FEBRUARY 1, 2005

RE: Docket No. 040956-GU - Petition for authorization to establish new customer classifications and restructure rates, and for approval of proposed revised tariff sheets by Florida Division of Chesapeake Utilities Corporation.

<u>Issue 1</u>: Should the Commission approve Chesapeake's request to establish an Environmental Cost Recovery clause to recover the expenses incurred for the remediation of its manufactured gas plant site in Winter Haven? Recommendation: No.

APPROVED

<u>Issue 2</u>: Should the Commission approve Chesapeake's redesigned customer classifications that result in greater stratification among its large volume rate classes?

<u>Recommendation</u>: Yes.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
L Days	
Malanda	
Minto	
J. Jem Dagos	
Moule M. Derobe	

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

01157 FEB-18

FEBRUARY 1, 2005

Docket No. 040956-GU - Petition for authorization to establish new customer classifications and restructure rates, and for approval of proposed revised tariff sheets by Florida Division of Chesapeake Utilities Corporation.

(Continued from previous page)

<u>Issue 3</u>: Should Chesapeake's proposed treatment of customers who use 500 therms or less per year be approved?

Recommendation: Yes.

APPROVED

<u>Issue 4</u>: Should the Commission approve Chesapeake's proposal to discontinue the CTS Rider discount applicable to IMC New Wales, and recover the revenues currently recovered from IMC New Wales through a tariffed rate schedule?

<u>Recommendation</u>: Yes. Chesapeake's proposal does not impact IMC New Wales or the general body of ratepayers. This is an issue of customer classification only.

APPROVED

<u>Issue 5</u>: Should the Commission approve Chesapeake's proposal to change its CRA billing adjustment period from a September year-end period to a calendar year period?

Recommendation: Yes. The current CRA factors should remain in effect until December 31, 2005.

APPROVED

<u>Issue 6</u>: Are the company's proposed two new Third Party Marketer (TPM) rate schedules and their associated charges appropriate?

Recommendation: Yes.

APPROVED

FEBRUARY 1, 2005

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(Continued from previous page)

<u>Issue 7</u>: What are the appropriate restructured rates for Chesapeake?

Recommendation: The appropriate restructured rates are contained in Attachment 1, pages 1 and 2 of staff's January 20, 2005 memorandum.

MODIFIED

Approved with modifications to rate classes FTS-4,5, and 7 requested by company.

<u>Issue 8</u>: Should the Commission approve Chesapeake's proposed tariff revision that would require customers to pay fixed monthly Firm Transportation Service charges for those months for which the customer has terminated service for less than 12 months?

Recommendation: No.

APPROVED

<u>Issue 9</u>: Is Chesapeake's proposal to establish a maximum allowable operating pressure appropriate? <u>Recommendation</u>: Yes.

APPROVED

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(Continued from previous page)

<u>Issue 10</u>: What is the appropriate effective date for Chesapeake's restructured rates and other tariff revisions? <u>Recommendation</u>: The restructured rates and tariff changes should become effective for meter readings on or after 30 days from the date of the Commission's vote.

APPROVED

Issue 11: Should this docket be closed?

<u>Recommendation</u>: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. If a valid protest is filed, the tariff should remain in effect pending resolution of the protest, with any changes held subject to refund pending resolution of the protest.

