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October 17, 2005

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company; Docket No. 050001-EI

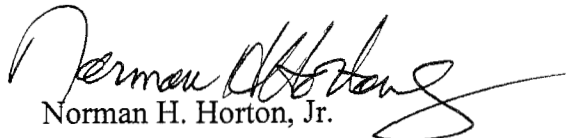
Dear Ms. Bayo:

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 12.0 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: Ms. Cheryl Martin
Parties of Record

DOCUMENT NUMBER-DATE

10031 OCT 17 05

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)	
Cost Recovery Clause and Generating)	Docket No. 050001-EI
Performance Incentive Factor.)	Filed: October 17, 2005
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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 7-9, 2005, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Cheryl Martin	Purchased power cost recovery and true-up (Marianna and Fernandina Beach Divisions)	1 - 11
George Bachman Robert Camfield Mark Cutshaw Cheryl Martin	Panel Testimony addressing surcharge to be added to fuel factor and consolidation of fuel factor for Marianna and Fernandina Beach Divisions	14a - 14d

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<hr/> GMB-1 (Composite)	Martin	Schedules M1, F1, and E1-B (for the Marianna and Fernandina Beach Divisions)
<hr/> CMM-2 (Composite)	Martin	Revised Schedules E1-A, E1-B, and E1-B1 (for the Marianna and Fernandina Beach Divisions)

CMM-3	Bachman Camfield Cutshaw Martin	Schedules E1, E1-A, E2, E7 and E10 (for the Marianna Divisions) and Schedule E1, E1-A, E2, E7, E8 and E10 (for the Fernandina Division)
CMM-4	Bachman Camfield Cutshaw Martin	Redacted Projection of Surcharge
CMM-5	Bachman Camfield Cutshaw Martin	Schedule E-1 with Surcharge for Consolidated Electric Divisions
CMM-6	Bachman Camfield Cutshaw Martin	Schedules E1, E1-A, E2, E7, E8 and E10 for Consolidated Electric Divisions
BMCC-1	Bachman Camfield Cutshaw Martin	Phase In Plan Summary and Anticipated Rate Shock Impacts, 2008 (for the Marianna and Fernandina Beach Divisions)
BMCC-2	Bachman Camfield Cutshaw Martin	Projections of Wholesale Electricity Prices
BMCC-3	Bachman Camfield Cutshaw Martin	Demand and Supply Summary

<u>BMCC-4</u>	Bachman Camfield Cutshaw Martin	Central Appalachian Coal Futures
<u>BMCC-5</u>	Bachman Camfield Cutshaw Martin	Capacity Margins of U. S. Regions
<u>BMCC-6</u>	Bachman Camfield Cutshaw Martin	Comparison of Retail Electric Prices
<u>BMCC-7</u>	Bachman Camfield Cutshaw Martin	Historical View of Primary Fuel Prices

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 fuel adjustment true-up amounts for the period January 2004 through December 2004?

FPU's Position:

Marianna:	\$966,961	(underrecovery)
Fernandina Beach:	\$466,181	(underrecovery)

Issue 2: **What are the appropriate estimated fuel adjustment true-up amounts for the period January 2005 through December 2005?**

FPU's Position:

Marianna: \$246,528 (underrecovery)
Fernandina Beach: \$489,390 (underrecovery)

Issue 3: **What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2006 through December 2006?**

FPU's Position:

Consolidated: \$285,297 (to be collected)

Issue 4: **What are the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2006 through December 2006?**

FPU's Position:

Consolidated: 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 2006 through December 2006?**

FPU's Position:

Consolidated: \$29,046,444

Issue 6: **What are the appropriate levelized fuel cost recovery factors for the period January 2006 through December 2006?**

FPU's Position:

Consolidated: 2.278¢/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?

FPU's Position:

Consolidated: 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?

FPU's Position:

Consolidated:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.03890
GS	\$.03839
GSD	\$.03576
GSLD	\$.03376
OL, OL1	\$.02737
SL, SL2, SL3	\$.02724

Issue 9: What should be the effective date of the 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, 2006, beginning with the first or applicable billing cycle for the period January, 2006.

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?

FPU'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.

Issue 14A: Has Florida Public Utilities Company made the adjustments as noted in Audit Exception No. 1 to Audit No. 05-028-4-2 to its Northeast Division's fuel revenues?

FPUC's Position: Yes.

Issue 14B: What is the appropriate regulatory treatment for fees paid to Christensen and Associates to perform FPUC's request for proposals for wholesale capacity and energy commencing 2008 and develop a rate-smoothing surcharge for 2006 and 2007?

FPUC's Position: Fees paid to Christensen Associates are appropriate for inclusion in the fuel adjustment factor.

ISSUE 14C: Should the Commission grant Florida Public Utilities Company's request to adopt a surcharge to its fuel factor(s) to phase in future higher wholesale capacity and energy costs, expected to begin in January 2008?

FPUC's Position: Yes. If approved the true-up amounts and factors to be applied should be adjusted to reflect the surcharge.

Issue 14D: Should the Commission grant Florida Public Utilities Company's request to adopt a consolidated fuel factor for its two divisions?

FPUC's Position: Yes.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

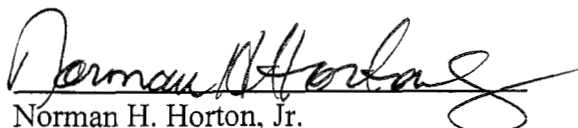
Florida Public Utilities Company's Motion for Protective Order filed October 13, 2005.

I. OTHER MATTERS

None.

Dated this 17th day of October, 2005.

Respectfully submitted,
MESSER, CAPARELLO & SELF, P.A.
Post Office Box 1876
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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 17th day of October, 2005 upon the following:

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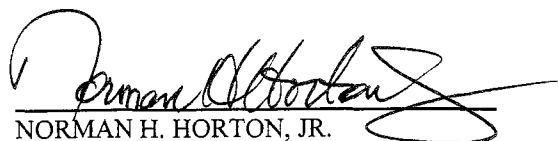
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