

ORIGINAL

July __, 2000

CENTRAL FLORIDA GAS COMPANY

000108-GU

NOTICE TO OUR
NATURAL GAS CUSTOMERS

On May 15, 2000, Central Florida Gas Company (the "Company") filed a request with the Florida Public Service Commission in its Docket No. 000108-GU for approval to increase annual revenues by \$1,826,569 and requested that interim rates be put into effect pending final action on the permanent increase request.

The general reasons for the request for an increase in rates are:

- 1) The Company has experienced significant, permanent loss of industrial load;
- 2) The Company has incurred significant capital expenses that need to be recognized in rate base so that an adequate return on this investment can be attained;
- 3) The Company has incurred business costs previously borne by the interstate pipelines, prior to federal deregulation; and,
- 4) The cumulative effects of inflation and ordinary customer growth.

Attached is a comparison of the proposed final rates with the rates in effect prior to the Company's request.

Service hearings have been scheduled in Polk, Osceola, Citrus and Hillsborough Counties to allow customers to express their views regarding the quality of service they receive. The dates, times and locations of the service hearings are as follows.

Thursday, August 31, 2000

12:00 p.m. – 2:00 p.m.

6:00 p.m. – 8:00 p.m.

John Fuller Auditorium
City Commission Chambers
451 3rd Street N. W.
Winter Haven, Florida

City Council Chambers
1300 9th Street
St. Cloud, Florida

DOCUMENT NUMBER-DATE

08979 JUL 25 8

FPSC-RECORDS/REPORTING

NOTICE TO OUR NATURAL GAS CUSTOMERS

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Wednesday, September 27, 2000**10:00 a.m. – 12:00 p.m.**

Plant City Commission Chambers
Nettie Berry Draughon Municipal Building
302 W. Reynolds Street
Plant City, Florida

6:00 p.m. – 8:00 p.m.

Plantation Inn and Golf Resort
9301 West Fort Island Trail
Crystal River, Florida

A technical hearing in the case is presently scheduled for October 16, 2000 in Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida, beginning at 9:30 a.m.

Attached is a copy of 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.

More detailed information on the company's proposed rate increase is contained in the complete filing requirements, located at the following Company offices:

Central Florida Gas Company
1015 6th Street N. W.
Winter Haven, Florida 33881
Phone: 863-293-2125

Central Florida Gas Company
1514 S. Alexander Street, Suite 107
Plant City, Florida 33566
Phone: 813-752-1363

Central Florida Gas Company
1639 W. Gulf to Lake Highway
Lecanto, Florida 34461
Phone: 352-746-2994

Inspection of the filing at any of these offices may be conducted during normal business hours (8:00 a.m. – 5:00 p.m. Monday – Friday).

A Synopsis of the rate case can be reviewed at the above locations and at the following Public Libraries. (Please note that the case schedule attached to this Notice is more current than the case schedule attached to the Synopsis.)

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Winter Haven Public Library
1 Library Lane S. E.
Winter Haven, Florida 33880
Attention: Reference Department

Bartow Public Library
2150 South Broadway Avenue
Bartow, Florida 33830
Attention: Reference Department

Haines City Public Library
303 Ledwith Avenue
Haines City, Florida 33844
Attention: Reference Room

Lake Wales Public Library
290 Cypress Gardens Lane
Lake Wales, Florida 33853
Attention: Reference Desk

Bruton Memorial Library
302 McLendon Street
Plant City, Florida 33566
Attention: Reference Desk

Lakes Region Library
1511 Druid Road
Inverness, Florida 34452
Attention: Index Table

Gadsden County Public Library
341 E. Jefferson Street
Quincy, Florida 32351
Attention: Reference Department

De Soto County Public Library
125 North Hillsborough Avenue
Arcadia, Florida 34266
Attention: Front Desk

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Osceola County Library System
Central Library
211 East Adkin Avenue
Kissimmee, Florida 34741
Attention: Reference Desk

Osceola County Library System
St. Cloud Branch
810 13th Street
St. Cloud, Florida 34769
Attention: Branch Manager or Reference Desk

Holmes County Public Library
301 North Ethridge
Bonifay, Florida 32425
Attention: Front Desk

Union County Public Library
175 West Main Street
Lake Butler, Florida 32054
Attention: Front Counter

Gilchrist County Public Library
105 N. E. 11th Avenue
Trenton, Florida 32693
Attention: Reference Shelf

Jackson County Public Library
2929 Green Street
Marianna, Florida 32446
Attention: Circulation Desk

INTERIM RATES

On July 11, 2000, the Commission suspended the permanent increase request and granted an interim increase of \$591,579, subject to refund, effective for billings rendered for meter readings on and after August 10, 2000, until the Commission establishes permanent rates. The overall interim increase of 10.87% was allocated to all customer classes of Central Florida Gas Company, as directed by the Commission.

The interim increase is spread in equal increases (excluding gas costs) for all customer classes, except Special Contracts that have previously been approved by the Commission.

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The total base rate revenues produce the following interim multipliers for each rate classification.

<u>Service Class</u>	<u>Percent Increase</u>
Residential	10.87%
Commercial	10.87%
Commercial Large Volume	10.87%
Industrial	10.87%
Industrial Interruptible	10.87%
Firm Transportation	10.87%
Interruptible Transportation	10.87%

Monthly increases to individual customers, including gas costs where applicable, may vary from the average due to usage as shown below:

<u>Service Class</u>	<u>Dollar Increase</u>
Residential (20 therms)	\$ 1.77
Commercial (100 therms)	\$ 2.75
Commercial Large Volume (5,400 therms)	\$103.68
Industrial (8,000 therms)	\$ 70.16
Industrial Interruptible (11,000 therms)	\$ 70.07
Firm Transportation (16,000 therms)	\$137.28
Interruptible Transportation (16,000 therms)	\$ 92.32

The following bill comparisons, excluding state and local fees and taxes, are for typical consumption levels only.

<u>Service Class</u>	<u>Old Rate Per Therm</u>	<u>Interim Rate Per Therm</u>	<u>Amount</u>		<u>Percent Increase</u>
			<u>Old</u>	<u>Interim</u>	
Residential					
Customer Charge			\$ 7.00	\$ 7.00	
Energy Charge	0.46905	0.55790			
Fuel Charge	0.46424	0.46424			
Total Rate	0.93329	1.02214			
20 Therms			<u>\$18.67</u>	<u>\$20.44</u>	
Total Cost			<u>\$25.67</u>	<u>\$27.44</u>	6.90%

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<u>Service Class</u>	<u>Old Rate Per Therm</u>	<u>Interim Rate Per Therm</u>	<u>Amount</u>		<u>Percent Increase</u>
			<u>Old</u>	<u>Interim</u>	
Commercial					
Customer Charge			\$15.00	\$15.00	
Energy Charge	0.22115	0.24861			
Fuel Charge	0.46424	0.46424			
Total Rate	0.68539	0.71285			
100 Therms			<u>\$68.54</u>	<u>\$71.29</u>	
Total Cost			\$83.54	\$86.29	3.29%
Commercial Large Volume					
Customer Charge			\$ 20.00	\$ 20.00	
Energy Charge	0.17287	0.19207			
Fuel Charge	0.46424	0.46424			
Total Rate	0.63711	0.65631			
5,400 Therms			<u>\$3440.39</u>	<u>\$3544.07</u>	
Total Cost			\$3460.39	\$3564.07	3.00%
Industrial					
Customer Charge			\$ 40.00	\$ 40.00	
Energy Charge	0.07889	0.08766			
Fuel Charge	0.46424	0.46424			
Total Rate	0.54313	0.55190			
8,000 Therms			<u>\$4345.04</u>	<u>\$4415.20</u>	
Total Cost			\$4385.04	\$4455.20	1.60%
Industrial Interruptible					
Customer Charge			\$ 350.00	\$ 350.00	
Energy Charge	0.05312	0.05949			
Fuel Charge	0.46424	0.46424			
Total Rate	0.51736	0.52373			
11,000 Therms			<u>\$5690.96</u>	<u>\$5761.03</u>	
Total Cost			\$6040.96	\$6111.03	1.16%
Firm Transportation					
Customer Charge			\$ 40.00	\$ 40.00	
Energy Charge	0.07889	0.08747			
Fuel Charge	N/A	N/A			
Total Rate	0.07889	0.08747			
16,000 Therms			<u>\$1262.24</u>	<u>\$1399.52</u>	
Total Cost			\$1302.24	\$1439.52	10.54%

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<u>Service Class</u>	<u>Old Rate Per Therm</u>	<u>Interim Rate Per Therm</u>	<u>Amount</u>		<u>Percent Increase</u>
			<u>Old</u>	<u>Interim</u>	
Interruptible Transportation					
Customer Charge			\$ 350.00	\$ 350.00	
Energy Charge	0.05312	0.05889			
Fuel Charge	N/A	N/A			
Total Rate 16,000 Therms	0.05312	0.05889	<u>\$ 849.92</u>	<u>\$ 942.24</u>	
Total Cost			\$1199.92	\$1292.24	7.69%

Any customer comments regarding the utility's service or the proposed rate increase should be addressed to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Such comments should identify the docket number (Docket No. 000108-GU) assigned to this proceeding.

For your information, we are also providing the address and telephone number of the Florida Public Service Commission's Consumer Affairs Department:

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

ATTACHMENT "A"

**FLORIDA DIVISION
OF CHESAPEAKE UTILITIES CORPORATION
COMPARISON OF PREVIOUS RATES (PRIOR TO INTERIM INCREASE)
TO PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Previous Rates</u>	<u>Proposed Rates</u>
GS-1 (Residential)		
Customer charge per month	\$7.00	\$15.00
Energy charge per therm	\$0.46905	\$0.10220
GS-1 (Commercial/Industrial)		
Customer charge per month	\$15.00	\$15.00
Energy charge per therm	\$0.22115	\$0.10220
TS-1 (Commercial/Industrial)		
Customer charge per month	N/A	\$20.00
Energy charge per therm	N/A	\$0.10220
GS-2 (Residential)		
Customer charge per month	\$7.00	\$22.50
Energy charge per therm	\$0.46905	\$0.20038
GS-2 (Commercial/Industrial)		
Customer charge per month	\$15.00	\$22.50
Energy charge per therm	\$0.22115	\$0.20038
TS-2 (Commercial/Industrial)		
Customer charge per month	N/A	\$32.50
Energy charge per therm	N/A	\$0.20038
GS-3 (Residential)		
Customer charge per month	\$7.00	\$32.50
Energy charge per therm	\$0.46905	\$0.29273
GS-3 (Commercial/Industrial)		
Customer charge per month	\$15.00	\$32.50
Energy charge per therm	\$0.22115	\$0.29273
TS-3 (Commercial/Industrial)		
Customer charge per month	N/A	\$42.50
Energy charge per therm	N/A	\$0.29273

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**FLORIDA DIVISION
OF CHESAPEAKE UTILITIES CORPORATION
COMPARISON OF PREVIOUS RATES (PRIOR TO INTERIM INCREASE)
TO PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Previous Rates</u>	<u>Proposed Rates</u>
GS-4 (Commercial/Industrial)		
Customer charge per month	\$15.00	\$40.00
Energy charge per therm	\$0.22115	\$0.24908
TS-4 (Commercial/Industrial)		
Customer charge per month	N/A	\$55.00
Energy charge per therm	N/A	\$0.24908
GS-5 (Commercial/Industrial)		
Customer charge per month	\$15.00	\$100.00
Energy charge per therm	\$0.22115	\$0.19843
TS-5 (Commercial/Industrial)		
Customer charge per month	N/A	\$125.00
Energy charge per therm	N/A	\$0.19843
GS-6 (Commercial/Industrial)		
Customer charge per month	\$20.00	\$175.00
Energy charge per therm	\$0.17287	\$0.16326
TS-6 (Commercial/Industrial)		
Customer charge per month	N/A	\$200.00
Energy charge per therm	N/A	\$0.16326
GS-7 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$250.00
Energy charge per therm	\$0.07889	\$0.10627
GS-7 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$250.00
Energy charge per therm	\$0.05312	\$0.10627
TS-7 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$300.00
Energy charge per therm	\$0.07889	\$0.10627

ATTACHMENT 'A'

**FLORIDA DIVISION
OF CHESAPEAKE UTILITIES CORPORATION
COMPARISON OF PREVIOUS RATES (PRIOR TO INTERIM INCREASE)
TO PROPOSED RATES**

<u>Proposed Rate Schedule</u>	<u>Previous Rates</u>	<u>Proposed Rates</u>
TS-7 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$300.00
Energy charge per therm	\$0.05312	\$0.10627
GS-8 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$350.00
Energy charge per therm	\$0.07889	\$0.09675
GS-8 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$350.00
Energy charge per therm	\$0.05312	\$0.09675
TS-8 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$500.00
Energy charge per therm	\$0.07889	\$0.09675
TS-8 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$500.00
Energy charge per therm	\$0.05312	\$0.09675
GS-9 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$500.00
Energy charge per therm	\$0.07889	\$0.08287
GS-9 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$500.00
Energy charge per therm	\$0.05312	\$0.08287
TS-9 (Firm Commercial/Industrial)		
Customer charge per month	\$40.00	\$700.00
Energy charge per therm	\$0.07889	\$0.08287
TS-9 (Interruptible Commercial/Industrial)		
Customer charge per month	\$350.00	\$700.00
Energy charge per therm	\$0.05312	\$0.08287

ATTACHMENT "A"**FLORIDA DIVISION
OF CHESAPEAKE UTILITIES CORPORATION
COMPARISON OF PREVIOUS RATES (PRIOR TO INTERIM INCREASE)
TO PROPOSED RATES**

The Company is proposing substantial changes to its traditional customer classes and rate schedules. As proposed, the current residential, commercial and industrial classifications are replaced by 19 volumetric-based rate schedules, without regard to customer type. Attachment "A" provides information, similar to that included in MFR Schedules E-2 and E-5, to enable the Commission to compare rates under the existing classes to the proposed classes. For example, the proposed General Sales Service 0-300 therm volumetric class (Rate Schedule GS-1), does not distinguish between residential, commercial and industrial customer classifications. The information on Attachment "A", however, has been separated to display GS-1 residential rates and GS-1 commercial/industrial rates. The Company is not proposing two GS-1 rate classes. This information is provided solely for the purpose of clarifying the Company's proposal.

In addition, the existing Flexible Gas Service and Off-System Sales Rate Schedules are not included in the rate comparisons. Rates for both schedules are established by negotiation. There are no current customers in the Flexible Gas Service class. Off-System Sales are made on a periodic, opportunity basis. No Special Contract rate comparisons are provided.

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reports (RAR) Completes

Docket No. 000108-GU Date Docketed: 01/28/2000 Title: Request for rate increase by Florida Division of Chesapeake Utilities Corporation. Company: Florida Division of Chesapeake Utilities Corporation

Official Filing Date: 05/15/2000 Last Day to Suspend: 07/14/2000 8 Mo Expiration: 01/15/2001

Referred to: ADM AFA APP CAF CMP CMU EAG (ECR) GCL LEG PAI RAR RGO SER WAW

Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module AI(a)

Staff Assignments

Table with columns for Staff Assignments and Staff Counsel. Rows include OPR Staff (S Merta, M Brinkley, D Draper, D Ging, L Iyamu, C Kummer, P Lee, P Lester, J Lingo, C Romig, L Romig, P Stallcup, L Swain), Staff Counsel (C Keating), OCRs (CMP) (S Brown, C Bulecza-Banks, W Makin), (RGO) (C Winston), (SER) (E Mills).

WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT. IT IS TENTATIVE AND SUBJECT TO REVISION. FOR UPDATES CONTACT THE RECORDS SECTION: (850) 413-6770 Current CASR revision level

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- 1. Standard Order - Interim
2. FAW Notice of Service Hearings
3. Notice of Service Hearings
4. Audit Report Due
5. Testimony - Intervenor
6. FAW Notice of Prehearing & Hearing
7. Notice of Prehearing and Hearing
8. Testimony - Staff
9. Service Hearings (Polk & Osceola)
10. Transcripts Due for Polk & Osceola Hearings
11. Testimony - Rebuttal
12. Prehearing Statements
13. Prehearing
14. Service Hearings (Hillsborough & Citrus County)
15. Transcripts Due for Prehearing
16. Transcripts Due for Hillsborough & Citrus Hearing
17. Prehearing Order
18. Hearing
19. Transcripts Due for Hearing
20. Briefs Due
21. Staff Recommendation - Final Rates
22. Agenda - Final Rates
23. Standard Order - Final Rates
24.
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Due Dates

Table with columns for Previous and Current due dates. Rows correspond to items 1-40 in the list, with dates ranging from 07/31/2000 to 01/22/2001.

Recommended assignments for hearing and/or deciding this case:

Full Commission Commission Panel
Hearing Examiner Staff

Date filed with RAR: 07/18/2000

Initials: DPR Staff Counsel

Section 3 - Chairman Completes

Assignments are as follows:

PSC-00-1279A-XO-GU

- Hearing Officer(s)

Table for Hearing Officer(s) assignments. Columns: Commissioners (ALL, DS, CL, JC, JB, NC), Hrg. Exam., Staff. Row 1: X, X, X.

- Prehearing Officer

Table for Prehearing Officer assignments. Columns: Commissioners (DS, CL, JC, JB, NC), ADM. Row 1: X.

Where panels are assigned the senior Commissioner is Panel Chairman: the identical panel decides the case. Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: [Signature] Date: 07/18/2000

C