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October 4, 2016

**E-PORTAL/ELECTRONIC FILING**

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

***Re: Docket No. 160004-GU – Natural Gas Conservation Cost Recovery Clause***

Dear Ms. Stauffer:

Attached for electronic filing, please find the Prehearing Statement of Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and the Florida Division of Chesapeake Utilities Corporation.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



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

MEK  
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas )  
Conservation Cost Recovery )  
Clause )  
\_\_\_\_\_ )

Docket No. 160004-GU

Filed: October 4, 2016

**CONSOLIDATED PREHEARING STATEMENT FOR FLORIDA PUBLIC UTILITIES COMPANY, FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION AND FLORIDA PUBLIC UTILITIES-INDIANTOWN DIVISION**

In accordance with Order No. PSC-16-0101-PCO-GU, Florida Public Utilities Company (“FPUC”), the Florida Division of Chesapeake Utilities Corporation (“CUC”), Florida Public Utilities Company-Indiantown Division (“Indiantown”), and Florida Public Utilities – Fort Meade (“Fort Meade”), referred to jointly herein as “Consolidated Companies, ” hereby submit their Consolidated Prehearing Statement:

a. All Known Witnesses

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Curtis Young	True Up for 2015	Issue 1
Kira I. Lake	Actual/Estimated True-up Amount for 2016; cost recovery factors; effective date	Issues 2 – 5

b. All Known Exhibits

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
CDY-1	Curtis Young	True-Up Variance Analysis [Schedules CT1-CT6]
KIL-1	Kira I. Lake	Projections: Estimated ECCR charges by rate class [Schedules C-1 through C-4]

c. Statement of Basic Position

The Commission should approve the Consolidated Companies' respective final net true-ups for the period January through December 2015, the estimated true-up for the period January through December, 2016, and the projected conservation program expenses and recovery factors for the period January through December, 2017.

d. Position on the Issues

**ISSUE 1. What are the final conservation cost recovery true-up amounts for the period January 2015 through December 2015?**

Consolidated Companies: An under-recovery of \$2,694,184, resulting in an adjusted, end-of-period true up amount of an under-recovery of \$1,403,735.

**ISSUE 2. What are the total conservation cost recovery amounts to be collected during the period January 2017 through December 2017?**

Consolidated Companies: A total of \$6,562,854 remains to be recovered during the period January 1, 2017 through December 31, 2017.

**ISSUE 3. What are the conservation cost recovery factors for the period January 2017 through December 2017?**

CUC: The appropriate factors are:

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
FTS-A	\$ 0.31789
FTS-B	\$ 0.24033
FTS-1	\$ 0.20824
FTS-2	\$ 0.11396
FTS-2.1	\$ 0.08428
FTS-3	\$ 0.07097
FTS-3.1	\$ 0.05494
FTS-4	\$ 0.04647
FTS-5	\$ 0.04069
FTS-6	\$ 0.03327
FTS-7	\$ 0.02370
FTS-8	\$ 0.02174
FTS-9	\$ 0.01747
FTS-10	\$ 0.01707
FTS-11	\$ 0.01450
FTS-12	\$ 0.01095

The Company also seeks approval of the following experimental per bill Conservation Cost Recovery Adjustment (Experimental) factors:

<b>Rate Class</b>	<b>ECCR Factor (\$ per bill)</b>
FTS-A	\$2.05

FTS-B	\$2.70
FTS-1	\$3.41
FTS-2	\$6.81
FTS-2.1	\$9.67
FTS-3	\$24.56
FTS-3.1	\$32.81

FPUC: The appropriate factors are:

<u>Rate Class</u>		<u>Adjustment Factor (dollars per therm)</u>
RESIDENTIAL	\$	0.13261
COMMERCIAL SMALL (Gen Srv GS1 & GS1 Transportation <600)	\$	0.08015
COMMERCIAL SMALL (Gen Srv GS2 & GS2 Transportation >600)	\$	0.06255
COMM. LRG VOLUME (Large Vol & LV Transportation <,> 50,000 units)	\$	0.05098
NATURAL GAS VEHICLES	\$	0.02456

Indiantown: The appropriate factors are:

<u>Rate Class</u>		<u>Adjustment Factor (dollars per therm)</u>
TS1 (INDIANTOWN DIVISION)	\$	0.12751
TS2 (INDIANTOWN DIVISION)	\$	0.01977
TS3 (INDIANTOWN DIVISION)	\$	0.05049
TS4 (INDIANTOWN DIVISION)	\$	0.06300

Fort Meade: The appropriate factors are:

<u>Rate Class</u>	<u>Adjustment</u>
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		<u>Factor (dollars per therm)</u>
RESIDENTIAL	\$	0.13261
COMMERCIAL SMALL CVPD	\$	0.08015
COMM. LRG VOLUME (Large Vol & LV Transportation <,> 50,000 units)	\$	0.05098

**ISSUE 4: Should the Commission approve revised tariffs reflecting the natural gas conservation cost recovery amounts and establishing natural gas conservation cost recovery factors determined to be appropriate in this proceeding?**

Consolidated Companies: Yes. The Commission should approve revised tariffs reflecting the natural gas conservation cost recovery amounts and establishing gas conservation cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

**ISSUE 5. What should be the effective date of the conservation cost recovery factors for billing purposes?**

Consolidated Companies: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2017 through December 2017. Billing cycles may start before January 1, 2017 and the last cycle may be read after December 31, 2017, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

e. Stipulated Issues

While not a party to stipulations at this time, the Consolidated Companies believe that it should be possible to reach a stipulation on each of the issues as they pertain to the Consolidated Companies.

f. Pending Motions

None.

g. Pending Confidentiality Claims or Requests

None.

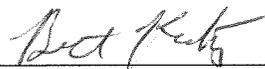
h. Objections to Witness Qualifications as an Expert

None.

i. Compliance with Order No. 16-0101-PCO-GU

CUC, FPUC, FPUC-Fort Meade, and Indiantown believe that this Prehearing Statement fully complies with all requirements of the Order Establishing Procedure entered in this docket.

RESPECTFULLY SUBMITTED this 4th day of October, 2016.



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*Attorneys for Florida Public Utilities  
Company, Florida Public Utilities Company-  
Indiantown Division, Florida Public Utilities  
Company – Fort Meade, and the Florida  
Division of Chesapeake Utilities Corporation*

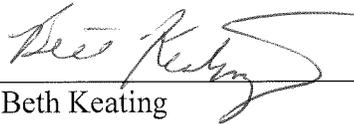
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing, has been furnished by Electronic Mail to the following parties of record this 4th day of October, 2016:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach, FL 32034 <a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a>	MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 <a href="mailto:aw@macfar.com">aw@macfar.com</a> ; <a href="mailto:AB@macfar.com">AB@macfar.com</a>
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Docket No. 160004-GU  
October 4, 2016

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