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ANNUAL REPORT OF
NATURAL GAS UTILITIES

GP004-11-AR

Peninsula Pipeline Company, Inc.

(EXACT NAME OF RESPONDENT)

1641 Worthington Road, Suite 220

West Palm Beach, FL 33409

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2011

RECEIVED
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COMMISSION
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DIVISION OF
ACCOUNTING & FINANCE

Officer or other person to whom correspondence should be addressed concerning this report:

Name: Cheryl Martin

Title: Director of Regulatory Affairs

Address: 1641 Worthington Road, Suite 220

City: WPB

State: FL

Telephone No.

(561) 838- 1725

PSC/ECR 020-G (12/09)

**INSTRUCTIONS FOR FILING THE
ANNUAL REPORT OF NATURAL GAS UTILITIES**

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peninsula Pipeline Company	02 Year of Report December 31, 2011
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 401 South Dixie Highway, West Palm Beach, FL 33401-5886	
05 Name of Contact Person Cheryl Martin	06 Title of Contact Person Director of Regulatory Affairs
07 Address of Contact Person (Street, City, State, Zip Code) 1641 Worthington Road, Suite 220, West Palm Beach, FL 33409	
08 Telephone of Contact Person, Including Area Code (561) 838-1725	09 Date of Report (Mo., Day, Yr) October 16, 2012

ATTESTATION

I certify that I am the responsible accounting officer of

Peninsula Pipeline Company, Inc.

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2011 to December 31, 2011, inclusive.

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

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

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

Beth W. Cooper
Signature

10/16/12
Date

Beth W. Cooper
Name

Chief Financial Officer
Title

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Other Regulatory Assets	n/a	Assets or Rights Purchased from or Sold to Affiliates	n/a
Miscellaneous Deferred Debits	n/a	Employee Transfers	n/a
(Liabilities and Other Credits)			
Securities Issued and Securities Refunded or Retired During the Year	n/a		
Unamortized Loss and Gain on Reacquired Debt	n/a		
Long-Term Debt	n/a		
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Miscellaneous Current and Accrued Liabilities	n/a		
Other Deferred Credits	n/a		
Other Regulatory Liabilities	n/a		
Taxes Other Than Income Taxes	n/a		
Accumulated Deferred Investment Tax Credits	n/a		
Accumulated Deferred Income Taxes	n/a		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	n/a		

Peninsula Pipeline Company, Inc.	For the Year Ended
	December 31, 2011
CONTROL OVER RESPONDENT	
1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or	organization. If control was held by a trustee(s), state name of trustee(s). 2. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.
<p>Chesapeake Utilities Corporation, the parent company of Peninsula Pipeline Company, Inc., filed its form 10-K report with the SEC for fiscal year ending December 31, 2011.</p>	

CORPORATIONS CONTROLLED BY RESPONDENT			
1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote. 2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.	3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests. 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.		
DEFINITIONS			
1. See the Uniform System of Accounts for a definition of control. 2. Direct control is that which is exercised without interposition of an intermediary. 3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control. 4. Joint control is that in which neither interest can effectively	control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.		
Name of Company Controlled	Kind of Business	Percent Voting Stock Owned	Footnote Ref.
(a)	(b)	(c)	(d)
<p>Note: Our Parent company, Chesapeake Utilities Corporation, does directly and indirectly control other subsidiaries. These organization are listed in Chesapeake's Form 10-K.</p>			

Peninsula Pipeline Company, Inc.		For the Year Ended	
		December 31, 2011	
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.			
Title (a)	Name of Officer (b)	Salary for Year (c)	
Chief Executive Officer	Michael P. McMasters	\$	665
President	Jeffry M. Householder	\$	-
Chief Operating Officer	Stephen C. Thompson	\$	-
Chief Financial Officer	Beth W. Cooper	\$	493
Vice President	Jeffrey S. Sylvester	\$	-
Vice President	Kevin J. Webber	\$	-
Vice President	Elaine B. Bittner	\$	178
Note: The salaries above represent only that portion allocated to regulated Peninsula Pipeline Company, Inc.			

DIRECTORS			
<p>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.</p>		<p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Michael P. McMasters, Chairman of Board	909 Silver Lake Blvd., Dover Delaware 19901	24	\$ -
Ralph J. Adkins, Director	909 Silver Lake Blvd., Dover Delaware 19901	21	\$ 41
John R. Schimkaitis, Director	909 Silver Lake Blvd., Dover Delaware 19901	10	\$ 41
Eugene H. Bayard, Director	909 Silver Lake Blvd., Dover Delaware 19901	12	\$ 48
Richard Bernstein, Director	909 Silver Lake Blvd., Dover Delaware 19901	13	\$ 51
Thomas J. Bresnan, Director	909 Silver Lake Blvd., Dover Delaware 19901	13	\$ 51
Thomas P. Hill, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901	15	\$ 58
Dennis S. Hudson, III, Director	909 Silver Lake Blvd., Dover Delaware 19901	13	\$ 51
Paul L. Maddock, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901	12	\$ 48
J. Peter Martin, Director	909 Silver Lake Blvd., Dover Delaware 19901	13	\$ 51
Joseph E. Moore, Esq., Director	909 Silver Lake Blvd., Dover Delaware 19901	19	\$ 69
Calvert A. Morgan, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19901	18	\$ 65
Dianna F. Morgan, Director	909 Silver Lake Blvd., Dover Delaware 19901	13	\$ 51
<p>Note: The fees above represent only that portion allocated to Peninsula Pipeline Company, Inc.</p>			

December 31, 2011

SECURITY HOLDERS AND VOTING POWERS

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

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

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

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

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

VOTING SECURITIES

Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	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				
Peninsula Pipeline Company, Inc. is 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 inquiries. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.

2. 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.

3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.

4. 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.

5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, 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.

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

December 31, 2011

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	-	1,445,635	1,445,635
3	Construction Work in Progress (107)	-	43,094	189,705
4	TOTAL Utility Plant Total of lines 2 and 3)		1,488,729	1,635,340
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	-	(146,015)	(218,297)
6	Net Utility Plant (Total of line 4 less 5)		1,342,714	1,417,043
7	Utility Plant Adjustments (116)	-		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		0	0
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	(293)	(53)
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-		
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	44,000	22,573
24	Other Accounts Receivable (143)	-		
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-		
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	(962,785)	(895,607)
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-		
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	-	3,689	3,758
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-		
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		(915,389)	(869,329)
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-		
45	Extraordinary Property Losses (182.1)	-		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	-		
47	Other Regulatory Assets (182.3)	-		
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	-		
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	-		
55	Accumulated Deferred Income Taxes (190)	-		
56	Unrecovered Purchased Gas Costs (191)	-		
57	TOTAL Deferred Debits (Total of lines 44 through 56)			
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		427,325	547,713

December 31, 2011

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-		
5	Retained Earnings (215, 216)	-	137,018	196,332
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		137,018	196,332
9	LONG-TERM DEBT			
10	Bonds (221)	-		
11	(Less) Reacquired Bonds (222)	-		
12	Advances from Associated Companies (223)	-		
13	Other Long-Term Debt (224)	-		
14	Unamortized Premium on Long-Term Debt (225)	-		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	-		
16	TOTAL Long-Term Debt (Total of lines 10 through 15)		0	0
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-		
21	Accumulated Provision for Pensions and Benefits (228.3)	-		
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		0	0
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	2,598	17,331
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-		
30	Customer Deposits (235)	-		
31	Taxes Accrued (236)	-	9,298	5,862
32	Interest Accrued (237)	-		
33	Dividends Declared (238)	-		
34	Long-Term Debt Current (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	330	18,881
37	Miscellaneous Current and Accrued Liabilities (242)	-		
38	Obligations Under Capital Leases-Current (243)	-		
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		12,226	42,074
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-		
43	Other Deferred Credits (253)	-		
44	Other Regulatory Liabilities (254)	-		
45	Accumulated Deferred Investment Tax Credits (255)	-		
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	-		
48	Accumulated Deferred Income Taxes (281-283)	-	278,081	309,307
49	TOTAL Deferred Credits (Total of lines 42 through 48)		278,081	309,307
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		427,325	547,713

December 31, 2011

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year
- which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	-	264,000	264,000
3	Operating Expenses			
4	Operation Expenses (401)	-	44,343	44,845
5	Maintenance Expenses (402)	-	5,627	6,053
6	Depreciation Expense (403)	-	72,282	72,282
7	Amortization & Depletion of Utility Plant (404-405)	-	-	-
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	-	-
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-	-	-
10	Amortization of Conversion Expenses (407.2)	-	-	-
11	Regulatory Debits (407.3)	-	-	-
12	(Less) Regulatory Credits (407.4)	-	-	-
13	Taxes Other Than Income Taxes (408.1)	-	22,190	22,169
14	Income Taxes - Federal (409.1)	-	-	30,870
15	- Other (409.1)	-	6,864	1,986
16	Provision for Deferred Income Taxes (410.1)	-	37,396	4,310
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	-	(6,170)	(3,783)
18	Investment Tax Credit Adjustment - Net (411.4)	-	-	-
19	(Less) Gains from Disposition of Utility Plant (411.6)	-	-	-
20	Losses from Disposition of Utility Plant (411.7)	-	-	-
21	Other Operating Income (412-414)	-	-	-
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		182,532	178,732
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		81,468	85,268

December 31, 2011

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
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- 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.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Total Electric Utility Current Year (e)	Total Electric Utility Previous Year (f)	Total Gas Utility Current Year (g)	Total Gas Utility Previous Year (h)	Total Other Current Year (i)	Total Other Previous Year (j)
1						
2			264,000	264,000		
3						
4			44,343	44,845		
5			5,627	6,053		
6			72,282	72,282		
7			-	0		
8			0	0		
9						
10						
11						
12						
13			22,190	22,169		
14			0	30,870		
15			6,864	1,986		
16			37,396	4,310		
17			(6,170)	(3,783)		
18			0	0		
19		-				
20		-				
21		-				
22	0	0	182,532	178,732	0	0
23						
24	0	0	81,468	85,268	0	0

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		81,468	85,268
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)	10	-	-
35	Interest and Dividend Income (419)	-	-	-
36	Allowance for Other Funds Used During Construction (419.1)	-	-	-
37	Miscellaneous Nonoperating Income (421)	-	-	-
38	Gain on Disposition of Property (421.1)	-	-	-
39	TOTAL Other Income (Total of lines 29 through 38)		-	-
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	-	-
42	Miscellaneous Amortization (425)	-	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	-	-	-
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		-	-
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-	-	-
47	Income Taxes - Federal (409.2)	-	-	-
48	Income Taxes - Other (409.2)	-	-	-
49	Provision for Deferred Income Taxes (410.2)	-	-	-
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	-	-	-
51	Investment Tax Credit Adjustment - Net (411.5)	-	-	-
52	(Less) Investment Tax Credits (420)	-	-	-
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		-	-
54	Net Other Income and Deductions (Total of lines 39,44,53)		-	-
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	21,236	24,741
57	Amortization of Debt Discount and Expense (428)	-	141	174
58	Amortization of Loss on Reacquired Debt (428.1)	-	-	-
59	(Less) Amortization of Premium on Debt - Credit (429)	-	-	-
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-	-	-
61	Interest on Debt to Associated Companies (430)	-	-	-
62	Other Interest Expense (431)	-	778	1,043
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	-	-
64	Net Interest Charges (Total of lines 56 through 63)		22,155	25,958
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		59,314	59,310
66	Extraordinary Items			
67	Extraordinary Income (434)	-	-	-
68	(Less) Extraordinary Deductions (435)	-	-	-
69	Net Extraordinary Items (Total of line 67 less line 68)		-	-
70	Income Taxes - Federal and Other (409.3)	-	-	-
71	Extraordinary Items After Taxes (Total of line 69 less line 70)		-	-
72	Net Income (Total of lines 65 and 71)		59,314	59,310

December 31, 2011

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, and unappropriated retained 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 11.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		137,018
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Balance Transferred from Income (Account 433 less Account 418.1)		59,314
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		59,314
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		-
10	Balance Transferred from Income (Account 433 less Account 418.1)		
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL	2380	
13	Dividends Declared - Common Stock (Account 438) TOTAL	2380	
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		196,332
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.		
17			
18	Balance - Beginning of Year (Debit or Credit)		-
19	Equity in Earnings for Year (Credit) (Account 418.1)		-
20	(Less) Dividends (Debit)		
21	Other Changes		
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		-
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		196,332