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October 12, 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

OCT 12 PM 3:35

REC'D DIVISION OF RECORDS AND REPORTING

Re: Docket No. 980003-GU

Dear Ms. Bayo:

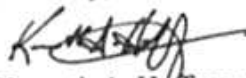
Enclosed herewith for filing in the above-referenced docket on behalf of Florida Public Utilities Company ("FPU") are the following documents:

1. Original and fifteen copies of Petition for Approval of Florida Public Utilities Company's Purchased Gas Adjustment Recovery Factor; and **11314-98**

- 2. Original and fifteen copies of the Direct Testimony of George M. Bachman; **11315-98**
- 3. Original and fifteen copies of Composite Exhibit GMB-2; and
- 4. Original and fifteen copies of the Direct Testimony of Marc L. Schneidermann **11316-98**

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

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
GTR _____
EAG _____
LEE _____
LIN _____
OPC _____
HUI _____
BFC _____
WAB _____
OTH _____

KAH/d
cc

All Parties of Record

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 980003-GU
Filed: October 12, 1998

**PETITION FOR APPROVAL OF
FLORIDA PUBLIC UTILITIES COMPANY'S
PURCHASED GAS ADJUSTMENT RECOVERY FACTOR**

Florida Public Utilities Company ("FPU"), by and through its undersigned counsel submits this Petition for the approval of a Purchased Gas Adjustment Recovery Factor ("PGA factor") of 49.397 cents-per-therm for the period January 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. Frank C. Cressman
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
11314 OCT 12 98
FPSC-REGULATORY/REPORTING

3. The Commission has directed Florida's natural gas public utilities to recover their purchased gas costs through a levelized purchase gas cost factor.¹ In accordance with Order Nos. 24463 and PSC-93-1783-FOF-GU, FPU has prepared and filed direct testimony² and composite exhibit GMB-2³ in support of its proposed PGA factor of 49.397 cents-oper-therm.

4. As demonstrated in the direct testimony and exhibit GMB-2, the final purchased gas adjustment true-up amount for the period April 1997 through March 1998 is an under-recovery of \$516,932 and the estimated purchased gas adjustment true-up amount for the period April 1998 through December 1998 is an over-recovery of \$783,287.

5. Based upon its projected sales, FPU projects that the net over-recovery to be refunded during the period January 1999 through December 1999 is \$266,305, and FPU's appropriate PGA factor for the period January 1999 through December 1999 is a maximum of 49.397 cents-per-therm.

6. FPU's approved PGA factor should be effective for all meter readings on or after January 1, 1999, beginning with the first or applicable billing cycle for the period January 1999.

WHEREFORE, Florida Public Utilities Company requests the Commission to approve FPU's purchased gas cost recovery factor of 49.397 cents-per-therm to be applied to customer bills for the period January 1999 through December 1999, and to billings thereafter until such time as another recovery factor is approved by the Commission.

¹Order Nos. 24463 and PSC-93-1783-FOF-GU.

²The direct testimony of Messrs. George M. Bachman and Marc L. Schneiderman are being filed with this Petition and are incorporated herein.

³Composite exhibit GMB-2, which consists of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5, is being filed with this Petition and is incorporated herein.