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October 23, 2002

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

BY HAND DELIVERY

Re: Docket No. 020004-GU; Florida Public Utilities Company

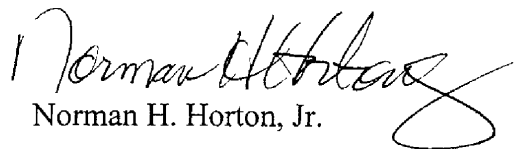
Dear Ms. Bayo:

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 9.0 format.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me in the enclosed self-addressed stamped envelope.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

NHH:amb
Enclosures

cc: Mr. Robert L. Smith
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 020004-GU
Filed: October 23, 2002

**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 20-22, 2002, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Robert L. Smith	Conservation cost recovery and true-up for its consolidated natural gas division	1-3

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ RLS-2 (Composite)	Smith	Schedules CT-1, CT-2, CT-3, CT-4, and CT-5
_____ RLS-3 (Composite)	Smith	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 are the final end-of-period true-up amounts for the period January, 2001, through December, 2001?**

FPU's Position: \$283,183 (underrecovery)

Issue 2: **What are the appropriate conservation cost recovery factors for the period January, 2003 through December, 2003?**

FPU's Position:

Residential	\$0.09003
General Service	\$0.03442
Large Volume Service	\$0.02275
Large Volume Transportation Service	\$0.02275

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, 2003 through December, 2003, 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

None.

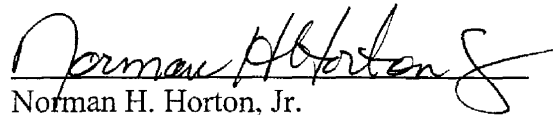
I. OTHER MATTERS

None.

Dated this 23rd day of October, 2002

Respectfully submitted,

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

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

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. 020004-GU have been served by Hand Delivery (*) and/or U. S. Mail this 23rd day of October, 2002 upon the following:

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