

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of the Florida Division of
Chesapeake Utilities Corporation for
Approval of Transportation Cost Recovery
Clause True-up.

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040125-60

**PETITION FOR APPROVAL OF TRANSPORTATION COST
RECOVERY CLAUSE TRUE-UP**

The Florida Division of Chesapeake Utilities Corporation ("Company"), by and through its undersigned counsel, petitions for approval of the Company's Transportation Cost Recovery Clause true-up, for other relief, and for approval of the proposed revised tariff sheet pertinent to the Transportation Cost Recovery Clause, and in support hereof states as follows:

1. The name and address of the petitioner are:

Chesapeake Utilities Corporation
Florida Division
P.O. Box 960
Winter Haven, FL 33882

2. The name, address, telephone and fax number of the person authorized to receive notices and communications with respect to this petition are:

Wayne L. Schiefelbein
Of Counsel
Rose, Sundstrom and Bentley, LLP
2548 Blairstone Pines Drive
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(850) 656-4029 (fax)

Attorneys for the Florida Division of
Chesapeake Utilities Corporation

3. The Company is a natural gas distribution utility subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes. Its substantial interests will be affected by the Commission's disposition of this petition in that the Company's Transitional Cost Recovery true-up disposition, under terms and conditions agreeable to the Company, will be thereby determined.

*Original Tariff sheets
forwarded to ECR.*

DOCUMENT NUMBER-DATE

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BACKGROUND

4. By its Order No. PSC-02-0110-TRF-GU, issued January 24, 2002 in Docket No. 011579-GU, the Commission approved, among other things, Company's proposed transition cost recovery factors for the purpose of recovering an estimated \$339,922 in non-recurring charges associated with the Company's compliance with the Commission's Rule 25-7.0335, *F.A.C.* (which required that all Florida natural gas utilities make transportation service available to all commercial customers).
5. Order No. PSC-02-0110-TRF-GU further approved the collection of the transition cost recovery charges over a period of two years from their effective date (January 8, 2002), and provided for the true-up of any over or under collection of the actual charges incurred by Company to comply with the rule.

RELIEF REQUESTED

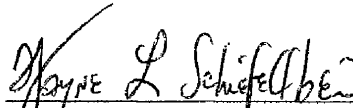
6. Since the inception of Company's collection of the Commission-approved transition cost recovery charges, the Company has collected from its customers a total of \$337,337. The actual costs incurred by Company (including carrying costs) to comply with Rule 25-7.0335 have been \$337,344. Therefore, the Company has under-recovered its transitional costs by \$7.
7. The Company seeks authority to charge its Operational Balancing Account for the amount of under recovery. The calculation of the true-up amount is set forth on Exhibit A to this Petition.

REVISED TARIFF SHEET

8. The Company is submitting with this petition the Fifth Revised Sheet No. 76, Rate Schedules, Original Volume No. 3, which eliminates the Transportation Cost Recovery Clause (TCR).

WHEREFORE, the Florida Division of Chesapeake Utilities Corporation requests that: a) the Commission grant this petition; b) approve the proposed disposition of the under recovery to the Company's Operational Balancing Account; c) approve the accompanying proposed revised tariff sheet, to become effective as of the date of the Commission's vote; and, d) grant such other relief as the Commission deems appropriate.

Respectfully submitted,

Handwritten signature of Wayne L. Schiefelbein in cursive script.

Wayne L. Schiefelbein

Of Counsel

Rose, Sundstrom and Bentley, LLP

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Transportation Cost Recovery (TCR) True-Up

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Total</u>
Expenses	\$296,038	\$32,793	\$0	\$328,831
Interest	<u>\$3,678</u>	<u>\$3,974</u>	<u>\$861</u>	<u>\$8,513</u>
Costs incurred (incl. Interest)	\$299,716	\$36,767	\$861	\$337,344
Recovered From Customers	<u>\$0</u>	<u>(\$172,491)</u>	<u>(\$164,846)</u>	<u>(\$337,337)</u>
<u>Total</u>	<u>\$299,716</u>	<u>(\$135,724)</u>	<u>(\$163,985)</u>	<u>\$7</u>
Cumulative Total	\$299,716	\$163,992	\$7	under recovery

(3) ~~TRANSPORTATION COST RECOVERY CLAUSE (TCR):~~

Applicable:

~~To the Monthly Rate provision in each of the Company's General Sales Service and Transportation Service Rate Schedules. Customers receiving service under a Special Contract, the Contract Sales Service, the Contract Transportation Service, the Off System Sales Service, and the Flexible Gas Service tariff rate schedules are specifically excluded from the application of the Transportation Cost Recovery Clause.~~

~~The Transportation Cost Recovery Clause specifically provides for the recovery of non-recurring expenses incurred, or expected to be incurred, for implementing Rule 25-7.0335. Recovery factors are charged only to non-residential customers who receive either transportation or sales service from the Company, excluding those non-residential customers who are in the Transitional Transportation Service pool.~~

~~The Transportation Cost Recovery factors (rounded to the nearest \$.00001 per therm) shall include an amount to recover the appropriate regulatory fees (based on a multiplication factor of 1.00503)~~

~~The Transportation Cost Recovery factors, applied to the Energy Charge for General Sales Service and Transportation Service, for the period January 2002 to December 2003 for each rate schedule (non-residential customers only) are as follows:~~

<u>Rate Schedule</u>	<u>Service Classification</u>	<u>Charge</u>
GS-1/TS-1 Commercial	< 500 therms	\$0.02936
GS-2/TS-2 Commercial	>500 up to 3,000 therms	\$0.01569
GS-3/TS-3 Commercial	>3,000 up to 10,000 therms	\$0.01260
GS-4/TS-4 Commercial	>10,000 up to 25,000 therms	\$0.01009
GS-5/TS-5 Commercial	>25,000 up to 50,000 therms	\$0.00886
GS-6/TS-6 Comm/Ind	>50,000 up to 100,000 therms	\$0.00704
GS-7/TS-7 Comm/Ind	>100,000 up to 500,000 therms	\$0.00444
GS-8/TS-8 Industrial	>500,000 up to 1,000,000 therms	\$0.00374
GS-9/TS-9 Industrial	>1,000,000 therms	\$0.00325

Reserved for Future Use

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