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September 28, 2009

VIA Hand Delivery

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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

Dear Ms. Cole:

Please accept for filing, on behalf of the Florida Division of Chesapeake Utilities Corporation, the enclosed original and 1 copy of the Affidavit of Mr. Thomas A. Geoffroy, attesting to mailing of the approved Customer Notice to customers of the Florida Division of Chesapeake Utilities Corporation.

Thank you for your assistance with this filing. Should you have any questions whatsoever, please do not hesitate to contact me.

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103
Attorneys for the Florida Division of Chesapeake Utilities Corporation

cc: Patty Christensen
Erik Saylor

DOCUMENT NUMBER: DATE

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Handwritten routing slip with names and initials.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Increase in Rates by Florida
Division of Chesapeake Utilities Corporation.

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Docket No. 090125-GU

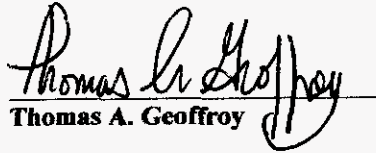
Filed: September 28, 2009

Affidavit

STATE OF FLORIDA)
COUNTY OF POLK)

I, **Thomas A. Geoffroy**, being duly sworn, do hereby attest and affirm that the attached Notice to Customers of Request for Rate Increase, of Approved Interim Rate Increase, and Notice of Customer Meetings for the Florida Division of Chesapeake Utilities Corporation has been mailed on September 18, 2009 to all customers of the Company in accordance with Rule 25-22.0406, Florida Administrative Code.

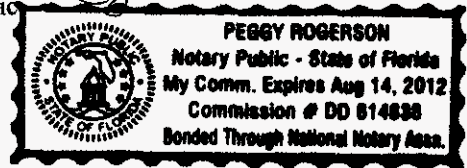
I do hereby swear and affirm that the foregoing is true and correct to the best of my knowledge.


Thomas A. Geoffroy

BEFORE ME, the undersigned authority, personally appeared THOMAS A. GEOFFROY, personally known to me, who being by me first duly sworn, affirms that he is authorized to make this oath and that the matters and things stated in this Affidavit are true and correct to the best of his knowledge.

SWORN TO AND SUBSCRIBED before me this 24th day of September, 2009.


Notary Public



Typed, Printed, or Stamped Name
My Commission Expires: _____

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

(RE: DOCKET NO. 090125-GU)

NOTICE TO CUSTOMERS OF REQUEST FOR RATE INCREASE, OF

APPROVED INTERIM RATE INCREASE

AND

NOTICE OF CUSTOMER MEETINGS

On July 14, 2009, the Florida Division of Chesapeake Utilities Corporation ("the Company") filed a Petition seeking a rate increase with the Florida Public Service Commission ("Commission"). The Company is seeking approval from the Commission to increase its rates and charges in an amount that will allow it to generate increased annual revenues of \$2,965,398 or approximately 25%, which is below the compounded inflation rate of 29% from the historic base year of the Company's last rate case. This requested increase would provide the Company with an opportunity to earn a fair and reasonable rate of return. In addition, the Company is proposing to maintain its currently authorized midpoint ROE of 11.50%, which would generate an overall rate of return of 7.15%.

Without rate relief, the Company's rate of return will decline to 4.74% by year's end, and will further decline to 3.21% by December 31, 2010, based upon the Company's projections. Thus, under current conditions and rates, the Company will be unable to earn a fair rate of return on its used and useful property in providing service to the public, which could impair the Company's ability to continue to provide efficient, reliable service to all of its customers.

The Company needs to seek an increase due, largely, to three factors:

- * First, since its last rate case, the Company has experienced significant increases in rate base to provide service to meet the needs stemming from tremendous consumer growth, which can be attributed, in part, to the population increase in the Company's territory.
- * Second, the Company had taken significant steps to enhance reliability through distribution system upgrades, to support consumer and load growth in areas such

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as Citrus County, Plant City, and Auburndale, and also various relocation projects related to road widening projects needed to meet the transportation needs of the population growth.

- * Finally, the recent harsh economic conditions have had a negative impact on the Company's growth, a trend projected to last at least until the end of 2010. In conjunction with reduced growth, the loss of several of the Company's large industrial consumers over the past year, including Golden Aluminum, Clark Environmental, International Paper (Auburndale) and Smithfield Lykes, has resulted in an annual loss of approximately five million therms and \$450,000 of annual revenues for the Company. Moreover, other industrial consumers are projecting reduced natural gas usage levels for the year ahead.

The Company has also requested an **interim** rate increase pending the Commission's final disposition of its request for permanent rate relief, as set forth in greater detail below.

In addition to the requested rate relief, the Company is seeking Commission approval of certain regulatory surcharges, or changes to current regulatory surcharges, that will better enable the Company to match expenses with the appropriate cost causer or beneficiaries. The Company is also proposing other changes to Company procedures and charges. Among those changes, the Company proposes to discontinue receipt of cash for bill payments. Checks, credit cards, debit cards, direct debit, and electronic fund transfers will be accepted. The Company is also proposing increases to all of its currently approved Miscellaneous Charges, with the exception of the "returned check" charge. In addition, the Company is proposing three (3) new charges: a Temporary Disconnect Charge, a Failed Trip Charge, and an on-site Meter Re-Read at Consumer Request Charge.

The Company's rate petition and supporting documentation will be circulated to the Commissioners, the Commission's professional staff, and other parties who express interest in the case. The Commission staff conducts an audit of the Company's books and records and may

request additional documentation and information necessary for a complete and thorough review of the Company's rate request.

The Commission will also conduct customer meetings in Winter Haven and Crystal River to receive public input on the Company's quality of service and on other matters relating to the Company's requested rate increase.

Customer meetings have been scheduled in Polk and Citrus Counties as follows:

Wednesday, October 14, 2009	Thursday, October 15, 2009
Starting at 6:00 p.m.	Starting at 10:00 a.m.
Winter Haven Chamber of Commerce 401 Ave B NW Winter Haven, Florida 33881	Plantation Inn and Golf Resort 9301 West Fort Island Trail Crystal River, Florida 34429

Customers are urged to be present at the beginning of the hearing, since these hearings may be adjourned once all customers present have been allowed to speak.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770, at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

The Commission is currently scheduled to consider the Company's request for permanent rate relief on December 15, 2009. The hearing will be in Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida, beginning at 9:30 a.m.

The following is the current rate case schedule established by the Commission. This schedule is subject to change by the Commission.

Standard Order on Suspension of Tariff/ Request for Interim Relief	September 8, 2009
PSC Staff Audit Report Due	September 28, 2009
PSC Staff Recommendation – Final Rates	December 3, 2009
Commission Agenda Conference (Tallahassee)	December 15, 2009
Proposed Agency Action Order on Final Rates	January 4, 2010
Consummating Order if No Protest	January 28, 2010
Close Docket or Revise Case Schedule	February 26, 2010

More detailed information on the Company's proposed rate increase is contained in the complete minimum filing requirements (MFRs), which are located at the Company's offices:

Chesapeake Utilities Corp.
 Florida Division
 1015 Sixth Street, NW
 Winter Haven, FL 33881
 (863) 293-2125

Chesapeake Utilities Corp.
 Florida Division
 2820 N Florida Ave
 Hernando, FL 34442

Chesapeake Utilities Corp.
 909 Silver Lake Boulevard
 Dover, DE 19904

Inspection of the filing at either of these offices may be conducted during normal business hours (8:00 a.m. – 5:00 p.m., Monday – Friday). Copies of the complete MFRs may also be viewed at the following public libraries:

Osceola County Library
 St. Cloud Branch
 8 10 13th Street
 St. Cloud, FL 34769

Bruton Memorial Library
 302 W. McLendon St.
 Plant City, FL 33563

Coastal Region Library
 8619 W. Crystal St.
 Crystal River, FL 34428

Any customer comments regarding the Company's service or the proposed rate increase should be addressed to:

Ann Cole
 Commission Clerk
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

In providing written comments to the Commission at the above address, please be sure to reference Docket No. 090125-GU, which is the docket number that has been assigned to the proceeding at the Commission.

For your information, the Company is also providing the address and telephone number of the Florida Public Service Commission's Consumer Affairs Division:

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

In addition, a Synopsis of the rate case has been provided for public inspection at the following county libraries:

Attn: Jennifer Kovac, City Librarian Winter Haven Public Library / Kathryn L. Smith Memorial 325 Ave. A, NW Winter Haven, FL 33881	Attn: Director Bartow Public Library 2 150 South Broadway Avenue Bartow, FL 33830
Attn: Director Haines City Public Library 303 Ledwith Avenue Haines City, FL 33844	Attn: Director Lake Wales Public Library 290 Cypress Gardens Lane Lake Wales, FL 33853
Attn: Branch Manager Floral City Public Library 8360 East Orange Ave. Floral City, FL 34436-3200	Attn: Region Manager Lakes Region Library 1511 Druid Road Inverness, FL 34452
Attn: Library Director Eagle Lake Public Library 75 North 7 th St. Eagle Lake, FL 33839	Attn: Library Director Dr. C.C. Pearce Municipal Library P.O. Box 707 Mulberry, FL 33860
Attn: Kristal Holmes, Library Director Auburndale Public Library 100 W. Bridgers Ave. Auburndale, FL 33823	Attn: Library Director Lake Alfred Public Library 195 East Pomelo St. Lake Alfred, FL 33850
Attn: Director De Soto County Public Library 125 North Hillsborough Avenue Arcadia, FL 34266	Attn: Director Osceola County Library 211 East Dakin Ave. Kissimmee, FL 34741

Florida Division of Chesapeake Utilities Corporation

Notice to Customers

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<p>Attn: Branch Manager Osceola County Library St. Cloud Branch 810 13th Street St. Cloud, FL 34769</p>	<p>Attn: Director Holmes County Public Library 301 North J. Harvey Etheridge St. Bonifay, FL 32425</p>
<p>Attn: Mary Brown, Director Union County Public Library 110 N. Lake Ave. Lake Butler, FL 32054</p>	<p>Attn: Wilma Mattucci, Library Manager Gilchrist County Public Library P.O. Box 128 Trenton, FL 32693</p>
<p>Attn: Alan Barber, Director Jackson County Public Library 2929 Green Street Marianna, FL 32446</p>	<p>Attn: Jane Mock, Director Gadsden County/William A. McGill Public Library 732 Pat Thomas Pkwy. Quincy, FL 32351-4210</p>
<p>Attn.: Darlene Severance, Library Manager Liberty County/Harrell Memorial Library P.O. Box 697 Bristol, FL 32321</p>	<p>Attn: Linda Norton, Library Director Washington County Public Library 1444 Jackson Ave. Chipley, FL 32428</p>
<p>Sam Mitchell Public Library 3731 Roche Ave. Vernon, FL 32462</p>	<p>Attn: Ann Haywood, Library Director Bruton Memorial Library 302 W. McLendon St. Plant City, FL 33563</p>
<p>Attn: Library Director John F. German Public Library 900 N. Ashley Dr. Tampa, FL 33602-3788</p>	<p>Attn: Library Director Temple Terrace Public Library 202 Bullard Parkway Temple Terrace, FL 33617</p>
<p>Attn: Sandra Abini, Branch Manager Centennial Park Branch Library 5740 Moog Road Holiday, FL 34690</p>	<p>Attn: Kevin Griffith, Adult Svcs. Coordinator Hudson Regional Library 8012 Library Road Hudson, FL 34667</p>
<p>Attn: Angelo Liranzo, Branch Manager Hugh Embry Branch Library 14215 Fourth St. Dade City, FL 33523</p>	<p>Attn: Margaret Griffith, West Side Coordinator Regency Park Branch Library 9701 Little Road New Port Richey, FL 34654</p>
<p>Attn: Library Director Live Oak Public Library 1848 Ohio/Dr. M.L. King Jr. Ave. S. Live Oak, FL 32064</p>	<p>Attn: Library Director White Springs Public Library P.O. Box 660 White Springs, FL 32096</p>
<p>Attn: Library Director Madison Public Library 378 N.W. College Loop Madison, FL 32340</p>	<p>Att: Flossie Benton Rogers, Director Citrus County Public Libraries 425 W. Roosevelt Blvd. Beverly Hills, FL 34465-4281</p>

Attn: Branch Manager
Coastal Region Library
8619 W. Crystal St.
Crystal River, FL 34428-4468

Attn: Branch Manager
Homosassa Public Library
4100 S. Grandmarch Ave.
Homosassa, FL 34446-1120

INTERIM RATES

On August 18, 2009, the Commission suspended the permanent increase request and granted an interim increase of \$417,555, subject to refund, effective for billings rendered for meter readings on and after September 17, 2009, until the Commission establishes permanent rates. The overall interim increase of 4.08 percent was calculated in accordance with Rule 25-7.040(2)(a), Florida Administrative Code, and allocated to all rate classifications of the Company, as directed by the Commission. A Comparison of Present Rates to Proposed Final Rates is included with this Notice as Attachment A and Attachment C reflects the Approved Interim Rates.

The interim increase is spread in equal increases (excluding gas costs) for all rate classifications, except Special Contracts that have previously been approved by the Commission. Monthly increases to individual customers may vary from the average due to usage as shown below:

<u>Rate Classification</u>	<u>Dollar Increase</u>
FTS-A (8 therms)	\$0.56
FTS-B (15 therms)	\$0.80
FTS-1 (20 therms)	\$0.98
FTS-2 (100 therms)	\$2.55
FTS-3 (400 therms)	\$6.28
FTS-4 (1,250 therms)	\$16.00
FTS-5 (3,125 therms)	\$33.75
FTS -6 (6,250 therms)	\$57.50

FTS-7 (12,500 therms)	\$73.75
FTS-8 (25,000 therms)	\$140.00
FTS-9 (45,000 therms)	\$202.50
FTS-10 (70,000 therms)	\$329.00
FTS-11 (150,000 therms)	\$540.00
FTS-12 (210,000 therms)	\$693.00
FTS-13 (1,000,000 therms)	\$543.57
SABS (per Consumer)	\$0.12
SAS (per Shipper)	\$7.03

Company personnel may be contacted to answer questions concerning the rate request by calling the following telephone number: 1-800-554-6427

**Florida Division of Chesapeake Utilities Corporation
Comparison of Present and Proposed Rates by Class**

<u>Proposed Rate Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
FTS-A (0 - 130 Therms/yr)		
Firm Transportation Charge per Month	\$10.00	\$13.00
Usage Charge per therm	\$0.44073	\$0.56126
FTS-A EXP (0 - 130 therm/yr)		
Firm Transportation Charge per Month	\$15.20	\$18.05
Usage Charge per therm	n/a	n/a
FTS-B (>130 - 250)		
Firm Transportation Charge per Month	\$12.50	\$16.50
Usage Charge per therm	\$0.44073	\$0.48483
FTS-B EXP (>130 - 250)		
Firm Transportation Charge per Month	\$20.40	\$24.00
Usage Charge per therm	n/a	n/a
FTS-1 (0 - 500)		
Firm Transportation Charge per Month	\$15.00	\$21.00
Usage Charge per therm	\$0.44073	\$0.41483
FTS-1 EXP (0 - 500)		
Firm Transportation Charge per Month	\$28.00	\$30.00
Usage Charge per therm	n/a	n/a
FTS-2 (>500 - 1,000)		
Firm Transportation Charge per Month	\$27.50	\$35.00
Usage Charge per therm	\$0.29356	\$0.35776
FTS-2 EXP (>500 - 1,000)		
Firm Transportation Charge per Month	\$55.25	\$50.00
Usage Charge per therm	n/a	n/a
FTS-2.1 (>1,000 - 2,500)		
Firm Transportation Charge per Month	\$27.50	\$45.00
Usage Charge per therm	\$0.29356	\$0.29692
FTS-2.1 EXP (>1,000 - 2,500)		
Firm Transportation Charge per Month	\$55.25	\$90.00
Usage Charge per therm	n/a	n/a
FTS-3 (>2,500 - 5,000)		
Firm Transportation Charge per Month	\$90.00	\$108.00
Usage Charge per therm	\$0.19781	\$0.26004
FTS-3 EXP (>2,500 - 5,000)		
Firm Transportation Charge per Month	\$189.00	\$166.00
Usage Charge per therm	n/a	n/a
FTS-3.1 (>5,000 - 10,000)		
Firm Transportation Charge per Month	\$90.00	\$134.00
Usage Charge per therm	\$0.19781	\$0.21414
FTS-3.1 EXP (>5,000 - 10,000)		
Firm Transportation Charge per Month	\$189.00	\$269.00
Usage Charge per therm	n/a	n/a

<u>Proposed Rate Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
FTS-4 (>10,000 - 25,000)		
Firm Transportation Charge per Month	\$165.00	\$230.00
Usage Charge per therm	\$0.17907	\$0.18255
FTS-5 (>25,000 - 50,000)		
Firm Transportation Charge per Month	\$275.00	\$425.00
Usage Charge per therm	\$0.16627	\$0.15717
FTS-6 (>50,000 - 100,000)		
Firm Transportation Charge per Month	\$450.00	\$700.00
Usage Charge per therm	\$0.14664	\$0.13976
FTS-7 (>100,000 - 200,000)		
Firm Transportation Charge per Month	\$475.00	\$975.00
Usage Charge per therm	\$0.11094	\$0.10591
FTS-8 (>200,000 - 400,000)		
Firm Transportation Charge per Month	\$750.00	\$1,800.00
Usage Charge per therm	\$0.10232	\$0.09003
FTS-9 (>400,000 - 750,000)		
Firm Transportation Charge per Month	\$900.00	\$2,775.00
Usage Charge per therm	\$0.08957	\$0.07923
FTS-10 (>750,000 - 1M)		
Firm Transportation Charge per Month	\$1,500.00	\$4,400.00
Usage Charge per therm	\$0.08314	\$0.06880
FTS-11 (>1M - 2.5M)		
Firm Transportation Charge per Month	\$3,000.00	\$8,000.00
Usage Charge per therm	\$0.06868	\$0.05815
FTS-12 (>2.5M - 12.5M)		
Firm Transportation Charge per Month	\$4,000.00	\$14,400.00
Usage Charge per therm	\$0.06278	\$0.04848
FTS-13 (>12.5M)		
Firm Transportation Charge per Month	\$13,333.33	\$16,692.25
Usage Charge per therm	n/a	\$0.00
SAS		
Shipper Administrative Charge	\$172.50	\$300.00
Consumer Charge per bill	\$0.00	\$7.50
SABS		
Shipper Administrative Charge	\$100.00	\$300.00
Consumer Charge per bill	\$3.00	\$5.50
OSDPO Service		
Up to 500 Dt	\$41.67	\$41.67
501 - 1,000 Dt	\$83.34	\$83.34
1,001 - 2500 Dt	\$208.34	\$208.34
2,501 - 5,000 Dt	\$416.67	\$416.67
5,001 - 10,000 Dt	\$833.34	\$833.34
10,001 - 25,000 Dt	\$1,250.00	\$1,250.00
Over 25,000 Dt	\$1,666.67	\$1,666.67

FTS-A , FTS-A EXP, FTS-B and FTS-B EXP are closed to new service additions.

CHESAPEAKE UTILITIES CORPORATION
PRESENT AND INTERIM RATES
DOCKET NO. 090125-GU

RATE CODE	ANNUAL THERM USAGE	PRESENT RATES	INTERIM INCREASE	INTERIM RATES
FTS-A	<u>0-130 therms (closed rate)</u>			
	FIRM TRANSPORTATION CHARGE	\$10.00	n/a	\$10.00
	USAGE CHARGE (\$/therm)	0.44073	0.06987	0.51060
FTS-B	<u>130-250 therms (closed rate)</u>			
	FIRM TRANSPORTATION CHARGE	\$12.50	n/a	\$12.50
	USAGE CHARGE (\$/therm)	0.44073	0.05349	0.49422
FTS-1	<u>0-500 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$15.00	n/a	\$15.00
	USAGE CHARGE (\$/therm)	0.44073	0.04892	0.48965
FTS-2	<u>500-3,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$27.50	n/a	\$27.50
	USAGE CHARGE (\$/therm)	0.29356	0.02551	0.31907
FTS-3	<u>3,000-10,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$90.00	n/a	\$90.00
	USAGE CHARGE (\$/therm)	0.19781	0.01570	0.21351
FTS-4	<u>10,000-25,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$165.00	n/a	\$165.00
	USAGE CHARGE (\$/therm)	0.17907	0.01278	0.19185
FTS-5	<u>25,000-50,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$275.00	n/a	\$275.00
	USAGE CHARGE (\$/therm)	0.16827	0.01083	0.17710
FTS-6	<u>50,000-100,000</u>			
	FIRM TRANSPORTATION CHARGE	\$450.00	n/a	\$450.00
	USAGE CHARGE (\$/therm)	0.14664	0.00923	0.15587
FTS-7	<u>100,000-200,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$475.00	n/a	\$475.00
	USAGE CHARGE (\$/therm)	0.11094	0.00586	0.11680
FTS-8	<u>200,000-400,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$750.00	n/a	\$750.00
	USAGE CHARGE (\$/therm)	0.10232	0.00555	0.10787
FTS-9	<u>400,000-700,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$900.00	n/a	\$900.00
	USAGE CHARGE (\$/therm)	0.08957	0.00448	0.09405
FTS-10	<u>700,000-1,000,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$1,500.00	n/a	\$1,500.00
	USAGE CHARGE (\$/therm)	0.08314	0.00469	0.08783
FTS-11	<u>1,000,000-2,500,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$3,000.00	n/a	\$3,000.00
	USAGE CHARGE (\$/therm)	0.06868	0.00357	0.07225
FTS-12	<u>2,500,000-10,000,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$4,000.00	n/a	\$4,000.00
	USAGE CHARGE (\$/therm)	0.06278	0.00334	0.06612
FTS-13	<u>> 10,000,000 therms</u>			
	FIRM TRANSPORTATION CHARGE	\$13,333.33	\$543.57	\$13,876.90
	USAGE CHARGE (\$/therm)	0.00000	n/a	0.00000
SABS	<u>Shipper Administrative and Billing Service</u>			
	SHIPPER ADMINISTRATION CHARGE	\$100.00	n/a	\$100.00
	CONSUMER CHARGE (\$ per consumer)	\$3.00	0.12	\$3.12
SAS	<u>Shipper Administrative Service</u>			
	SHIPPER ADMINISTRATION CHARGE	\$172.50	\$7.03	\$179.53