

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law

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October 10, 2008

**ELECTRONIC FILING**

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

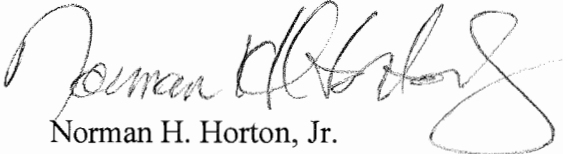
Re: Docket No. 080004-GU

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company is Florida Public Utilities Company's Prehearing Statement. Also enclosed is the document in MS Word 2003 format.

Thank you for your assistance in this matter.

Sincerely,



Norman H. Horton, Jr.

NHH:amb  
Enclosures

cc: Mr. Marc S. Seagrave  
Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation     )  
Cost Recovery Clause.                 )  
\_\_\_\_\_ )

Docket No. 080004-GU  
Filed: October 10, 2008

**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 4-6, 2008, 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 - 7

**B. EXHIBITS**

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

**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 conservation cost recovery true-up amounts for the period January 2007 through December 2007?**

FPUC's Position:      \$425,650 (overrecovery)

**Issue 2:**      **What are the actual/estimated conservation cost recovery true-up amounts for the period January 2008 through December 2008?**

FPUC's Position:      \$409,776 (underrecovery)

**Issue 3:**      **What are the total conservation cost recovery amounts to be refunded/collected during the period January 2009 through December 2009?**

FPUC's Position:      \$1,840,224 to be refunded.

**Issue 4:**      **What are the conservation cost recovery factors for the period January 2009 through December 2009?**

FPUC's Position:

Residential	\$.06803
General Service	\$.02934
Large Volume Service	\$.02062
Large Volume Transportation Service	\$.02062

**Issue 5:**      **What should be the effective date of the new conservation cost recovery factors for billing purposes?**

FPUC's Position:      The conservation cost recovery factors should be effective for the period January 2009 through December 2009, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

**Issue 6: What adjustments, if any, should be made to Florida Public Utility Company's final conservation cost recovery true-up amounts for the period January 2007 through December 2007 for expenses associated with the Southern Gas Association (SGA) Builders and Developers Conference?**

FPUC's Position: No adjustment is necessary. The SGA Conference is an industry sponsored biannual event attended by many builders and developers. The Conference promotes use of natural gas and an opportunity to explain and market the conservation programs. Participation by the Company, builders, developers and spouses enables each to become more familiar with the benefits to consumers of the conservation programs.

**Issue 7: What adjustments, if any, should be made to Florida Public Utility Company's final conservation cost recovery true-up amounts for the period January 2007 through December 2007 for expenses associated with the Demo Kitchen project?**

FPUC's Position: No adjustments are necessary. The Energy Star Demonstration Kitchen creates an environment to educate consumers on the various energy and resource efficient features of appliances. The kitchen was designed to educate customers on the benefits of saving energy. The appliances used were those with the highest energy factors and ratings and having these available to consumers to view further encourages conservation and educates them on available energy conservation features.

**E. QUESTIONS OF LAW**

None.

**F. POLICY QUESTIONS**

None.

**G. STIPULATED ISSUES**

None.

**H. MOTIONS**

None.

**I. OTHER MATTERS**

None.

Respectfully submitted this 10<sup>th</sup> day of October, 2008.

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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 10<sup>th</sup> day of October, 2008 upon the following:

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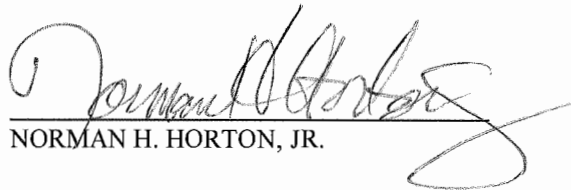
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