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July 28, 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

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FPSC - Records/Reporting

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 the Florida Public Utilities Company; and

ACK 2. A disk in Word Perfect 6.0 containing a copy of the  
AFA *Vardine* Prehearing Statement.

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

CMU Thank you for your assistance with this filing.

Sincerely,

*William B. Willingham*  
William B. Willingham

CTR  
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1 cc: All Parties of Record

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*165*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07603 JUL 28 97

FPSC-RECORDS/REPORTING

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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: July 28, 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 August 14 and 15, 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 and E10 (Marianna Division)
		Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E8 and E10 (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.

DOCUMENT NUMBER-DATE  
07503 JUL 28 97  
FPSC-RECORDS/REPORTING

D. STATEMENT OF EACH QUESTION OF FACT

**ISSUE 1:** What are the final remaining fuel adjustment true-up amounts for the period October 1996 through March 1997?

FPU's Position:

Marianna: \$132,028 (over-recovery)  
Fernandina Beach: \$46,124 (over-recovery)

Witness: Bachman

**ISSUE 2:** What are the estimated fuel adjustment true-up amounts for the period April 1997 through September 1997?

FPU's Position:

Marianna: \$142,231 (under-recovery)  
Fernandina Beach: \$111,710 (under-recovery)

Witness: Bachman

**ISSUE 3:** What are the total fuel adjustment true-up amounts to be collected or refunded during the period October 1997 through March 1998?

FPU's Position:

Marianna: \$10,203 to be collected  
Fernandina Beach: \$65,586 to be collected

Witness: Bachman

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

FPU's Position:

Marianna: 2.402¢/kwh  
Fernandina Beach: 2.685¢/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 October 1, 1997, beginning with the first or applicable billing cycle for the period October 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	\$0.04416
GS	\$0.04347
GSD	\$0.03859
GSLD	\$0.03723
OL	\$0.02871
SL	\$0.02866

FERNANDINA BEACH

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04455
GS	\$0.04286
GSD	\$0.03975
CSL	\$0.02975
OL	\$0.02975
SL	\$0.02975

Witness: Bachman

Issue 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October 1997 through March 1998?

FPU's Position:

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

Witness: Bachman

**Issue 9:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities?

FPU's Position: FPU has no position at this time.

Witness: None

**Issue 10:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities, how should the costs of this transmission be recovered?

FPU's Position: FPU has no position at this time.

Witness: None

**Issue 11:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities?

FPU's Position: FPU has no position at this time.

Witness: None

**Issue 12:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities, how should the costs of this transmission be recovered?

FPU's Position: FPU has no position at this time.

Witness: None

**Issue 13:** Does the 20% stockholder sharing of gains from economy energy sales continue to be necessary to encourage economy sales?

FPU's Position: FPU has no position at this time.

Witness: None

**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 this docket.

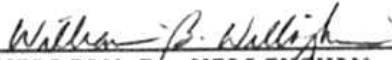
**H. PENDING MOTIONS**

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,

  
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CERTIFICATE OF SERVICE

I HEREBY certify that a copy of the foregoing was furnished by United States Mail this 28th day of July, 1997 to:

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