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August 12, 1996

HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
Room 110, Easley Building
2540 Shumard Oak Blvd.
Tallahassee, FL 32301

Re: Florida Public Utilities Company; Docket No. 960001-EI

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company in connection with the hearings scheduled to begin August 29, 1996 in this docket are an original and 15 copies of the Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it.


Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

Yours very truly,


Norman H. Horton, Jr.

NHH/amb

Enclosures

cc: Parties of Record
Mr. George Bachman

DOCUMENT NUMBER-DATE
08407 AUG 12 1996
FPSC-RECORDS & REPORTING

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EIV 3
EPC _____
EPL 1
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 960001-EI
Filed: August 12, 1996

**PREHEARING STATEMENT OF
FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company, through undersigned counsel, respectfully submits its revised prehearing statement.

A. APPEARANCES

Norman H. Horton, Jr.
Messer, Caparello, Madsen, Goldman
& Metz, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876

On behalf of Florida Public Utilities Company

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Bachman (FPU)	Purchased power cost recovery; true-up (Marianna and Fernandina Beach Divisions)	1-10

DOCUMENT NUMBER-DATE

08407 AUG 12 96

FPSC-RECORDS/REPORTING

C. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u> </u> (GMB-1)	Bachman	Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E-8, E-10 and M-1(Marianna Division)
		Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E8, E10 and F-1 (Fernandina Beach Division)

D. BASIC POSITION

Florida Public Utilities has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those factors should be approved by the Commission.

E. ISSUES AND POSITIONS

ISSUE 1: **What are the final fuel adjustment true-up amounts for the period October, 1995 through March, 1996?**

EPU's Position:

Marianna:	\$305,558 (underrecovery)
Fernandina Beach:	\$155,552 (underrecovery)

ISSUE 2: **What are the estimated fuel adjustment true-up amounts for the period April, 1996 through September, 1996?**

EPU's Position:

Marianna:	\$145,351 (underrecovery)
Fernandina Beach:	\$95,956 (underrecovery)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected or refunded during the period October, 1996 through March, 1997?

EPU's Position:

Marianna: \$450,909 to be collected

Fernandina Beach: \$251,508 to be collected

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period October, 1996 through March, 1997?

EPU's Position:

Excluding demand cost recovery, the appropriate levelized fuel cost recovery factors for the period October, 1996 through March, 1997 should be:

Marianna: 2.995¢/kwh

Fernandina Beach: 3.252¢/kwh

ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost recovery charge for billing purposes?

EPU's Position: Agrees with Staff.

ISSUE 6: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

EPU's Position:

Marianna

All Rate Schedules 1.0000

Fernandina Beach

All Rate Schedules 1.0000

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

FPU's Position:

Marianna

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	4.966¢/kwh
GS	4.837¢/kwh
GSD	4.360¢/kwh
GSLD	4.379¢/kwh
OL, OL-2	3.075¢/kwh
SL-1, SL-2	3.068¢/kwh

Fernandina Beach

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	5.161¢/kwh
GS	5.264¢/kwh
GSD	4.295¢/kwh
OL	3.865¢/kwh
SL, CSL	3.865¢/kwh

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of October, 1996 through March, 1997?

FPU's Position: Agrees with Staff.

ISSUE 9: Should an electric utility be permitted to include, for retail fuel cost recovery purposes, fuel costs of generation at any of its units which exceed, on a cents-per-kilowatt-hour basis, the average fuel cost of total generation (wholesale plus retail) out of those same units?

FPU's Position: No position at this time.

ISSUE 10: Should the investor-owned electric utilities continue to file Fuel Cost Recovery Forms, PSC/EAG8 (10/94) as required by Commission Directive issued April 24, 1980?

EPU's Position: No position at this time.

Dated this 12th day of August, 1996.

Respectfully submitted,
MESSER, CAPARELLO, MADSEN
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Attorneys for Florida Public
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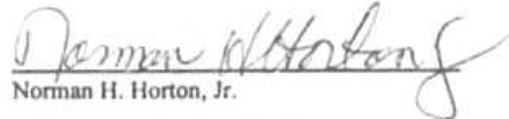
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Florida Public Utilities Company's Prehearing Statement in Docket No. 960001-EI have been served upon the following parties by U. S. Mail this 12th day of August, 1996:

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