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COMMISSION
CLERK



080567-GU

401 South Dixie Highway
West Palm Beach, Florida 33401
561.838.1731

March 30, 2009

Ms. Ann Cole
Director, Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Ms. Cole:

In reference to Docket No. 080567-GU, Order No. PSC-08-0679-FOF-GU, we did not issue long term debt or equity securities in the preceding 2008 year. We have had an increase in our short-term debt of \$1,625,000 on our revolving credit line.

Sincerely,

A handwritten signature in cursive script that reads "George Bachman".

George Bachman
Chief Financial Officer & Treasurer

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DOCUMENT NUMBER-DATE

02964 APR-38



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell securities during calendar year 2008, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Public Utilities Company.

DOCKET NO. 080567-GU
ORDER NO. PSC-08-0679-FOF-GU
ISSUED: October 14, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

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 \$45 million, excluding retained earnings, during the calendar year 2009.

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 or unsecured, with maturities ranging from one to one hundred years. The expected interest rate on long-term debt is 7.25%.

FPUC seeks authority to issue up to \$25 million of short-term notes to give FPUC financial flexibility with respect to future permanent financing. On June 30, 2008, the short-term notes interest rate was 3.3625%.

The equity securities would be common stock issued at Fair Market Value less any issuance costs. The expected dividend rate for common shares would be \$.47 per share annually. The expected issuance price for common stock would be \$11.00 per share (net) with a maximum number of combined shares to be issued of two million for a net outstanding number of shares not to exceed nine million.

DOCUMENT NUMBER-DATE

02964 APR-3 8

FPSC-COMMISSION CLERK

CONSOLIDATED BALANCE SHEETS (continued)

(Dollars in thousands)

	<u>December 31,</u>	
CAPITALIZATION AND LIABILITIES	<u>2008</u>	<u>2007</u>
Capitalization		
Common shareholders' equity	\$ 48,512	\$ 48,946
Preferred stock	600	600
Long-term debt	<u>47,920</u>	<u>49,363</u>
Total capitalization	<u>97,032</u>	<u>98,909</u>
Current Liabilities		
Line of credit	+ 12,747	- 11,122 = \$1,625
Accounts payable	11,481	9,901
Long term debt - current	1,409	1,409
Insurance accrued	265	218
Interest accrued	1,081	1,163
Other accruals and payables	3,241	2,729
Environmental liability - current	774	1,379
Taxes accrued	1,902	2,168
Over-earnings liability	-	26
Over-recovery of fuel costs	1,608	2,761
Over-recovery of conservation	357	446
Customer deposits	<u>11,099</u>	<u>10,547</u>
Total current liabilities	<u>45,964</u>	<u>43,869</u>
Other Liabilities		
Deferred income taxes	17,820	16,630
Unamortized investment tax credits	203	266
Environmental liability	12,655	12,250
Regulatory liability - cost of removal	10,304	9,359
Regulatory liability - taxes	707	796
Regulatory liability - retirement plan	-	564
Long-term medical and pension reserve	19,352	4,817
Customer advances for construction	2,476	2,497
Regulatory liability - storm reserve	<u>2,418</u>	<u>2,387</u>
Total other liabilities	<u>65,935</u>	<u>49,566</u>
Total	<u>\$ 208,931</u>	<u>\$ 192,344</u>

See Notes to Consolidated Financial Statements