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October 24, 2002

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**BY HAND DELIVERY**

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

**ORIGINAL**

Re: Florida Public Utilities Company; Docket No. 020001-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.

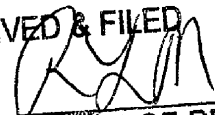
Sincerely,

  
Norman H. Horton, Jr.

NHH/amb  
Enclosures

cc: Mr. George Bachman  
Parties of Record

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Fuel and Purchased Power	)	
Cost Recovery Clause and Generating	)	Docket No. 020001-EI
Performance Incentive Factor.	)	Filed: October 24, 2002
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**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 20-22, 2002, 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)	1-12

**B. EXHIBITS**

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<hr/> GMB-1 and GMB-2 (Composite)	Bachman	Schedules E1, E1-A, E1-B, E1-B1, E2, E7, E8, and E10 (for the Marianna and Fernandina Beach Divisions)

**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, 2001 through December, 2001?**

FPU's Position:

Marianna:              \$88,866 (under-recovery)  
Fernandina Beach:    \$133,516 (over-recovery)

**Issue 2:**      **What are the estimated fuel adjustment true-up amounts for the period January, 2002 through December, 2002?**

FPU's Position:

Marianna:              \$59,133 (under-recovery)  
Fernandina Beach:    \$194,807 (over-recovery)

**Issue 3:**      **What are the total fuel adjustment true-up amounts to be collected or refunded during the period January, 2003 through December, 2003?**

FPU's Position:

Marianna:              \$147,999 to be collected  
Fernandina Beach:    \$328,323 to be refunded

**Issue 4:**      **What are the appropriate levelized fuel adjustment factors, excluding demand cost recovery for the period January, 2003 through December, 2003?**

FPU's Position:

Marianna:              2.248¢/kwh  
Fernandina Beach:    2.272¢/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, 2003, beginning with the first or applicable billing cycle for the period January, 2003 through December, 2003.

**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	\$.03846
GS	\$.03797
GSD	\$.03533
GSLD	\$.03335
OL	\$.02707
SL	\$.02711

Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.03745
GS	\$.03624
GSD	\$.03445
CSL	\$.02955
OL	\$.02955
SL	\$.02955

**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, 2003 through December, 2003?**

FPU's Position:

Marianna:              1.00072  
Fernandina Beach:    1.01597

**Issue 9:** What are the appropriate estimated benchmark levels for calendar year 2003 gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPU's Position: No position at this time.

**Issue 10:** What are the appropriate estimated benchmark levels for calendar year 2003 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPU's Position: No position at this time.

**Issue 11:** Should the Commission authorize each utility to recover voluntary payments of the Gas Research Institute (GRI) surcharge through the fuel and purchased power cost recovery clause?

FPU's Position: No position at this time.

**Issue 12:** Should the Commission require recovery of incremental security costs incurred in response to the terrorist acts committed on and after September 11, 2001, through base rates beginning January 1, 2006, or the effective date of a final order from each utilities next base rate proceedings, whichever comes first?

FPU's Position: No position at this time.

**E. QUESTIONS OF LAW**

None.

**F. POLICY QUESTIONS**

None.

**G. STIPULATED ISSUES**

None.

**H. MOTIONS**

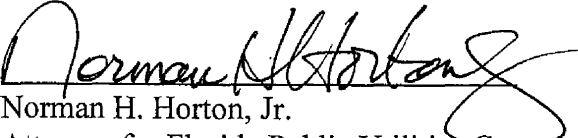
None.

**I. OTHER MATTERS**

None.

Dated this 24th day of October, 2002.

Respectfully submitted,  
MESSER, CAPARELLO & SELF, P.A.  
Post Office Box 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. 020001-EI have been served by Hand Delivery (\*) and/or U. S. Mail this 24th day of October, 2002 upon the following:

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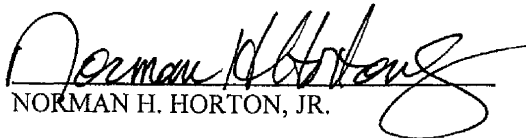
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