

Ruth Nettles

060675-GU

From: beth.keating@akerman.com
Sent: Monday, January 11, 2010 1:49 PM
To: Filings@psc.state.fl.us
Subject: Docket No. 060675-GU
Attachments: 20100111142703203.pdf

Ms. Cole, attached for electronic filing, please find the Report of the Florida Division of Chesapeake Utilities Corporation for Year 2 of its implementation of Phase II Transportation. Please don't hesitate to let me know if you have any questions.

Sincerely,

Beth Keating
Akerman Senterfitt
(850) 224-9634
(850) 521-8002 (direct)
beth.keating@akerman.com

A. Person Responsible for this Filing:

Beth Keating
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B. Docket No. 060675-GU: Petition for authority to implement phase two of experimental transitional transportation service pilot program and for approval of new tariff to reflect transportation service environment, by Florida Division of Chesapeake Utilities Corporation.

C. Filed on behalf of: Florida Division of Chesapeake Utilities Corporation

D. Pages: 34

E. Phase II Transportation/Year 2 Report



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January 11, 2010

VIA Electronic Filing

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

Re: Docket No. 060675-GU - Petition for authority to implement phase two of experimental transitional transportation service pilot program and for approval of new tariff to reflect transportation service environment, by Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Cole:

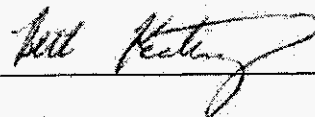
Attached for electronic filing, please find the Report to the Florida Public Service Commission regarding Year Two Implementation: July 1, 2008 – June 30, 2009, filed on behalf of the Florida Division of Chesapeake Utilities Corporation, in accordance with Order no. PSC-07-0427-TRF-GU.

If you have any questions whatsoever, please do not hesitate to contact me. Thank you

Ms. Ann Cole
January 11, 2010
Page 2

for your assistance with this filing.

Sincerely,



Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

Enclosures

cc: Connie Kummer via email

**Chesapeake Utilities Corporation, Florida Division
Transitional Transportation Service (TTS) Experimental Pilot Program
Report to the Florida Public Service Commission
Year Two Implementation: July 1, 2008 to June 30, 2009**

**TTS Program Phase Two
and
Experimental Fixed Base Rates**

December 2009

Commission Order No. PSC-07-0427-TRF-GU, issued May 15, 2007 authorized the Company to implement Phase Two of its Transitional Transportation Service (TTS) Program and offer optional experimental fixed charge monthly transportation rates for certain small volume consumers (<10,000 therms per year). The Commission Order also required the Company to file annual reports; one on the status of the TTS Program implementation and a second report providing information on customer migration by class to the fixed rates and a comparison of the actual fixed charge revenues compared to revenues that would have been collected under the Company's traditional fixed and variable component rates. To simplify the reporting process, the Company combined the 2008 annual reports into one submittal. This document also combines the required 2009 information into a single report.

TTS Program Phase One Summary

The Florida Public Service Commission (the Commission) in Rule 25-7.0335, F.A.C., (approved April 4, 2000) required each local distribution company (LDC) to offer gas transportation service to all non-residential customers. The Rule also offered LDCs the option to provide transportation service to residential customers. Within eighteen months of implementing the expanded transportation service programs required in Rule 25-7.0335, F.A.C., over 400 (approximately 40%) of the Company's non-residential customers were transporting, representing approximately 96% of the total system throughput. The remaining sales customers consisted of approximately 9,500 residential and small volume commercial accounts. The annual fuel requirements of these sales customers equaled approximately 3 million therms, less than 4% of the Company's total throughput.

The small volume of remaining sales gas and the allocation of interstate pipeline capacity costs to sales customers, the Company projected that gas costs for its small volume customers would dramatically increase as a result of its implementation of Rule 25-7.0335, F.A.C. To address this concern, the Company, on March 28, 2002, filed a petition with the Commission to establish a phased-in Transitional Transportation Service (TTS) Program. Under the TTS program all remaining sales customers would be transferred to transportation service, the interstate pipeline capacity allocation method would be revised, and the Company would exit the retail gas sales merchant

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function. In Phase One of the TTS Program the Company selected, through competitive bid, one third party gas marketer to serve as the Pool Manager for all TTS customers. By Order No. PSC-02-1648-TRF-GU, issued on November 25, 2002, the Commission authorized the implementation of Phase One of the Company's TTS program.

TTS Program Phase Two Implementation

On October 10, 2006, the Company filed a petition requesting authorization from the Commission to implement Phase Two of its TTS Program. In Phase Two the Company proposed to retain two gas marketing firms (TTS Shippers) through a competitive bid process and expand the fuel pricing options available from each TTS Shipper. In Order No. PSC-07-0427-TRF-GU, issued on May 15, 2007, the Commission authorized the Company to proceed to Phase Two of its TTS Program on an experimental, pilot basis. In a competitive bid process, the Company selected *Infinite Energy* and *Florida Natural Gas* (a division of *Southstar Energy Services*) as the TTS Shippers. On July 1, 2007, the Company equitably divided its existing TTS consumers, both active and inactive accounts, (15,763 residential and 682 non-residential consumers) between the two TTS Shippers. New consumer additions were assigned to the TTS Shippers on an alternating basis. Both Shippers initially served consumers under a Standard Price Option, identical for all consumers.

2008 TTS Program Phase Two Open Enrollment

Phase Two of the TTS Program was designed to include annual Open Enrollment periods where consumers would be able to change TTS Shipper's or select alternate pricing options. On January 17, 2008, the Company sent a letter to all TTS consumers providing a preliminary overview of the open enrollment period scheduled to begin the following month. On February 11, 2008, the Company sent a second letter to TTS consumers announcing the initial Phase Two open enrollment period would continue through March 12, 2008. Included with the open enrollment letter was information on each TTS Shipper and their available pricing options.

In addition to the Standard Price Option required by the TTS Shipper Agreement, *Infinite Energy* offered two additional options; an annual 100% fixed price per therm and a 50/50 rate wherein half the consumer's annual volume is at a fixed rate and half the volume floats at the Standard Price Option rate. *Florida Natural Gas* offered four pricing options in addition to the Standard Price Option; a senior plan (age 55 and over) with a discount of at least 5 cents per therm off the Standard Price Option, a fixed rate for six months, a fixed rate for one year and a high volume plan for large users. The Company made several modifications to its Customer Information System to accommodate the above TTS Shipper pricing options.

Approximately 15% (2,008 consumers) of the active TTS consumers elected to either change TTS Shippers or select a pricing option other than the Standard Price Option. On April 1, 2008 the consumer choices from the open enrollment period were activated in the Company's billing system. The Company continued to receive inquiries

(approximately 200) from consumers after the open enrollment period ended. Only two consumers that selected an alternative pricing option during the open enrollment period subsequently requested to return to the Standard Price Option.

2009 TTS Program Phase Two Open Enrollment

The Company initiated its second annual TTS Program Open Enrollment Period under Phase Two on January 28, 2009, with a letter to all TTS consumers announcing an upcoming selection period and generally outlining the process. On February 16, 2009 the Company sent a second letter to TTS consumers initiating the 2009 Open Enrollment Period with a response deadline of March 13, 2009. The second letter also included materials provided by the TTS Shippers (Infinite Energy and Florida Natural Gas) detailing the pricing offers for the coming period. Both Shippers provided expanded pricing options for consumers. In addition to the required contract Standard Price Offer the following options were offered:

Florida Natural Gas

- Residential Senior Plan: 5 cents per therm discount off Standard Price rate.
- Residential Fixed Rate Plan: 12 month fixed price - \$1.99 monthly service charge. Fixed rate was available at a FNG website.
- Residential High Volume Plan: 5 cents per therm discount off Standard Price plan - \$2.99 monthly service charge.
- Commercial Fixed rate Plan: 12 month fixed price - \$1.99 monthly service charge. Fixed rate was available at a FNG website.
- Commercial High Volume Plan: 5 cents per therm discount off Standard Price plan - \$2.99 monthly service charge.

Infinite Energy

- Residential Fixed Rate: \$0.928 per therm fixed rate for 12 months.
- Residential Always Right Rate (50/50): 50% of monthly usage locked in at the fixed rate and 50% of the monthly usage at the Standard Price.
- Residential Seniors and Veterans Plan
 - \$0.01 discount off the Standard Price
 - Fixed rate of \$0.918 for 12 months.
 - 50% of monthly usage locked in at the business fixed rate (\$0.918 per therm) and 50% of the monthly usage at the Standard Price including the \$0.01 per therm discount.
- Commercial Fixed Rate: \$0.918 per therm fixed rate for 12 months.
- Commercial Always Right Rate (50/50): 50% of monthly usage locked in at the fixed rate and 50% of the monthly usage at the Standard Price.

2009 TTS Program Pricing Options – Consumer Selection Results

| <u>Florida Natural Gas</u> | <u>Number of Consumers</u> |
|----------------------------|----------------------------|
| Standard Price | 5,885 |
| Senior Plan | 1,982 |
| Fixed Rate | 96 |
| High Volume | <u>24</u> |
| Total | 7,987 |

Infinite Energy

| | |
|-----------------------|-----------|
| Standard Price | 5,776 |
| Fixed Rate | 87 |
| 50/50 | 24 |
| Sr. & Vets Std. Price | 37 |
| Sr. & Vets Fixed Rate | 111 |
| Sr. & Vets 50/50 | <u>15</u> |
| Total | 6,050 |

The Company made several modifications to its Customer Information System to accommodate the above TTS Shipper pricing options. The TTS Program Open Enrollment materials provided to consumers in 2009 are included as Attachment A to this report. In addition to the printed materials provided on behalf of the Shippers, the Company offered both Shippers the opportunity to participate in an outbound dialing initiative to educate consumers on the Open Enrollment process and the Shippers offers. The Company has an existing relationship with Global Connect, Inc. (an outbound calling entity) for consumer contacts during service outages, etc. Florida Natural Gas chose to participate; Infinite Energy chose not to participate. The Company approved short scripts (included in Attachment A to this report) and recorded telephone messages were sent to TTS consumers at the beginning of the Open Enrollment Period.

Experimental Optional Fixed Charge Rates

In addition to approving Phase Two of the Company's TTS program, Commission Order No. PSC-07-0427-TRF-GU also approved an experimental fixed base rate option for several small volume rate classes. The affected rate schedules (FTS-A, FTS-B, FTS-1, FTS-2 and FTS-3) include both residential and commercial consumers using less than 10,000 therms per year. All consumers eligible to select the fixed rates are participants in the Company's TTS Program. The approved optional fixed charge rates eliminate the variable per therm usage charge and recover all costs through a fixed monthly transportation charge. The fixed rate for each respective class is derived from the revenue requirement approved in the Company's most recent base rate case. The approved target revenue requirement for each class is divided by the annual number of

bills in each class to establish the respective monthly fixed charge. The Company also bills fixed charge rates for its Energy Conservation Cost Recovery and Competitive Rate Adjustment factors. Consumers must select the experimental fixed rate during an Open Enrollment Period. The Company combined the experimental fixed rate and TTS Program Open Enrollment process in 2008 and 2009, and plans to continue the combined selection process in 2010.

2008 Experimental Fixed Rate Open Enrollment

On January 17, 2008 the Company sent a letter to all existing TTS consumers describing the experimental fixed rate option and an example bill calculation under both fixed and traditional rate designs. The letter also included an enrollment form for consumer's electing the fixed rate and established an Open Enrollment Period. The experimental fixed rate and TTS Program Open Enrollment Periods both ended on March 10, 2008, allowing consumers to consider both transportation delivery and commodity (fuel) pricing options. The Company's fixed charge rate option was effective as of the April 2008 billing month. As a result of the mailing, the Company transferred 560 consumers to an experimental fixed rate.

2009 Experimental Fixed Rate Open Enrollment

The 2009 experimental fixed rate selection Open Enrollment was held during the same period as the TTS Program Open Enrollment described above. The February 16, 2009 TTS Program mailing also included a notice providing information to consumers on the experimental fixed rate option based on the consumer's current rate class. The following number of consumers selected fixed rates in 2009.

| <u>Rate Class</u> | <u>Applicability</u> | <u>Rate/Month</u> | <u>Consumers</u> |
|-------------------|----------------------|-------------------|------------------|
| FTS-A | 0 - 120, closed | \$15.20 | 165 |
| FTS-B | 120 - 240, closed | \$20.40 | 145 |
| FTS-1 | 0 - 500 | \$28.00 | 362 |
| FTS-2 | <500 - 3,000 | \$55.25 | 56 |
| FTS-3 | <3,000 - 10,000 | \$189.00 | 6 |
| | | | <u>734</u> |

The Company's experimental fixed rates went into effect on April 1, 2008. The Company has compiled data that compares the revenue received under the fixed rates to revenue that would have been received from the base rates which would otherwise have been applicable to the respective consumers for the period July 1, 2008 through June 30, 2009. The data is provided in Attachment B to this report.

2010 TTS Program and Experimental Rate Open Enrollment Period

On October 29, 2009 Chesapeake Utilities Corporation and Florida Public Utilities Company (FPUC) merged. As a result of the merger Chesapeake's Florida Division (Central Florida Gas Company) and FPUC have begun a process that will

ultimately combine the Florida operations into one unit. At present, an effort is underway to convert all Florida customers to the same Customer Information System. The conversion of Chesapeake consumers to the FPUC system is currently scheduled to take place in April 2010. Absent the merger and system conversion, Chesapeake would have completed the 2010 Open Enrollment Period in March 2010 with an implementation date of April 1, 2010. Given the timing of the system conversion, Chesapeake plans to delay the Open Enrollment consumer notice until May or June with an implementation date in June or July. Discussions are already underway with the TTS Shippers on pricing options for the 2010 Open Enrollment.

The FPUC system will be able to handle Chesapeake's TTS Program Shipper pricing options and the experimental fixed rates. Although Chesapeake and FPUC are combining CIS systems, the consumer, rate and billing information of each operating unit will remain separate. Consumers will continue to receive service under the applicable Chesapeake or FPUC tariffs. Only those consumers receiving service from Chesapeake's Florida Division will be eligible for the Commission approved TTS Program or the experimental fixed rates.

At its December 15, 2009 Agenda Conference the Commission approved new base rates for Chesapeake in Docket 090125-GU. At the time this report was submitted the Commission Order for the Chesapeake rate case had yet been issued and the protest period had not been completed. The Commission approved rates include new experimental fixed rates for the FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1 FTS-3 and FTS-3.1 rate classes. The Commission approved an effective date of April 1, 2010 for the experimental fixed rates to coincide with the Company's traditional Open Enrollment process. If the Open Enrollment Period is delayed as described above, the Company would also delay implementing the fixed rates until the effective date of the Open Enrollment (anticipated to be June or July 2010). Any lost revenue resulting from this action would be absorbed by the Company.

**Florida Division of Chesapeake Utilities Corporation
TTS Experimental Pilot Program
2009 Report to the Florida Public Service Commission**

Attachment A

January 28, 2009

Central Florida Gas (CFG) Open Enrollment 2009

What is "Open Enrollment?" "Open Enrollment" is the time CFG customers have the opportunity to choose from a variety of price plan offerings from two Gas Marketers approved by CFG.

When is "Open Enrollment?" It is just around the corner, please watch your mail and listen for a phone call giving you vital program information as well as required dates and times.

Dear CFG Customer,

In 2007, CFG implemented the second step in our multi-phased Transitional Transportation Service (TTS) program allowing participating customers the ability to purchase their natural gas directly from two (2) approved Gas Marketers. As you may recall, this process really began in 2002 when all sales customers were transitioned from CFG to one Gas Marketer, **Infinite Energy (Infinite)**. Then in July 2007, CFG successfully added a second Gas Marketer, **Florida Natural Gas (FNG)** as we continued to enhance the TTS program and offer "Customer Choice" in their purchase of natural gas. In January 2008, we held the first Open Enrollment period where customers could choose between two Gas Marketers and from several pricing programs. This process was well received with more than 15 % of eligible customers choosing a pricing program or changing their Gas Marketer. This means that over 2200 customers made a choice in who they bought their natural gas from and the price they paid!!

CFG is excited to announce our 2009 Open Enrollment period, again promoting customer choice. Soon you will be receiving information from both **FNG** and **Infinite** regarding their company and pricing options. All mailings will come from CFG; you will not receive any direct mailings from either Gas Marketer.

Under the rules of the program, if you wish to select a pricing program from either Gas Marketer you **MUST** do so during this Open Enrollment period. Even if you selected a specific pricing program last year, you **MUST** do so again this year. All customers who do not make a specific selection will remain with your current Gas Marketer at the standard price option. If you choose to participate, your choices will become effective April 1, 2009. Completed authorization forms **must be received** by CFG no later than **March 13, 2009** in order to be effective with April's billing.

In addition to Gas Marketer choices as described above, you will again be offered an opportunity to choose from two (2) rates for the transportation service received from CFG. You are not required to participate in this offering and the same rules apply as with the Gas Marketer choices.

Of course CFG remains your local utility, providing dependable natural gas service, including metering, facility safety and customer service, for you and the Gas Marketer you choose.

CFG is proud to partner with both Infinite Energy and Florida Natural Gas to provide you with "Customer Choice" for your natural gas needs. We welcome you to participate in this unique CFG program.

If you have questions, concerns or need additional assistance, please contact our Customer Care Center at 863.293.2125 ext 0.

Or....please visit the website www.cfgas.com where this letter and all marketing materials from both Florida Natural Gas and Infinite will be displayed for your convenience as the information becomes available.

Central Florida Gas Customer Service

"CUSTOMER CHOICE PROGRAM"
2nd ANNUAL MARKETER OPEN ENROLLMENT
PRICING OPTIONS ENCLOSED

February 16, 2009

Dear Central Florida Gas Customer,

Central Florida Gas (CFG) is excited to announce our second annual Open Enrollment Offering. As you know all CFG residential and some commercial customers have been receiving their natural gas from approved Marketers appointed through the Transitional Transportation Service (TTS) program, as approved by the Florida Public Service Commission (PSC), since November 2001. **CFG of course continues to provide reliable and safe transportation service and customer support while the approved marketers provide the natural gas used by the appliances in your homes and businesses.**

In July 2007, the PSC approved a program where you, through an "Open Enrollment" process, could choose your own approved marketer as well as the pricing option that best fits your needs. The first Open Enrollment Process which was effective April 1, 2008 resulted in 15 % of our customers choosing a marketer or pricing program. This notice announces that the 2nd Open Enrollment Offering is now available. All customers are encouraged to review and choose from the enclosed offerings presented by Florida Natural Gas, Infinite Energy and Central Florida Gas. Your monthly statement reflects the Marketer that is currently providing you natural gas. It will be either Infinite Energy or Florida Natural Gas.

Please read all enclosed materials carefully and select the Marketer and pricing option that meets your needs. Customers who **do not wish to make a selection** are not required to do anything. If CFG does not receive a signed agreement, you will remain with your current Marketer but you will be charged at the standard pricing option. **If you want to select a non-standard pricing option from either Marketer, you MUST return a signed Marketer agreement.**

Also, please read the enclosed material regarding CFG's fixed price option for the transportation portion of your bill. You may also select this fixed price option or the standard variable transportation rate. **If you want to select CFG's fixed price option, you MUST return a signed CFG agreement.**

Please return your completed agreements to CFG no later than March 13, 2009. A pre-paid postage return envelope has been enclosed for your convenience.

The "CHOICE" is yours.

Central Florida Gas (CFG) Fixed Transportation Cost Offering for Firm Transportation Service – Rate Classification FTS -A

Important Information about Your Current Transportation Service:

- Standard Transportation rates are based on a per therm price or variable price for transporting natural gas to your home or business
- Your usage on an annual basis is low to moderate in Florida’s market
- Low volume customer pay the highest per therm price of all customers
- CFG’s transportation charges consist of the base transportation charge, and additional approved surcharges, such as energy conservation costs charged to you on a per therm basis
- Standard transportation charges fluctuate monthly based on actual usage
- Normally your monthly usage, and therefore your CFG transportation cost, varies; higher in the winter, lower in the summer

Now Consider this Opportunity:

- ✓ CFG now offers a fixed monthly transportation price to you
- ✓ Regardless of how much you use each month the CFG transportation price does not change for the length of the agreement
- ✓ The surcharges are also fixed and will not change depending upon usage
- ✓ Winter, Summer, Spring and Fall, your price per month does not change for the length of the agreement
- ✓ With a fixed transportation charge from CFG, you can stop some of the increases that happen when temperatures drop
- ✓ You can levelize your monthly transportation costs and know the amount you will pay each and every month

Example of Current, Variable Monthly Transportation Charges:

| | | | | |
|---|---|----|--|---|
| $\begin{array}{r} \$10.00 \\ \underline{5.79} \\ \$15.79 \end{array}$ | Firm Transportation Service 10 therms x .57921 cents Total Transportation Cost | OR | $\begin{array}{r} \$10.00 \\ \underline{11.58} \\ \$21.58 \end{array}$ | Firm Transportation Service 20 therms x .57921 cents Total Transportation Cost |
|---|---|----|--|---|

In this standard transportation rate **your cost changes monthly** based on usage.

Example of Optional, Fixed Monthly Transportation Charges:

| | |
|---|---|
| $\begin{array}{r} \$15.20 \\ \underline{1.05} \\ \$16.25 \end{array}$ | Firm Transportation Service Surcharges ¹ Total Transportation Cost (regardless of usage) |
|---|---|

Your monthly transportation costs will be \$16.25 and will not change (see footnote 1) for the length of your agreement (see footnote 2 on next page).

¹ Surchage rates change slightly January 1st of every year.

Yes, I want to be enrolled in the CFG program at a Fixed Monthly Transportation Rate of \$16.25, regardless of usage, effective with meter readings on or after April 1, 2009. The term of the agreement² is for one year and will end with meter readings on or before March 31, 2010. I understand that this agreement does not cover the cost of natural gas provided by my selected Marketer.

Please return this enrollment request to Central Florida Gas using the enclosed "No Postage Required" envelope.

Customer Name

Account Number

Service Address

Date

Customer Signature

If you DO NOT want to select the Fixed Monthly Transportation Rate, please do nothing and you will receive the standard, variable CFG transportation rates based on your natural gas usage.

² Per approved CFG tariff, all customers must be evaluated annually for rate classification changes based on annual volume usage. If for any reason you classification changes during your agreement period you will be notified and allowed to select the standard pricing offered or request the fixed plan that is associated with your new rate classification. CFG operates under rules and regulations that are approved by the Florida Public Service Commission.

Central Florida Gas (CFG) Fixed Transportation Cost Offering for Firm Transportation Service – Rate Classification FTS -B

Important Information about Your Current Transportation Service:

- Standard Transportation rates are based on a per therm price or variable price for transporting natural gas to your home or business
- Your usage on an annual basis is low to average in Florida’s market
- Lower volume customers pay a higher per therm price
- CFG’s transportation charges consist of the base transportation charge, and additional approved surcharges, such as energy conservation costs charged to you on a per therm basis
- Standard transportation charges fluctuate monthly based on actual usage
- Normally your monthly usage, and therefore your CFG transportation cost, varies; higher in the winter, lower in the summer

Now Consider this Opportunity:

- ✓ CFG now offers a fixed monthly transportation price to you
- ✓ Regardless of how much you use each month the CFG transportation price does not change for the length of the agreement
- ✓ The surcharges are also fixed and will not change depending upon usage
- ✓ Winter, Summer, Spring and Fall, your price per month does not change for the length of the agreement
- ✓ With a fixed transportation charge from CFG, you can stop some of the increases that happen when temperatures drop
- ✓ You can levelize your monthly transportation costs and know the amount you will pay each and every month

Example of Current, Variable Monthly Transportation Charges:

| | | | | |
|----------------|---------------------------------|----|----------------|---------------------------------|
| \$12.50 | Firm Transportation Service | | \$12.50 | Firm Transportation Service |
| <u>5.49</u> | 10 therms x .54893 cents | OR | <u>19.21</u> | 35 therms x .54893 cents |
| \$17.99 | Total Transportation Cost | | \$31.71 | Total Transportation Cost |

In this standard transportation rate **your cost changes monthly** based on usage.

Example of Optional, Fixed Monthly Transportation Charges:

| | |
|----------------|---|
| \$20.40 | Firm Transportation Service |
| <u>1.45</u> | Surcharges ¹ |
| \$21.85 | Total Transportation Cost (regardless of usage) |

Your monthly transportation costs will be \$21.85 and will not change (see footnote 1) for the length of your agreement (see footnote 2 on next page).

¹ Surcharges rates change slightly January 1st of every year.

Yes, I want to be enrolled in the CFG program at a Fixed Monthly Transportation Rate of \$21.85, regardless of usage, effective with meter readings on or after April 1, 2009. The term of the agreement² is for one year and will end with meter readings on or before March 31, 2010. I understand that this agreement does not cover the cost of natural gas provided by my selected Marketer.

Please return this enrollment request to Central Florida Gas using the enclosed "No Postage Required" envelope.

Customer Name

Account Number

Service Address

Date

Customer Signature

If you DO NOT want to select the Fixed Monthly Transportation Rate, please do nothing and you will receive the standard, variable CFG transportation rates based on your natural gas usage.

² Per approved CFG tariff, all customers must be evaluated annually for rate classification changes based on annual volume usage. If for any reason you classification changes during your agreement period you will be notified and allowed to select the standard pricing offered or request the fixed plan that is associated with your new rate classification. CFG operates under rules and regulations that are approved by the Florida Public Service Commission.

Central Florida Gas (CFG) Fixed Transportation Cost Offering for Firm Transportation Service – Rate Classification FTS -1

Important Information about PSC Approved Transportation Service:

- Standard Transportation rates are based on a per therm price or variable price for transporting natural gas to your home or business
- Your usage on an annual basis is average in Florida’s market
- CFGs transportation charges consist of the base transportation charge, and additional approved surcharges, such as energy conservation costs charged to you on a per therm basis
- Standard transportation charges fluctuate monthly based on actual usage
- Normally your monthly usage, and therefore your CFG transportation cost, varies; higher in the winter, lower in the summer
- The changes in usage between warmer weather and cooler weather creates monthly pricing increases that can be substantial

Now Consider this Opportunity:

- ✓ CFG now offers a fixed monthly transportation price specific for you usage
- ✓ Regardless of how much you use each month the CFG transportation price will not change for the length of the agreement
- ✓ The surcharges are also fixed and will not change depending upon usage
- ✓ Winter, Summer, Spring and Fall, your price per month does not change for the length of the agreement
- ✓ With a fixed transportation charge from CFG, you can stop some of the increases that happen when temperatures drop
- ✓ You can levelize your monthly transportation costs and know the amount you will pay each and every month

Example of Current, Variable Monthly Transportation Charges:

| | | | | |
|--------------|---------------------------------|----|--------------|---------------------------------|
| \$15.00 | Firm Transportation Service | | \$15.00 | Firm Transportation Service |
| <u>10.77</u> | 20 therms x .53869 cents | OR | <u>26.93</u> | 50 therms x .53869 cents |
| \$25.77 | Total Transportation Cost | | \$41.93 | Total Transportation Cost |

In this standard transportation rate examples **your cost changes monthly** based on usage.

Example of Optional, Fixed Monthly Transportation Charges:

| | |
|-------------|---|
| \$28.00 | Firm Transportation Service |
| <u>1.84</u> | Surcharges |
| \$29.84 | Total Transportation Cost (regardless of usage) |

Your monthly transportation costs will be \$29.84 and will not change (see footnote 1) for the length of your agreement (see footnote 2 on next page).

¹ Surcharges rates change slightly January 1st of every year.

Yes, I want to be enrolled in the CFG program at a Fixed Monthly Transportation Rate of \$29.84, regardless of usage, effective with meter readings on or after April 1, 2009. The term of the agreement² is for one year and will end with meter readings on or before March 31, 2010. I understand that this agreement does not cover the cost of natural gas provided by my selected Marketer.

Please return this enrollment request to Central Florida Gas using the enclosed "No Postage Required" envelope.

Customer Name

Account Number

Service Address

Date

Customer Signature

If you DO NOT want to select the Fixed Monthly Transportation Rate, please do nothing and you will receive the standard, variable CFG transportation rates based on your natural gas usage.

² Per approved CFG tariff, all customers must be evaluated annually for rate classification changes based on annual volume usage. If for any reason your classification changes during your agreement period you will be notified and allowed to select the standard pricing offered or request the fixed plan that is associated with your new rate classification. CFG operates under rules and regulations that are approved by the Florida Public Service Commission.

Central Florida Gas (CFG) Fixed Transportation Cost Offering for Firm Transportation Service – Rate Classification FTS -2

Important Information about Your Current Transportation Service:

- Standard CFG Transportation rates are based on a per therm price or variable price for transporting natural gas to your home or business
- Your usage on an annual basis is higher than average in Florida’s market
- CFG’s transportation charges consist of the base transportation charge, and additional approved surcharges, such as energy conservation costs charged to you on a per therm basis
- Standard transportation charges fluctuate monthly based on actual usage
- Normally your monthly usage, and therefore your CFG transportation cost, varies; higher in the winter, lower in the summer
- Changes in usage between warmer weather and cooler weather creates monthly pricing increases that can be substantial

Now Consider this Opportunity:

- ✓ CFG now offers a fixed monthly transportation price to you
- ✓ Regardless of how much you use each month the CFG transportation price does not change for the length of the agreement
- ✓ The surcharges are also fixed and will not change depending upon usage
- ✓ Winter, Summer, Spring and Fall, your price per month does not change for the length of the agreement
- ✓ With a fixed transportation charge from CFG, you can stop some of the increases that happen when temperatures drop
- ✓ You can levelize your monthly transportation costs and know the amount you will pay each and every month

Example of Current, Variable Monthly Transportation Charges:

| | | | | |
|----------------|---------------------------------|----|----------------|----------------------------------|
| \$27.50 | Firm Transportation Service | | \$27.50 | Firm Transportation Service |
| <u>20.61</u> | 60 therms x .34353 cents | OR | <u>41.22</u> | 120 therms x .34353 cents |
| \$48.11 | Total Transportation Cost | | \$68.72 | Total Transportation Cost |

In this standard transportation rate **your cost changes monthly** based on usage.

Example of Optional, Fixed Monthly Transportation Charges:

| | |
|----------------|---|
| \$55.25 | Firm Transportation Service |
| <u>4.05</u> | Surcharges ¹ |
| \$59.30 | Total Transportation Cost (regardless of usage) |

Your monthly transportation costs will be \$59.30 and will not change (see footnote 1) for the length of your agreement (see footnote 2 on next page).

¹ Surcharges rates change slightly January 1st of every year.

Yes, I want to be enrolled in the CFG program at a Fixed Monthly Transportation Rate of \$59.30, regardless of usage, effective with meter readings on or after April 1, 2009. The term of the agreement² is for one year and will end with meter readings on or before March 31, 2010. I understand that this agreement does not cover the cost of natural gas provided by my selected Marketer.

Please return this enrollment request to Central Florida Gas using the enclosed "No Postage Required" envelope.

Customer Name

Account Number

Service Address

Date

Customer Signature

If you DO NOT want to select the Fixed Monthly Transportation Rate, please do nothing and you will receive the standard, variable CFG transportation rates based on your natural gas usage.

² Per approved CFG tariff, all customers must be evaluated annually for rate classification changes based on annual volume usage. If for any reason your classification changes during your agreement period you will be notified and allowed to select the standard pricing offered or request the fixed plan that is associated with your new rate classification. CFG operates under rules and regulations that are approved by the Florida Public Service Commission.

Central Florida Gas (CFG) Fixed Transportation Cost Offering for Firm Transportation Service – Rate Classification FTS -3

Important Information about Your Current Transportation Service:

- Standard Transportation rates are based on a per therm price or variable price for transporting natural gas to your home or business
- CFG's transportation charges consist of the base transportation charge, and additional approved surcharges, such as energy conservation costs charged to you on a per therm basis
- Standard transportation charges fluctuate monthly based on actual usage
- Normally your monthly usage, and therefore your CFG transportation cost, varies; higher in the winter, lower in the summer or varies based on business applications
- Changes in usage can create monthly pricing increases that can be substantial

Now Consider this Opportunity:

- ✓ CFG can now offer a fixed monthly transportation price to you
- ✓ Regardless of how much you use each month the CFG transportation price does not change for the length of the agreement
- ✓ The surcharges are also fixed and will not change depending upon usage
- ✓ Winter, Summer, Spring and Fall, your price per month does not change for the length of the agreement
- ✓ Monthly changes in business applications will not change the fixed monthly fee for the length of the agreement
- ✓ With a fixed transportation charge from CFG, you can stop some of the increases that happen when temperatures drop
- ✓ You can levelize your monthly transportation costs and know the amount you will pay each and every month

Example of Current, Variable Monthly Transportation Charges:

| | | | | |
|-----------------|----------------------------------|----|-----------------|----------------------------------|
| \$ 90.00 | Firm Transportation Service | | \$ 90.00 | Firm Transportation Service |
| <u>91.24</u> | 400 therms x .22811 cents | OR | <u>171.08</u> | 750 therms x .22811 cents |
| \$181.24 | Total Transportation Cost | | \$261.08 | Total Transportation Cost |

In this standard transportation rate **your cost changes monthly** based on usage.

Example of Optional, Fixed Monthly Transportation Charges:

| | |
|-----------------|---|
| \$189.00 | Firm Transportation Service |
| <u>14.66</u> | Surcharges ¹ |
| \$203.66 | Total Transportation Cost (regardless of usage) |

Your monthly transportation costs will be \$203.66 and will not change (see footnote 1) for the length of your agreement (see footnote 2 on next page).

¹ Surcharges rates change slightly January 1st of every year.

Yes, I want to be enrolled in the CFG program at a Fixed Monthly Transportation Rate of \$203.66, regardless of usage, effective with meter readings on or after April 1, 2009. The term of the agreement² is for one year and will end with meter readings on or before March 31, 2010. I understand that this agreement does not cover the cost of natural gas provided by my selected Marketer.

Please return this enrollment request to Central Florida Gas using the enclosed "No Postage Required" envelope.

Customer Name

Account Number

Service Address

Date

Customer Signature

If you DO NOT want to select the Fixed Monthly Transportation Rate, please do nothing and you will receive the standard, variable CFG transportation rates based on your natural gas usage.

² Per approved CFG tariff, all customers must be evaluated annually for rate classification changes based on annual volume usage. If for any reason your classification changes during your agreement period you will be notified and allowed to select the standard pricing offered or request the fixed plan that is associated with your new rate classification. CFG operates under rules and regulations that are approved by the Florida Public Service Commission.

**Infinite Energy - Florida's #1 Independent
Natural Gas Provider**

Infinite Energy is very proud to serve Florida natural gas customers since 1994 from our home base in Gainesville, Florida. We are the largest independent natural gas provider in the state and understand what Florida residents and businesses want from their energy providers in this ever changing world...Choice...

We are offering Central Florida Gas ("CFG") users three distinct rates as well as special discounts for seniors (age 50 and older) and veterans (of any branch of the United States Armed Forces). These plans reflect Infinite Energy's ability and desire to provide energy solutions that best meet your individual needs.

- **Monthly Standard Variable Rate:** This rate varies from month to month on market costs and conditions and is determined by CFG and Infinite Energy.
- **Fixed Rate:** Fix it and forget it. 100% of your gas usage will be priced at the Fixed Rate.
- **Always Right Rate (50/50):** This allows you to lock in 50% of your usage at the Fixed Rate the remaining 50% would be at the Standard Variable Rate.

Please take a moment to review and select your desired rate plan. Then complete the application at the bottom of the page, tear it off, and mail it to Central Florida gas in the enclosed envelope. It's as simple as that!

The choice is yours and we sincerely hope the pleasure of serving you will be ours.

Sincerely,

Bill Wagner
Infinite Energy, Inc.



Infinite Energy Service For Business

Infinite Energy is offering three rate options for Central Florida Gas business owners:

Fixed: \$0.918 per Therm for the entire twelve month term of the agreement.

Variable: Natural Gas Index Standard Variable Rate for the entire twelve month term of the agreement.

50/50: 50% of your gas usage at the Fixed Rate and 50% at the Standard Variable Rate for the entire twelve month term of the agreement.

Please tear off the application below and return it in the enclosed self-addressed postage paid envelope:

Name: _____

Address: _____

CFG Account No: _____

Telephone: _____

- Check Rate Desired:
- Fixed:** \$0.918 per therm for the entire twelve month term
 - Standard Variable**
 - 50/50:** 50% of your usage at \$0.918 per therm and 50% at the Standard Variable Rate

Signature: _____ Title: _____



The rates set forth herein for natural gas commodity only, and are in addition to any transportation or other charges by CFG. The Standard Variable Rate may change monthly as determined by CFG and Infinite Energy in their sole discretion.

Infinite Energy - Florida's #1 Independent
Natural Gas Provider

Infinite Energy is very proud to serve Florida natural gas customers since 1994 from our home base in Gainesville, Florida. We are the largest independent natural gas provider in the state and understand what Florida residents and businesses want from their energy providers in this ever changing world...Choice...

We are offering Central Florida Gas ("CFG") users three distinct rates as well as special discounts for seniors (age 50 and older) and veterans (of any branch of the United States Armed Forces). These plans reflect Infinite Energy's ability and desire to provide energy solutions that best meet your individual needs.

- **Monthly Standard Variable Rate:** This rate varies from month to month on market costs and conditions and is determined by CFG and Infinite Energy.
- **Fixed Rate:** Fix it and forget it. 100% of your gas usage will be priced at the Fixed Rate.
- **Always Right Rate (50/50):** This allows you to lock in 50% of your usage at the Fixed Rate the remaining 50% would be at the Standard Variable Rate.

Please take a moment to review and select your desired rate plan. Then complete the application at the bottom of the page, tear it off, and mail it to Central Florida gas in the enclosed envelope. It's as simple as that!

The choice is yours and we sincerely hope the pleasure of serving you will be ours.

Sincerely,

Bill Wagner
Infinite Energy, Inc.



Infinite Energy Service For Your Home

Infinite Energy is offering three rate options for Central Florida Gas homeowners:

Fixed: \$0.928 per therm for the entire twelve month term of the agreement.

Variable: Natural Gas Index Standard Variable Rate for the entire twelve month term of the agreement.

50/50: 50% of your usage at the Fixed Rate and 50% at the Standard Variable Rate for the entire twelve month term of the agreement.

Please tear off the application below and return it in the enclosed self-addressed postage paid envelope:

Name: _____

Address: _____

CFG Account No: _____

Telephone: _____

- Check Rate Desired:
- Fixed:** \$0.928 per therm for the entire twelve month term
 - Standard Variable**
 - 50/50:** 50% of your usage at \$0.928 per Therm and 50% at the Standard Variable Rate

Signature: _____



The rates set forth herein for natural gas commodity only, and are in addition to any transportation or other charges by CFG. The Standard Variable Rate may change monthly as determined by CFG and Infinite Energy in their sole discretion.

Infinite Energy Service For Seniors & Veterans

Infinite Energy is offering three rate options for Central Florida Gas seniors and veterans:

Fixed: \$0.918 per Therm for the entire twelve month term of the agreement.

Variable: \$0.01 per Therm discount off of the Natural Gas Index Standard Variable Rate for the entire twelve month term of the agreement.

50/50: 50% of your usage at the Fixed Rate and 50% at the Standard Variable Rate for the entire twelve month term of the agreement.

Please tear off the application below and return it in the enclosed self-addressed postage paid envelope:

Name: _____

Address: _____

CFG Account No: _____

Telephone: _____

- Check Rate Desired:
- Fixed:** \$0.918 per Therm for the entire twelve month term
 - Standard Variable:** minus \$0.01 per therm discount
 - 50/50:** 50% of your gas usage at \$0.918 per therm and 50% at the Standard Variable Rate

Signature: _____



The rates provided are for natural gas commodity only, and are in addition to any transportation or other charges by CFG. The Standard Variable Rate may change monthly as determined by CFG and Infinite Energy in their sole discretion. To qualify for the seniors or veterans discounts the account holder must be age 50 or older, or have served, or currently serve, in any branch of the United States Armed Forces.

SWITCH AND START SAVING TODAY.



Your Natural Choice. **Florida Natural Gas**

Dear Central Florida Gas Business Customer:

MORE CHOICES - IT'S JUST GOOD BUSINESS

Central Florida Gas recently contacted you outlining how your small business can participate in its Customer Choice[®] plan. This open enrollment process not only allows you to choose the natural gas marketer for your business, it also gives you the added flexibility of choosing from multiple pricing plans to fit your business's needs. At Florida Natural Gas[®], we're excited to work with Central Florida Gas to provide you this unique opportunity because we understand how important flexible pricing and hassle-free service are to you. With options like our High Volume and Fixed Rate Plans, we help you keep an eye on your bottom line. Choose from the pricing plan options below and let Florida Natural Gas take care of your natural gas service, so you can get back to what is really important — serving your customers.

High Volume Plan - This plan is designed to help locations that use higher amounts of natural gas, like small businesses, better manage their costs. Our High Volume Plan variable rate is guaranteed to be at least 5 cents below the published variable Standard Plan rate. Monthly service charge is \$2.99. Please visit www.onlyfng.com/priceplans to see if this plan is right for your business.

Standard Plan - This plan is designed to give your business flexibility. With our competitive variable rate, the price per therm will fluctuate from month to month based on natural gas market conditions.

Fixed Rate Plan* - If you want consistency, your price per therm will not change for 12 months under our Fixed Rate Plan, regardless of what happens to natural gas prices in the marketplace. Monthly service charge is \$1.99. Please visit www.onlyfng.com/priceplans to find out more about our low fixed rate.

PEACE OF MIND

When you choose Florida Natural Gas, you get the peace of mind that comes with being a part of SouthStar Energy Services - a company that has served more than half a million residential, commercial and industrial natural gas customers throughout the Southeast for over a decade. Our excellent customer service and great rates have led more and more Central Florida Gas businesses like yours to enroll with us.

MAKE THE RIGHT CHOICE

Choosing a pricing plan that's right for your business is easy! Simply check the appropriate box below and mail your selection form in the enclosed self-addressed envelope. You must act before March 13th to be served by Florida Natural Gas. For more information about Customer Choice from Central Florida Gas and details on all our plans, visit www.cfgas.com and www.onlyfng.com.

We genuinely appreciate your business. Thank you for choosing Florida Natural Gas!

CHOOSE NOW FOR THE FLORIDA NATURAL GAS DIFFERENCE!

- High Volume Plan
- 12-Month Fixed Rate Plan*
- Standard Plan

*12 customer terminates Fixed Rate Plan before term is over, an early termination fee of \$50 will apply.

Mail to: Central Florida Gas
P.O. Box 960
Winter Haven, FL 33882-0960
Attn: Open Enrollment

Name _____

Business Name _____

Business Address _____

Signature (required) _____

Date (required) _____



SWITCH AND START SAVING TODAY.



Your Natural Choice. **Florida Natural Gas**

Dear Central Florida Gas Customer:

CHANGE IS GOOD

Central Florida Gas recently contacted you outlining its Customer Choice® plan. This open enrollment process not only allows you to choose your natural gas marketer, but also gives you the added flexibility of choosing from multiple price plans to fit your individual needs. At Florida Natural Gas® we're excited to be working with Central Florida Gas to help provide you and your neighbors with this unique opportunity. Because you're not currently a Florida Natural Gas customer, you may be missing out. Plus, if you're looking for competitive rates or senior discounts, you now have the ability to choose from the menu of pricing options listed below. Remember, now is the only time this year to make a change to Florida Natural Gas and start saving!

Senior Plan - This is a special discounted rate plan available only to customers age 55 or older. The rate with this plan is guaranteed to be at least 5 cents per therm less than the published variable Standard Plan rate. Proof of eligibility is required to participate in this special plan.

Fixed Rate Plan* - If you want consistency, your price per therm will not change for 12 months under our Fixed Rate Plan, regardless of what happens to natural gas prices in the marketplace. Monthly service charge is \$1.99. Please visit www.onlyfng.com/priceplans to find out more about our low fixed rate.

Standard Plan - This is the most popular plan for most customers because it offers flexibility. With our competitive variable rate, the price per therm will fluctuate from month to month based on natural gas market conditions.

High Volume Plan - If you are a customer who uses an above-average amount of natural gas (perhaps for a pool or hot tub), this may be the plan for you. Our High Volume Plan variable rate is guaranteed to be at least 5 cents below the published variable Standard Plan rate. Monthly service charge is \$2.99. Visit www.onlyfng.com/priceplans to see if this plan is right for you.

PEACE OF MIND

When you choose Florida Natural Gas, you get the peace of mind that comes with being a part of SouthStar Energy Services - a company that has served more than half a million residential, commercial and industrial natural gas customers throughout the Southeast for over a decade. Our excellent customer service and great rates have led more and more Central Florida Gas customers like you to enroll with us.

MAKE THE RIGHT CHOICE

Choosing a price plan that's right for you is easy! Simply check the appropriate box below and mail your selection form in the enclosed self-addressed envelope. You must act before March 13th to be served by Florida Natural Gas. For more information about Customer Choice from Central Florida Gas and details on all our plans, visit www.cfgas.com and www.onlyfng.com.

Thank you for considering Florida Natural Gas. We look forward to serving you.

CHOOSE NOW FOR THE FLORIDA NATURAL GAS DIFFERENCE!

- Senior Plan
- High Volume Plan
- Standard Plan
- 12-Month Fixed Rate Plan*

*If customer terminates Fixed Rate Plan before 12 mos., an early termination fee of \$20 will apply.

Name _____

Address _____

Driver's License, AARP or Medicare member number (required for sr. plan only) _____

Signature (required) _____

Date (required) _____

Mail to: Central Florida Gas
P.O. Box 960
Winter Haven, FL 33882-0960
Attn: Open Enrollment



TO OUR VALUED CUSTOMERS.



Your Natural Choice. **Florida Natural Gas**

Dear Central Florida Gas/Florida Natural Gas Customer:

CONTINUING TO MEET YOUR NEEDS

Thank you for previously choosing Florida Natural Gas. It is time for you to make your selection for this year, and we look forward to serving you again. At Florida Natural Gas we're excited to be working with Central Florida Gas to help provide you and your neighbors with this unique opportunity. Because we want you to have a plan that fits your needs, we offer you the opportunity to re-enroll on your current plan or choose another option. If you would like to keep your current plan, you must check the appropriate box below. However, if you do not respond, don't worry; we will simply enroll you on our most popular plan, the Standard Plan. The choice is yours.

Senior Plan - This is a special discounted rate plan available only to customers age 55 or older. The rate with this plan is guaranteed to be at least 5 cents per therm less than the published variable Standard Plan rate.

Standard Plan - This is our most popular plan because it offers flexibility. With our competitive variable rate, the price per therm will fluctuate from month to month based on natural gas market conditions. You can take advantage of this plan by simply doing nothing during the enrollment period.

High Volume Plan - If you are a customer who uses an above-average amount of natural gas (perhaps for a pool or hot tub), this may be the plan for you. Our High Volume Plan variable rate is guaranteed to be at least 5 cents below the published variable Standard Plan rate. Monthly service charge is \$2.99. Visit www.onlyfng.com/priceplans to see if this plan is right for you.

Fixed Rate Plan* - If you want consistency, your price per therm will not change for 12 months under our Fixed Rate Plan, regardless of what happens to natural gas prices in the marketplace. Monthly service charge is \$1.99. Please visit www.onlyfng.com/priceplans to find out more about our low 12-month fixed rate plan.

PEACE OF MIND

Florida Natural Gas remains your simple, safe and smart choice. With Florida Natural Gas, you continue to get the peace of mind that comes with being a part of SouthStar Energy Services - a company that has served more than half a million residential, commercial and industrial natural gas customers throughout the Southeast for over a decade. Our excellent customer service and great rates have led more and more Central Florida Gas customers like you to enroll with us.

MAKE THE RIGHT CHOICE

Choosing a price plan that's right for you is easy! You don't need to do a thing to stay with Florida Natural Gas and be enrolled in the Standard Plan. Or you can simply check the appropriate box below to remain on your current plan or to choose a new one. Then mail your selection form in the enclosed self-addressed envelope no later than March 13th. For more information about Customer Choice from Central Florida Gas and details on all our plans, visit www.cfgas.com and www.onlyfng.com.

We genuinely appreciate your business. Thank you for choosing Florida Natural Gas!

CHOOSE NOW FOR THE FLORIDA NATURAL GAS DIFFERENCE!

- Senior Plan
- High Volume Plan
- Standard Plan
- 12-Month Fixed Rate Plan*

*If customer terminates Fixed Rate before term is over, penalty applicable in form of \$10 will apply.

Name _____

Address _____

Signature (required) _____

Date (required) _____

Mail to: Central Florida Gas
P.O. Box 960
Winter Haven, FL 33882-0960
Attn: Open Enrollment



TO OUR VALUED CUSTOMERS



Your Natural Choice. Florida Natural Gas®

Dear Central Florida Gas/Florida Natural Gas Customer:

GIVING YOU MORE OPTIONS

Thank you for previously choosing Florida Natural Gas®. It is time for you to make your selection for this year, and we look forward to serving you again. At Florida Natural Gas we're excited to be working with Central Florida Gas to help provide you and your neighbors with this unique opportunity. We're offering you the ability to choose from the menu of pricing options listed below. Best of all, you can choose to do nothing, and we will enroll you in our most popular plan!

Standard Plan - This is our most popular plan because it offers flexibility. With our competitive variable rate, the price per therm will fluctuate from month to month based on natural gas market conditions. You can take advantage of this plan simply by doing nothing during the enrollment period.

Senior Plan - This is a special discounted rate plan available only to customers age 55 or older. The rate with this plan is guaranteed to be at least 5 cents per therm less than the published variable Standard Plan rate. Proof of eligibility is required to participate in this special plan.

High Volume Plan - If you are a customer who uses an above-average amount of natural gas (perhaps for a pool or hot tub), this may be the plan for you. Our High Volume Plan variable rate is guaranteed to be at least 5 cents below the published variable Standard Plan rate. Monthly service charge is \$2.99. Visit www.onlyfng.com/priceplans to see if this plan is right for you.

Fixed Rate Plan* - If you want consistency, your price per therm will not change for 12 months under our Fixed Rate Plan, regardless of what happens to natural gas prices in the marketplace. Monthly service charge is \$1.99. Please visit www.onlyfng.com/priceplans to find out more about our low fixed rate.

PEACE OF MIND

Florida Natural Gas remains your simple, safe and smart choice. With Florida Natural Gas, you will continue to get the peace of mind that comes with being a part of SouthStar Energy Services - a company that has served more than half a million residential, commercial and industrial natural gas customers throughout the Southeast for over a decade. Our excellent customer service and great rates have led more and more Central Florida Gas customers like you to enroll with us.

MAKE THE RIGHT CHOICE

Choosing a pricing plan that's right for you is easy! You don't need to do a thing to stay with Florida Natural Gas and be enrolled in the Standard Plan. Or you can simply check the appropriate box below to remain on your current plan or to choose a new one. Then mail your selection form in the enclosed self-addressed envelope no later than March 13th. For more information about Customer Choice from Central Florida Gas and details on all our plans, visit: www.cfegas.com and www.onlyfng.com.

We genuinely appreciate your business. Thank you for choosing Florida Natural Gas!

CHOOSE NOW FOR THE FLORIDA NATURAL GAS DIFFERENCE!

- Senior Plan
- High Volume Plan
- Standard Plan
- 12-Month Fixed Rate Plan*

*12-month term. Fixed Rate Plan before term expires, an early cancellation fee of \$50 will apply.

Name _____

Address _____

Driver's License, AARP or Medicare member number (required for sr. plan only) _____

Signature (required) _____

Date (required) _____

Mail to: Central Florida Gas
P.O. Box 960
Winter Haven, FL 33882-0960
Attn: Open Enrollment



Open Enrollment Script

2/19/09

Existing Customer Script: (Made a choice about their plan i.e. Senior Plan, Fixed, etc...)

Hello, this is Florida Natural Gas, your natural gas company. We're calling to alert you of a packet you recently received from Central Florida Gas with instructions on re-selecting us as your natural gas company. We want to remind you that if you want to remain on your current plan you MUST re-enroll on that plan. But don't worry. If you choose to do nothing, you will be enrolled on our most popular plan, the Standard Plan.

Thank you for being a Florida Natural Gas customer. We look forward to continuing to serve you! For more information visit onlyfng.com.

Existing Customer (Didn't select a plan. Defaulted to Standard Plan)

Hello, this is Florida Natural Gas, your natural gas company. We're calling to alert you of a packet you recently received from Central Florida Gas with instructions on re-selecting us as your natural gas company. Don't worry or be confused about the process. You have the choice to select one of our price plans or you can simply choose to do nothing and continue to get low rates on your current plan, The Standard Plan.

Thank you for being a Florida Natural Gas customer. We look forward to continuing to serve you. For more information visit onlyfng.com.

Infinite Customer Script:

Hello, this is Florida Natural Gas, and we want to be your natural gas company. We are calling to alert you of a packet you recently received from Central Florida Gas with instructions on choosing a natural gas company. Completing this process is easy! Simply select the Florida Natural Gas plan that fits your needs, such as our senior discount or fixed rate plan. Now's the only time of year to make a change to Florida Natural Gas. So hurry, selections must be made by March 13th.

Switch to Florida Natural Gas today! For more information visit onlyfng.com.

Small Business Customer Script -

Hello, this is Florida Natural Gas, and we want to be your natural gas company. We are calling to alert you of a packet you recently received from Central Florida Gas with instructions on choosing a natural gas company for your small business. Completing this process is easy! Simply select from one of our multiple pricing plan options that are designed to fit your business's needs, including our High Volume and Fixed Rate plans. Now's the only time of year to make a change to Florida Natural Gas. So hurry, selections must be made by March 13th.

Switch to Florida Natural Gas today! For more information visit onlyfng.com.

Florida Division of Chesapeake Utilities Corporation
TTS Experimental Pilot Program
Report to the Florida Public Service Commission
Year Two Implementation: July 1, 2008 through June 30, 2009
Attachment B

| Rate Class | Month | Number of Consumers | Experimental Rate | | Tariff Base Rate | | Experimental Rate Margin | Tariff Base Rate Margin | Difference | |
|--------------|-----------|---------------------|-------------------|---------------------------|---------------------------|---------|--------------------------|-------------------------|------------|--------------|
| | | | Therms | Firm Trans. Service Usage | Firm Trans. Service Usage | | | | | |
| FTS-A | | | | | | | | | | |
| | July | 141 | 978.19 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,143.20 | \$1,841.12 | \$302.08 |
| | August | 141 | 1,056.65 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,143.20 | \$1,875.70 | \$267.50 |
| | September | 141 | 877.83 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,143.20 | \$1,796.89 | \$346.31 |
| | October | 139 | 888.13 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,112.80 | \$1,781.43 | \$331.37 |
| | November | 137 | 1,172.45 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,082.40 | \$1,886.73 | \$195.67 |
| | December | 142 | 1,747.54 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,158.40 | \$2,190.19 | (\$31.79) |
| | January | 128 | 1,518.85 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$1,945.60 | \$1,949.40 | (\$3.80) |
| | February | 131 | 2,276.19 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$1,991.20 | \$2,313.19 | (\$321.99) |
| | March | 130 | 1,352.52 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$1,976.00 | \$1,896.10 | \$79.90 |
| | April | 165 | 1,395.98 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,508.00 | \$2,265.25 | \$242.75 |
| | May | 160 | 1,136.33 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,432.00 | \$2,100.81 | \$331.19 |
| | June | 151 | 923.72 | \$15.20 | \$0.00000 | \$10.00 | \$0.44073 | \$2,295.20 | \$1,917.11 | \$378.09 |
| FTS-B | | | | | | | | | | |
| | July | 122 | 1,316.70 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,488.80 | \$2,105.31 | \$383.49 |
| | August | 122 | 1,419.06 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,488.80 | \$2,150.42 | \$338.38 |
| | September | 122 | 1,165.47 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,488.80 | \$2,038.66 | \$450.14 |
| | October | 121 | 1,319.73 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,468.40 | \$2,094.14 | \$374.26 |
| | November | 121 | 1,666.06 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,468.40 | \$2,246.78 | \$221.62 |
| | December | 121 | 2,628.67 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,468.40 | \$2,671.03 | (\$202.63) |
| | January | 109 | 2,260.01 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,223.60 | \$2,358.55 | (\$134.95) |
| | February | 119 | 3,419.60 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,427.60 | \$2,994.62 | (\$567.02) |
| | March | 117 | 2,069.22 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,386.80 | \$2,374.47 | \$12.33 |
| | April | 145 | 2,257.05 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,958.00 | \$2,807.25 | \$150.75 |
| | May | 143 | 1,866.10 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,917.20 | \$2,609.95 | \$307.25 |
| | June | 141 | 1,543.78 | \$20.40 | \$0.00000 | \$12.50 | \$0.44073 | \$2,876.40 | \$2,442.89 | \$433.51 |
| FTS-1 | | | | | | | | | | |
| | July | 259 | 3,887.65 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,252.00 | \$5,598.40 | \$1,653.60 |
| | August | 258 | 4,503.16 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,224.00 | \$5,854.68 | \$1,369.32 |
| | September | 257 | 3,517.27 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,196.00 | \$5,405.17 | \$1,790.83 |
| | October | 252 | 3,777.80 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,056.00 | \$5,444.99 | \$1,611.01 |
| | November | 254 | 5,762.30 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,112.00 | \$6,349.62 | \$762.38 |
| | December | 254 | 8,398.24 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,112.00 | \$7,511.36 | (\$399.36) |
| | January | 255 | 8,759.90 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,140.00 | \$7,685.75 | (\$545.75) |
| | February | 253 | 10,766.58 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,084.00 | \$8,540.15 | (\$1,456.15) |
| | March | 251 | 6,740.06 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$7,028.00 | \$6,735.55 | \$292.45 |
| | April | 362 | 7,620.04 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$10,136.00 | \$8,788.38 | \$1,347.62 |
| | May | 360 | 6,826.26 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$10,080.00 | \$8,408.54 | \$1,671.46 |
| | June | 353 | 5,439.91 | \$28.00 | \$0.00000 | \$15.00 | \$0.44073 | \$9,884.00 | \$7,692.53 | \$2,191.47 |
| FTS-2 | | | | | | | | | | |
| | July | 35 | 2,047.54 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$1,563.58 | \$370.17 |
| | August | 35 | 1,905.75 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$1,521.95 | \$411.80 |
| | September | 35 | 1,900.89 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$1,520.53 | \$413.22 |
| | October | 35 | 2,251.04 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$1,623.32 | \$310.43 |
| | November | 35 | 3,654.44 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$2,035.30 | (\$101.55) |
| | December | 35 | 3,692.46 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$1,933.75 | \$2,046.46 | (\$112.71) |
| | January | 41 | 5,036.19 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$2,265.25 | \$2,605.92 | (\$340.67) |
| | February | 45 | 4,812.75 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$2,486.25 | \$2,650.33 | (\$164.08) |
| | March | 44 | 5,808.73 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$2,431.00 | \$2,915.21 | (\$484.21) |

Florida Division of Chesapeake Utilities Corporation
TTS Experimental Pilot Program
Report to the Florida Public Service Commission
Year Two Implementation: July 1, 2008 through June 30, 2009
Attachment B

| Rate Class | Month | Number of Consumers | Therms | Experimental Rate | | Tariff Base Rate | | Experimental | Tariff Base | Difference |
|--------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|---------------------|--------------------|
| | | | | Firm Trans. Service | Usage | Firm Trans. Service | Usage | Rate Margin | Rate Margin | |
| | April | 56 | 7,816.19 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$3,094.00 | \$3,834.52 | (\$740.52) |
| | May | 55 | 4,457.59 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$3,038.75 | \$2,821.07 | \$217.68 |
| | June | 54 | 3,272.22 | \$55.25 | \$0.00000 | \$27.50 | \$0.29356 | \$2,983.50 | \$2,445.59 | \$537.91 |
| FTS-3 | July | 6 | 1,279.50 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,134.00 | \$793.10 | \$340.90 |
| | August | 6 | 1,508.61 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,134.00 | \$838.42 | \$295.58 |
| | September | 7 | 1,217.44 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,323.00 | \$870.82 | \$452.18 |
| | October | 5 | 1,086.80 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$945.00 | \$664.98 | \$280.02 |
| | November | 5 | 1,997.40 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$945.00 | \$845.11 | \$99.89 |
| | December | 5 | 2,903.88 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$945.00 | \$1,024.42 | (\$79.42) |
| | January | 4 | 2,108.31 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$756.00 | \$777.04 | (\$21.04) |
| | February | 4 | 2,573.27 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$756.00 | \$869.02 | (\$113.02) |
| | March | 3 | 1,479.41 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$567.00 | \$562.64 | \$4.36 |
| | April | 6 | 2,792.23 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,134.00 | \$1,092.33 | \$41.67 |
| | May | 6 | 2,638.75 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,134.00 | \$1,061.97 | \$72.03 |
| | June | 6 | 1,762.43 | \$189.00 | \$0.00000 | \$90.00 | \$0.19781 | \$1,134.00 | \$888.63 | \$245.37 |
| Total | July | 563 | 9,509.58 | | | | | \$14,951.75 | \$11,901.50 | \$3,050.25 |
| | August | 562 | 10,393.23 | | | | | \$14,923.75 | \$12,241.17 | \$2,682.58 |
| | September | 562 | 8,678.90 | | | | | \$15,084.75 | \$11,632.06 | \$3,452.69 |
| | October | 552 | 9,323.50 | | | | | \$14,515.95 | \$11,608.86 | \$2,907.09 |
| | November | 552 | 14,252.65 | | | | | \$14,541.55 | \$13,363.54 | \$1,178.01 |
| | December | 557 | 19,370.79 | | | | | \$14,617.55 | \$15,443.46 | (\$825.91) |
| | January | 537 | 19,683.26 | | | | | \$14,330.45 | \$15,376.68 | (\$1,046.23) |
| | February | 552 | 23,848.39 | | | | | \$14,745.05 | \$17,367.31 | (\$2,622.26) |
| | March | 545 | 17,449.94 | | | | | \$14,388.80 | \$14,483.96 | (\$95.16) |
| | April | 734 | 21,881.49 | | | | | \$19,830.00 | \$18,787.73 | \$1,042.27 |
| | May | 724 | 16,925.03 | | | | | \$19,601.95 | \$17,002.34 | \$2,599.61 |
| | June | 705 | 12,942.06 | | | | | \$19,173.10 | \$15,386.75 | \$3,786.35 |
| | | | | | | | | <u>\$190,704.65</u> | <u>\$174,595.35</u> | <u>\$16,109.30</u> |