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Public Service Commission

October 9, 2009

Beth Keating
Akerman Senterfitt
Highpoint Center, 12th Floor
106 East College Avenue
Tallahassee, FL 32301

STAFF'S NINTH DATA REQUEST NOS. 218-232

Re: Docket No. 090125-GU-Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Division of Chesapeake Utilities Corporation (Chesapeake) provide responses to the following data and document requests:

Data Requests

218. Please indicate, by year, the number of Rockwell meters and associated regulators that have been or will be retired due to their incompatibility with the AMR MTUs.
219. Please identify, by year, the original cost of the meters and regulators indicated in response to No. 218.
220. Please indicate the total number of meters in service, as of 12/31/08 and estimated as of 12/31/09.
221. Please indicate the total number of regulators in service, as of 12/31/08 and estimated as of 12/31/09.
222. Please indicate the price charged to the Florida Division of Chesapeake Utilities Corporation (Company) by American to install an MTU with an American meter at the factory.
223. Please indicate the cost incurred by the Company to install and activate an MTU in the field, with respect to an MTU installed with an American meter.
224. Please identify the net cost savings per unit to the company associated with installing American meters with which an MTU has already been installed by American.

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225. In response to Staff Data Request No. 175, the Company states that costs associated with removing the retiring Rockwell meters and regulators is included in the installation costs of the new replacement American meter and regulator. Because the Rockwell meters and associated regulators were junked at retirement, any costs associated with their removal should be accounted for as costs of removal appropriately debited to the meter or regulator account reserve. Please identify the estimated costs of removal associated with the retirements of the Rockwell meters in 2008 and 2009.
226. Please identify the estimated costs of removal associated with the retirements of the regulators in 2008 and 2009.
227. Please identify the adjustment to plant investment, depreciation expense, and reserve for the meter account for 2008 and 2009, to appropriately account for the removal costs associated with the retiring Rockwell meters.
228. Please identify the adjustment to plant investment, depreciation expense, and reserve for the regulator account for 2008 and 2009, to appropriately account for the removal costs associated with the retiring regulators.
229. Please identify the portion of the Labor/Meter Change cost identified in response to Staff Data Request No. 176 that is associated with installing a new meter, installing a new regulator, removing the existing meter, and removing the existing regulator.
230. Rule 25-7.0461, Florida Administrative Code, provides guidelines for capitalization and expensing and uniform retirement units for natural gas utilities. Are the MTU and DCU devices considered retirement units or minor items of property? Please indicate the rationale supporting the Company's treatment.
231. The Company's last depreciation study was filed in Docket No. 070322-GU. The Commission approved revised depreciation rates, effective January 1, 2008, for the Company in Order No. PSC-08-0364-PAA-GU, issued June 2, 2008. Please indicate why the appropriate accounting treatment for the Meter Transmitter Units (MTUs) and Data Collection Units (DCUs) or the appropriate depreciation rate for this equipment was not addressed in 2007 depreciation study.
232. Please indicate how the MTU differs from an Encoder Receiver Transmitter, given that both devices transmit usage data via a radio signal.

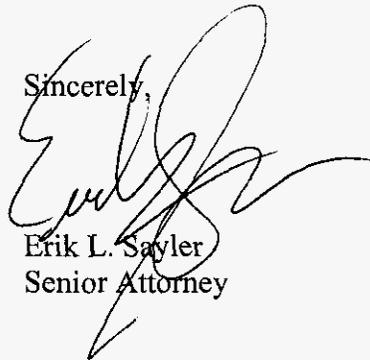
Docket No. 090125-GU, Staff's Ninth Data Request

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Please file the original and five copies of the requested information by October 16, 2009, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6084 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erik L. Sayler', written over the typed name and title.

Erik L. Sayler
Senior Attorney

ELS/amv

cc: Office of Commission Clerk
Florida Division of Chesapeake Utilities Corporation
Office of Public Counsel – Patricia A. Christensen
Division of Economic Regulation