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May 13, 2003

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Ms. Blanca Bayó, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Dear Ms. Bayó:

Enclosed for filing are an original and fifteen copies of Florida Public Utilities Company's Petition for Waiver of Minimum Filing Requirements Required by Rule 25-6.043, Florida Administrative Code. Please note that this Petition is submitted in preparation for preparing and filing a Petition for Rate Relief on behalf of Florida Public Utilities Company. To facilitate this and the subsequent petition we would suggest that the docket number assigned to this Petition be the docket number that will be used for the rate case which we anticipate filing on or before August 1st.

Please acknowledge receipt of these documents 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.

- AUS _____
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- GCL _____
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- MMS _____
- SEC _____
- OTH _____

NHH/amb
Enclosures
cc: Ms. Cheryl Martin

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Public Utilities Company's)
Petition for Waiver of Portions of Rule) Docket No.
25-6.043, Florida Administrative Code) Filed: May 13, 2003
_____)

**PETITION FOR WAIVER OF PORTIONS OF
RULE 25-6.043, FLORIDA ADMINISTRATIVE CODE**

COMES NOW Florida Public Utilities Company ("FPUC"), pursuant to section 120.542, Florida Statutes, and Rule 28.104.002, Florida Administrative Code, and requests a waiver of portions of the Minimum Filing Requirements incorporated in Rule 25-6.043(1), Florida Administrative Code.

As basis, FPUC would show:

1. The name and address of Petitioner as:

Florida Public Utilities Company
Post Office Box 3395
West Palm Beach, Florida 33402-3395

2. The name and address of the people 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

Ms. Cheryl Martin
Controller
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, Florida 33402-3395

3. Rule 25-6.043, Florida Administrative Code, Investor-Owned Electric Utility Minimum Filing Requirements, describes the general filing instructions for utilities when submitting a petition for rate relief. Among the accompanying information required by the rule are MFR schedules which include substantial accounting, engineering, rate, cost of capital and other data

which the PSC staff and parties use in analyzing the rate request. The current MFR schedules were adopted in 1990 but a review of the current version is underway.

4. FPUC is preparing a petition for general rate relief and with this petition is seeking a waiver/modification of some of the MFRs in the schedules. The specific schedules for which a waiver is sought are shown on Attachment "A" hereto. In some instances, we seek a modification of the required schedule rather than a waiver and that information is also provided. Also included in the Attachment is the reason for the waiver or modification request.

5. Granting the requested waivers/modifications will not impair the ability of the Staff or other parties to review and analyze the underlying data associated with the requested rate increase, nor will it hinder the Commission in reaching a decision on the request for rate relief. In some instances, the same or substantially the same information is provided in other schedules and in other instances sufficient information can be provided for shorter periods than called for by the schedules. The request also reflects the result of discussions and reviews of the MFRS with Staff as to possible revisions.

6. In addition to the schedules shown on Attachment "A", the Company intends that this case will be filed on a consolidated basis; i.e., the existing two divisions will be consolidated as one (1) on a going forward basis and the schedules, including cost of service studies, will be so presented. In prior cases, the divisions were separate and schedules were prepared on that basis. The Company does not intend to perform separate cost studies; as to do so would be expensive, time consuming and unnecessary. Given the intent of the Company, a single cost study would be required and would be sufficient but would be a variance from past filings when there were two (2) divisions.

For the reasons cited, FPUC requests the Commission to grant the requested variances/modifications to the MFRs. FPUC also requests that the grant be made on an expedited basis so that the schedules can be prepared and submitted by August 1, 2003.

Respectfully submitted,

MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720


NORMAN H. HORTON, JR., ESQ.

Attorneys for Florida Public Utilities Company

Attachment A

Florida Public Utilities Company
Consolidated Electric Division
MFR Schedule Waivers and Modification

Explanation for Request for Waiver or Modification:

B-27
(Detail of Changes in Rate Base)

Modify Explanation to read "Provide the data listed below regarding all changes in rate base primary accounts that exceed ten percent and \$400,000 from the prior year to the test year. Quantify each reason for the change.

To provide reasons for changes of only 10% and under \$400,000 does not seem cost justified and a minimum dollar amount should be established.

B-29
(10-Year Historical Balance Sheet)

We will present a two-year historical balance sheet in MFR Schedule B-1 and a two-year projected balance sheet for the years 2003- 2004. The NE (Fernandina Beach) and NW (Marianna) Electric Operations are divisions of Florida Public Utilities Company and as such have no balance sheets of their own. There is a considerable amount of analysis and allocation to arrive at an Electric 13-Month average balance sheet. To prepare a ten-year balance sheet would require significant work hours and expense.

C-12
(Budget Vs. Actual Operating Revenues and Expenses)

Form Modified to delete the requirement for budget figures for all years except 2002. Ten Years of Actual results will be provided. We have made changes to our budget process over the years and comparisons would make the variances misleading. Also, the forecasting methodology used in rate case preparation is much more demanding and precise than that used in our annual budgeting process.

C-21
(Detail of Changes in Expenses)

Modify explanation to read "Provide the Changes in primary accounts that exceed ten percent and \$100,000 from the prior year to the test year. Quantify each reason for the change".

To provide reasons for changes of only 10% and under \$100,000 would require reviews and explanations of many accounts. This would take a considerable amount of labor to

review small dollar differences. We do not feel this type of analysis is cost justified and a minimum dollar amount should be established.

C-59
(Attrition Allowance)

Modify title to read "Projected Test Year Revenue Requirement". Modify explanation to read, "Provide detailed supporting schedules and calculations for the projected test year revenue requirement". All supporting schedules will be included for rate base, operating income and cost of capital for the projection years 2003-2004. Historic year 2002 and prior years data are shown in the other MFR schedules.

E-22; E-23; E25a; and E-25b
(Load Duration Curves; System Load Shapes; Days within 10% of Monthly Peaks; Hours Within 10% of Monthly Peaks)

These schedules are extremely time consuming and not relevant for a non-generating utility such as Florida Public Utilities Company

G
(Interim Rate Relief Schedules)

Waiver of all G Schedules- Florida Public Utilities is not seeking interim relief and relevant data to our rate proceeding would be found in other rate schedules within the filing.

Various Schedules

Delete the following Schedules due to containing unnecessary data for the rate proceeding review and the cost of preparing the schedules is significant and is not cost justified:

- A-2 SUMMARY OF RATE CASE
DELETE
- A-3 REASONS FOR REQUESTED RATE INCREASE
DELETE
- A-9 SUMMARY OF JURISDICTIONAL RATE BASE
DELETE
- A-10 SUMMARY OF JURISDICTIONAL NET OPERATING INCOME
DELETE
- A-11 SUMMARY OF ADJUSTMENTS NOT MADE
DELETE
- A-12a SUMMARY OF JURISDICTIONAL CAPITAL STRUCTURE
DELETE
- A-12b SUMMARY OF JURISDICTIONAL CAPITAL COST RATES
DELETE

A-12c SUMMARY OF FINANCIAL INTEGRITY INDICATORS
DELETE

A-14 FINANCIAL AND STATISTICAL REPORT
DELETE

B-1 BALANCE SHEET-JURISDICTIONAL
DELETE

B-2b BALANCE SHEET-JURISDICTIONAL LIABILITIES CALCULATION
DELETE - include in B-2a

B-5 COMMISSION RATE BASE ADJUSTMENTS
DELETE - include in B-4

B-6 COMPANY RATE BASE ADJUSTMENTS
DELETE - include in B-4

B-11 CAPITAL ADDITIONS AND RETIREMENTS-PROPERTY MERGED OR
DELETE

B-12b PROPERTY HELD FOR FUTURE USE-MONTHLY BALANCES
DELETE

B-12c PROPERTY HELD FOR FUTURE USE-DETAILS
DELETE

B-13a CONSTRUCTION WORK IN PROGRESS-13 MONTH AVERAGE BALANCE
DELETE - include in B-13b

B-13c CONSTRUCTION WORK IN PROGRESS-AFUDC
DELETE

B-14 WORKING CAPITAL-13 MONTH AVERAGE
DELETE

B-19 ACCOUNTS PAYABLE-FUEL
DELETE

B-20 PLANT MATERIALS AND OPERATING SUPPLIES
DELETE

B-23a INVESTMENT TAX CREDITS-ANNUAL ANALYSIS
DELETE - DOES NOT EXIST

B-24b STATE ACCUMULATED DEFERRED INCOME TAXES
DELETE

B-24c FEDERAL ACCUMULATED DEFERRED INCOME TAXES
DELETE

B-25 ADDITIONAL RATE BASE COMPONENTS
DELETE

B-28b LEASING ARRANGEMENTS (ERTA 1981)
DELETE

C-1 JURISDICTIONAL NET OPERATING INCOME
DELETE

C-4 COMMISSION NET OPERATING INCOME ADJUSTMENTS
DELETE - include in C-3

C-5 COMPANY NET OPERATING INCOME ADJUSTMENTS
DELETE - include in C-3

C-6 OUT OF PERIOD ADJUSTMENTS TO REVENUES AND EXPENSES
DELETE

C-7 EXTRAORDINARY REVENUES AND EXPENSES
DELETE

C-11 UNBILLED REVENUES
DELETE

C-13 MONTHLY FUEL REVENUES AND EXPENSES
DELETE

C-14 MONTHLY FUEL EXPENSES
DELETE

C-15 FUEL REVENUES AND EXPENSES RECONCILIATION
DELETE

C-16 CONSERVATION GOALS AND PROGRESS
DELETE

C-17 CONSERVATION REVENUES AND EXPENSES
DELETE

C-18 CONSERVATION REVENUES AND EXPENSES
DELETE

C-20 OPERATION AND MAINTENANCE EXPENSES-PRIOR YEAR
DELETE

C-22 MAINTENANCE ON CUSTOMER FACILITIES, INSTALLATIONS
DELETE

C-24 TOTAL RATE CASE EXPENSES AND COMPARISONS
DELETE - include part in C-23

C-30 CIVIC AND CHARITABLE CONTRIBUTIONS
DELETE - include in C-29

C-36 CURRENT DEPRECIATION RATES
DELETE

C-40 FEDERAL DEFERRED INCOME TAXES
DELETE - combine with C-39

C-48 RECONCILIATION OF TOTAL INCOME TAX PROVISION
DELETE

C-50 REACQUIRED BONDS
DELETE - include in D-4

C-52 NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI
DELETE

C-53 O & M BENCHMARK COMPARISON BY FUNCTION
DELETE

C-55 BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
DELETE

C-56 O & M COMPOUND MULTIPLIER CALCULATION
DELETE

C-57 O & M BENCHMARK VARIANCE BY FUNCTION
DELETE

C-63 STATEMENT OF CASH FLOWS
DELETE

D-3b SHORT-TERM FINANCING POLICY
DELETE - include in D-3a

D-4b DEBT OUTSTANDING - CALL PROVISIONS AND SPECIAL RESTRICTIONS
DELETE

D-5 COMMON STOCK ISSUES-ANNUAL DATA
DELETE

D-6 REPORTS OF OPERATIONS COMPARED TO FORECAST-COST
DELETE

D-10b FINANCING PLANS-GENERAL ASSUMPTIONS
DELETE - include in D-10a

D-11b FINANCIAL INDICATORS-CALCULATIONS OF INTEREST AND PREFERRED
DELETE

D-11c FINANCIAL INDICATORS-CALCULATIONS AS A PERCENTAGE OF INCOME
DELETE

D-11d FINANCIAL INDICATORS-CALCULATION OF THE PERCENTAGE OF
DELETE

D-12a RECONCILIATION OF JURISDICTIONAL RATE BASE AND
DELETE - include in D-1

D-12b SCHEDULE OF PRO-RATA ADJUSTMENTS
DELETE - include in D-1

- E-3a COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE
DELETE - include in E-1
- E-3b COST OF SERVICE STUDY-RATES OF RETURN BY RATE SCHEDULE
DELETE - include in E-1
- E-4 RECONCILIATION OF CLASS RATE OR RETURN INDICES BETWEEN
DELETE
- E-9 DETAILED BREAKDOWN OF CUSTOMER UNIT COSTS
DELETE
- E-21a CORRELATIONS BETWEEN CONTRIBUTIONS TO THE 12 MONTHLY
DELETE
- E-21b CORRELATIONS BETWEEN CONTRIBUTIONS TO THE CLASS NONCOIN-
DELETE
- E-22 LOAD DURATION CURVES
DELETE
- E-23 SYSTEM LOAD SHAPES
DELETE
- E-25a DAYS WITHIN 10% OF MONTHLY PEAKS
DELETE
- E-25b HOURS WITHIN 10% OF MONTHLY PEAKS
DELETE
- E-28a INTERRUPTIBLE RATES POLICY
DELETE
- E-28b CURTAILABLE RATES POLICY
DELETE
- F-2 FINANCIAL STATEMENTS-OPINIONS OF INDEPENDENT CERTIFIED
DELETE
- F-5 COMPANY DIRECTORS
DELETE
- F-6 OFFICERS OF AFFILIATED COMPANIES OR SUBSIDIARIES
DELETE
- F-12 HEATING DEGREE DAYS
DELETE
- F-13 COOLING DEGREE DAYS
DELETE
- F-14 TEMPERATURE AT TIME OF MONTHLY PEAKS
DELETE
- F-15 FORECASTING MODELS-CONSISTENCY OF DATA
DELETE
- F-16 CONSERVATION ACTIONS
DELETE

Modify the following Schedules due to containing unnecessary data for the rate proceeding review and the cost of not modifying the schedules is not cost justified:

- B-2a BALANCE SHEET-JURISDICTIONAL ASSETS CALCULATION
MODIFY - system basis; include B-2b data
- B-4 RATE BASE ADJUSTMENTS
MODIFY - include B-5 and B-6 data
- B-8a PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT
MODIFY- submit Annual Status Report for historical year if TY is calendar year
- B-8b DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT
MODIFY- submit Annual Status Report for historical year if TY is calendar year

- B-13b CONSTRUCTION WORK IN PROGRESS-OTHER DETAILS
MODIFY - revise and include B-13a data
- B-15 WORKING CAPITAL-MONTHLY BALANCES
MODIFY - annual basis rather than monthly basis

- B-23b INVESTMENT TAX CREDITS-ANNUAL ANALYSIS BY TYPE
MODIFY - explanation and delete page 2
- B-24a TOTAL ACCUMULATED DEFERRED INCOME TAXES
MODIFY - delete monthly data and combine state and federal
- B-27 DETAIL OF CHANGES IN RATE BASE
MODIFY - possibly \$ threshold

- C-3 JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
MODIFY - include C-4 and C-5 data
- C-10 OPERATING REVENUES DETAIL
MODIFY
- C-12 BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
MODIFY - require 5 years instead of 10 years
- C-21 DETAIL OF CHANGES IN EXPENSES
MODIFY - possibly \$ threshold
- C-23 DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
MODIFY - combine with C-24 without prior case data
- C-25 UNCOLLECTIBLE ACCOUNTS
MODIFY - 5 yrs annual data - calculation of rev.exp. factor component
- C-26 ADVERTISING EXPENSES
MODIFY - require only non-cost recovery clause advertising
- C-27 INDUSTRY ASSOCIATION DUES
MODIFY - aggregate dues \$10,000 or less
- C-28 ACCUMULATED PROVISION ACCOUNTS-228.1, 228.2 AND 228.4
MODIFY - require annual data rather than monthly
- C-29 LOBBYING AND OTHER POLITICAL EXPENSES
MODIFY - combine with C-30
- C-33 PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
MODIFY - test year plus prior years to include 2 actual historical years
- C-35 AMORTIZATION/RECOVERY SCHEDULE-12 MONTHS
MODIFY - delete monthly data - show only amounts not shown on B-8b
- C-38a TAXES OTHER THAN INCOME TAXES
MODIFY - format
- C-38b REVENUE TAXES
MODIFY - format
- C-39 STATE DEFERRED INCOME TAXES
MODIFY - combine state and federal (C-40); provide total only
- C-44 INTEREST IN TAX EXPENSE CALCULATION
MODIFY - explanation
- C-45 CONSOLIDATED RETURN
MODIFY - explanation; eliminate copy of tax sharing agreements
- C-46 INCOME TAX RETURNS
MODIFY - explanation - make available for review
- C-54 O & M ADJUSTMENTS BY FUNCTION
MODIFY - revise description
- C-61 PERFORMANCE INDICES
MODIFY
- C-64 EARNINGS TEST
MODIFY - revise explanation - provide only if company requests
- C-65 OUTSIDE PROFESSIONAL SERVICES
MODIFY - provide totals (not by vendor) for each type of service

- D-1 COST OF CAPITAL-13 MONTH AVERAGE
MODIFY - include D-12a & D-12b data; drop last rate case
- D-2 COST OF CAPITAL-10 YEAR HISTORY
MODIFY - provide 5 yrs not 10 yrs - TY, PY and 3 calendar years
- D-3a SHORT-TERM DEBT
MODIFY - include D-3b data
- D-4a LONG-TERM DEBT OUTSTANDING
MODIFY - include C-50 data
- D-7 PREFERRED STOCK OUTSTANDING
MODIFY - include prior year and historical base year
- D-8 CUSTOMER DEPOSITS
MODIFY - delete company policy
- D-9 COMMON STOCK DATA
MODIFY - provide 5 yrs not 10 yrs
- D-10a FINANCING PLANS-STOCK AND BOND ISSUES
MODIFY - include D-10b data
- D-11a FINANCIAL INDICATORS-SUMMARY
MODIFY - provide 3 years - TY, PY and HBY
- E-1 COST OF SERVICE STUDIES
MODIFY - include E-3a & E-3b data
- E-16a REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
MODIFY - eliminate clause revenues
- F-9 FORECASTING MODELS
MODIFY - revise explanation
- F-10 FORECASTING MODELS-SENSITIVITY OF OUTPUT TO CHANGES IN
MODIFY - revise explanation