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September 12, 2014

E-PORTAL/ELECTRONIC FILING

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 140004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for electronic filing, please find the Consolidated List of Preliminary Issues and Positions of Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, Florida Public Utilities Company – Fort Meade, and the Florida Division of Chesapeake Utilities Corporation.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas)
Conservation Cost Recovery)
Clause)
_____)

Docket No. 140004-GU
Filed: September 12, 2014

**CONSOLIDATED PRELIMINARY STATEMENT OF ISSUES AND POSITIONS
FOR FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION, FLORIDA PUBLIC UTILITIES-
INDIANTOWN DIVISION AND FLORIDA PUBLIC UTILITIES – FORT MEADE**

The following is the preliminary statement of issues and positions filed on behalf of Florida Public Utilities Company (“FPUC”), the Florida Division of Chesapeake Utilities Corporation (“CUC”), Florida Public Utilities Company-Indiantown Division (“Indiantown”), and Florida Public Utilities – Fort Meade (“Fort Meade”), referred to jointly herein as “Consolidated Companies”:

ISSUE 1. What are the final conservation cost recovery true-up amounts for the period January 2013 through December 2013?

CUC: For the 12-month period ended December 31, 2013, CUC under-recovered \$80,810, resulting in an adjusted end of period total true up amount of \$30,132.

FPUC: For the 12-month period ended December 31, 2013, FPUC over-recovered \$7,883, resulting in an adjusted end of period total true up amount of \$110,343.

Indiantown: For the 12-month period ended December 31, 2013, Indiantown over-recovered \$2,731, resulting in an adjusted end of period total true up amount of \$134.

Fort Meade: There is no true-up amount applicable to Fort Meade for the period ended December 31, 2013.

ISSUE 2. What are the total conservation cost recovery amounts to be collected during the period January 2015 through December 2015?

Consolidated Companies: A total of \$5,046,643.

ISSUE 3. What are the conservation cost recovery factors for the period January 2015 through December 2015?

CUC: The appropriate factors are:

Rate Class	<u>ECCR Adjustment Factor (dollars per therm)</u>
FTS-A	\$0.25336
FTS-B	\$0.19798
FTS-1	\$0.16933
FTS-2	\$0.09302
FTS-2.1	\$0.06821
FTS-3	\$0.05892
FTS-3.1	\$0.04672
FTS-4	\$0.03945
FTS-5	\$0.03429
FTS-6	\$0.02668
FTS-7	\$0.02031
FTS-8	\$0.01746
FTS-9	\$0.01484
FTS-10	\$0.01450
FTS-11	\$0.01218
FTS-12	\$0.00811

The Company also seeks approval of the following experimental per bill Conservation Cost Recovery Adjustment (Experimental) factors:

Rate Class	ECCR Factor (\$ per bill)
FTS-A	\$ 1.74
FTS-B	\$ 2.27
FTS-1	\$ 2.89
FTS-2	\$ 5.79
FTS-2.1	\$ 8.35
FTS-3	\$ 20.69
FTS-3.1	\$ 27.09

FPUC: The appropriate factors are:

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
Residential	\$0.11097
General Service & GS Transportation (GS1) <600	\$0.07164
General Service & GS Transportation (GS2) >600	\$0.05218
Large Volume Service	\$0.04307

Indiantown: The appropriate factors are:

<u>Rate Class</u>	<u>ECCR Factor</u>
TS-1	\$0.10242
TS-2	\$0.01670
TS-3	\$0.08305
TS-4	\$0.00504

Fort Meade: The appropriate factors are:

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
Residential	\$0.11097
General Service & GS Transportation (GS1) <600	\$0.07164
General Service & GS Transportation (GS2) >600	\$0.05218
Large Volume Service	\$0.04307

ISSUE 4. What should be the effective date of the conservation cost recovery factors for billing purposes?

CUC: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2014 through December 2014. Billing cycles may start before January 1, 2014 and the last cycle may be read after December 31, 2014, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

FPUC: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2014 through December 2014. Billing cycles may start before January 1, 2014 and the last cycle may be read after December 31, 2014, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

FPUC-Indiantown: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2015 through December 2015. Billing cycles may start before January 1, 2015 and the last cycle may be read after December 31, 2015, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Fort Meade: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2015 through December 2015. Billing cycles may start before January 1, 2015 and the last cycle may be read after December 31, 2015, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

COMPANY SPECIFIC CONSERVATION COST RECOVERY ISSUE

*FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION
FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION*

ISSUE 5. Should Florida Public Utilities Company, Florida Public Utilities Company-Indiantown, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation be permitted to consolidate the conservation programs of their various divisions?

CUC: Yes. Consolidation of the conservation programs will promote administrative efficiency and reduce costs associated with maintaining separate accounting records and separate billing procedures for each company or division. The individual companies would still maintain separate conservation rates until such time as the base rates are consolidated through a rate proceeding. Program costs, under the Consolidated Companies' proposal,

would be allocated to the separate base rates according to the share of base revenues each rate provides to the consolidated natural gas unit. The Consolidated Companies therefore ask that the Commission approve this consolidated approach, which will realize savings for the individual companies/divisions and their customers.

FPUC: Yes. Consolidation of the conservation programs will promote administrative efficiency and reduce costs associated with maintaining separate accounting records and separate billing procedures for each company or division. The individual companies would still maintain separate conservation rates until such time as the base rates are consolidated through a rate proceeding. Program costs, under the Consolidated Companies' proposal, would be allocated to the separate base rates according to the share of base revenues each rate provides to the consolidated natural gas unit. The Consolidated Companies therefore ask that the Commission approve this consolidated approach, which will realize savings for the individual companies/divisions and their customers.

Indiantown: Yes. Consolidation of the conservation programs will promote administrative efficiency and reduce costs associated with maintaining separate accounting records and separate billing procedures for each company or division. The individual companies would still maintain separate conservation rates until such time as the base rates are consolidated through a rate proceeding. Program costs, under the Consolidated Companies' proposal, would be allocated to the separate base rates according to the share of base revenues each rate provides to the consolidated natural gas unit. The Consolidated Companies therefore ask that the Commission approve this consolidated approach, which will realize savings for the individual companies/divisions and their customers.

Fort Meade: Yes. Consolidation of the conservation programs will promote administrative efficiency and reduce costs associated with maintaining separate accounting records and separate billing procedures for each company or division. The individual companies would still maintain separate conservation rates until such time as the base rates are consolidated through a rate proceeding. Program costs, under the Consolidated Companies' proposal, would be allocated to the separate base rates according to the share of base revenues each rate provides to the consolidated natural gas unit. The Consolidated Companies therefore ask that the Commission approve this consolidated approach, which will realize savings for the individual companies/divisions and their customers.

Docket No. 140004-GU
September 12, 2014

RESPECTFULLY SUBMITTED this 12th day of September, 2014.

A handwritten signature in black ink, appearing to read "Beth Keating", is written over a horizontal line.

Beth Keating
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*Attorneys for Florida Public Utilities
Company, Florida Public Utilities
Company-Indiantown Division, Florida
Public Utilities Company – Fort Meade,
and the Florida Division of Chesapeake
Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing, has been furnished by Electronic Mail to the following parties of record this 12th day of September, 2014:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities Corporation Cheryl Martin/Aleida Socarras 911 South 8th Street Fernandina Beach, FL 32034	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/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf* P.O. Box 549 Port St. Joe, FL 32457-0549
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498	Kelley Corbari Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



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