

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

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October 9, 2006

BY HAND DELIVERY

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

Re: Docket No. 060004-GU; Florida Public Utilities Company

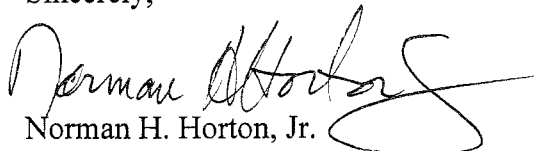
Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of Florida Public Utilities Company's Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 12.0 format.

Please acknowledge receipt of these documents 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. Marc S. Seagrave
Parties of Record

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation)
Cost Recovery Clause.)
_____)

Docket No. 060004-GU
Filed: October 9, 2006

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

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its prehearing statement for its consolidated natural gas division in connection with the hearing that is scheduled for November 6-8, 2006, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Marc S. Seagrave	Conservation cost recovery true-up and conservation cost recovery factor	1, 2, and 3

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ MSS-1 (Composite)	Seagrave	Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and C-6
_____ MSS-2 (Composite)	Seagrave	Schedules C1, C2, C3, and C5

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 is the final end-of-the-period true-up amount for the period January 2005 through December 2005?**

FPU's Position: \$64,618 (underrecovery)

Issue 2: **What are the appropriate conservation cost recovery factors for the period January 2007 through December 2007?**

FPU's Position:

Residential	\$.08982
General Service	\$.03943
Large Volume Service	\$.02755
Large Volume Transportation Service	\$.02755

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

FPU's Position: The conservation cost recovery factors should be effective for the period January, 2007 through December, 2007, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

Florida Public Utilities Company's Request for Confidential Classification of Audit Workpapers filed July 12, 2006

I. OTHER MATTERS

None.

Respectfully submitted this 9th day of October, 2006.

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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 U. S. Mail this 9th day of October, 2006 upon the following:

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