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February 4, 1997

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

HAND DELIVERY

Re: Docket No. 970003-GU

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 Amended Petition for Approval of Florida Public Utilities Company's Purchased Gas Adjustment Recovery Factor; - 01291-97 02/04/97
2. Original and fifteen copies of Amended Prehearing Statement of the Florida Public Utilities Company and a disk containing a copy of the document; - 01272-97
3. Revised Testimony of Mr. George Bachman; - 01273-97
4. Revised Composite Exhibit GMB-3; - 01274-97
5. Request for Confidential Classification of the revised PGA filing for December 1996; and 01275-97
6. An envelope marked "confidential" containing a copy of the confidential information. - 01276-97

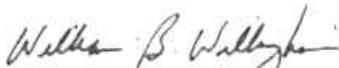
redacted - 01277-97

Ms. Blanca S. Bayo, Director  
Page 2  
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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

WBW/rl

cc: Cochran Keating, Esq.

Trlb.3

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 970003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
George Bachman  
On Behalf of  
Florida Public Utilities Company

1 Q. Please state your name and business address.

2 A. George Bachman, 401 South Dixie Highway, West Palm Beach, FL 33401.

3 Q. By whom are you employed?

4 A. I am employed by Florida Public Utilities Company.

5 Q. Have you previously testified in this Docket?

6 A. Yes.

7 Q. What is the purpose of your testimony at this time?

8 A. I will summarize our **revised projected** gas recoveries computations which are  
9 contained in composite exhibit GMB-3 which supports the April 1997 - March  
10 1998 **revised projected** purchased gas adjustments for our consolidated gas  
11 division. In addition, I will advise the Commission of the projected differences  
between the revenues collected and the purchased gas costs allowed in developing  
the levelized purchased gas adjustment for the periods April 1995 - March 1996  
and April 1996 - March 1997. From these two periods I will establish a "true-up"  
amount to be collected or refunded during April 1997 - March 1998.

12 Q. Were the schedules filed by your Company completed under your direction?

13 A. Yes.

ACK \_\_\_\_\_  
AFA ~~1~~ 12  
APP \_\_\_\_\_  
CAF 13  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG 15  
LEG 1  
LIN 31 36  
OPC 17  
RCH \_\_\_\_\_  
SEC 1  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

1 Q. Which of the staff's set of schedules has your Company completed and filed?

2 A. We have prepared and pre-filed True-Up Schedules A-1, A-2, A-3, A-4, A-5, A-6,  
3 A-7 and A-8 in addition to composite exhibit GMB-3 which contains **Revised**  
4 **Schedules E1, E1/R, E2, and E3, E4 and E5** for our consolidated gas division.  
5 These schedules support the calculation of the purchased gas adjustment factors  
6 for April 1997 - March 1998.

7 Q. Does this conclude your testimony?

8 A. Yes.

9 **PURCHASED GAS ADJUSTMENT ISSUES**

10 **ISSUE 1:** What is the appropriate final purchased gas adjustment true-up  
11 amount for the period April, 1995 through March, 1996?

12 **COMPANY POSITION:** The final purchased gas adjustment true-up amount  
13 for the period April 1995 - March 1996 is an under-recovery of \$1,194,965.

14 **ISSUE 2:** What is the estimated purchased gas adjustment true-up amount for  
15 the period April, 1996 through March, 1997?

16 **COMPANY POSITION:** We have estimated that we will have under-  
17 recovered \$41,418 for the period April 1996 - March 1997.

18 **ISSUE 3:** What is the total purchased gas adjustment true-up amount to be  
19 collected during the period April, 1997 through March, 1998?

20 **COMPANY POSITION:** The total net under-recovery to be collected during  
21 the period April 1997 - March 1998 is \$1,236,383.

22 **ISSUE 4:** What is the appropriate levelized purchased gas adjustment  
23 recovery (cap) factor for the period April, 1997 through March, 1998?

1           **COMPANY POSITION:**   The Purchased Gas Cost Recovery Factor will be a  
2           maximum of **\$52.114¢** per therm.

3           **ISSUE 5:**   What should be the effective date of the new purchased gas  
4           adjustment charge for billing purposes?

5           **COMPANY POSITION:**   The factor should be effective for all meter readings  
6           on or after April 1, 1997, beginning with the first or applicable billing cycle for  
7           the period April 1997 - March 1998.

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12   GMB-RPGA-2-97.TEST  
13   disk PGA 12/96

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