

ORIGINAL

RUTLEDGE, ECENIA, UNDERWOOD, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA
JOHN R. ELLIS
KENNETH A. HOFFMAN
THOMAS W. KONRAD
MICHAEL G. MAIDA
J. STEPHEN MENTON
R. DAVID PRESCOTT
HAROLD F. X. PURNELL
GARY R. RUTLEDGE
R. MICHAEL UNDERWOOD

POST OFFICE BOX 551 32302-0551
215 SOUTH MONROE STREET, SUITE 420
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515

OF COUNSEL
CHARLES F. DUDLEY

GOVERNMENTAL CONSULTANTS
PATRICK R. MALOY
AMY J. YOUNG

December 7, 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

RECORDS AND
REPORTING

DEC-7 PM 2:19

Re: Docket No. 980002-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 Petition for Approval of Florida Public Utilities Company's Conservation Cost Recovery; and
 2. Original and fifteen copies of the Direct Testimony of Michael A. Peacock; and
- Original and fifteen copies of the Composite Exhibit MAP-1.

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
Kenneth A. Hoffman

ACK _____
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APP _____
CAF _____
CMU _____
CTR _____
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Petition
DOCUMENT NUMBER-DATE
13772 DEC-7 88
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
13773 DEC-7 88
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)
 Clause)
 _____)

Docket No. 980002-EG
 Filed: December 7, 1998

**PETITION FOR APPROVAL OF
 FLORIDA PUBLIC UTILITIES COMPANY'S
CONSERVATION COST RECOVERY FACTORS**

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel, submits this Petition for approval of FPU's conservation cost recovery factors for each of its two electric divisions for the period April 1999 through December 1999. In support of its Petition, FPU states as follows:

1. All notices, pleadings and orders should be directed to:

Kenneth A. Hoffman, Esq.
 Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A.
 P. O. Box 551
 Tallahassee, Florida 32302-0551
 (850) 681-6788

and

Mr. Jack T. English
 President
 Florida Public Utilities Company
 P. O. Box 3395
 West Palm Beach, Florida 33402-3395

2. The exact name of Petitioner and the address of its principal business office is:

Florida Public Utilities Company
 P. O. Box 3395
 West Palm Beach, Florida 33402-3395

DOCUMENT NUMBER-DATE

13772 DEC-7 98

FPSC-RECORDS/REPORTING

3. In accordance with the procedures established in this docket, FPU has prepared and filed direct testimony¹ and composite exhibit MAP-1² in support of its proposed conservation cost recovery factors. This evidence demonstrates that the levelized conservation cost recovery factors for the period April 1999 through December 1999 should be \$.00029 per KWH for the Marianna per KWH division and \$.00011 per KWH for the Fernandina Beach division.

4. As demonstrated in the direct testimony and exhibit MAP-1, the recoverable conservation costs for the period April 1999 through December 1999 are projected to be \$127,000 for Marianna and \$119,800 for Fernandina Beach. The estimated conservation cost recovery true-up amounts for the period April 1998 through March 1999 are projected to be an over-recovery of \$63,056 for Marianna and an over-recovery of \$88,760 for Fernandina Beach. These amounts are based upon actual data for April through October, 1998 and estimated data for November 1998 through March 1999.

5. The resulting net total projected conservation costs to be recovered for the period April 1998 through December 1999 are \$60,644 for Marianna and \$31,040 for Fernandina Beach. Based upon the projected sales for each respective division, the appropriate levelized conservation cost recovery factors for the period April 1999 through December 1999 are \$.00029 per KWH for the Marianna division and \$.00011 per KWH for the Fernandina Beach division.

¹The direct testimony of Mr. Michael A. Peacock is being filed with this Petition and is incorporated herein.

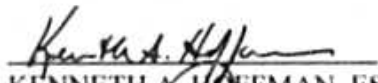
²Composite exhibit MAP-1, which consists of Schedules C-1, C-2, C-3, C-4 and C-5 for Marianna (pages 1-22), and Fernandina Beach (pages 23-44), is being filed with this Petition and is incorporated herein.

6. FPU's approved conservation cost recovery factors should be effective for all meter readings on or after April 1, 1999, beginning with the first or applicable billing cycle for the period April 1999.

WHEREFORE, Florida Public Utilities Company requests the Commission to approve its above-stated conservation cost recovery factors for the Marianna and Fernandina Beach divisions to be applied to customer bills for the period April 1999 through December 1999 and to billings thereafter until such time as another cost recovery factor is approved by the Commission.

Dated this 7th day of December, 1998.

Respectfully submitted,



KENNETH A. HOFFMAN, ESQ.
Rutledge, Eckenia, Underwood, Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302-0551
(850) 681-6788

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by U. S. Mail this 7th day of December, 1998, to the following:

Leslie Paugh, Esq.
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 370
Gerald L. Gunter Building
Tallahassee, Florida 32399-0850

Joseph A. McGlothlin, Esq.
Vicki Kaufman, Esq.
McWhirter Law Firm
117 S. Gadsden Street
Tallahassee, FL 32301

Michael Palecki, Esq.
955 East 25th Street
Hiialeah, FL 33013-3498

Mr. Jack T. English
P. O. Box 3395
West Palm Beach, FL 33402-3395

Mr. Stuart L. Shoaf
P. O. Box 549
Port St. Joe, FL 32457-0549

Wayne Schiefelbein, Esq.
215 South Monroe Street
Suite 815
Tallahassee, FL 32302

Ansley Watson
P.O. Box 1531
Tampa, FL 33601-1531

Norman Horton, Jr., Esq.
Messer Law Firm
P. O. Box 1876
Tallahassee, FL 32302

Office of Public Counsel
111 W. Madison St., #812
Tallahassee, FL 32399-1400

John W. McWhirter, Jr., Esq.
McWhirter Law Firm
100 N. Tampa St., Suite 2800
Tampa, FL 33602

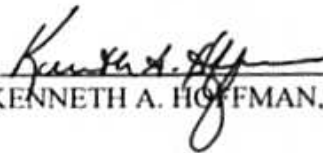
Lee L. Willis, Esq.
James Beasley, Esq.
P. O. Box 391
Tallahassee, FL 32302

Jeffery Stone, Esq.
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

James A. McGee, Esq.
FPC
P. O. Box 14042
St. Petersburg, FL 33733-4042

Charles Guyton, Esq.
215 S. Monroe Street
Suite 601
Tallahassee, FL 32301

Debra Swim, Esq.
Gail Kamaras, Esq.
LEAF
1114 Thomasville Road
Suite E
Tallahassee, FL

By: 
KENNETH A. HOFFMAN, ESQ.

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