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ORIGINAL
FILE COPY

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January 22, 1996

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

HAND DELIVERY

RE: Docket No. 960002-GU
Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Chesapeake Utilities Corporation are an original and fifteen copies of the following:

- 00712-96 1. Petition of Chesapeake Utilities Corporation for Approval of Conservation Cost Recovery Factors;
- 00713-96 { 2. Direct Testimony of William M. Nettles;
3. Exhibit WMN-2; and
4. our Certificate of Service.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,

Wayne L. Schiefelbein

Wayne L. Schiefelbein

ACK
AFA
APP
CAF
CMU
CTR
EAG 5
LEG 1
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SEC 1
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WLS
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WLS/ldy
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause.)

DOCKET NO. 960002-EG

FILED: January 22, 1996

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of Chesapeake Utilities Corporation for Approval of Conservation Cost Recovery Factors, Prefiled Direct Testimony of William M. Nettles and Exhibit WMN-2 has been furnished by hand-delivery on this 22^d day of January, 1996 to SHEILA L. ERSTLING, ESQ., Division of Legal Services, Florida Public Service Commission, Gunter Building, Room 370, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and by regular U.S. Mail to the following:

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St. Petersburg, FL 33733-4042

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Indiantown Gas Company
Post Office Box 8
Indiantown, FL 34956-0008

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Attorneys for Chesapeake Utilities
Corporation

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In Re: Conservation-Cost Recovery

Docket No. 960002-EG

**PETITION OF CHESAPEAKE UTILITIES CORPORATION FOR
APPROVAL OF
CONSERVATION COST RECOVERY FACTORS**

CHESAPEAKE UTILITIES CORPORATION, pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its conservation cost recovery factors listed hereinbelow to be applied to bills rendered for meter readings taken between April 1, 1996 and March 31, 1997. In support hereof, Chesapeake states:

1. The exact name of the Company and the address of its principal business offices is:

Chesapeake Utilities Corporation
1015 Sixth Street NW
P.O. Box 960
Winter Haven, Florida 33882-0960

2. The name and address of the person authorized to receive notices and communications in respect to this docket is:

Wayne L. Schiefelbein
Gatlin, Woods, & Carlson
1709-D Mahan Drive
Tallahassee, Florida 32308

3. The conservation cost recovery factors were calculated in accordance with the methodology which has been previously approved by the Commission. The factors are designed to recover the projected conservation program expenses of Chesapeake Utilities Corporation for the period October 1, 1996 through March 31,

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FPSC-RECORDS/REPORTING

1997, adjusted for the net true-up (which includes the estimated conservation true-up for the period April 1, 1996 through September 30, 1996), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in the prepared testimony of Chesapeake Utilities Corporation witness William M. Nettles.

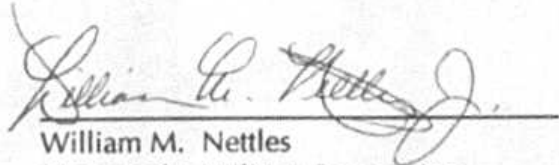
4. Chesapeake Utilities Corporation projects total conservation program expenses, net of all program revenues, of \$118,968 for the period October 1, 1996 through March 31, 1997. The net true-up is an underrecovery of \$89,985. After adding the projected conservation expenses to the amount of this underrecovery, a total of \$208,953 remains to be recovered during the April, 1996 through March 1997 period. Dividing this total among Chesapeake's firm rate classes and then dividing this result by the projected firm gas retail sales for the period by rate classification, and expanding for taxes, results in the following conservation adjustment factors for which Chesapeake Utilities Corporation seeks approval in this petition.

Rate Class	Adjustment Factor (cents per therm)
GS Residential	3.656
GS Commercial	1.142
GS Commercial LV	0.693
GS Industrial	0.382
Firm Transportation	0.369

WHEREFORE, CHESAPEAKE UTILITIES CORPORATION prays the Commission will grant this petition, and approve the above conservation adjustments

factors to be applied to bills rendered for meter readings taken between April 1, 1996 and March 31, 1997, inclusive.

RESPECTFULLY submitted this 22nd day of January, 1996.

A handwritten signature in cursive script, appearing to read "William M. Nettles", is written over a horizontal line.

William M. Nettles
Chesapeake Utilities Corporation
Florida Division
1015 NW 6th Street
Winter Haven, Florida 33882
(941) 294-7275