a three year main feeder and six year lateral trim cycle, <u>the total company tree trimming crews required was a total of seven (7) tree trimming crews</u> rather than the originally proposed eight (8) tree trimming crews. The reduction will decrease the Northwest Florida Division crews down to five (5) tree trimming crews rather than the originally proposed six (6) tree trimming crews.

During 2006, the company had a total of five (5) tree trimming crews working with the exception of the item addressed in Question #53 shown above. <u>Based upon this change in the Storm Hardening Plan, the total 2008 cost for a total of seven (7) tree trimming crews should be modified to $234,840 in the over/above expenses which includes the total cost for two additional tree trimming crews.</u>

Witness: Cutshaw / Khojasteh

59. The Company has requested an amount of $27,000 for what is termed "Develop and complete post-storm data collections and forensic review." Please explain why this level is necessary from ratepayers for the analysis of storm damage each and every year and provide the calculation of the requested expense.

<u>RESPONSE</u>:

The Company needs to develop a post-storm data collection and forensics review for damage associated with hurricanes in accordance with the storm hardening initiatives which will improve future reliability during these situations. This will allow the development of the procedure and contracting with a contractor to perform these activities. With assistance from a contractor the detailed methodology will be developed for field collection of data and final analysis of the results.

The estimated amount includes $17,000 for the development of the overall program methodology. The additional $10,000 is an annualized estimated amount for four days of contractor work per year to perform this work. If impacts by hurricanes are averaged for the years 2004 through 2007, the number of occurrences would indicate that some type hurricane would impact one division almost two times per year. However, based upon the assumption that one division will be significantly impacted by a major hurricane every five years, the cost of $50,000 per event to perform field data collection, testing, analysis and determine the overall results seems to be reasonable.

Witness: Cutshaw / Khojasteh

Exhibit 73.1
OPC Production of Documents 1
Docket 070304-EI

Northwest Florida Division
Tree Trimming Performance

Feeders Trimmed in miles per year:

2004:	#9992 Hwy 90 W Feeder	13.7 miles	
	#9854 South St. Feeder	96.5 miles	
	#9882 Bristol Feeder	53.6 miles	4 crews
	#9782 Family Dollar Feeder	4.4 miles	
	Total	168.2 miles	
2005:	#9952 Altha Feeder	47.8 miles	
	#9972 Blountstown Feeder	17.6 miles	4 crews
	#9752 Industrial Feeder	4.5 miles	
	Total	69.9 miles	
2006:	#9866 Cottondale Feeder	79.98 miles	
	#9512 Railroad Feeder	23.49 miles	3 crews
	#9872 Hospital Feeder	38.91 miles	
	Total	141.38 miles	
2007 (thru August):			
	#9742 Greenwood/Malone Feeder	40.2 miles	
	#9722 Dogwood Heights Feeder	15.9 miles	3 crews
	#9982 College Feeder	38.8 miles	
	#9932 Indian Springs Feeder*		
	#9732 Prison Feeder*		
	Total	94.9 miles	

- Just main feeder – scheduled later in year

Northeast Florida Division
Tree Trimming Performance

2007 (thru Sept.)			
	#310, #212, #311 Feeders	12.75 miles	1 crew