

ORIGINAL

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February 2, 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 Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 6.1.

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.
Norman H. Horton, Jr.

- ACK _____
- AFA *Andrew*
- APP — NHH:amb
- CAF — Enclosures
- CMU — cc: Mr. Lou J. Defrain
- Ms. Anne V. Wood
- CTR — Parties of Record
- EAG *Waher*
- LEG 1
- LIR 3
- _____
- _____
- _____
- 1 _____
- _____
- _____

DOCUMENT NUMBER-DATE
01707 FEB-28
FPSC-DIVISION OF RECORDS AND REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
(PGA) True-up)

Docket No. 980003-GU

PREHEARING STATEMENT OF
SOUTH FLORIDA NATURAL GAS CO.

South Florida Natural Gas Co. ("SFNG") submits this Prehearing Statement for the hearing scheduled in February, 1998.

a) WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1. L. Defrain (SFNG)	Purchased Gas Adjustment Factor, True-up, and Projections	1, 2, 3, 4

b) EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>LD-1</u> (Composite)	Defrain	April 1996 - March 1997 True- Up, Schedules A-1 through A-7
<u>LD-1</u> (Composite)	Defrain	April 1998 - March 1999 PGA Factor, Schedules E-1 through E-5

c) STATEMENT OF BASIC POSITION

SFNG'S STATEMENT OF BASIC POSITION:

The appropriate over (under) recovery amounts and purchased gas adjustment factor are as shown in the Company's positions on Issues 1 - 4.

d) STATEMENT OF ISSUES AND POSITIONS: (Questions of Fact)

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

SFNG'S Position: \$114,218 overrecovery. (Defrain)

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

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

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

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

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

SFNG's Position: 27.780 cents per therm. (Defrain)

e) QUESTIONS OF LAW:

None.

f) POLICY QUESTIONS:

None.

g) STIPULATED ISSUES:

None.

h) MOTIONS

None.

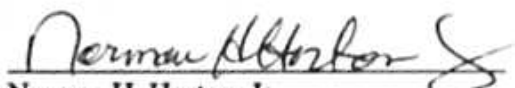
i) OTHER MATTERS:

None.

PREHEARING STATEMENT OF SOUTH FLORIDA NATURAL GAS CO.
Page 3

Dated this 26th day of January, 1998.

Respectfully submitted,
MESSER, CAPARELLO,
& SELF, P.A.
Post Office Box 1876
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A handwritten signature in cursive script, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

Norman H. Horton, Jr.
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 Prehearing Statement in Docket No. 980003-GU have been served by hand delivery (*) and/or U. S. Mail this 2nd day of February, 1998 upon the following:

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NORMAN H. HORTON, JR.