



Florida Public Service Commission

SPECIAL REPORT

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AUGUST 2000 NO.14

Request for Rate Increase by
**Florida Division of
Chesapeake Utilities Corporation**

On May 15, 2000, the Florida Division of Chesapeake Utilities Corporation (Chesapeake or the company) filed a petition for a permanent annual rate increase with the Florida Public Service Commission (PSC or Commission). Chesapeake serves customers, including several industries, in the Winter Haven, St. Cloud, Plant City and Crystal River areas.

In its petition, Chesapeake is requesting a permanent annual increase of \$1,826,569 in additional revenues. The company based its request on a 13-month average rate base of \$21,321,700 for a projected test year ending December 31, 2001. A "test year" is a 12-month operating period the PSC uses to evaluate the cost of service and the adequacy of the rates a utility is charging or proposing to charge its customers. Chesapeake's last permanent rate increase was granted by the Commission in 1990.

Chesapeake also requested an interim annual revenue increase of \$830,330. By an order issued August 3, 2000, the Commission suspended Chesapeake's request for a permanent rate increase and approved an interim annual revenue increase of \$591,579 for the company.

Four customer service hearings are being conducted in the company's service area to allow the public to present testimony concerning the company's quality of service, rate structure, and proposed rate increase. In accordance with Florida Statutes, the PSC will consider the utility's quality of service, among other things, in establishing rates for the company in this case.

A formal administrative hearing is scheduled to take place on October 16, 2000, in Tallahassee. PSC staff is scheduled to make a recommendation to the Commission on December 21, 2000, and the Commission vote on this matter is scheduled for January 2, 2001.

All customers wishing to testify are urged to be present at the beginning of the sessions, because the sessions may be adjourned early if no customers are present.

CUSTOMER HEARINGS

DOCKET NO. 000108-GU

Thursday, August 31, 2000

12:00 p.m. - 2:00 p.m.

John Fuller Auditorium
City Commission Chambers
451 3rd Street NW
Winter Haven, Florida

Thursday, August 31, 2000

6:00 p.m. - 8:00 p.m.

City Council Chambers
1300 9th Street
St. Cloud, Florida

Wednesday, September 27, 2000

10:00 a.m. - 12:00 p.m.

Plant City Commission Chambers
Nettie Berry Draughon Municipal
Building
302 W. Reynolds Street
Plant City, Florida

Wednesday, September 27, 2000

6:00 p.m. - 8:00 p.m.

Plantation Inn and Golf Resort
9301 West Fort Island Trail
Crystal River, Florida

PSC Staff & Reference Numbers

For technical questions:

Sam Merta (850) 413-6427
Lee Romig (850) 413-6422
David Ging (850) 413-6646

For legal questions:

Cochran Keating (850) 413-6193

For general information:

Thelma Crump (850) 413-7087
Robby Cunningham (850) 413-6129
or call toll free 1-800-342-3552
1-800-511-0809 to FAX
Internet: contact@psc.state.fl.us
Home page: <http://www.floridapsc.com>

PSC Commissioners



J. Terry Deason

Chairman Deason was first appointed to the Commission by the Florida Public Service Commission Nominating Council in January 1991 for a term ending in January 1995. He was subsequently reappointed by the late Governor Lawton Chiles for a term ending in January 1999. Chairman Deason was then reappointed by Governor Jeb Bush to his current term, which ends in January 2003. He first served as Commission Chairman from January 1993 to January 1995, and is currently completing a term of chairmanship that ends in January 2001. Chairman Deason is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He currently serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial analysis used by the Public Counsel in cases before the Public Service Commission, presented testimony as an expert witness, and consulted with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, Chairman Deason served as Executive Assistant to PSC Commissioner Gerald L. Gunter, during which time he reviewed and analyzed staff recommendations and advised the Commissioner on those recommendations and other pertinent policy determinations. From 1977 to 1981, he served as a Legislative Analyst with the Office of Public Counsel. He attended the U.S. Military Academy at West Point, and in 1975 received a bachelor of science degree in accounting, summa cum laude, from Florida State University. He also received his master of accounting degree from FSU in 1989.



E. Leon Jacobs, Jr.

Commissioner Jacobs was appointed by the late Governor Lawton Chiles to a four-year term beginning January 1998. Prior to his appointment, he was a staff attorney for the House Committees on Tourism and Economic Development, Insurance, and Financial Services in the Florida House of Representatives, where he authored reforms to the state's minority business enterprise programs, as well as managed health insurance and workers' compensation issues. He was staff counsel to the Florida Senate Committee on Reapportionment addressing redistricting issues, which involved support of court appeals of the political districts up through the U.S. Supreme Court. He also was an attorney with the Florida Public Service Commission, where he served as counsel to Commission staff and litigator of administrative proceedings. He is a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Consumer Affairs and Committee on Electricity. He is also a volunteer guardian in the Guardian Ad Litem Program (GAL) in the Second Judicial Circuit. Additionally, Commissioner Jacobs formerly chaired NARUC's Ad Hoc Task Force on Y2K Readiness. He also formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. Commissioner Jacobs is a member of the Florida Bar. He received a bachelor of technology degree, with honors, in data processing from Florida A&M University, and his juris doctor degree from the College of Law at Florida State University. Commissioner Jacobs is married with two children.



Lila A. Jaber

Commissioner Jaber was appointed by Governor Jeb Bush in February 2000 to complete a term ending in January 2001. From April 1999 to November 1999, she served as Assistant to PSC Commissioner Julia L. Johnson. From 1994 to 1999, Commissioner Jaber served as a Bureau Chief with the PSC's Division of Legal Services, Bureau of Water and Wastewater, implementing law and policies on the regulation of more than 1,500 water and wastewater facilities throughout the state of Florida. She also served as an attorney with the Division of Legal Services from 1991 to 1994. Jaber was presented with the PSC's Extraordinary Accomplishment Award in 1993 and was presented the Great Manager Esquire Award by the Florida Bar in 1997. She is a member of the Florida Bar Administrative Law Section, the Florida Bar Government Lawyer Section, the Florida Bar Public Utilities Law Committee, and the Florida Barristers Association. Commissioner Jaber is a court-certified mediator and a member of the Florida Bar and the National Bar Association. She also serves on the National Association of Regulatory Utility Commissioners' Committee on Consumer Affairs and the Committee on Water. She received a bachelor of arts degree in political science and business from Stetson University in DeLand, FL, and a juris doctorate from the Stetson University College of Law in St. Petersburg, FL.

Consumer Statements at PSC Hearings

The PSC is interested in what consumers have to say about the request for a rate increase by Florida Division of Chesapeake Utilities Corporation. The main purpose of these hearings is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those consumers who wish to speak should arrive early. The hearings will begin as scheduled and continue until all the consumers have been heard.

At the beginning of the hearing, procedures will be set up to establish an order for comments. The PSC staff will have sign-up sheets, and consumers will be called in the order of those sheets. The PSC staff will be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff may do so at the hearings, orally or in writing. Written comments may be sent to the Commission at: Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 000108-GU). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, **1-800-342-3552**, or **1-800-511-0809** to FAX.

Any person who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

Florida Public Service Commission *Bureau of* **Consumer Information**

2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 184
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Information provides a staff of information specialists who are available to answer questions from the media and from Florida consumers.

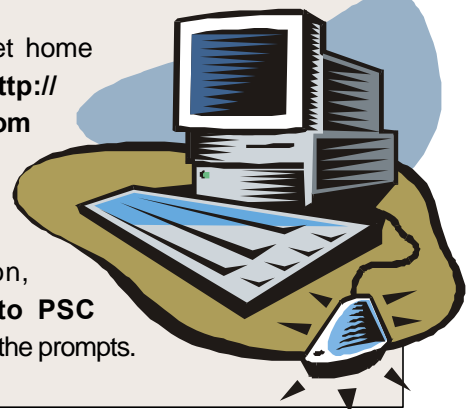
To reach a PSC media representative, please call the Bureau of Consumer Information during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at <http://www.floridapsc.com>.

Audio Access to PSC Events on the Internet

Public Service Commission hearings are accessible as live audio broadcasts on the PSC's Internet Home Page. To access a hearing, you must have a computer equipped with a soundboard and speakers. The necessary helper application software, Progressive Networks' Real Player, may be downloaded at the PSC home page.

The PSC's Internet home page address is <http://www.floridapsc.com>

After logging onto the home page, the listener must choose the option, "**Audio Access to PSC Events**" and follow the prompts.



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Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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