

ORIGINAL

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
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Public Service Commission

May 21, 2004

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Norman H. Horton, Jr.
Messer, Caparello & Self
P.O. Box 1876
Tallahassee, FL 32302-1876

Re: Docket No. 040216-GU, Application for a rate increase by Florida Public Utilities Company

Dear Mr. Horton:

We have reviewed the minimum filing requirements (MFRs) submitted on May 10, 2004, on behalf of the above mentioned utility. Rule 25-7.039(1)(a), Florida Administrative Code, requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 10 (11/89), entitled "Investor Owned Natural Gas Utilities Minimum Filing Requirements." The following list are deficiencies pursuant to this rule:

- 1. Schedule B-3 – Rate Base Adjustments, p.6 – Omitted "Regulated Amount" and "Non-Utility Amount" columns.
- 2. Schedule B-5 – Detail of Common Plant, p.12 –Did not fill out this schedule per the instructions. This schedule should show a detailed description of each parcel of land and structure by address of common plant by account. In addition, it should show the 13-month average plant and accumulated depreciation amount allocated to utility and non-utility operations and the allocation basis.
- 3. Schedule B-8 – Construction Work in Progress, p. 18 – Did not provide the calculation of the AFUDC rates, a description of the company policy as to which jobs receive AFUDC or the items on which AFUDC was charged.
- 4. Schedule B-13 – Working Capital, p. 25 – Omitted columns "Non-Utility", "Capital Structure" and "Other".
- 5. Schedule C-4 – Unbilled Revenues, p. 9 – Does not calculate 13-month average included in rate base. It provides only 12 months of data. Further, these amounts should match the amounts reflected in the rate base schedules.

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6. Schedule C-8 – Uncollectible Accounts, p.21 – Does not include column for “Covered by Customer Deposit”.
7. Schedule F-2, – Interim Working Capital, p. 2 - Omitted columns “Non-Utility”, “Capital Structure” and “Other”.
8. Schedule F-3 – Interim Rate Base Adjustments, p.4 – Omitted “Regulated Amount” and “Non-Utility Amount” columns and the reason for the adjustment.
9. Schedule G-1, Calculation of Rate Base (B-2), p. 9 – Did not include 2003 data. Included 2004 and 2005 separately on pages 9 and 10.
10. Schedule G-1 - Rate Base Adjustments (B-3), p.11 – Omitted “Regulated Amount” and “Non-Utility Amount” columns and the reason for the adjustment.
11. Schedule G-1, Detail of Common Plant (B-5), p.23 –Did not include the requested data. This schedule should show each parcel of land and structure by address of common plant by account, the amount allocated to non-utility and total regulated. In addition, it should also show the accumulated depreciation.
12. Schedule G-1, Construction Budget (B-8a), p. 33 – Omitted “Salvage Value” column and did not provide expected dates of completion of projects.
13. Schedule G-3 (D-1) pp. 108 & 109 - Calculation of the Projected Test Year Cost of Capital - both for the projected test year and the projected test year -1, the schedules are not filled out according to the blank MFR schedules. Columns for specific and pro rata adjustments to the capital structure are not presented.
14. Schedule G-3 - Financial Indicators - Calculation of Percentage of Construction Funds Generated Internally - this schedule is not provided.
15. Schedule G-3 Financial Indicators - AFUDC as a Percentage of Income Available for Common - this schedule is not provided.

If any corrections to the above deficiencies require a corresponding change to any schedules, those corrected schedules must also be submitted.

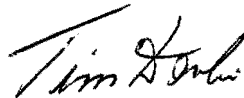
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Pursuant to Section 366.06(3), Florida Statutes, the commencement date for final agency action can not be established. Once the deficiencies are satisfied, the commencement date shall be established. Thus the statutory five month timeframe, pursuant to Section 366.06(4), Florida Statutes, will not begin. Therefore, these corrections should be submitted no later than June 21, 2004.

Sincerely,



Tim Devlin

Director

TD:sm

cc: Division of Commission Clerk and Administrative Services (040216-GU)
Office of General Counsel (Jaeger)
Division of Economic Regulation (Willis, Rendell, Merta)