

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation Cost Recovery)

Docket No. 040004-GU

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CHESAPEAKE UTILITIES CORPORATION'S PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

The Florida Division of Chesapeake Utilities Corporation ("CUC") hereby submits its preliminary statement of issues and positions to be taken up at the hearing now scheduled to begin on November 8, 2004 in this docket.

1. ISSUE: What is the final end-of-the-period true-up amount for the period January 2003 through December 2003?

Position: \$78,457 Underrecovery.

2. ISSUE: What are the appropriate conservation cost recovery factors for the period January 2005 through December 2005?

Position: The following factors are to be applied for the period shown above:

Table with 2 columns: Rate Class and ECCR Factor Cents Per Therm. Lists TS-1A through TS-9 with corresponding values.

- CMP
COM 5
CTR
ECR
GCL
OPC
MMS
RCA
SCR
SEC 1
OTH

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3. ISSUE: What should be the effective date of the conservation cost recovery factors for billing purposes?

Position:

The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2005, through December 2005. Billing cycles may start before January 1, 2005, and the last cycle may be read after December 31, 2005, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Dated this 8TH day of October, 2004

Respectfully Submitted,



Brian S. Bilinski
Accounting & Rates Manager
Chesapeake Utilities Corporation
Florida Division