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February 8, 1996

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
Room 110, Easley Building
2540 Shumard Oak Blvd.
Tallahassee, FL 32301

HAND DELIVERY

Re: Florida Public Utilities Company; Docket No. 960001-EI

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company in connection with the hearings scheduled to begin February 21, 1996 in this docket are an original and 15 copies of the Prehearing Statement. Also enclosed is a 3 1/2" diskette with the document on it called "stmt.fpu" in WorkPerfect 6.1 format.

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Yours very truly
Norman H. Horton, Jr.
Norman H. Horton, Jr.

Handwritten signature

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NHH/amb
Enclosures
cc: Parties of Record
Mr. George Bachman

Handwritten initials

DOCUMENT NUMBER DATE
J1541 FEB-8 96
FPSC-REC.PLS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and) Docket No. 960001 EI
Generating Performance) Filed: February 8, 1996
Incentive Factor.)
_____)

**PREHEARING STATEMENT OF
FLORIDA PUBLIC UTILITIES COMPANY**

Florida Public Utilities Company, through undersigned counsel,
respectfully submits its revised prehearing statement.

A. APPEARANCES

Norman H. Horton, Jr.
Messer, Caparello, Madsen, Goldman
& Metz, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876

On behalf of Florida Public Utilities Company

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Bachman (FPU)	Purchased power cost recovery; true-up (Marianna and Fernandina Beach Divisions)	1-7

DOCUMENT NUMBER-DATE

01541 FEB-89

FPSC-RECORDS/REPORTING

C. EXHIBITS

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>(GMB-1)</u>	Bachman	Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, and E-10 (Marianna Division)
		Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E8, and E10, (Fernandina Beach Division)

D. BASIC POSITION

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

E. ISSUES AND POSITIONS

ISSUE 1: What are the final fuel adjustment true-up amounts for the period April, 1995 through September, 1995?

FPU's Position:

Marianna: \$189,630 (overrecovery)
Fernandina Beach: \$ 40,349 (overrecovery)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October, 1995 through March, 1996?

FPU's Position:

Marianna: \$58,154 (underrecovery)
Fernandina Beach: \$12,331 (overrecovery)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected or refunded during the period April, 1996 through September, 1997?

FPU's Position:

Marianna: \$131,476 to be collected

Fernandina Beach: \$ 52,680 to be refunded

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1996 through September, 1996?

FPU's Position:

Excluding demand cost recovery, the appropriate levelized fuel cost recovery factors for the period April, 1995 through September, 1996 should be:

Marianna: 2.898¢/kwh

Fernandina Beach: 3.295¢/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: Agrees with Staff.

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?

FPU's Position:

Marianna

<u>Rate Schedule</u>	<u>Multiplier</u>
RS	1.0126
GS	0.9963
GSD	0.9963
GSLD	0.9963
OL, OL-2	1.0126
SL-1, SL-2	0.9881

Fernandina Beach

All Rate Schedules	1.0000
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ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

FPU's Position:

Marianna

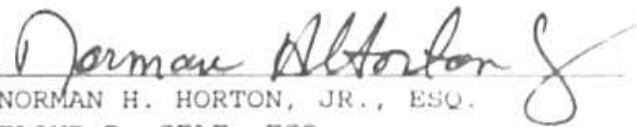
RS	5.122¢/kwh
GS	4.774¢/kwh
GSD	4.280¢/kwh
GSLD	4.243¢/kwh
OL, OL-2	3.025¢/kwh
SL-1, SL-2	2.943¢/kwh

Fernandina Beach

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	4.717¢/kwh
GS	4.841¢/kwh
GSD	4.090¢/kwh
OL	3.833¢/kwh
SL, CSL	3.833¢/kwh

Dated this 8th day of February, 1996

Respectfully submitted,
MESSER, CAPARELLO, MADSEN
GOLDMAN & METZ, P. A.
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NORMAN H. HORTON, JR., ESQ.
FLOYD R. SELF, ESQ.

Attorneys for Florida Public
Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Florida Public Utilities Company's Prehearing Statement, Docket No. 960001-EI have been served upon the following parties by U. S. Mail this 8th day of February, 1996:

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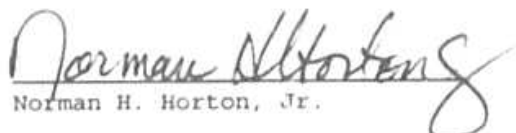
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