

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for  
acknowledgment or approval of  
amendments to four gas  
transportation agreements by  
Florida Division of Chesapeake  
Utilities Corporation.

DOCKET NO. 000987-GU  
ORDER NO. PSC-00-2496-PAA-GU  
ISSUED: December 26, 2000

The following Commissioners participated in the disposition of  
this matter:

J. TERRY DEASON, Chairman  
E. LEON JACOBS, JR.  
LILA A. JABER  
BRAULIO L. BAEZ

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING AMENDMENTS TO GAS TRANSPORTATION AGREEMENTS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Florida Division of Chesapeake Utilities Corporation (Chesapeake) filed its petition for acknowledgment or approval of amendments to four gas transportation agreements it maintains with Polk Power Partners, L.P., Orange Cogeneration Limited Partnership, IMC-Agrico Company, and Alumax Extrusions, Inc.

The Commission previously approved special contracts for these four gas transportation customers. See Order No. PSC-94-0541-FOF-GU, issued May 10, 1994, as amended by Order No. PSC-94-0541A-FOF-GU, issued May 18, 1994; Order No. PSC-94-1169-FOF-GU, issued September 26, 1994; Order No. PSC-98-0455-FOF-GU, issued March 31, 1998, as amended by Order No. PSC-98-0455A-FOF-GU, issued April 3,

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1998. The rates approved for each special contract included the Florida Gross Receipts Tax and the Commission's then-existing Regulatory Assessment Fee embedded in base rates. Each of the approved special contracts included a provision allowing for adjustments to the rates if any federal, state, or municipal tax should be increased or decreased during the terms of the contracts.

In November, 1998, Chesapeake obtained a Technical Assistance Advisement from the Florida Department of Revenue stating that collection of the Florida Gross Receipts Tax was not required for Chesapeake's gas transportation services.

By Order No. PSC-98-1659-FOF-GU, issued December 9, 1998, the Commission adopted amendments to Rule 25-7.0131, Florida Administrative Code, which effectively increased the Regulatory Assessment Fee applicable to the Florida Division of Chesapeake and its customers from .00375 to .005 of its gross operating revenues.

Consistent with the provisions of the approved contracts, Chesapeake adjusted the rates per dekatherm with each of the four customers to eliminate the Gross Receipts Tax embedded within the rates, effective in November, 1998. The contracts were further adjusted to increase rates to reflect the increase in the Regulatory Assessment Fee in January, 1999.

Chesapeake believes the previous orders granted sufficient authority to implement the pass-through of changes regarding the applicability of the Florida Gross Receipts Tax and the revised Regulatory Assessment Fee. However, Chesapeake, in an abundance of caution, requested the Commission's acknowledgment and approval of such changes, which have been made by amendments to the special contracts. We agree that all of the adjustments are appropriate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the adjustments made by the Florida Division of Chesapeake Utilities Corporation to its gas transportation agreements with Polk Power Partners, L.P., Orange Cogeneration Limited Partnership, IMC-Agrico Company, and Alumax Extrusions, Inc., to reflect changes in rates

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due to changes in the application of the Florida Gross Receipts Tax and the increase in the Regulatory Assessment Fee, are approved.

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 26th Day of December, 2000.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

DDH

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that

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apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 16, 2001.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.