

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell securities during calendar year 2005 pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Public Utilities Company. | DOCKET NO. 041273-GU
ORDER NO. PSC-04-1210-FOF-GU
ISSUED: December 8, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

FINAL ORDER GRANTING APPROVAL FOR
AUTHORITY TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, Florida Public Utilities Company (FPUC) seeks permission to issue and sell and/or exchange any combination of the long-term debt, short-term notes and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an incremental amount not to exceed \$40 million, excluding retained earnings, during calendar year 2005.

The long-term debt securities may include first mortgage bonds, private activity bonds, medium-term notes, debentures convertible or exchangeable debentures, notes, convertible or exchangeable notes, or other straight debt or hybrid debt securities, whether secured and unsecured, with maturities ranging from one to one hundred years. The expected interest rate on long-term debt is 7.53%.

FPUC seeks authority to issue up to \$21 million of short-term notes to give FPUC financial flexibility with respect to future permanent financing. On June 30, 2004, the short-term notes interest rate was 1.83%.

The equity securities would be common stock issued at Fair Market Value less any issuance costs. The expected dividend rate would be \$16.70 per share (net) with a maximum number of shares to be issued of two million for a net outstanding number of shares not to exceed eight million.

It appears that FPUC has complied with the requirements of Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, in applying for the authority to issue and sell securities. Therefore, FPUC's application is hereby granted.

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Our approval of the proposed issuance and/or sale of securities by FPUC does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for review by the Commission within the context of a rate proceeding. Our approval of the issuance of securities constitutes approval only as to the legality of the issue. In approving the subject financing, we retain the right to disallow any of the costs incurred for ratemaking purposes.

Based upon the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's Application for Authority to Issue and Sell Securities During Calendar Year 2005, pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, is granted. It is further

ORDERED that Florida Public Utilities Company is authorized to issue and sell and/or exchange any combination of the long-term debt, short-term notes and equity securities described above and/or to assume liabilities or obligations as guarantor, endorser or surety in an incremental amount not to exceed \$40 million, excluding retained earnings, during calendar year 2005. It is further

ORDERED that Florida Public Utilities Company is authorized to issue up to \$21 million of short-term notes to give FPUC financial flexibility with respect to future permanent financing. It is further

ORDERED that Florida Public Utilities Company shall file a consummation report in accordance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of the fiscal year in which it issues any securities authorized by this Order. It is further

ORDERED that this docket shall remain open to monitor the issuance and/or sale of securities until Florida Public Utilities Company submits and we have reviewed the Consummation Report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 8th day of December, 2004.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.