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Public Service Commission

September 11, 2009

Beth Keating
Akerman Senterfitt
Highpoint Center, 12th Floor
106 East College Avenue
Tallahassee, FL 32301

STAFF'S FIFTH DATA REQUEST
NOS. 165-193

Re: Docket No. 090125-GU-Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Division of Chesapeake Utilities Corporation (Chesapeake) provide responses to the following data and document requests:

Data Requests

- 165. In Mr. Geoffrey's testimony, page 16, please explain the use of the word "margin" on lines 18 through 21. Please supply the Commission decision which authorized the margins.
- 166. In Mr. Geoffrey's testimony, page 39, lines 22-23, page 40, lines 1-3, he states that an adjustment to O&M expense trending was made in the amount of \$110,750. In MFRs, Schedule G-2, page 18 of 36, the adjustment to Account 902, Meter Reading Expenses is \$101,750. Please explain which meter reading expense adjustment is correct.
- 167. In the MFRs, Schedule C-15, page 1 of 1, line 2, please explain or describe what True-Up 2007 NXXV filing represents.
- 168. In the MFRs, Schedule G-2, pages 14 through 23 of 36, please explain or describe the dollar amounts in each account that is listed as Vacant Payroll and Vacant Non-Payroll.
- 169. In the MFRs, Schedule G-2, page 14 of 36, please explain or describe how the Trend Factor No. 2, of 3.47% for 2009 and 3.47% for 2010, was calculated using the listed third and fourth trend factors.

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170. In the MFRs, Schedule G-2, page 16 of 36, please explain the adjustment for \$18,133, and as part of this response, please supply the supporting breakdown of the Operation and Maintenance Expenses.
171. In the MFRs, Schedule G-2, page 20 of 36, please explain the adjustment to Account 921, Office Supply and Expenses, for \$26,259 and to Account 923, Outside Services Employed, for \$141,024, and as part of this response, please supply supporting documentation.
172. Please list all membership payments made by the Florida Division of Chesapeake Utilities Division (Chesapeake or the Company) to industry associations (e.g., American Gas Association, Institute of Gas Technology, etc.) requested for recovery during the 2009 base year and the projected test year. As part of this response, please supply responses to the following:
 - a. Identify the account into which such amounts are charged.
 - b. State the purpose and objective of each organization listed.
 - c. Do any of the organizations listed engage in lobbying or advocacy activities, attempt to influence public opinion, institutional or image building advertising? If so, please identify the organization(s), the activity(ies), and where the activity is performed (e.g., in Florida, in Washington, D.C., or elsewhere).
 - d. If so, list each organization which engages in such activities, and provide the Company's best estimate of the portion of the organization's expenses devoted to such activities.
 - e. Explain whether the Company has included the portions of dues related to such activities in the 2008 base year and/or the 2010 projected test year.
173. In the Company's Petition, page 8, Section III, titled Request for general rate increase No.19, the Company states that it has implemented several cost containment programs, including the Automated Meter Reading (AMR) program. Please explain or describe how this AMR program has resulted in savings for 2008 and 2009.
174. Please explain or describe the Company's procedure for removing an outdated meter and installing a new Star AMR meter.
175. Please supply the estimated cost to remove the outdated meter. As part of this response, please provide a break down distinguishing between labor, materials, and overhead for this process.
176. Please supply the estimated cost to install the new meter. As part of this response, please provide a break down distinguishing between labor, materials, and overhead for this process.

177. Please refer to the testimony of witness Sylvester, page 28. He states that Chesapeake reviewed several AMR technologies and equipment manufacturers. Please describe the key differences between the Aclara Star AMR system and the other systems the company reviewed.
178. Please refer to the testimony of witness Sylvester, page 29. He states that the Star AMR system was tested prior to a full-scale installation.
 - a. Please identify the date the pilot program began.
 - b. Please identify whether the Company sought or received Commission approval to implement a pilot program.
 - c. Besides the Citrus County service area, please identify the service area in which the pilot program was implemented.
 - d. Were there any initial costs to ratepayers for the installation of the Meter Transmitter Units (MTUs) and Data Collection Units (DCUs)?
 - e. Is the company on schedule to complete the remaining consumer MTU installations and its DCU network by the end of October 2009?
 - f. Please describe any installation problems that occurred during this pilot period.
 - g. If the answer to (f) is no, please indicate the current completion date and explain briefly the cause of the schedule change.
179. Please refer to the testimony of witness Sylvester, pages 35-36. The Company states it expects to hire employees for the Transportation Service Administration (TSA).
 - a. Besides the TSA positions, overall will the AMR system cause an increase or decrease in employees?
 - b. Please explain what accounts for the increase or decrease.
180. Is Chesapeake aware of any other utility company that bases its depreciation life on the MTU's battery life?
 - a. If so, was it approved by a state utility commission? As part of this response, please supply the utility commission order and docket number which approved it.
 - b. If not, please explain this decision to tie depreciation life to MTU battery life.
181. Will the MTUs be accounted for as cradle-to-grave? If not, please explain.

182. How accurate is the Star AMR system in comparison to the company's outdated meters?
183. Please supply the expenditures on the outdated meters for 2008 and 2009.
184. Please supply the expenditures for 2008 and 2009 for the AMR system.
185. How many MTUs and DTUs are expected to be put into service by the end of 2009?
186. Please explain or describe any adjustments made to the Historic Base Year + 1 bills and their use per customer forecast for each rate class.
187. Please explain or describe any adjustments made to the Test Year bills and their use per customer forecast for each rate class.

Production of Document Requests

188. Please provide all work papers, electronic spreadsheets, etc., that were used to calculate Historic Base Year + 1 bills and their use per customer forecast for each rate class.
189. Please provide all work papers, electronic spreadsheets, etc., that were used to calculate Test Year bills and their use per customer forecast for each rate class.
190. Please refer to the testimony of witness Sylvester, page 30, where the witness describes the cost of the individual AMR system components.
 - a. Please provide work papers that show the derivation of the residential and commercial MTU installation cost.
 - b. Please provide the derivation of the DCU installation cost.
191. Please refer to the testimony of witness Sylvester, page 30. Please provide the work papers for the estimated capital investment to develop a web site that Shippers (and eventually Consumers) will access their AMR measurement data.
192. Please refer to the testimony of witness Sylvester, page 31. The Company proposes that the depreciation life for the subaccount be set at twenty years, based on the battery life of the MTUs. Please supply the literature indicated on line 13 and any other documents supporting a twenty-year life cycle.
193. Please provide any work papers that support the expected service life of the DCUs.

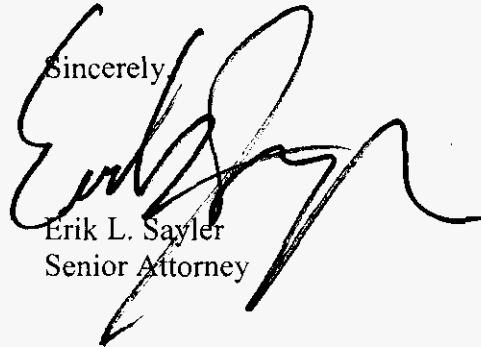
Docket No. 090125-GU, Staff's Fifth Data Request

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Please file the original and five copies of the requested information by Monday, September 28, 2009, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6084 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erik L. Saylor', written over a printed name and title.

Erik L. Saylor
Senior Attorney

ELS/amv

cc: Office of Commission Clerk
Florida Division of Chesapeake Utilities Corporation
Office of Public Counsel – Patricia A. Christensen
Division of Economic Regulation