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January 23, 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-EI

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company are the original and fifteen copies of FPU's Preliminary List of Issues and Positions.

ACK Please acknowledge receipt of these documents by stamping the extra copy of this letter
AFA and returning the same to me.

APP _____
CAF _____ Thank you for your assistance with this filing

CMU _____
CTR _____ Sincerely,

EAD Bohrmann

LE 1

LIN 3

OLC _____ KAH/rl

ROF _____
SEC Enclosures

WA _____ cc: All Parties of Record

OTH Trib. 3


Kenneth A. Hoffman

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

01327 JAN 23 88

FPSC-RECORDS/REPORTING

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: January 23, 1998

**FLORIDA PUBLIC UTILITIES COMPANY'S FUEL
 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 February 25-27, 1998 in the above-styled docket.

ISSUES AND POSITIONS

Issue 1: What are the final remaining fuel adjustment true-up amounts for the period April 1977 through September 1997?

FPU's Position:

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

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

FPU's Position:

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

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

FPU's Position:

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

DOCUMENT NUMBER-DATE

01327 JAN 23 88

FPSC-RECORDS/REPORTING

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

FPU's Position:

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

Issue 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation 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 April 1, 1998, beginning with the first or applicable billing cycle for the period April 1998.

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 case?

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 group 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

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

Dated this 23rd day of January, 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 23rd day of January, 1998:

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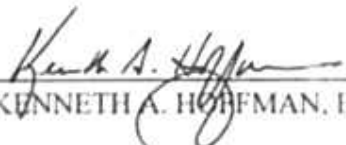
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By: 
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