

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law
www.lawfla.com

October 6, 2009

BY HAND DELIVERY

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

RECEIVED-FPSC
09 OCT -6 PM 2:37
COMMISSION CLERK

Re: Docket No. 090001-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 10 copies of Florida Public Utilities Company's Prehearing Statement in the above referenced docket. This document has been redacted. Florida Public Utilities Company has requested confidential classification of the confidential information in this document with a Request for Confidential Classification filed on September 14, 2009.

Please acknowledge receipt of this document by stamping the extra copy of this letter "filed" and returning same to me.

Thank you for your assistance in this matter.

Sincerely,

Handwritten signature of Norman H. Horton, Jr.

Norman H. Horton, Jr.

- COM NHH:amb
ECR Enclosures
GCL cc: Mr. Curtis D. Young
OPC Parties of Record
RCP
SSC
SGA
ADM
CLK

DOCUMENT NUMBER-DATE

10315 OCT-6 2009

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)	
Cost Recovery Clause and Generating)	Docket No. 090001-EI
Performance Incentive Factor.)	Filed: October 6, 2009
<hr/>		

**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 2-4, 2009, in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
April Lundgren	Purchased power cost recovery true-up (Northwest and Northeast Divisions)	8
Curtis D. Young	Purchased power cost recovery True-up (Northwest and Northeast Division)	9
Mark Cutshaw	Northeast Division Mid-Course Correction	3A
Curtis D. Young and Mark Cutshaw (Panel Testimony)	Purchased power cost recovery projections (Northwest and Northeast Divisions)	3A, 3B, and 6-16

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<hr/> MC-1 (Composite)	Cutshaw	Schedules E1, E1-A, E2, E7, E8, E10, and F1 (Northeast Division) (mid-course)
<hr/> MC-2 (Composite)	Cutshaw	Schedules E1, E1-A, E2, E7, E8, E10, F1 (Northeast Division)

MC-3 (Composite)	Cutshaw	Schedules E1, E1-A, E2, E7, E8, E10, F1 (Northeast Division)
AML-1 (Composite)	Lundgren	Schedules M1, F1, and E1-B (for the Northwest and Northeast Divisions)
CDY-1 (Composite)	Young	Schedules E1-A, E1-B, and E1-B1 (for the Marianna and Fernandina Beach Divisions) Exhibit 1 Smurfit Stone bankruptcy Information
MC-4 (Composite)	Young/Cutshaw	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
MC-5 (Composite)	Young/Cutshaw	Schedules E1, E1-A, E2, E7, and E10 for the Marianna Division
CDY-2 (Composite)	Young	Revised Schedules E1-A, E1-B, and and E1-B1 for the Marianna 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

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Issue 3A: Has FPUC pursued all reasonable avenues to protect its ratepayers from mid-course increases in fuel and demand charges from JEA in 2009?

FPUC's Position: Yes. FPUC retained services of consultants to review the costs of service study utilized by JEA and presented comments and objections to the JEA Board which were rejected.

Issue 3B: Should the Commission approve FPUC's proposal to use a portion of storm hardening revenues to mitigate increases to customers in the Northwest Division?

FPUC's Position: Yes. The proposal to apply a portion of storm hardening revenue to the underrecovered fuel costs in the Northwest Division will reduce the total increase to be borne by these customers and provide them with a benefit. The option, if approved, would be for one (1) year with further evaluation.

GENERIC FUEL ADJUSTMENT ISSUES

Issue 6: What are the appropriate actual 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 7: What are the appropriate estimated benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

Issue 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2008 through December 2008?

FPUC's Position:

Northwest Division: \$591,984 (overrecovery)
Northeast Division: \$1,659,809 (overrecovery)

Issue 9: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

FPUC's Position:

Northwest Division: \$2,317,304 (collected)

Northeast Division: \$2,485,067 (collected)

Issue 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2010 to December 2010?

FPUC's Position:

Northwest Division: \$1,725,320 (underrecovery)

Northeast Division: \$825,258 (underrecovery)

Issue 11: 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 2010 through December 2010?

FPUC's Position:

Northwest Division: 1.00072

Northeast Division: 1.00072

Issue 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2010 through December 2010?

FPUC's Position:

Northwest Division: \$ [REDACTED]

Northeast Division: \$39,498,914

Issue 13: What are the appropriate levelized fuel cost recovery factors for the period January 2010 through December 2010?

FPUC's Position:

Northwest Division: 8.197¢/kwh

Northeast Division: 6.572¢/kwh

Issue 14: 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:

Northwest Division: 1.0000 All Rate Schedules

Northeast Division: 1.0000 All Rate Schedules

Issue 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC's Position:

Northwest Division:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.12293
GS	\$.12158
GSD	\$.11708
GSLD	\$.11285
OL, OL1	\$.09937
SL1, SL2 and SL3	\$.10018
Step Rate for RS	
RS with less than 1,000 kWh/month	\$.11927
RS with more than 1,000 kWh/month	\$.12927

Northeast Division:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$.09955
GS	\$.09735
GSD	\$.09266
GSLD	\$.09341
OL	\$.07050
SL	\$.07112
Step Rate for RS	
RS with less than 1,000 kWh/month	\$.09615
RS with more than 1,000 kWh/month	\$.10615

Issue 16: 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, 2010, beginning with the first or applicable billing cycle for the period January, 2010.

E. QUESTIONS OF LAW

None.

F. POLICY QUESTIONS

None.

G. STIPULATED ISSUES

None.

H. MOTIONS

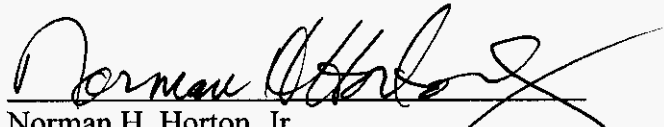
FPUC's Requests for Confidential Classification filed on September 14, 2009 and October 6, 2009.

I. OTHER MATTERS

None.

Respectfully submitted this 6th day of October, 2009.

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 6th day of October, 2009 upon the following:

Erik L. Saylor, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia Christensen, Esq.
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.
Managing 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

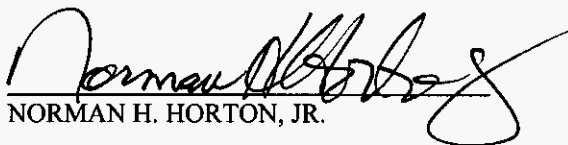
Ms. Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

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

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

Shayla L. McNeill, Capt. USAF
AFLSA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319


NORMAN H. HORTON, JR.