

August 13, 2014

**HAND DELIVERY**

Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
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COMMISSION  
CLERK

Re: **NEW FILING: Petition of the Florida Division of Chesapeake Utilities Corporation to Close Rate Schedule Firm Transportation Service – 13 (FTS-13)**

Dear Ms. Stauffer:

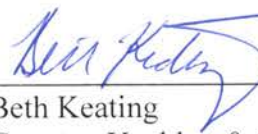
Enclosed for filing, please find the original and seven (7) copies of the Petition of the Florida Division of Chesapeake Utilities Corporation to Close Rate Schedule FTS-13. Also included with this Petition are revised tariff pages, in clean and legislative format, reflecting the change proposed herein.

Original Volume No. 4, Third Revised Sheet No. 70

Original Volume No. 4, Third Revised Sheet No. 90

As always, thank you for your assistance with this filing. If you have any questions whatsoever, please do not hesitate to contact me.

Kind regards,



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

Cc: Division of Economics (Dean)  
Office of Public Counsel

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Approval to Close Rate  
Schedule Firm Transportation Service-13  
(FTS-13) by Florida Division of Chesapeake  
Utilities Corporation.

Docket No.

Filed: August 13, 2014

PETITION FOR APPROVAL TO CLOSE FTS-13 RATE SCHEDULE  
BY  
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

Pursuant to Section 366.06, Florida Statutes, and in accordance with Rules 25-9.005, Florida Administrative Code, and 28-106.201, Florida Administrative Code, the Florida Division of Chesapeake Utilities Corporation (“CHPK” or “Company”), hereby files this Petition seeking Commission approval to close its Firm Transportation Service – 13 (FTS-13) Rate Schedule and grandfather the only customer currently served under the schedule until the Company’s next rate case. In support of this request, the Company states:

1. CHPK is a natural gas utility regulated by the Commission in accordance with Chapter 366, Florida Statutes. The Company’s principal offices are located at:

1641 Worthington Road, Suite 220  
West Palm Beach, FL 33409-6703

The Company’s substantial interests will be affected by the Commission’s actions regarding this Petition in that the request made by the Company directly involves the Company’s tariff on file with the Commission and its provision of service to customers under such tariff.

2. Please send copies of all notices, pleadings and other communications and documents in this docket to the following:

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301

Florida Division of Chesapeake  
Utilities Corporation  
Cheryl Martin, Director/Regulatory Affairs  
911 South 8th Street  
Fernandina Beach, FL 32034

3. As the Commission has recognized, the FTS-13 rate class includes only one customer, The Mosaic Company (“Mosaic”), and the charges thereunder are based upon that customer’s ability to bypass the Company’s distribution system by directly interconnecting with the FGT pipeline, which traverses Mosaic’s property. In a practical sense, this rate class is more akin to a special contract in that the rate is specifically designed to cover the cost to serve Mosaic so that the Company’s general body of ratepayers does not subsidize service to this one customer.<sup>1</sup>

4. Consistent with the fact that the rate class is specifically designed for one customer, the Company seeks approval to close this rate class to any additional customers. The Company further proposes to allow Mosaic to be temporarily grandfathered, allowing it to continue to take service under FTS-13 until the Company’s next rate case or until Mosaic otherwise terminates service with CHPK, whichever event occurs sooner. During the Company’s next rate case, CHPK anticipates revisiting whether the rate for Mosaic continues to recover the cost to serve Mosaic, and whether it would be more appropriate to either move Mosaic to another rate class or endeavor to enter into a special contract with the customer.

5. The Company seeks closure of this rate class, because any further additions to this rate schedule run the risk that serving a new customer with a different service cost profile under this schedule could reduce the levels of revenues that the Company would otherwise collect. Such a reduction in revenues would reduce the level of meaningful benefits to CHPK and its general body of ratepayers while compounding the potential of an overall rate increase. Moreover, adding new service load of the level contemplated by FTS-13 would likely require the Company to make facilities investments, which would further increase the likelihood that any customers added under this rate schedule would not cover their cost to serve. In other words, it is likely that any future

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<sup>1</sup> Order No. PSC-10-0029-PAA-GU, issued in Docket No. 090125-GU, on January 14, 2010, at p. 41.

customer otherwise meeting the FTS-13 service criteria would not otherwise be eligible for service under the tariff, because any extension to serve such a customer would likely exceed Maximum Allowable Construction Costs (“MACC”).

6. To be clear, no new customers have asked to be served under FTS-13, nor is CHPK aware of any potential new customers. As such, closing this rate schedule, as proposed herein, will have no immediate impact on any current or proposed customer and will preserve the status quo until the next rate case.

7. Included with this Petition are clean and legislative versions of the Company’s Original Volume No. 4, Third Revised Sheet Nos. 70 and 90, which reflect the change proposed herein.

WHEREFORE, the Florida Division of Chesapeake Utilities Corporation respectfully requests that the Commission allow the Company to:

1. Close Firm Transportation Service – 13 (FTS-13) to new customers;
2. Allow the Company to grandfather the one current customer receiving service under FTS-13 until the Company’s next rate case or until the customer otherwise terminates service with the Company; and
3. Approve the Company’s Original Volume No. 4, Third Revised Sheet Nos. 70 and 90, reflecting the closure of this rate schedule to new customers, effective on the date of the

Commission's vote regarding this request.

Respectfully submitted this 13th day of August, 2014, by:

A handwritten signature in blue ink, appearing to read "Beth Keating", is written over a horizontal line.


Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301

*Attorneys for Florida Division of  
Chesapeake Utilities Corporation*

**CERTIFICATE OF SERVICE**

I HEREBY ATTEST that a true and correct copy of the foregoing Petition has been provided to the following by Hand Delivery this 13th Day of August, 2014:

Office of the Public Counsel c/o The Florida Legislature 111 West Madison St., Rm. 812 Tallahassee, FL 32399-1400	Jim Dean, Director Division of Economics Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850
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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

INDEX OF RATE SCHEDULES  
 (Continued)

	<u>Symbol</u>	<u>Sheet No.</u>
Firm Transportation Service - 9	FTS-9	86
Firm Transportation Service - 10	FTS-10	87
Firm Transportation Service - 11	FTS-11	88
Firm Transportation Service -12	FTS-12	89
Firm Transportation Service -13	FTS-13	90 (Closed)
Firm Transportation Service - Natural Gas Vehicle	FTS-NGV	90.1
Contract Firm Transportation Service Rider	CFTS-Rider	91
Area Expansion Program Rider	AEP-Rider	93
Shipper Administrative and Billing Service	SABS	94
Shipper Administrative Service	SAS	95
Solar Water-Heating Administrative and Billing Service (Experimental)	SWHS (Exp)	96
Off-System Delivery Point Operator Service	OS-DPO	97
<u>Monthly Rate Adjustments</u>	MRA	
1. Energy Conservation Cost Recovery Adjustment		98
2. Energy Conservation Cost Recovery Adjustment - Experimental		99
3. Environmental Surcharge		100
4. Competitive Firm Transportation Service Adjustment		101
5. Competitive Firm Transportation Service Adjustment - Experimental		103
6. Shipper of Last Resort Adjustment		105
7. Gas Reliability Infrastructure Program (GRIP)		105.1
Fees and Taxes	FT	106

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE- 13  
Rate Schedule FTS-13 (Closed to New Service)

Availability:

Throughout the service areas of the Company.

Applicability:

Rate Schedule is closed to all new service. Firm Transportation Service was available to all Consumers whose annual Metered transportation volume is greater than 12,500,000 therms, except for the gas delivered through a separate meter for compression and delivery into motor vehicle fuel tanks or other transportation containers. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

\$16,692.25

Firm Transportation Charge:

\$0.00000 per therm

Usage Charge:

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.



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Fees and Taxes	FT	106

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Florida Division of Chesapeake Utilities  
Corporation Original Volume No. 4

~~Third Second Revised Sheet No. 90~~  
Cancels ~~Second First Sheet No. 90~~

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE- 13  
Rate Schedule FTS-13 (Closed to New Service)

Availability:

Throughout the service areas of the Company.

Applicability:

Rate Schedule is closed to all new service. Firm Transportation Service was available to all Consumers whose annual Metered transportation volume is greater than 12,500,000 therms, except for the gas delivered through a separate meter for compression and delivery into motor vehicle fuel tanks or other transportation containers. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

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Firm Transportation Charge: \$16,692.25  
Usage Charge: \$0.00000 per therm

Minimum Charge:

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Billing Adjustments:

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Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

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

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