


COMMISSIONERS: BRAULIO L. BAEZ, CHAIRMAN J. TERRY DEASON LILA A. JABER RUDOLPH "RUDY" BRADLEY CHARLES M. DAVIDSON	STATE OF FLORIDA 	OFFICE OF THE GENERAL COUNSEL RICHARD D. MELSON GENERAL COUNSEL (850) 413-6199
<h1>Public Service Commission</h1>		

July 15, 2004

STAFF'S THIRD DATA REQUEST

JUL 16 AM 10:46
 COMMISSION CLERK
 FPSC

Norman "Doc" Horton, Jr., Esquire
 Messer Law Firm
 P. O. Box 1876
 Tallahassee, FL 32302-1876

Re: Docket No. 040216-GU – Application for Rate Increase by Florida Public Utilities Company.

Dear "Doc":

By this letter, the Commission staff requests that Florida Public Utilities Company (FPUC or utility) provide responses to the following data requests:

40. Why did witnesses Camfield, Cox, and Bachman elect not to apply their DCF analysis to the "non-utility" sample? Using the same assumptions applied in their DCF analysis of the comparable gas utility companies sample, what is the indicated DCF results for the companies in the "non-utility" sample? For purposes of this response, provide a schedule in the same format as Exhibit GB-DC-RC-8A.

- CMP 41. With respect to Exhibit GB-DC-RC-8A, show the inputs and calculation used to convert the
- COM "yield" component into the "adjusted yield" component. Explain why this adjustment is necessary.
- CTR 42. How were the "expected growth" components reported on GB-DC-RC-8A derived? For purposes
- ECR of this response, cite the specific source and the period, historical or forecasted, covered by the
- GCL estimates. If calculations were involved, show the inputs and calculations used to derive the final
- OPC growth estimates used in the DCF analysis.
- MMS 43. Please refer to Exhibit GB-DC-RC-8A. Please explain if the expected growth rate is historical or
- RCA forecasted.
- SCR 44. Please refer to Exhibit GB-DC-RC-8B. How were the stage 1 and stage 2 expectations of cash
- SEC / flow growth derived? In answering, please include the specific source, whether the rate is historical or
- OTH forecasted, and what period it covers.

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45. What is the source of the Betas used in witnesses Camfield, Cox, and Bachman's CAPM analysis?
 46. Please refer to page 8, lines 8 and 9, of the direct testimony of FPUC witnesses Bachman, Cox, and Camfield. Please support the statement that contemporary business, regulatory, and financial risks are higher than in past years for energy utilities. Include cites to workpapers and articles where appropriate.
 47. Does FPUC believe regulatory risks in Florida are increasing or decreasing? Please explain.
 48. Please refer to page 12 of the direct testimony of FPUC witnesses Bachman, Cox, and Camfield. Provide a schedule that shows how all proceeds received from the sale of the water division were used. For purposes of this response, show the total proceeds received and the amounts attributed to the pay-off of the line of credit, the increase to retained earnings, other corporate purposes, etc.
 49. Please refer to Schedule G-3 (D-8) regarding financing plans (page 120 of MFRs). The capital structure objective for short-term debt is from 0% to 5%. Please explain this range and provide any supporting documentation.
 50. Please refer to the testimony of witnesses Bachman, Cox, and Camfield. Refer to page 46 and lines 24 and 25. What is the basis and support for issuance costs of 4.5%? Please include supporting documentation.
 51. What net and gross proceeds does FPUC anticipate from its planned common stock issuance?
 52. Please refer to lines 8 and 9 of page 48 of the testimony of witnesses Bachman, Cox, and Camfield. Please provide the evidence that market pressure is small to non-existent.
 53. Please refer to lines 15 and 16 of page 53 of the testimony of witnesses Bachman, Cox, and Camfield. Please explain the 30 basis points for issuance expense. Show calculations if necessary.
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Norman "Doc" Horton, Jr., Esquire

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Please provide the original and four copies of this requested information to me by the close of business on August 13, 2004. If you have any questions, or if you need any assistance please call me at (850) 413-6234, Pete Lester at (850) 413-6467, or Sam Merta at (850) 413-6427.

Sincerely,



Ralph R. Jaeger

Senior Attorney

RRJ:jb

cc: Division of Economic Regulation (Willis, Baxter, Colson, Draper, Gardner, Haff, Hewitt, Kenny, Kummer, Lester, Maurey, Merta, Rendell, Revell, Springer, Stallcup, Wheeler, Vandiver, Welch, Winters)
Division of Regulatory Compliance and Consumer Assistance (Witman, Fletcher, Hicks)
Division of the Commission Clerk and Administrative Services
Cheryl Martin - Florida Public Utilities Company

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