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February 5, 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. 980001-EG

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

ACK _____
 AFA Handover
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG Bohannon
 LEG 1
 LIN 3
 OFC _____
 RCH _____
 SFC 1
 WFL _____
 CTM _____

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

KAH/rl
Enclosures
cc All Parties of Record

Trib. 3

DOCUMENT NUMBER-DATE

01891 FEB-5 98

FPSC-RECORDS/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-EI
Filed: February 5, 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 February 25-27, 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, 10B

B. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
_____ (GMB-3 (Composite))	George M. Bachman	Schedules E1, E1-A, E1-B, E-1B-1, E2, E7 and E10 (Marianna Division)
		Schedules E1, E1-A, E1-B, E-1B-1, 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

01891 FEB-5 98

FPSC REG/REG/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 April 1997 through September 1997?

EPU's Position:

Marianna: \$78,655 (over-recovery)
Fernandina Beach: \$106,547 (over-recovery)

Witness: George M. Bachman

Issue 2: What are the estimated fuel adjustment true-up amounts for the period October 1997 through March 1998?

EPU's Position:

Marianna: \$52,624 (over-recovery)
Fernandina Beach: \$162,900 (over-recovery)

Witness: George M. Bachman

Issue 3: What are the total fuel adjustment true-up amounts to be collected or refunded during the period April 1998 through September 1998?

EPU's Position:

Marianna: \$131,279 to be refunded
Fernandina Beach: \$269,447 to be refunded

Witness: George M. Bachman

Issue 4: What are the appropriate levelized fuel cost recovery factors for the period April 1998 through September 1998?

EPU's Position:

Marianna: 2.365¢/kwh
Fernandina Beach: 2.326¢/kwh

Witness: George M. Bachman

Issue 5: What should be the effective date of the new fuel adjustment charge and capacity cost recovery charge for billing purposes?

EPU's Position: EPU's approved fuel adjustment and purchased power cost recovery factors should be effective for all meter readings on or after April 1, 1998, beginning with the first or applicable billing cycle for the period April 1998.

Witness: George M. 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?

EPU's Position:

Marianna:

All Rate Schedules	1.0000
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Fernandina Beach:

All Rate Schedules	1.0000
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Witness: George M. Bachman

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

EPU's Position:

Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04232
GS	\$0.04167
GSD	\$0.03716
GSLD	\$0.03587
OL	\$0.02815
SL	\$0.02814

Fernandina:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04025
GS	\$0.03863
GSD	\$0.03565
OL	\$0.02591
SL	\$0.02591

Witness: George M. 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 April, 1998, through September, 1998?

EPU's Position:

Marianna: 1.00083

Fernandina: 1.01609

Witness: George M. Bachman

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Public Utilities Company

Issue 11A: What are the appropriate levelized fuel cost recovery factors, excluding demand cost recovery, for the period April, 1998, through September, 1998?

EPU's Position: FPU drops this issue as the issue is subsumed within Staff's Generic Issue No. 4.

Florida Power & Light Corporation

Issue 10B: Should Florida Power & Light's Fuel Cost Recovery period be changed to the twelve calendar months in a year beginning January, 1999?

EPU's Position: FPU does not oppose moving to an annual cost recovery cycle for fuel and purchased power costs.

Witness: George M. 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

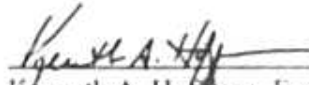
FPU has no motions pending in the above-styled docket.

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 5th day of February, 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 5th day of February, 1998:

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By: 
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001.pre