

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation Cost Recovery

Docket No. 040004-GU

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

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION (the Company), 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 herein below to be applied to bills rendered for meter readings taken between January 1, 2005 and December 31, 2005. In support hereof, the Company states:

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

Chesapeake Utilities Corporation
Florida Division
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, Esquire
Of Counsel
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3. The conservation cost recovery factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are designed to recover the projected conservation program expenses of the Company for

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the period January 1, 2005 through December 31, 2005, adjusted for the net true-up (which includes the estimated conservation true-up for the period January 1, 2004 through December 31, 2004), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Brian S. Bilinski.

4. The Company projects total conservation program expenses, net of all program revenues, of \$928,999 for the period January 2005 through December 2005. The projected net true-up is an underrecovery of (\$78,457). After adding the projected conservation expenses to the amount of this underrecovery, a total of \$1,007,456 remains to be recovered during the period January 1, 2005 through December 31, 2005. Dividing this total among the Company's rate classes, excluding customers who are on market-based rates, and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following conservation adjustment factors for which the Company seeks approval in this petition.

Rate Class	Adjustment Factor (cents per therm)
TS-1A	18.943
TS-1B	15.461
TS-1C	12.820
TS-2	8.130
TS-3	4.532
TS-4	3.487
TS-5	2.987
TS-6	2.418
TS-7	1.464
TS-8	1.232
TS-9	1.084

WHEREFORE, THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION prays the Commission will grant this petition, and approve the above conservation adjustment factors to be applied to bills rendered for meter readings taken between January 1, 2005 and December 31, 2005, inclusive.

RESPECTFULLY submitted this 24th day of September 2004.

A handwritten signature in black ink, appearing to read "B. S. Bilinski", is written over a light gray rectangular background.

Brian S. Bilinski
Accounting and Rates Manager
Chesapeake Utilities Corporation
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