

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

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October 8, 2007

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

REDACTED

Re: Docket No. 070001-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company are the following documents:

1. An original and 10 copies of Florida Public Utilities Company's Prehearing Statement;
2. One 3½" diskette with the Redacted Prehearing Statement on it in MS Word 2003; and
3. An original and 10 copies of Florida Public Utilities Company's Request for Confidential Treatment.

Thank you for your assistance in this matter.

Sincerely,

Norman H. Horton, Jr.
Norman H. Horton, Jr.

- CMP _____
- COM _____
- CTR _____
- (ECR)** _____
- GCL 2 (+ Diskette)
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- OTH _____

NHH:amb
Enclosures
cc: Mr. Mehrdad Khojasteh
Parties of Record

DOCUMENT NUMBER-DATE
09214 OCT-8 5
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 8th day of October, 2007 upon the following:

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NORMAN H. HORTON, JR.

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and Generating) Docket No. 070001-EI
Performance Incentive Factor.) Filed: October 8, 2007
_____)

**FLORIDA PUBLIC UTILITIES COMPANY'S
PREHEARING STATEMENT**

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its prehearing statement in connection with the hearing that is scheduled for November 6-8, 2007, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Cheryl Martin*	Purchased power cost recovery true-up (Marianna and Fernandina Beach Divisions)	1
Mehrdad Khojasteh	Purchased power cost recovery true-up (Marianna and Fernandina Beach Divisions)	2 – 11 and 14a

*The testimony prefiled by Cheryl Martin will be adopted by Mehrdad Khojasteh.

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ CMM-2 (1-2-07) (Composite)	Martin*	Schedules M1, F1, and E1-B (for the Marianna and Fernandina Beach Divisions)
_____ CMM-2 (8-6-07) (Composite)	Khojasteh	Schedules E1-A, E1-B, and E1-B1 (for the Marianna and Fernandina Beach Divisions)

Issue 4: What are the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2008 through December 2008?

FPU's Position:

Marianna: 1.00072
Fernandina Beach: 1.00072

Issue 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2008 through December 2008?

FPU's Position:

Marianna: \$ [REDACTED]
Fernandina Beach: \$31,882,724

Issue 6: What are the appropriate levelized fuel cost recovery factors for the period January 2008 through December 2008?

FPU's Position:

Marianna: [REDACTED] ¢/kwh
Fernandina: 4.591¢/kwh

Issue 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPU's Position:

Marianna: 1.0000 All Rate Schedules
Fernandina: 1.0000 All Rate Schedules

Issue 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPU's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.07945
GS	\$.07840
GSD	\$.07483
GSLD	\$.07151
OL, OL1	\$.06097
SL1, SL2, and SL3	\$.06146
Step Rate for RS	
RS with less than a 1,000 kWh/month	\$.07610
RS with more than a 1,000 kWh/month	\$.08610

Fernandina:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.06963
GS	\$.06811
GSD	\$.06481
GSLD	\$.06533
OL	\$.05005
SL	\$.04961
Step Rate for RS	
RS with less than a 1,000 kWh/month	\$.06628
RS with more than a 1,000 kWh/month	\$.07628

Issue 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPU's Position: FPU's approved fuel adjustment and purchased power cost recovery factors should be effective for all meter readings on or after January 1, 2008, beginning with the first or applicable billing cycle for the period January, 2008.

Issue 10: What are the appropriate actual benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPU's Position: No position at this time.

Issue 11: What are the appropriate estimated benchmark levels for calendar year 2008 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPU's Position: No position at this time.

Issue 14a: Are FPUC's proposed inverted fuel factors for the residential class appropriate?

FPU's Position: Yes. Currently all residential customers have the same adjustment applied to their usage. The Step Rate would result in the application of a lower adjustment for those residential customers using 1,000 kWh per month or less than those using more than 1,000 kWh per month. Approval of the Step Rate allocation would encourage conservation and provide residential customers with an opportunity to control some of their costs for energy.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

FPUC's Request for Confidential Classification filed September 24, 2007

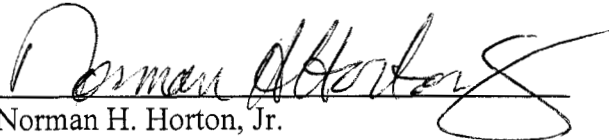
FPUC's Revised Request for Confidential Classification filed October 3, 2007

I. OTHER MATTERS

None.

Dated this 8th day of October, 2007.

Respectfully submitted,
MESSER, CAPARELLO & SELF, P.A.
Post Office Box 15579
Tallahassee, Florida 32317

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

Norman H. Horton, Jr.
Attorney for Florida Public Utilities Company