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February 2, 1998

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. 980003-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 the Prehearing Statement of The Florida Public Utilities Company; and

ACK Handwritten A disk in Word Perfect 6.0 containing a copy of the Prehearing Statement.

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

CMU _____
CTR _____ Thank you for your assistance with this filing

EAS Handwritten
LEG 1

LIT 3

RES _____

SK 1

WAL _____

OTH _____ Enclosures

Sincerely,

Handwritten Signature
Kenneth A. Hoffman

RECORDED & FILED

RECORDS

DOCUMENT NUMBER-DATE

01652 FEB-2 88

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
 (PGA) True-Up)
 _____)

Docket No. 980003-GU
 Filed: February 2, 1998

**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 25 through 27, 1998 in the above-styled docket.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
George Bachman	Purchased gas cost recovery projections, true-ups, and estimate of therm sales	1-5
Marc L. Schneidermann	Natural gas sales projection, demand and commodity costs, and WACOG	4

B. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
_____	George Bachman	Schedules A-1, A-1/R, A-1 flex down, A-1 Supporting Detail A-2, A-3, A-4, A-5, A-6 and A-7
GMB-3 (Composite)	George Bachman	Schedules E-, E-1/R, E-2, E-3, E-4, and E-5

C. BASIC POSITION

FPU has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved.

DOCUMENT NUMBER-DATE
 01652 FEB-2 88
 FPSC-RECORDS/REPORTING

D. STATEMENT OF EACH QUESTION OF FACT

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

EPU's Position: \$562,942 over-recovery.

Witness: George Bachman

Issue 2: What is the estimated purchased gas adjustment true-up amount for the period April, 1997 through March, 1998?

EPU's Position: \$420,363 under-recovery.

Witness: George Bachman

Issue 3: What is the total purchased gas adjustment true-up amount to be collected during the period April, 1998 through March, 1999?

EPU's Position: \$142,590 over-recovery.

Witness: George Bachman

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

EPU's Position: 49.293 cents-per-therm.

Witness: George Bachman, Marc L. Schneidermann

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

EPU'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.

Witness: George Bachman

E. QUESTIONS OF LAW

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

E. 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

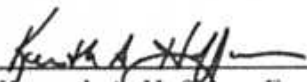
FPU's Requests for Confidential Classification filed on November 19, 1997, November 21, 1997, December 9, 1997, December 22, 1997 and January 21, 1998, are pending in the above-styled docket.

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.

Dated this 2nd day of February, 1998.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by or U. S. Mail this 2nd day of February, 1998, to the following:

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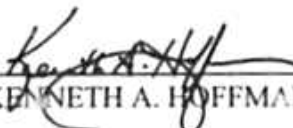
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By: 
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