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January 27, 1997

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center
Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 970001-EI

Dear Ms. Bayo:

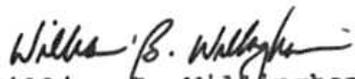
Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the following documents:

1. Original and fifteen copies of the Prehearing Statement of Florida Public Utilities Company; and
2. A disk containing a copy of the Prehearing Statement.

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

Thank you for your assistance with this filing.

Sincerely,


William B. Willingham

ACK _____
AFA 1
APP _____
CAF _____

CMU _____ WBW/rl

CTR _____ cc: All Parties of Record

EAG _____
LEG 1 Trib. 3x2

LIN 3

OPC _____

RCH _____

SEC 1

WAS _____

OTH _____

DOCUMENT NUMBER-DATE
01039 JAN 27 97
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) Docket No. 970001-EI
Cost Recovery Clause and Generating)
Performance Incentive Factor.) Filed: January 27, 1997

PREHEARING STATEMENT OF THE
FLORIDA PUBLIC UTILITIES COMPANY

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its Prehearing Statement in connection with the hearing that is scheduled for February 19 through 21, 1997 in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Bachman	Purchased power cost recovery and true-up (Marianna and Fernandina Beach Divisions)	1-8

B. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>GMB-3 (Composite)</u>	Bachman	Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E10 and M1 (Marianna Division)
		Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E8, E10 and F1 (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 EACH QUESTION OF FACT

ISSUE 1: What are the final remaining fuel adjustment true-up amounts for the period April, 1996 through September, 1996?

DOCUMENT NUMBER-DATE

01039 JAN 27 5

FPSC-RECORDS/REPORTING

FPU's Position:

Marianna: \$459,638 (over-recovery)
Fernandina Beach: \$56,002 (under-recovery)

Witness: Bachman

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October, 1996 through March, 1997?

FPU's Position:

Marianna: \$32,276 (over-recovery)
Fernandina Beach: \$247,915 (over-recovery)

Witness: Bachman

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

FPU's Position:

Marianna: \$491,914 to be refunded
Fernandina Beach: \$191,913 to be refunded

Witness: Bachman

ISSUE 4: What are the appropriate levelized fuel cost recovery factors, excluding demand cost recovery, for the period April, 1997 through September, 1997?

FPU's Position:

Marianna: 2.179¢/kwh
Fernandina Beach: 2.859¢/kwh

Witness: Bachman

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?

FPU's Position:

FPU's approved fuel adjustment and purchased power cost recovery factors should be effective for all meter readings on or after April 1, 1997, beginning with the first or applicable billing cycle for the period April 1997.

Witness: Bachman

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?

FPU's Position:

Marianna:	All Rate Schedules	1.0000
Fernandina Beach:	All Rate Schedules	1.0000

Witness: Bachman

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	\$0.04184
GS	\$0.04114
GSD	\$0.03630
GSLD	\$0.03494
OL	\$0.02681
SL	\$0.02660

Fernandina Beach

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04470
GS	\$0.04319
GSD	\$0.04033
CSL	\$0.03117
OL	\$0.03117
SL	\$0.03117

Witness: Bachman

ISSUE 8: What are the appropriate revenue tax factors to be applied in calculating the levelized fuel factors for the projection period of April, 1997 through September, 1997?

FPU's Position:

Marianna:	1.00083¢/kwh
Fernandina Beach:	1.01609¢/kwh

Witness: Bachman

E. QUESTIONS OF LAW

FPU is not aware of any questions of law that are at issue in the above-styled docket.

F. POLICY QUESTIONS

FPU is not aware of any policy questions that are at issue in the above-styled docket.

G. STIPULATED ISSUES

FPU has not stipulated to any issues in the above-styled docket.

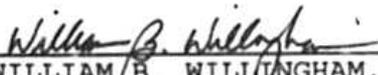
H. PENDING MOTIONS

FPU has no motions pending in the above-styled docket.

I. OTHER REQUIREMENTS

At this time FPU is not aware of any requirements set forth in the Order Establishing Procedure with which it cannot comply.

Respectfully submitted this 27th day of January, 1997.


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CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished by United States Mail this 27th day of January, 1997 to:

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