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106 East College Avenue  
Tallahassee, FL 32301  
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October 6, 2008

**VIA Hand Delivery**

Ms. Ann Cole  
Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 080004-GU – Conservation Cost Recovery Clause**

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket on behalf of the Florida Division of Chesapeake Utilities Corporation, please find the original and 15 copies of the Company's Prehearing Statement, as well as a copy of the filing in Word on diskette.

Your assistance in this matter is greatly appreciated.

Sincerely,

**Beth Keating**  
**AKERMAN SENTERFITT**  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32302-1877  
Phone: (850) 224-9634  
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{TL172139;1}Enclosures

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation )  
Cost Recovery )

Docket No. 080004-GU  
Filed: October 6, 2008

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PREHEARING STATEMENT OF  
CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

In accordance with the Order Establishing Procedure, Order No. PSC-08-0170-PCO-GU, as amended, the Florida Division of Chesapeake Utilities Corporation (CUC) hereby submits its Prehearing Statement.

A. WITNESS

<u>Witness Direct</u>	<u>Subject Matter</u>	<u>Issues</u>
Thomas A. Geoffroy* (CUC)	True-up for 2007; Actual/estimated true-up amount for 2008; total cost recovery amounts for 2009; cost recovery factors for 2009; effective date of cost recovery factors for billing purposes	1-5

B. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
MD-1*	Geoffroy	True-up variance analysis [Schedules CT1-CT6]
TG-2	Geoffroy	Projections Recovery Clause Calculation: Estimated ECCR charges by rate classification; [Schedules C-1 through C-4]

\* In addition to his testimony filed on September 12, 2008, Mr. Thomas A. Geoffroy is adopting the testimony and Exhibit MD-1 of Mr. Matthew Dewey, which was filed on May 1, 2008.  
{TL172127;1}

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

C. STATEMENT OF BASIC POSITION

The Commission should approve the Florida Division of Chesapeake Utilities Corporation's final net true-up for the period January - December 2007, the estimated true-up amount for the period January – December 2008, and the projected conservation program expenses for the period January – December 2009.

The Commission should approve the following ECCR factors for the following rate classes for the period January – December 2009:

<u>Rate Class</u>	<u>ECCR Factor Dollars Per Therm</u>
FTS-A	\$0.11835
FTS-B	\$0.09247
FTS-1	\$0.08372
FTS-2	\$0.04271
FTS-3	\$0.02590
FTS-4	\$0.02107
FTS-5	\$0.01802
FTS-6	\$0.01605
FTS-7	\$0.00965
FTS-8	\$0.00933
FTS-9	\$0.00740
FTS-10	\$0.00739
FTS-11	\$0.00615
FTS-12	\$0.00511

<u>Rate Class</u>	<u>Experimental ECCR Factor Dollars Per Bill</u>
FTS-A	\$ 0.90
FTS-B	\$ 1.24
FTS-1	\$ 1.57
FTS-2	\$ 3.46
FTS-3	\$ 12.53

D. ISSUES

Issue 1: What are the final conservation cost recovery true-up amounts for the period January 2007 through December 2007?

CUC's Position: \$386,079 Over-recovery.

Issue 2: What are the actual/estimated conservation cost recovery true-up amounts for the period January 2008 through December 2008?

CUC's Position: \$538,645 Over-recovery.

Issue 3: What are the total conservation cost recovery amounts to be collected during the period January 2009 through December 2009?

CUC's Position: \$648,410, which represents projected costs for 2009 of \$1,187,055, minus the estimated true-up for 2008 of \$538,645.

Issue 4: What are the conservation cost recovery factors for the period January 2009 through December 2009?

CUC's Position: The appropriate energy conservation cost recovery factors for the period January 2009 through December 2009 are as follows:

<u>Rate Class</u>	<u>ECCR Factor Dollars Per Therm</u>
FTS-A	\$0.11835
FTS-B	\$0.09247
FTS-1	\$0.08372
FTS-2	\$0.04271
FTS-3	\$0.02590
FTS-4	\$0.02107
FTS-5	\$0.01802
FTS-6	\$0.01605
FTS-7	\$0.00965
FTS-8	\$0.00933
FTS-9	\$0.00740
FTS-10	\$0.00739
FTS-11	\$0.00615
FTS-12	\$0.00511

<u>Rate Class</u>	<u>Experimental ECCR Factor Dollars Per Bill</u>
FTS-A	\$ 0.90
FTS-B	\$ 1.24
FTS-1	\$ 1.57
FTS-2	\$ 3.46
FTS-3	\$ 12.53

Issue 5: What should be the effective date of the new conservation cost recovery factors for billing purposes?

CUC's Position: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2009 through December 2009. Billing cycles may start before January 1, 2009 and the last cycle may be read after December 31, 2009 so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

E. STIPULATED ISSUES

None.

F. PENDING MOTIONS

None.

G. PENDING CONFIDENTIALITY REQUESTS

None.

H. OBJECTIONS TO WITNESS QUALIFICATIONS

None.

I. COMPLIANCE WITH ORDER ON PROCEDURE

CUC believes that this Prehearing Statement fully complies with the requirements of the Order on Procedure.

Dated this 6th day of October, 2008.

Respectfully submitted,  
CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

By  \_\_\_\_\_

Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 521-8002

*Attorneys for Chesapeake Utilities Corporation,  
Florida Division*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 6th day of October, 2008:

Florida Public Utilities Company Marc S. Seagrave P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen/S.Burgess c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 955 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida City Gas Jay Sutton 4180 South US Hwy. 1 Rockledge, FL 32955-5309	Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159
Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	Indiantown Gas Company Brian J. Powers P.O. Box 8 Indiantown, FL 34956-0008

Sebring Gas System, Inc.  
Jerry H. Melendy, Jr.  
3515 U.S. Highway 27 South  
Sebring, FL 33870

Robert Scheffel Wright  
225 South Adams Street, Suit 200  
Tallahassee, FL 32301

A handwritten signature in cursive script that reads "Beth Keating". The signature is written in black ink and is positioned above a horizontal line.

Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue  
Highpoint Center, 12<sup>th</sup> Floor  
Tallahassee, FL 32301  
(850)224-9634

CHESAPEAKE UTILITIES CORPORATION  
PREHEARING STATEMENT  
DISK/FILE SPECIFICATIONS  
DOCKET 080004-GU

File Name: ECCR Prehearing Statement CUC

Density of Diskette: High

Operating System: Windows

Software: Microsoft Word