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October 18, 2004

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Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company; Docket No. 040003-GU

Dear Ms. Bayo:

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

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Sincerely,



Norman H. Horton, Jr.

NHH/amb
Enclosures
cc: Ms. Cheryl Martin
Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Cost Recovery)
_____)

Docket No. 040003-GU
Filed: October 18, 2004

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

Florida Public Utilities Company ("FPU") hereby submits its prehearing statement to be taken up at the hearing now scheduled to begin on November 8-10, 2004 in this docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Cheryl M. Martin	Purchased gas cost recovery projections, true-ups, and estimate of therm sales	1-5
Marc L. Schneidermann	Natural gas sales projection, demand and commodity costs, and WACOG	4

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ CM-1	Martin	Schedule A-7
_____ CMM-1 (Composite)	Martin	Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5

C. BASIC POSITION

FPU has properly projected its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved by the Commission.

D. STATEMENT OF ISSUES AND POSITIONS

Issue 1: **What is the appropriate final purchased gas adjustment true-up amount for the period January, 2003 through December, 2003?**

FPU's Position: \$338,902 (overrecovery)

Issue 2: **What is the estimated purchased gas adjustment true-up amount for the period January, 2004 through December, 2004?**

FPU's Position: \$3,165 (underrecovery)

Issue 3: **What is the total purchased gas adjustment true-up amount to be refunded in the January, 2005 through December, 2005 period?**

FPU's Position: \$335,737 (overrecovery)

Issue 4: **What is the appropriate levelized purchased gas cost recovery (cap) factor to be charged during the period January, 2005 through December, 2005?**


FPU's Position: 89.181 cents per therm.

Issue 5: **What should be the effective date of the new purchased gas adjustment charge for billing purposes?**

FPU's Position: The factor should be effective for all meter readings on or after January, 2005, beginning with the first or applicable billing cycle for the period January, 2005 through December, 2005.

Dated this 15th day of October, 2003.

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Attorneys 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 18th day of October, 2004 upon the following:

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