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JUN 30 PM 3:26  
COMMISSION  
CLERK

June 29, 2004

**BY HAND DELIVERY**

Ms. Blanca Bayó, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 040216-GU

Dear Ms. Bayó:

Enclosed for filing in the captioned docket is an affidavit by Mr. George Bachman that notice of the Petition for Rate Increase was sent to customers.

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 yours,

  
Norman H. Horton, Jr.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- NMS \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SEC   J
- OTH \_\_\_\_\_

NHH/amb  
Enclosures  
cc: Ralph Jaeger, Esq.  
Office of Public Counsel


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  Max    
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE  
07174 JUN 30 2004  
FPSC-COMMISSION CLERK


**AFFIDAVIT**

STATE OF FLORIDA            )  
  )  
COUNTY OF PALM BEACH )

BEFORE ME, the undersigned authority, personally appeared George M. Bachman, who stated that Florida Public Utilities Company has mailed notices (copy attached) to all natural gas customers in its South Florida and Central Florida service areas informing them of the pending rate case and the subsequent rate increases. The notices were sent to 45,559 natural gas customers as of May 28, 2004 and were mailed on June 15, 2004.

  
\_\_\_\_\_  
**George Bachman**  
**C.F.O. & Treasurer**  
**Florida Public Utilities Company**

Sworn to and subscribed before me  
This 18<sup>th</sup> day of June, 2004 by  
George M. Bachman who is  
personally known to me.

  
\_\_\_\_\_  
**Heidi Dysard**  
**Notary Public, State of Florida**

My commission expires:



**Heidi E. Dysard**  
Commission # DD108014  
Expires April 10, 2006  
Bonded Thru  
Atlantic Bonding Co., Inc

3602 POSTAL SERVICE PERMIT SYSTEM TRANS# 200416717202800M1  
STATEMENT OF MAILING/3607 WEIGHING AND DISPATCH CERTIFICATE

STATION OR UNIT: WEST PALM BEACH FL COMPANY PERMIT USED: N  
FINANCE NUMBER : 11-9465 PERMIT NO: 02914

FLORIDA PUBLIC UTILITIES  
PO BOX 3395  
WEST PALM BEACH FL 33402-3395

DATE OF MAILING CLASS PROC CAT TYPE  
06/15/04 STANDARD LETTERS BULK REGULAR

WEIGHT OF SINGLE PIECE (LBS) TOTAL PIECES TOTAL POUNDS  
0.0514 45,559 2,341.7326

MAILED: BY  
PERMIT NO. 2085  
NAME: ACTION MARKETIN

CONTAINERS  
167

NBRVP:  
ERRORS: 0.00%

AFFIXED POSTAGE:  
AMOUNT FROM TRUST: \$8,035.23

I CERTIFY that this mailing has been inspected concerning:  
1)eligibility for the rate of postage claimed; 2)proper preparation  
(and presort where required); 3)proper completion of the statement of  
mailing; and 4)payment of the required annual fee.



ROUND STAMP REQUIRED  
TIME \_\_\_ AM / PM

ROUND STAMP REQUIRED  
TIME \_\_\_ AM / PM

*See Ray*  
SIGNATURE OF WEIGHER

RECEIVED FOR PROCESSING BY

COMMENTS: WITH: MAILING EXPERTS REMAINING ON DEPOSIT: \$3,440.63  
CLK INIT: JWR

**IMPORTANT**  
**NOTICE TO CUSTOMERS**  
**AND**  
**NOTICE OF CUSTOMER MEETINGS**

**TO THE CUSTOMERS OF**  
**FLORIDA PUBLIC UTILITIES COMPANY**  
**AND**  
**ALL OTHER INTERESTED PARTIES**

RE: Docket No. 040216-GU – Application for a Rate Increase by Florida Public Utilities

On May 10, 2004, Florida Public Utilities Company (“Company”) filed a Petition with the Florida Public Service Commission seeking approval to increase rates and charges for natural gas service to produce an additional \$8,186,989 in revenues. The Company also requested an interim increase of \$1,490,980 to be approved and implemented pending final action on the permanent increase.

The Company believes that this increase is needed in order to enable the Company to continue to provide sufficient, adequate and efficient service and to afford the Company an opportunity to earn a fair rate of return.

The Company has experienced increases in operating expenses, due in part to increased insurance costs, pension costs, property and liability costs, compliance costs, inflation, and other pressures which have caused expenses to increase. In addition, to continue to provide reasonable, sufficient service, the Company will need to attract additional capital for new facilities and replacement programs. In order to produce the additional revenues the Company is proposing to restructure its rates and charges. Included in the restructuring is elimination of the separate schedules of rates and charges for customers acquired from South Florida Natural Gas and inclusion of all customers on common schedules. Detailed information on the Company’s request is contained in the minimum filing requirements and prefiled testimony, which can be viewed during normal business hours (8:00 a.m. to 5:00 p.m., Monday – Friday) at the following Company offices.

401 South Dixie Highway  
West Palm Beach, Florida 33401-5886  
(561) 832-0872

450 South Highway 17-92  
DeBary, Florida 32713  
(386) 668-2600

701 Eleanor Avenue  
New Smyrna Beach, Florida 32168  
(386)428-5721

Additionally, a synopsis of the rate case will be available at these offices and at the main branch of the local public library.

**CUSTOMER MEETINGS**

Notice is also given that customer meetings have been scheduled in July 2004 to allow customers to express their views regarding the quality of service they receive from the Company and other matters pertaining to the requested rate increase. One or more Commissioners may be present at the customer meetings. The dates, times and locations of the customer meetings are as follows:

July 7, 2004, 6:00 p.m.  
Florida Department of Environmental Protection  
Southeast District Office  
400 North Congress Avenue, Suite 200  
West Palm Beach, Florida 33401

July 8, 2004, 6:00 p.m.  
City of Deltona  
City Commission Chambers, City Hall  
2345 Providence Blvd.  
Deltona, Florida 32725

All customers who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. The meeting will begin as scheduled and will continue until all of the customers have been heard.

Any person requiring some accommodation at the customer meetings because of physical impairment should call the Commission's Division of the Commission Clerk and Administrative Services at 850-413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

### **PURPOSE**

The purpose of the meetings is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission regarding the quality of service the utility provides and to ask questions and comment on the utility's proposed rates included in this notice as well as other issues. staff members will answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission will have sign-up sheets, and customers will be called in the order that they sign-up to speak. Public Service Commission staff will be available to coordinate customers' comments and to assist members of the public.

Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809.

### **PROCEDURES AFTER CUSTOMER MEETINGS**

After the meetings, Public Service Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Public Service Commission on October 7, 2004. The Public Service Commission will then vote on staff's recommendation at its October 19, 2004 agenda conference. The Commission will thereafter issue a proposed agency action order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days to protest the Commission's proposed agency action order.

### **PRESENT AND PROPOSED RATES**

The utility's present and proposed rates are set out on the attached Appendix A. These rates are preliminary and subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commissioners.

### **SCHEDULE OF THE CASE**

The Commission is currently scheduled to consider the Company's request for interim rate relief on July 6, 2004 and its request for permanent rate relief on October 19, 2004, in Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida, beginning at 9:30 a.m.

The following is the current rate case schedule established by the Commission that contains all the critical events and dates. This schedule is subject to change by the Commission.

Staff Recommendation on Interim Rates	June 24, 2004
Agenda Conference on Interim Rates	July 6, 2004
Customer meeting, West Palm Beach	July 7, 2004
Customer meeting, Deltona	July 8, 2004
Standard Order on Interim Rates	July 26, 2004
Audit Report Due	August 16, 2004
Staff Recommendation on Final Rates	October 7, 2004
Agenda Conference on Final Rates	October 19, 2004
Proposed Agency Action Order on Final Rates	November 8, 2004

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to:

Director, Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Such comments should refer to Docket No. 040216-GU, which is the docket number that has been assigned to this proceeding.

If you wish to contact the Commission regarding complaints about service, you may call (toll free) or write the Florida Public Service Commission's Division Regulatory Compliance and consumer Assistant:

Division of Regulatory Compliance and Consumer Assistance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
1-800-342-3552 (Toll Free Number)

Company personnel may be contacted to answer questions concerning the rate request at the address shown on your gas service bill, or by calling the phone numbers listed above for the various locations.

This notice was prepared by the utility with the assistance of the Commission staff for distribution by the utility to its customers.

**APPENDIX A  
FLORIDA PUBLIC UTILITIES COMPANY  
COMPARISON OF PRESENT AND PROPOSED RATES**

**Residential Service: Standard**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$8.00 per customer per month	\$8.00
Energy Charge	.33512 \$ per therm	.52644 \$ per therm

**Residential Service: New Smyrna Beach**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$7.00 per customer per month	\$8.00
Energy Charge	.56654 \$ per therm	.52644 \$ per therm

**General Service**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$15.00 per customer per month	\$15.00
Energy Charge	.21513 \$ per therm	.36543 \$ per therm

**General Service: New Smyrna Beach**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$12.00 per customer per month	\$15.00
Energy Charge	.23514 \$ per therm	.36543 \$ per therm

**General Service Transportation Service**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$15.00 per customer per month	\$15.00
Energy Charge	.21513 \$ per therm	.36543 \$ per therm
Non monitored Transportation Charge	-----	\$4.50 per customer per month

**General Service Transportation Service: New Smyrna Beach**

	<u>Present</u>	<u>Proposed</u>
Customer Charge	\$12.00 per customer per month	\$15.00
Energy Charge	.23514 \$ per therm	.36543 \$ per therm
Non monitored Transportation Charge	-----	\$4.50 per customer per month

**Large Volume Service**

	<u>Present</u>	<u>Proposed</u>
Customer	\$45.00	\$45.00
Energy	.15474	.27639

**Large Volume Service: New Smyrna Beach**

	<u>Present</u>	<u>Proposed</u>
Customer	\$12.00	\$45.00
Energy	.23514	.27639

**Large Volume Transportation Service < 50,000 therms**

	<u>Present</u>	<u>Proposed</u>
Customer	\$45.00	\$45.00
Energy	.15474	.27639
Non monitored Transportation Charge	-----	\$4.50 per month

**Large Volume Transportation Service: New Smyrna Beach < 50,000 therms**

	<u>Present</u>	<u>Proposed</u>
Customer	\$12.00	\$45.00
Energy	.23514	.27639
Non monitored Transportation Charge	-----	\$4.50 per month

**Large Volume Transportation Service: >50,000 therms**

	<u>Present</u>	<u>Proposed</u>
Customer	\$45.00	\$45.00
Energy	.15474	.27639
Non monitored Transportation Charge	\$136.50 per customer per month	-----
Incremental Charges*	-----	\$50.50

\*Monthly Incremental Charges include:

- A. RTU Maintenance & Change Out Charge = \$30.00
- B. Monitoring & Reporting Charge = \$16.00
- C. Non-Monitored Transportation = \$4.50

**Large Volume Transportation Service: New Smyrna Beach >50,000 therms**

	<u>Present</u>	<u>Proposed</u>
Customer	\$12.00	\$45.00
Energy	.23514	.27639
Non monitored Transportation Charge	\$136.50 per customer per month	-----
Incremental Charges*	-----	\$50.50

\*Monthly Incremental Charges include:

- A. RTU Maintenance & Change Out Charge = \$30.00
- B. Monitoring & Reporting Charge = \$16.00
- C. Non-Monitored Transportation = \$4.50



**Interruptible Service**

	<u>Present</u>	<u>Proposed</u>
Customer	\$240.00	\$240.00
Energy	.06612	.11652
RTU Maintenance & Change Out Charge	-----	\$30.00

**Interruptible Transportation Service**

	<u>Present</u>	<u>Proposed</u>
Customer	\$240.00	\$240.00
Energy	.06612	.11652
Non monitored Transportation Charge	\$54.00 per customer per month	-----
Incremental Charges	-----	\$50.50

\*Monthly Incremental Charges include:

A. RTU Maintenance & Change Out Charge = \$30.00

B. Monitoring & Reporting Charge = \$16.00

C. Non-Monitored Transportation = \$4.50

**Gas Lighting - GS**

	<u>Present</u>	<u>Proposed</u>
Customer	\$15.00	0
Energy	.21513	.16107

**Gas Lighting - LV**

	<u>Present</u>	<u>Proposed</u>
Customer	\$45.00	0
Energy	.15474	.16107

	Present West Palm Beach Division Sanford & DeLand Districts	Present West Palm Beach Division Sanford & DeLand Districts	Present New Smyrna Beach District		Proposed RS, GS, GSTS, LVS, LVTS, IS & ITS		
	LVS & LVTS Customers	All Other Customers	Residential	Commercial	RS	GS & GSTS	LVS, LVTS, IS & ITS
Establishment of Service	\$57.00	\$25.00	\$20.00	\$30.00			
Regularly Scheduled					\$42.00	\$60.00	\$90.00
Same Day or Outside Normal Business Hours					\$56.00	\$79.00	\$119.00
Reconnection after Disconnection	\$48.00	\$21.00	\$20.00	\$30.00			
Change of Account (Read Meter Only)	\$12.00	\$12.00	\$10.00	\$10.00			
Regularly Scheduled					\$19.00	\$19.00	\$19.00
Same Day or Outside Normal Business Hours					\$24.00	\$24.00	\$24.00
Reconnection After Disconnection for Non-Pay	\$58.00	\$31.00	\$20.00	\$30.00			
Regularly Scheduled					\$60.00	\$78.00	\$108.00
Same Day or Outside Normal Business Hours					\$74.00	\$97.00	\$137.00
Bill Collection in Lieu of Disconnection for Non-Pay	\$9.00	\$9.00	\$10.00	\$10.00	\$16.00	\$16.00	\$16.00

	Present West Palm Beach Division Sanford & DeLand Districts	Present West Palm Beach Division Sanford & DeLand Districts	Present New Smyrna Beach District		Proposed RS, GS, GSTS, LVS, LVTS, IS & ITS		
	LVS & LVTS Customers	All Other Customers	Residential	Commercial	RS	GS & GSTS	LVS, LVTS, IS & ITS
Failed Trip Charge - applies when customer fails to keep scheduled appointment with the Company's employee, agent, or representative							
Regularly Scheduled					\$19.00	\$19.00	\$19.00
Same Day or Outside Normal Business Hours					\$24.00	\$24.00	\$24.00
Bills Paid Electronically - applies when a customer chooses to make payment by Credit Card, Debit Card, or Electronic Check					\$3.50 for each transaction		
<p><b>Worthless Check Charge</b></p> <p>The service charge for each worthless check shall be determined in accordance with Section 68.065, Florida Statutes. Such service charge shall be added to the customer's bill for gas service for each check dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge.</p>							
<p><b>Late Payment Charge</b></p> <p>A bill shall be considered past due upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company. The balance of all past due charges for services rendered are subject to a Late Payment Charge of 1.5% or \$5.00, whichever is greater, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A late Payment Charge shall be applied to the accounts of federal, state, and local government entities and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.</p>							