

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor.)
_____)

Docket No. 080001-EI
Filed: October 13, 2008

**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 4-6, 2008, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Cheryl Martin	Purchased power cost recovery true-up (Marianna and Fernandina Beach Divisions)	1
Curtis D. Young	Purchased power cost recovery true-up (Marianna and Fernandina Beach Divisions)	2 – 11 and 14a

B. EXHIBITS

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

ECR 1
GCL 1 + Diskette

CDY-2
(Composite)

Young

Schedules E1, E1-A, E2, E7,
and E10, for the Marianna
Division and Schedules E1,
E1-A, E2, E7, E8 and E10 for
the Fernandina Beach Division

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

GENERIC FUEL ADJUSTMENT ISSUES

Issue 1: What are the appropriate final fuel adjustment true-up amounts for the period January 2007 through December 2007?

FPUC's Position:

Marianna: \$442,219 (overrecovery)
Fernandina Beach: \$949,245 (overrecovery)

Issue 2: What are the appropriate actual/estimated fuel adjustment true-up amounts for the period January 2008 through December 2008?

FPUC's Position:

Marianna: \$629,876 (underrecovery)
Fernandina Beach: \$1,405,110 (underrecovery)

Issue 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2009 to December 2009?

FPUC's Position:

Marianna: \$187,657 (collected)
Fernandina Beach: \$455,865 (collected)

Issue 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2009 through December 2009?

FPUC's Position:

Marianna: 1.00072
Fernandina Beach: 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 2009 through December 2009?

FPUC's Position:

Marianna: [REDACTED]
Fernandina Beach: \$36,928,924

Issue 6: What are the appropriate levelized fuel cost recovery factors for the period January 2009 through December 2009?

FPUC's Position:

Marianna: 6.411¢/kwh
Fernandina: 6.419¢/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?

FPUC's Position:

Marianna: 1.0000 All Rate Schedules
Fernandina: 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?

FPUC's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.10395
GS	\$.10266
GSD	\$.09825
GSLD	\$.09416
OL, OL1	\$.08118
SL1, SL2 and SL3	\$.08179
Step Rate for RS	
RS with less than 1,000 kWh/month	\$.10093

RS with more than 1,000 kWh/month \$.11093

Fernandina:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.08965
GS	\$.08801
GSD	\$.08447
GSLD	\$.08502
OL	\$.06839
SL	\$.06841
Step Rate for RS	
RS with less than 1,000 kWh/month	\$.08697
RS with more than 1,000 kWh/month	\$.09697

Issue 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPUC'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, 2009, beginning with the first or applicable billing cycle for the period January, 2009.

Issue 10: What are the appropriate actual benchmark levels for calendar year 2008 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

Issue 11: What are the appropriate estimated benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

Issue 14A: Should the Commission approve FPUC's proposal to allocate a portion of the costs for the substation in the Northwest division to both divisions?

FPUC's Position: Yes. The distribution charge associated with the distribution substations in the Northwest Division should be allocated to both divisions. The distribution substations in the Northeast Division are owned by the Company and are in the rate base and base rates for all customers. The corresponding plant in the Northwest Division is owned by Gulf Power and the Company pays a distribution charge as part of the purchased power agreement with

these costs reflected in the factors. The allocation of a portion of this charge to the Northeast Division allows for an equitable cost distribution and recovery among customers.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

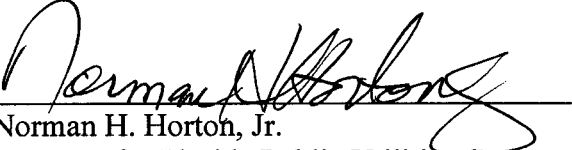
FPUC's Requests for Confidential Classification filed on September 8, 2008, October 6, 2008 and October 13, 2008.

I. OTHER MATTERS

None.

Respectfully submitted this 13th day of October, 2008.

Respectfully submitted,
MESSER, CAPARELLO & SELF, P.A.
Post Office Box 15579
Tallahassee, Florida 32317


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 13th day of October, 2008 upon the following:

Lisa C. Bennett, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia Ann Christensen
Associate Public Counsel
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400

John T. Burnett, Esq.
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, FL 33733-4042

Ms. Paula K. Brown
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601-0111

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Avenue, Suite 800
Tallahassee, FL 32301

John Butler, Esq.
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

R. Wade Litchfield
Vice President and Associate General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420

John W. McWhirter, Jr. Esq.
McWhirter Reeves & Davidson, P.A.
P.O. Box 3350
Tampa, FL 33601-3350

Ms. Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Steve R. Griffin, Esq.
Beggs & Lane Law firm
P.O. Box 12950
Pensacola, FL 32591-2950

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302

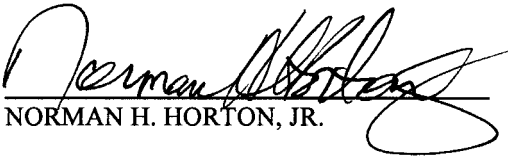
Michael B. Twomey, Esq.
P.O. Box 5256
Tallahassee, FL 32314-5256

Robert Scheffel Wright
John Thomas LaVia, III
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, FL 32301

James W. Brew
Brickfield, Burchette, Ritts & Stone, P.C.
Eighth Floor, West Tower
1025 Thomas Jefferson Street, NW
Washington, DC 20007

Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol - PL01
Tallahassee, FL 32399-1050

Lt. Col. Karen White and Capt. Damund Williams
AFCESA/ULT
139 Barnes Drive
Tyndall Air Force Base, Florida 32403


NORMAN H. HORTON, JR.