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November 4, 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

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RECORDING AND REPORTING


Re: Docket No. 980001-E1

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.

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CAF _____
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SEC 1 Trib 3sz
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Sincerely,

Kenneth A. Hoffman

DOCUMENT NUMBER-LATE
12988 NOV-4-98
FPU-RR CORP&REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 980001-E1
Filed: November 4, 1998

**PREHEARING STATEMENT OF
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 M. Bachman	Purchased power cost recovery and true-up (Marianna and Fernandina Beach Divisions)	Issues 1-8

B. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
_____ (GMB-2 (Composite))	George M. Bachman	Schedules E1, E1-A, E1-B, E1-B1, E2, E7 and E10 (Marianna Division)
		Schedules E1, E1-A, E1-B, E1-B1, E2, E7, E8 and E10 (Fernandina Beach Division)

C. BASIC POSITION

FPU has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those amounts and factors should be approved by the Commission.

DOCUMENT NUMBER-DATE
12388 NOV-4-98
FPSC-RECORDS/REPORTING

D. STATEMENT OF EACH QUESTION OF FACT

GENERIC FUEL ADJUSTMENT ISSUES

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

EPU's Position:

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

Witness: George Bachman.

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

EPU's Position:

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

Witness: George M. Bachman.

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

EPU's Position:

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

Witness: George Bachman.

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

EPU's Position:

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

Witness: George Bachman.

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.

Witness: George Bachman.

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/delivery voltage level class?

FPU's Position:

Marianna:

All Rate Schedules 1.0000

Fernandina Beach:

All Rate Schedules 1.0000

Witness: George Bachman.

Issue 7: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level 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

Witness: George Bachman.

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?

FPU's Position:

Marianna: 1.00083

Fernandina Beach: 1.01609

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.

F. 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 has no motions 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.

Respectfully submitted this 4th 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 U.S. Mail to the following this 4th day of November, 1998:

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