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Reply to: P.O. Box 1876  
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November 27, 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

021191-GV

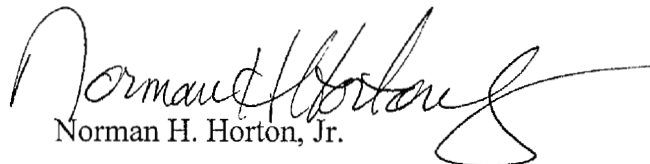
Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and fifteen copies of the Petition for Approval of New Account and Treatment of Costs.

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  
Enclosure  
cc: Ms. Pat Lee  
Ms. Cheryl Martin

DOCUMENT NUMBER DATE  
13023 NOV 27 02  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Request for approval of establishment ) Docket No.:  
of new account and amortization of expenses ) Filed: November 27, 2002  
\_\_\_\_\_)

**PETITION FOR APPROVAL OF NEW ACCOUNT  
AND TREATMENT OF COSTS**

COMES NOW, Florida Public Utilities Company ("FPU") through its undersigned and submits this Petition to establish an additional account and to amortize costs associated with right-of-way expenses and as basis states:

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. FPU provides natural gas service in several areas of the state including portions of Palm Beach County. Within Palm Beach County, FPU has property in Lantana which is accessible by a crossing over tracks belonging to the Florida East Coast Railway Company ("FEC").

4. The maintenance of crossings such as this one is performed by the railroad on a periodic basis but the costs for such maintenance are billed to FPUC. The FEC has advised FPU that

the average life cycle for a mainline crossing such as this one is approximately six (6) years thus maintenance can be expected to occur on that cycle. Once the maintenance is performed the costs would be billed to FPUC. The most recent maintenance on this crossing was in 2002 and FPUC was billed \$40,509.00 for the work.

5. Access to the property in Lantana is necessary as part of the regulated operations of FPU and the crossing maintenance is necessary to maintain that access. Since these costs are related to the provision of regulated operations they should be included in the regulated accounts; however, since the useful life of the right-of-way access is six (6) years, it would be appropriate to capitalize the costs associated with the maintenance and amortize those costs over the expected useful life rather than to record the costs in a single year. This treatment of the costs would be more representative of annual costs than it would be to record the costs in a single year.

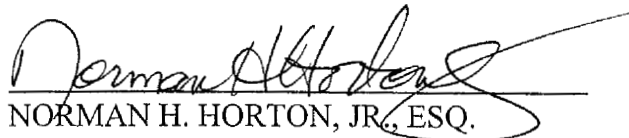
6. In order to report and account for these costs, FPU proposes to establish a new account in the general ledger to be Account No. 389.1, Rights-of-Way. The costs associated with the right-of-way maintenance will be capitalized and amortized over six (6) years and recorded in this new account.

7. FPU believes that the treatment proposed for the right-of-way maintenance costs charged by FEC to FPUC and the corresponding establishment of a new account are reasonable and would be consistent with the rules and policies of this Commission. The treatment would also be of benefit to the customers and should be approved by the Commission.

WHEREFORE, for the reasons cited, FPU requests the Commission approve the proposed capitalization and amortization of right-of-way maintenance costs and the establishment of a new account for recording these costs.

Respectfully submitted,

MESSER, CAPARELLO & SELF, P.A.  
215 S. Monroe Street, Suite 701  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
(850) 222-0720

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

NORMAN H. HORTON, JR., ESQ.  
FLOYD R. SELF, ESQ.

Attorneys for Florida Public Utilities Company