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FLORIDA PUBLIC SERVICE
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DIVISION OF
ACCOUNTING & FINANCE

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

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

Exact Legal Name of Respondent (Company	Year of Report
Florida Public Utilities Company	Dec. 31, 2012

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Florida Public Utilities Company – Electric Division as of December 31, 2012 and 2011, and its income and expenses for the years then ended in accordance with the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.

Regulatory Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Florida Public Utilities Company – Electric Division on the basis of the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

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

Parente Beard LLC

Philadelphia, Pennsylvania
June 20, 2013

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

IDENTIFICATION

01 Exact Legal Name of Respondent **FLORIDA PUBLIC UTILITIES COMPANY**	02 Year of Report **December 31, 2012**
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) **1641 Worthington Road, Suite 220, West Palm Beach, FL, 33409**	
05 Name of Contact Person **Cheryl Martin**	06 Title of Contact Person **Director, Regulatory Affairs**
07 Address of Contact Person (Street, City, State, Zip Code) **Same as above**	

08 Telephone of Contact Person, Including Area Code	09 This Report Is	10 Date of Report (Mo, Da, Yr)
(561) 838-1725	**(1) X An Original** **(2) A Resubmission**	**December 31, 2012**

ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

01 Name **Beth W. Cooper**	02 Title **Chief Financial Officer**
03 Signature Beth W. Cooper	04 Date Signed (Mo, Da, Yr) 6-20-13

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company Electric Division	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2012	December 31, 2012

LIST OF SCHEDULES (Electric Utility)

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

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

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company Electric Division	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2012	December 31, 2012

LIST OF SCHEDULES (Electric Utility)(Continued)

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

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Reconciliation of Reporting Net Income with Taxable Income for Federal Income Taxes	261	Ed. 12-88	
Taxes Accrued, Prepaid and Changed During Year	262-263	Rev. 12-95	
Accumulated Deferred Investment Tax Credits	266-267	Ed. 12-89	
Other Deferred Credits	269	Ed. 12-88	None
Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	Ed. 12-94	None
Accumulated Deferred Income Taxes-Other Property	274-275	Ed. 12-94	
Accumulated Deferred Income Taxes-Other	276-277	Ed. 12-94	
Other Regulatory Liabilities	278	Ed. 12-94	
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	300-301	Ed. 12-90	
Sales of Electricity by Rate Schedules	304	Ed. 12-95	
Sales for Resale	310-311	Ed. 12-88	None
Electric Operation and Maintenance Expenses	320-323	Ed. 12-95	
Number of Electric Department Employees	323	Ed. 12-93	See page 462
Purchase Power	326-327	Ed. 12-95	
Transmission of Electricity for Others	328-330	Ed. 12-90	None
Transmission of Electricity by Others	332	Ed. 12-90	None
Miscellaneous General Expenses-Electric	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant	336-337	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340	Ed. 12-87	See page 463
COMMON SECTION			
Regulatory Commission Expenses	350-351	Ed. 12-90	
Research, Development and Demonstration Activities	352-353	Ed. 12-87	None
Distribution of Salaries and Wages	354-355	Ed. 12-88	
Common Utility Plant and Expenses	356	Ed. 12-87	
ELECTRIC PLANT STATISTICAL DATA			
Electric Energy Account	401	Rev. 12-90	
Monthly Peaks and Output	401	Rev. 12-90	
Steam -Electric Generating Plant Statistics (Large Plants)	402-403	Ed. 12-89	None
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	Ed. 12-89	None
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	Ed. 12-88	None
Generating Plant Statistics (Small Plant)	410-411	Ed. 12-87	None

Name of Respondent	This Report is:	Date of Report	Year of Report
Florida Public Utilities Company Electric Division	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) December 31, 2012	December 31, 2012

LIST OF SCHEDULES (Electric Utility)(Continued)

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

Title of Schedule (A)	Reference Page No. (B)	Date Revised (C)	Remarks (D)
ELECTRIC PLANT STATISTICAL DATA (CONTINUED)			
Transmission Line Statistics	422-423	Ed. 12-87	
Transmission Lines Added During Year	424-425	Ed. 12-86	None
Substations	426-427	Ed. 12-96	
Electric Distribution Meters and Line Transformers	429	Ed. 12-88	None
Environmental Protection Facilities	430	Ed. 12-88	None
Environmental Protection Expenses	431	Ed. 12-88	None
Footnote Data	450	Ed. 12-87	None
Affiliated Officers and Directors	451		
Business Contracts with Officers, Directors and Affiliates	452		
Reconciliation of Gross Operating Revenues Annual Report versus Regulatory Assessment Fee Return	453		
Analysis of Diversification Activity Changes in Corporate Structure	454		
Analysis of Diversification Activity New or Amended Contracts with Affiliated Companies	455		
Analysis of Diversification Activity Individual Affiliated Transactions in Excess of $500,000	456		
Analysis of Diversification Activity Summary of Affiliated Transfers and Cost Allocations	457		
Analysis of Diversification Activity Assets or Rights Purchased from or Sold to Affiliates	458		
Analysis of Diversification Activity Employee Transfers	459		
Analysis of Diversification Activity Non-Tariffed Services and Products Provided by the Utility	460		
Non-Utility Property	461		
Number of Electric Department Employees	462		
Particulars Concerning Certain Income Deductions and Interest Charges Accounts	463		
Stockholders' Reports — Check appropriate box: [ ] Four Copies will be submitted. [X] No annual report to stockholders is prepared.			

GENERAL INFORMATION

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

Beth W. Cooper
Chief Financial Officer
909 Silver Lake Boulevard
Dover, Delaware 19904

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

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

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

N/A

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

The Electric Division of Florida Public Utilities Company ("FPU") provides electric distribution service in Florida. FPU also has two natural gas divisions, which provide natural gas distribution services in Florida

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

(1) YES

(2) X NO

CORPORATIONS CONTROLLED BY RESPONDENT

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

DEFINITIONS

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

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

OFFICERS

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

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

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Director, Chairman & CEO	Michael P. McMasters	$27,900
2	Chief Financial Officer	Beth W. Cooper	$19,731
3	Chief Operating Officer	Stephen C. Thompson	
4	Vice President	Elaine B. Bittner	$18,900
5	President - FPU	Jeffry M. Householder	$79,356
6	Vice President - FPU	Kevin J. Webber	$48,123
7	Vice President	Matthew M. Kim	$19,721
8	Treasurer	Thomas E. Mahn	$7,215
9	Vice President-FPU	Jeffrey S Sylvester	$42,434
10			
11			
12	Note - the above list includes the officers of Chesapeake Utilities Corporation and Florida Public Utilities Company as of		
13	December 31, 2012.		
14			
15	The salary information contains only the portion charged to the Electric Division of Florida Public		
16	Utilities Company.		
17			
18	(1) Jeffrey Sylvester no longer with the Company		
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)
Michael P. McMasters, Chairman of Board	909 Silver Lake Blvd., Dover Delaware 19901
Ralph J. Adkins, Director	909 Silver Lake Blvd., Dover Delaware 19901
John R. Schimkaitis, Director	909 Silver Lake Blvd., Dover Delaware 19901
Eugene H. Bayard, Director	909 Silver Lake Blvd., Dover Delaware 19901
Richard Bernstein, Director	909 Silver Lake Blvd., Dover Delaware 19901
Thomas J. Bresnan, Director	909 Silver Lake Blvd., Dover Delaware 19901
Thomas P. Hill, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901
Dennis S. Hudson, III, Director	909 Silver Lake Blvd., Dover Delaware 19901
Paul L. Maddock, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901
J. Peter Martin, Director (1)	909 Silver Lake Blvd., Dover Delaware 19901
Joseph E. Moore, Esq., Director	909 Silver Lake Blvd., Dover Delaware 19901
Calvert A. Morgan, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901
Dianna F. Morgan, Director	909 Silver Lake Blvd., Dover Delaware 19901

(1) Effective May 2013, no longer a Director

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not complied within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

	VOTING SECURITIES			
	Number of votes as of (date):			
Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				

Effective October 28, 2009 FPU became a wholly-owned subsidiary of Chesapeake Utilities Corporation.

IMPORTANT CHANGES DURING THE YEAR

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

1. Changes in and important information to franchise rights:
Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less.
Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

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

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

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

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

11. (Reserved)

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

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION

IMPORTANT CHANGES DURING THE YEAR

1 None
2 None
3 None
4 None
5 None
6 None
7 None
8 None
9 During 2012, FPU was involved in a litigation with the City of Marianna, Florida regarding its Franchise Agreement. The litigation was dismissed with prejudice in February 2013. See Notes to the Financial Statements on Page 122 for Additional Information

10 None
11
12 None

Florida Public Utilities Company
Electric Division

For the Year Ended
December 31, 2012

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	90,015,218	95,647,611
3	Construction Work in Progress (107)	200-201	924,044	1,513,444
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		90,939,262	97,161,055
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	(46,112,671)	(48,632,798)
6	Net Utility Plant (Enter Total of line 4 less 5)		44,826,591	48,528,257
7	Nuclear Fuel (120.1-102.4, 120.6)	202-203		
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203		
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		-	-
10	Net Utility Plant (Enter Total of lines 6 and 9)		44,826,591	48,528,257
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)			
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	461		
15	(Less) Accum. Prov. for Depr. and Amort. (122)			
16	Investments in Associated Company (123)	224-225		
17	Investment in Subsidiary Companies (123.1)	224-225		
18	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229		
20	Other Investments (124-128, 171)		4,684	89
21	Special Funds			
22	TOTAL Other Property and Investments (Total of lines 14 through 20)		4,684	89
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		531,946	(183,709)
25	Special Deposits (132-133)			
26	Working Funds (135)		8,155	8,000
27	Temporary Cash Investments (136)			
28	Notes Receivable (141)			
29	Customer Accounts Receivable (142)		6,150,939	5,950,963
30	Other Accounts Receivable (143)		186,671	847,056
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		(115,028)	(134,123)
32	Notes Receivable from Associated Companies (145)			
33	Accounts Receivable from Assoc. Companies (146)		45,952,755	53,133,369
34	Fuel Stock (151)	227		
35	Fuel Stock Expense Undistributed (152)	227		
36	Residuals (Elec) and Extracted Products (Gas) (153)	227		
37	Plant Material and Operating Supplies (154)	227	986,534	1,199,184
38	Merchandise (155)	227		
39	Other Material and Supplies (156)	227		
40	Nuclear Materials Held for Sale (157)	202-203/227		
41	Allowances (158.1 and 158.2)	228-229		
42	(Less) Noncurrent Portion of Allowances	228-229		
43	Stores Expenses Undistributed (163)			
44	Gas Stored Underground - Current (164.1)			
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
46	Prepayments (165)		137,305	230,832
47	Advances for Gas (166-167)			
48	Interest and Dividends Receivable			
49	Rents Receivable (172)			
50	Accrued Utility Revenues (173)		2,461,998	2,477,534
51	Miscellaneous Current and Accrued Assets (174)			
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 through 51)		56,301,275	63,529,106

FLORIDA PUBLIC UTILITIES COMPANY An Original
Electric Division

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

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
53	DEFERRED DEBITS			
54	Unamortized Debt Expense (181)			
55	Extraordinary Property Losses (182.1)			
56	Unrecovered Plant and Regulatory Study Costs (182.2)			
57	Other Regulatory Assets (182.3)		5,716,500	7,826,058
58	Prelim. Survey and Investigation Charges (Electric) (183)			
59	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)			
60	Clearing Accounts (184)		10,000	124
61	Temporary Facilities (185)		2,195	8,958
62	Miscellaneous Deferred Debits (186)	233	307,636	124,006
63	Def. Losses from Disposition of Utility Plant. (187)			
64	Research, Devel. and Demonstration Expend. (188)	352-353		
65	Unamortized Loss on Reacquired Debt (189)			
66	Accumulated Deferred Income Taxes (190)	234	1,455,183	1,145,915
67	Unrecovered Purchased Gas Costs (191)		(3,758,609)	585,051
68				
69	TOTAL Deferred Debits (Enter Total of lines 54 through 67)		3,732,905	9,690,112
70	TOTAL Assets and other Debits (Enter Total of lines 10, 11, 12, 22, 52, and 68)		104,865,455	121,747,564

FLORIDA PUBLIC UTILITIES COMPANY | An Original | For the Year Ended
Electric Division | | December 31, 2012

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251		
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)			
9	(Less) Discount on Capital Stock (213)			
10	(Less) Capital Stock Expense (214)			
11	Retained Earnings (215, 215.1, 216)	118-119	43,341,705	44,881,776
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	TOTAL Proprietary Capital (Enter Total of lines 2 through 13)		43,341,705	44,881,776
15	LONG-TERM DEBT			
16	Bonds (221)	256-257		
17	(Less) Reacquired Bonds (222)	256-257		
18	Advances from Associated Companies (223)	256-257		
19	Other Long-Term Debt (224)	256-257		
20	Unamortized Premium on Long-Term Debt (225)			
21	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)			
22	TOTAL Long-Term Debt (Enter Total of lines 16 through 21)		-	-
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)			
25	Accumulated Provision for Property Insurance (228.1)		2,005,513	1,930,090
26	Accumulated Provision for Injuries and Damages (228.2)		62,917	109,513
27	Accumulated Provision for Pensions and Benefits (228.3)		7,098,838	7,075,874
28	Accumulated Miscellaneous Operating Provisions (228.4)			
29	Accumulated Provision for Rate Refunds (229)			
30	TOTAL Other Noncurrent Liabilities (Enter Total of lines 24 through 29)		9,167,268	9,115,477
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)			
33	Accounts Payable (232)		6,335,067	5,901,383
34	Notes Payable to Associated Companies (233)			
35	Accounts Payable to Associated Companies (234)		29,904,479	46,093,504
36	Customer Deposits (235)		3,623,851	3,454,549
37	Taxes Accrued (236)	262-263	1,252,230	(77,953)
38	Interest Accrued (237)		215,261	164,657
39	Dividends Declared (238)			
40	Long-Term Debt Current(239)			
41	Matured Interest (240)			
42	Tax Collections Payable (241)		663,108	585,490
43	Miscellaneous Current and Accrued Liabilities (242)		715,472	820,975
44	Obligations Under Capital Leases-Current (243)			
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 through 44)		42,709,468	56,942,605

FLORIDA PUBLIC UTILITIES COMPANY An Original

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS, continued)

Line No.	Title of Account	Ref. Page No.	Balance at End of Year	Balance at End of Year
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		381,334	152,131
48	Accumulated Deferred Investment Tax Credits (255)	266-267	12,316	0
49	Deferred Gains from Disposition of Utility Plant (256)			
50	Other Deferred Credits (253)	269		
51	Other Regulatory Liabilities (254)	278		860,674
52	Unamortized Gain on Reacquired Debt (257)	269		
53	Accumulated Deferred Income Taxes (281-283)	274-277	9,253,364	9,794,900
54	TOTAL Deferred Credits (Enter Total of lines 47 through 53)		9,647,014	10,807,705
55	TOTAL Liabilities and Other Credits (Enter Total of lines 14,22,30 45 and 53)		104,865,455	121,747,564

Florida Public Utilities Company Electric Division	An Original	For the Year Ended December 31, 2012

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 02 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 122-123 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	88,058,287	94,927,749
3	Operating Expenses			
4	Operation Expenses (401)		72,594,791	79,696,171
5	Maintenance Expenses (402)		2,553,083	2,545,594
6	Depreciation Expense (403)		3,216,312	3,450,677
7	Amort. & Depl. of Utility Plant (404-405)		-	-
8	Amort. of Utility Plant Acq. Adj. (406)		-	-
9	Amort. of Property Losses, Unrecovered Plant and		-	-
	Regulatory Study Costs (407)		-	-
10	Amort. of Conversion Expenses (407)		-	-
11	Regulatory Debits (407.3)		(328,380)	-
12	(Less) Regulatory Credits (407.4)		-	-
13	Taxes Other Than Income Taxes (408.1)		6,470,670	6,863,971
14	Income Taxes - Federal (409.1)		(200,715)	5,094
15	- Other (409.1)		88,779	168,109
16	Provision for Deferred Inc. Taxes (410.1) *		1,296,435	895,517
17	(Less) Provision for Deferred Income Taxes-Cr.(411.1)		(211,035)	(655,134)
18	Investment Tax Credit Adj. - Net (411.4)		(12,316)	(12,926)
19	(Less) Gains from Disp. of Utility Plant (411.6)		-	-
20	Losses from Disp. of Utility Plant (411.7)		-	-
21	(Less) Gains from Disposition of Allowances (411.8)		-	-
22	Losses from Disposition of Allowances (411.9)		-	-
23	TOTAL Utility Operating Expenses (Total of lines 4-22)		85,467,624	92,957,073
24	Net Utility Operating Income (Total of line 2 less 23)		2,590,663	1,970,676
	(Carry forward to page 117, line 25)			

STATEMENT OF INCOME FOR THE YEAR (Continued)

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

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

8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the y which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

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

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

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	Line No.
						1
88,058,287	94,927,749	-	-	-	-	2
						3
72,594,791	79,696,171	-	-	-	-	4
2,553,083	2,545,594	-	-	-	-	5
3,216,312	3,450,677	-	-	-	-	6
-	-	-	-	-	-	7
-	-	-	-	-	-	8
-	-	-	-	-	-	9
-	-	-	-	-	-	
-	-	-	-	-	-	10
(328,380)	-	-	-	-	-	11
-	-	-	-	-	-	12
6,470,670	6,863,971	-	-	-	-	13
(200,715)	5,094	-	-	-	-	14
88,779	168,109	-	-	-	-	15
1,296,435	895,517	-	-	-	-	16
(211,035)	(655,134)	-	-	-	-	17
(12,316)	(12,926)	-	-	-	-	18
-	-	-	-	-	-	19
-	-	-	-	-	-	20
-	-	-	-	-	-	21
-	-	-	-	-	-	22
85,467,624	92,957,073	-	-	-	-	23
2,590,663	1,970,676	-	-	-	-	24

Florida Public Utilities Company
Electric Division

For the Year Ended
December 31, 2012

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account	Ref. Page No.	TOTAL Current Year	TOTAL Previous Year
25	Net Utility Operating Income (Carried forward from page 114)	--	2,590,663	1,970,675
26	Other Income and Deductions			
27	Other Income	--		
28	Nonutility Operating Income	--		
29	Revenues From Merchandising, Jobbing and Contract Work (415)	--	-	-
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	--	-	-
31	Revenues From Nonutility Operations (417)	--	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	--	-	-
33	Nonoperating Rental Income (418)	--	-	-
34	Equity in Earnings of Subsidiary Companies (418.1)	119	-	-
35	Interest and Dividend Income (419)	--	-	-
36	Allowance for Other Funds Used During Construction (419.1)	--	-	-
37	Miscellaneous Nonoperating Income (421)	*	1,410	-
38	Gain on Disposition of Property (421.1)	--	-	-
		--	-	-
39	TOTAL Other Income (Enter Total of lines 29 through 38)	--	1,410	-
40	Other Income Deductions	--		
41	Loss on Disposition of Property (421.2)	--	-	-
42	Miscellaneous Amortization (425)	340	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	463	12,680	26,345
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		12,680	26,345
45	Taxes Applic. to Other Income and Deductions	--		
46	Taxes Other Than Income Taxes (408.2)	262-263	-	-
47	Income Taxes - Federal (409.2)	262-263	78,038	(6,625)
48	Income Taxes - Other (409.2)	262-263	12,977	(24,151)
49	Provision for Deferred Income Taxes (410.2)	234,272-277	(113,683)	159,224
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277	9,174	(138,610)
51	Investment Tax Credit Adj.- Net (411.5)	--		
52	(Less) Investment Tax Credits (420)	--		
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)	--	(13,494)	(10,162)
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)	--	596	(16,183)
55	Interest Charges			
56	Interest on Long-Term Debt (427)	--	791,296	957,496
57	Amortization of Debt Disc. and Expense (428)	--	4,319	4,925
58	Amortization of Loss on Reacquired Debt (428.1)	--	34,034	34,034
59	(Less) Amort. of Premium on Debt - Credit (429)	--		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	--		
61	Interest on Debt to Assoc. Companies (430)	463	(1,581)	(19,236)
62	Other Interest Expense (431)	-	223,120	347,398
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	--		
64	Net Interest Charges (Total of lines 56 through 63)	--	1,051,188	1,324,618
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)	--	1,540,071	629,874
66	Extraordinary Items			
67	Extraordinary Income (434) Cum.	--		
68	(Less) Extraordinary Deductions (435)	--		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)	--		
70	Income Taxes - Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)	--		
72	Net Income (Enter Total of lines 65 and 71)		1,540,071	629,874

Florida Public Utilities Company
Electric Division

For the Year Ended
December 31, 2012

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		43,341,705
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		-
5	Credit:		-
6	Credit:		-
7	Credit:		-
8	Credit:		-
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		-
10	Debit: Chesapeake Utilities Corporations Acquisition of FPU		-
11	Debit:		-
12	Debit:		-
13	Debit:		-
14	Debit:		-
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)		1,540,071
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 21)		-
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred		
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 28)		0
30	Dividends Declared - Common Stock (Account 438)		
31	Common - Cash		
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 35)		0
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		-
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		44,881,776

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)	44,881,776
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	43,341,705
50	Equity in Earnings for Year (Credit) (Account 418.1)	1,540,071
51	(Less) Dividends Received (Debit)	-
52	Other Changes (Explain) Cost of shares issued for employee stock plan	-
53	Balance - End of year (Total of Lines 49 Thru 52)	44,881,776

Florida Public Utilities Company
Electric Division

For the Year Ended
December 31, 2012

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)
1	***Operating Activities***	In thousands
2	Net Income - Electric	$ 1,540.1
3	Adjustments to reconcile net income to net operating cash:	
4	Depreciation and amortization	2,958.2
5	Depreciation and accretion included in other costs	285.8
6	Deferred income taxes, net	838.5
7	Other, net	
8	Changes in assets and liabilities:	
9	Accounts receivable and accrued revenue	(452.1)
10	Propane inventory, storage gas and other inventory	(212.7)
11	Regulatory assets	(6,453.2)
12	Prepaid expenses and other current assets	(93.5)
13	Other deferred charges	186.8
14	Accounts payable and other accrued liabilities	(405.8)
15	Income taxes receivable	(1,330.2)
16	Accrued interest	(50.6)
17	Customer deposits and refunds	(169.3)
18	Regulatory liabilities	1,189.1
19	Other liabilities	(281.0)
20	Net cash provided by operating activities	$ (2,450.0)
21		
22	***Investing Activities***	
23	Property, plant and equipment expenditures	(7,285.8)
24	Net cash used by investing activities	$ (7,285.8)
25		
26	***Financing Activities***	
27	Inter-company receivable (payable)	9,020.2
28	Net cash provided by financing activities	$ 9,020.2
29		
30	***Net Increase (Decrease) in Cash and Cash Equivalents***	(715.6)
31	***Cash and Cash Equivalents — Beginning of Period***	531.9
32	***Cash and Cash Equivalents — End of Period***	$ (183.7)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122-123.
Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122-123.

5. Codes used:

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

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

Line No.	Description (See Instruction No.5 for Explanation of Codes) (a)	Amounts (b)

1. Organization and Basis of Presentation

Florida Public Utilities Company ("FPU") is a utility engaged in the natural gas and electric distribution business in Florida. The electric division of FPU ("we," "our" or "us") is engaged in the distribution of electricity. We deliver electricity to approximately 31,000 residential, commercial and industrial customers located in Jackson, Liberty, Calhoun and Nassau counties in Florida. Our rates and services are subject to regulation by the Florida Public Service Commission ("FPSC"). FPU is a wholly-owned subsidiary of Chesapeake Utilities Corporation ("Chesapeake").

Our financial statements are prepared in conformity with the accounting requirements of the FPSC, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission ("FERC") as set forth in the applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("US GAAP"). The accounting requirements of the FERC and the FPSC applied by us in these financial statements are consistent with US GAAP, except for:

- lack of reclassification of certain negative balances on the balance sheets;
- the presentation of deferred income tax assets and liabilities separately rather than as a single amount;
- the presentation of cost of removal as a component of accumulated depreciation rather than as a regulatory liability;
- lack of detail property, plant and equipment component costs disclosure;
- lack of detail regulatory assets and liability disclosure;
- the omission of the statement of cash flows for prior year for a comparative presentation;
- the omission of the statement of retained earnings for prior year for a comparative presentation;
- recognition of a regulatory asset based on FPSC's order to defer certain costs without assurance of recovery in future rates; and
- the presentation of pass-through revenue taxes, such as gross receipts taxes, franchise taxes and sales taxes, as revenues and operating expenses rather than on a net basis

We do not have any ownership interests in investments accounted for using the equity method or any variable interests in a variable interest entity. We have assessed and reported on subsequent events through June __, 2013, the date these financial statements are available to be issued.

We reclassified certain amounts in the balance sheet at December 31, 2011 to conform to current year's presentation. These reclassifications are considered immaterial to the overall presentation of our financial statements.

2. Summary of Accounting Policies

Use of Estimates

Our financial statements are prepared based on the accounting requirements of the FPSC and the FERC, which require management to make estimates in measuring assets and liabilities and related revenues and expenses. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond our control; therefore, actual results could differ from those estimates.

Utility Plant

Property, plant and equipment are stated at original cost less accumulated depreciation. Costs include direct labor, materials and third-party construction contractor costs, allowance for funds used during construction ("AFUDC") and certain indirect costs related to equipment and employees engaged in construction. The costs of repairs and minor replacements are charged against income as incurred, and the costs of major renewals and betterments are capitalized. Upon retirement or disposition of utility plant, the gain or loss, net of salvage value, is charged to accumulated depreciation or deferred as a regulatory asset or liability as required by the FPSC.

Customer contributions or advances in aid of construction reduce utility plant unless the amounts are refundable to customers. Contributions or advances may be refundable to customers after a number of years based on the amount of revenues generated from the customers or the duration of the service provided to the customers. Refundable contributions or advances are recorded initially as liabilities. The amounts that are determined to be non-refundable reduce utility plant at the time of such determination. During the years ended December 31, 2012 and 2011, there were $416,000 and $252,000, respectively, of non-refunded contributions or advances reducing utility plant.

AFUDC represents the estimated cost of funds, from both debt and equity sources, used to finance the construction of major projects. AFUDC is capitalized in rate base for rate making purposes when the completed projects are placed in service. We did not capitalize AFUDC on utility plant for the years ended December 31, 2012 and 2011.

Included in net plant at December 31, 2011 was approximately $515,000 associated with the office building located in West Palm Beach, which was subsequently sold in February 2012.

Depreciation

We compute depreciation expense by applying composite, annual rates as approved by the FPSC. Depreciation and amortization expenses are provided at an annual rate averaging 3.8 percent and 4.2 percent for 2012 and 2011, respectively.

In accordance with the accounting requirements of the FERC, we include the accretion of the cost of removal for future retirements of utility assets as depreciation expense. For the years ended December 31, 2012 and 2011, $601,165 and $582,443 respectively, of such accretion was included in depreciation expense. We also report certain depreciation expenses, mainly related to vehicle, Computer software, and hardware operations expense rather than depreciation and amortization expense to comply with the requirements of the FERC. For the years ended December 31, 2012 and 2011, $282,978 and $155,711, respectively, of such depreciation was reported as operations expense.

Regulated Operations

We account for our operations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 980, "Regulated Operations." This Topic includes accounting principles for companies whose rates are determined by independent third-party regulators. When setting rates, regulators often make decisions, the economics of which require companies to defer costs or revenues in different periods than may be appropriate for unregulated enterprises. When this situation occurs, a regulated company defers the associated costs as regulatory assets on the balance sheet and records them as expense on the income statement as it collects revenues. Further, regulators can also impose liabilities upon a regulated company for amounts previously collected from customers, and for recovery of costs that are expected to be incurred in the future as regulatory liabilities. If we were required to terminate the application of these provisions to our regulated operations, all such deferred amounts would be recognized in the income statement at that time, which could have a material impact on our financial position, results of operations and cash flows.

We monitor our regulatory and competitive environment to determine whether the recovery of our regulatory assets continues to be probable. If we were to determine that recovery of these assets is no longer probable, we would write off the assets against earnings. We believe that provisions of ASC Topic 980, "Regulated Operations," continue to apply to our operations and that the recovery of our regulatory assets is probable.

Operating Revenues

Our operating revenues are based on rates approved by the FPSC. We read meters and bill customers on monthly cycles that do not coincide with the accounting periods used for financial reporting purposes. We accrue unbilled revenues for the charges associated with electricity delivered, but not yet billed, at the end of an accounting period to the extent that they do not coincide.

We have a fuel cost recovery mechanism. This mechanism provides a method of adjusting the billing rates to reflect changes in the cost of purchased fuel. The difference between the current cost of fuel and the cost of fuel recovered in billed rates is deferred and accounted for as either unrecovered purchased fuel costs or amounts payable to customers. Generally, these deferred amounts are recovered or refunded within one year.

Operations and Maintenance Expenses

Operations and maintenance expenses are costs associated with the operation and maintenance of our electric distribution operations. Major cost components include operation and maintenance salaries and benefits, materials and supplies, usage of vehicles, tools and equipment, payments to contractors, utility plant maintenance, customer service, professional fees and other outside services, insurance expense, minor amounts of depreciation, and other administrative expenses.

Cash and Cash Equivalents
We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Excess cash generated by our receipts may be transferred to and invested in Chesapeake's overnight income-producing accounts. We are allocated the portion of interest income generated from those accounts, which reduced interest expense in the accompanying statements of income.

Accounts Receivable and Accumulated Provision for Uncollectible Accounts
Accounts receivable consist primarily of amounts due for sales of electricity. A provision for uncollectible accounts is recorded based upon our collections experiences and management's assessment of our customers' inability or reluctance to pay. If circumstances change, our estimates of recoverable accounts receivable may also change. Circumstances which could affect such estimates include, but are not limited to, customer credit issues, the level of electricity prices and general economic conditions. Accounts are written off when they are deemed to be uncollectible.

Inventories
We use the average cost method to value, materials and supplies inventory. If market prices drop below cost, inventory balances that are subject to price risk are adjusted to market values.

Pension and Other Postretirement Plans
Pension and other postretirement plan costs and liabilities are determined on an actuarial basis and are affected by numerous assumptions and estimates including the market value of plan assets, estimates of the expected returns on plan assets, assumed discount rates, the level of contributions made to the plans, and current demographic and actuarial mortality data. Management annually reviews the estimates and assumptions underlying our pension and other postretirement plan costs and liabilities with the assistance of a third-party actuarial firm. The assumed discount rates and the expected returns on plan assets are the assumptions that generally have the most significant impact on our pension costs and liabilities. The assumed discount rates, health care cost trend rates and rates of retirement generally have the most significant impact on our postretirement plan costs and liabilities.

Income Taxes and Investment Tax Credit Adjustments
Deferred tax assets and liabilities are recorded for the tax effect of temporary differences between the financial statement bases and tax bases of assets and liabilities and are measured using the enacted tax rates in effect in the years in which the differences are expected to reverse. The portions of our deferred tax liabilities, which have not been reflected in current service rates, represent income taxes recoverable through future rates. Deferred tax assets are recorded net of any valuation allowance when it is more likely than not that such tax benefits will be realized. Investment tax credits on utility property have been deferred and are allocated to income ratably over the lives of the subject property.

We account for uncertainty in income taxes in the financial statements only if it is more likely than not that an uncertain tax position is sustainable based on technical merits. Recognizable tax positions are then measured to determine the amount of benefit recognized in the financial statements. We recognize penalties and interest related to unrecognized tax benefits as a component of other income.

Financial Instruments
We have entered into agreements with suppliers to purchase electricity for resale to our customers. Purchases under these contracts either do not meet the definition of derivatives or are considered "normal purchases" and are accounted for on an accrual basis.

Financial assets with carrying values approximating fair value include cash and cash equivalents and accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and other accrued liabilities. The fair value of cash and cash equivalents is measured using the comparable value in the active market and approximates its carrying value (Level 1 measurement).

3. **Transactions with affiliates**

Financing Arrangements
Our excess cash is transferred to Chesapeake to be invested in overnight income-producing accounts. We utilize Chesapeake's short-term borrowing facility and long-term debt to satisfy our financing needs. For the years ended

December 31, 2012 and 2011, Chesapeake allocated to us $890,151 and $1,086,354, respectively, in interest expense, which represents a portion of interest from Chesapeake's short-term and long-term debt allocated to us, net of a portion of interest income from the overnight income-producing accounts allocated to us.

Allocated Costs from Affiliates

Chesapeake provides us with administrative and support services. These services include certain managerial, accounting, information technology, payroll, human resources and treasury services. For the years ended December 31, 2012 and 2011, Chesapeake charged us $2,228,921 and $2,287,988, respectively, for these services.

Advances from Affiliates

As of December 31, 2012 and 2011, we had advances to Chesapeake and its subsidiaries in the amount of $7,039,865 and $16,048,276, respectively. These amounts are reflected as accounts receivable from associated companies and accounts payable to associated companies in the accompanying financial statements.

Letter of Credit

As of December 31, 2012, Chesapeake issued a letter of credit for $1.0 million, which expires on September 2, 2013, related to electric transmission services for the northwest division of the Company.

4. Income Taxes

Prior to the merger with Chesapeake, FPU filed a separate federal income tax return. After the merger, we are included in the Chesapeake consolidated federal tax return, along with all of Chesapeake's other subsidiaries. FPU files a separate state income tax return in the state of Florida. Income taxes in the accompanying consolidated statements of income have been allocated to us as if we were a separate taxpayer.

In January 2012, the Internal Revenue Service ("IRS") informed Chesapeake that its 2009 consolidated federal tax return has been selected for examination. The results from October 29, 2009 and December 31, 2009 (the post-merger period) are included in Chesapeake's consolidated federal tax return for 2009. The IRS completed its examination in 2012 without any findings.

During 2011, the IRS performed its examination of FPU's consolidated federal returns for 2008 and for the period from January 1, 2009 to October 28, 2009 (the pre-merger period in 2009, during which FPU was required to file a separate federal tax return) and proposed a disallowance of approximately $135,000 and $256,000, respectively, of the environmental expenditure deductions taken by FPU related to one of the environmental remediation sites. FPU disagreed with the IRS finding and filed an appeal, which is currently underway. The IRS finding is based on FPU's failure to follow a technical requirement to label these environmental expenditures in a specific way on the returns. At FPU's request, the IRS granted relief in 2012, which allowed them to correctly label such expenditures for 2008 and 2009. FPU believes that those deductions will likely be sustained during the appeal process based on the IRS's grant of such relief. Accordingly, FPU did not record any accrual as of December 31, 2012 and 2011, related to the examination by the IRS of our returns.

As of December 31, 2011, we recorded a deferred tax asset of $355,172 related to our portion of Chesapeake's 2011 federal net operating loss carryforwards. The Chesapeake federal net operating losses from 2011 are expected to be fully utilized upon filing the Chesapeake 2012 federal income tax return. None of Chesapeake's federal net operating losses from 2011 remained at December 31, 2012.

The components of federal and state income tax expense are:

For the Years Ended December 31,	2012	2011
Current	$ (202,951) [1]	$ 142,427
Deferred	1,189,909	260,997
Investment tax credits, net	(12,316)	(12,926)
Total Income Tax Expense	$ 974,642	$ 390,498

1 - The ($202,951) is attributable to a reclass related to federal tax benefit resulting from other subsidiaries' net operating losses for federal income tax purposes.

Deferred tax expense results primarily from the use of accelerated depreciation for tax purposes and deferred fuel costs.

Total income tax expense results primarily from applying the federal income tax statutory rate to book income before tax.

For the Years Ended December 31,	2012	2011
Federal income tax, 35% in 2012 and 2011	$ 880,150	$ 357,130
State income tax, net of federal benefit	89,901	36,478
Other	4,591	(3,110)
Total Income Tax Expense	$ 974,642	$ 390,498

Deferred tax assets and liabilities at December 31, 2012 were $1,145,915 and $9,794,900, respectively. Deferred tax assets and liabilities at December 31, 2011 were $1,455,183 and $9,253,364, respectively. Deferred tax assets are primarily the result of the net operating loss carryforward and timing difference associated with the storm reserve. Deferred tax liabilities are primarily the result of depreciation-related timing differences.

5. Customer Concentration

We operate entirely in the electricity distribution business. Our operations include the transportation of electricity in intra-state commerce. We did not have any customer that accounted for more that 10 percent of our revenues for the years ended December 31, 2012 and 2011.

6. Lease Obligations

FPU has entered into operating lease arrangements for office and warehouse space. Rent expense for the years ended December 31, 2012 and 2011 allocated to us by FPU totaled $89,539 and $8,019 respectively, with no future minimum payments.

7. Supplemental Cash Flow Disclosures

Cash paid for income taxes for the year ended December 31, 2012 was $1,367,696. Capital property and equipment acquired on account, but not paid as of December 31, 2012 was $480,048.

8. Employee Benefit Plans

Retirement Plans

Eligible FPU employees participate in various benefit plans sponsored by FPU. FPU allocates to us a portion of the benefit costs associated with these plans. Our share of the costs is based on a portion of the benefits related to providing services to us. For the years ended December 31, 2012 and 2011, we recorded the benefit costs of $547,326 and $608,890, respectively, related to these plans.

FPU continues to sponsor and maintain a separate defined benefit pension plan ("FPU Pension Plan") and a separate unfunded postretirement medical plan ("FPU Medical Plan") for eligible FPU employees after the merger with Chesapeake.

FPU measures the assets and obligations of the defined benefit pension plan and other postretirement benefit plans to determine the plans' funded status as of the end of the year as an asset or a liability on its consolidated balance sheets. A portion of this asset or liability related to us is reflected on our balance sheet. At December 31, 2012 and 2011, $7,075,874 and $7,098,838, respectively, of the pension and postretirement benefit liabilities were assigned to us.

FPU records as a component of other comprehensive income/loss for its unregulated operations and a regulatory asset for its regulated operations pursuant to a FPSC order, the changes in funded status that occurred during the year that are not recognized as part of net periodic benefit costs. The following table presents the amounts not yet reflected in net periodic benefit cost and included in FPU's accumulated other comprehensive income/loss or regulatory asset related to the above plans as of December 31, 2012:

(in thousands)	FPU Pension Plan	FPU Medical Plan	Total
Net loss	$15,517	$18	$15,535
Total	$15,517	$18	$15,535
Accumulated other comprehesive loss pre-tax[1]	$2,948	$3	$2,951
Post-merger regulatory asset	12,569	15	12,584
Subtotal	15,517	18	15,535
Pre-merger regulatory asset	5,109	62	5,171
Total unrecognized cost	$20,626	$80	$20,706

[1]The total amount of accumulated other comprehensive loss recorded on FPU's consolidated balance sheet as of December 31, 2012 is net benefits of $1.1 million.

The pre-merger regulatory asset of $5.2 million at December 31, 2012 represents the portion attributable to FPU's regulated natural gas and electric operations of the changes in the funded status in the FPU Pension Plan and FPU Medical Plan that occurred but were not recognized, as part of the net periodic benefit costs prior to the merger. We deferred this portion as a regulatory asset prior to the merger with Chesapeake pursuant to a previous order by the FPSC and continue to amortize it over the remaining service period of the participants at the time of the merger.

During the 2012 and 2011, FPU experienced a significant decline in interest and other corporate bond rates, and as a result, used lower discount rates for the FPU pension and other postretirement plans at December 31, 2012 and 2011 to estimate the benefit obligations of those plans. FPU also experienced a decline in plan asset values during 2011, which, in conjunction with the higher benefit obligations, resulted in higher unrecognized costs at December 31, 2012 and 2011. The total unrecognized cost of FPU pension and postretirement benefits plans was $20.7 million and $17.9 million at December 31, 2012 and 2011, respectively, compared to $8.6 million at December 31, 2010.

At December 31, 2012 and 2011, $6.2 million and $5.5 million, respectively, of regulatory asset associated with the unrecognized cost of FPU's plans were assigned to us.

The amounts in accumulated other comprehensive income/loss and regulatory asset for FPU's pension and postretirement benefits plans that are expected to be recognized as a component of net benefit cost in 2013 are set forth in the following table:

(in thousands)	FPU Pension Plan	FPU Medical Plan	Total
Net loss	$ 332	$ -	$ 332
Amortization of pre-merger regulatory asset	$ 761	$ 8	$ 769

In March 2011, new plan provisions for the FPU Medical Plan were adopted in a continuing effort to standardize FPU benefits with those offered by Chesapeake. The new plan provisions, which became effective January 1, 2012, require eligible employees retiring in 2012 through 2014 to pay a portion of the total benefit costs based on the year they retire. Participants retiring in 2015 and after will be required to pay the full benefit costs associated with participation in the FPU Medical Plan. The change in the FPU Medical Plan resulted in a curtailment gain of $892,000. FPU recorded $170,000 of this curtailment gain, which was allocated to FPU's unregulated operations, in 2012. FPU deferred $722,000 of this curtailment gain, of which $258,000 is included in our regulatory liabilities at December 31, 2012. The deferred portion of the curtailment gain was associated with FPU's regulated operations. Since FPU determined that the non-recurring gain resulted from the merger with Chesapeake and the related integration, FPU determined that the appropriate accounting treatment prescribed deferral and amortization over a future period, as specified by the FPSC.

Defined Benefit Pension Plan

The FPU Pension Plan covers eligible FPU non-union employees hired before January 1, 2005 and union employees hired before the respective union contract expiration dates in 2005 and 2006.

In March 2009 and October 2009, FPU amended the FPU Pension Plan in an effort to reduce anticipated future pension expenses. As a result of these amendments, the FPU Pension Plan was frozen for all participants effective December 31, 2009. All future benefit accruals under the plan were ceased, including freezing salary rates at 2009 average compensation levels as of December 31, 2009. In addition to the freeze, the reduced early retirement eligibility was lowered from 30 years to 20 years and two additional service years were earned by active participants at the December 31, 2009 average compensation levels for the purposes of benefit accrual, vesting and retirement eligibility. Beyond December 31, 2011, active participants will continue to accrue service years for the purposes of vesting and retirement eligibility.

FPU's funding policy provides that payments to the trustee shall be equal to at least the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

The following schedule summarizes the assets of the FPU Pension Plan, by investment type, at December 31, 2012 and 2011:

At December 31,	**2012**	**2011**
Asset Category		
Equity securities	**52.81%**	51.98%
Debt securities	**38.04%**	38.05%
Other	**9.15%**	9.97%
Total	**100.00%**	100.00%

In December 2011, FPU changed the investments and investment asset allocation of the FPU pension plan asset to better align it with the investment goals and objectives established for the plan. The investment policy of the FPU pension plan is designed to provide the capital assets necessary to meet the financial obligations of the plan. The investment goals and objectives are to achieve investment returns that together with contributions will provide funds adequate to pay promised benefits to present and future beneficiaries of the plan, earn a long-term investment return in excess of the growth of the plan's retirement liabilities, minimize pension expense and cumulative contributions resulting from liability measurement and asset performance and maintain a diversified portfolio to reduce the risk of large losses.

On June 29, 2012, the United States Congress passed the "Moving Ahead for Progress in the 21st Century Act" (also known as the "Transportation and Student Loan Bill"). Included in this legislation was pension funding relief, which allows pension sponsors to use 25-year average corporate bond rates rather than current interest rates to measure pension obligations for pension funding purposes. Although this legislation does not affect the accounting treatment of pension plans, the allowed use of higher interest rates to measure pension plan obligations for funding purposes reduces the minimum pension plan contribution requirements. Despite the reduction in the minimum pension plan contribution requirements, FPU made 2012 pension plan contributions at levels similar to those FPU had initially estimated prior to

the passage of the legislation. This represented minimum contribution payments using the current interest rates to measure pension plan obligations as well as additional contributions to achieve a certain level of funding in those plans.

The following allocation range of asset classes is intended to produce a rate of return sufficient to meet the plan's goals and objectives:

Asset Allocation Strategy

Asset Class	Minimum Allocation Percentage	Maximum Allocation Percentage
Domestic Equities (Large Cap, Mid Cap and Small Cap)	14%	32%
Foreign Equities (Developed and Emerging Markets)	13%	25%
Fixed Income (Inflation Bond and Taxable Fixed)	26%	40%
Alternative Strategies (Long/Short Equity and Hedge Fund of Funds)	6%	14%
Diversifying Assets (High Yield Fixed Income, Commodities, and Real Estate)	7%	19%
Cash	0%	5%

Due to periodic contributions and different asset classes producing different returns, the actual asset values may temporarily move outside of the intended ranges. The investments are monitored on a quarterly basis, at a minimum, for asset allocation and performance.

At December 31, 2012, the assets of the FPU Pension Plan were comprised of the following investments:

	Fair Value Measurement Hierarchy			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
(in thousands)				
Equity securities				
U.S. Large Cap [1]	$2,910	$2,866	$ -	$5,776
U.S. Mid Cap [1]	-	2,572	-	2,572
U.S. Small Cap [1]	-	1,268	-	1,268
International [2]	8,405	-	-	8,405
Alternative Strategies [3]	4,136	-	-	4,136
	15,451	6,706	-	22,157
Debt securities				
Inflation Protected [4]	2,084	-	-	2,084
Fixed income [5]	-	11,757	-	11,757
High Yield [5]	-	2,118	-	2,118
	2,084	13,875	-	15,959
Other				
Commodities [6]	1,596	-	-	1,596
Real Estate [7]	1,701	-	-	1,701
Guaranteed deposit [8]	-	-	541	541
	3,297	-	541	3,838
Total Pension Plan Assets	$20,832	$20,581	$541	$41,954

[1] Includes funds that invest primarily in United States common stocks.
[2] Includes funds that invest primarily in foreign equities and emerging markets equities.
[3] Includes funds that actively invest in both equity and debt securities, funds that sell short securities and funds that provide long-term capital appreciation. The funds may invest in debt securities below investment grade.
[4] Includes funds that invest primarily in inflation-indexed bonds issued by the U.S. government.
[5] Includes funds that invest in investment grade and fixed income securities.
[6] Includes funds that invest primarily in commodity-linked derivative instruments and fixed income securities.
[7] Includes funds that invest primarily in real estate.
[8] Includes investment in a group annuity product issued by an insurance company.

At December, 31, 2011, the assets of the FPU Pensions Plan were comprised of the following investments:

	Fair Value Measurement Hierarchy			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
(in thousands)				
Equity securities				
U.S. Large Cap [1]	$2,647	$2,652	$ -	$5,299
U.S. Mid Cap [1]	-	2,258	-	2,258
U.S. Small Cap [1]	-	1,128	-	1,128
International [2]	7,205	-	-	7,205
Alternative Strategies [3]	3,777	-	-	3,777
	13,629	6,038	-	19,667
Debt securities				
Inflation Protected [4]	1,882	-	-	1,882
Fixed income [5]	-	10,616	-	10,616
High Yield [5]	-	1,898	-	1,898
	1,882	12,514	-	14,396
Other				
Commodities [6]	1,506	-	-	1,506
Real Estate [7]	1,512	-	-	1,512
Guaranteed deposit [8]	-	-	755	755
	3,018	-	755	3,773
Total Pension Plan Assets	$18,529	$18,552	$755	$37,836

(1) Includes funds that invest primarily in United States common stocks.
(2) Includes funds that invest primarily in foreign equities and emerging markets equities.
(3) Includes funds that actively invest in both equity and debt securities, funds that sell short securities and funds that provide long-term capital appreciation. The funds may invest in debt securities below investment grade.
(4) Includes funds that invest primarily in inflation-indexed bonds issued by the U.S. government.
(5) Includes funds that invest in investment grade and fixed income securities.
(6) Includes funds that invest primarily in commodity-linked derivative instruments and fixed income securities.
(7) Includes funds that invest primarily in real estate.
(8) Includes investment in a group annuity product issued by an insurance company.

At December 31, 2012 and 2011, all of the investments classified under Level 1 of the fair value measurement hierarchy were recorded at fair value based on unadjusted quoted prices in active markets for identical investments. The Level 2 investments were recorded at fair value based on net asset value per unit of the investments, which used significant observable inputs although those investments were not traded publicly and did not have quoted market prices in active markets. The Level 3 investments were guaranteed deposit accounts, which were valued based on liquidation value of those accounts, including the effect of the balance and interest guarantee and liquidation restriction.

The following table sets forth the summary of the changes in the fair value of Level 3 investments for the FPU Pension Plan for the years ended December 31, 2012 and 2011:

At December 31,	2012	2011
(in thousands)		
Balance, beginning of year	$ 755	$ -
Purchases	51	755
Transfers in	2,700	-
Disbursements	(2,978)	-
Investment Income	13	-
Balance, end of year	$ 541	$ 755

The following schedule sets forth the funded status at December 31, 2012 and 2011:

At December 31,	2012	2011
(in thousands)		
Change in benefit obligation:		
Benefit obligation — beginning of year	$ 57,999	$ 52,478
Interest cost	2,577	2,695
Actuarial loss	6,915	5,403
Benefits paid	(2,979)	(2,577)
Benefit obligation — end of year	64,512	57,999
Change in plan assets:		
Fair value of plan assets — beginning of year	37,836	40,201
Actual return on plan assets	4,526	(1,101)
Employer contributions	2,571	1,313
Benefits paid	(2,979)	(2,577)
Fair value of plan assets — end of year	41,954	37,836
Reconciliation:		
Funded status	(22,558)	(20,163)
Accrued pension cost	$ (22,558)	$ (20,163)
Assumptions:		
Discount rate	3.75%	4.50%
Expected return on plan assets	7.00%	7.00%

Net periodic pension cost (benefit) for the FPU Pension Plan for 2012 and 2011 includes the components shown below:

For the Years Ended December 31,	2012	2011
(in thousands)		
Components of net periodic pension cost:		
Interest cost	$ 2,577	$ 2,695
Expected return on assets	(2,627)	(2,783)
Amortization of actuarial loss	196	-
Net periodic pension cost	146	(88)
Amortization of pre-merger regulatory asset	761	761
Total periodic cost	$ 907	$ 673
Assumptions:		
Discount rate	4.50%	5.25%
Expected return on plan assets	7.00%	7.00%

Other Postretirement Benefits Plan

The following schedule sets forth the status of the FPU Medical plan at December 31, 2012 and 2011:

At December 31,	2012	2011
(in thousands)		
Change in benefit obligation:		
Benefit obligation — beginning of year	$ 4,081	$ 3,098
Service cost	1	125
Interest cost	79	176
Plan participants contributions	92	88
Curtailment gain	(2,651)	-
Actuarial loss	500	802
Benefits paid	(328)	(208)
Benefit obligation — end of year	1,774	4,081
Change in plan assets:		
Fair value of plan assets — beginning of year	-	-
Employer contributions[1]	236	120
Plan participants contributions	92	88
Benefits paid	(328)	(208)
Fair value of plan assets — end of year	-	-
Reconciliation:		
Funded status	(1,774)	(4,081)
Accrued postretirement cost	$ (1,774)	$ (4,081)
Assumptions:		
Discount rate	3.75%	4.50%

[1] The FPU Medical Plan did not receive a significant subsidy for the post-merger period.

Net periodic postretirement cost for 2012 and 2011 includes the following components:

For the Years Ended December 31,	2012	2011
(in thousands)		
Components of net periodic postretirement cost:		
Service cost	$ 1	$ 125
Interest cost	79	176
Amortization of actuarial loss	-	55
Net periodic postretirement cost	80	356
Curtailment gain	(892)	-
Total periodic postretirement cost	$ (812)	$ 356
Assumptions		
Discount rate	4.50%	5.25%

In addition, FPU recorded an expense of $8,000 in 2012 and 2011, related to continued amortization of FPU's pre-merger postretirement benefit regulatory asset.

Assumptions

The assumptions used for the discount rate to calculate the benefit obligation of all the plans were based on the interest rates of high-quality bonds in 2012, reflecting the expected life of the plans. In determining the average expected return on plan assets for the FPU Pension Plan, various factors, such as historical long-term return experience, investment policy and current and expected allocation, were considered. Since the FPU Pension Plan is frozen with respect to additional years of service and compensation, the rate of assumed compensation rate increases is not applicable.

The health care inflation rate for 2012 used to calculate the benefit obligation is 7.5 percent for the FPU Medical Plan. A one percentage point increase in the health care inflation rate from the assumed rate would increase the accumulated postretirement benefit obligation by approximately $123,000 as of December 31, 2012, and would increase the aggregate of the service cost and interest cost components of the net periodic postretirement benefit cost for 2012 by approximately $6,000. A one percentage point decrease in the health care inflation rate from the assumed rate would decrease the accumulated postretirement benefit obligation by approximately $109,000 as of December 31, 2012, and would decrease the aggregate of the service cost and interest cost components of the net periodic postretirement benefit cost for 2012 by approximately $5,000.

Estimated Future Benefit Payments

In 2013, FPU expects to contribute $842,000 and $258,000 to the FPU Pension Plan and FPU Medical Plan, respectively. The schedule below shows the estimated future benefit payments for each FPU plan previously described:

	FPU Pension Plan[1]	**FPU Medical Plan[2]**
(in thousands)		
2013	$2,816	$258
2014	$2,881	$241
2015	$2,930	$221
2016	$2,974	$183
2017	$3,006	$147
Years 2018 through 2022	$16,037	$441

[1] The pension plan is funded; therefore, benefit payments are expected to be paid out of the plan assets.

[2] Benefit payments are expected to be paid out of our general funds.

Retirement Savings Plan

Effective January 1, 2012, FPU employees are eligible to participate in the Chesapeake Utilities Corporation 401(k) Retirement Savings Plan, which is a plan sponsored by Chesapeake. The benefits offered under the Chesapeake 401(k) retirement savings plan effective January 1, 2012 are similar to the benefits previously offered by the FPU retirement savings plan. FPU offers the Chesapeake 401(k) plan to all eligible employees who have completed three months of service, except for employees represented by a collective bargaining agreement that does not specifically provide for participation in the plan, non-resident aliens with no U.S. source income and individuals classified as consultants, independent contractors or leased employees.

Prior to January 1, 2012, FPU maintained a separate 401(k) retirement savings plan. Effective January 1, 2011, FPU matched 100 percent of eligible non-union participants' pre-tax contributions to the FPU 401(k) plan up to a maximum of six percent of the eligible compensation. Eligible employees who had not opted out of the plan were automatically enrolled at the three-percent deferral rate and the automatic deferral would increase by one percent per year up to a maximum of six percent, unless an employee elected otherwise, with vesting of 100 percent after two years of service. Employees with one year of service were 20 percent vested and became 100 percent vested after two years of service. Participants were eligible for the employer contributions only if they have worked for a minimum number of hours as specified in our plan document during the plan year.

Prior to January 1, 2011, FPU's 401(k) plan provided a matching contribution of 50 percent of an employee's pre-tax contributions, up to six percent of the employee's salary, for a maximum company contribution of up to three percent. For non-union employees the plan provided a company match of 100 percent for the first two percent of an employee's contribution, and a match of 50 percent for the next four percent of an employee's contribution, for a total company match of up to four percent. Employees were automatically enrolled at the three percent contribution, with the option of opting out, and were eligible for the company match after six months of continuous service, with vesting of 100 percent after three years of continuous service.

Our share of contributions to the Chesapeake 401(k) plan totaled $178,442 and to the FPU 401(k) plan totaled $169,764 for the years ended December 31, 2012, and 2011, respectively.

Chesapeake offers a non-qualified supplemental employee retirement savings plan to its executives over a specific income threshold. Certain FPU executives participate in the Chesapeake non-qualified supplemental employee retirement savings plan. Participants receive a cash-only matching contribution percentage equivalent to their 401(k) match level. For the years ended December 31, 2012 and 2011 our share of the amounts matched to FPU's participants in this plan totaled $492 and $278, respectively.

9. Share-Based Compensation

Chesapeake awards its key employees share-based awards through the Chesapeake Performance Incentive Plan ("Chesapeake PIP"). The Chesapeake Compensation Committee is authorized to grant key employees of the Chesapeake the right to receive awards of shares of Chesapeake common stock, contingent upon the achievement of established performance goals. These awards are subject to certain post-vesting transfer restrictions.

Chesapeake records these share-based awards as compensation costs over the respective service period for which services are received in exchange for an award of equity or equity-based compensation. The compensation cost is based primarily on the fair value of the shares awarded, using the estimated fair value of each share on the date it was granted and the number of shares to be issued at the end of the service period.

Chesapeake currently has multi-year performance plans, which are earned based upon the successful achievement of long-term goals, growth and financial results, which comprised both market-based and performance-based conditions and targets. The fair value of each share of stock tied to a performance-based condition or target is equal to the market price of Chesapeake common stock on the date of the grant. For the market-based conditions, Chesapeake used the Black-Scholes pricing model to estimate the fair value of each share of market-based award granted.

In July 2012, Chesapeake replaced FPU officer's multi-year cash-based incentive award with an award of 4,800 shares under the Chesapeake PIP. These shares will vest at the end of the service period ending December 31, 2014 and have terms and market/performance targets similar to other shares granted under the Chesapeake PIP in January 2012. No shares were granted to FPU's key employee(s) by Chesapeake during 2011.

We were allocated $17,000 in total compensation expense related to a FPU officer that participates in the Chesapeake PIP for the year ended December 31, 2012.

The weighted average grant-date fair value of Chesapeake PIP awards granted during 2012 was $39.62. As of December 31, 2012, there were 317,785 shares reserved for issuance under the Chesapeake PIP.

10. **Rates and Other Regulatory Activities**

Marianna Franchise: On July 7, 2009, the City Commission of Marianna ("Marianna Commission") adopted an ordinance granting a franchise to us, effective February 1, 2010, for a period not to exceed 10 years for the operation and distribution and/or sale of electric energy (the "Franchise Agreement"). The Franchise Agreement provides that we will develop and implement new time of use ("TOU") and interruptible electric power rates, or other similar rates, mutually agreeable to us and the City of Marianna. The Franchise Agreement further provides for the TOU and interruptible rates to be effective no later than February 17, 2011, and available to all customers within our northwest division, which includes the City of Marianna. If the rates were not in effect by February 17, 2011, the City of Marianna would have the right to give notice to us within 180 days thereafter of its intent to exercise an option in the Franchise Agreement to purchase our property (consisting of the electric distribution assets) within the City of Marianna. Any such purchase would be subject to approval by the Marianna Commission, which would also need to approve the presentation of a referendum to voters in the City of Marianna for the approval of the purchase and the operation by the City of Marianna of an electric distribution facility. If the purchase was approved by the Marianna Commission and by the referendum, the closing of the purchase would have had to occur within 12 months after the referendum is approved. If the City of Marianna had elected to purchase the Marianna property, the Franchise Agreement would require the City of Marianna to pay us the fair market value for such property as determined by three qualified appraisers. Our future financial results would be negatively affected by the loss of earnings generated from approximately 3,000 customers in the City of Marianna.

In accordance with the terms of the Franchise Agreement, we developed TOU and interruptible rates, and on December 14, 2010, we filed a petition with the FPSC for authority to implement such proposed TOU and interruptible rates on or before February 17, 2011. On February 11, 2011, the FPSC issued an order approving our petition for authority to implement the proposed TOU and interruptible rates, which became effective on February 8, 2011. The City of Marianna objected to the proposed rates and filed a petition protesting the entry of the FPSC's order.

In conjunction with developing TOU and interruptible rates, we entered into an amendment to the Generation Services Agreement between us and Gulf Power Company ("Gulf Power"). On January 26, 2011, we filed a petition with the FPSC for approval of the amendment. The amendment provides for a reduction in the capacity demand quantity, which generates the savings necessary to support the TOU and interruptible rates approved by the FPSC. The amendment also extends the current agreement by two years, with a new expiration date of December 31, 2019. By its order dated June 21, 2011, the FPSC approved the amendment. On July 12, 2011, the City of Marianna filed a protest of this decision and requested a hearing on the amendment.

On January 24, 2012, the FPSC dismissed with prejudice both of the protests by the City of Marianna regarding the TOU and interruptible rates and the amendment to the Gulf Power agreement. The City of Marianna filed an appeal with the Florida Supreme Court on March 7, 2012 and with the FPSC on March 19, 2012, seeking an appellate review of both of the decisions by the FPSC with respect to the protests by the City of Marianna.

As more fully disclosed in Note 11, "Other Commitments and Contingencies," on March 21, 2011, the City of Marianna filed a complaint against us in the Circuit Court of the Fourteenth Judicial Circuit in and for Jackson County, Florida, alleging breaches of the Franchise Agreement by us and seeking a declaratory judgment that the City of Marianna has the right to exercise its option to purchase our property in the City of Marianna in accordance with the terms of the Franchise Agreement. Prior to the scheduled trial date, we reached an agreement in principle with the City of Marianna to resolve the dispute, which resulted in the City of Marianna dismissing its legal action with prejudice on February 11, 2013. Subsequently, we entered into a settlement agreement with the City of Marianna, which contemplated, among other items, the City of Marianna proceeding with a referendum on the purchase of our facilities. On April 9, 2013, the referendum took place and the citizens of the City of Marianna voted, by a wide margin, to reject the purchase by the City of Marianna of our facilities. As a result of the outcome of the referendum and pursuant to the terms of the settlement agreement, our franchise with the City of Marianna will be extended by 10 years. Also pursuant to the settlement agreement, the City of Marianna withdrew its appeals before the Florida Supreme Court of the FPSC's orders regarding the implementation of TOU and interruptible rates and the amendment to the Generation Services Agreement between us and Gulf Power.

On August 27, 2012, we filed a petition with the FPSC for approval to: (i) defer, as a regulatory asset, the litigation expenses associated with the litigation initiated by the City of Marianna and (ii) amortize previously expensed and future litigation expenses over five years beginning January 2013. On December 3, 2012, the FPSC issued an order approving our request for deferral and amortization of the litigation expenses for regulatory accounting and reporting purposes. This order does not change the current rates charged to our electric customers unless we seek and receive an approval from the FPSC in a future proceeding to recover the litigation expense in rates. We deferred the litigation expense as a regulatory asset at December 31, 2012 in the accompanying balance sheet. The total regulatory asset associated with the City of Marianna litigation was $1.4 million at December 31, 2012.

We have the following additional regulatory matters involving the City of Marianna.

On April 7, 2011, we filed a petition for approval of a mid-course reduction to our northwest electric division fuel rates based on two factors: (1) the previously discussed amendment to the Generation Services Agreement with Gulf Power, and (2) a weather-related increase in sales resulting in an accelerated collection of the prior year's under-recovered costs. Pursuant to its order dated July 5, 2011, the FPSC approved the petition, which reduced the fuel rates of our northwest electric division, which includes the fuel rates charged to customers in the City. On February 24, 2012, we filed a revised petition for approval of a mid-course reduction to our northwest electric division fuel rates based on a reduction in our supplier's fuel rates, which would significantly lower purchased power costs for our Northwest electric Division in 2012. We filed for this mid-course reduction in order to ensure that our customers receive these savings in the most timely manner, and the FPSC issued an order on March 27, 2012, approving the mid-course correction reduction in fuel rates, effective April 1, 2012. This further reduced the fuel rates of our northwest electric division, which includes the fuel rates charged to customers in the City of Marianna.

Other Matters: We also had developments in the following regulatory matters:

On June 21, 2011, we, in accordance with the FPSC rules, filed our 2011 depreciation study and request for new depreciation rates, effective January 1, 2012. The FPSC approved the depreciation study at its January 24, 2012 Agenda Conference. The new approved depreciation rates are expected to reduce annual depreciation expense by approximately $227,000.

On March 21, 2012, we filed a petition with the FPSC for approval of a negotiated contract for the purchase of renewable energy power between us and an unaffiliated company, which is constructing and installing a new renewable generating facility within our service territory. If constructed and installed, this facility will be capable of interconnecting and selling power to our northeast electric division. Overall, this contract will provide a benefit to our northeast electric customers, while also promoting the State of Florida's goal of encouraging energy independence and the growth of renewable energy projects. Savings will be passed on to customers through lower fuel costs. At the agenda conference on July 17, 2012, the FPSC approved the contract.

On July 12, 2012, we filed a petition with the FPSC for approval of recognition of a regulatory liability for a one-time tax contingency gain related to an income tax liability, which originated prior to the acquisition by Chesapeake from excess tax depreciation on vehicles. We recently determined that this tax liability was no longer needed because the applicable statute of limitations of the IRS and the tax remittance period related to this tax liability had expired. We believe that the treatment most consistent with prior regulatory treatment of one-time gains would be to record the amount as a regulatory liability and amortize that amount over a specified period. FPU proposed to establish approximately $1.9 million of regulatory liability ($1.2 million of the tax contingency gain and $748,000 as the tax gross-up) and amortize it over the period from January 2012 to October 2014. Of the $1.9 million regulatory liability, we were allocated approximately $930,000 ($571,000 of the tax contingency gain and $359,000 as the tax gross-up). At the October 16, 2012 agenda conference, the FPSC approved our petition. A final order was issued on November 16, 2012 and we began recording the amortization of this regulatory liability, effective January 1, 2012, with the cumulative effect of the amortization recorded at that time.

11. Other Commitments and Contingencies

Litigation

On March 2, 2011, the City of Marianna filed a complaint against us in the Circuit Court of the Fourteenth Judicial Circuit in and for Jackson County, Florida. In the complaint, the City of Marianna alleged three breaches of the Franchise Agreement by us: (i) we failed to develop and implement TOU and interruptible rates that were mutually agreed to by the City of Marianna and us; (ii) mutually agreed upon TOU and interruptible rates were not effective or in effect by February 17, 2011; and (iii) we did not have such rates available to all of our customers located within and without the corporate limits of the City of Marianna. The City of Marianna was seeking a declaratory judgment allowing it to exercise its option under the Franchise Agreement to purchase our property (consisting of the electric distribution assets) within the City of Marianna. Any such purchase would be subject to approval by the Marianna Commission, which would also need to approve the presentation of a referendum to voters in the City of Marianna related to the purchase and the operation by the City of Marianna of an electric distribution facility. If the purchase was approved by the Marianna Commission and the referendum was approved by the voters, the closing of the purchase had to occur within 12 months after the referendum is approved. On March 28, 2011, we filed our answer to the declaratory action by the City of Marianna, in which we denied the material allegations by the City of Marianna and asserted several affirmative defenses. On August 3, 2011, the City of Marianna notified us that it was formally exercising its option to purchase our property. On August 31, 2011, we advised the City of Marianna that it had no right to exercise the purchase option under the Franchise Agreement and that we would continue to oppose the effort by the City of Marianna to purchase our property. In December 2011, the City of Marianna filed a motion for summary judgment. We opposed the motion. On April 3, 2012, the court conducted a hearing on the City of Marianna's motion for summary judgment. The court subsequently denied in part and granted in part the City of Marianna's motion after concluding that issues of fact remained for trial with respect to each of the three alleged breaches of the Franchise Agreement. Mediation was conducted on May 11, 2012, and again on July 6, 2012, but no resolution was reached.

The case was originally scheduled for trial in October 2012; however, due to a scheduling conflict, the trial was rescheduled to February 2013. Prior to the scheduled trial date, we and the City of Marianna reached an agreement in principle to resolve the dispute, which resulted in the City of Marianna dismissing its legal action with prejudice on February 11, 2013. Subsequently, we and the City of Marianna entered into a settlement agreement, which contemplated, among other items, the City of Marianna proceeding with a referendum on the purchase of our facilities within the City of Marianna. On April 9, 2013, the referendum took place, and the citizens of the City of Marianna voted, by a wide margin, to reject the purchase of our facilities by the City of Marianna. As a result of the dismissal with prejudice of its legal action by the City of Marianna and the outcome of the referendum on the purchase of our facilities, we no longer have any contingencies related to claims by the City of Marianna.

We are involved in certain other legal actions and claims arising in the normal course of business. We are also involved in certain legal proceedings and administrative proceedings before various governmental agencies concerning rates. In the opinion of management, the ultimate disposition of these proceedings will not have a material effect on our consolidated financial position, results of operations or cash flows.

Electric Supply

We have entered into contractual commitments to purchase electricity from various suppliers. The contracts have various expiration dates. The total purchase obligations for electric supplies are $13.6 million for 2013, $29 million for 2014-2015, $31.5 million for 2016-2017 and $27.4 million thereafter.

As discussed in Note 10 "Rates and Other Regulatory Activities," on January 25, 2011, we entered into an amendment to the Generation Services Agreement with Gulf Power, which reduces the capacity demand quantity and provides the savings necessary to support the TOU and interruptible rates for the customers in the City of Marianna, both of which were approved by the FPSC. The amendment also extends the current agreement by two years, with a new expiration date of December 31, 2019.

Our electric fuel supply contracts require us to maintain an acceptable standard of creditworthiness based on specific financial ratios. Our agreement with JEA (formerly known as Jacksonville Electric Authority) requires us to comply with the following ratios based on the results of the prior 12 months: (a) total liabilities to tangible net worth less than 3.75 times, and (b) fixed charge coverage ratio greater than 1.5 times. If either ratio is not met by us, we have 30 days to cure the default or provide an irrevocable letter of credit if the default is not cured. Our electric fuel supply agreement with Gulf Power requires us to meet the following ratios based on the average of the prior six quarters: (a) funds from operations interest coverage ratio (minimum of 2 to 1), and (b) total debt to total capital (maximum of .65 to 1). If we fail to meet the requirements, we have to provide the supplier a written explanation of actions taken or proposed to be taken to become compliant. Failure to comply with the ratios specified in the Gulf Power agreement could result in us providing an irrevocable letter of credit. As of December 31, 2012, we were in compliance with all of the requirements of its fuel supply contracts.

Florida Public Utilities Company	An Original	For the Year Ended
Electric Division		December 31, 2012

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

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	95,643,920	95,643,920
4	Property Under Capital Leases	-	-
5	Plant Purchased or Sold	-	-
6	Completed Construction not Classified	-	-
7	Experimental Plant Unclassified	-	-
8	TOTAL (Enter Total of lines 3 thru 7)	95,643,920	95,643,920
9	Leased to Others	-	-
10	Held for Future Use	-	-
11	Construction Work in Progress	1,513,444	1,513,444
12	Acquisition Adjustment	3,691	3,691
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	97,161,055	97,161,055
14	Accum. Prov. for Depr., Amort., & Depl.	48,632,798	48,632,798
15	Net Utility Plant (Enter total of line 13 less 14)	48,528,257	48,528,257
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	48,629,107	48,629,107
19	Amort. and Depl. of Producing Nat. Gas Land and Land Rights	-	
20	Amort. of Underground Storage Land and Land Rights	-	
21	Amort. of Other Utility Plant	-	
22	TOTAL in Service (Enter Total of lines 18 thru 21)	48,629,107	48,629,107
23	Leased to Others		
24	Depreciation	-	
25	Amortization and Depletion	-	
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	-	-
27	Held for Future Use		
28	Depreciation	-	
29	Amortization	-	
30	TOTAL Held for Future Use (Ent. Tot. of lines 28 and 29)	-	-
31	Abandonment of Leases (Natural Gas)	-	
32	Amort. of Plant Acquisition Adjustment	3,691	3,691
33	TOTAL Accumulated Provisions (Should agree with line 14 above)(Enter Total of lines 22, 26, 30, 31, and 32)	48,632,798	48,632,798

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

Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
-		-	-	0	22
					23
					24
					25
-	-	-	-	-	26
					27
					28
					29
-	-	-	-	-	30
					31
					32
0	0	0	0	0	33

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

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified) this page and the nest include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements the end of the year, included in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior years of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	-	
3	(302) Franchises and Consents	-	
4	(303) Miscellaneous Intangible Plant	1,193	-
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and4)	1,193	-
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	-	
9	(311) Structures and Improvements	-	
10	(312) Boiler Plant Equipment	-	
11	(313) Engines and Engine Driven Generators	-	
12	(314) Turbogenerator Units	-	
13	(315) Accessory Electric Equipment	-	
14	(316) Misc. Power Plant Equipment	-	
15	TOTAL Steam Production Plant (Enter Total of lines 8 through 14)	-	-
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights	-	
18	(321) Structures and Improvements	-	
19	(322) Reactor Plant Equipment	-	
20	(323) Turbogenerator Units	-	
21	(324) Accessory Electric Equipment	-	
22	(325) Misc. Power Plant Equipment	-	
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 through 22)	-	-
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	-	
26	(331) Structures and Improvements	-	
27	(332) Reservoirs, Dams, and Waterways	-	
28	(333) Water Wheels, Turbines, and Generators	-	
29	(334) Accessory Electric Equipment	-	
30	(335) Misc. Power Plant Equipment	-	
31	(336) Roads, Railroads, and Bridges	-	
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 through 31)	-	-
33	D. Other Production Plant		
34	(340) Land and Land Rights	-	
35	(341) Structures and Improvements	-	
36	(342) Fuel Holders, Products and Accessories	-	
37	(343) Prime Movers	-	
38	(344) Generators	-	
39	(345) Accessory Electric Equipment	-	

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

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classifications of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and the date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			-	(301)	2
			-	(302)	3
-		-	1,193	(303)	4
-	-	-	1,193		5
					6
					7
			-	(310)	8
			-	(311)	9
			-	(312)	10
			-	(313)	11
			-	(314)	12
			-	(315)	13
			-	(316)	14
-	-	-	-		15
					16
			-	(320)	17
			-	(321)	18
			-	(322)	19
			-	(323)	20
			-	(324)	21
			-	(325)	22
-	-	-	-		23
					24
		-	-	(330)	25
			-	(331)	26
			-	(332)	27
			-	(333)	28
			-	(334)	29
			-	(335)	30
			-	(336)	31
-	-	-	-		32
					33
			-	(340)	34
			-	(341)	35
			-	(342)	36
			-	(343)	37
			-	(344)	38
			-	(345)	39

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

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment	-	
41	TOTAL Other Production Plant (Enter Total of lines 34 through 40)	-	-
42	TOTAL Production Plant (Enter Total of lines 15, 23, 32, and 41)	-	-
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	41,471	-
45	(352) Structures and Improvements	22,007	122,143
46	(353) Station Equipment	2,619,957	564,184
47	(354) Towers and Fixtures	224,802	-
48	(355) Poles and Fixtures	2,788,106	-
49	(356) Overhead Conductors and Devices	2,019,975	2,341
50	(357) Underground Conduit	-	
51	(358) Underground Conductors and Devices	-	
52	(359) Roads and Trails	6,788	-
53	TOTAL Transmission Plant (Enter Total of lines 44 through 52)	7,723,106	688,668
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	70,567	-
56	(361) Structures and Improvements	100,855	-
57	(362) Station Equipment	7,527,410	127,467
58	(363) Storage Battery Equipment	-	
59	(364) Poles, Towers, and Fixtures	11,371,744	849,585
60	(365) Overhead Conductors and Devices	11,104,268	784,627
61	(366) Underground Conduit	3,969,671	996,421
62	(367) Underground Conductors and Devices	6,171,994	722,190
63	(368) Line Transformers	15,065,563	736,502
64	(369) Services	9,791,415	120,402
65	(370) Meters	3,727,466	90,233
66	(371) Installations on Customer Premises	2,699,736	183,121
67	(372) Leased Property on Customer Premises	-	-
68	(373) Street Lighting and Signal Systems	1,363,655	38,518
69	TOTAL Distribution Plant (Enter Total of lines 55 through 68)	72,964,344	4,649,066
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	154,524	752,627
72	(390) Structures and Improvements	2,328,623	157,739
73	(391) Office Furniture and Equipment	2,124,375	224,534
74	(392) Transportation Equipment	3,692,097	667,638
75	(393) Stores Equipment	158,453	-
76	(394) Tools, Shop and Garage Equipment	181,991	84,981
77	(395) Laboratory Equipment	121,047	-
78	(396) Power Operated Equipment	190,165	-
79	(397) Communication Equipment	330,165	-
80	(398) Miscellaneous Equipment	25,451	72,508
81	SUBTOTAL (Enter Total of lines 71 through 80)	9,306,891	1,960,027
82	(399) Other Tangible Property	15,993	-
83	TOTAL General Plant (Enter Total of lines 81 and 82)	9,322,884	1,960,027
84	TOTAL (Accounts 101 and 106)	90,010,334	7,297,761
85	(102) Electric Plant Purchased	-	-
86	(Less) (102) Electric Plant Sold	-	-
87	(103) Experimental Plant Unclassified	-	-
88	TOTAL Electric Plant in Service	90,011,527	7,297,761

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			-	(346)	40
-	-	-	-		41
-	-	-	-		42
					43
-	-	-	41,471	(350)	44
-	-	-	144,150	(352)	45
-	-	-	3,184,141	(353)	46
-	-	-	224,802	(354)	47
-	-	-	2,788,106	(355)	48
-	-	-	2,022,316	(356)	49
			-	(357)	50
			-	(358)	51
-	-	-	6,788	(359)	52
-	-	-	8,411,774		53
					54
-	-	-	70,567	(360)	55
-	-	-	100,855	(361)	56
-	-	-	7,654,877	(362)	57
			-	(363)	58
(28,421)	(399)	-	12,192,509	(364)	59
(25,586)	(120,794)	-	11,742,515	(365)	60
(291)	(164,904)	-	4,800,897	(366)	61
(8,864)	(66,306)	-	6,819,014	(367)	62
(53,997)	(61,838)	-	15,686,230	(368)	63
(5,364)	(2,500)	-	9,903,953	(369)	64
(23,848)	-	-	3,793,851	(370)	65
(23,330)	-	-	2,859,527	(371)	66
			-	(372)	67
(2,522)			1,399,651	(373)	68
(172,223)	(416,741)	-	77,024,446		69
					70
(82,062)	-		825,089	(389)	71
(611,549)	-	(7,122)	1,867,691	(390)	72
(12,300)	-	(720)	2,335,889	(391)	73
(469,165)	-	109,198	3,999,768	(392)	74
(8,742)	-		149,711	(393)	75
-	-	50,790	317,762	(394)	76
-	-		121,047	(395)	77
-	-	-	190,165	(396)	78
-	-	-	330,165	(397)	79
	-	(43,126)	54,833	(398)	80
(1,183,818)	-	109,020	10,192,120		81
-	-	(1,606)	14,387	(399)	82
(1,183,818)	-	107,414	10,206,507		83
(1,356,041)	(416,741)	107,414	95,642,727		84
	-	-	-	(102)	85
-	-	-			86
-	-	-	-	(103)	87
(1,356,041)	(416,741)	107,414	95,643,920		88

Florida Public Utilities Company Electric Division	An Original	For the Year Ended December 31, 2012

CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (5% of the Balance End of the Year for Account 107 or $100,000, whichever is less) may be grouped

Line No.	Description of Project	Construction Work in Progress-Electric (Acct. 107)
1	Land and Land Rights	$ 60,808
2	Poles	326,632
3	U/G Conduit	195,256
4	U/G Conductors	174,044
5	Station Equipment	342,926
6	Structures	74710.85
7	* Other	339,066
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
34		
35		
36	* Grouped Items	
37		
38		
39	TOTAL	1,513,444

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

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
	Item				
1.	Balance Beginning of Year	46,108,980	46,108,980		
2.	Depreciation Provisions for Year, Charged to				
3.	(403) Depreciation Expense	3,216,312	3,216,312		
4.	(413) Exp. of Elec. Plt. Leas. to Others				
5.	Transportation Expenses-Clearing	289,886	289,886		
6.	Other Clearing Accounts	70,257	70,257		
7.	Other Accounts (Specify):				
8.	Accrued Depreciation on Transfers	-			
9.	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	3,576,455	3,576,455		
10.	Net Charges for Plant Retired:				
11.	Book Cost of Plant Retired	(1,356,040)	(1,356,040)		
12.	Cost of Removal	(288,185)	(288,185)		
13.	Salvage (Credit)	573,375	573,375		
14.	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(1,070,850)	(1,070,850)		
15.	Other Debit or Credit Items (Describe)-Transfers	14,522	14,522		
16.	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	48,629,107	48,629,107		

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

18.	0	-	-		
19.	Nuclear Production	-	-		
20.	Hydraulic Production - Conventional	-	-		
21.	Hydraulic Production - Pumped Storage	-	-		
22.	Other Production	-	-		
23.	Transmission	3,365,571	3,365,571		
24.	Distribution	40,196,755	40,196,755		
25.	General	5,066,781	5,066,781		-
26.	TOTAL (Enter Total of lines 18 thru 25)	48,629,107	48,629,107		-

MATERIALS AND SUPPLIES

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

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	739,901	899,388	Operations
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	246,634	299,796	Operations
10	Assigned to - Other			
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	986,534	1,199,184	
12	Merchandise (Account 155)	-	-	
13	Other Materials and Supplies (Account 156)	-	-	
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials and Supplies (per Balance Sheet)	986,534	1,199,184	

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

		Amount	Account Debited	Account Credited
114	Northwest Electric Division - Materials & Supplies	22	154	593
115	Northeast Electric Materials & Supplies	(9,677)	107, 596	154, 107
121	South Florida - Materials & Supplies	-		
	South Florida Gas Division – Merchandise	-		
123	Central Florida - Materials & Supplies	-		
	Central Florida Gas Division - Merchandise	-		
993	Central Florida Propane Division - Merchandise	-		
995	Northeast Florida Propane Division - Materials & Supplies	-		
	Northeast Florida Propane Division - Merchandise	-		

OTHER REGULATORY ASSETS

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts.
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $50,000, whichever is less) may be grouped by classes.

	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year	Debits (b)	Credits Account Charged (c)	Credits Amounts (d)	Balance End of Year (e)
1						
2	Regulatory Asset Retirement Plan	5,467,834		228,926	685,287	6,153,121
3	Regulatory Asset 35% Federal Tax	248,666				248,666
4	Regulatory Asset Deferred Litigation	-		923	1,424,271	1,424,271
5						
6						
7						
8						
9						
10						
11						
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41	TOTAL	$ 5,716,500	$ -		$ 2,109,558	$ 7,826,058

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Credit Account Charged (d)	Credit Amount (e)	Balance End of Year (f)
1	Unrecovered Conservation	249767		906	(125,761)	124,006
2	Deferred Rate Case	57,869		928	(57,869)	-
3						
4						
5						
6						
7						
8						
9						
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11						
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32						
33						
1	TOTAL	307,636				124,006

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Charged to 410 and 411 (c)	Adjustments (d)	Balance at End of Year (e)
1	**Electric**				
2	Customer based intangible asset for tax	25,606	21,744	7,926	55,276
3	Net operating loss carryforward	355,172	(355,172)		-
4	Bad debt provision	44,372	7,366		51,738
5	State decoupling asset	256,406	37,963		294,369
6	Storm reserve	773,627	(29,095)		744,532
7					-
8					-
9					-
10					-
11					-
12					-
13	TOTAL Electric (Lines 2 thru 13)	1,455,183	(317,194)	7,926	1,145,915
14	**Gas**				
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26	TOTAL Gas (Lines 15 thru 25)	-	-	-	-
27					
28	Other (Specify) Common				
29	TOTAL (Account 190)(Lines 12, 23 & 24)	1,455,183	(317,194)	7,926	1,145,915

Florida Public Utilities Company | An Original | For the Year Ended
Electric Division | CAPITAL STOCK (Accounts 201 and 204) | December 31, 2012

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the no. of shares authorized by the articles of incorp. as amended to end of year.
3. Give particulars (deatils) concerning sharesof any class and

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1				
2				
3				
4				
5				
6				
7				
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series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledge and purpose of pledge.

Outstanding Per Balance Sheet		Held by Respondent As Reacquired Stock (Account 217)		Held by Respondent In Sinking and Other Funds		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
						1
						2
						3
						4
						5
						6
						7
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						29

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

1. Report by balance sheet the account particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated companies, and 224, Other Long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on note and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers' certificates, show in column (a) the named of the court and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in-parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the

Line No.	(a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)
1	Convertible Debentures - 8.25%	$ 5,000,000	$ 83,455
2			
3	Senior Note 4 - 7.83 %	$ 20,000,000	$ 469,800
4	Senior Note 5 - 6.64%	$ 30,000,000	$ 1,056,364
5	Senior Note 6 - 5.50%	$ 20,000,000	$ 962,500
6	Senior Note 7 - 5.93%	$ 30,000,000	$ 1,779,000
7	Senior Note 8 - 5.68%	$ 29,000,000	$ 1,647,200
8	Promissory Note	$ 310,000	
9	FPU Bond - 9.57%	$ 10,000,000	$ 551,041
10	FPU Bond - 10.03%	$ 5,500,000	$ 317,617
11	FPU Bond - 9.08%	$ 8,000,000	$ 726,400
12	Less Current Maturities		
13	Unamortized Issuance Costs		
14			
15	Totals	$ 157,810,000	$ 7,593,377
16			
17			
18	Allocation to Florida Public Utilities - Electric Division	$ 791,296	$ 4,319
19	Allocation to Other Jurisdictions	$ 6,802,081	$ 36,474
20		7,593,377	$ 40,793
21			
22			
23			
24			
25	Note: Schedule lists total long-term debt for Chesapeake Utilities Corporation.		
26	Line number 18 indicates the amount that is allocated to the Florida Public Utilities - Electric Division.		
27			
28			
29			
30			
31			

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

Uniform System of Accounts.
10. Identify separate undisclosed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and expense, or credited to Account 429, Amortization of Premium on Debt- Credit.
12. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote. including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or acquired before end of year , include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
2/15/1989	3/1/2014	2/15/1989	3/1/2014	$ 942,000	$ 83,455	1
						2
2/29/2000	1/1/2015	2/29/2000	1/1/2015	$ 4,000,000	$ 469,800	3
10/31/2002	10/31/2017	10/31/2002	10/31/2017	$ 13,636,000	$ 1,056,364	4
10/12/2006	10/12/2020	10/12/2006	10/12/2020	$ 16,000,000	$ 962,500	5
10/31/2008	10/31/2023	10/31/2008	10/31/2023	$ 30,000,000	$ 1,779,000	6
6/24/2011	6/30/2026	6/24/2011	6/30/2026	$ 29,000,000	$ 1,647,200	7
2/1/2010	3/1/2015	2/1/2010	3/1/2015	$ 125,000	$ -	8
5/1/1988	5/1/2018	5/1/1988	5/1/2018	$ 5,444,000	$ 551,041	9
5/1/1988	5/1/2018	5/1/1988	5/1/2018	$ 2,994,000	$ 317,617	10
6/1/1992	6/1/2022	6/1/1992	6/1/2022	$ 7,962,000	$ 726,400	11
				$ (8,196,273)		12
						13
						14
				$ 101,906,727	$ 7,593,377	15
						16
						17
						18
						19
						20
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						31

Florida Public Utilities Company Electric Division	An Original	For the Year Ended December 31, 2012

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

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

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

Line No.	Particulars (Details) (a)	Amount (b)
1	**Net Income for the Year**	1,540,071
2		
3	**Taxable Income Not Reported on Books**	
4	Taxable service contribution	416,741
5		
9	**Deductions Recorded on Books Not Deducted for Return**	
10	Federal income tax expense	(277,896)
11	Deferred income tax expense	1,188,038
12	Meals	27,344
13	Bad debt expense - timing difference	19,095
14	Rate case regulatory asset amortization	57,869
15	Storm reserve	(75,423)
16	Amortization of Regualtory Liability	(328,380)
17	Customer based intangble asset for tax	56,366
18	Short Term IPP Bonus	101,204
19	**Income Recorded on Books Not Included in Return**	
20	Investment tax credit amortization	(12,316)
21		
22	**Deductions On Return Not Recorded on Books**	
23	Conservation - timing difference	125,761
24	Depreciation - timing difference	(1,732,742)
25	Insurancne - timing difference	(48,861)
26	Cost of removal	(294,707)
27	Asset disposal gain/loss	23,783
28	Purchased Gas cost	(585,051)
29		
30	**Federal Taxable Net Income**	200,896
31		
32	Show Computatation of Tax:	
33	Federal income Tax @ 35%	70,314
34	Net Operating Loss Adjustment	(355,172)
35	Prior Period Adjustment	6,962
36		
37	Federal Income Tax Expense	(277,896)
38		
39		
40		
41		
42		
43		
44		
45		
46		

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. *If any tax (exclude Federal and State income taxes)*

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
1	**Federal Taxes:**					
2	Income Tax	(1,200,674)		277,896	0	990,306
3	**Total Federal Taxes**	(1,200,674)	-	277,896	0	990,306
4						
5	**State of Florida:**					
6	Income	(51,556)	0.00	(77,817)	0	139,798
7	**Total State of Florida Taxes**	(51,556)	0.00	(77,817)	0	139,798
8						
9						
10	**Reclassified to Prepaid Taxes**					
11	**Federal Taxes:**					
12	Income Tax					
13	**State of Florida:**					
14	Income					
15						
16						
17						
18	**TOTAL**	(1,252,230)	0	200,079	0	1,130,104

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

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

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

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

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	(Account 408.2 & 409.2) (j)	Adjustment to Ret. Earnings (Account 439) (k)	Other Gas & Common (l)	Line No.
						1
67,528	0	(200,715)	(78,038)		0	2
67,528	0	(200,715)	(78,038)		0	3
						4
						5
10,425	0	88,779	(12,977)		0	6
10,425	0	88,779	(12,977)	0	0	7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
77,953	0	(111,936)	(91,015)		0	18

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year Account No. (c)	Deferred for Year Amount (d)	Allocations to Current Year's Income Account No. (e)	Allocations to Current Year's Income Amount (f)	Adjustments (g)
1	**Electric Utility**						
2	3%	1,343			411.4	1,343	-
3	4%	-			411.4	-	-
4	8%	5,169				5,169	-
5	10%	5,059			411.4	5,059	-
6	Prior Period Adjustment	745				745	
7							
8	**TOTAL**	12,316		-		12,316	-
12							
13	**Gas Utility**						
19							
20	**TOTAL**	-		-		-	
21							
22							
23							
24							
25							
26							
27							
28							
29	**TOTAL**	-		-		-	-
30							
31							
32	**TOTAL UTILITIES**	12,316		-		12,316	-
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							

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

Balance at End Year (h)	Averge Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
-	28 YEARS		2
-	28 YEARS		3
-			4
-	28 YEARS		5
-			6
			7
-			8
			12
			13
			19
-			20
			21
			22
			23
			24
			25
			26
			27
			28
-			29
			30
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-			32
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Florida Public Utilities Company
Electric Division

An Original

For the Year Ended
December 31, 2012

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $10,000, whichever is greater) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
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42	TOTAL					
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ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)

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

Line No.	Account Subdivisions	Balance at Beginning of Year	CHANGES DURING YEAR Amounts Debited (Account 410.1)	Amounts Credited (Account 411.1)
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	8,879,639	668,405	(160,758)
3	Gas			
4	Other - Water			
5	Other - Common			
6	TOTAL (Lines 2 thru 4)	8,879,639	668,405	(160,758)
7	Other (Specify)			
8				
9				
10				
11	TOTAL Account 282 (Lines 5 thru 8)	8,879,639	668,405	(160,758)
12				
13	Classification of TOTAL			
14	Federal Income Tax	7,636,288	573,090	(137,834)
15	State Income Tax	1,243,351	95,315	(22,924)
16	Local Income Tax			
17	Total	8,879,639	668,405	(160,758)
18				
19				
20				
21				
22				
23	Total	8,879,639	668,405	(160,758)
24				
25				
26				
27				
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ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282) (Continued)

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

CHANGES DURING YEAR		ADJUSTMENTS					
Amounts Debited (Account 410.2)	Amounts Credited (Account 411.2)	Credits Acct. Debited	Credits Amount	Debits Acct. Credited	Debits Amount	Balance at End of Year	Line No.
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
113,683	(9,174)			######	27,721	9,519,516	2
						-	3
						-	4
						-	5
113,683	(9,174)		-		27,721	9,519,516	6
							7
							8
							9
							10
113,683	(9,174)		-		27,721	9,519,516	11
							12
							13
113,683	(9,174)		27,721		-	8,203,775	14
-			-		-	1,315,741	15
							16
113,683	(9,174)		27,721		-	9,519,516	17
							18
							19
							20
							21
							22
113,683	(9,174)		27,721	-	-	9,519,516	23
							24
							25
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Florida Public Utilities Company | An Original | For the Year Ended
Electric Division | | December 31, 2012

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING THE YEAR Amounts Debited (Account 410.1) (c)	Amounts Credited (Account 411.1) (d)
1	Account 283			
2	**Electric**			
3	Tax Normalization for Tax Rate Increase	216,047	-	-
4	Insurance	39,006	18,080	-
5	Rate Case Costs	22,323	-	(22,323)
6	Conservation Cost	96,349		(48,514)
7	Short Term IPP Bonus	-		(39,039)
8	Regulatory Liability			126,672
9	Purchased Fuel Cost	-	225,683	
10				
11	TOTAL Electric (Total Lines 3-9)	373,725	243,763	16,796
12	**Other - Common**			
13				
14	TOTAL Account 283 (Total lines 11,			
15	25 and 31)	373,725	243,763	16,796
16				
17	Classification of TOTAL			
18	Federal Income Tax	320,440	209,002	14,401
19	State Income Tax	53,285	34,761	2,395
20	Local Income Tax			
21	Total	373,725	243,763	16,796

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

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

		Debits		Credits			
Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
-	-		-		-	216,047	3
-	-		-			57,086	4
-	-		-		-	-	5
-	-		-		-	47,835	6
-						(39,039)	7
-		254	(358,900)			(232,228)	8
-						225,683	9
							10
-	-		-		-	275,384	11
							12
							13
							14
-	-		-		-	275,384	15
							16
							17
			(358,900)		-	184,943	18
					-	90,441	19
						-	20
-	-		(358,900)		-	275,384	21

Florida Public Utilities Company
Electric Division

An Original

For the Year Ended
December 31, 2012

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	DEBITS Account Credited (b)	DEBITS Amount (c)	Credits (d)	Balance End of Year (e)
1	OPRB Curtail gain true up	0			($258,659)	(258,659)
2	Recognition of Regulatory Liability and Associated	0			(602,015)	(602,015)
3	Amortization PSC-12-0574-PAA-PU					
4						
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Florida Public Utilities Company | An Original | For the Year Ended
Electric Division | | December 31, 2012

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where seperate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. If increases or decreases from previous year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	40,813,758	45,944,650
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	20,959,329	19,140,159
5	Large (or Industrial)	22,498,048	27,650,664
6	(443) Outdoor Lighting	1,518,596	1,534,427
7	(444) Public Street and Highway Lighting	550,090	544,710
8	(445) Other Sales to Public Authorities	-	-
10	(448) Interdepartmental Sales	65,920	69,162
9	(456.3) Unbilled Revenues	217,001	1,819,484
11		- - - - - - - - - - -	- - - - - - - - - - - - -
12	TOTAL Sales to Ultimate Consumers	86,622,743	96,703,256
13	(447) Sales for Resale		
14		- - - - - - - - - - -	- - - - - - - - - - - - -
15	TOTAL Sales of Electricity	86,622,743	96,703,256
16	(Less) (449.1) Provision for Rate Refunds		
17		- - - - - - - - - - -	- - - - - - - - - - - - -
18	TOTAL Revenue Net of Provision for Refunds	86,622,743	96,703,256
19	Other Operating Revenues	- - - - - - - - - - -	- - - - - - - - - - - - -
20	(450) Forfeited Discounts	433,854	436,668
21	(451) Miscellaneous Service Revenues	193,593	201,490
22	(453) Sales of Water and Water Power		
23	(454) Rent from Electric Property	161,307	236,584
24	(455) Interdepartmental Rents		
25	(456.2) Other Electric Revenues	(201,465)	1,260
26	(456.1) Overrecoveries Purchase Electric	848,255	(2,651,509)
27	(456.6) Overrecoveries Conservation		
28			
29		- - - - - - - - - - -	- - - - - - - - - - - - -
30	TOTAL Other Operating Revenues	1,435,545	(1,775,507)
31		- - - - - - - - - - -	- - - - - - - - - - - - -
32	TOTAL Electric Operating Revenues	88,058,287	94,927,749
		==========	==========

ELECTRIC OPERATING REVENUES (Account 400) (Continued)

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

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

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

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

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	Line No.
				1
292,980	318,064	23,670	23,598	2
				3
301,887	318,628	4,349	4,346	4
58,640	52,440	2	2	5
5,300	5,261	2,996	2,993	6
2,124	2,136	36	35	7
				8
697	678	13	13	9
				10
- - - - - - - - - -	- - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - -	11
661,628	697,208	31,066	30,987	12
				13
- - - - - - - - - -	- - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - -	14
661,628	697,208	31,066	30,987	15
				16
- - - - - - - - - -	- - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - -	17
661,628	697,208	31,066	30,987	18
- - - - - - - - - -	- - - - - - - - -	- - - - - - - - - - -	- - - - - - - - - -	19
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Florida Public Utilities Company | An Original | For the Year Ended
Electric Division | SALES OF ELECTRICITY BY RATE SCHEDULES | December 31, 2012

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale which is reported on pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenues account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWH of Sales per Customer (e)	Revenue (cents) per KWH Sold (f)
1	(440) Residential Sales	292,980	$ 40,813,758	23,670	12,378	13.9
2	(442) Commercial and Industrial Sales					
3	Small (or Commercial)	301,887	$ 20,959,329	4,349	69,415	6.9
4	Large (or Industrial)	58,640	$ 22,498,048	2	29,320,000	38.4
5	(443) Outdoor Lighting	5,300	$ 1,518,596	2,996		28.7
6	(444) Public Street and Highway Lighting	2,124	$ 550,090	36	59,007	25.9
7	(445) Other Sales to Public Authorities	0	$ -	0		
8	(448) Interdepartmental Sales	697	$ 65,920	13	53,598	9.5
9						
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39						
40	Total Billed	661,628	$ 86,405,742	31,066	21,300	13.1
41						
42	Rate Refund		0			
43						
	TOTAL	661,628	86,405,742	31,066	21,300	13.1

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	-	-
53	(542) Maintenance of Structures	-	-
54	(543) Maintenance of Reservoirs, Dams, and Waterways	-	-
55	(544) Maintenance of Electric Plant	-	-
56	(545) Maintenance of Miscellaneous Hydraulic Plant	-	-
57	TOTAL Maintenance	-	-
58	TOTAL Power Production Expenses-Hydraulic Power	-	-
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	-	-
62	(547) Fuel	-	-
63	(548) Generation Expenses	-	-
64	(549) Miscellaneous Other Power Generation Expenses	-	-
65	(550) Rents	-	-
66	TOTAL Operation	-	-
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	-	-
69	(552) Maintenance of Structures	-	-
70	(553) Maintenance of Generating and Electric Plant	-	-
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	-	-
72	TOTAL Maintenance	-	-
73	TOTAL Power Production Expenses-Other Power	-	-
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	64,194,296	70,323,099
76	(556) System Control and Load Dispatching	-	-
77	(557) Other Expenses	307,737	256,440
78	TOTAL Other Power Supply Expenses	64,502,033	70,579,539
79	TOTAL Power Production Expenses	64,502,033	70,579,539
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	28,360	46,784
83	(561) Load Dispatching		-
84	(562) Station Expenses	58,717	37,386
85	(563) Overhead Line Expenses		-
86	(564) Underground Line Expenses		-
87	(565) Transmission of Electricity by Others		-
88	(566) Miscellaneous Transmission Expenses	9,224	750
89	(567) Rents	-	-
90	TOTAL Operation	96,301	84,919
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	-	-
93	(569) Maintenance of Structures	-	-
94	(570) Maintenance of Station Equipment	54,126	36,798
95	(571) Maintenance of Overhead Lines	83,281	27,406
96	(572) Maintenance of Underground Lines	-	-
97	(573) Maintenance of Miscellaneous Transmission Plant	-	-
98	TOTAL Maintenance	137,407	64,204
99	TOTAL Transmission Expenses	233,709	149,123
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	135,774	169,830
103	(581) Load Dispatching	-	-

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
104	3. DISTRIBUTION EXPENSES (Continued)		
105	(581) Load Dispatching	-	-
106	(582) Station Expenses	69,895	56,356
107	(583) Overhead Line Expenses	129,390	116,427
108	(584) Underground Line Expenses	23,223	30,475
109	(585) Street Lighting and Signal System Expenses	37,437	35,037
110	(586) Meter Expenses	362,911	308,123
111	(587) Customer Installations Expenses	84,489	112,854
112	(588) Miscellaneous Distribution Expenses	260,740	258,913
113	(589) Rents	-	-
114	TOTAL Operation	1,103,858	1,088,015
115	Maintenance		
116	(590) Maintenance Supervision and Engineering	2,469	(3,458)
117	(591) Maintenance of Structures	1,458	-
118	(592) Maintenance of Station Equipment	52,281	118,539
119	(593) Maintenance of Overhead Lines	1,547,601	1,582,179
120	(594) Maintenance of Underground Lines	264,026	170,634
121	(595) Maintenance of Line Transformers	134,678	205,830
122	(596) Maintenance of Street Lighting and Signal Systems	86,865	98,686
123	(597) Maintenance of Meters	131,487	151,597
124	(598) Maintenance of Miscellaneous Distribution Plant	125,302	84,310
125	TOTAL Maintenance	2,346,168	2,408,317
126	TOTAL Distribution Expenses	3,450,026	3,496,333
127	4. CUSTOMER ACCOUNTS EXPENSES		
128	Operation		
129	(901) Supervision	86,808	62,052
130	(902) Meter Reading Expenses	229,282	166,258
131	(903) Customer Records and Collection Expenses	1,065,534	1,097,718
132	(904) Uncollectible Accounts	203,263	258,750
133	(905) Miscellaneous Customer Accounts Expenses		(480)
134	TOTAL Customer Accounts Expenses	1,584,888	1,584,299
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
136	Operation		
137	(906) Underrecovery Conservation	125,761	(130,707)
138	(907) Supervision	(3,263)	85,033
139	(908) Customer Assistance Expenses	404,999	563,300
140	(909) Informational and Instructional Expenses	215,286	227,913
141	(910) Miscellaneous Customer Service and Informational Expenses	20,919	54,242
142	TOTAL Cust. Service and Informational Expenses	763,702	799,780
143	6. SALES EXPENSES		
144	Operation		
145	(911) Supervision	28,690	16,502
146	(912) Demonstrating and Selling Expenses	60	24,038
147	(913) Advertising Expenses	251,326	237,382
148	(916) Miscellaneous Sales Expenses	425	425
149	TOTAL Sales Expenses	280,501	278,346
150	7. ADMINISTRATIVE AND GENERAL EXPENSES		
151	Operation		
152	(920) Administrative and General Salaries	1,543,044	1,550,518
153	(921) Office Supplies and Expenses	666,560	786,231
154	(Less) (922) Administrative expenses Transferred-Cr.	-	-
155	(923) Outside Services Employed	201,547	1,074,838
156	(924) Property Insurance	186,650	170,612
157	(925) Injuries and Damages	336,267	320,974
158	(926) Employee Pensions and Benefits	1,049,737	1,161,997

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

	Account	Amount for Current Year	Amount for Previous Year
159	7. ADMINISTRATIVE AND GENERAL EXPENSES		
160	(927) Franchise Requirements	-	-
161	(928) Regulatory Commission Expenses	57,869	149,866
162	(Less) (929) Duplicate Charges-Cr.		-
163	(930.1) General Advertising Expenses	818	-
164	(930.2) Miscellaneous General Expenses	134,124	58,799
165	(931) Rents	86,892	7,441
166	TOTAL Operation	4,263,508	5,281,274
167	Maintenance		
168	(935) Maintenance of General Plant	69,508	73,073
169	TOTAL Administrative and General Expenses	4,333,016	5,354,347
170	TOTAL Electric Operation and Maintenance Expenses	75,147,874	82,241,765

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

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

See page 462

An Original
PURCHASED POWER (Account 555)
(Including power exchanges)

For the Year Ended
December 31, 2012

1. Report all power purchases made during the year. Also report exchanges of electricity(i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column(a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column(b), enter a Statistical Classification Code based on the original contractual terms and conditions of the services as follows:

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

LF-for long-term service. "Long-term" means five years longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions(e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

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

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

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

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

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

Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Jacksonville Electric Authority	RQ	MS	75.80	NA	NA
2	Rock-Tenn Company	OS		NA	NA	NA
3	Gulf Power Company	RQ	RE	97.94	NA	NA
4	Southern Company Services	RQ		58.89	NA	NA
5	Rayonier Performance Fibers	OS		N/A	N/A	N/A

Footnote: Column (l) other Charges

Jacksonville Electric Authority	
Transmission Charge	1,722,931
Special Cost	245,649
Distribution Facility Charge	476,834
	2,445,414
Southern Company Services	
Distribution Facility Charge	495,838
Meter reading & Processing Charge	9,300
	505,138

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

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

4. In column(c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column(b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly aveage billing demand in column(d), the average monthly non-coincident peak(NCP) demand in column(e), and the average monthly coincident peak(CP) demand in column(f). For all other types of service, enter NA in columns(d),(e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP Demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawats. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column(g) the megawatthours shown on bills rendered to the respondent. Report in columns(h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column(j), energy charges in column(k), and the total of any other types of charges including out-of-period adjustments,in column(l). Explain in a footnote all components of the amount shown in column(l). Report in column(m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column(m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount(1) includes credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement,provide an explanatory footnote.
8. The data in columns(g) through (m) must be totalled on the last line of the schedule. The total amount in column(g) must be reported as Purchases on page 401, line 10. The total amount in column(h) must be reported as Exchange Received on page 401, line 12. The total amount in column(i) must be reported as Exchange Delivered on page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

	POWER EXCHANGES		COST/SETTLEMENT OF POWER				
Megawatthours Purchased (g)	Megawatthours Received (h)	Megawatthours Delivered (i)	(capacity) Demand Charges ($) (j)	(fuel cost) Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) or Settlement ($) (m)	Line No.
373,604			10,351,477	23,083,581	2,445,414	35,880,472	1
4,648				214,280	0	214,280	2
314,104			11,333,997	18,338,824	64,175	29,736,996	3
NA			1,516,010		505,138	2,021,148	4
2,789				148,229		148,229	5
							6
							7
							8
							9
							10
							11
							12
							13
695,145			23,201,484	41,784,914	3,014,727	68,001,125	14

Florida Public Utilities Company Electric Division	An Original MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Electric)		For the Year Ended December 31, 2012
Line No.	Description (a)		Amount (b)
1	Industry Association Dues		4,322
2			
3	Nuclear Power Research Expenses		
4			
5	Other Experimental and General Research Expenses		
6			
7	Publishing and Distributing Information and		
8	Reports to Stockholders; Trustee, Registrar, and		
9	Transfer Agent Fees and Expenses, and Other		
10	Expenses of Servicing Outstanding Securities		
11	of the Respondent		127,788
12			
13	Other Expenses (List items of $5000 or more in		
14	this column showing the (1) purpose, (2) recipient		
15	and (3) amount of such items. Group amounts of		
16	less than $5,000 by classes if the number of items		
17	so grouped is shown)		
18			
19			
20	Miscellaneous Expenses	N/A	2,015
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47	TOTAL		134,124

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

1. Report in Section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405).

2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

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

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.

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

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

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

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Electric Plant (Acct. 404) (c)	Amortization of Other Electric Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant	-			-
2	Steam Production Plant	-			-
3	Nuclear Production Plant	-			-
4	Hydraulic Production Plant-Conventional	-			-
5	Hydraulic Production Plant-Pumped Storage	-			-
6	Other Production Plant	-			-
7	Transmission Plant	212,379			212,379
8	Distribution Plant	2,809,175			2,809,175
9	General Plant	194,758			194,758
10	Common Plant-Electric	-			-
11	Adjustment				-
12	TOTAL	3,216,312	-	-	3,216,312

B. Basis for Amortization Charges

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rate(s) (Percent) (e)	Monthly Curve Type (f)	Average Remaining Life (g)
12	**CONSOLIDATED ELECTRIC DIVISION ORDER # PSC-08-0094-PAA-EI**						
13							
14	TRANSMISSION PLANT						
15	350.1	41,471	N/A	0	1.8		23.0
16	352	22,007	N/A	0	2.0		28.0
17	353	2,588,490	N/A	10	2.5		25.0
18	354	224,802	N/A	(15)	2.3		16.5
19	355	1,600,793	N/A	(30)	4.2		21.0
20	355.1	1,120,082	N/A	(30)	3.3		40.0
21	356	2,012,476	N/A	(10)	2.8		28.0
22	359	6,788	N/A	0	3.8		10.0
23	DISTRIBUTION PLANT						
24	360.1	56,996	N/A	0	1.8		42.0
25	361	96,042	N/A	0	2.0		35.0
26	362	7,253,658	N/A	(10)	2.9		31.0
27	364	10,799,459	N/A	(45)	4.7		21.0
28	365	10,822,893	N/A	(35)	5.2		15.7
29	366	3,806,650	N/A	0	2.0		41.0
30	367	5,958,676	N/A	0	2.9		24.0
31	368	14,799,261	N/A	(20)	4.6		13.6
32	369	9,632,207	N/A	(35)	4.2		21.0
33	370	3,660,998	N/A	(5)	3.7		14.3
34	371	2,594,780	N/A	15	6.1		8.3
35	373	1,332,252	N/A	(10)	5.7		9.5
36	GENERAL PLANT						
37	390	1,456,807	N/A	0	2.0		38.0
38	391.1			7 Years Amortization			
39	391.2			5 Years Amortization			
40	391.3			5 Years Amortization			
41	392.1	21,030	N/A	15	12.1		0.9
42	392.2	639,926	N/A	12	4.9		3.1
43	392.3	2,527,573	N/A	10	4.2		7.5
44	392.4	111,011	N/A	5	3.8		17.7
45	393.1			7 Years Amortization			
46	393.2			7 Years Amortization			
47	394.1			7 Years Amortization			
48	394.2			7 Years Amortization			
49	395.1			7 Years Amortization			
50	395.2			7 Years Amortization			
51	396	190,166	N/A	5	4.8		0.6
52	397			5 Years Amortization			
53	398			7 Years Amortization			
54	399			5 Years Amortization			
55							
56							
57							
58							
59							
60							
61							
62							
63							
64							
65							
66							

Florida Public Utilities Company
Electric Division

An Original

For the Year Ended
December 31, 2012

REGULATORY COMMISSION EXPENSES

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

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

Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + (c)	Deferred in Account 186 at Beginning of Year (e)
1	All expenses incurred by the company				
2	filings for Rate Relief for electric. Docket				
3	Number 030438-EI				6,998
4					
5	All expenses incurred by the company in its				
6	Number 070304 - EI				50,871
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
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27					
28					
29					
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32					
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34					
35					
36					
37					
38					
39					
40					
41	TOTAL				57,869

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. The totals of columns (f), (g) and (h) expenses incurred during year which were charged currently to income, plant or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CHARGED CURRENTLY TO			Deferred to	Contra		Deferred in Account 186	
Department (f)	Account No. (g)	Amount (h)	Account 186 (i)	Account (j)	Amount (k)	End of Year (l)	Line No.
							1
				928	6,998		2
							3
							4
				928	(73,135)	124,006	5
							6
							7
							8
							9
							10
							11
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							39
							42
					(66,137)	124,006	46

DISTRIBUTION OF SALARIES AND WAGES

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	**Electric**			
2	Operation			
3	Production	-		
4	Transmission	17,871		
5	Distribution	749,236		
6	Customer Accounts	774,917		
7	Customer Service and Informational	-		
8	Sales	21,952		
9	Administrative and General	942,182		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	2,506,159		
11	Maintenance			
12	Production			
13	Transmission	10,354		
14	Distribution	935,456		
15	Administrative and General	5,086		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	950,896		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	-		
19	Transmission (Enter Total of lines 4 and 13)	28,225		
20	Distribution (Enter Total of lines 5 and 14)	1,684,692		
21	Customer Accounts (Transcribe from line 6)	774,917		
22	Customer Service and Information (Transcribe from line 7)	-		
23	Sales (Transcribe from line 8)	21,952		
24	Administrative and General (Enter Total of lines 9 and 15)	947,268		
25	TOTAL Operation and Maintenance (Total of lines 18 - 24)	3,457,055	765,801	4,222,856
26	**Gas**			
27	Operation			
28	Production - Manufactured Gas			
29	Production - Natural Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Enter Total of lines 28 thru 37)			
39	Maintenance			
40	Production - Manufactured Gas			
41	Production - Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			
47	TOTAL Maintenance (Enter Total of lines 40 thru 46)			

DISTRIBUTION OF SALARIES AND WAGES

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48	Total Operation and Maintenance			
49	Production - Manufactured Gas (Total of lines 28 and 40)			
50	Production - Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)			
52	Storage, LNG, Terminaling and Processing (Total of lines 31 and 43)			
53	Transmission (Enter Total of lines 32 and 44)			
54	Distribution (Enter Total of lines 33 and 45)			
55	Customer Accounts (Transcribe from line 34)			
56	Customer Service and Informational (From line 35)			
57	Sales (Transcribe from line 36)			
58	Administrative and General (Total of lines 37 and 46)			
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)			
60	**Other Utility Departments**			
61	Operation and Maintenance	517,826	-	517,826
62	TOTAL All Utility Dept. (Total of lines 25,59, and 61)	3,974,881	765,801	4,740,681
63	**Utility Plant**			
64	Construction (By Utility Departments)			
65	Electric Plant	1,015,873		1,015,873
66	Gas Plant			-
67	Other - Common			-
68	TOTAL Construction (Enter Total of lines 65 thru 67)	1,015,873	-	1,015,873
69	Plant Removal (By Utility Department)			
70	Electric Plant			-
71	Gas Plant			-
72	Other - Water			-
73	TOTAL Plant Removal (Enter Total of lines 70 thru 72)	-		-
74	Other Accounts (Specify):			
75				
76				
77	Other Accounts Receivable/Employee			-
78	Temporary Facilities	17,217		17,217
79	Stores Expense			-
80	Clearing Accounts			-
81	Miscellaneous Deferred Debits			-
82	Merchandise and Jobbing		-	-
83	Taxes Other Than Income Taxes-Electric			-
84	Taxes Other Than Income Taxes-Gas			-
85				-
86	Vacation Pay			-
87	Non-Operating and Rental Income			-
88	Other Accounts Receivable		-	-
89	Environmental Cost	183,007		183,007
90	Merchandise plant leased to other - Gas			-
91	Acrued Liability Insurance			-
92				
93				
94				
95	TOTAL Other Accounts	200,224	-	200,224
96	TOTAL SALARIES AND WAGES	5,190,978	765,801	5,956,779

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by account as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utilityplant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Account 118: Common Utility Plant	
General Office Buildings and Land	
Land & Land Rights	
Structures & Improvements	
Office Furniture & Equipment	
Communications Equipment	
Miscellaneous	
	-
	==========
Account 119: Accumulated Provision for Depreciation of Common Utility Plant	
	==========

FLORIDA PUBLIC UTILITIES COMPANY | An Original | For the Year Ended December 31, 2012

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged, and wheeled during the year.

Line No.	Item (a)	Megawatt Hours (b)
1	SOURCES OF ENERGY	
2	Generation (Excluding Station Use):	
3	Steam	
4	Nuclear	
5	Hydro-Conventional	
6	Hydro-Pumped Storage	
7	Other	
8	Less Energy for Pumping	
9	Net Generation (Enter Total of lines 3 thru 8)	0
10	Purchases	692,357
11	Interchanges:	
12	Received	
13	Delivered	
14	Purchases	0
15	Transmission for/by Others (Wheeling)	
16	Received (MWh)	
17	Delivered (MWh)	
18	Net Transmission for Other (Lines 16 minus 1	0
19	Transmission By Other Losses	
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	692,357

Line No.	Item (a)	Megawatt Hours (b)
21	DISPOSITION OF ENERGY	
22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	661,628
23	Requirements Sales For Resale (See instruction 4, page 311)	
24	Non-Requirements Sales For Resale (See instruction 4, page 311)	
25	Energy Furnished Without Charge	
26	Energy Used by the Company (Electric Department Only, Excluding Station Use)	697
27	Total Energy Losses	30,032
28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	692,357

MONTHLY PEAKS AND OUTPUT

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

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

FLORIDA PUBLIC UTILITIES COMPANY

For the Year Ended
December 31, 2012

MONTHLY PEAKS AND OUTPUT
NORTHWEST FLORIDA SYSTEM

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	70.6	N/A	N/A	15 Min. Int.	25,335
February	66.8	N/A	N/A	15 Min. Int.	22,473
March	44.1	N/A	N/A	15 Min. Int.	23,052
April	54.7	N/A	N/A	15 Min. Int.	22,576
May	61.6	N/A	N/A	15 Min. Int.	27,943
June	62.7	N/A	N/A	15 Min. Int.	28,826
July	66.2	N/A	N/A	15 Min. Int.	32,609
August	65.5	N/A	N/A	15 Min. Int.	30,857
September	59.9	N/A	N/A	15 Min. Int.	27,295
October	49.0	N/A	N/A	15 Min. Int.	24,266
November	49.3	N/A	N/A	15 Min. Int.	23,179
December	57.1	N/A	N/A	15 Min. Int.	25,694
TOTAL					314,105

MONTHLY PEAKS AND OUTPUT
NORTHEAST FLORIDA SYSTEM

Month (a)	Megawatts (b)	Day of Month (d)	Hour (e)	Type of Reading (f)	Monthly Output (MWh) (g)
January	85.0	4	7:45 a.m.	15 Min. Int.	29,332
February	87.2	13	8:15 a.m.	15 Min. Int.	25,517
March	53.6	5	7:30 a.m.	15 Min. Int.	27,325
April	80.9	26	4:30 p.m.	15 Min. Int.	33,549
May	97.2	5	5:45 p.m.	15 Min. Int.	37,785
June	92.9	18	4:30 p.m.	15 Min. Int.	34,055
July	82.4	30	5:45 p.m.	15 Min. Int.	42,917
August	75.8	3	4:30 p.m.	15 Min. Int.	37,367
September	73.7	7	3:30 p.m.	15 Min. Int.	35,051
October	64.3	28	3:45 p.m.	15 Min. Int.	26,222
November	54.8	9	8:00 p.m.	15 Min. Int.	23,735
December	61.8	27	8:45 a.m.	15 Min. Int.	25,397
TOTAL					378,252

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood, or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line desigated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION From (a)	DESIGNATION To (b)	VOLTAGE Operating (c)	VOLTAGE Designed (d)	Type of Supporting Structure (e)	LENGTH On Structures of Line Designated (f)	LENGTH On Structures of Another Line (g)	Number of Circuits (h)
1	Yulee, FL	Block 97			Steel Tower	0.55		
2		Fernandina			Steel Pole	0.8		
3		Beach, FL	138,000	138,000	Concrete Pole	7.7	NONE	2
4								
5	Block 97	Block 83						
6	Fernandina	Fernandina						
7	Beach, FL	Beach, FL	69,000	69,000	Wood Pole	3.5	NONE	1
8								
9	Block 97							
10	Fernandina	State Road 105			Concrete Pole	1.7		
11	Beach, FL	and Julia St.	69,000	69,000	Wood Pole	4.3	NONE	1
12								
13	Block 83	Container						
14	Fernandina	Corporation						
15	Beach, FL	of America	69,000	69,000	Wood Pole	1.66	NONE	1
16								
17	Block 83							
18	Fernandina	ITT Rayonier						
19	Beach, FL	Inc.	69,000	69,000	Wood Pole	0.65	NONE	1
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30					TOTAL	20.26		

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report lower voltage lines and higher voltage lines as one line. Designate in a footnote if you do not include lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and pole miles of the other line(s) in column (g).
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or share in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

		COST OF LINE		EXPENSES, EXCEPT DEPRECIATION AND TAXES**				
Size of Conductor and Material (i)	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	Line no.
								1
652 MCM Alum.								2
394.6MCM Alum.	* 25,803	2,494,226	2,520,029					3
								4
								5
4/0 Alum.								6
394.6MCM Alum.		474,069	474,069					7
477 MCM Alum.								8
636 MCM Alum.								9
								10
477MCM Alum.	32,677	786,408	819,085					11
								12
								13
								14
394.6MCM Alum.		90,636	90,636					15
								16
								17
								18
4/0 Alum.								19
								20
								21
								22
*Includes Roads and Trails								23
**Expenses Shown Below Include All Transmission Lines								24
								25
								26
								27
								28
								29
	58,480	3,845,339	3,903,819	15,858	47,202		63,060	30

SUBSTATIONS

1. Report below the information called for concerning substations for the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities for less than 10,000 Kva except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)
1	Fernandina Beach, Fl	Distribution		
2	Jesse L. Terry, Substation	Unattended	69M	12.4M
3				
4	Amelia Plantation Substation	Distribution	69M	12.4M
5		Unattended		
6				
7	Rayonier Chip Mill	Distribution	69M	12.4M
8				
9	Stepdown Substation	Transmission	138M	69M
10		Distribution	69M	12.4M
11		Unattended		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				

SUBSTATIONS (Continued)

5. Show in columns (i), (j) and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reasaon of sole onwership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other rhan reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner or other party is an associated company.

Tertiary (e)	Capacity of Substation (In Service) (In MVa) (f)	Number of Trans-formers In Service (g)	Number of Spare Trans-formers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (k)	Line No.
							1
	50	2	0	Fans Added			2
							3
	80	2	0	Fans Added			4
							5
							6
	8	1	0	Fans Added			7
							8
	150	3	0	Fans Added			9
	40	2	0	Fans Added			10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
							23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36

Affiliation of Officers and Directors

Company: Florida Public Utilities Company- Electric Division

For the Year Ended December 31, 2012

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

Name	Principal Occupation or Bus Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
Directors			
Ralph J. Adkins			
John R. Schimkaitis			
Michael P. McMasters			
Eugene H. Bayard			Wilson, Halbrook & Bayard, Georgetown, Delaware
Richard Bernstein			LWRC International, LLC Cambridge, Maryland
Thomas J. Bresnan			Schneider Sales Management, LLC, Greenwood Village, Colorado
Thomas P. Hill, Jr.			Magee Rehabilitation Hospital/Foundation & Jefferson Health System, Inc
Dennis S. Hudson, III			Seacoast National Bank, Stuart, Florida
Paul L. Maddock, Jr.			The Maddock Companies, Palm Beach, Florida
J. Peter Martin			
Joseph E. Moore, Esq.			Williams, Moore, Shockley & Harrison, LLP, Ocean City, Maryland
Calvert A. Morgan			WSFS Financial Corp., Wilmington Delaware
Dianna F. Morgan			CNL Bancshares, Inc, Hersha Hospitality Trust, Orlando Health and Childrens Miracle Network
Officers			
Michael P. McMasters	President & Chief Executive Officer		
Stephen C. Thompson	Chief Operating Officer		
Beth Cooper	Chief Financial Officer		
Elaine Bittner	Vice President		
Jeffry Householder	President - FPU		
Kevin J. Webber	Vice President - FPU		
Matthew M. Kim	Vice President		
Thomas E. Mahn	Treasurer		
Jeffrey S Sylvester	Vice President-FPU		

Business Contracts with Officers, Directors, and Affiliates

Company: Florida Public Utilities Company - Electric Division

For the Year Ended December 31, 2012

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

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

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service
None			

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

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

Florida Public Utilities Company - Electric Division **For the Year Ended December 31, 2012**

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Gross Operating Revenues per Page 300	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Gross Operating Revenues per RAF Return	Intrastate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 44	86,405,742		86,405,742	86,405,742		86,405,742	-
2	Sales for Resale (447)	-		-	-			-
3	Total Sales of Electricity	86,405,742		86,405,742	86,405,742		86,405,742	-
4	Provision for Rate Refunds (449.1)	-		-	-		-	-
				-				-
5	Total Net Sales of Electricity	86,405,742		86,405,742	86,405,742		86,405,742	-
				-				-
6	Total Other Operating Revenues (450-456)	1,652,546		1,652,546	1,652,546		1,652,546	-
				-				-
7	Total Electric Operating Revenues	88,058,288		88,058,288	88,058,287		88,058,287	1
8	Other (specify): Deferred fuel revenue			-	(846,655)		(846,655)	846,655
9				-				-
				-				-
10	**Total Gross Operating Revenues**	88,058,288		88,058,288	87,211,632		87,211,632	846,656

Notes:

1	Rounding	1
6	The RAF return does not include a late JE that was booked after the return was filed for Other Rev	0
8	Deferred fuel revenue of 2,651,509 are reversed to pay RAF only on the actual collected revenue.	846,655
	(The original payment of the RAF occurred when the actual revenues were collected.)	846,656

Analysis of Diversification Activity

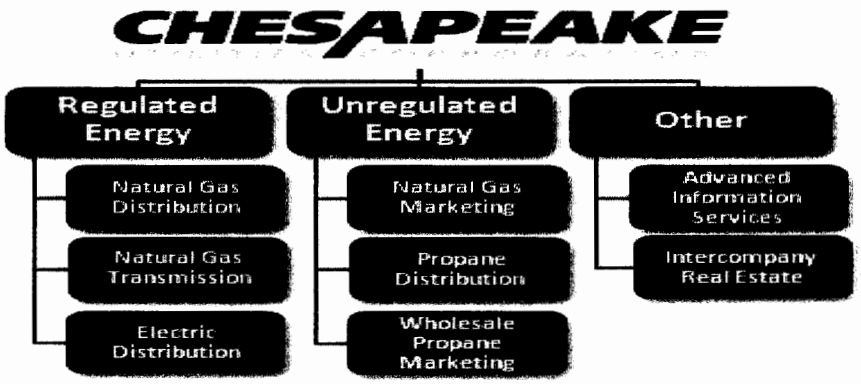
Changes in Corporate Structure

Company: Florida Public Utilities Company- Electric Division

For the Year Ended December 31, 2012

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

Effective Date (a)	Description of Change (b)



Regulated Energy

Natural Gas Distribution:
- Chesapeake Utilities
- Central Florida Gas
- Florida Public Utilities Company

Natural Gas Transmission:
- Eastern Shore Natural Gas Company
- Peninsula Pipeline Company

Electric Distribution:
- Florida Public Utilities Company

Unregulated Energy

Natural Gas Marketing:
- Peninsula Energy Services Company, Inc.

Propane Distribution:
- Sharp Energy, Inc.
- Flo-Gas Company

Wholesale Propane Marketing:
- Xeron, Inc.

Other

Advanced Information Services:
- BravePoint, Inc.

Intercompany Real Estate:
- Eastern Shore Real Estate, Inc.
- Skipjack, Inc.

Chesapeake Investment Company

FLORIDA PUBLIC SERVICE COMMISSION

DIVERSIFICATION REPORT

Analysis of Diversification Activity

New or Amended Contracts with Affiliated Companies

COMPANY: Florida Public Utilities Company - Electric Division
For the Year Ended 12/31/12

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

Name of Affiliated Company (a)	Synopsis of Contract (b)
None	

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

COMPANY: Florida Public Utilities Company - Electric Division

For the Year Ended 12/31/12

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

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

Analysis of Diversification Activity

Summary of Affiliated Transfers and Cost Allocations

Company: Florida Public Utilities Company - Electric Division

For the Year Ended December 31, 2012

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of $300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.
(a) Enter name of affiliate.
(b) Give description of type of service, or name the product involved.
(c) Enter contract or agreement effective dates.
(d) Enter the letter "p" if the service or product is a purchased by the Respondent: "s" if the service or product is sold by the Respondent.
(e) Enter utility account number in which charges are recorded.
(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
Chesapeake Utilities Corporation	Parent Company:				
	Corporate Services		s		$ 1,019,417
	Corporate Overheads		s		$ 1,209,504

Analysis of Diversification Activity

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

FLORIDA PUBLIC UTILITIES COMPANY - Electric Division

For the Year Ended **For the Year Ended**

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

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
None							

Analysis of Diversification Activity

Employee Transfers

Company: Florida Public Utilities Company - Electric Division

For the Year Ended December 31, 2012

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

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
None				

Analysis of Diversification Activity
Non-Tariffed Services and Products Provided by the Utility
Company: Florida Public Utilities Company - Electric Division
For the Year Ended December 31, 2012

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

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

NONUTILITY PROPERTY (Account 121)

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

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				

Number of Electric Department Employees

Company: Florida Public Utilities Company - Electric Division

For the Year Ended December 31, 2012

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

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

1	Payroll Period Ended (Date)	10/31/12
2	Total Regular Full-Time Employees (Equivalent Employees from joint functions -6)	69
3	Total Part-Time and Temporary Employees	-
4	Total Employees	69

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

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

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

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

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

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

Line No.			Item (a)	Amount (b)
1			Account 425: Miscellaneous Amortization	0
2				
3			Account 426: Miscellaneous Income Deductions	
4			Charitable Contributions	5,100
5			Expendiures for certain civic politic	1,000
6			Other	(18,780)
7				
8			TOTAL MISCELLANEOUS INCOME DEDUCTIONS	(12,680)
9				
10			Account 430: Interest on Debt to Associated Company	(1,581)
11				
12				
13			Account 431: Other Interest Expense	
14			Customer Deposit	161,036
15			Short-term Borrowings - allocated from the parent	62,083
16			Note Payable - allocated from the parent	0
17			Other	
18			TOTAL OTHER INTEREST EXPENSE	223,120
19				
20				
21				
22				
23				

FLORIDA PUBLIC UTILITIES COMPANY
ANNUAL STATUS REPORT FOR
STORM DAMAGE RESERVE CONSOLIDATED ELECTRIC

Status of Reserve

Beginning Balance 01/01/2012		2,005,513
Accruals under Docket #93-0400 EI (01/12 - 12/12)	121,620	
Total Accruals During 2012		121,620
Additional Accrual from prior year		
Total Charges During 2012		(197,043)
Ending Balance, 12/31/12		$1,930,090

Reasonableness of Reserve

Distribution Plant - Book Cost

Storm Damage Reserve Balance @ 12/31/2012	$1,930,090
Total Distribution Plant (per books) @ 12/31/2012	$77,002,629
Ratio of Reserve to Distribution Plant	2.51%

Distribution Plant - Replacement Cost

Storm Damage Reserve Balance @ 12/31/2012	$1,930,090
Estimated Replacement Cost of Distribution Plant (Distribution Plant @ 12/31/12 times 2)	$154,005,258
Ratio of Reserve to Replacement Distribution Plant	1.25%

Availability of Distribution Systems Insurance

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

CUSTOMER GROWTH

Operations	2012 Customers Current Year	2011 Customers Prior Year	2010 Customers Two Years Prior	Current Year increase	Prior year Increase	Average Increase
Marianna - Electric	12,580	12,663	12,696	-1%	0%	0%
Fernandina Beach - Electric	15,468	15,330	15,272	1%	0%	1%
Gas Operations						

FLORIDA PUBLIC UTILITIES COMPANY
NORTHWEST ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2012

PLANT IN SERVICE ($)						
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance
350	-					-
3501	-					-
352	-					-
353	-					-
354	-					-
355	-					-
356	168					168
359	-					-
360	1,100					1,100
3601	21,200					21,200
361	-					-
362	1,535,869	50,894				1,586,763
364	8,510,403	440,290	(119,864)		(26,338)	8,804,491
365	7,286,121	334,968	(91,465)		(15,649)	7,513,975
366	232,123	12,961				245,084
367	990,788	32,636	(61,838)		(3,716)	957,870
368	7,261,256	142,780	(2,500)	(23,176)	(33,124)	7,345,236
369	4,309,115	80,159			(5,049)	4,384,225
370	1,476,648	60,737			(23,848)	1,513,536
371	1,425,534	134,063			(20,218)	1,539,379
373	435,138	21,817			(2,522)	454,434
389	3,766					3,766
390/3910	1,105,474	17,395		2,634		1,125,503
3911	-					-
3912	159,608					159,608
3913	3,459					3,459
3914/391305	459,250					459,250
3921	58,815	(2,500)			(21,030)	35,285
3922	369,924	101,140			(115,039)	356,025
3923	1,323,591	235,031			(120,274)	1,438,348
3924	76,484					76,484
3930/3931	70,667					70,667
3932	-					-
3940/3941	41,236			50,790		92,026
3942	-					-
3950/3951	54,998					54,998
3952	-					-
396	3,931					3,931
397	109,173					109,173
398	9,512	52,385		(50,790)		11,107
399	5,000					5,000
	37,340,351	1,714,754	(275,667)	(20,543)	(386,807)	38,372,091

RESERVE ($) (CREDIT BALANCES)									
Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Transfers	Common Plant Allocation	Reclassi-fications	Ending Balance
350	-								-
3501	-								-
352	-							(500)	(500)
353	-		22					60,722	60,744
354	(72)							(8,433)	(8,505)
355	4		8					(22,463)	(22,450)
356	0		5					(29,326)	(29,321)
359	-								-
360	-								-
3601	6,625		382					(147)	6,860
361	-							(1,507)	(1,507)
362	689,897		43,132						733,029
364	4,312,819	(26,338)	355,388		(74,874)				4,566,995
365	4,877,779	(15,649)	301,485		(14,379)				5,149,236
366	52,516		3,791					(26,979)	29,328
367	322,764	(3,716)	28,809		(3,749)				344,108
368	5,108,016	(33,124)	313,618		(30,339)	(1,638)		56,582	5,413,116
369	2,438,282	(5,049)	179,001		(6,854)				2,605,380
370	749,158	(23,848)	55,255		(5,461)				775,104
371	575,764	(20,218)	84,689		(6,726)				633,508
373	242,151	(2,522)	22,190		(2,778)			(27,950)	231,092
389	-								-
390	335,517		23,004			(4,706)		(12,791)	341,025
3911	3,388								3,388
3912	101,444		18,819						120,263
3913	2,771		115						2,886
391305	430,784		18,961						449,745
3921	21,293	(21,030)	5,112	2,302					7,677
3922	177,928	(115,039)	33,056	28,467				38,721	163,132
3923	601,228	(120,274)	94,258					-25929	549,283
3924	33,322		2,906						36,228
3930	70,667								70,667
3932	-								-
3941	23,477		2,704						26,181
3942	-								-
3951	54,261		184						54,445
3952	-								-
396	2,450		110						2,560
397	48,707		7,374						56,081
398	9,512					(754)			8,758
399	5,000								5,000
	21,297,453	(386,807)	1,594,378	30,769	(145,160)	(7,098)	-	0	22,383,536

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FLORIDA PUBLIC UTILITIES COMPANY
NORTHEAST FLORIDA ELECTRIC DIVISION
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2012

PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)									
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Transfers	Common Plant Allocation	Reclassi-fications	Ending Balance
350	41,471					41,471	350	17,316	-	548						17,864
352	22,006	122,143				144,149										
353	2,619,957	564,184				3,184,141	352	11,403	-	396					(500)	11,299
354	224,802					224,802	353	867,160	-	64,332		(1,000)			60,722	991,213
355	2,788,107					2,788,107	354	192,892	-	4,721		183			(8,433)	189,363
356	2,019,808	2,341				2,022,149	355	1,303,572	-	94,756		(282)			(22,463)	1,375,583
359	6,788					6,788	356	757,765	-	47,487		(800)			(29,326)	775,125
360	12,472					12,472	359	5,195	-	102						5,297
3601	35,796					35,796	360	-	-							-
361	100,855					100,855	3601	20,132	-	644					(147)	20,629
362	5,991,544	76,573				6,068,117	361	36,592	-	1,916					(1,507)	37,002
364	2,861,341	409,295	(399)		(2,083)	3,268,154	362	1,364,284	-	167,950		58,264				1,590,498
365	3,818,148	449,659	(930)		(9,937)	4,256,940	364	1,457,047	(2,083)	123,953		(41,753)	(2,399)			1,534,765
366	3,737,547	983,460	(73,439)		(291)	4,647,277	365	2,371,874	(9,937)	160,725		(98,325)	(4,941)			2,419,396
367	5,181,204	689,553	(66,306)		(5,147)	5,799,304	366	735,984	(291)	61,079		(682)			(26,979)	769,111
368	7,804,305	593,722		23,176	(20,874)	8,400,330	367	1,797,085	(5,147)	152,993	18,275	(24,135)	2,305			1,941,375
369	5,482,300	40,243			(315)	5,522,229	368	4,999,873	(20,874)	345,541		(19,525)	921		56,582	5,362,518
370	2,250,817	29,496				2,280,313	369	3,063,833	(315)	203,002		(4,492)				3,262,029
371	1,274,201	49,058			(3,112)	1,320,148	370	1,331,978	-	83,655		(293)				1,415,340
373	928,519	16,701				945,220	371	599,466	(3,112)	73,294		(6,618)				663,030
389	68,696	752,627				821,323	373	686,643	-	46,684		(4,624)			(27,950)	700,754
390	619,302	113,961		(2,634)		730,629	389	6,704	-	-						6,704
3911	49,047	22,160				71,207	390	286,483	-	13,906		(4,710)	(4)		(12,791)	282,884
3912	99,508					99,508	3911	19,900	-	6,745						26,645
3913	4,713				(2,775)	1,938	3912	86,148	-	7,412						93,560
3914/391305	552,270					552,270	3913	4,713	(2,775)							1,938
3921	(1)					(1)	391305	501,411	-	46,120						547,531
3922	552,293	101,100		102,679	(194,121)	561,952	3921	(5,933)	-	-	-				-	(5,933)
3923	1,203,982	232,867				1,436,849	3922	264,369	(194,121)	60,321	8,203		46,374		38,720	223,865
3924	34,527					34,527	3923	827,261	-	86,013	-				(25,929)	887,345
3931	87,787				(8,742)	79,045	3924	14,056	-	1,313						15,369
3932	-					-	3931	28,999	(8,742)	12,541						32,798
3941	140,755	84,981				225,736	3932	-		-						-
3942	-					-	3941	117,024		6,347						123,371
3951	94,445					94,445	3942	-		-						-
3952	(28,396)					(28,396)	3951	16,872		7,233						24,105
396	186,235					186,235	3952	-		-						-
397	177,788					177,788	396	185,861		5,215			(150)			190,926
398	6,828	20,124				26,952	397	101,448		17,498			150			119,096
399	5,000	-			-	5,000	398	5,723		468		(754)				5,437
							399	5,000								5,000
	51,056,767	5,354,251	(141,074)	123,222	(247,397)	56,145,769		24,086,133	(247,397)	1,904,910	26,478	(149,547)	42,255	-	-	25,662,832

FLORIDA PUBLIC UTILITIES COMPANY
FC Allocation ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2012

PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)									
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Transfers	Common Plant Allocation	Reclassi-fications	Ending Balance
350	-	-			-	-	350									-
3501	-	-			-	-	3501									-
352	-	-			-	-	352									-
353						-	353									-
354						-	354									-
355						-	355									-
356						-	356									-
359						-	359									-
360						-	360									-
3601						-	3601									-
361						-	361									-
362						-	362									-
364						-	364									-
365						-	365									-
366						-	366									-
367						-	367									-
368						-	368									-
369						-	369									-
370						-	370									-
371						-	371									-
373						-	373									-
389	82,062				(82,062)	-	389		(82,062)		82,062					-
390/3910	653,505	56,328		(7,122)	(611,549)	91,162	390	241,798	(611,549)	4,271	434,066	(1,157)	(66,758)			671
3911	-					-	3911	29,821		4,520			(12,050)			22,291
3912	304,597	7,851		(28,854)		283,594	3912	173,604		35,903			(122,566)			86,940
3913	9,862	164,578		(337)	(9,525)	164,578	3913	8,525	(9,525)	7,843			(1,042)			5,802
3914/391305	439,904			28,471		468,375	391305	223,710		11,216			233,449			468,375
3921	50,617			6,519	(11,477)	45,658	3921	19,574	(11,477)	6,348			(5,152)			9,292
3922	21,866				(7,224)	14,642	3922	21,866	(7,224)	561			(16,259)			(1,057)
3923						-	3923									-
3924						-	3924									-
3930/3931						-	3930									-
3932						-	3932									-
3940/3941						-	3941									-
3942						-	3942									-
3950/3951						-	3951									-
3952						-	3952									-
396						-	396									-
397	43,204					43,204	397	13,804		5,397			(33,615)			(14,414)
398				7,664		7,664	398			273			2,216			2,489
399	5,993			(2,359)		3,634	399	4,433		835			1,142			6,410
303	1,193			751		1,944	303									
	1,612,802	228,757	-	4,732	(721,837)	1,124,455		737,135	(721,837)	77,167	516,128	(1,157)	(20,636)	-	-	586,799

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FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED ELECTRIC DIVISION
REPORT OF DEPRECIATION DATA UNDER RULE 25-6.0436(8)
2012

	PLANT IN SERVICE ($)							RESERVE ($) (CREDIT BALANCES)							
Plant	Beginning Balance	Additions	Purchases & Adjustments	Transfers	Retirements	Ending Balance	Plant Acct.	Beginning Balance	Retirements	Accruals	Salvage	Cost of Removal	Transfers	Common Plant Allocation	Reclassi-fications	Ending Balance
350	41,471	-	-	-	-	41,471	350	17,316	-	548	-	-	-	-	-	17,865
352	22,007	122,143	-	-	-	144,150	352	11,403	-	396	-	-	-	-	(1,000)	10,800
353	2,619,957	564,184	-	-	-	3,184,141	353	867,160	-	64,354	-	(1,000)	-	-	121,443	1,051,957
354	224,802	-	-	-	-	224,802	354	192,820	-	4,721	-	183	-	-	(16,866)	180,859
355	2,788,106	-	-	-	-	2,788,106	355	1,303,576	-	94,764	-	(282)	-	-	(44,925)	1,353,133
356	2,019,975	2,341	-	-	-	2,022,316	356	757,765	-	47,492	-	(800)	-	-	(58,652)	745,805
359	6,788	-	-	-	-	6,788	359	5,195	-	102	-	-	-	-	-	5,297
360	13,571	-	-	-	-	13,571	360	-	-	-	-	-	-	-	-	-
3601	56,996	-	-	-	-	56,996	3601	26,757	-	1,026	-	-	-	-	(294)	27,489
361	100,855	-	-	-	-	100,855	361	36,592	-	1,916	-	-	-	-	(3,014)	35,495
362	7,527,410	76,573	-	-	-	7,603,983	362	2,054,181	-	211,082	-	58,264	-	-	-	2,323,527
364	11,371,744	460,189	(399)	-	(28,421)	11,803,113	364	5,769,866	(28,421)	479,341	-	(116,627)	(2,399)	-	-	6,101,760
365	11,104,268	889,949	(120,794)	-	(25,586)	11,847,838	365	7,249,652	(25,586)	462,211	-	(112,704)	(4,941)	-	-	7,568,632
366	3,969,671	1,318,427	(164,904)	-	(291)	5,122,903	366	788,500	(291)	64,870	-	(682)	-	-	(53,958)	798,439
367	6,171,994	702,514	(66,306)	-	(8,864)	6,799,339	367	2,119,849	(8,864)	181,801	18,275	(27,884)	2,305	-	-	2,285,483
368	15,065,563	626,358	(61,838)	-	(53,997)	15,576,086	368	10,107,889	(53,997)	659,159	-	(49,864)	(717)	-	113,164	10,775,634
369	9,791,415	183,023	(2,500)	-	(5,364)	9,966,574	369	5,502,116	(5,364)	382,003	-	(11,346)	-	-	-	5,867,408
370	3,727,466	109,656	-	-	(23,848)	3,813,273	370	2,081,136	(23,848)	138,910	-	(5,754)	-	-	-	2,190,443
371	2,699,736	109,795	-	-	(23,330)	2,786,201	371	1,175,230	(23,330)	157,982	-	(13,345)	-	-	-	1,296,538
373	1,363,655	150,764	-	-	(2,522)	1,511,897	373	928,794	(2,522)	68,874	-	(7,401)	-	-	(55,900)	931,845
389	154,524	774,444	-	-	(82,062)	846,906	389	6,704	(82,062)	-	82,062	-	-	-	(12,791)	(6,087)
390	2,328,623	113,961	-	(7,122)	(611,549)	1,823,913	390	863,798	(611,549)	41,181	434,066	(5,867)	(71,469)		(12,791)	637,369
3911	83,881	95,884	-	-	-	179,765	3911	53,109	-	11,265	-	-	(12,050)		-	52,324
3912	534,859	-	-	(28,854)	-	506,005	3912	361,196	-	62,134	-	-	(122,566)	-	-	300,763
3913	25,739	7,851	-	(337)	(12,300)	20,953	3913	16,009	(12,300)	7,958	-	-	(1,042)	-	-	10,626
391305	1,479,896	164,578	-	28,471	-	1,672,945	3914	1,155,905	-	76,297	-	-	233,449	-	-	1,465,652
3921	109,427	-	-	6,519	(32,507)	83,439	3921	34,934	(32,507)	11,460	2,302	-	(5,152)	-	-	11,036
3922	944,083	98,600	-	102,679	(316,384)	828,978	3922	464,163	(316,384)	93,937	36,670	-	30,115	-	77,440	385,940
3923	2,527,576	334,007	-	-	(120,274)	2,741,309	3923	1,428,489	(120,274)	180,271	-	-	-	-	(51,858)	1,436,628
3924	111,011	235,031	-	-	-	346,042	3924	47,378	-	4,219	-	-	-	-	-	51,597
3931	158,453	-	-	-	(8,742)	149,711	3931	99,666	(8,742)	12,541	-	-	-	-	-	103,465
3932		-	-	-	-	-	3932	-	-	-	-	-	-	-	-	-
3941	181,991	84,981	-	50,790	-	317,762	3941	140,501	-	9,051	-	-	-	-	-	149,552
3942	-	-	-	-	-	-	3942	-	-	-	-	-	-	-	-	-
3951	149,443	-	-	-	-	149,443	3951	71,133	-	7,418	-	-	-	-	-	78,552
3952	(28,396)	-	-	-	-	(28,396)	3952	-	-	-	-	-	-	-	-	-
396	190,165	-	-	-	-	190,165	396	188,311	-	5,325	-	-	(150)	-	-	193,487
397	330,165	-	-	-	-	330,165	397	163,959	-	30,270	-	-	(33,465)	-	-	160,765
398	25,451	20,124	-	(43,126)	-	2,449	398	15,235	-	742	-	(754)	1,462	-	-	16,684
399	15,993	52,385	-	(2,359)	-	66,018	399	14,433	-	835	-	-	1,142	-	-	16,410
		-	-		-	-										
	1,193	-	-	751		1,945										
	90,011,527	7,297,761	(416,741)	107,412	(1,356,040)	95,643,920		46,120,721	(1,356,040)	3,576,455	573,375	(295,864)	14,521	-	(1)	48,633,172

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