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June 14, 2002

BY HAND DELIVERY

Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Dear Ms. Bayó:

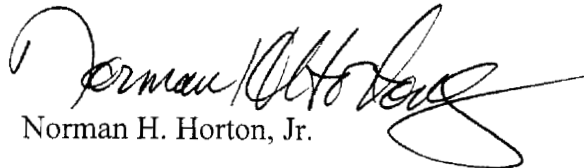
020521-GU

Enclosed for filing on behalf of Florida Public Utilities Company are an original and fifteen copies of Florida Public Utilities Company's Petition for Approval to Amortize Gain on Sale of Property.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,


Norman H. Horton, Jr.

NHH/amb
Enclosures

cc: Ms. Cheryl Martin
Parties of Record

DOCUMENT NUMBER DATE
06212 JUN 14 08
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Public Utilities)
Company for approval of 5 year) Docket No.:
amortization on gain of sale of property) Dated: June 14, 2002
_____)

PETITION FOR APPROVAL TO AMORTIZE GAIN ON SALE OF PROPERTY

Comes now Florida Public Utilities Company (“FPUC”) through undersigned counsel and herewith requests approval to amortize gain on the sale of property over a five year period. As basis FPUC would state:

1. The name and address of Petitioner is:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

2. The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.,
Messer, Caparello & Self, P. A.
Suite 701, First Florida Bank Building
Post Office Box 1876
Tallahassee, FL 32302-1876

3. On March 14, 2002, FPUC sold property located in Delray Beach, Florida, consisting of land, an office and warehouse. The office building was used primarily as a customer service location for regulated and unregulated gas operations.

4. The sales prices of the property was \$601,000. The cost of sales was \$10,684.84 and the net book value was \$61,566.99 which results in a net gain on the sale of the property of \$528,748.17. Since the property was used for both non-regulated program operations and regulated

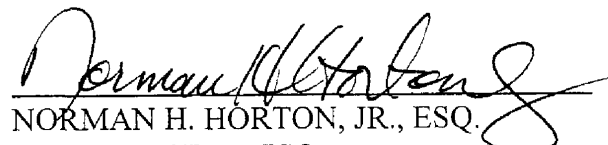
natural gas operations a portion of the net gain would be allocated to each. On the basis of the number of customers, the allocation is 84% to the regulated operations and 16% to the non-regulated. This equates to a net gain to the regulated operations of \$444,148.46.

5. Although it is not unusual for a utility to dispose of real property and realize a gain, it is not part of the normal operations and is generally non-recurring. In order to recognize this gain, FPUC intends to amortize the gain over five (5) years beginning April 1, 2002 as a credit to depreciation expense. This would be consistent with prior decisions of this Commission. See for example Order No. 11628, entered 2/17/83; Order No. PSC-97-1609-FOF-EI, entered 12/22/97; Order No. PSC-98-0451-FOF-EI entered 3/30/98 and Order No. PSC-01-0316-PAA-GU. Finally, to commence amortizing the gain now rather than in 2005 when the next depreciation study would be effective would be more reflective of operations.

For the reasons stated, FPUC request that the Commission approve the amortization of the gain on the sale of the Delray Beach property over five (5) years commence April 1, 2002.

Dated this 14th day of June, 2002.

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NORMAN H. HORTON, JR., ESQ.
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