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October 9, 2006



Blanca S. Bayó, Director Division of Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Docket No. 060004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Bayó:

CMP

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Enclosed for filing in the above referenced Docket, please find an original and 15 copies of the Prehearing Statement of the Florida Division of Chesapeake Utilities Corporation.

Your assistance in this matter is greatly appreciated.

Sincerely,

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Beth Keating AKERMAN SENTERFITT 106 East College Avenue, Suite 1200 Tallahassee, FL 32302-1877 Phone: (850) 224-9634 Fax: (850) 222-0103

DOCUMENT NUMBER - DATE

09346 OCT-98

FPSC-COMMISSION CLERK

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation) <u>Cost Recovery</u>) Docket No. 060004-GU

PREHEARING STATEMENT OF CHESAPEAKE UTILITIES CORPORATION FLORIDA DIVISION

WITNESSES:		
Witness Direct	Subject Matter	Issues
1. Brian S. Bilinski (CUC)	True-up for 2005	1
2. Brian S. Bilinski (CUC)	Estimated true-up amount for 2006; projected expenses and cost recovery factors for 2007	2, 3
	<u>Witness Direct</u> 1. Brian S. Bilinski (CUC) 2. Brian S. Bilinski	Witness DirectSubject Matter1. Brian S. Bilinski (CUC)True-up for 20052. Brian S. Bilinski (CUC)Estimated true-up amount for 2006; projected expenses

B. <u>EXHIBITS</u>:

Exhibit Number	Witness	Description
BSB-1	Bilinski	True-up variance analysis [Schedules CT1-CT6]
BSB-2	Bilinski	Projections Recovery Clause Calculation: Estimated ECCR charges by rate classification; [Schedules
	C-	1 through C-4]

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 2005, the estimated true-up amount for the period January – December 2006, and the projected conservation program expenses for the period January – December 2007.

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The Commission should approve the following ECCR factors for the following rate classes for the period January – December 2007:

Rate Class	ECCR Factor Dollars Per Therm
FTS-A	.21512
FTS-B	.17547
FTS-1	.14620
FTS-2	.09882
FTS-3	.06019
FTS-4	.04838
FTS-5	.03884
FTS-6	.03510
FTS-7	.02209
FTS-8	.01942
FTS-9	.01605
FTS-10	.01502
FTS-11	.01321
FTS-12	.01070

D. QUESTIONS OF FACT

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Issue 1:	What is the final end-of-the-period true-up amount for the period January through December 2005?	
CUC'S Position:	\$252,236 underrecovery	
<u>Issue 2</u> :	What are the appropriate conservation cost recovery factors for the period January through December 2007?	
CUC's Position:	The appropriate energy conservation cost recovery factors for the period January through December 2007 are as follows:	
	ECCR Factor	
Rate Class	Dollars Per Therm	
FTS-A	.21512	
FTS-B	.17547	
FTS-1	.14620	
FTS-2	.09882	
FTS-3	.06019	
FTS-4	.04838	
FTS-5	.03884	

FTS-6	.03510
FTS-7	.02209
FTS-8	.01942
FTS-9	.01605
FTS-10	.01502
FTS-11	.01321
FTS-12	.01070

- <u>Issue 3</u>: What should be the effective date of the new conservation cost recovery factors for billing purposes?
- <u>CUC's Position</u>: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2007 through December 2007. Billing cycles may start before January 1, 2007 and the last cycle may be read after December 31, 2007 so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

e) <u>QUESTIONS OF LAW</u>:

None.

f) <u>POLICY QUESTIONS:</u>

None.

g) <u>STIPULATED ISSUES</u>:

None.

h) <u>MOTIONS</u>

None.

i) <u>OTHER MATTERS</u>:

None.

Dated this $\underline{2^{\prime}}$ day of October, 2006.

Respectfully submitted, CHESAPEAKE UTILITIES CORPORATION FLORIDA DIVISION

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Brian S. Bilinski Senior Financial Analyst Chesapeake Utilities Corporation Florida Division 1015 Sixth St. NW Winter Haven, Fl 33882 (863) 293-2125

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 9th day of October, 2006:

Marc S. Seagrave Florida Public Utilities Company Post Office Box 3395 West Palm Beach, FL 33402-3395

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Charles A. Rawson, Ill Florida City Gas 955 East Street Hialeah, FL 33013-3498

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