

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.

DOCKET NO. 070300-EI

In re: Petition for rate increase by Florida Public Utilities Company.

DOCKET NO. 070304-EI

ISSUED: JANUARY 31, 2008

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STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-07-0804-PCO-EI, filed October 3, 2007, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Kathy L. Welch.

b. All Known Exhibits

Exhibits KLW-1 and KLW-2 to the direct testimony of Kathy L. Welch.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

STORM HARDENING AND RULE 25-6.0342, F.A.C.

ISSUE 1: Does the Company's Plan address the extent to which, at a minimum, the Plan complies with the National Electric Safety Code (ANSI C-2) [NESC] that is applicable pursuant to subsection 25-6.0342, F.A.C.? [Rule 25-6.0342(3)(a)]

POSITION: Staff has no position at this time.

ISSUE 2: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for new distribution facility construction? [Rule 25-6.0342(3)(b)1]

POSITION: Staff has no position at this time.

- CMP \_\_\_\_\_
- COM 5
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
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- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC \_\_\_\_\_
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**ISSUE 3:** Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction? [Rule 25-6.0342(3)(b)2]

**POSITION:** Staff has no position at this time.

**ISSUE 4:** Does the Company's Plan reasonably address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations? [Rule 256.0342(3)(b)3]

**POSITION:** Staff has no position at this time.

**ISSUE 5:** Does the Company's Plan address the extent to which its distribution facilities are designed to mitigate damage to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges? [Rule 25-6.0342(3)(c)]

**POSITION:** Staff has no position at this time.

**ISSUE 6:** Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance pursuant to Rule 25- 6.0341, F.A.C? [Rule 25-6.0342(3)(d)]

**POSITION:** Staff has no position at this time.

**ISSUE 7:** Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed? [Rule 25-6.0342(4)(a)]

**POSITION:** Staff has no position at this time.

**ISSUE 8:** Does the Company's Plan provide a detailed description of the communities and areas within the utility's service area where the electric infrastructure

improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3. are to be made? [Rule 25-6.0342(4)(b)]

**POSITION:** Staff has no position at this time.

**ISSUE 9:** Does the Company's Plan provide a detailed description of the extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist? [Rule 25-6.0342(4)(c)]

**POSITION:** Staff has no position at this time.

**ISSUE 10:** Does the Company's Plan provide a reasonable estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages? [Rule 25-6.0342(4)(d)]

**POSITION:** Staff has no position at this time.

**ISSUE 11:** Does the Company's Plan provide an estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers? [Rule 25-6.0342(4)(e)]

**POSITION:** Staff has no position at this time.

**ISSUE 12:** Does the Company's Plan include written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedures for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable pursuant to Rule 25-6.034, F.A.C.? [Rule 25-6.0342(5)]

**POSITION:** Staff has no position at this time.

**ISSUE 13:** Based on the resolution of the preceding issues, should the Commission find that the Company's Plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties? [Rule 25-6.0342(1) and (2)]

**POSITION:** Staff has no position at this time.

**10 POINT STORM PREPAREDNESS INITIATIVES**

**ISSUE 14:** Should the Commission approve FPUC's request to implement a 3/6 tree trimming cycle instead of a 3/3 cycle? (S-New)

**POSITION:** Staff has no position at this time.

**ISSUE 15:** Has FPUC complied with the Commission's 10 point initiatives? (S-New)

**POSITION:** Staff has no position at this time.

**COSTS FOR STORM HARDENING AND 10 POINT INITIATIVES**

**ISSUE 16:** Is the company's projected plan to accelerate the replacement of the existing wood 69 kv transmission system with concrete poles reasonable and cost-effective and if not, what adjustments are necessary to the company's projected test year rate base? (O-7)

**POSITION:** Staff has no position at this time.

**ISSUE 17:** Should amortization expense be increased by \$354,600 annually to offset the projected \$7,092,000 total cost of FPUC's proposed 20 year storm hardening project to replace its wood transmission poles with concrete poles? (S-66)

**POSITION:** Staff has no position at this time.

**ISSUE 18:** Should Account 593, Maintenance of Overhead Lines, be increased by \$352,260 for three additional tree trimming crews? (S-60 & S-62)

**POSITION:** Staff has no position at this time.

**ISSUE 19:** Should Account 593, Maintenance of Overhead Lines, be increased by \$219,833 for pole inspections? (S-63)

**POSITION:** Staff has no position at this time.

**ISSUE 20:** Should Account 593, Maintenance of Overhead Lines, be increased by \$27,000 for the development and implementation for Post Storm Data Collection and Forensic Review? (S-64)

**POSITION:** Staff has no position at this time.

**ISSUE 21:** What is the appropriate amount of annual NURC expense for transmission access? (O-57)

**POSITION:** Staff has no position at this time.

**ISSUE 22:** Is the company's requested additional expense for transmission inspections reasonable and supported, and if not, what adjustment should be made? (O-61)

**POSITION:** Staff has no position at this time.

**ISSUE 23:** Is the company's request for an additional employee to handle joint-use audits reasonable and supported, and if so, what is the appropriate amount of test year expense? (O-63)

**POSITION:** Staff has no position at this time.

**ISSUE 24:** Is the company's request for contractor expense to handle joint pole inspections reasonable and supported, and if not, what adjustments should be made? (O-64)

**POSITION:** Staff has no position at this time.

**ISSUE 25:** Is the company's request for recovery of additional expense to inspect and test substation equipment costs reasonable and supported, and if not, what adjustments are necessary? (O-59)

**POSITION:** Staff has no position at this time.

**ISSUE 26:** Is the company's request for recovery of an additional expense to provide personnel for the two county emergency operating centers reasonable, supported and annually recurring, and if not, what adjustment should be made? (O-67)

**POSITION:** Staff has no position at this time.

**ISSUE 27:** Is the company's request for an additional expense for maintenance of the automated mapping/facilities mapping (AM/FM) systems software reasonable and supported, and if not, what adjustment should be made? (O-68)

**POSITION:** Staff has no position at this time.

**ISSUE 28:** Is the company's request for increased travel and PURC costs reasonable and supported, and if not, what adjustment should be made? (O-62)

**POSITION:** Staff has no position at this time.

**ISSUE 29:** What adjustments, if any, should be made to rate base associated with the storm hardening Rule 25-6.0342 and 10 point initiatives requirements? (S-26)

**POSITION:** Staff has no position at this time.

**ISSUE 30:** What adjustments, if any, should be made to operating expenses associated with the storm hardening Rule 25-6.0342 and 10 point initiatives requirements? (S-61)

**POSITION:** Staff has no position at this time.

#### **TEST PERIOD**

**ISSUE 31:** Are the historical test year ended December 31, 2006, and the projected test year ending December 31, 2008, the appropriate test years to be utilized in this docket? (S-New)

**POSITION:** Staff has no position at this time.

**ISSUE 32:** Are FPUC's forecasts of Customers, KWH and KW by Rate Class for the projected 2008 test year appropriate? (S-1)

**POSITION:** Staff has no position at this time.

#### **QUALITY OF SERVICE**

**ISSUE 33:** Is the quality of electric service provided by FPUC adequate? (S-2)

**POSITION:** Staff has no position at this time.

#### **RATE BASE**

**ISSUE 34:** Has the Company removed all non-utility activities from rate base? (S-3)

**POSITION:** Staff has no position at this time.

**ISSUE 35:** Should the company's request to receive a full 13-month average recovery for a transformer that is not projected to be placed in service until the 2008 test year be approved? (O-2)

**POSITION:** Staff has no position at this time.

**ISSUE 36:** Has the company provided sufficient evidence to support its projected plant additions for the 2008 test year? (O-1)

**POSITION:** Staff has no position at this time.

**ISSUE 37:** Is FPUC's requested level of Plant in Service in the amount of \$79,641,581 for the December 2008 projected test year appropriate? (S-4)

**POSITION:** Staff has no position at this time.

**ISSUE 38:** Is the FPUC's requested level of Common Plant Allocated in the amount of \$1,853,396 for the December 2008 projected test year appropriate? (S-5)

**POSITION:** Staff has no position at this time.

**ISSUE 39:** Should an adjustment be made for Plant Retirements for the projected test year? (S-7)

**POSITION:** Staff has no position at this time.

**ISSUE 40:** What adjustments, if any, should be made to accumulated depreciation to reflect the Commission's decision in Docket No. 070382-EI? (S-8) (O-3)

**POSITION:** Staff has no position at this time.

**ISSUE 41:** Is FPUC's requested level of accumulated depreciation for Plant in Service in the amount of \$35,667,257 for the December 2008 projected test year appropriate? (S-9)

**POSITION:** Staff has no position at this time.

**ISSUE 42:** Is FPUC's requested level of accumulated depreciation for Common Plant Allocated in the amount of \$660,224 for the December 2008 projected test year appropriate? (S-10)

**POSITION:** Staff has no position at this time.

**ISSUE 43:** Is FPUC's requested level of Construction Work in Progress in the amount of \$75,000 for December 2008 projected test year appropriate? (S-11)

**POSITION:** Staff has no position at this time.

**ISSUE 44:** What is the appropriate projection methodology and balance of cash to be included in the 2008 working capital requirement? (O-10)

**POSITION:** Staff has no position at this time.

**ISSUE 45:** What is the appropriate balance of special deposits to be included in the 2008 working capital requirement? (O-9)

**POSITION:** Staff has no position at this time.

**ISSUE 46:** Has the company implemented all existing and available means through Rule 25-6.097, Florida Administrative Code, and the company's customer deposit policy during 2006 and 2007 to lessen the amount of uncollectible accounts that currently exist? (O-54)

**POSITION:** Staff has no position at this time.

**ISSUE 47:** Has the Company estimated an appropriate balance in its accumulated provision for uncollectible accounts? (S-14)

**POSITION:** Staff has no position at this time.

**ISSUE 48:** Should an adjustment be made to prepaid pension expense in the calculation of working capital? (S-15)

**POSITION:** Staff has no position at this time.

**ISSUE 49:** What is the appropriate balance of regulatory assets retirement plan to be included in working capital? (O-14)

**POSITION:** Staff has no position at this time.

**ISSUE 50:** Is the balance for prepaid insurance which is allocated to the electric operations based on an appropriate allocation methodology? (S-16)



**POSITION:** Staff has no position at this time.

**ISSUE 51:** What is the appropriate balance of accounts receivable to be included in working capital? (O-12)

**POSITION:** Staff has no position at this time.

**ISSUE 52:** What is the appropriate balance of unbilled revenue to be included in working capital? (O-19)

**POSITION:** Staff has no position at this time.

**ISSUE 53:** What is the appropriate balance of temporary services to be included in working capital? (O-15)

**POSITION:** Staff has no position at this time.

**ISSUE 54:** Is the Company's working capital treatment of over and under recovery of fuel and conservation costs appropriate? (S-19)

**POSITION:** Staff has no position at this time.

**ISSUE 55:** Should Accounts Payable be increased to correct a posting error? (S-20)

**POSITION:** Staff has no position at this time.

**ISSUE 56:** What is the appropriate balance of deferred debit rate case expense to be included in working capital? (O-16)

**POSITION:** Staff has no position at this time.

**ISSUE 57:** What is the appropriate balance of deferred debits other to be included in working capital? (O-18)

**POSITION:** Staff has no position at this time.

**ISSUE 58:** Has the Company properly estimated its materials and supplies expense? (S-21)

**POSITION:** Staff has no position at this time.

**ISSUE 59:** Has the Company properly estimated its injuries and damage reserve? (S-22)

**POSITION:** Staff has no position at this time.

**ISSUE 60:** Is FPUC's request to increase its storm damage reserve and annual accrual appropriate? (S-23)

**POSITION:** Staff has no position at this time.

**ISSUE 61:** Should Taxes Accrued - Gross Receipts Tax be reduced to remove the portion related to non-electric operations? (S-24)

**POSITION:** Staff has no position at this time.

**ISSUE 62:** Is FPUC's requested level of Working Capital in the amount of a negative \$1,310,654 for the December 2008 projected test year appropriate? (S-25)

**POSITION:** Staff has no position at this time.

**ISSUE 63:** What is the test year balance of working capital? (O-20)

**POSITION:** Staff has no position at this time.

**ISSUE 64:** Is FPUC's requested rate base in the amount of \$43,020,996 for the December 2008 projected test year appropriate? (S-27)

**POSITION:** Staff has no position at this time.

#### **COST OF CAPITAL**

**ISSUE 65:** What is the appropriate return on common equity for the projected test year? (S-28)

**POSITION:** Staff has no position at this time.

**ISSUE 66:** Has the company supported its requested deviation from using a matching thirteen-month average test year cost of capital and rate base with its use of a year-end capital structure reconciled to a 13-month average rate base? (O-21)

**POSITION:** Staff has no position at this time.

**ISSUE 67:** What is the appropriate interest coverage ratio to be used in calculating the cost of long-term debt for the test year? (O-22)

**POSITION:** Staff has no position at this time.

**ISSUE 68:** What is the appropriate projected cost rate for long-term debt? (O-23)

**POSITION:** Staff has no position at this time.

**ISSUE 69:** What is the appropriate projected cost rate for short-term debt? (O-24)

**POSITION:** Staff has no position at this time.

**ISSUE 70:** Should the company's request to change the amortization methodology for deferred income taxes from the average rate assumption method (ARAM) to the straight-line method be approved? (O-26)

**POSITION:** Staff has no position at this time.

**ISSUE 71:** What is the appropriate amount of accumulated deferred taxes to include in the capital structure? (S-29)

**POSITION:** Staff has no position at this time.

**ISSUE 72:** What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure? (S-30)

**POSITION:** Staff has no position at this time.

**ISSUE 73:** Does the Company's 2008 projected capital structure reflect deferred taxes resulting from common plant? (S-31)

**POSITION:** Staff has no position at this time.

**ISSUE 74:** What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the test year ending December 31, 2008? (S-32)

**POSITION:** Staff has no position at this time.

**NET OPERATING INCOME**

**ISSUE 75:** Should an adjustment be made to remove Franchise Fees from operating revenues and taxes other than income? (S-33)

**POSITION:** Staff has no position at this time.

**ISSUE 76:** Should an adjustment be made to remove the gross receipts tax from operating revenues and taxes other than income? (S-34)

**POSITION:** Staff has no position at this time.

**ISSUE 77:** Has the Company properly estimated an appropriate amount of forfeited discounts in calculating the revenues for 2008? (S-35)

**POSITION:** Staff has no position at this time.

**ISSUE 78:** Has FPUC made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause? (S-36)

**POSITION:** Staff has no position at this time.

**ISSUE 79:** Has FPUC made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause? (S-37)

**POSITION:** Staff has no position at this time.

**ISSUE 80:** What is the appropriate projected test year miscellaneous service revenue? (O-30)

**POSITION:** Staff has no position at this time.

**ISSUE 81:** What is the appropriate projected test year temporary service revenue? (O-31)

**POSITION:** Staff has no position at this time.

**ISSUE 82:** What is the appropriate amount for projected rent from electric property? (O-33)

**POSITION:** Staff has no position at this time.

**ISSUE 83:** Is FPUC's projected level of Total Operating Revenues in the amount of \$17,186,965 for the December 2008 projected test year appropriate? (S-38)

**POSITION:** Staff has no position at this time.

**ISSUE 84:** What are the appropriate escalation factors for use in forecasting the test year budget? (S-39)

**POSITION:** Staff has no position at this time.

**ISSUE 85:** Are the trend rates used by FPUC to calculate projected O&M expenses appropriate? (S-40)

**POSITION:** Staff has no position at this time.

**ISSUE 86:** Is the company's requested additional cost for the audit of inventory, cash and other processes reasonable and supported, and if not, what adjustment is necessary? (O-38)

**POSITION:** Staff has no position at this time.

**ISSUE 87:** Is the company's request for an additional new position for internal control and the Sarbanes Oxley compliance costs reasonable and supported, and if so, what are the appropriate test year expenses? (O-39)

**POSITION:** Staff has no position at this time.

**ISSUE 88:** Is the company's requested increase in lock box expense reasonable and supported, and if not, what adjustment is necessary? (O-40)

**POSITION:** Staff has no position at this time.

**ISSUE 89:** What is the appropriate amount of test year internal and external audit fees? (O-42)

**POSITION:** Staff has no position at this time.

**ISSUE 90:** Is the company's requested increase in janitorial, elevator, air conditioning and landscaping expense reasonable and supported, and if not, what adjustment is necessary? (O-43)

**POSITION:** Staff has no position at this time.

**ISSUE 91:** Is the company's requested increase in costs "to keep managers informed on various issues" reasonable and supported, and if not, what adjustment is necessary? (O-44)

**POSITION:** Staff has no position at this time.

**ISSUE 92:** Should an adjustment be made to Other Professional Services for the December 2008 projected test year? (S-41)

**POSITION:** Staff has no position at this time.

**ISSUE 93:** Should an adjustment be made to Advertising Expense for the December 2008 projected test year? (S-42)

**POSITION:** Staff has no position at this time.

**ISSUE 94:** Is the company's requested increase in customer information expense reasonable and supported, and if not what adjustments are appropriate? (O-53)

**POSITION:** Staff has no position at this time.

**ISSUE 95:** Has FPUC made the appropriate adjustments to remove Lobbying expenses, Other Political Expenses and Charitable expenses from the December 2008 projected test year? (S-43)

**POSITION:** Staff has no position at this time.

**ISSUE 96:** Should an adjustment be made to FPUC's requested level of Salaries and Employee Benefits for the December 2008 projected test year? (S-44)

**POSITION:** Staff has no position at this time.

**ISSUE 97:** Is the company's requested salary adjustment for executives reasonable and supported, and if not, what adjustment is necessary? (O-35)

**POSITION:** Staff has no position at this time.

**ISSUE 98:** Should an adjustment be made to Account 920, Administrative and General Salaries, to reflect the appropriate allocation factor? (S-45)

**POSITION:** Staff has no position at this time.

**ISSUE 99:** Is the Company's 2008 projection for medical expense appropriate? (S-46)

**POSITION:** Staff has no position at this time.

**ISSUE 100:** Should an adjustment be made to Other Post Employment Benefits Expense for the December 2008 projection for medical expense? (S-47)

**POSITION:** Staff has no position at this time.

**ISSUE 101:** What is the appropriate amount of annual storm expense accrual? (O-56)

**POSITION:** Staff has no position at this time.

**ISSUE 102:** Should an adjustment be made to the accrual for property damage for the December 2008 projected test year? (S-48)

**POSITION:** Staff has no position at this time.

**ISSUE 103:** What is the appropriate amount for projected general liability expense? (O-45)

**POSITION:** Staff has no position at this time.

**ISSUE 104:** What is the appropriate amount of test year property insurance? (O-46)

**POSITION:** Staff has no position at this time.

**ISSUE 105:** Is the Company's 2008 projection for Insurance Costs appropriate? (S-49)

**POSITION:** Staff has no position at this time.

**ISSUE 106:** Should an adjustment be made to the accrual for the Injuries & Damages Reserve for the December 2008 projected test year? (S-50)

**POSITION:** Staff has no position at this time.

**ISSUE 107:** Should the Company be allowed to charge its customers for the projected economic development donations? (S-51)

**POSITION:** Staff has no position at this time.

**ISSUE 108:** Is the amount projected for 2008 economic development donations reasonable? (S-52)

**POSITION:** Staff has no position at this time.

**ISSUE 109:** Is the level of overhead cost allocation for the 2008 projected test year appropriate? (S-53)

**POSITION:** Staff has no position at this time.

**ISSUE 110:** Should Account 903, Customer Records and Collection Expenses, be increased to reflect an increase in postage expense? (S-54)

**POSITION:** Staff has no position at this time.

**ISSUE 111:** Should Account 903, Customer Records and Collection Expenses, be reduced to remove costs related to propane, merchandising and jobbing, and conservation? (S-55)

**POSITION:** Staff has no position at this time.

**ISSUE 112:** What is the appropriate total amount, amortization period and test year expense for Rate Case Expense for the December 2008 projected test year? (S-56)

**POSITION:** Staff has no position at this time.

**ISSUE 113:** What is the appropriate period for the amortization of rate case expense? (S-57)

**POSITION:** Staff has no position at this time.

**ISSUE 114:** Should an adjustment be made to uncollectible expense in Account 904, Uncollectible Accounts, for the December 2008 projected test year? (S-58)

**POSITION:** Staff has no position at this time.

**ISSUE 115:** Should an adjustment be made to Pension Expense for the December 2008 projected test year? (S-59)

**POSITION:** Staff has no position at this time.



**ISSUE 116:** What is the appropriate amount of test year maintenance of station equipment? (O-49)

**POSITION:** Staff has no position at this time.

**ISSUE 117:** What is the appropriate amount of test year maintenance of poles and towers? (O-50)

**POSITION:** Staff has no position at this time.

**ISSUE 118:** What is the appropriate amount of test year maintenance of overhead conductors? (O-51)

**POSITION:** Staff has no position at this time.

**ISSUE 119:** Is the company's request for recovery of tree replacement costs reasonable and supported, and if not, what adjustments are necessary? (O-58)

**POSITION:** Staff has no position at this time.

**ISSUE 120:** Is the company's request for recovery of an additional expense to promote growth within the community reasonable and supported, and if not, what adjustments are necessary? (O-60)

**POSITION:** Staff has no position at this time.

**ISSUE 121:** Is FPUC's requested level of O&M Expense - Other in the amount of \$10,081,391 for the December 2008 projected test year appropriate? (S-65)

**POSITION:** Staff has no position at this time.

**ISSUE 122:** What adjustments, if any, should be made to the December 2008 projected test year depreciation expense to reflect the Commission's decisions regarding the depreciation study filed in Docket No. 070382-EI? (S-68)

**POSITION:** Staff has no position at this time.

**ISSUE 123:** What is the appropriate amount of Depreciation Expense for the December 2008 projected test year? (S-67)

**POSITION:** Staff has no position at this time.

**ISSUE 124:** Should an adjustment be made to Taxes Other Than Income Taxes for the December 2008 projected test year? (S-70)

**POSITION:** Staff has no position at this time.

**ISSUE 125:** Should an adjustment be made to Income Tax expense for the December 2008 projected test year? (S-71)

**POSITION:** Staff has no position at this time.

**ISSUE 126:** Is FPUC's projected Net Operating Income in the amount of \$206,341 for the December 2008 projected test year appropriate? (S-72)

**POSITION:** Staff has no position at this time.

#### **REVENUE REQUIREMENTS**

**ISSUE 127:** What is the appropriate net operating income multiplier for FPUC? (S-73)

**POSITION:** Staff has no position at this time.

**ISSUE 128:** Is FPUC's requested annual operating income increase of \$5,249,895 for the December 2008 projected test year appropriate? (S-74)

**POSITION:** Staff has no position at this time.

#### **COST OF SERVICE AND RATE DESIGN**

**ISSUE 129:** Are FPUC's estimated revenues from sales of electricity by rate class at present rates for the projected test year appropriate? (S-75)

**POSITION:** Staff has no position at this time.

**ISSUE 130:** What is the appropriate cost of service methodology to be used in designing FPUC's rates? (S-76)

**POSITION:** Staff has no position at this time.

**ISSUE 131:** If a revenue increase is granted, how should the increase be allocated to rate classes? (S-77)

**POSITION:** Staff has no position at this time.

**ISSUE 132:** What are the appropriate customer charges? (S-78)

**POSITION:** Staff has no position at this time.

**ISSUE 133:** What are the appropriate demand charges? (S-79)

**POSITION:** Staff has no position at this time.

**ISSUE 134:** What are the appropriate energy charges? (S-80)

**POSITION:** Staff has no position at this time.

**ISSUE 135:** What are the appropriate service charges? (S-81)

**POSITION:** Staff has no position at this time.

**ISSUE 136:** What are the appropriate transformer ownership discounts? (S-82)

**POSITION:** Staff has no position at this time.

**ISSUE 137:** What are the appropriate Street and Outdoor Lighting rates? (S-83)

**POSITION:** Staff has no position at this time.

**ISSUE 138:** Should FPUC's Transitional Rate of non-profit sports fields be eliminated? (S-84)

**POSITION:** Staff has no position at this time.

**ISSUE 139:** What are the appropriate standby rates? (S-85)

**POSITION:** Staff has no position at this time.

**ISSUE 140:** What is the appropriate adjustment to account for the increase in unbilled revenues due to the recommended rate increase? (S-86)

**POSITION:** Staff has no position at this time.

**ISSUE 141:** What is the appropriate effective date for FPUC's new rates and charges? (S-87)

**POSITION:** Staff has no position at this time.

**OTHER ISSUES**

**ISSUE 142:** Should any of the \$790,784 interim rate increase granted by Order No. PSC-07-0897-PCO-EI be refunded to the ratepayers? (S-88)

**POSITION:** Staff has no position at this time.

**ISSUE 143:** Should FPUC be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, earnings surveillance reports, and books and records which will be required as a result of the Commission's findings in this docket? (S-89)

**POSITION:** Staff has no position at this time.

**ISSUE 144:** Should this docket be closed? (S-90)

**POSITION:** Staff has no position at this time.

e. Stipulated Issues

Staff is aware of no stipulated issues at this time.

f. Pending Motions

Staff has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests at this time.

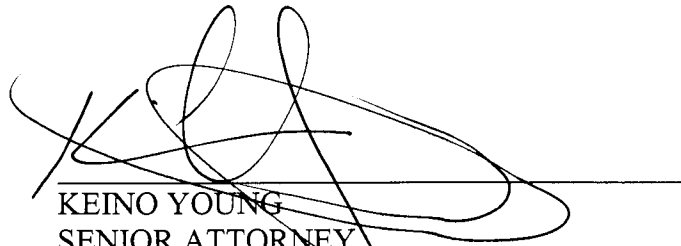
h. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness' qualifications as an expert in this proceeding.

i. Compliance with Order No. PSC-07-0804-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 31st day of January, 2008.

A handwritten signature in black ink, appearing to read 'Keino Young', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.

DOCKET NO. 070300-EI

In re: Petition for rate increase by Florida Public Utilities Company.

DOCKET NO. 070304-EI

FILED: JANUARY 31, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement was furnished to the following, by U.S. Mail, on this 31st day of January, 2008.

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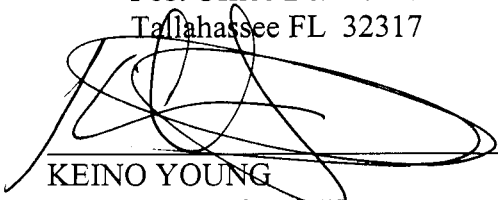
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