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COMMISSION  
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October 24, 2001

**BY HAND DELIVERY**

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. 010001-EI

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. 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: Mr. George Bachman  
Parties of Record

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 5 \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG 1 \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

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DOCUMENT NUMBER-DATE

FPSC-BUREAU OF RECORDS 18504 OCT 24 01

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Fuel and Purchased Power )  
Cost Recovery Clause and Generating ) Docket No. 010001-EI  
Performance Incentive Factor. ) Filed: October 24, 2001  
\_\_\_\_\_)

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

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its prehearing statement in connection with the hearing that is scheduled for November 20-21, 2001, in the above-styled docket.

**A. WITNESSES**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
George M. Bachman	Purchased power cost recovery and true-up (Marianna and Fernandina Beach Divisions)	1-8

**B. EXHIBITS**

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
GMB-1 and GMB-2 (Composite)	Bachman	Schedules E1, E1-A, E1-B, E1-B1, E2, E7, and E10 (Marianna Division)  Schedules E1, E1-A, E1-B, E1-B1, E-2, E7, and E10 (Fernandina Beach Division)

**C. BASIC POSITION**

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

**D. STATEMENT OF ISSUES AND POSITIONS**

**Issue 1:**      **What are the appropriate final fuel adjustment true-up amounts for the period January, 2000 through December, 2000?**

FPU's Position:

Marianna:              \$60,625 (under-recovery)  
Fernandina Beach:    \$109,370 (under-recovery)

**Issue 2:**      **What are the estimated fuel adjustment true-up amounts for the period January, 2001 through December, 2001?**

FPU's Position:

Marianna:              \$1,548 (under-recovery)  
Fernandina Beach:    \$92,507 (over-recovery)

**Issue 3:**      **What are the total fuel adjustment true-up amounts to be collected or refunded during the period January, 2002 through December, 2002?**

FPU's Position:

Marianna:              \$62,173 to be collected  
Fernandina Beach:    \$16,863 to be collected

**Issue 4:**      **What are the appropriate levelized fuel adjustment factors, excluding demand cost recovery for the period January, 2002 through December, 2002?**

FPU's Position:

Marianna:              2.333¢/kwh  
Fernandina Beach:    2.095¢/kwh

**Issue 5:**      **What should be the effective date of the new fuel adjustment charge and capacity cost recovery charge for billing purposes?**

FPU's Position:      FPU's approved fuel adjustment and purchased power cost recovery factors should be effective for all meter readings on or after January 1, 2002, beginning with the first or applicable billing cycle for the period January, 2002 through December, 2002.

**Issue 6:** What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPU's Position:

Marianna: All Rate Schedules 1.0000  
Fernandina Beach: All Rate Schedules 1.0000

**Issue 7:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPU's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.04060
GS	\$.04042
GSD	\$.03654
GSLD	\$.03492
OL	\$.02529
SL	\$.02526

Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.03983
GS	\$.03732
GSD	\$.03581
CSL	\$.02591
OL	\$.02591
SL	\$.02591

**Issue 8:** What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January, 2002 through December, 2002?

FPU's Position:

Marianna: 1.00072  
Fernandina Beach: 1.01597

**Issue 20A:** As stated in Audit Disclosure No. 1 in Audit Control No. 01-053-4-2, did Florida Public Utilities Company charge its ratepayers in its GSD class a fuel cost recovery factor that was less than the Commission-approved fuel cost recovery factor for that class?

**FPU's Position:** Florida Public Utilities Company agrees that they under-billed 13 customers in October, November and December of 2000. This occurred in our Marianna Division only. During the October through December 2000 period, the fuel charge was billed at the incorrect rate; the SL customer fuel rate was used for these GSD customers in our Marianna Division. The Commission approved rate for these GSD customers was \$0.3599 per KWH. The rate used for billing purposes for these customers during the October through December 2000 period was \$.02608 per KWH.

**Issue 20B:** If Florida Public utilities Company did charge its ratepayers in its GSD class a fuel cost recovery factor that was less than the Commission-approved fuel cost recovery factor for that class, what are the appropriate corrective actions Florida Public Utilities Company should take?

**FPU's Position:** Florida Public Utilities Company is planning to correct the rates used for these customers and make a billing adjustment on their bills for the under-billed fuel by the end of 2001.

**E. QUESTIONS OF LAW**

None.

**F. POLICY QUESTIONS**

None.

**G. STIPULATED ISSUES**

None.

**H. MOTIONS**

None.

**I. OTHER MATTERS**

None.

Dated this 24th day of October, 2001.

Respectfully submitted,  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 1876  
Tallahassee, Florida 32302-1876

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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 Florida Public Utilities Company's Prehearing Statement in Docket No. 010001-EI have been served by U. S. Mail this 24th day of October, 2001 upon the following:

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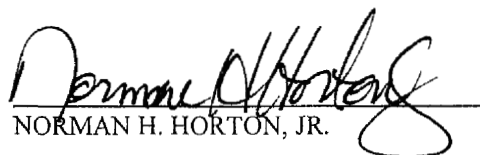
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