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COMMISSION  
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October 18, 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. 040002-EG

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Public Utilities Company in this docket are an original and 10 copies 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 indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,



Norman H. Horton, Jr.

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 CTR \_\_\_\_\_  
 ECR \_\_\_\_\_  
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 DR \_\_\_\_\_  
 J \_\_\_\_\_  
 JH \_\_\_\_\_

NHH:amb  
 Enclosures  
 cc: Mr. Geoffrey Hartman  
 Mr. Mark Cutshaw  
 Ms. Julie Petty  
 Ms. Cheryl Martin  
 Parties of Record

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11216 OCT 18 04

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Energy Conservation Cost     )  
Recovery Clause.                     )  
\_\_\_\_\_ )

Docket No. 040002-EG  
Filed: October 18, 2004

**FLORIDA PUBLIC UTILITIES COMPANY'S  
PREHEARING STATEMENT**

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its prehearing statement for its two electric divisions in connection with the hearing that is scheduled for November 8-10, 2004, in the above-styled docket.

**A. WITNESSES**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Robert L. Smith	Conservation cost recovery true-up	1
Geoffrey Hartman	Conservation cost recovery factor	2-3

**B. EXHIBITS**

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ RLS-1 (Composite)	Smith	True-up calculations and Schedules CT-1, CT-2, CT-3, CT-4, CT-5, and CT-6
_____ GLH-1 (Composite)	Hartman	Schedules C-1, C-2, C-3, C-4, and C-5

**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, 2003, through December, 2003?**

**FPU's Position:**

Marianna:                      \$15,998 (overrecovery)  
Fernandina Beach:        \$90,539 (overrecovery)

**Issue 2:**      **What are the appropriate conservation cost recovery factors for the period January, 2005 through December, 2005?**

**FPU's Position:**      The appropriate conservation cost recovery factor on a consolidated basis is \$.00057.

**Issue 3:**      **What should be the effective date of the conservation cost recovery factors for billing purposes?**

**FPU's Position:**      FPU's approved conservation cost recovery factors should be effective for all meter readings on or after January 1, 2004, beginning with the first or applicable billing cycle for the period January, 2004 through December, 2004.

**FPU's Position:**      The Company does not believe that any adjustments are necessary.

**E. QUESTIONS OF LAW**

None.

**F. POLICY QUESTIONS**

None.

**G. STIPULATED ISSUES**

None.

**H. MOTIONS**

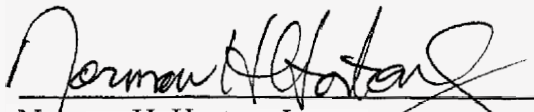
None.

**I. OTHER MATTERS**

None.

Dated this 18<sup>th</sup> day of October, 2004.

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 the foregoing have been served by hand delivery (\*) and/or U. S. Mail this 18<sup>th</sup> day of October, 2004 upon the following:

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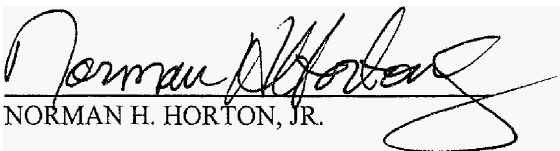
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