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October 15, 2003

BY HAND DELIVERY

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

Re: Docket No. 030002-EG

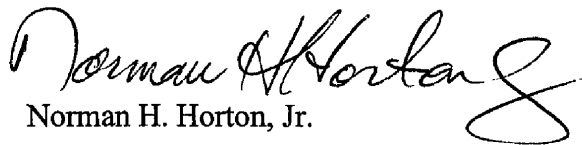
Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Public Utilities Company in this docket are an original and 10 copies Florida Public Utilities Company's Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 9.0 format.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

NHH:amb
Enclosures

cc: Mr. Mike Peacock
Mr. Mark Cutshaw
Ms. Julie Petty
Ms. Cheryl Martin
Parties of Record

DOCUMENT NUMBER-DATE
10083 OCT 15 8
FPSC-COMMISSION CLEAR

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost)
Recovery Clause.)
_____)

Docket No. 030002-EG
Filed: October 15, 2003

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

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its prehearing statement for its two electric divisions in connection with the hearing that is scheduled for November 12-14, 2003, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Michael A. Peacock	Conservation cost recovery and true-up (Marianna and Fernandina Beach Electric Divisions)	1-3, and 5

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ MAP-1 (Composite)	Peacock	True-up calculations and Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and CT-6 (Marianna and Fernandina Beach Divisions)
_____ MAP-2 (Composite)	Peacock	Schedules C-1, C-2, C-3, C-4, and C-5 (Marianna and Fernandina Beach Divisions)
_____ MAP-3 (Composite)	Peacock	Consolidated Electric Division Schedules C-1, C-2, C-3, and C-4

C. BASIC POSITION

FPU has properly projected its costs and calculated its true-up amounts and conservation cost recovery factors. Those amounts and factors should be approved by the Commission.

D. STATEMENT OF ISSUES AND POSITIONS

Issue 1: **What are the final end-of-period true-up amounts for the period January, 2002, through December, 2002?**

FPU's Position: The company proposes that the current Northeast and Northwest Divisions be consolidated and on a consolidated basis there is an overrecovery of \$44,655. Alternatively the final true-up amount for the period by Division is:

Marianna: \$1,998.00 (overrecovery)

Fernandina Beach: \$42,657.00 (overrecovery)

Issue 2: **What are the appropriate conservation cost recovery factors for the period January, 2004 through December, 2004?**

FPU's Position: The company proposes that the current Northeast and Northwest Divisions be consolidated and on a consolidated basis the cost recovery factor would be \$.00055. Alternatively the cost recovery factors by Division for the period are:

Marianna: \$.00069

Fernandina Beach: \$.00045

Issue 3: What should be the effective date of the conservation cost recovery factors for billing purposes?

FPU's Position: FPU's approved conservation cost recovery factors should be effective for all meter readings on or after January 1, 2003, beginning with the first or applicable billing cycle for the period January, 2003 through December, 2003.

Issue 5: What adjustments should be made to FPUC's current period true-up (January 2003 thru December 2003) in response to the staff's audit of FPUC conservation programs for the year ended December 31, 2002?

FPU's Position: The Company does not believe that any adjustments are necessary.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

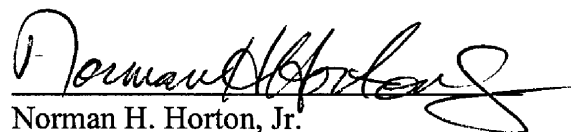
None.

I. OTHER MATTERS

None.

Dated this 15th day of October, 2003.

Respectfully submitted,
MESSER, CAPARELLO & SELF, P.A.
Post Office Box 1876
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A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by hand delivery (*) and/or U. S. Mail this 15th day of October, 2003 upon the following:

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