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October 9, 2013

**HAND DELIVERY**

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

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COMMISSION  
CLERK

**Re: Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Cole:

Enclosed for filing, please find the original and 5 copies each of both the clean and legislative versions of the following tariff pages for Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation, which are consistent with the Petition submitted in this docket on August 30, 2013, and are filed in support thereof:

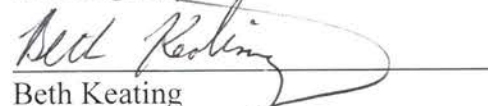
Florida Public Utilities  
Ninth Revised 35.4  
Sixth Revised 35.5

Florida Division of Chesapeake Utilities Corporation  
First Revised 105.1  
Second Revised 105.2  
Original Sheet 105.3

As always, thank you for your assistance with this filing.

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Kind regards,

  
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

Cc:/ Michael Lawson (Staff Counsel)  
Steve Garl (PSC Staff)

BILLING ADJUSTMENTS  
(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2014 through the last billing cycle for December 2014 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule RS	\$0.01598
Rate Schedule GS-1	\$0.01450
Rate Schedule GS-2	\$0.01450
Rate Schedule GSTS-1	\$0.01450
Rate Schedule GSTS-2	\$0.01450
Rate Schedule LVS	\$0.00654
Rate Schedule LVTS	\$0.00654
Rate Schedule IS	\$0.00608
Rate Schedule ITS	\$0.00608
Rate Schedule GLS	\$0.01826
Rate Schedule GLSTS	\$0.01826
Rate Schedule NGV	\$0.00000
Rate Schedule NGVTS	\$0.00000

(Continued to Sheet No. 35.5)

(Continued from Sheet No. 35.4)

(GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP))

Definitions

The Company has prioritized the potential replacement projects focusing initially on area of high consequence and areas more susceptible to corrosion. The Company provides service to large metropolitan areas, including West Palm Beach. These areas also have a high percentage of mains and services constructed of eligible materials for replacement under the Gas Reliability Infrastructure Program ("GRIP"). Replacement of eligible infrastructure in high density (urban) areas typically cost more than areas that are primarily rural. The GRIP Program minimizes impact to customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution mains and services are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
  - (i) do not increase revenues by directly connecting new customers to the plant asset,
  - (ii) are in service and used and useful in providing utility service and
  - (iii) were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.
2. Mains and service lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulatory station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

The company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the weighted average cost of capital,
2. Depreciation expense (respectively calculated using the currently approved depreciation rates),
3. Customer and general public notification expenses associated with GRIP incurred for:
  - (i) all customers regarding the implementation of the GRIP Program and the approved surcharge factors;
  - (ii) the immediately affected customers where the eligible infrastructure is being replaced; and
  - (iii) the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.
4. Ad valorem taxes, grossed up for federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GRIP Program. The Company has developed its GRIP surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case. The GRIP surcharge for each customer class will be a per therm rate per month that is calculated by multiplying the GRIP revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected surcharge.

BILLING ADJUSTMENTS  
(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January ~~2014~~ 2013 through the last billing cycle for December ~~2014~~ 2013 are as follows:

Rate Class	<u>Rates Per Therm</u> <u>GRIP Factor</u>
Rate Schedule RS	<u>\$0.01598</u> <u>0.584 cents per therm</u>
Rate Schedule GS-1	<u>\$0.01450</u> <u>0.636 cents per therm</u>
Rate Schedule GS-2	<u>\$0.01450</u> <u>0.636 cents per therm</u>
Rate Schedule GSTS-1	<u>\$0.01450</u> <u>0.636 cents per therm</u>
Rate Schedule GSTS-2	<u>\$0.01450</u> <u>0.636 cents per therm</u>
Rate Schedule LVS	<u>\$0.00654</u> <u>0.272 cents per therm</u>
Rate Schedule LVTS	<u>\$0.00654</u> <u>0.272 cents per therm</u>
Rate Schedule IS	<u>\$0.00608</u> <u>0.261 cents per therm</u>
Rate Schedule ITS	<u>\$0.00608</u> <u>0.261 cents per therm</u>
Rate Schedule GLS	<u>\$0.01826</u> <u>0.473 cents per therm</u>
Rate Schedule GLSTS	<u>\$0.01826</u> <u>0.473 cents per therm</u>
Rate Schedule NGV	<u>\$0.00000</u> <u>0.000 cents per therm</u>
Rate Schedule NGVTS	<u>\$0.00000</u> <u>0.000 cents per therm</u>

(Continued to Sheet No. 35.5)

(Continued from Sheet No. 35.4)

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(GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP))

Definitions

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The Company has prioritized the potential replacement projects focusing initially on area of high consequence and areas more susceptible to corrosion. The Company provides service to large metropolitan areas, including West Palm Beach. These areas also have a high percentage of mains and services constructed of eligible materials for replacement under the Gas Reliability Infrastructure Program ("GRIP"). Replacement of eligible infrastructure in high density (urban) areas typically cost more than areas that are primarily rural. The GRIP Program minimizes impact to customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution mains and services are not recoverable under the GRIP Program.

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The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that

- (i) do not increase revenues by directly connecting new customers to the plant asset.
- (ii) are in service and used and useful in providing utility service and
- (iii) were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

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2. Mains and service lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulatory station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

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The company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the weighted average cost of capital.
2. Depreciation expense (respectively calculated using the currently approved depreciation rates).
3. Customer and general public notification expenses associated with GRIP incurred for:
  - (i) all customers regarding the implementation of the GRIP Program and the approved surcharge factors;
  - (ii) the immediately affected customers where the eligible infrastructure is being replaced; and
  - (iii) the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.
4. Ad valorem taxes, grossed up for federal and state income taxes.

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The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GRIP Program. The Company has developed its GRIP surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case. The GRIP surcharge for each customer class will be a per therm rate per month that is calculated by multiplying the GRIP revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected surcharge.

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GRIP):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2014 through December 31, 2014 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Rate per therm</u>
FTS A	< 130 therms	\$0.06721
FTS-B	> 130 therms up to 250 therms	\$0.03079
FTS-1	> 0 up to 500 therms	\$0.02198
FTS-2	> 500 therms up to 1,000 therms	\$0.01993
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.02245
FTS-3	> 2,500 therms up to 5,000 therms	\$0.01026
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.01273
FTS-4	> 10,000 therms up to 25,000 therms	\$0.01781
FTS-5	> 25,000 therms up to 50,000 therms	\$0.01554
FTS-6	> 50,000 therms up to 100,000 therms	\$0.00817
FTS-7	> 100,000 therms up to 200,000 therms	\$0.01743
FTS-8	> 200,000 therms up to 400,000 therms	\$0.01016
FTS-9	> 400,000 therms up to 700,000 therms	\$0.02722
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.01388
FTS-11	> 1,000,000 therms up to 2,500,000 therms	\$0.01037
FTS-12	> 2,500,000 therms up to 12,500,000 therms	\$0.01781
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA  
(Continued from Sheet No. 105.1)

7. GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP) (Experimental):

Applicability:

All Customers assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp), FTS-3 (Exp), and FTS-3.1 (Exp).

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2014 through December 31, 2014 for each rate classification are as follows:

<u>Consumer</u> <u>Rate Schedule</u>	<u>Rate per bill</u>
FTS-A (Exp)	\$ 0.44
FTS-B (Exp)	\$ 0.35
FTS-1 (Exp)	\$ 0.38
FTS-2 (Exp)	\$ 1.19
FTS-2.1 (Exp)	\$ 2.86
FTS-3 (Exp)	\$ 3.67
FTS-3.1 (Exp)	\$ 7.49

(Continued to Sheet No. 105.3)

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA  
(Continued from Sheet No. 105.2)

7. GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP)

Definitions

The Company has prioritized the potential replacement projects focusing initially on area of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution mains and services are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
  - (i) do not increase revenues by directly connecting new customers to the plant asset,
  - (ii) are in service and used and useful in providing utility service and
  - (iii) were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.
2. Mains and service lines, as replacements for existing cast iron, wrought iron and bare steel facilities and regulatory station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

The company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the allowable equity and debt components of the weighted average cost of capital,
2. Depreciation expense (respectively calculated using the currently approved depreciation rates),
3. Customer and general public notification expenses associated with GRIP incurred for:
  - (i) all customers regarding the implementation of the GRIP Program and the approved surcharge factors;
  - (ii) the immediately affected customers where the eligible infrastructure is being replaced; and
  - (iii) the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities.
4. Ad valorem taxes, grossed up for federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recoup the costs associated with the GRIP Program. The Company has developed its GRIP surcharge factors for each rate classification utilizing the same investment data developed and approved in its most recent rate case. The GRIP surcharge for each customer class in the usage classification will be a per therm rate per month that is calculated by multiplying the GRIP revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected annual therms for such class during the 12-month period following the effective date of the billing of such surcharge. For customers billed at the Company's experimental rates, the GRIP surcharge for each customer will be a per bill rate per month that is calculated by multiplying the GRIP revenue requirements by the percentage representing a class share of such requirements and dividing the result by the projected annual bills for such class during the 12-month period following the effective date of the billing of such surcharge.



RATE SCHEDULES MONTHLY  
 RATE ADJUSTMENTS  
 Rate Schedule MRA

7. GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2014 ~~2013~~ through December 31, 2014 ~~2013~~ for each rate classification are as follows:

Rate Schedule	Classification of Service	Rate per therm
FTS A	< 130 therms	\$0.06721 02652
FTS-B	> 130 therms up to 250 therms	\$0.03079 01438
FTS-1	> 0 up to 500 therms	\$0.02198 01640
FTS-2	> 500 therms up to 1,000 therms	\$0.01993 01307
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.02245 01754
FTS-3	> 2,500 therms up to 5,000 therms	\$0.01026 01023
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.01273 01152
FTS-4	> 10,000 therms up to 25,000 therms	\$0.01781 01204
FTS-5	> 25,000 therms up to 50,000 therms	\$0.01554 01517
FTS-6	> 50,000 therms up to 100,000 therms	\$0.00817 00838
FTS-7	> 100,000 therms up to 200,000 therms	\$0.01743 01029
FTS-8	> 200,000 therms up to 400,000 therms	\$0.01016 01642
FTS-9	> 400,000 therms up to 700,000 therms	\$0.02722 01326
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.01388 01729

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FTS-11	> 1,000,000 therms up to 2,500,000 therms	\$0.01037 <del>01180</del>
FTS-12	> 2,500,000 therms up to 12,500,000 therms	\$0.01781 <del>01231</del>
FTS-13	> 12,500,000 therms	N/A

(Continued to Sheet No. 105.2)

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Issued by: ~~Michael P. McMasters~~ ~~Michael P. McMasters~~ President  
Chesapeake ~~Utilities~~ ~~Utilities~~ Corporation

Effective: JAN-01-2013

Florida Division of Chesapeake Utilities Corporation  
Original Volume No. 4

~~Second~~ ~~First~~ Revised Sheet No.  
105.2  
Cancels ~~First~~ ~~Original~~ Sheet No.  
105.2

RATE SCHEDULES MONTHLY  
RATE ADJUSTMENTS Rate  
Schedule MRA

(Continued from Sheet No. 105.1)

7. GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP) (Experimental):

Applicability:

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FTS-A (Exp)	\$ <u>0.44</u> <del>0.24</del>
FTS-B (Exp)	\$ <u>0.35</u> <del>0.26</del>
FTS-1 (Exp)	\$ <u>0.38</u> <del>0.37</del>
FTS-2 (Exp)	\$ <u>1.19</u> <del>0.95</del>
FTS-2.1 (Exp)	\$ <u>2.86</u> <del>2.29</del>
FTS-3 (Exp)	\$ <u>3.67</u> <del>3.40</del>
FTS-3.1 (Exp)	\$ <u>7.49</u> <del>7.14</del>

(Continued to Sheet No. 105.3)

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA  
(Continued from Sheet No. 105.2)

7. GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP)

Definitions

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