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October 21, 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

OCT 21 PM 3:00
FILED
RECORDS

Re: Docket No. 980001-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 FPU's Preliminary List of Issues and Positions; and
2. A disk in Word Perfect 6.0 containing a copy of the document.

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.

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✓ "filed" and returning the same to me. Thank you for your assistance with this filing.

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Sincerely,

Kenneth A. Hoffman

3 cc: All Parties of Record

DOCUMENT NUMBER - DATE
11712 OCT 21 1998
FILED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor.)
_____)

Docket No. 980001-EI

Filed: October 21, 1998

**FLORIDA PUBLIC UTILITIES COMPANY'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits its preliminary list of issues and positions in connection with the hearing that is scheduled for November 23-25, 1998 in the above-styled docket.

ISSUES AND POSITIONS

GENERIC FUEL ADJUSTMENT ISSUES

Issue 1: What are the appropriate final fuel adjustment true-up amounts for the period October, 1997 through March, 1998?

FPU's Position:

Marianna: \$125,045 (over-recovery)
Fernandina Beach: \$121,303 (over-recovery)

Issue 2: What are the estimated fuel adjustment true-up amounts for the period April, 1998 through December, 1998?

FPU's Position:

Marianna: \$64,938 (over-recovery)
Fernandina Beach: (\$5,409) (under-recovery)

Issue 3: What are the total fuel adjustment true-up amounts to be collected or refunded during the period January, 1999 through December, 1999?

FPU's Position:

Marianna: \$60,107 to be refunded
Fernandina Beach: \$126,712 to be refunded

DOCUMENT NUMBER-DATE

11712 OCT 21 88

OFFICE OF ADMINISTRATIVE SERVICES

Issue 4: What are the appropriate levelized fuel adjustment factors, excluding demand cost recovery, for the period January, 1999 through December, 1999?

FPU's Position:

Marianna: 2.293¢/kwh
Fernandina Beach: 2.042¢/kwh

Issue 5: What should be the effective date of the new fuel adjustment charge and capacity 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 January 1, 1999, beginning with the first or applicable billing cycle for the period January, 1999.

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

Issue 7: What are the appropriate Fuel Cost Recovery Factors for each rate class adjusted for line losses?

FPU's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04077
GS	\$0.04014
GSD	\$0.03584
GSLD	\$0.03461
OL	\$0.02730

SL \$0.02695

Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.03762
GS	\$0.03599
GSD	\$0.03297
CSL	\$0.02310
OL	\$0.02310
SL	\$0.02310

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 January, 1999, through December, 1999?

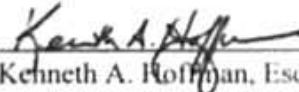
EPU's Position:

Marianna: 1.00083

Fernandina Beach: 1.01609

Dated this 21st day of October, 1998.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by U.S. Mail and hand delivery(*) to the following this 21st day of October, 1998:

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By: 
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