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October 4, 2016

E-Portal/Electronic Filing

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 160003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Stauffer:

Attached for filing, please find the Prehearing Statement of Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 160003-GU

Filed: October 4, 2016

**FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA PUBLIC UTILITIES
COMPANY-FORT MEADE'S
PREHEARING STATEMENT**

Pursuant to the requirements of the Order on Procedure, Order No. PSC-16-0104-PCO-GU, Florida Public Utilities Company and Florida Public Utilities Company-Fort Meade (jointly, "FPUC") hereby submits its Prehearing Statement.

A. Known Witnesses

FPUC intends to offer the direct testimony of Michelle Napier, as filed on May 2, 2016, and August 19, 2016.

Michelle Napier

Issues 1 - 5

B. Known Exhibits

FPUC intends to sponsor the following exhibits:

Napier MDN-1 Final Fuel Over/Under Recovery (Schedule A-7)

Napier MDN-2 Schedules E-1, E-1/R, E-2, E-3, E-4, E-5

C. Basic Position

FPUC has appropriately calculated its true-up amounts and purchased gas adjustment factor as shown in the Company's positions on Issues 1-5.

D. – F. Issues

FPUC's positions on the issues identified for hearing are as follows:

Issue 1: **What are the final purchased gas adjustment true-up amounts for the period January 2015 through December 2015?**

FPUC: An under-recovery of \$1,970,827, inclusive of interest.

Issue 2: **What are the actual/estimated purchased gas adjustment true-up amounts for the period January 2016 through December 2016?**

FPUC: An over-recovery of \$1,642,359, inclusive of interest.

Issue 3: **What are the total purchased gas adjustment true-up amounts to be collected (refunded) during the period January 2016 through December 2016?**

FPUC: An under-recovery of \$328,468 to be collected.

Issue 4: **What are the levelized purchased gas cost recovery (cap) factors for the period January 2016 through December 2016?**

FPUC: The appropriate PGA factor is 98.148 cents per therm.

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

FPUC: The factors should be effective for all meter readings on or after January 1, 2017 and should apply for bills rendered for meter readings taken between January 1, 2017 and December 31, 2017.

ISSUE 6: **Should the Commission approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding?**

FPUC: Yes. The Commission should approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

G. Stipulated Issues

While not a party to stipulations at this time, FPUC believes that it should be possible to reach a stipulation on each of the issues as they pertain to FPUC.

H. Pending Motions

None at this time.

I. Pending Confidentiality Requests

None.

J. Compliance With Order on Procedure

Florida Public Utilities Company has fully complied with the requirements of the Order on Procedure, Order No. PSC-16-0104-PCO-GU.

K. Objections to Witness Qualifications

Florida Public Utilities Company has no objection to the qualifications of any expert witness.

RESPECTFULLY SUBMITTED this 4th day of October, 2016.

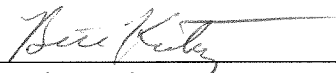


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 4th day of October, 2016:

Florida Public Utilities Company Mike Cassel 1750 S 14 th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com/AB@macfar.com
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