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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for rate increase by
Florida Division of Chesapeake
Utilities Corporation

Docket No. 000108-GU

MOTION FOR LEAVE TO FILE SUPPLEMENTAL DIRECT TESTIMONY

The Florida Division of Chesapeake Utilities Corporation (the Company), through its undersigned counsel, requests leave to file supplemental direct testimony and in support states the following.

1. On May 15, 2000, the Company satisfied the Minimum Filing Requirements for the instant rate case. The prehearing conference is scheduled for September 28, 2000, and the hearing is set for October 16, 2000.
2. Recently, the Company became aware that its forecast for therm usage of and revenues associated with certain large volume industrial customers is no longer reasonable because of changed circumstances in such customers' business operations. Specifically, the Company is now advised that Agrifos, a phosphate mining and processing facility, will shut down its operations and cease receiving gas from the Company by the end of 2000. In addition, SunPac International, a citrus processor, has notified the Company that it will physically bypass the Company's distribution system and direct connect to FGT at the end of its current processing season in May, 2001. Staff is aware of these changes, which were the subject of examination of Messrs. Householder and Geoffroy at their September 21, 2000 deposition.
3. In addition, the Company has identified errors in its forecast of Projected Test Year therms for two large volume industrial customers: Velda Farms and Mrs. Allison's Cookies. These errors were brought to Staff's attention through the Company's response to Staff Request for Production No. 9.
4. Finally, at the September 21, 2000, deposition of Company witnesses Householder and Geoffroy, Staff provided a recent audit analysis of the Company's large volume customers' current natural gas usage characteristics, to which the Company would like the opportunity to respond.
5. It is appropriate to update the Company's forecast to recognize the significantly

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changed circumstances of Agrifos and SunPac International, and the corrections needed for the projected usage by Velda Farms and Mrs. Allison's Cookies, by revising the number of total therms used as billing determinants in the Company's cost of service study. Given their cumulative materiality, it is essential that the Projected Test Year be adjusted for such known and imminent changes in order to be representative of the conditions which will prevail in the immediate future when the rates will become effective.

6. The Company proposes no increase in the amount of the requested \$1,826,569 increase in its annual revenue requirement. The Company instead requests that the Commission consider the forecast adjustments identified above in determining the appropriate billing determinants for rate design purposes in this proceeding. Additionally, the Company seeks to have the Commission consider the revenue impacts of the forecast adjustments as an offset to any other adjustments reducing the Company's requested increase in its revenue requirement, up to the extent of the forecast-related adjustments.
7. Submitted herewith is the prefiled supplemental direct testimony of Jeff Householder which addresses the appropriate revisions in forecasted therms that result from the foregoing changes and corrections regarding the Projected Test Year usage by its large volume customers, and responds to the said Staff audit report.
8. The Company requests that an extended opportunity be provided for any intervenors (there are none at present) and Staff to address this matter through prefiled testimony.

Wherefore the Company requests leave to file the supplemental direct testimony of Jeff Householder.

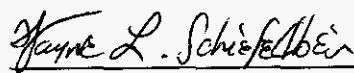


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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing motion and supplemental testimony have been furnished by hand-delivery to W. Cochran Keating, IV, Esq., Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, on this 26th day of September, 2000.



Wayne L. Schiefelbein