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Public Service Commission

March 9, 2007

VIA E-MAIL

Mr. Norman H. Horton, Jr., Esq.
Messer Law Firm
P.O. Box 15579
Tallahassee, FL 32317

Re: Docket Number 060638-EI - Petition for approval of storm cost recovery surcharge to recover costs associated with mandatory storm preparedness initiatives, by Florida Public Utilities Company.

Dear Mr. Horton,

After reviewing the Florida Public Utilities Company's (FPUC) petition in the above-captioned matter, a need for additional information vital to proceeding with this matter was apparent. By this letter, Commission staff requests that FPUC provides responses to the following data requests:

- 1. Please refer to FPUC's response to No. 7 of Citizens' Second Set of Interrogatories.
 - 1(a) Regarding the budgeted amounts of pole inspection costs, on page 3 of Mr. Cutshaw's direct testimony filed in this docket, Mr. Cutshaw states:

For 2007, \$109,917 is budgeted for pole inspections and \$10,455 is budgeted for joint use audits that will be done in conjunction with the pole inspections. Due to an anticipated completion of this filing by July 1, 2007, this amount represents one half of the total annual requirement necessary to complete the eight-year pole inspection cycle. After approval and beginning in 2008, the full requirement of inspections will begin with costs shown in this filing.

- 1(b) Does FPUC intend to phase in the implementation of the eight-year pole inspection cycle and three-year vegetation trim cycle with the completion in 2008 or later?
- 2. Please provide the 2007 budgeted amount for each of the initiatives documented in exhibit CMM-2 attached as part of FPUC's petition filed in this docket.

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3. Please refer to exhibit MCC-2 of Mr. Cutshaw's direct testimony. Page 2 of the exhibit provided the reason for the estimated additional \$342,000 per year to achieve the three-year trim cycle based on the need of three additional tree trimming crews. It also provided an alternative with the estimated additional \$228,000 per year to achieve the three-year trim cycle for feeders and five-year trim cycle for laterals in the NW operation, apparently based on the need of two additional tree trimming crews. Please provide the labor, O&M, or other costs that support the \$114,000 for each additional tree trimming crew per year.
4. In FPUC's last rate case (DN 030438-EI), FPUC requested and was granted an additional \$160,000 to add 2.5 tree trimming crews for its 2004 test year, for a total of six tree trimming crews. Please provide the labor, O&M, or other costs that support the \$64,000 for each additional tree trimming crew per year in that case.
5. What is the total number of tree trimming crews that FPUC currently has?
6. What is the total number of tree trimming crews that FPUC will have if it adds the requested three additional tree trimming crews?
7. Are all of the three additional tree trimming crews that are needed to achieve a three-year trim cycle incremental to the six tree trimming crews that were included in Docket No. 030438-EI?

As time is of the essence in order to allow sufficient time for staff to analyze the data requested, we are requesting that responses to the above questions be provided by April 9, 2007. Please do not hesitate to contact me at (850) 413-6224 if you have any questions.

Sincerely,

/s/ Rosanne Gervasi

Rosanne Gervasi
Senior Attorney

Cc: Charles J. Beck, Esq., Office of Public Counsel
Division of Economic Regulation (Lewis, Kummer, Lee, Slemkewicz)
Division of Commission Clerk & Administrative Services