

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of  
realigned conservation cost  
recovery factors by Florida  
Division of Chesapeake Utilities  
Corporation.

DOCKET NO. 001736-EG  
ORDER NO. PSC-00-2536-TRF-EG  
ISSUED: December 29, 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  
MICHAEL A. PALECKI

ORDER APPROVING PETITION FOR REALIGNED  
CONSERVATION COST RECOVERY FACTORS

BY THE COMMISSION:

At the November 20, 2000, hearing in Docket No. 000002-EG, new conservation cost recovery factors for January 2001 through December 2001 for Chesapeake Utilities Corporation (Chesapeake) were approved. These factors were determined by using Chesapeake's May 2000 true-up filing for the period April 1999 through December 1999 and the September 2000 projection filing which provided seven months actual and five months projected data. The factors approved are detailed in Order No. PSC-00-2392-FOF-EG issued on December 13, 2000. The conservation cost recovery factors are effective for the period January 2001 through December 2001.

On May 15, 2000, Chesapeake filed a petition for a rate increase. Within that docket, Chesapeake proposed to establish nine rate classes rather than using the previously established five rate classes. By Order No. PSC-00-2263-FOR-GU, issued November 28, 2000, in Docket No 000108-GU, the nine rate classes were approved. The new rate classes for sales and transportation services are more volume-specific than the previous rate classes. As provided in Order No. PSC-00-2263-FOR-GU, the new rates are effective for service on or after December 7, 2000, except that new aggregated transportation service through pool managers will be effective the

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first day of the month following seventy days after issuance of the Order.

On November 22, 2000, Chesapeake filed a petition seeking to apply the same nine rate classes in developing its conservation factors for the period January 2001 through December 2001. On December 6, 2000, Chesapeake amended the November 22nd petition by providing proposed cost recovery factors for each of the new rate classes created in the rate case. The newly-approved base rates were used to calculate the corresponding revenue contributions. Jurisdiction in this matter is vested in the Commission by Section 366.06(3), Florida Statutes.

Because the cost recovery factors are calculated by spreading projected costs over the company's rate classes, Chesapeake believes it is appropriate to modify the conservation factors so that there will be consistency between the base rates and the conservation factors. We agree with Chesapeake.

To calculate the conservation factors to be charged, Chesapeake used the same data regarding projected bills, therms, and revenues as filed in its conservation filings. This data was used to determine the ECCR factors that were approved at the hearing held on November 20, 2000, in Docket No. 000002-EG.

The resulting cost recovery factors for each new rate class are as follows:

GS-1\TS-1= 4.578 cents/therm	GS-6\TS-6= .963 cents/therm
GS-2\TS-2= 1.734 cents/therm	GS-7\TS-7= .599 cents/therm
GS-3\TS-3= 1.680 cents/therm	GS-8\TS-8= .515 cents/therm
GS-4\TS-4= 1.595 cents/therm	GS-9\TS-9= .471 cents/therm
GS-5\TS-5= 2.061 cents/therm	

We agree with the methodology that Chesapeake used to develop these factors, and approve the factors.

As stated in Order No. PSC-00-2392-FOF-EG, issued on December 13, 2000, in Docket No. 000002-EG, the factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2001, through December 2001. Billing cycles may start before January 1, 2001, and the last cycle may be read after December 31, 2001, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Chesapeake Utilities Corporation's Petition for Approval of Realigned Cost Recovery Factors, as amended, is hereby approved. It is further

ORDERED that cost recovery factors provided in the body of this Order shall become effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2001, through December 2001. Billing cycles may start before January 1, 2001, and the last cycle may be read after December 31, 2001, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 29th day of December, 2000.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review 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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files 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 19, 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.