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October 4, 2004

BY HAND DELIVERY

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

Re: Docket No. 040001-EI

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of Florida Public Utilities Company's Preliminary List of Issues and Positions in the above referenced docket.

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.
Norman H. Horton, Jr.

- CMP _____
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NHH:amb
Enclosures
cc: Mr. George Bachman
Parties of Record

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DOCUMENT NUMBER-DATE
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)	
Cost Recovery Clause and Generating)	Docket No. 040001-EI
Performance Incentive Factor.)	Filed: October 4, 2004
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**FLORIDA PUBLIC UTILITIES COMPANY'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Florida Public Utilities Company ("FPUC"), by and through its undersigned counsel, submits its preliminary list of issues and positions in connection with the hearing that is scheduled for November 8-10, 2004, in the above-styled docket.

ISSUES AND POSITIONS

GENERIC FUEL ADJUSTMENT ISSUES (Witness G. Bachman)

Issue 1: What are the appropriate fuel adjustment true-up amounts for the period January 2003 through December 2003?

FPUC's Position:

Marianna:	\$624,352	(underrecovery)
Fernandina Beach:	\$1,837,973	(overrecovery)

Issue 2: What are the appropriate fuel adjustment true-up amounts for the period January, 2004 through December, 2004?

FPUC's Position:

Marianna:	\$230,633	(underrecovery)
Fernandina Beach:	\$1,907,817	(underrecovery)

Issue 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2005 through December, 2005?

FPUC's Position:

Marianna: \$854,984 (to be collected)
Fernandina Beach: \$69,844 (to be collected)

Issue 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2005 through December 2005?

FPUC's Position:

Marianna: 1.00072
Fernandina Beach: 1.00072

Issue 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2005 through December 2005?

FPUC's Position:

Marianna: \$12,755,509
Fernandina Beach: \$15,140,932

Issue 6: What are the appropriate levelized fuel cost recovery factors for the period January 2005 through December 2005?

FPUC's Position:

Marianna: 2.790¢/kwh
Fernandina Beach: 1.950¢/kwh

Issue 7: 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?

FPUC's Position:

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

Issue 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.04464
GS	\$.04412
GSD	\$.04220
GSLD	\$.04002
OL, OL1	\$.03502
SL, SL2, SL3	\$.03538

Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.03263
GS	\$.03144
GSD	\$.03029
CSL	\$.02956
OL	\$.02185
SL	\$.02208

Issue 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPUC'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, 2005, beginning with the first or applicable billing cycle for the period January, 2005.

Issue 10: What are the appropriate actual benchmark levels for calendar year 2004 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

Issue 11: What are the appropriate estimated benchmark levels for calendar year 2005 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Issue 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2003 through December 2003 for each investor-owned electric utility subject to the GPIF?

FPUC's Position: No position at this time.

Issue 18: What should the GPIF targets/ranges be for the period January 2005 through December 2005 for each investor-owned electric utility subject to the GPIF?

FPUC's Position: No position at this time.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

Issue 23: What are the appropriate capacity cost recovery true-up amounts for the period January 2003 through December 2003?

FPUC's Position: No position at this time.

Issue 24: What are the appropriate capacity cost recovery true-up amounts for the period January 2004 through December 2004?

FPUC's Position: No position at this time.

Issue 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2005 through December 2005?

FPUC's Position: No position at this time.

Issue 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2005 through December 2005?

FPUC's Position: No position at this time.

Issue 27: **What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2005 through December 2005?**

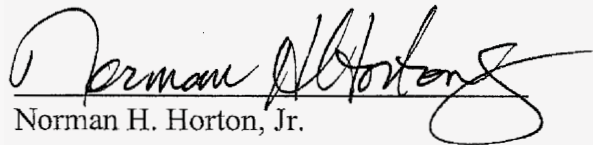
FPUC's Position: No position at this time.

Issue 28: **What are the appropriate capacity cost recovery factors for the period January 2005 through December 2005?**

FPUC's Position: No position at this time.

Dated this 4th day of October, 2004.

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



Norman H. Horton, Jr.

Attorney for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Hand Delivery (*) and/or U. S. Mail this 4th day of October, 2004 upon the following:

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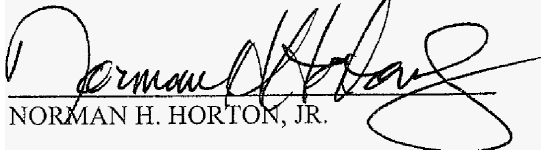
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