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November 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:

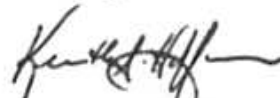
1. Original and fifteen copies of the Prehearing Statement of the Florida Public Utilities Company; and

2. A disk in Word Perfect 6.0 containing a copy of the document.

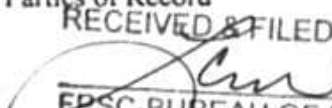
ACK \_\_\_\_\_  
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OTH \_\_\_\_\_

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.

Sincerely,

  
Kenneth A. Hoffman

cc: All Parties of Record

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EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE

12237 NOV -2 98

FPSC - BUREAU OF REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 980003-GU  
Filed: November 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 November 23-25, 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-2 (Composite)	George Bachman	Schedules E-1, 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 FILED DATE  
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FPUC REG. 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, 1997 through March 1998?

EPU's Position: \$516,932 under-recovery.

Witness: George Bachman.

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

EPU's Position: \$783,287 over-recovery.

Witness: George Bachman.

**Issue 3:** What is the total purchased gas adjustment true-up amount to be refunded during the period January, 1999 through December, 1999?

EPU's Position: \$266,305 over-recovery.

Witness: George Bachman.

**Issue 4:** What is the appropriate levelized purchased gas cost recovery (cap) factor the period January, 1999 through December, 1999?

EPU's Position: 49.397 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 January 1, 1999, beginning with the first or applicable billing cycle for the period January, 1999 through December, 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**

None.

**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 November, 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 November, 1998, to the following:

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By:   
KENNETH A. HOFFMAN, ESQ.

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