

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Public Utilities)
Company for a Rate Increase)
_____)

Docket No. 070304-EI
Date Filed: August 30, 2007

PETITION FOR INTERIM RATE RELIEF

Florida Public Utilities Company ("Petitioner" or the "Company"), by and through the undersigned, and pursuant to Section 366.071, Florida Statutes, herewith files its Petition for Interim Rate Relief requesting an interim increase in its rates to produce an additional \$790,884 on an annual basis. In support thereof Petitioner states:

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COMMISSION
CLERK

- 1. The name and address of the Petitioner are:

Florida Public Utilities Company
Post Office Box 3395
West Palm Beach, Florida 33402-3395

- 2. The names and addresses of the persons authorized to receive notices and communications with respect to this petition are:

Norman H. Horton, Jr.
Messer, Caparello & Self, P. A.
2618 Centennial Place
Post Office Box 15579
Tallahassee, FL 32317-5579

Ms. Cheryl Martin
Controller
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, Florida 33402-3395

- 3. Concurrently with this filing, the Company has filed with the Florida Public Service Commission ("Commission") its Petition for Rate Relief in the amount of \$5,249,895 pursuant to Section 366.06, Florida Statutes. The Petition for Rate Relief is accompanied by prepared testimony of witnesses supporting the permanent and interim request, new rate schedules adjusting the rates and charges of the Company to provide the additional annual gross

revenues in the amount of \$5,249,895, as well as by the Minimum Filing Requirements (“MFRs”) with data supporting both the permanent and interim relief with data required by Rules 25-6.043 and 25-6.0435, Florida Administrative Code. The Petition for permanent rate relief uses the projected 12-month period ending December 31, 2008 as the test year and the request for interim relief utilizes the historic 12-month period ending December 31, 2006.

4. In its last rate proceeding, the Company used a test year ending December 31, 2004 as the test year for rate relief. By Order No. 04-0369-AS-EI, issued April 6, 2004, the Commission authorized an increase in rates and charges and set the midpoint of the rate of return to be earned by the Company upon its projected rate base at 7.86% using a return on equity with a midpoint of 11.50% and a range of 10.50% to 12.50%.

5. The Company is now and has been earning below the range of reasonableness as determined in the last rate proceeding. For the interim test year ended December 31, 2006, the achieved rate of return was 6.51%. This was calculated by applying appropriate adjustments consistent with those which were used in the most recent rate case. To give the Company an opportunity to earn the minimum of the range of the last authorized rate of return on equity of 10.50% as set by the Commission, rates should be increased by \$790,784 on an annual basis. A summary of this calculation is attached hereto as Exhibit “A” and by this referenced made a part hereof.

6. The Company has demonstrated in its Petition for Rate Relief that it is entitled to the relief requested therein but should the Commission not consent to the increase as requested then it is submitted that there has been a demonstration through the attached summary and data submitted as required by Rule 25-6.0435, Florida Administrative Code, that it is entitled to interim rate relief pursuant to Section 366.071, Florida Statutes. Accordingly, the Commission

should authorize the Company to increase its rates by \$790,784 to afford it the opportunity to earn within the range as last authorized by the Commission. Authorization for such increases is required within 60 days of the filing of this petition, and the Company requests an early review and disposition of this request.

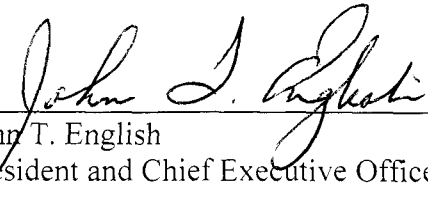
7. Section 366.071, Florida Statutes, requires that the difference between the interim rates and the previously authorized rates be collected under bond or corporate undertaking subject to refund with interest at a rate determined in accordance with Rule 25-7.040(3), Florida Administrative Code. The Company submits that it has the requisite financial, capital and managerial assets necessary to utilize the corporate undertaking and thus requests that the difference be collected subject to corporate undertaking.

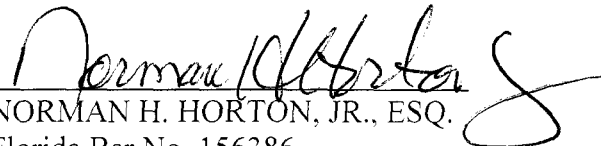
WHEREFORE, Florida Public Utilities Company requests that, pending final action by the Commission on the Petition for permanent rate relief, the Commission will:

- a. Authorize the Company to place in effect on an interim basis an increase in rates sufficient to earn a rate of return of 7.80% which is the minimum of the range of rate of return calculated in accordance with paragraph (5)(b)2 of Section 366.071, Florida Statutes;
- b. Authorize the Company to collect an additional \$790,784 on an interim basis; and
- c. Authorize the difference between the interim rates and the previously authorized rates be collected under corporate undertaking subject to refund with interest.

Respectfully submitted,

FLORIDA PUBLIC UTILITIES COMPANY

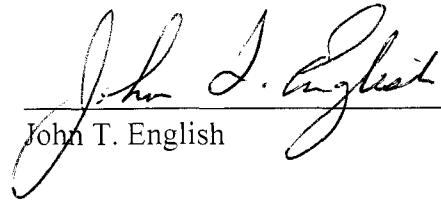
By: 
John T. English
President and Chief Executive Officer


NORMAN H. HORTON, JR., ESQ.
Florida Bar No. 156386
MESSER, CAPARELLO & SELF, P.A.
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Attorneys for Florida Public Utilities Company

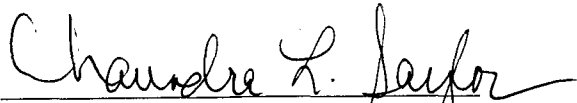
STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared John T. English, who, being first duly sworn, says that he is the President and Chief Executive Officer of Florida Public Utilities Company, is fully qualified and acting in that capacity, and is authorized to execute the foregoing petition for said company and to make this oath thereto; that the matters and things stated in said petition are true to the best of his knowledge and belief, and that insofar as they are derived from or depend on the knowledge of others, he verily believes them to be true.

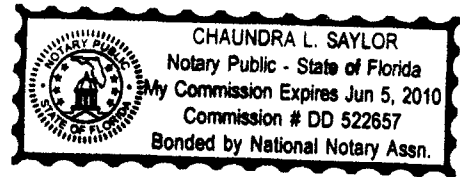


John T. English

Sworn to and subscribed before me, the undersigned authority, this 23rd day of August, 2007 by John T. English, President and Chief Executive Officer of Florida Public Utilities, who is personally known to me.



Notary Public, State of Florida at Large
My Commission Expires: Chaundra L. Saylor



Calculation of Interim Rate Relief

	<u>Adjusted</u>
Adjusted Rate Base	\$38,057,241
Required Rate of Return	<u>X 7.80%</u>
Net Operating Income Required	\$ 2,968,465
Less: Adjusted Net Operating Income	<u>\$ 2,476,531</u>
Net Operating Income Deficiency	\$ 491,934
Expansion Factor	<u>X 1.6075</u>
Revenue Deficiency	<u>\$ 790,784</u>