On August 25, 2004, Central Florida Gas Company (Central Florida or the company) filed a request with the Florida Public Service Commission (PSC or Commission) for authority to establish new customer classifications and to restructure its existing rates. Central Florida serves approximately 11,000 residential, commercial and industrial customers throughout central and north Florida. In 1985, Central Florida joined Chesapeake Utilities Corporation adding customers in the citrus industry, tourist attractions and construction. Central Florida has customer service centers in the cities of Winter Haven, Hernando, and St. Cloud, Florida.

Under Central Florida’s proposal, the total revenues collected by the company would not change. In addition, for those existing customers who use less than 3,000 therms per year (an average of 250 therms per month), rates would not be affected. However, the company is proposing to expand its customer classifications for customers using more than 100,000 therms per year and to adjust the rates within certain commercial and industrial classifications. Thus, some customers would see rate increases under the company’s proposal.

The proposed rate restructuring also would recover a greater percentage of the cost to provide service to customers from the company’s monthly fixed-rate customer charges. At present, the majority of the company’s cost to serve large users is recovered from variable charges based on a customer’s monthly therm usage. Under the company’s proposal, for customers using more than 3,000 therms per year, the monthly fixed-rate customer charge would increase and the per-therm transportation charge would decrease. This change will not affect current customers using less than 3,000 therms per year.

The meeting at each location will adjourn before the stated ending time if no customers are present. For this reason, customers are urged to arrive at the scheduled starting time of the meeting in the location of their choice.

Wednesday, December 8, 2004
10:00 a.m. – 12:00 p.m.
Chain O’ Lakes Complex
210 Cypress Gardens Boulevard
Winter Haven, Florida

3:00 p.m. – 5:00 p.m.
City Council Chambers
Building A, 3rd Floor
1300 Ninth Street
St. Cloud, Florida

Thursday, December 9, 2004
10:00 a.m. – 12:00 p.m.
Plant City Chamber of Commerce
106 North Evers Street
Plant City, Florida

3:00 p.m. – 5:00 p.m.
Plantation Inn and Golf Resort
Magnolia Room
9301 West Fort Island Trail
Crystal River, Florida
PSC COMMISSIONERS

Braulio L. Baez was appointed to the Florida Public Service Commission by Governor Jeb Bush in February 2000 to complete a term ending January 2001. He was reappointed to a term ending January 2005. Prior to his appointment, Mr. Baez was a bureau chief in the Commission’s Division of Legal Services for telecommunications where he implemented law and policy in the regulation of more than 1,500 water and wastewater facilities, and subsequently, became the Executive Assistant to Commissioner Jaber. Mr. Baez also serves as the Vice Chair of the NARUC (National Association of Regulatory Utility Commissioners) Committee on Telecommunications and is a member of the NARUC Committee on Consumer Affairs. In January 2001, he was appointed by the Federal Communications Commission (FCC) to the Federal-State Joint Board on Universal Service which was created to promote the availability and access to quality telecommunications services throughout the Nation. Commissioner Baez has served as chair of the Federal-State Joint Conference on Advanced Services (706 Joint Conference) created by the FCC to promote the rapid deployment of new technologies that enable infrastructure services to all Americans. She has also served as co-chair of the Florida Information Service Technology Development Task Force (ITFlorida.com), and is currently an ex-officio member of the Florida Research Consortium, the affiliate of ITFlorida.com, created as a partnership between Florida’s universities and technology sectors to focus on high-tech research and development. Prior to serving on the Florida Public Service Commission, Commissioner Baez was a bureau chief in the Commission’s Division of Water and Wastewater, where she implemented law and policy in the regulation of more than 1,500 water and wastewater facilities, and subsequently, became the Executive Assistant to Commissioner Jaber. Commissioner Baez, a court-certified mediator and a member of the Florida Bar, received a bachelor of arts degree in political science and business from Stetson University in DeLand, Florida, and received a juris doctorate from the Stetson University College of Law in St. Petersburg, Florida.

Rudolph (Rudy) Bradley was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four year term beginning January 8, 2002. Commissioner Bradley serves on the National Association of Regulatory Utility Commissioners’ Committees on Energy, Water, and International Relations. He is also a member of the Energy and International Relations Board which is a joint project between the Department of Energy and the National Association of Regulatory Utility Commissioners. Prior to his appointment to the Commission, Commissioner Bradley served as a member of the Florida Legislature for seven years representing District 55 which includes Pinellas, Manatee and Hillsborough Counties. As a member of the Legislature, he served as the Vice Chair of the Utilities and Telecommunications Committee and as the Chairman of the Select Committee on Energy Revenues. As Commissioner Bradley also served as Chairman of the National Association of Regulatory Utility Commissioners’ Committee on Energy Restructuring. Commissioner Bradley also served as the Executive Director of Florida's Information Technology Task Force (ITFlorida.com) and formed several private enterprises involving real estate and livestock. Following the unanimous recommendation of the PSC Nominating Council, Governor Jeb Bush appointed Charles Davidson to the Florida Public Service Commission on January 31, 2001. Commissioner Davidson relocated from New York to Florida in 2000 to continue the office of Governor Bush, as the Executive Director of Florida’s Information Technology Taskforce. In that role, he was responsible for developing public policies to help ensure that Florida maintains progressive economic development processes and rational regulatory regimes. In 2001, Davidson was recruited by the Florida House of Representatives to launch the state’s first Committee on Information Technology. He currently serves ex officio as a member of the board of directors of ITFlorida, a statewide not-for-profit organization that is focused on developing sound technology-related public policies. From 1993 to 1999, Commissioner Davidson was an attorney resident in the New York Office of Baker & McKenzie, the world’s largest law firm. In 1999, he joined the New York Office of Duane Morris with other attorneys from Baker & McKenzie to form a new international dispute resolution practice group. While in private practice, Davidson was responsible for an array of regulatory, commercial, legal, technological, and policy matters. He represented United States and international clients in international arbitrations and mediations. While in New York, Davidson served as Special Professor of Law at Hofstra University School of Law. Commissioner Davidson speaks frequently on technology and public policy issues. Recently, Commissioner Davidson testified before Congress on the regulatory treatment that should be afforded broadband technologies. Commissioner Davidson also recently testified before the FCC on the regulatory issues impacting Internet and broadcasting. A Phi Beta Kappa graduate, Commissioner Davidson holds a Masters of Law in Trade Regulation from New York University. He also holds a Masters in International Business from Columbia University. Davidson received his Ph.D. in technology and juris doctorate degree from the University of Florida, where he served as a fellowship instructor at the College of Law.
The company has also proposed to close its existing TS-1A and TS-1B rate schedules to new customers. The TS-1A rate is applicable to customers who use between 0 and 130 therms per year, and the TS-1B rate is applicable to customers who use between 131 and 250 therms per year. Existing TS-1A and TS-1B customers’ rates will not change, however, any future customers whose annual usage ranges between 0 and 500 therms would be served under a new proposed Firm Transportation Service rate class (FTS-1).

In addition to the rate restructuring, the company is also proposing additional changes which would:

- Establish two new customer classifications for gas marketers delivering gas to the company’s distribution system and the implementation of rates that recover the cost to provide service to marketers.

- Shift the recovery of certain revenues from the company’s Competitive Rate Adjustment (CRA) surcharge to base rates.

- Remove the recovery of certain environmental costs from base rates and establish a flexible, variable rate surcharge mechanism to recover future costs of this type.

- Require customers to pay fixed monthly customer charges during those months in which the customer has terminated service for less than 12 months.

The staff of the PSC has scheduled four customer meetings on December 8 and 9, 2004 in the utility’s service area to provide customers the opportunity to express their views regarding Central Florida’s request.

PSC staff is scheduled to make a recommendation to the Commission on January 6, 2005. The Commissioners are expected to vote on this matter at the January 18, 2005, Agenda Conference.

The current case is being processed under the PSC’s “Proposed Agency Action” (PAA) procedure. Under the PAA process, the case will not be set for a formal hearing unless a timely protest to the Commission’s proposed agency action is filed.
Consumer Statements at PSC Meetings

The Commissioners are interested in what consumers have to say about the petition of Central Florida Gas Company -- Florida Division of Chesapeake Utilities Corporation for authority to establish new customer classifications and restructure rates, and for approval of proposed revised tariff sheets. The main purpose of these meetings is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commissioners know how you feel about the case under review. At the beginning of the meetings, procedures will be set up to establish an order for comments. PSC staff will have sign-up sheets, and consumers will be called in the order of those sheets. PSC staff will also be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff, orally or in writing, may do so at the meeting. Written comments also may be sent to: Florida Public Service Commission, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, or fax at 1-800-511-0809. Correspondence will be placed in the file of this docket (Docket No. 040956-GU).

Any person who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, or on-line at www.floridapsc.com.
Petition of
Central Florida Gas Company -
Florida Division of Chesapeake Utilities Corporation
for Authority To Establish New Customer Classifications and Restructure Rates,
and for Approval of Proposed Revised Tariff Sheets

DOCKET NO. 040956-GU

Name

Address

If you want to let the Public Service Commission know how you feel about this case,
you may fill out this comment form and return it by mail, or send by fax to 1-800-511-0809.
Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS