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October 17, 2005

BY HAND DELIVERY

Ms. Blanca Bayó, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 050002-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 12.0 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.

NHH:amb

Enclosures

cc: Mr. Geoffrey Hartman
Mr. Marc S. Seagrave
Parties of Record

DOCUMENT NUMBER-DATE

10032 OCT 17 05

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost)
Recovery Clause.)
_____)

Docket No. 050002-EG
Filed: October 17, 2005

**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 7-9, 2005, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Marc S. Seagrave	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>
_____ MSS-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 2004, through December 2004?**

FPU's Position:

Marianna: \$30,513 (underrecovery)
Fernandina Beach: \$162,345 (overrecovery)

Issue 2: **What are the appropriate conservation cost recovery factors for the period January 2006 through December 2006?**

FPU's Position: The appropriate conservation cost recovery factor on a consolidated basis is \$.00047.

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, 2006, beginning with the first or applicable billing cycle for the period January 2006 through December 2006.

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

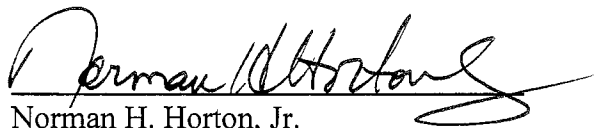
None.

I. OTHER MATTERS

None.

Dated this 17th day of October, 2005.

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 U. S. Mail this 17th day of October, 2005 upon the following:

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