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January 14, 2008

VIA ELECTRONIC MAIL

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

Re:

Docket No. 060638-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company is an electronic version of Florida Public Utilities Company's Notice of Withdrawal Without Prejudice in the above referenced docket.

Thank you for your assistance with this filing.

Sincerely yours,

Norman H. Horton, Jr.

NHH/amb Enclosure

cc:

Ms. Cheryl Martin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| In Re: Petition of Florida Public Utilities |) | |
|---|---|-------------------------|
| Company for approval of an increase to |) | |
| base rates through a limited proceeding |) | Docket No. 060638-EI |
| to recover costs associated with the |) | Filed: January 14, 2008 |
| mandatory storm preparedness initiatives. |) | |
| |) | |

NOTICE OF WITHDRAWAL WITHOUT PREJUDICE

COMES NOW, Florida Public Utilities Company ("FPUC" or "Company"), and serves notice of its voluntary withdrawal without prejudice of petitions filed in this docket as described herein. As basis FPUC would show:

- 1. On May 31, 2006, in response to Order No. PSC-06-0351-PAA-EI, the Company filed its ongoing storm prepardness initiatives as well as estimated annual incremental costs associated with implementing the ten (10) initiatives.
- 2. On September 20, 2006, FPUC filed a petition for approval of a surcharge or other appropriate action to recover the costs associated with implementation of the storm hardening initiatives as required by the Commission and as approved for the Company in Docket No. 060198-EI. On October 27, 2007, the Company filed a revised petition which is still pending.
- 3. On October 10, 2007, the Company submitted a petition to amend its storm hardening initiatives to reflect a change in vegetation management from three (3) years for main feeders and three (3) years for laterals (3/3) to three (3) years for main feeders and six (6) years for laterals (3/6).

- 4. On August 30, 2007, the Company filed a petition for rate relief in Docket No. 070304-EI. Included in that request was a request for increased revenues associated with the expenses associated with the storm hardening initiatives.
- 5. Also pending before the Commission in Docket No. 070300-EI is the Company's storm hardening plan filed in compliance with Rule 25-6.0342, Florida Administrative Code. Included in that plan was the proposal for the 3/6 year vegetation management plan.
- 6. By Order No. PSC-08-0019-PCO-EI, Docket No. 070300-EI and Docket No. 070304-EI were consolidated and the record produced for the dockets will be a consolidated record.
- 7. The Petition for a surcharge was filed in order to permit the Company to recover the costs associated with implementing the required initiatives. The Company's earnings were and are at such a level as to require such relief. As a means of reducing some of these costs without violating the overall goals of the storm hardening initiatives, the Company filed the petition to amend the vegetation plan to a 3/6 cycle. There are still costs associated with implementation of the storm hardening initiatives which are sought to be recovered in the rate proceeding.
- 8. Based on the current status of the dockets and the schedule for the disposition of the rate case and with the understanding that both the cost recovery associated with the storm hardening plan approved by the Commission and the proposal to revise the vegetation management cycle to a 3/6 year cycle will be resolved in the rate case, FPUC would withdraw, without prejudice, the Revised Petition for Surcharge filed October 27, 2006 and the Petition to Amend the Storm Hardening Plan filed October 10, 2007.

Respectfully submitted this 14th day of January, 2008.

MESSER, CAPARELLO & SELF, P.A. 2618 Centennial Place (32308) Post Office Box 15579 Tallahassee, FL 32317 (850) 222-0720

NORMAN H. HORTON, JR., ESQ.

Attorneys 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 14th day of January, 2008 upon the following:

Martha Brown, Esq. Katherine Fleming, Esq. Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

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

NOŔMAN H. HORTON, ÍR.