

LAW OFFICES
MESSER, CAPARELLO & SELF
A PROFESSIONAL ASSOCIATION

ORIGINAL

215 SOUTH MONROE STREET, SUITE 701
POST OFFICE BOX 1876
TALLAHASSEE, FLORIDA 32302-1876
TELEPHONE (904) 222-0720
TELECOPIERS (904) 224-4359 (904) 425-1942

January 26, 1998

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

BY HAND DELIVERY

Re: Docket No. ~~980003~~-GU; South Florida Natural Gas Company

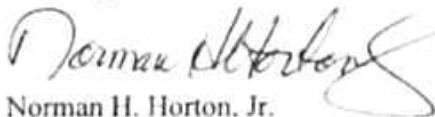
Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas Company in connection with the hearings to begin February 25, 1998 in this docket are an original and 10 copies of the Preliminary Statement of Issues and Positions.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

ACK
AFA *Ulandier*

APP
C/F — NHH:amb
— Enclosures

cc: Mr. Lou J. Defrain
Ms. Anne V. Wood
Parties of Record

Ulandier
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DOCUMENT NUMBER-DATE
~~01396~~ JAN 26 1998
RECORDS & REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Cost Recovery)
)
 _____)

Docket No. 980003-GU
 Filed: January 26, 1998

**SOUTH FLORIDA NATURAL GAS CO.'S
 PRELIMINARY STATEMENT OF ISSUES AND POSITIONS**

South Florida Natural Gas Co. ("SFNG") hereby submits its preliminary statement of issues and positions to be taken up at the hearing now scheduled to begin on February 25, 1998 in this docket.

The exact name of the Company and the address of its principal business office is:

South Florida Natural Gas Co.
 Post Office Box 69000J
 Miami, FL 33269-0078

The names and addresses of the persons authorized to receive notices and applications in this docket are:

Norman H. Horton, Jr.
 Messer, Caparello, & Self, P. A.
 Suite 701, First Florida Bank Building
 Post Office Box 1876
 Tallahassee, Florida 32302-1876

Issue 1: What is the final true-up amount for the period April, 1996 through March, 1997?

SFNG's Position: \$114,218 overrecovery.

Issue 2: What is the projected true-up amount for the period April, 1997 through March, 1998?

SFNG's Position: \$23,344 overrecovery.

DOCUMENT NUMBER-DATE
 01396 JAN 26 88
 TFCO-REGULATORY REPORTING

Issue 3: What is the total true-up amount to be refunded in the April, 1998 - March, 1999 period?

SFNG's Position: \$137,562 overrecovery.

Issue 4: What is the appropriate levelized purchased gas factor (cap) for the period April, 1998 through March, 1999?

SFNG's Position: 27.780 cents per therm.

Issue 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

SFNG's Position: The factor should be effective for all meter readings on or after April 1, 1998, beginning with the first or applicable billing cycle for the period April, 1998 through March, 1999.

Respectfully submitted,

MESSER, CAPARELLO, & SELF, P.A.
Suite 701, First Florida Bank Building
Post Office Box 1876
Tallahassee, Florida 32302-1876
(904) 222-0720


NORMAN H. HORTON, JR., ESQ.

Attorney for South Florida Natural Gas Co.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of South Florida Natural Gas Company's Preliminary Statement of Issues and Positions in Docket No. 980003-GU have been served by hand delivery (*) and/or U. S. Mail this 26th day of January, 1998 upon the following:

Cochran Keating, Esq.*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 370
Tallahassee, FL 32399-0850

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302

Mr. Russell D. Chapman
Administrator, Support Services
Tampa Electric Co.
P.O. Box 111
Tampa, FL 33601-0111

Joseph A. McGlothlin, Esq.
McWhirter, Reeves, McGlothlin,
Davidson Rief & Bakas, P.A.
117 S. Gadsden St
Tallahassee, FL 32301

Jack Shreve, Esq.
Public Counsel
Office of the Public Counsel
111 West Madison St., Rm 812
Tallahassee, FL 32399-1400

Wayne L. Schiefelbein, Esq.
Gatlin, Schiefelbein
& Cowdery
3301 Thomasville Rd., Suite 300
Tallahassee, FL 32312

Ansley Watson, Jr., Esq.
MacFarlane, Ferguson, Allison
& Kelly
Post Office Box 1531
Tampa, FL 33601

John W. McWhirter, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
Post Office Box 3350
Tampa, FL 33601-3350

Mr. Robert Cooper
U.S. Gypsum Company
P.O. Box 806278
Chicago, IL 60680-4124

Kenneth A. Hoffman, Esq.
William B. Willingham, Esq.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P.O. Box 551
Tallahassee, FL 32302-0551

Mr. Frank C. Cressman
President
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395


NORMAN H. HORTON, JR.