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January 16, 1998

D. BRUCE MAY
850-425-5607

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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Re: Notice of Merger of South Florida Natural Gas Co. with
and into Southern Union Company

Dear Ms. Bayo:

On January 9, 1998, Atlantic Utilities Corporation ("AUC") was merged with and into Southern Union Company ("Southern Union"). Prior to the merger, AUC owned all of the issued and outstanding capital stock of South Florida Natural Gas Co. ("SFNG"), a natural gas distribution company serving customers in the cities of New Smyrna Beach and Edgewater, Florida, and certain adjacent unincorporated areas of Volusia County, Florida. Promptly following the merger of AUC with and into Southern Union, SFNG was merged with and into Southern Union.

Rule 25-9.044, Florida Administrative Code, requires a company that will operate a utility business after a change of ownership or control to file a notice with the Florida Public Service Commission (the "Commission"), within 10 days of the change of ownership or control, adopting, ratifying and making its own all rates, rules, classifications and regulations of the former operating utility on file with the Commission and effective at the time of the change in ownership or control. This letter serves as Southern Union's notice under Rule 25-9.044.

As the surviving corporation of the merger, Southern Union will continue to provide the goods and services previously provided by SFNG under the name Atlantic Utilities, a division of Southern Union Company d/b/a South Florida Natural Gas. Southern Union hereby adopts, ratifies and makes its own all rates, rules, classifications and regulations of SFNG on file with the Commission and effective at the time of the merger. Within 30 days of the filing of this notice, Southern Union,

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doing business as SFNG, will issue and file in its own name the tariff of the predecessor utility, SFNG, then in effect and adopted by Southern Union.

In filing this notice, Southern Union does not request that a formal docket be opened or that any action be taken by the Commission.

Please acknowledge receipt of this notice by date stamping the duplicate copy of this letter and returning it to us for your records.

Thank you for your assistance.

Sincerely,

HOLLAND & KNIGHT LLP


D. Bruce May

DBM/kdw

cc: Susan Groce, Esq. (via regular mail)
Mr. Wayne Makin (via hand delivery)
Mr. Joseph Jenkins (via hand delivery)
Mr. Stephen A. Bouchard (via overnight delivery)
Mr. Mark Vilardo (via fax 202-265-5706 & overnight delivery)
Mr. William Sherman (via overnight delivery)

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