

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of the Florida Division of)
Chesapeake Utilities Corporation)
for Limited Proceeding to Restructure)
Rates and for Approval of Gas)
Transportation Agreements)

Docket No.: 972559-G-LL
Filed: November 26, 1997

REQUEST FOR CONFIDENTIAL CLASSIFICATION

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION, ("Chesapeake" or "the Company"), by and through its undersigned counsel and pursuant to Rule 25-22.006, Florida Administrative Code, hereby files a request that the Florida Public Service Commission enter an order protecting from public disclosure the following components of Chesapeake Utilities Corporation's Petition for Limited Proceeding to Restructure Rates and for Approval of Gas Transportation Agreements ("Petition"): 1) Exhibit 2; 2) Exhibit 3; 3) Exhibit 4; 4) Exhibit 5; and 5) Exhibit 6, ("the Exhibits"), which are submitted for filing concurrently herewith. As grounds for this request, the Company states:

1. On November 26, 1997, the Company submitted to the Commission a Petition for Limited Proceeding to Restructure Rates and for Approval of Gas Transportation Agreements.

2. The Company asserts that certain information contained in the Exhibits are entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of the Company and the two entities with whom it has negotiated Gas Transportation Agreements for which Commission approval is sought by the Petition. The Exhibits contain certain proprietary and commercially sensitive information that is not otherwise publicly available.

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REGISTRATION

3. The public disclosure of certain information contained in the Exhibits would cause irreparable harm to the Company and the two entities with whom it has entered into said Gas Transportation Agreements. The Exhibits contain proprietary confidential business information regarding derivation of special contract customers' rate design, contractual terms and pricing. Public disclosure of this information would impair the ability of the Company to negotiate terms and conditions in future Gas Transportation Agreements that are the most favorable to the Company and its general body of customers. Moreover, the public disclosure of this information may prevent the Company from successfully negotiating Gas Transportation Agreements with customers. The information is also regarded as sensitive and confidential by the two customers with whom the Company has entered into said Gas Transportation Agreements because its public disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with the Company. This may lead to uneconomic bypass of the Company's facilities. Thus, the Company requests that this information be granted confidential classification pursuant to Section 366.093(3)(e), Florida Statutes.

4. Submitted herewith as Composite Attachment "A" is a copy of the Exhibits, on which is highlighted the specific information for which confidential classification is requested. Composite Attachment "A" should be treated as confidential pending a ruling on this Request. Composite Attachment "B" hereto consists of two (2) edited (or redacted) copies of the Exhibits, which may be made available for public review and inspection. Composite Attachment "C" hereto is a line-by-line justification for this Request for confidential classification.


5. The material for which confidential classification is requested is intended to be, and is

treated as, confidential by the Company and the two entities with whom it has entered into said Gas Transportation Agreements and has not been otherwise publicly disclosed.

6. The Company requests that the information for which it seeks confidential classification not be declassified any earlier than 18 months after issuance of the Order granting this Request for Confidential Classification.

WHEREFORE, Chesapeake Utilities Corporation respectfully requests that the Commission enter an order protecting the information highlighted on Composite Attachment "A" from public disclosure as proprietary confidential business information.

Respectfully submitted,


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Attorneys for Chesapeake Utilities Corporation

COMPOSITE ATTACHMENT "A"

REQUEST FOR CONFIDENTIAL CLASSIFICATION

The highlighted information provided herein should be maintained as proprietary confidential business information pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C.

- Exhibit 2": Detailed Cost of Service Study
- Exhibit "3": Supplemental Cost of Service Data - IMC
- Exhibit "4": Supplemental Cost of Service Data - Alumax
- Exhibit "5": Gas Transportation Agreement with IMC
- Exhibit "6": Gas Transportation Agreement with Alumax

COMPOSITE ATTACHMENT "B"

Public (Redacted) copies

Exhibit "2": Detailed Cost of Service Study

Exhibit "3": Supplemental Cost of Service Data - IMC

Exhibit "4": Supplemental Cost of Service Data - Alumax

Exhibit "5": Gas Transportation Agreement with IMC

Exhibit "6": Gas Transportation Agreement with Alumax

Exhibit "2"

Detailed Cost of Service Study

(Redacted Version)

(14 pages)

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 1 of 2: PLANT)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0		0		100% capacity
2	INTANGIBLE PLANT	1,040,088	1,002,616	37,452		direct assignment
3	PRODUCTION PLANT	0		0		-
4	DISTRIBUTION PLANT:					
5	374 Land and Land Rights	14,569		14,569		-
6	375 Structures and Improvements	203,213		203,213		-
7	376 Mains	1,522,071		11,522,071		-
8	377 Comp. Sta. Eq.	0		0		-
9	378 Mns. & Reg. Sta. Eq. - Gen	428,703		428,703		-
10	379 Mns. & Reg. Sta. Eq. - CG	891,130		891,130		-
11	380 Services	2,316,820	2,316,820			100% customer
12	381-382 Meters	1,384,935	1,384,935			-
13	383-384 House Regulators	529,965	529,965			-
14	385 Industrial Mns. & Reg. Eq.	1,080,566		1,080,566		100% capacity
15	386 Property on Customer Premises	0	0	0	0	ac 374-385
16	387 Other Equipment	171,823	39,985	131,828	0	ac 374-385
17	Total Distribution Plant	14,350,845	4,271,745	14,058,900	0	
18	GENERAL PLANT	1,671,906	835,953	835,953		50% customer, 50% capacity
19	PLANT ACQUISITIONS	123,409		123,409		100% capacity
20	GAS PLANT FOR FUTURE USE:	0		0		-
21	CMP:	204,228	47,593	156,635	0	dist plant
22	TOTAL PLANT	21,370,256	6,157,977	15,212,346	0	

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 2 of 2 ACCUMULATED DEPRECIATION)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0	0	0	0	related plant
2	INTANGIBLE PLANT	175,244	54,308	120,936	0	rel.plant account
3	PRODUCTION PLANT	0		0		-
4	DISTRIBUTION PLANT					
5	375 Structures and Improvements	14,940	0	14,940	0	"
6	376 Meters	3,333,181	0	3,333,181	0	"
7	377 Compressor Sta. Eq.	0	0	0	0	"
8	378 Meas. & Reg. Sta. Eq.-Gen	46,802	0	46,802	0	"
9	379 Meas. & Reg. Sta. Eq.-CG	115,367	0	115,367	0	"
10	380 Services	417,872	417,872	0	0	"
11	381-382 Meters	400,753	400,753	0	0	"
12	383-384 House Regulators	127,978	127,978	0	0	"
13	385 Indust. Meas. & Reg. Sta. Eq.	165,013	0	165,013	0	"
14	386 Property on Customer Premises	0	0	0	0	"
15	387 Other Equipment	33,128	7,720	25,408	0	"
16	Total A.D. on Dist. Plant	4,654,920	954,121	3,700,799	0	
17	GENERAL PLANT:	385,440	297,720	297,720	0	general plant
18	PLANT ACQUISITIONS:	123,409	0	123,409	0	plant acquisitions
19	RETIREMENT WORK IN PROGRESS:	87	18	51	0	distribution plant
20	TOTAL ACCUMULATED DEPRECIATION	5,548,080	1,308,164	4,242,916	0	
21	NET PLANT (Plant less Accum. Dep.)	19,821,178	4,851,742	10,969,434	0	
22	less: CUSTOMER ADVANCES	0	0	0		50% cust 50% cap
23	plus: WORKING CAPITAL	(785,028)	(484,817)	(288,738)	(12,471)	oper. and maint. exp.
24	equals: TOTAL RATE BASE	19,036,150	4,366,925	10,680,696	(12,471)	

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 1 of 2)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	OPERATIONS AND MAINTENANCE EXPENSES					
2	LOCAL STORAGE PLANT	0	0	0	0	ac 301-320
3	PRODUCTION PLANT	0		0		100% capacity
4	DISTRIBUTION:					
5	870 Operation Supervision & Eng.	297,807	141,301	156,506	0	ac 871-879
6	871 Dist. Load Dispatch	87,563		87,563		100% capacity
7	872 Compr. Sta. Lab. & Ex.	0	0	0	0	ac 377
8	873 Compr. Sta. Fuel & Power	0				100% commodity
9	874 Maint. and Services	163,784	27,420	136,364	0	ac378+ ac380
10	875 Maint. & Reg. Sta. Eq.-Gen	0	0	0	0	ac 378
11	876 Maint. & Reg. Sta. Eq.-Int.	0	0	0	0	ac 385
12	877 Maint. & Reg. Sta. Eq.-CG	26,873	0	26,873	0	ac 379
13	878 Meter and House Reg.	206,337	206,337	0	0	ac381+ ac383
14	879 Leak Investigation	12,033	7,014	10,019	0	ac378+ ac380
15	880 Other Expenses	57,808	13,471	44,337	0	ac 387
16	881 Rents	9,437	0	9,430		100% capacity
17	883 Maintenance Supervision	0	0	0	0	ac885-884
18	886 Maint. of Struct. and Improv.	0	0	0	0	ac375
19	887 Maintenance of Meters	135,681	0	135,681	0	ac378
20	888 Maint. of Comp. Sta. Eq.	0	0	0	0	ac 377
21	889 Maint. of Maint. & Reg. Sta. Eq.-Gen	16,202	0	16,202	0	ac 378
22	890 Maint. of Maint. & Reg. Sta. Eq.-Int.	63,083	0	63,083	0	ac 385
23	891 Maint. of Maint. & Reg. Sta. Eq.-CG	17,858	0	17,858	0	ac 379
24	892 Maintenance of Services	31,030	31,030	0	0	ac 380
25	893 Maint. of Meters and House Reg.	58,312	58,312	0	0	ac381-383
26	894 Maint. of Other Equipment	17,900	4,183	13,717	0	ac387
27	Total Distribution Expenses	1,202,619	485,085	717,530	0	
28	CUSTOMER ACCOUNTS:					
29	901 Supervision	82,974	82,974			100% customer
30	902 Meter-Reading Expense	77,163	77,163			-
31	903 Records and Collection Exp.	305,768	305,768			-
32	904 Uncollectible Accounts	31,529			31,529	100% commodity
33	905 Misc. Expenses	0	0			100% / customer
34	Total Customer Accounts	497,434	485,905	0	31,529	
35	(907-910) CUSTOMER SERV. & INFO. EXP	5,873	5,873			-
36	(911-916) SALES EXPENSE	205,880	205,880			-
37	(932) MAINT. OF GEN. PLANT	24,917	12,459	12,459	0	general plant
38	(920-931) ADMINISTRATION AND GENERAL	1,510,030	916,271	593,759	24,563	O&M excl. A&G
39	TOTAL O&M EXPENSE	3,446,732	2,091,458	1,269,184	56,112	

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 2 of 2)

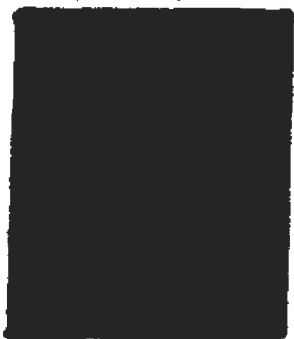
A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G REVENUE	H CLASSIFIER
1	DEPRECIATION AND AMORTIZATION EXPENSE:						
2	Depreciation Expense	718,768	220,572	498,006	0		net plant
3	Amort. of Other Gas Plant	184,887	100,282	84,405			intangible plant
4	Amort. of Property Loss	0		0			100% capacity
5	Amort. of Limited-term Inv.	0	0	0	0		intangible plant
6	Amort. of Acquisition Adj.	0	0	0	0		interchangeable plant
7	Amort. of Conversion Costs	0			0		100% commodity
8	Total Deprec. and Amort. Expense	903,655	320,854	582,101	0	0	
9	TAXES OTHER THAN INCOME TAXES:						
10	Revenue Related	122,701				122,701	100% revenue
11	Other	908,170	184,303	348,867	0		net plant
12	Total Taxes other than Income Taxes	1,030,871	184,303	348,867	0	122,701	
13	REV CROT TO COS(NEG. OF OTHER OPR. REV.)	(74,387)	(74,387)				100% customer
14	RETURN (REQUIRED ROI) = 9.05% of ratebase	1,383,281	387,241	887,140	(1,129)		rate base
15	INCOME TAXES	580,317	172,013	418,783	(489)		0 return(na)
16	TOTAL OVERALL COST OF SERVICE	6,855,750	3,081,460	3,617,066	54,483	122,701	

ORANGE UTILITY CORPORATION
 FLORIDA SERVICE
 FOR THE YEAR ENDING DECEMBER 31, 1988

SCHEDULE - C (COST OF SERVICE)
 DEVELOPMENT OF ALLOCATION FACTORS

PAGE 1

A LINE #	B ALLOCATION FACTOR	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERMITT	I BIC	J ALUMINIUM	K LVCTS
1	CUSTOMER COSTS									
2	No. of Customers	8,538	7,884	778	75	38	14			
3	Weighting	NA	1	3	10	37	37			
4	Weighted No. of Customers	12,808	7,884	2,888	228	1,448	528			
5	Allocation Factors	1	68.72%	18.57%	1.82%	11.45%	4.19%			
6	CAPACITY COSTS									
7	Peak & Avg Month Sales Vol (kwhrs)	13,288,812	308,782	451,282	177,887	1,582,227	2,124,171			
8	Allocation Factors	1	2.98%	3.48%	1.34%	11.91%	16.88%			
9	MAN ALLOCATION DOLLARS	6,888,128	884,284	1,284,878	548,381	1,882,388	1,882,814			
10	Allocation Factors	1	8.87%	18.21%	8.38%	23.18%	23.11%			
11	COMMODITY COSTS									
12	Annual Sales Vol (kwhrs)	125,888,888	2,888,778	4,528,888	1,788,883	16,538,252	18,887,788			
13	Allocation Factors	1	1.87%	3.88%	1.48%	13.12%	15.18%			
14	REVENUE-RELATED COSTS									
15	Tax on Cost, Cap. & Demand	128,248	42,881	21,388	9,882	24,788	28,881			
16	Allocation Factors	1	33.88%	18.87%	4.88%	19.82%	18.84%			



SCHEDULE - D (COST OF SERVICE)
 ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

LINE	A	B	C	D	E	F	G	H	I	J	K	L
	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VPL	INDUSTRIAL	INTERRUPT	INC	ALUMINA	LYCITE	ALLOCATOR		
1	RATE BASE BY CUSTOMER CLASS											
2	DIRECT AND SPECIAL ASSIGNMENTS											
3	Customer											
4	Meters	884,182	628,347	188,388	18,857	117,018	42,488					weighted customer
5	Meters Registers	482,718	283,888	88,257	7,751	47,888	17,357					meter cost
6	Services	1,888,148	1,317,188	332,138	37,172	238,811	88,288					meter cost
7	All Other	1,181,678	878,474	188,818	28,732	128,138	48,888					weighted cost direct
8	Total	4,388,828	2,778,825	788,138	84,828	522,918	188,887					
9	Capacity											
10	Industrial Meter & Reg. Mtr. Eq.	884,888	0	0	28,847	288,352	387,888					meter interrupt
11	Meter Billing (to Eq. - Gen)	378,811	23,813	31,888	12,488	148,888	148,881					meter-weighted interrupt
12	Mtr. Eq.	8,188,888	884,384	1,884,875	848,381	1,882,388	1,882,414					meter interrupt
13	All Other	1,287,441	73,381	172,871	87,714	348,888	238,888					meter interrupt
14	Total	10,888,888	888,384	1,888,178	888,431	2,818,888	2,844,888					
15	Commonly											
16	Account #	0	0	0	0	0	0	0	0	0	0	0
17	Account #	0	0	0	0	0	0	0	0	0	0	0
18	Account #	0	0	0	0	0	0	0	0	0	0	0
19	All Other	(12,471)	(888)	(888)	(253)	(2,377)	(2,748)					
20	Total	(12,471)	(888)	(888)	(253)	(2,377)	(2,748)					
21	TOTAL	3,888,168	2,488,888	2,344,887	748,887	3,188,741	2,884,488					

SCHEDULE - E (COST OF SERVICE)
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 2 of 2)

A	B	C	D	E	F	G	H	I	J	K	L
LINE #		TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL	INDUSTRIAL	INTERRUPT	MC	ALUMAX	LVCTS	ALLOCATOR
1	TAXES OTHER THAN INCOME TAXES										
2	Customer	154,303	97,771	26,807	2,966	18,437	8,688				weighted cost / direct
3	Capacity	348,867	24,235	56,299	23,110	82,118	93,107				direct
4	Subtotal	503,170	122,006	82,879	26,096	110,555	98,795				
5	Revenue	122,701	37,112	18,624	5,072	21,852	17,556				see on cost, cap. & comm.
6	Total	625,871	159,118	101,804	31,168	132,307	117,349				
7	RETURN (NOI)										
8	Customer	387,241	250,908	88,488	7,663	47,314	17,158				cost ret RB
9	Capacity	867,149	62,325	144,794	58,431	236,888	238,440				cap ret RB / direct
10	Commodity	(1,129)	(31)	(58)	(23)	(215)	(248)				comm ret RB
11	Total	1,583,261	313,202	213,183	67,071	283,987	258,351				
12	INCOME TAXES										
13	Customer	172,013	108,827	29,887	3,324	20,522	7,442				cost ret RB / direct
14	Capacity	418,793	27,329	63,467	26,080	103,878	104,583				cap ret RB / direct
15	Commodity	(489)	(15)	(28)	(11)	(103)	(119)				comm ret RB
16	Total	590,317	136,141	93,155	29,373	124,298	112,316				
17	REVENUE CREDITED TO COS										
18	Customer	(74,387)	(44,832)	(28,755)	0	0	0				direct assignment
19	TOTAL COST OF SERVICE										
20	Customer	3,081,480	1,980,733	501,968	58,761	361,593	131,136				
21	Capacity	3,817,088	287,383	624,480	248,580	852,823	837,756				
22	Commodity	54,483	35,915	8,728	1,084	6,463	2,082				
23	Subtotal	6,753,051	2,284,031	1,135,176	308,426	1,220,879	1,070,974				
24	Revenue	122,701	37,112	18,624	5,072	21,852	17,556				
25	Total	6,875,752	2,321,143	1,153,800	313,508	1,242,731	1,088,530				

SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

A LINE #	B	C	D	E	F	G	H	I	J	K
		TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERMEDIATE	INC	ALUMAX	LVCTS
1	COST OF SERVICE BY CUSTOMER CLASS									
2	CUSTOMER COSTS	3,081,480	1,880,733	501,888	58,781	461,583	131,138			
3	CAPACITY COSTS	3,817,088	287,383	824,480	248,580	952,823	937,768			
4	COMMODITY COSTS	84,480	38,915	9,728	1,084	8,483	2,882			
5	REVENUE COSTS	122,781	37,112	18,824	5,072	21,882	17,888			
6	TOTAL	8,005,780	2,351,153	1,154,808	314,488	1,342,331	1,088,538			
7	less REVENUE AT PRESENT RATES (on the projected last year)	6,888,750	1,815,665	1,022,427	242,458	1,224,437	824,881			
8	equals GAS SALES REVENUE DEFICIENCY	(8)	688,118	132,381	72,028	118,884	283,888			
9	plus DEFICIENCY IN OTHER OPERATING REV	0	0	(8)	0	0	0			
10	equals TOTAL BASE-REVENUE DEFICIENCY	(8)	688,118	132,381	72,028	118,884	283,888			
11										
12	UNIT COSTS									
13	Customer	28 878884	21 271821	53 882330	212 801785	775 851203	778 851383			
14	Capacity	0 272188	0 787825	1 383813	1 400005	0 882204	0 481488			
15	Commodity	0 880483	0 018228	0 002181	0 000805	0 000381	0 000118			

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2 PRESENT RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERMITT	I MIC	J ALLIANCE	K LUCAS
1	REVENUES (projected last year)									
2	Gas Sales (due to growth)	8,865,750	1,815,035	1,022,427	242,459	1,224,437	824,851			
3	Other Operating Revenue	74,387	44,632	21,755	0	0	0			
4	Total	8,940,137	1,859,667	1,044,182	242,459	1,224,437	824,851			
5	EXPENSES									
6	Purchased Gas Cost	0	0	0	0	0	0			
7	O&M Expenses	3,446,752	1,467,973	627,524	142,120	628,881	452,567			
8	Depreciation Expenses	719,268	171,337	121,649	37,311	146,528	124,787			
9	Amortization Expenses	184,857	98,014	27,437	7,445	26,622	25,149			
10	Taxes Other Than Income—Fixed	507,170	122,006	82,979	26,098	110,565	99,793			
11	Taxes Other Than Income—Revenue	122,701	37,112	18,624	5,072	21,652	17,556			
12	Total Expense incl. Income Taxes	4,978,566	1,896,441	878,214	218,044	934,238	719,872			
13	INCOME TAXES	580,317	135,628	92,327	29,047	122,980	111,021			
14	NET OPERATING INCOME	1,381,254	(37,142)	173,641	(4,532)	260,207	(8,242)			
15	RATE BASE	15,085,150	3,456,980	2,354,682	740,807	3,138,741	2,831,436			
16	RATE OF RETURN	9.08%	-10.77%	7.37%	-0.63%	8.33%	-0.29%			

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 2 of 2 PROPOSED RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERLUPT	I REC	J ALLIANCE	K UNITS
1	REVENUES									
2	Gas Sales	6,806,790	1,798,297	1,154,008	314,488	1,342,531	1,088,539			
3	Other Operating Revenue	74,387	44,832	78,755						
4	Total	6,881,177	1,843,129	1,232,763	314,488	1,342,531	1,088,539			
5	EXPENSES									
6	Purchased Gas Cost	0	0	0	0	0	0	0	0	0
7	CGM Expenses	3,448,792	1,467,873	827,524	142,120	826,841	452,587			
8	Depreciation Expenses	719,268	171,337	121,649	37,311	146,528	124,787			
9	Amortization Expenses	114,887	98,014	27,437	7,445	26,822	25,149			
10	Taxes Other Than Income—Fixed	503,170	122,008	82,979	26,098	110,566	99,793			
11	Taxes Other Than Income—Revenue	122,701	37,112	18,824	5,072	21,852	17,568			
12	Total Expenses and Income Taxes	4,978,858	1,806,441	878,214	218,044	954,258	716,872			
13	PRE TAX NOI	1,902,319	(93,312)	354,549	96,444	388,273	371,667			
14	INCOME TAXES (after on pre tax net)	566,317	(29,238)	92,576	28,143	123,375	111,401			
15	NET OPERATING INCOME	1,335,992	(124,074)	261,973	68,301	264,898	260,266			
16	RATE BASE	10,006,950	3,406,980	2,354,882	740,807	3,136,741	2,831,435			
17	RATE OF RETURN	9.08%	-3.58%	11.13%	9.22%	8.45%	9.19%			

COST OF SERVICE SUMMARY
 PROPOSED RATE DESIGN

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERLUPT	I REC	J ALUMINUM	K LUMINO
1	PRESENT RATES (projected last year)									
2	GAS SALES (due to growth)	6,855,750	1,615,035	1,022,427	242,458	1,224,437	824,851			
3	OTHER OPERATING REVENUE	74,367	44,832	29,755	0	0	0			
4	TOTAL	6,930,137	1,659,867	1,052,182	242,458	1,224,437	824,851			
5	RATE OF RETURN	9.08%	-10.77%	3.47%	-0.53%	5.33%	-0.22%			
6	INDEX	1.00	1.19	0.98	0.97	0.98	0.92			
7	PROPOSED RATES									
8	GAS SALES	6,855,750	1,768,297	1,154,808	314,488	1,342,531	1,088,539			
9	OTHER OPERATING REVENUE	74,367	44,832	29,755	0	0	0			
10	TOTAL	6,930,137	1,812,829	1,184,563	314,488	1,342,531	1,088,539			
11	TOTAL REVENUE INCREASE	0%	153,282	132,381	72,029	118,094	263,688			
12	PERCENT INCREASE	-0.08%	9.23%	12.58%	29.71%	9.64%	32.00%			
13	RATE OF RETURN	9.08%	-1.08%	9.08%	9.08%	9.08%	9.08%			
14	INDEX	1.00	0.99	1.00	1.00	1.00	1.00			

COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I IMC	J ALUMAX	K LVCTS
1	PROPOSED TOTAL TARGET REVENUES	8,800,137	1,912,829	1,184,563	314,486	1,340,531	1,088,539			
2	LESS OTHER OPERATING REVENUE	74,387	44,832	29,755	0	0	0			
3	LESS CUSTOMER CHARGE REVENUES									
4	PROPOSED CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00			
5	TIMES NUMBER OF BILLS	102,483	92,178	9,316	278	488	189			
6	EQUALS CUSTOMER CHARGE REVENUES	889,242	645,232	139,740	5,520	18,640	59,150			
7	LESS OTHER NON-THERM-RATE REVENUES									
8	EQUALS PER-THERM TARGET REVENUES	5,988,508	1,123,085	1,015,088	308,966	1,323,891	1,029,389			
9	DIVIDED BY NUMBER OF THERMS	125,995,885	2,358,279	4,520,908	1,760,383	16,530,252	19,087,798			
10	EQUALS PER-THERM RATES(UNINDEXED)		0.478222	0.224527	0.175511	0.080008	0.053829			
11	PER-THERM RATES(INDEX)		0.47822	0.22453	0.17551	0.080008	0.05383			
12	PER-THERM-RATE REVENUES(INDEXED RATES)	5,988,537	1,123,080	1,015,079	308,967	1,323,908	1,029,406			
13	SUMMARY-PROPOSED TARIFF RATES									
14	CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00			
15	ENERGY CHARGES		\$0.47822	\$0.22453	\$0.17551	\$0.080008	\$0.05383			
16	NON-GAS (CENTS PER THERM)									
17	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18	TOTAL (INCLUDING PGA)		\$0.47822	\$0.22453	\$0.17551	\$0.080008	\$0.05383			
19	SUMMARY-PRESENT TARIFF RATES									
20	CUSTOMER CHARGES		\$8.00	\$15.00	\$20.00	\$40.00	\$350.00			
21	ENERGY CHARGES		\$0.43128	\$0.19532	\$0.13485	\$0.07348	\$0.04032			
22	NON-GAS (CENTS PER THERM)									
23	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	TOTAL (INCLUDING PGA)		\$0.43128	\$0.19532	\$0.13485	\$0.07348	\$0.04032			

COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERMPT	I RWC	J ALLIANCE	K LWCIS
1	Proposed rates including gross receipts tax		\$0 47627	\$0 22463	\$0 17561	\$0 08000	\$0 05393			
2	Divide by current revenue related tax multiplier		1 01911	1 01911	1 01911	1 01911	1 01911			
3	Unadjusted rate		0 46729	0 22032	0 17222	0 07869	0 05292			
4	Multiply by PSC tax multiplier		1 00376	1 00376	1 00376	1 00376	1 00376			
5	Proposed rates excluding gross receipts tax (1) (2)		\$0 46908	\$0 22115	\$0 17267	\$0 07889	\$0 05312			
6	Existing rates		\$0 43126	\$0 19832	\$0 13485	\$0 07348	\$0 04832			
7	% increase/(decrease) from existing non-fuel rate		8 76%	13 22%	28 38%	7 38%	31 75%			

(1) All customers' bills except for special contracts would show full 2.8% gross receipts tax added as a line item.

(2) Special contract customers would be billed according to contract terms. RWC and Alliance rates include all gross receipts taxes. The remaining these special contract customers would continue to be billed as they are currently. The incremental 1% gross receipts tax would be continue to be added to their bills.

Exhibit "3"

Supplemental Cost of Service Data - IMC

(Redacted Version)

(5 pages)

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED RATE BASE AND RETURN

<u>Description</u>		<u>Amount</u>
1	Cost of Plant: Gross investment in plant	[REDACTED]
2	A/T Provision:	[REDACTED]
3	Net Plant	[REDACTED]
4	Working Capital	[REDACTED]
5	Accumulated Deferred	
6	Income Taxes	\$0
7	Deferred Investment Tax Credit	\$0
8	Rate Base	[REDACTED]
9	Long Term Debt	0.00%
10	Common Equity	0.00%
11	Total Return	9.00%

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED INCOME TAXES

<u>Description</u>	<u>Total</u>
1 Rate Base	[REDACTED]
2 Return On Rate Base (Line 1 x Rate of Return)	[REDACTED]
3 Less: Interest on Debt	[REDACTED]
4 Net Income after Taxes	[REDACTED]
5 Divide by 1- Tax Rate	0.6237
6 Taxable Income	[REDACTED]
7 Income Taxes @ 37.63%	[REDACTED]

**COST OF SERVICE STUDY
IMC NEW WALES
CHEBAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

COST OF SERVICE

Cost of Serv ¹	Amount
1 Operation & Maintenance	\$ [REDACTED]
2 Depreciation	[REDACTED]
3 Taxes - Other Than Income 1/	[REDACTED]
4 Income Taxes	[REDACTED]
5 Return @ 9.08% 2/	[REDACTED]
6 Total Operating Costs	\$ [REDACTED]
7 1996 Throughput	[REDACTED]
8 Operating cost per therm	\$ [REDACTED]

9 NOTES

10 1/ Taxes Other Than Income - Property and Revenue Related

11	1996 Property Tax Expenses	\$330,002	Revenue Related Taxes	1.911%
12	13 month average gross plant	\$21,068,321	Projected Revenues	[REDACTED]
13			Revenue Related Taxes	[REDACTED]
14	Average Tax Rate	\$0.0157		
15				
16	x Gross Plant	[REDACTED]		
17				
18	Property Tax Expense	[REDACTED]	Total revenue related taxes	[REDACTED]

19 2/ 9.08% Return is the Company's achieved rate of return from 1996 surveillance report as filed with the FPSC

COST OF SERVICE STUDY
IMC NEW WALES

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION

ESTIMATED O&M EXPENSES

	<u>Description</u>	<u>Amount</u>
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

**CAPITALIZATION AS
FILED IN 1988 SURVEILLANCE REPORT**



	<u>Amount</u>	
1	42.59%	Debt
2	<u>57.41%</u>	Common Equity, DIT, ITC, Customer Deps.
3	<u>100.00%</u>	
4	3.2900%	Weighted Average Cost of Service
5		Rate Base
6		Interest Expense

Exhibit "4"

Supplemental Cost of Service Data - Alunax

(Redacted Version)

(5 pages)

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED RATE BASE AND RETURN

		<u>Description</u>	<u>Amount</u>
1	Cost of Plant:	Gross Investment in plant	██████████
2	A/D Provision:		██████████
3		Net Plant	██████████
4	Working Capital		██████████
5	Accumulated Deferred		
6	Income Taxes		\$0
7	Deferred Investment Tax Credit		\$0
8	Rate Base		██████████
9	Long Term Debt	● 0.00%	0
10	Common Equity	● 0.00%	0
11	Total Return	● 9.08%	██████████

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED INCOME TAXES

<u>Description</u>	<u>Total</u>
1 Rate Base	██████████
2 Return On Rate Base (Line 1 x Rate of Return)	██████████
3 Less: Interest on Debt	██████████
4 Net Income after Taxes	██████████
5 Divide by 1-Tax Rate	<u>0.6237</u>
6 Taxable Income	██████████
7 Income Taxes @ 37.63%	██████████

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

COST OF SERVICE

<u>Cost of Service</u>	<u>Amount</u>
1 Operation & Maintenance	\$ [REDACTED]
2 Depreciation	[REDACTED]
3 Taxes - Other Than Income 1/	[REDACTED]
4 Income Taxes	[REDACTED]
5 Return @ 9.06% 2/	[REDACTED]
6 Total Operating Costs	\$ [REDACTED]
7 1996 Throughput	[REDACTED]
8 Operating cost per therm	\$ [REDACTED]

9 **NOTES:**

10 1/ Taxes Other Than Income - Property and Revenue Related

11 1996 Property Tax Expense	\$330,092	Revenue Related Taxes	1.911%
12 13 month average gross plant	<u>\$21,066,321</u>	Projected Revenues	[REDACTED]
13		Revenue Related Taxes	[REDACTED]
14 Average Tax Rate	\$0.0157	Total revenue related taxes	[REDACTED]
15			
16 x Gross Plant	[REDACTED]		
17			
18 Property Tax Expense	[REDACTED]		

19 2/ 9.06% Return is the Company's achieved rate of return from 1996 surveillance report as filed with the FPSC.

COST OF SERVICE STUDY
ALUMAX

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION

ESTIMATED O&M EXPENSES

	Description	Amount
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]
28	TOTAL ESTIMATED O & M EXPENSES	[REDACTED]

**COST OF SERVICE STUDY
ALUMAX
CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

**CAPITALIZATION AS
FILED IN 1996 SURVEILLANCE REPORT**



	<u>Amount</u>	
1	42.59%	Debt
2	<u>57.41%</u>	Common Equity, DIT, ITC, Customer Deps.
3	<u>100.00%</u>	
4	3.2900%	Weighted Average Cost of Service
5		Rate Base
6		Interest Expense

Exhibit "5"

Gas Transportation Agreement with IMC - Agrice Company

(Redacted Version)

(14 pages)

GAS TRANSPORTATION AGREEMENT

IMC-AGRICO COMPANY AND CHESAPEAKE UTILITIES CORPORATION

THIS AGREEMENT, entered into this 18 day of November, 1997, between **CHESAPEAKE UTILITIES CORPORATION**, a Delaware corporation, doing business in Florida as Central Florida Gas Company ("Transporter"), and **IMC-AGRICO COMPANY**, a Delaware corporation, ("Shipper"). Transporter and Shipper shall be referred to collectively as the "Parties."

WITNESSETH:

WHEREAS, Transporter operates facilities for the distribution of natural gas in the State of Florida; and

WHEREAS, Shipper has requested that Transporter receive certain quantities of gas for Shipper's account from Florida Gas Transmission Company ("FGT"), as provided herein, transport such quantities on Transporter's distribution system and redeliver same to Shipper's facility located at New Wales, Polk County, Florida (hereinafter referred to as the "Redelivery Point" or "Shipper's Facility"), and Transporter agrees to provide such service in accordance with the terms hereof,

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:

I. DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations, when used in this Agreement and in all exhibits, recitals, and appendices contained or attached to this Agreement are intended to and will mean as follows:

- 1.1 "Btu" means the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.
- 1.2 "Day" means a period of 24 consecutive hours beginning and ending at 9:00 a.m. Central Clock Time (CCT).
- 1.3 "Gas" means natural gas which is in conformance with the quality specifications of FGT's Tariff.
- 1.4 "Maximum Daily Quantity" or "MDQ" means the largest quantity of gas, expressed in dekatherms, that Transporter is obligated to transport and make available for delivery to a Shipper under any applicable Service Agreement or Service Agreements for Firm Transportation Service on any one day.
- 1.5 "Month" means a period beginning at 9:00 a.m. CCT on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- 1.6 "Dekatherm" means 1,000,000 Btu's or ten (10) therms.
- 1.7 "p.s.i.a." means pounds per square inch absolute.
- 1.8 "Receipt Point" means the point at which gas is received by FGT into FGT's system from an upstream service or facility.
- 1.9 "Therm" means a unit of heat equal to 100,000 Btu's.

II. POINTS OF DELIVERY AND REDELIVERY

2.1 Shipper shall cause FGT to deliver to Transporter at the CFG Pierce Station on FGT's system (hereinafter referred to as "the Delivery Point"), the quantities of gas to be transported by Transporter hereunder. Transporter shall have no responsibility for transportation of Shipper's gas prior to receipt of such gas from FGT at the Delivery Point. Transporter shall redeliver such quantities of gas received from FGT for Shipper's account to Shipper's Facility.

III. QUANTITIES

3.1 Subject to the terms and conditions of this Agreement, Transporter agrees to receive from FGT daily at the Delivery Point a quantity of gas up to Shipper's Maximum Daily Quantity ("MDQ"), and Transporter agrees to transport and redeliver equivalent quantities to Shipper at the Redelivery Point. Shipper's MDQ under this Agreement shall be as set forth in Exhibit A to this Agreement, which is incorporated herein by reference and made a part hereof.

IV. SCHEDULING AND BALANCING

4.1 Shipper or Shipper's designee shall be responsible for nominating and scheduling of quantities to be delivered by FGT at the Delivery Point and redelivered by Transporter to Shipper's Facility. Imbalances between quantities scheduled for delivery by FGT to Transporter and/or redelivery by Transporter to Shipper's Facility, and actually delivered and/or redelivered hereunder, shall be resolved in accordance with the applicable provisions of Transporter's Natural Gas Tariff filed with the Florida Public Service Commission ("FPSC").

4.2 Transporter agrees to receive from FGT for Shipper's account at the Delivery Point and redeliver to Shipper's Facility up to 6% of the MDQ listed in Exhibit A per hour, subject to any restrictions imposed by FGT and to the provisions of Articles V and X of this Agreement, and

Shipper agrees to use commercially reasonable efforts to regulate its takes from Transporter's gas distribution system at a daily rate of flow not to exceed 6% of the MDQ listed in Exhibit A per hour, subject to any additional restrictions imposed by FGT or by Transporter pursuant to Articles V and X of this Agreement.

V. CURTAILMENT

5.1 This Agreement in all respects shall be and remain subject to the applicable provisions of the General Rules and Regulations of Chesapeake's Natural Gas Tariff, as they specifically apply to curtailment, and as approved by the FPSC or its appropriate successor agency or authority, all of which are made a part hereof by this reference.

VI. TITLE, CONTROL AND INDEMNIFICATION

6.1 Shipper warrants that it will have good and merchantable title to all gas delivered by FGT to Transporter for Shipper's account at the Delivery Point. Shipper will indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses, due to Shipper's failure to satisfy its obligations under this Agreement, arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees or charges which are applicable prior to the time of delivery of said gas to Transporter or after redelivery by Transporter to Shippers. Similarly, Transporter will indemnify Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses, due to Transporter's failure to satisfy its obligations under this Agreement, arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees or charges which are applicable while said gas is in Transporter's possession and control prior to the time of redelivery of said gas to Shipper. In the event any adverse claim, resulting from failure of

Shipper to satisfy its obligations under this Agreement, in respect to said gas is asserted, or Shipper breaches its warranty herein, Transporter shall not be required to perform or, subject to receipt of any necessary regulatory authorization, to continue service hereunder for Shipper until such claim has been finally determined; provided, however, Shipper may receive service if (i) in the case of an adverse claim Shipper furnishes a bond to Transporter, in the amount of such claim and with sureties satisfactory to Transporter, conditioned for the protection of Transporter with respect to such claim; or (ii) in the case of a breach of warranty, Shipper furnishes satisfactory evidence of its title to Transporter.

6.2 Transporter shall be deemed to be in control and possession of the gas to be transported by it upon delivery of such gas by FGT to Transporter for Shipper's account at the Delivery Point and until it shall have been redelivered to Shipper at the Redelivery Point; and Shipper shall be deemed to be in control and possession of such gas prior to such delivery to Transporter and after such redelivery to Shipper. Each party, while deemed to be in control and possession of such gas, shall be responsible for, and shall indemnify and hold the other harmless from, any and all claims, actions, suits, and costs including attorney's fees, arising out of or relating in any way to custody and control of such gas.

VII. RATE

7.1 The transportation rate to be charged for gas received, transported and redelivered hereunder by Transporter shall be as set forth in Exhibit B to this Agreement, which is incorporated herein by reference and made a part hereof. The rates, as set forth in Exhibit B, have been negotiated between the Parties and include only Transporter's Delivery charge per dekatherm of gas transported and redelivered under this Agreement and do not include any charges for transportation service by

FGT or any other upstream pipeline transporter transporting Shipper's gas prior to delivery to Transporter at the Delivery Point. The rates provided in Exhibit B are subject to the continuing jurisdiction of the FPSC and may be adjusted during the term of this Agreement, as provided herein.

7.2 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase any present tax or levy any additional tax, relating to the service provided by Transporter under this Agreement, any such additional tax actually paid by Transporter shall be computed on a cents per dekatherm basis and added to the then effective rate hereunder. If this should happen, then Shipper has the right to cancel this Agreement and not prejudice any other arrangements made by Shipper. If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should decrease or eliminate any tax paid by Transporter relating to the service provided by Transporter under this Agreement, the reduction in such tax shall be computed on a cents per dekatherm basis and subtracted from the then effective rate hereunder.

VIII. TERM

8.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective on the first day of the first month after the date that Transporter gives Shipper written notice of the approval of the FPSC, and shall continue in full force and effect through July 31, 2000. Thereafter, the Agreement shall be extended on a year-to-year basis unless terminated by either Party, with at least six (6) months written notice to the other Party prior to the termination date or in accordance with other provisions of this contract or otherwise in accordance with the Parties' rights under applicable law.

8.2 The Parties understand that this contract is subject to the approval of the FPSC. As such, in order to maintain certain competitive conditions, the Parties will file this contract with the FPSC, under the rules governing confidentiality. It is understood and agreed to by the Parties that this contract contains confidential business information which would cause irreparable harm to the Parties if such information is disclosed to the general public. Therefore, in its filing with the FPSC, Transporter will request confidential treatment for, at a minimum, the portions of this contract, including any terms, conditions and rates, which differ from Transporter's approved FPSC tariff.

IX. TRANSPORTER'S TARIFF PROVISIONS

9.1 Subsections 3 through 6, 8 through 11, and 13 through 21 of the General Rules and Regulations of Transporter's Natural Gas Tariff filed with the FPSC, including any amendments thereto during the term of this Agreement, are hereby incorporated into this Agreement and made a part hereof for all purposes. In the event of any conflict between said provisions of Transporter's FPSC Tariff and specific provisions of this Agreement, the latter shall prevail, in the absence of an FPSC order to the contrary.

X. MISCELLANEOUS PROVISIONS

10.1 Notices and other communications. Any notice, request, demand, statement or payment provided for in this Agreement, unless otherwise specified, shall be sent to the Parties hereto at the following addresses:

Shipper: IMC-Agrico Company
2345 Waukegan Road
Suite E-200
Bannockburn, Illinois 60015-5516

Attention: Sonny Davis

Facsimile: (847) 607-3426

Transporter: Central Florida Gas Company
1015 Sixth Street, N. W.
Winter Haven, FL 33881

Attention: Florida Regional Manager

Facsimile: (941) 294-3895

10.2 **Headings.** All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the Parties in identification of the provisions hereof and shall not affect any construction or interpretation of this Agreement.

10.3 **Entire Agreement.** This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, and it supercedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. No party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

10.4 **Amendments.** Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Party against which enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in (a) the place to which notices pursuant to this Agreement must be sent or (b) the individual designated as the Contact Person pursuant to section 10.1 shall not be deemed nor

require an amendment of this Agreement provided such change is communicated in accordance with section 10.1 of this Agreement. Further, the Parties expressly acknowledge that the limitations on amendments to this Agreement set forth in this section shall not apply to or otherwise limit the effectiveness of amendments which are necessary to comply with the requirements of the FPSC or its successor agency or authority.

10.5 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided however that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith

10.6 Waiver. No waiver of any of the provisions of the Agreement shall be deemed to be, nor shall it constitute, a waiver of any other provision whether similar or not. No single waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.7 Independent Parties. Transporter and the Shipper shall perform hereunder as independent parties and neither Transporter or the Shipper is in any way or for any purpose, by virtue of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including, without limitation, the establishing of any type of duty, standard of care or liability with respect to any third person.

10.8 Assignment and Transfer. No assignment of this Agreement by either party may be made without the prior written approval of the other party (which approval shall not be unreasonably

withheld) and unless the assigning or transferring party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring party, and upon such assignment or transfer and assumption of the duties and obligations, the assigning or transferring party shall furnish or cause to be furnished to the other party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

10.9 Governmental Authorizations: Compliance with Law. This Agreement shall be subject to all valid applicable state, local and federal laws, orders, directives, rules and regulations of any governmental body, agency or official having jurisdiction over this Agreement and the transportation of gas hereunder. Transporter and Shipper shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Shipper shall indemnify Transporter for any claims, demands, actions, liabilities, judgments, losses, damages, expenses, costs, penalties, and fines arising from the Shipper's failure to comply as required under this Agreement. Transporter shall indemnify Shipper for any claims, demands, actions, liabilities, judgments, losses, damages, expenses, costs, penalties, and fines arising from the Transporter's failure to comply as required under this Agreement. Transporter and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each party shall proceed with diligence to file any necessary applications with any governmental authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any such law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be

construed to require either party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the FPSC over this Agreement or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 10.9, Transporter shall continue to transport and Shipper shall continue to take gas pursuant to the terms of this Agreement. In the event any law, order, directive, rule, or regulation shall prevent either party from performing hereunder, then neither party shall have any obligation to the other during the period that performance is precluded.

10.10 Law Governing Agreement; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

10.11 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.

10.12 Specifically Superseded Agreements. This Agreement, on the Effective Date, supersedes and cancels the previous gas transportation agreement between the parties dated: January 18, 1995.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

WITNESS:

Name

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.,
a Delaware corporation as
its managing general partner

By: *Hermann H. Wittje*

Name: Hermann H. Wittje

Title: VP Struc. Sourcing & By-Product Mktg.

WITNESS:

Thomas L. Hoffey
Name

TRANSPORTER:

CHESAPEAKE UTILITIES CORPORATION,
a Delaware Corporation

By: *Stephen C. Thompson*


Name: Stephen C. Thompson

Title: Vice President

**EXHIBIT A
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND IMC-AGRICO COMPANY**


Maximum Daily Quantities

The Maximum Daily Quantities (MDQ), in dekatherms, available for shipper are as follows:

<u>MONTH</u>	<u>MDQ</u>
JANUARY	
FEBRUARY	
MARCH	
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	


TRANSPORTER:

Chesapeake Utilities Corporation,
a Delaware Corporation

By: 
Name: Stephen C. Thompson
Title: Vice President
Date: November 18, 1997

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.
A Delaware corporation as
its managing general partner
By: 
Name: Hermann H. Wittje
Title: VP Strgc. Sourcing & By-Product Mktg.
Date: November 14, 1997

**EXHIBIT B
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION AND
IMC-AGRICO COMPANY**

Transportation Rates

The rates to be charged for each dekatherm of gas delivered to Shipper's facility under this Agreement shall be as follows:

<u>Monthly Quantity</u>	<u>Rate per Dekatherm</u>
All Dekatherms	

TRANSPORTER:

Chesapeake Utilities Corporation,
a Delaware Corporation

By: 

Name: Stephen C. Thompson

Title: Vice President

Date: November 18, 1997

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.,
a Delaware corporation as
its managing general partner.

By: 

Name: Hermann H. Wittje

Title: VP Srgc. Sourcing & By-Product Mktg.

Date: November 14, 1997

Exhibit "6"

Gas Transportation Agreement with Alumax Extrusions, Inc.

(Redacted Version)

(15 pages)

GAS TRANSPORTATION AGREEMENT

ALUMAX EXTRUSIONS, INC AND CHESAPEAKE UTILITIES CORPORATION

Set

THIS AGREEMENT, entered into this 19 day of November, 1997, between **CHESAPEAKE UTILITIES CORPORATION**, a Delaware corporation, doing business in Florida as Central Florida Gas Company ("Company"), and **ALUMAX EXTRUSIONS, INC**, a ~~Delaware~~ ^{Pennsylvania} corporation, ("Shipper"). Company and Shipper shall be referred to collectively as the "Parties."

WITNESSETH:

WHEREAS, Company operates facilities for the distribution of natural gas in the State of Florida; and

WHEREAS, Shipper has requested that Company receive certain quantities of gas for Shipper's account from Florida Gas Transmission Company ("FGT") or any other interstate pipeline, as provided herein, transport such quantities on Company's distribution system and redeliver same to Shipper's facility located at Plant City Airport Industrial Park, Hillsborough County, Florida (hereinafter referred to as the "Redelivery Point" or "Shipper's Facility"), and Company agrees to provide such service in accordance with the terms hereof;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows

L. DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations, when used in this Agreement and in all exhibits, recitals, and appendices contained or attached to this Agreement are intended to and will mean as follows:

- 1.1 "Btu" means the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.
- 1.2 "Day" means a period of 24 consecutive hours beginning and ending at 9:00 a.m. Central Clock Time (CCT).
- 1.3 "Gas" means natural gas which is in conformance with the quality specifications of FGT's Tariff.
- 1.4 "Maximum Daily Quantity" or "MDQ" means the largest quantity of Gas, expressed in dekatherms, that Company is obligated to transport and make available for delivery to Shipper under this Agreement on any one day.
- 1.5 "Month" means a period beginning at 9:00 a.m. CCT on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- 1.6 "Dekatherm" means 1,000,000 Btus or ten (10) therms
- 1.7 "p.s.i.a." means pounds per square inch absolute.
- 1.8 "Receipt Point" means the point at which Gas is received by FGT into FGT's system from an upstream service or facility.
- 1.9 "Therm" means a unit of heat equal to 100,000 Btus

II. POINTS OF DELIVERY AND REDELIVERY

2.1 Shipper shall cause FGT to deliver to Company at the Plant City delivery point on FGT's system (hereinafter referred to as "the Delivery Point"), the quantities of Gas to be transported by Company hereunder. Company shall have no responsibility for transportation of Shipper's Gas prior to receipt of such Gas from FGT at the Delivery Point. Company shall, on a firm basis, redeliver pursuant to the terms hereof such quantities of Gas received from FGT for Shipper's account to Shipper's Facility.

III. QUANTITIES

3.1 Subject to the terms and conditions of this Agreement, Company agrees to receive from FGT daily at the Delivery Point a quantity of Gas up to Shipper's Maximum Daily Quantity ("MDQ"), and Company agrees to transport and redeliver equivalent quantities to Shipper at the Redelivery Point. Shipper's MDQ under this Agreement shall be as set forth in Exhibit A to this Agreement, which is incorporated herein by reference and made a part hereof.

IV. SCHEDULING AND BALANCING

4.1 Shipper shall be responsible for nominating and scheduling of quantities to be delivered by FGT at the Delivery Point and redelivered by Company to Shipper's Facility. Imbalances between quantities scheduled for delivery by FGT to Company and/or redelivery by Company to Shipper's Facility, and actually delivered and/or redelivered hereunder, shall be resolved in accordance with the applicable provisions of Company's Natural Gas Tariff filed with the Florida Public Service Commission ("FPSC").

4.2 The Parties hereto recognize the desirability of maintaining a uniform rate of flow of Gas to Shipper's Facility over each 24-hour period and each day throughout each month.

Therefore, Company agrees to receive from FGT for Shipper's account at the Delivery Point and redeliver to Shipper's Facility up to 5% of the MDQ listed in Exhibit A per hour, subject to any restrictions imposed by FGT and to the provisions of Articles V and X of this Agreement, and Shipper agrees to use commercially reasonable efforts to regulate its takes from Company's gas distribution system at a daily rate of flow not to exceed 5% of the MDQ listed in Exhibit A per hour, subject to any additional restrictions imposed by FGT or by Company pursuant to Articles V and X of this Agreement.

V. CURTAILMENT

5.1 This Agreement in all respects shall be and remain subject to the applicable provisions of the General Rules and Regulations of Company's Natural Gas Tariff, as they specifically apply to curtailment, and as approved by the FPSC or its appropriate successor agency or authority, all of which are made a part hereof by this reference.

5.2 In the event Company issues a curtailment order due to conditions on Company's system, the Company agrees to keep Shipper whole with respect to the actual cost incurred for the quantity of Gas scheduled to the Plant City facility and all FGT transportation charges related to said quantity of Gas scheduled. Shipper agrees to make all reasonable efforts to minimize the quantity of Gas scheduled during a curtailment event.

VI. TITLE, CONTROL AND INDEMNIFICATION

6.1 Shipper warrants that it will have good and merchantable title to all Gas delivered by FGT to Company for Shipper's account at the Delivery Point. Shipper will indemnify Company and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses arising out of the adverse claim of any person or

persons to said Gas for any taxes, licenses, fees or charges which are applicable prior to the time of delivery of said Gas to Company or after redelivery by Company to Shipper. Similarly, Company will indemnify Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses arising out of the adverse claims of any person or persons to said Gas for any taxes, licenses, fees or charges which are applicable while said Gas is in Company's possession and control prior to the time of redelivery of said Gas to Shipper. In the event any adverse claim in respect to said Gas is asserted or Shipper breaches its warranty herein, Company shall not be required to perform or, subject to receipt of any necessary regulatory authorization, to continue service hereunder for Shipper until such claim has been finally determined; provided, however, Shipper may receive service if (i) in the case of an adverse claim, Shipper furnishes a bond to Company, in the amount of such claim and with sureties satisfactory to Company, conditioned for the protection of Company with respect to such claim; or (ii) in the case of a breach of warranty, Shipper furnishes satisfactory evidence of its title to Company.

6.2 Company shall be deemed to be in control and possession of the Gas to be transported by it upon delivery of such Gas by FGT to Company for Shipper's account at the Delivery Point and until it shall have been redelivered to Shipper at the Redelivery Point; and Shipper shall be deemed to be in control and possession of such Gas prior to such delivery to Company and after such redelivery to Shipper. Each party, while deemed to be in control and possession of such Gas, shall be responsible for, and shall indemnify and hold the other harmless from, any and all claims, actions, suits, and costs including attorney's fees, arising out of or relating in any way to custody and control of such Gas.

6.3 While on or traveling to and from Shipper's Plant City property, the Company assumes the risk of, and shall indemnify and save harmless the Shipper, its officers, directors, and employees against all claims and actions, losses, costs, fines, penalties and damages to property or to the environment and/or injury, to persons (including death) arising out of, resulting from, or based upon the negligent acts or omissions of the Company or anyone acting under its direction or control or in its behalf and all expenses (including legal and investigation fees) incidental thereto.

VII. RATE

7.1 The transportation rate to be charged for Gas received, transported and redelivered hereunder by Company shall be as set forth in Exhibit B to this Agreement, which is incorporated herein by reference and made a part hereof. The rates, as set forth in Exhibit B, have been negotiated between the Parties and include only Company's Delivery charge per dekatherm of Gas transported and redelivered under this Agreement and do not include any charges for transportation service by FGT or any other upstream pipeline transporter transporting Shipper's Gas prior to delivery to Company at the Delivery Point. The rates provided in Exhibit B are subject to the continuing jurisdiction of the FPSC and may be adjusted during the term of this Agreement, but only as may be required pursuant to Section 7.2 hereof or by an Order of the FPSC. The Company agrees that it will not file with the FPSC to increase the rates in Exhibit B during the term of this contract.

7.2 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase any present tax or levy any additional tax, relating to the service provided by Company under this Agreement, any such

additional tax actually paid by Company shall be computed on a cents per dekatherm basis and added to the rates set forth in Exhibit B hereof, provided that any such additional tax or levy may legally be passed on to Shipper. If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should decrease or eliminate any tax paid by Company relating to the service provided by Company under this Agreement, the reduction in such tax shall be computed on a cents per dekatherm basis and subtracted from the then effective rate hereunder.

VIII. TERM

8.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective on the first day of the first month after the date that Company gives Shipper written notice of the approval of the FPSC provided however, that Shipper has received a copy of such approval order and such order is acceptable in form and substance to both Parties, and shall continue in full force and effect through December 31, 2002. Thereafter, the Agreement shall be extended on a year-to-year basis unless terminated by either Party, with at least six (6) months written notice to the other Party prior to the termination date. In the event that any order received from the FPSC has materially changed the content of this Agreement and is not acceptable to either Party, such Party shall have the right to either terminate this Agreement or renegotiate the terms hereof.

8.2 The Parties understand that this contract is subject to the approval of the FPSC. As such, in order to maintain certain competitive conditions, the Parties will file this contract with the FPSC, under the rules governing confidentiality. It is understood and agreed to by the Parties that this contract contains confidential business information which would cause irreparable harm

to the Parties if such information is disclosed to the general public. Therefore, in its filing with the FPSC, Company will request confidential treatment for, at a minimum, the portions of this contract, including any terms, conditions and rates, which differ from Company's approved FPSC tariff.

IX. COMPANY'S TARIFF PROVISIONS

9.1 Subsections 3 through 6, 8 through 11, and 13 through 21 of the General Rules and Regulations of Company's Natural Gas Tariff filed with the FPSC, including any amendments thereto during the term of this Agreement, are hereby incorporated into this Agreement and made a part hereof for all purposes. In the event of any conflict between said provisions of Company's FPSC Tariff and specific provisions of this Agreement, the latter shall prevail, in the absence of an FPSC order to the contrary.

X. MISCELLANEOUS PROVISIONS

10.1 Notices and other communications. Any notice, request, demand, statement or payment provided for in this Agreement, unless otherwise specified, shall be sent to the Parties hereto at the following addresses:

Shipper: Alumax Extrusions, Inc.
1650 Alumax Circle
Plant City, FL 33567

Attention: Controller

Facsimile: (813) 719-3438

Company: Central Florida Gas Company
1015 Sixth Street, N.W
Winter Haven, FL 33881

Attention: Florida Regional Manager

Facsimile: (941) 294-3895

10.2 Headings. All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the Parties in identification of the provisions hereof and shall not affect any construction or interpretation of this Agreement.

10.3 Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, and it supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. No party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

10.4 Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Party against which enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in (a) the place to which notices pursuant to this Agreement must be sent or (b) the individual designated as the Contact Person pursuant to section 10.1 shall not be deemed nor require an amendment of this Agreement provided such change is communicated in accordance with section 10.1 of this Agreement. Further, the Parties expressly acknowledge that the limitations on amendments to this Agreement set forth in this section shall not apply to or otherwise limit the effectiveness of amendments which are necessary to comply with the requirements of, or are otherwise approved by FPSC or its successor agency

or authority

10.5 **Severability**. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided however that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

10.6 **Waiver**. No waiver of any of the provisions of the Agreement shall be deemed to be, nor shall it constitute, a waiver of any other provision whether similar or not. No single waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.7 **Legal Fees**. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other party.

10.8 **Independent Parties**. Company and the Shipper shall perform hereunder as independent parties and neither Company or the Shipper is in any way or for any purpose, by virtue of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including, without limitation, the establishing of any type of duty, standard of care or liability with respect to any third person.

10.9 **Assignment and Transfer**. No assignment of this Agreement by either party may be made without the prior written approval of the other party (which approval shall not be unreasonably withheld) and unless the assigning or transferring party's assignee or transferee shall

expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring party, and upon such assignment or transfer and assumption of the duties and obligations, the assigning or transferring party shall furnish or cause to be furnished to the other party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

10.10 Governmental Authorizations, Compliance with Law. This Agreement shall be subject to all valid applicable state, local and federal laws, orders, directives, rules and regulations of any governmental body, agency or official having jurisdiction over this Agreement and the transportation of Gas hereunder. Company and Shipper shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Company and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each party shall proceed with diligence to file any necessary applications with any governmental authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any such law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the FPSC over this Agreement or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 10.10, Company shall continue to transport and Shipper shall continue to take Gas pursuant to the terms of this Agreement. In

the event any law, order, directive, rule, or regulation shall prevent either party from performing hereunder, then neither party shall have any obligation to the other during the period that performance is precluded.

10.11 Law Governing Agreement; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

10.12 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.

10.13 Specifically Superseded Agreements. This Agreement, on the Effective Date, supersedes and cancels the previous gas transportation agreement between the parties dated: January 30, 1995.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

WITNESS:

Kay A. Russell
Name

SHIPPER.

ALLIMAX EXTRUSIONS, INC.
A Delaware Corporation

By: William D. Kramer

Name: William D. Kramer
Vice President &

Title: Chief Operating Officer-U.S. Operations

WITNESS:

Dracy Bayer
Name

COMPANY:

CHESAPEAKE UTILITIES CORPORATION,
a Delaware Corporation

By: Stephen C. Thompson


Name: Stephen C. Thompson

Title: Vice President

**EXHIBIT A
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND
ALUMAX EXTRUSIONS, INC.**

Maximum Daily Quantities

The Maximum Daily Quantities (MDQ), in dekatherms, available for shipper are as follows:

<u>MONTH</u>	<u>MDQ</u>
JANUARY	
FEBRUARY	
MARCH	
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	

Company:

Chesapeake Utilities Corporation

By: Steph L. Thayer

Title: Vice President

Date: 11/20/97

Shipper:

Alumax Extrusions, Inc.

By: Will [Signature]
Vice President &

Title: Chief Operating Officer-U.S. Operation

Date: November 19, 1997

**EXHIBIT B
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND
ALUMAX EXTRUSIONS, INC.**

Transportation Rates

The rates to be charged for each dekatherm of Gas transported under this Agreement shall be as follows:

Rate per Dekatherm



In addition to the charge stated above per dekatherm, there will be a Monthly Meter Charge of \$40 per meter located at the Plant City facility per month.

Company:

Chesapeake Utilities Corporation

By: Stephen C. Thong

Title: Vice President

Date: 11/20/97

Shipper:

Alumax Extrusions, Inc.

By: Will [Signature]

Title: Vice President & Chief Operating Officer-U.S. Operations

Date: November 19, 1997

COMPOSITE ATTACHMENT "C"

Page 1 of 6

<u>EXHIBIT</u>	<u>PAGE</u>	<u>LINE(S)</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Exhibit 2	5	3 - 16	L, J, K	(1)
	6	4 - 8, 10 - 14, 19 - 21	L, J, K	(1)
	7	4 - 31	L, J, K	(1)
	8	2 - 25	L, J, K	(1)
	9	2 - 9, 11, 13 - 15	L, J, K	(1)
	10	2 - 4, 7 - 16	L, J, K	(1)
	11	2 - 4, 7 - 17	L, J, K	(1)
	12	2 - 14	L, J, K	(1)
	13	1 - 16, 18 - 22, 24	L, J, K	(1)
	14	1 - 7	L, J, K	(1)

(1) Rationale

This information is proprietary confidential business information regarding allocated costs, volumes delivered and price. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. The disclosure of the costs allocated to each customer together with the volumes delivered, would give both the Company's and customers' competitors and the Company's other customers the ability to calculate the pricing information negotiated with the Gas Transportation Agreement Customers. The disclosure of any of the components - allocated costs, volumes delivered, or price - separately or together, would provide sufficient information to calculate sensitive and competitive information contained in the cost of service for the Gas Transportation Agreement Customer. The disclosure of LVCTS information separately from the Gas Transportation Agreements would give others the ability to calculate the allocated costs, volumes and pricing structure for the Gas Transportation Agreement Customer. The public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded

COMPOSITE ATTACHMENT "C"

Page 2 of 6

as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

COMPOSITE ATTACHMENT "C"

Page 3 of 6

<u>EXHIBIT</u>	<u>PAGE</u>	<u>LINE(S)</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Exhibit 3	1	1 - 4, 8, 11	Amount	(1)
	2	1 - 4, 6 - 7	Total	(1)
	3	1 - 8	Amount	(1)
	3	13, 15, 16, 18	Notes	(1)
	4	1 - 27	Description, Amount	(1)
	5	5 - 6	Amount	(1)

(1) Rationale

This information is proprietary confidential business information regarding allocated costs, volumes delivered and price. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. The disclosure of the costs allocated to each customer together with the volumes delivered, would give both the Company's and customers' competitors and the Company's other customers the ability to calculate the pricing information negotiated with the Gas Transportation Agreement Customers. The disclosure of any of the components - allocated costs, volumes delivered, or price - separately or together, would provide sufficient information to calculate sensitive and competitive information contained in the cost of service for the Gas Transportation Agreement Customers. The disclosure of LVCTS information separately from the Gas Transportation Agreements would give others the ability to calculate the allocated costs, volumes and pricing structure for the Gas Transportation Agreement Customers. The public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

COMPOSITE ATTACHMENT "C"

Page 4 of 6

<u>EXHIBIT</u>	<u>PAGE</u>	<u>LINE(S)</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Exhibit 4	1	1 - 4, 8, 11	Amount	(1)
	2	1 - 4, 6, 7	Total	(1)
	3	1 - 8	Amount	(1)
	3	13, 15, 16, 18	Notes	(1)
	4	1 - 28	Description, Amount	(1)
	5	5, 6	Amount	(1)

(1) Rationale

This information is proprietary confidential business information regarding allocated costs, volumes delivered and price. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. The disclosure of the costs allocated to each customer together with the volumes delivered, would give both the Company's and customers' competitors and the Company's other customers the ability to calculate the pricing information negotiated with the Gas Transportation Agreement Customers. The disclosure of any of the components - allocated costs, volumes delivered, or price - separately or together, would provide sufficient information to calculate sensitive and competitive information contained in the cost of service for the Gas Transportation Agreement Customers. The disclosure of LVCTS information separately from the Gas Transportation Agreements would give others the ability to calculate the allocated costs, volumes and pricing structure for the Gas Transportation Agreement Customers. The public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

COMPOSITE ATTACHMENT "C"

Page 5 of 6

<u>EXHIBIT</u>	<u>PAGE</u>	<u>LINE(S)</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Exhibit 5	Exhibit A, Page 13	All	MDQ	(1)
	Exhibit B, Page 14	All	Rate per Dekatherm	(2)

(1) Rationale

This information is proprietary confidential business information regarding contractual terms and pricing. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

(2) Rationale

This information is proprietary confidential business information regarding contractual terms and pricing. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. Moreover, the public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

COMPOSITE ATTACHMENT "C"

Page 6 of 6

<u>EXHIBIT</u>	<u>PAGE</u>	<u>LINE(S)</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Exhibit 6	Exhibit A, Page 14	All	MDQ	(1)
	Exhibit B, Page 15	All	Rate per Dekatherm	(2)

(1) Rationale

This information is proprietary confidential business information regarding contractual terms and pricing. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

(2) Rationale

This information is proprietary confidential business information regarding contractual terms and pricing. Public disclosure of this information would impair the ability of Chesapeake Utilities Corporation to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to the Company and its general body of customers. The result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. Moreover, the public disclosure of this information may prevent Chesapeake from successfully negotiating Gas Transportation Agreements with customers. The information is regarded as sensitive and confidential by the Gas Transportation Agreement Customers because its disclosure would impact the customers' ability to compete in their native markets. In the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with Chesapeake. This may lead to uneconomic bypass of Chesapeake's facilities.

Exhibit "1"

Cost of Service Study

(14 pages)

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 1 of 2 PLANT)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0		0		100% capacity
2	INTANGIBLE PLANT:	1,040,088	1,002,818	37,452		direct assignment
3	PRODUCTION PLANT	0		0		-
4	DISTRIBUTION PLANT:					
5	374 Land and Land Rights	14,589		14,589		-
6	375 Structures and Improvements	203,213		203,213		-
7	376 Mains	11,522,071		11,522,071		-
8	377 Comp.Stn.Eq.	0		0		-
9	378 Meas. & Reg.Stn.Eq.-Gen	428,703		428,703		-
10	379 Meas. & Reg.Stn.Eq.-CG	691,130		691,130		-
11	380 Services	2,318,820	2,318,820			100% customer
12	381-382 Meters	1,384,935	1,384,935			-
13	383-384 House Regulators	529,995	529,995			-
14	385 Industrial Meas. & Reg.Eq.	1,089,708		1,089,708		100% capacity
15	386 Property on Customer Premises	0	0	0	0	ac 374-385
16	387 Other Equipment	171,823	39,995	131,828	0	ac 374-385
17	Total Distribution Plant	18,350,845	4,271,745	14,058,900	0	
18	GENERAL PLANT:	1,671,908	835,953	835,953		50% customer, 50% capacity
19	PLANT ACQUISITIONS:	123,409		123,409		100% capacity
20	GAS PLANT FOR FUTURE USE:	0		0		-
21	CWIP:	204,228	47,583	156,835	0	dist plant
22	TOTAL PLANT	21,370,288	6,157,907	15,212,349	0	

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 2 of 2 ACCUMULATED DEPRECIATION)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0	0	0	0	related plant
2	TANGIBLE PLANT	175,244	54,308	120,936	0	rel. plant account
3	PRODUCTION PLANT	0		0		
4	DISTRIBUTION PLANT					
5	375 Structures and Improvements	14,940	0	14,940	0	"
6	376 Mains	3,333,181	0	3,333,181	0	"
7	377 Compressor Sta. Eq.	0	0	0	0	"
8	378 Mains & Reg. Sta. Eq.-Gen	48,892	0	48,892	0	"
9	379 Mains & Reg. Sta. Eq.-CG	115,387	0	115,387	0	"
10	380 Services	417,672	417,672	0	0	"
11	381-382 Meters	400,733	400,733	0	0	"
12	383-384 House Regulators	127,978	127,978	0	0	"
13	385 Indust. Mains & Reg. Sta. Eq.	165,013	0	165,013	0	"
14	386 Property on Customer Premises	0	0	0	0	"
15	387 Other Equipment	33,128	7,730	25,408	0	"
16	Total A.D. on Dist. Plant	4,854,920	954,121	3,700,799	0	
17	GENERAL PLANT	998,440	297,720	297,720	0	general plant
18	PLANT ACQUISITIONS	123,409	0	123,409	0	plant acquisitions
19	RETIREMENT WORK IN PROGRESS:	87	18	51	0	distribution plant
20	TOTAL ACCUMULATED DEPRECIATION	5,548,080	1,308,184	4,242,818	0	
21	NET PLANT (Plant less Accum. Dep.)	15,821,178	4,851,742	10,989,434	0	
22	less CUSTOMER ADVANCES	0	0	0		50% cost 50% cap
23	plus WORKING CAPITAL	(788,028)	(484,817)	(288,738)	(12,471)	oper. and maint. exp.
24	equals TOTAL RATE BASE	15,033,150	4,366,925	10,680,696	(12,471)	

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 1 of 2)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	OPERATIONS AND MAINTENANCE EXPENSES					
2	LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
3	PRODUCTION PLANT	0		0		100% capacity
4	DISTRIBUTION:					
5	870 Operation Supervision & Eng.	297,807	141,301	178,308	0	ac 871-879
6	871 Dist. Load Dispatch	87,553		87,553		100% capacity
7	872 Compr. Sta. Lab. & Ex.	0	0	0		ac 377
8	873 Compr. Sta. Fuel & Power	0				100% commodity
9	874 Mains and Services	163,784	27,420	138,364	0	ac378+ac380
10	875 Meas. & Reg. Sta. Eq.-Gen	0	0	0		ac 378
11	876 Meas. & Reg. Sta. Eq.-Ind.	0	0	0		ac 385
12	877 Meas. & Reg. Sta. Eq.-CG	28,873	0	28,873		ac 379
13	878 Meter and House Reg.	208,337	208,337	0		ac381+ac383
14	879 Leak Investigation	12,033	2,014	10,019		ac378+ac380
15	880 Other Expenses	57,808	13,471	44,337		ac 387
16	881 Rents	9,430	0	9,430		100% capacity
17	885 Maintenance Supervision	0	0	0		ac886-894
18	886 Maint. of Struct. and Improv.	0	0	0		ac375
19	887 Maintenance of Mains	135,681	0	135,681		ac376
20	888 Maint. of Comp. Sta. Eq.	0	0	0		ac 377
21	889 Maint. of Meas. & Reg. Sta. Eq.-Gen	16,202	0	16,202		ac 378
22	890 Maint. of Meas. & Reg. Sta. Eq.-Ind.	63,083	0	63,083		ac 385
23	891 Maint. of Meas. & Reg. Sta. Eq.-CG	17,956	0	17,956		ac 379
24	892 Maintenance of Services	31,030	31,030	0		ac 380
25	893 Maint. of Meters and House Reg.	59,312	59,312	0		ac381-383
26	894 Maint. of Other Equipment	17,950	4,183	13,767		ac387
27	Total Distribution Expenses	1,202,619	485,689	717,550	0	
28	CUSTOMER ACCOUNTS:					
29	901 Supervision	82,974	82,974			100% customer
30	902 Meter-Reading Expense	77,163	77,163			"
31	903 Records and Collection Exp.	305,788	305,788			"
32	904 Uncollectible Accounts	31,529			31,529	100% commodity
33	905 Misc. Expenses	0	0			100% customer
34	Total Customer Accounts	497,434	466,905	0	31,529	
35	(907-910) CUSTOMER SERV. & INFO. EXP.	5,873	5,873			"
36	(911-916) SALES EXPENSE	205,880	205,880			"
37	(932) MAINT. OF GEN. PLANT	24,917	12,459	12,459	0	general plant
38	(920-931) ADMINISTRATION AND GENERAL	1,510,030	916,271	589,175	24,583	O&M excl. A&G
39	TOTAL O&M EXPENSE	3,448,752	2,001,488	1,299,184	56,112	

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 2 of 2)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G REVENUE	H CLASSIFIER
1	DEPRECIATION AND AMORTIZATION EXPENSE:						
2	Depreciation Expense	719,288	230,572	486,698	0		net plant
3	Amort. of Other Gas Plant	184,887	130,277	54,405			interregio plant
4	Amort. of Property Loss	0		0			100% capacity
5	Amort. of Limited-term Inv.	0	0	0	0		interregio plant
6	Amort. of Acquisition Adj.	0	0	0	0		interregio plant
7	Amort. of Conversion Costs	0			0		100% commodity
8	Total Deprac. and Amort. Expense	904,175	360,849	541,103	0	0	
9	TAXES OTHER THAN INCOME TAXES:						
10	Revenue Related	122,701				122,701	100% revenue
11	Other	503,170	154,303	348,867	0		net plant
12	Total Taxes other than Income Taxes	625,871	154,303	348,867	0	122,701	
13	REV CREDIT TO COS (NEG. OF OTHER OPR. REV)	(74,387)	(74,387)				100% customer
14	RETURN (REQUIRED NOT) = 9.00% of customer	1,383,281	387,241	987,140	(1,129)		rate base
15	INCOME TAXES	980,317	172,013	418,793	(489)		0 return(not)
16	TOTAL OVERALL COST OF SERVICE	6,858,750	3,081,480	3,617,068	54,463	122,701	

SCHEDULE - C (COST OF SERVICE)
 DEVELOPMENT OF ALLOCATION FACTORS

A LINE #	B ALLOCATION FACTOR	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	CUSTOMER COSTS							
2	No. of Customers	8,538	7,881	778	23	38	14	5
3	Weighting	NA	1	3	10	37	37	84
4	Weighted No. of Customers	12,880	7,881	2,084	235	1,448	528	884
5	Allocation Factors	1	68.72%	16.57%	1.88%	11.48%	4.19%	5.25%
6	CAPACITY COSTS							
7	Peak & Avg. Month Sales Vol. (kwhrs)	13,288,012	338,762	481,282	177,887	1,582,227	2,124,171	8,814,883
8	Allocation Factors	1	2.58%	3.69%	1.34%	11.91%	16.88%	64.82%
9	MAIN ALLOCATION DOLLARS	8,882,128	591,391	1,384,678	848,391	1,882,383	1,882,414	2,178,882
10	Allocation Factors	1	6.87%	16.21%	8.38%	23.18%	22.11%	28.29%
11	COMMODITY COSTS							
12	Average Sales Vol. (kwhrs)	128,888,888	2,388,779	4,828,888	1,788,383	18,538,282	19,887,788	81,738,887
13	Allocation Factors	1	1.87%	3.88%	1.48%	13.12%	15.19%	64.87%
14	REVENUE-RELATED COSTS							
15	Tax on Cost, Cap, & Commod.	128,245	42,451	21,383	5,882	24,788	20,881	11,842
16	Allocation Factors	1	33.89%	16.87%	4.88%	19.82%	16.81%	9.38%

SCHEDULE - D (COST OF SERVICE)
 ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

A	B	C	D	E	F	G	H	I	J
LINE		TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT	SPECIAL CONTRACTS	ALLOCATOR
1	RATE BASE BY CUSTOMER CLASS								
2	DIRECT AND SPECIAL ASSIGNMENTS:								
3	Customer								
4	Meters	984,182	620,547	189,336	18,852	117,018	42,438	15,880	weighted customers
5	House Regulators	402,018	293,800	89,257	7,751	47,860	17,357	5,994	wt'd.cust.
6	Services	1,889,148	1,217,193	332,128	37,172	229,511	83,235	0	wt'd.cust.
7	All Other	1,101,578	679,474	185,416	20,752	128,130	46,488	41,336	weighted cust./direct
8	Total	4,386,826	2,770,825	796,138	54,628	522,518	189,497	83,220	
9	Capacity								
10	Industrial Meters & Reg. Sta. Eq.	904,953	0	0	29,947	288,352	357,583	250,671	peak sales/direct
11	Meters & Reg. Sta. Eq - Gen.	379,811	23,813	31,830	12,489	119,896	148,881	52,123	peak/average sales/direct
12	Mains	8,188,880	591,291	1,394,675	546,301	1,982,393	1,902,414	1,781,818	main alloc/direct
13	All Other	1,207,441	73,291	172,871	67,714	246,958	236,805	410,801	main alloc/direct
14	Total	10,680,965	688,394	1,568,176	654,431	2,816,600	2,644,683	2,475,413	
15	Commodity								
16	Account #	0	0	0	0	0	0	0	
17	Account #	0	0	0	0	0	0	0	
18	Account #	0	0	0	0	0	0	0	
19	All Other	(12,471)	(338)	(680)	(253)	(2,377)	(2,748)	(6,108)	annual sales
20	Total	(12,471)	(338)	(680)	(253)	(2,377)	(2,748)	(6,108)	
21	TOTAL	16,068,195	3,468,889	2,364,692	748,897	3,196,741	2,831,436	2,532,525	

SCHEDULE - E (COST OF SERVICE)
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 2 of 2)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS	J ALLOCATOR
1	TAXES OTHER THAN INCOME TAXES								
2	Customer	154,303	97,771	28,880	2,988	18,437	6,888	1,743	weighted cost direct
3	Capacity	348,887	24,238	58,298	23,110	92,118	83,107	58,988	direct
4	Subtotal	503,170	122,008	87,178	26,098	110,555	90,793	61,741	
5	Revenue	122,701	37,112	18,824	5,072	21,882	17,586	22,885	tax on cost, cap. & comm.
6	Total	625,871	159,118	101,804	31,188	132,307	117,349	84,426	
7	RETURN (NOI)								
8	Customer	387,241	288,808	88,488	7,883	47,314	17,188	5,728	cost of RB
9	Capacity	887,148	82,328	144,784	88,431	238,888	238,448	224,272	cap. of RB / direct
10	Commodity	(1,128)	(1)	(88)	(28)	(218)	(248)	(88)	cost of RB
11	Total	1,383,381	313,322	213,188	87,871	285,887	284,381	228,147	
12	INCOME TAXES								
13	Customer	172,813	188,827	28,887	3,324	28,827	7,442	2,281	cost of RB indirect
14	Capacity	418,783	27,328	83,487	28,888	188,878	184,888	83,847	cap. of RB indirect
15	Commodity	(888)	(18)	(28)	(11)	(88)	(118)	(21)	cost of RB
16	Total	688,317	218,141	112,188	28,373	114,284	112,318	85,188	
17	REVENUE CREDITED TO COS:								
18	Customer	(74,387)	(44,832)	(28,788)	0	0	0	0	direct assignment
19	TOTAL COST OF SERVICE:								
20	Customer	3,081,488	1,888,733	581,888	58,781	381,883	131,138	47,288	
21	Capacity	3,817,888	287,383	824,488	248,888	882,823	837,788	585,844	
22	Commodity	84,483	38,815	9,728	1,884	8,483	2,882	(788)	
23	Subtotal	6,733,648	2,284,841	1,136,184	308,418	1,120,878	1,070,883	831,547	
24	Revenue	122,701	37,112	18,824	5,072	21,882	17,586	22,885	
25	Total	6,856,349	2,321,953	1,154,808	314,488	1,142,821	1,088,539	854,432	

SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

A LINE	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	COST OF SERVICE BY CUSTOMER CLASS							
2	CUSTOMER COSTS	3,081,480	1,980,730	501,888	58,781	361,583	131,138	47,280
3	CAPACITY COSTS	3,817,088	287,383	824,490	249,590	952,823	837,758	585,044
4	COMMODITY COSTS	54,483	35,815	8,728	1,084	8,463	2,082	(788)
5	REVENUE COSTS	122,701	37,112	18,824	5,072	21,852	17,558	22,885
6	TOTAL	6,855,750	2,301,153	1,154,806	314,488	1,342,531	1,088,538	654,232
7	less: REVENUE AT PRESENT RATES	6,855,750	1,815,035	1,022,427	242,458	1,224,437	824,851	1,828,741
8	(in the projected last year)							
9	equals: GAS SALES REVENUE DEFICIENCY	(0)	686,118	132,381	77,029	118,084	263,888	(1,272,509)
10	plus: DEFICIENCY IN OTHER OPERATING REV.	0	0	(0)	0	0	0	0
11	comb. TOTAL BASE-REVENUE DEFICIENCY	(0)	686,118	132,381	77,029	118,084	263,888	(1,272,509)
12	UNIT COSTS:							
13	Customer	29.878884	21.271821	53.882330	212.801785	775.851283	775.851283	3838.874817
14	Capacity	0.272188	0.787025	1.383813	1.403085	0.932284	0.441488	0.488042
15	Commodity	0.000433	0.015228	0.002151	0.000805	0.000381	0.000110	-0.000054

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2, PRESENT RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	REVENUES: (projected test year)							
2	Gas Sales (due to growth)	6,688,788	1,815,035	1,022,427	242,488	1,224,437	824,851	1,826,741
3	Other Operating Revenue	74,387	44,832	27,795	0	0	0	0
4	Total	6,763,175	1,859,867	1,050,222	242,488	1,224,437	824,851	1,826,741
5	EXPENSES:							
6	Purchased Gas Cost	0	0	0	0	0	0	0
7	O&M Expenses	3,448,752	1,467,973	627,524	142,120	828,881	452,587	127,887
8	Depreciation Expenses	718,288	171,337	121,849	37,311	148,528	124,787	117,857
9	Amortization Expenses	184,897	98,014	27,437	7,445	28,822	25,149	0
10	Taxes Other Than Income—Fixed	503,170	122,006	82,879	28,098	110,555	98,793	61,741
11	Taxes Other Than Income—Revenue	122,791	37,112	18,824	5,072	21,852	17,558	22,885
12	Total Expenses excl. Income Taxes	4,978,358	1,898,441	878,214	218,044	834,238	718,872	329,750
13	INCOME TAXES:	580,317	135,628	92,327	29,047	122,980	111,021	98,301
14	NET OPERATING INCOME:	1,383,381	672,402	81,841	14,832	187,207	8,242	1,487,880
15	RATE BASE:	15,085,158	3,458,980	2,354,882	740,807	3,138,741	2,831,435	2,532,525
16	RATE OF RETURN	9.19%	-10.77%	3.47%	-0.87%	5.97%	-0.29%	58.14%

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 2 of 2, PROPOSED RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	REVENUES							
2	Gas Rates	6,888,780	1,788,297	1,154,808	314,488	1,342,531	1,088,538	1,187,888
3	Other Operating Revenues	74,387	44,832	28,770				0
4	Total	6,963,167	1,833,129	1,183,578	314,488	1,342,531	1,088,538	1,187,888
5	EXPENSES:							
6	Purchased Gas Cost	0	0	0	0	0	0	0
7	O&M Expenses	3,448,752	1,467,973	827,524	142,120	828,881	452,587	127,857
8	Depreciation Expenses	719,288	171,337	121,848	37,311	148,528	124,787	117,857
9	Amortization Expenses	184,887	98,014	27,437	7,445	26,822	25,149	0
10	Taxes Other Than Income—Fixed	583,170	122,008	82,979	26,088	110,555	99,793	61,741
11	Taxes Other Than Income—Revenue	122,701	37,112	18,824	5,072	21,852	17,558	22,885
12	Total Expenses excl. Income Taxes	4,878,558	1,806,441	878,214	218,044	934,238	719,872	329,750
13	PRE TAX NOI	1,853,578	(83,512)	308,364	96,444	408,293	368,667	857,338
14	INCOME TAXES: (alloc on pre tax noi)	580,317	(25,235)	92,570	28,143	123,375	111,401	259,084
15	NET OPERATING INCOME:	1,283,261	(68,277)	213,779	67,301	284,918	257,266	598,274
16	RATE BASE:	18,888,190	3,458,880	2,354,882	748,807	3,138,741	2,831,435	2,532,525
17	RATE OF RETURN	8.09%	-1.99%	9.09%	9.09%	9.09%	9.09%	23.62%

COST OF SERVICE SUMMARY
 PROPOSED RATE DESIGN

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERMITT	I SPECIAL CONTRACTS
1	PRESENT RATES (projected last year)							
2	GAS SALES (due to growth)	6,855,750	1,815,035	1,022,427	242,458	1,224,437	624,651	1,828,741
3	OTHER OPERATING REVENUE	74,387	44,832	28,755	0	0	0	0
4	TOTAL	6,930,137	1,859,867	1,052,182	242,458	1,224,437	624,651	1,828,741
5	RATE OF RETURN	9.08%	-10.77%	3.47%	-0.63%	5.33%	-0.22%	58.14%
6	INDEX	1.00	-1.19	0.38	-0.07	0.58	-0.02	6.53
7	PROPOSED RATES							
8	GAS SALES	6,855,750	1,768,297	1,154,808	314,488	1,342,531	1,088,538	1,187,088
9	OTHER OPERATING REVENUE	74,387	44,832	28,755	0	0	0	0
10	TOTAL	6,930,137	1,812,929	1,184,583	314,488	1,342,531	1,088,538	1,187,088
11	TOTAL REVENUE INCREASE	0	153,262	132,381	72,029	118,084	283,888	(736,653)
12	PERCENT INCREASE	-0.00%	8.23%	12.58%	29.71%	9.64%	32.00%	-38.39%
13	RATE OF RETURN	9.08%	-1.88%	9.08%	9.08%	9.08%	9.08%	23.62%
14	INDEX	1.00	-0.19	1.00	1.00	1.00	1.00	2.81

COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	PROPOSED TOTAL TARGET REVENUES	6,900,137	1,812,929	1,184,563	314,498	1,342,531	1,088,539	1,187,088
2	LESS: OTHER OPERATING REVENUE	74,367	44,832	29,755	0	0	0	0
3	LESS: CUSTOMER CHARGE REVENUES							
4	PROPOSED CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00	\$80.00
5	TIMES: NUMBER OF BILLS	102,483	92,176	9,318	276	498	188	12
6	EQUALS: CUSTOMER CHARGE REVENUES	888,242	845,232	139,740	5,520	18,640	58,150	880
7	LESS: OTHER NON-THERM RATE REVENUES							
8	EQUALS: PER-THERM TARGET REVENUES	5,986,508	1,123,085	1,015,018	308,968	1,323,891	1,029,389	1,188,128
9	DIVIDED BY: NUMBER OF THERMS	125,985,685	2,358,279	4,520,908	1,780,393	16,530,252	19,087,796	81,738,057
10	EQUALS: PER-THERM RATES (UNRNDED)		0.478222	0.224527	0.175511	0.080089	0.053829	various
11	PER-THERM RATES (RNDED)		0.47822	0.22453	0.17551	0.08009	0.05383	various
12	PER-THERM RATE REVENUES (RNDED RATES)	5,986,537	1,123,080	1,015,079	308,967	1,323,808	1,029,405	1,188,118
13	SUMMARY: PROPOSED TARIFF RATES							
14	CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00	various
15	ENERGY CHARGES							
16	NON-GAS (CENTS PER THERM)		\$0.47822	\$0.22453	\$0.17551	\$0.08009	\$0.05383	various
17	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000
18	TOTAL (INCLUDING PGA)		\$0.47822	\$0.22453	\$0.17551	\$0.08009	\$0.05383	various
19	SUMMARY: PRESENT TARIFF RATES							
20	CUSTOMER CHARGES		\$8.50	\$15.00	\$20.00	\$40.00	\$350.00	various
21	ENERGY CHARGES							
22	NON-GAS (CENTS PER THERM)		\$0.43126	\$0.19532	\$0.13485	\$0.07348	\$0.04032	various
23	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000
24	TOTAL (INCLUDING PGA)		\$0.43126	\$0.19532	\$0.13485	\$0.07348	\$0.04032	various

COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERRUPT	I SPECIAL CONTRACTS
1	Proposed rates including gross receipts tax		\$0.47822	\$0.22453	\$0.17551	\$0.08009	\$0.05383	various
2	Divide by current revenue related tax multiplier		1.01911	1.01911	1.01911	1.01911	1.01911	
3	Unadjusted rate		0.46729	0.22032	0.17222	0.07869	0.05292	
4	Multiply by POC tax multiplier		1.00378	1.00378	1.00378	1.00378	1.00378	
5	Proposed rates excluding gross receipts tax		<u>\$0.46905</u>	<u>\$0.22115</u>	<u>\$0.17297</u>	<u>\$0.07989</u>	<u>\$0.05312</u>	
6	Existing rates		<u>\$0.43128</u>	<u>\$0.18532</u>	<u>\$0.13485</u>	<u>\$0.07348</u>	<u>\$0.04032</u>	
7	% increase/(decrease) from existing non-fuel rate		8.76%	13.22%	8.38%	7.38%	31.75%	

Exhibit "2"

Detailed Cost of Service Study

(Redacted Version)

(14 pages)

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 1 of 2 PLANT)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0		0		100% capacity
2	INTANGIBLE PLANT	1,040,000	1,022,016	37,452		direct assignment
3	PRODUCTION PLANT	0		0		-
4	DISTRIBUTION PLANT:					
5	374 Land and Land Rights	14,580		14,580		-
6	375 Structures and Improvements	203,213		203,213		-
7	376 Meters	11,522,071		11,522,071		-
8	377 Comp. Sta. Eq.	0		0		-
9	378 Mtes. & Reg. Sta. Eq. - Gen	428,700		428,700		-
10	379 Mtes. & Reg. Sta. Eq. - CO	661,130		661,130		-
11	380 Services	2,316,820	2,316,820			100% customer
12	381-382 Meters	1,384,835	1,384,835			-
13	383-384 House Regulators	529,585	529,585			-
14	385 Industrial Mtes. & Reg. Eq.	1,089,585		1,089,585		100% capacity
15	386 Property on Customer Premises	0	0	0	0	ac 374-385
16	387 Other Equipment	171,823	30,895	131,828	0	ac 374-385
17	Total Distribution Plant	18,330,645	4,271,745	14,058,900	0	
18	GENERAL PLANT:	1,671,808	635,953	635,953		50% customer, 50% capacity
19	PLANT ACQUISITIONS:	123,409		123,409		100% capacity
20	GAS PLANT FOR FUTURE USE:	0		0		-
21	OWP:	204,228	47,583	156,635	0	dist. plant
22	TOTAL PLANT	21,370,258	6,157,807	15,212,349	0	

SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 2 of 2-ACCUMULATED DEPRECIATION)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	LOCAL STORAGE PLANT	0	0	0	0	retail plant
2	INTANGIBLE PLANT:	175,244	54,308	120,936	0	ret plant account
3	PRODUCTION PLANT	0		0		"
4	DISTRIBUTION PLANT:					
5	375 Structures and Improvements	14,940	0	14,940	0	"
6	376 Mains	3,333,181	0	3,333,181	0	"
7	377 Compressor Sta. Eq.	0	0	0	0	"
8	378 Mosa. & Reg. Sta. Eq.-Gas	46,882	0	46,882	0	"
9	379 Mosa. & Reg. Sta. Eq.-CG	115,387	0	115,387	0	"
10	380 Services	417,672	417,672	0	0	"
11	381-382 Meters	400,753	400,753	0	0	"
12	383-384 House Regulators	127,976	127,976	0	0	"
13	385 Initial Mosa. & Reg. Sta. Eq.	185,013	0	185,013	0	"
14	386 Property on Customer Premises	0	0	0	0	"
15	387 Other Equipment	33,126	7,720	25,406	0	"
16	Total A.D. on Dist. Plant	4,854,825	954,121	3,700,705	0	
17	GENERAL PLANT	585,440	297,720	297,720	0	general plant
18	PLANT ACQUISITIONS:	123,409	0	123,409	0	plant acquisitions
19	RETIREMENT WORK IN PROGRESS:	67	18	51	0	distribution plant
20	TOTAL ACCUMULATED DEPRECIATION	5,548,280	1,308,164	4,240,116	0	
21	NET PLANT (Plant less Accum. Dep.)	13,821,176	4,851,742	10,969,434	0	
22	less-CUSTOMER ADVANCES	0	0	0		50% cust 50% cap
23	plus-WORKING CAPITAL	(788,028)	(484,817)	(288,738)	(12,471)	oper and maint exp.
24	equals TOTAL RATE BASE	13,033,148	4,366,925	10,680,696	(12,471)	

SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 1 of 2)

A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G CLASSIFIER
1	OPERATIONS AND MAINTENANCE EXPENSES					
2	LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
3	PRODUCTION PLANT	0		0		100% capacity
4	DISTRIBUTION:					
5	870 Operation Supervision & Eng.	297,807	141,301	156,308	0	ac 871-879
6	871 Dist. Load Dispatch	87,553		87,553		100% capacity
7	872 Compr. Sta. Lab. & Ex.	0	0	0	0	ac 377
8	873 Compr. Sta. Fuel & Power	0			0	100% commodity
9	874 Mains and Services	163,784	27,420	136,364	0	ac376+ac380
10	875 Mess. & Reg. Sta. Eq.-Gen	0	0	0	0	ac 378
11	876 Mess. & Reg. Sta. Eq.-Ind.	0	0	0	0	ac 385
12	877 Mess. & Reg. Sta. Eq.-CG	26,873	0	26,873	0	ac 379
13	878 Meter and House Reg.	208,337	208,337	0	0	ac381+ac383
14	879 Leak Investigation	12,033	2,014	10,019	0	ac376+ac380
15	880 Other Expenses	57,808	13,471	44,337	0	ac 387
16	881 Rents	9,430	0	9,430		100% capacity
17	885 Maintenance Supervision	0	0	0	0	ac886-894
18	886 Maint. of Struct. and Improv.	0	0	0	0	ac375
19	887 Maintenance of Mains	135,681	0	135,681	0	ac376
20	888 Maint. of Comp. Sta. Eq.	0	0	0	0	ac 377
21	889 Maint. of Mess. & Reg. Sta. Eq.-Gen	16,202	0	16,202	0	ac 378
22	890 Maint. of Mess. & Reg. Sta. Eq.-Ind.	63,083	0	63,083	0	ac 385
23	891 Maint. of Mess. & Reg. Sta. Eq.-CG	17,998	0	17,998	0	ac 379
24	892 Maintenance of Services	31,030	31,030	0	0	ac 380
25	893 Maint. of Meters and House Reg.	59,312	59,312	0	0	ac381-383
26	894 Maint. of Other Equipment	17,990	4,183	13,767	0	ac387
27	Total Distribution Expenses	1,202,816	485,669	717,150	0	
28	CUSTOMER ACCOUNTS:					
29	901 Supervision	82,974	82,974			100% customer
30	902 Meter-Reading Expense	77,163	77,163			-
31	903 Records, and Collection Exp.	305,768	305,768			-
32	904 Uncollectible Accounts	31,529			31,529	100% commodity
33	905 Misc. Expenses	0	0			100% customer
34	Total Customer Accounts	497,434	465,905	0	31,529	
35	(907-910) CUSTOMER SERV. & INFO. EXP.	5,873	5,873			-
36	(911-916) SALES EXPENSE	205,880	205,880			-
37	(932) MAINT. OF GEN. PLANT	24,917	12,459	12,459	0	general plant
38	(920-931) ADMINISTRATION AND GENERAL	1,510,030	916,271	569,175	24,583	O&M excl. A&G
39	TOTAL O&M EXPENSE	3,448,752	2,091,458	1,266,184	56,112	

SCHEDULE - B (CONT. OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 2 of 2)

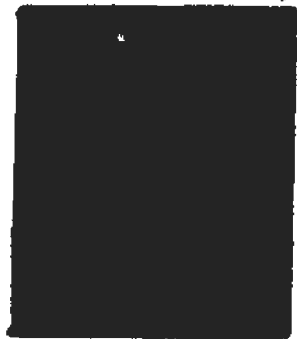
A LINE #	B	C TOTAL	D CUSTOMER	E CAPACITY	F COMMODITY	G REVENUE	H CLASSIFIER
1	DEPRECIATION AND AMORTIZATION EXPENSE						
2	Depreciation Expense	718,288	220,577	408,696	0		net plant
3	Amort. of Other Gas Plant	184,687	100,742	84,405			intangible plant
4	Amort. of Property Loss	0		0			100% capacity
5	Amort. of Limited-term Inv	0	0	0	0		intangible plant
6	Amort. of Acquisition Adj.	0	0	0	0		intermediate plant
7	Amort. of Conversion Costs	0			0		100% commodity
8	Total Deprec. and Amort. Expense	903,975	320,834	583,101	0	0	
9	TAXES OTHER THAN INCOME TAXES						
10	Revenue Related	122,701				122,701	100% revenue
11	Other	503,170	154,303	348,867	0		net plant
12	Total Taxes other than Income Taxes	625,871	154,303	348,867	0	122,701	
13	REV CRDT TO COS (NEG. OF OTHER OPR. REV)	(74,387)	(74,387)				100% customer
14	RETURN (REQUIRED NOB) = 9.00% of ratebase	1,383,281	387,241	987,140	(1,129)		rate base
15	INCOME TAXES	580,317	172,013	418,793	(489)		0 return(cost)
16	TOTAL OVERALL COST OF SERVICE	6,655,750	3,081,480	3,617,088	54,483	122,701	

ORANGE COUNTY UTILITIES CORPORATION
 FLORIDA SERVICE
 FOR THE YEAR ENDED DECEMBER 31, 1988

SCHEDULE - C (COST OF SERVICE)
 DEVELOPMENT OF ALLOCATION FACTORS

Page 1

A LINE #	B ALLOCATION FACTOR	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERMITTENT	I MISC.	J ALLIANCE	K (VCTS)
1	CUSTOMER COSTS									
2	No. of Customers	6,888	7,881	778	23	38	14			
3	Weighting	NA	1	3	10	37	37			
4	Weighted No. of Customers	12,888	7,881	2,888	238	1,448	528			
5	Allocation Factors	1	60.72%	18.52%	1.85%	11.45%	4.14%			
6	CAPACITY COSTS									
7	Peak & Avg. Month Status Vol (Dwms)	13,288,892	388,752	451,282	177,887	1,882,227	2,124,171			
8	Allocation Factors	1	2.93%	3.48%	1.34%	14.51%	16.08%			
9	MAN ALLOCATION DOLLARS	8,888,128	381,281	1,384,878	548,301	1,882,383	1,882,444			
10	Allocation Factors	1	4.31%	15.58%	6.18%	21.18%	21.18%			
11	COMMODITY COSTS									
12	Annual Status Vol (Dwms)	125,888,888	2,388,278	4,828,888	1,788,383	16,838,282	18,887,788			
13	Allocation Factors	1	1.89%	3.88%	1.42%	13.41%	15.01%			
14	REVENUE-RELATED COSTS									
15	Tax on Cost, Cap. & Commod	128,248	42,484	21,283	5,882	24,788	28,884			
16	Allocation Factors	1	33.08%	16.62%	4.58%	19.28%	22.44%			



SCHEDULE - D (COST OF SERVICE)
 ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

LINE #	A	B	C	D	E	F	G	H	I	J	K	L
	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL	INDUSTRIAL	INTERMPT	MC	ALUMINA	LVCTB	ALLOCATOR		
1	RATE BASE BY CUSTOMER CLASS											
2	DIRECT AND SPECIAL ASSIGNMENTS											
3	Customer											
4	Meters	894,142	828,547	149,339	14,952	117,016	42,438					weighted customer
5	Meter Regulators	482,849	253,809	89,257	7,791	47,880	17,357					meter cost
6	Services	1,008,148	1,217,109	332,126	37,172	229,511	85,236					meter cost
7	All Other	1,191,376	679,674	188,416	26,752	126,170	46,499					weighted cost direct
8	Total	4,386,825	2,778,825	758,158	84,626	522,573	186,497					
9	Capacity											
10	Industrial Motor & Reg. Str. Eq	894,893	0	0	28,847	298,352	167,389					meter allocated
11	Meter Str. Eq. Gen	578,811	23,810	31,699	12,489	148,896	148,891					meter allocated
12	Meters	8,188,899	891,291	1,394,875	548,291	1,892,393	1,892,414					meter allocated
13	All Other	1,297,643	73,294	172,871	87,714	249,999	238,899					meter allocated
14	Total	10,860,246	988,394	1,567,775	683,631	2,519,640	2,547,593					
15	Community											
16	Account @	0	0	0	0	0	0	0	0	0	0	
17	Account @	0	0	0	0	0	0	0	0	0	0	
18	Account @	0	0	0	0	0	0	0	0	0	0	
19	All Other	(12,473)	0	0	0	(2,377)	(2,748)					meter cost
20	Total	(12,473)	0	0	0	(2,377)	(2,748)					
21	TOTAL	16,886,188	3,488,889	2,844,881	748,887	5,138,741	2,804,456					

SCHEDULE - E (COST OF SERVICE)
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 2 of 2)

LINE #	A	B	C	D	E	F	G	H	I	J	K	L
	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL	INDUSTRIAL	INTERRUPT	MC	ALUMAX	LVCTS	ALLOCATOR		
1	TAXES OTHER THAN INCOME TAXES											
2	Customer	154,303	97,771	26,000	2,988	18,437	8,888					weighted cost direct
3	Capacity	348,857	24,226	58,289	23,110	92,118	98,197					direct
4	Surgecap	509,179	122,006	82,979	26,906	110,555	98,793					
5	Revenue	122,701	37,112	18,834	5,071	21,852	17,588					see in cost, cap, & comm
6	Total	625,071	281,186	185,894	57,166	332,257	317,548					
7	RETURN (NOI)											
8	Customer	387,241	250,939	68,468	7,653	47,314	17,158					cost rat RB
9	Capacity	887,148	82,325	144,794	58,431	236,888	238,440					cap rat RB / direct
10	Commonality	(1,128)	(31)	(59)	(22)	(215)	(248)					comm rat RB
11	Total	1,383,261	313,202	213,193	67,671	283,987	258,351					
12	INCOME TAXES											
13	Customer	172,013	108,827	29,897	3,324	20,522	7,442					cost rat RB/direct
14	Capacity	418,793	27,328	83,487	28,080	103,878	104,883					cap rat RB/direct
15	Commonality	(488)	(15)	(28)	(11)	(102)	(118)					comm rat RB
16	Total	589,317	136,141	93,156	28,373	124,298	112,318					
17	REVENUE CREDITED TO COS											
18	Customer	(74,387)	(44,832)	(28,755)	0	0	0					direct assignment
19	TOTAL COST OF SERVICE											
20	Customer	3,081,480	1,888,735	501,888	58,761	361,593	131,136					
21	Capacity	3,817,088	267,888	624,488	249,588	952,822	837,756					
22	Commonality	54,483	28,915	8,728	1,054	6,483	2,082					
23	Subtotal	6,952,051	2,185,341	1,135,104	308,418	1,320,898	1,070,974					
24	Revenue	(122,701)	(37,112)	(18,834)	(5,072)	(21,852)	(17,588)					
25	Total	6,829,350	2,148,229	1,116,270	303,346	1,299,046	1,053,386					

SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

A LINE	B	C	D	E	F	G	H	I	J	K
		TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL	INDUSTRIAL	INTERRUPT	SMC	ALUMAX	LVCTS
1	COST OF SERVICE BY CUSTOMER CLASS									
2	CUSTOMER COSTS	3,081,480	1,880,733	501,988	58,761	381,580	131,138			
3	CAPACITY COSTS	3,617,086	287,383	624,480	249,560	952,823	837,798			
4	COMMODITY COSTS	54,483	35,915	9,776	1,064	6,483	2,082			
5	REVENUE COSTS	122,701	37,112	18,824	5,072	21,852	17,568			
6	TOTAL	6,855,780	2,301,183	1,157,858	314,468	1,342,831	1,008,538			
7	less REVENUE AT PRESENT RATES	6,855,780	1,615,035	1,022,427	242,459	1,224,437	824,881			
8	(in the proposed test year)									
9	equals GAS SALES REVENUE DEFICIENCY	(0)	686,148	132,381	72,029	118,084	283,888			
10	plus DEFICIENCY IN OTHER OPERATING REV	0	0	(0)	0	0	0			
11	equals TOTAL BASE REVENUE DEFICIENCY	(0)	686,148	132,381	72,029	118,084	283,888			
12	UNIT COSTS									
13	Customer	28 678884	21 271821	53 882330	212 801785	776 951283	775 851283			
14	Capacity	0 272188	0 787025	1 358813	1 403008	0 802204	0 441488			
15	Commodity	0 000483	0 018229	0 002151	0 000806	0 000081	0 000110			

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2 PRESENT RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H INTERLUPT	I RRC	J ALLMAX	K LVCTS
1	REVENUES (projected last year)									
2	Gas Sales (due to growth)	8,855,750	1,615,035	1,022,427	242,459	1,224,437	824,851			
3	Other Operating Revenue	74,387	44,632	29,755	0	0	0			
4	Total	8,930,137	1,659,667	1,052,182	242,459	1,224,437	824,851			
5	EXPENSES									
6	Purchased Gas Cost	0	0	0	0	0	0			
7	O&M Expenses	3,448,752	1,417,973	627,524	142,120	826,881	452,587			
8	Depreciation Expenses	719,268	171,337	121,646	37,311	146,526	124,787			
9	Amortization Expenses	184,887	98,014	27,437	7,445	26,822	25,149			
10	Taxes Other Than Income—Fixed	503,170	122,006	82,979	26,086	110,556	98,793			
11	Taxes Other Than Income—Revenue	122,701	37,112	18,624	5,072	21,852	17,556			
12	Total Expenses excl. Income Taxes	4,978,558	1,886,441	878,214	218,044	954,238	719,872			
13	INCOME TAXES	580,317	135,626	92,327	29,047	122,983	111,621			
14	NET OPERATING INCOME	1,383,281	(372,402)	81,641	(4,532)	167,207	(5,242)			
15	RATE BASE	16,050,150	3,456,980	2,354,682	740,807	3,136,741	2,831,436			
16	RATE OF RETURN	8.08%	-10.77%	3.47%	-0.63%	5.33%	-0.22%			

SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 2 of 7 PROPOSED RATES)

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL INDUSTRIAL	G INDUSTRIAL	H INTERRUPT	I RMC	J ALUMAX	K LVCTS
1	REVENUES									
2	Gas Sales	8,808,700	1,788,287	1,154,808	314,488	1,342,531	1,088,538			
3	Other Operating Revenue	74,387	44,832	29,755						
4	Total	8,883,137	1,833,119	1,184,563	314,488	1,342,531	1,088,538			
5	EXPENSES									
6	Purchased Gas Cost	0	0	0	0	0	0	0	0	0
7	Other Expenses	3,448,752	1,487,873	837,894	142,120	828,881	452,587			
8	Depreciation Expenses	718,288	171,237	121,648	37,311	148,828	124,787			
9	Amortization Expenses	184,867	88,814	77,487	7,445	28,822	25,148			
10	Taxes Other Than Income—Fixed	503,170	122,886	82,878	28,888	110,568	98,783			
11	Taxes Other Than Income—Revenue	122,701	37,112	18,824	5,072	21,882	17,588			
12	Total Expense and Income Taxes	4,978,568	1,898,441	1,138,731	218,644	1,134,741	718,873			
13	PRE TAX NOI	1,853,578	893,612	308,348	88,444	408,283	368,867			
14	INCOME TAXES (plus on pre tax net)	880,317	28,288	82,870	28,143	123,378	111,421			
15	NET OPERATING INCOME	1,363,261	663,277	213,778	67,301	284,905	257,446			
16	RATE BASE	16,085,180	3,488,880	2,354,882	740,807	3,138,741	2,831,436			
17	RATE OF RETURN	9.08%	-1.89%	9.08%	9.08%	9.08%	9.08%			

COST OF SERVICE SUMMARY
 PROPOSED RATE DESIGN

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERLPT	I MFC	J ALLIANCE	K LUCTS
1	PRESENT RATES (projected last year)									
2	GAS SALES (due to growth)	6,855,750	1,115,035	1,022,427	242,459	1,224,437	824,851			
3	OTHER OPERATING REVENUE	74,387	44,832	29,755	0	0	0			
4	TOTAL	6,930,137	1,689,867	1,052,182	242,459	1,224,437	824,851			
5	RATE OF RETURN	9.05%	10.77%	3.47%	-0.83%	5.33%	-0.22%			
6	INDEX	1.00	1.19	0.38	-0.07	0.58	-0.02			
7	PROPOSED RATES									
8	GAS SALES	6,826,750	1,788,297	1,154,808	314,488	1,342,831	1,088,538			
9	OTHER OPERATING REVENUE	74,387	44,832	29,755	0	0	0			
10	TOTAL	6,901,137	1,812,929	1,184,563	314,488	1,342,831	1,088,538			
11	TOTAL REVENUE INCREASE	(9)	163,262	132,381	72,029	118,094	263,886			
12	PERCENT INCREASE	-0.00%	9.73%	12.58%	29.71%	9.64%	32.03%			
13	RATE OF RETURN	9.08%	-1.88%	9.08%	9.08%	9.08%	9.08%			
14	INDEX	1.00	-0.19	1.00	1.00	1.00	1.00			



COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C TOTAL	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL	G INDUSTRIAL	H INTERRUPT	I M/C	J ALLMAX	K LVCTS
1	PROPOSED TOTAL TARGET REVENUES	6,830,137	1,612,929	1,164,563	314,488	1,342,531	1,088,538			
2	LESS OTHER OPERATING REVENUE	74,387	44,632	29,756	0	0	0			
3	LESS CUSTOMER CHARGE REVENUES									
4	PROPOSED CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00			
5	TIMES NUMBER OF BILLS	102,483	92,178	9,316	276	486	189			
6	EQUALS CUSTOMER CHARGE REVENUES	689,242	646,232	139,740	5,520	18,640	59,150			
7	LESS OTHER NON-THERM-RATE REVENUES									
8	EQUALS PER THERM TARGET REVENUES	5,985,508	1,123,085	1,015,088	308,968	1,323,891	1,029,388			
9	DIVIDED BY NUMBER OF THERMS	125,885,685	1,358,279	4,520,908	1,780,383	16,530,252	19,087,796			
10	EQUALS PER-THERM RATES(UNPRICED)		0.476222	0.224527	0.175511	0.080089	0.053829			
11	PER-THERM RATES(UNPRICED)		0.47622	0.22453	0.17551	0.08009	0.05383			
12	PER-THERM-RATE REVENUES(UNPRICED RATES)	5,688,537	1,123,080	1,016,079	308,967	1,323,908	1,029,405			
13	SUMMARY:PROPOSED TARIFF RATES									
14	CUSTOMER CHARGES		\$7.00	\$15.00	\$20.00	\$40.00	\$350.00			
15	ENERGY CHARGES									
16	NON-GAS (CENTS PER THERM)		\$0.47622	\$0.22453	\$0.17551	\$0.08009	\$0.05383			
17	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18	TOTAL (INCLUDING PGA)		\$0.47622	\$0.22453	\$0.17551	\$0.08009	\$0.05383			
19	SUMMARY:PRESENT TARIFF RATES									
20	CUSTOMER CHARGES		\$6.50	\$15.00	\$20.00	\$40.00	\$350.00			
21	ENERGY CHARGES									
22	NON-GAS (CENTS PER THERM)		\$0.43126	\$0.19532	\$0.13485	\$0.07348	\$0.04032			
23	PURCHASED GAS ADJUSTMENT		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24	TOTAL (INCLUDING PGA)		\$0.43126	\$0.19532	\$0.13485	\$0.07348	\$0.04032			

COST OF SERVICE SUMMARY
 CALCULATION OF PROPOSED RATES

A LINE #	B	C	D RESIDENTIAL	E COMMERCIAL	F COMMERCIAL LARGE VOL.	G INDUSTRIAL	H DISRUPT	I SIC	J ALUMAX	K LVCTS
1	Proposed rates including gross receipts tax		\$0 47822	\$0 22453	\$0 17911	\$0 08008	\$0 05393			
2	Divide by current revenue related tax multiplier		1 01911	1 01911	1 01911	1 01911	1 01911			
3	Unadjusted rate		0 46729	0 22032	0 17222	0 07859	0 05292			
4	Multiply by PSC tax multiplier		1 00376	1 00376	1 00376	1 00376	1 00376			
5	Proposed rates excluding gross receipts tax (1) (2)		<u>0 46805</u>	<u>0 22115</u>	<u>0 17287</u>	<u>0 07889</u>	<u>0 05312</u>			
6	Existing rates		<u>0 43126</u>	<u>0 19032</u>	<u>0 13485</u>	<u>0 07348</u>	<u>0 04852</u>			
7	% increase(decrease) from existing non-tax rate		8 76%	13 22%	26 38%	7 38%	31 75%			

(1) All customers' bills except for special contracts would show full 2.0% gross receipts tax added as a line item.

(2) Special contract customers would be billed according to contract terms. SIC and Alumax rates include all gross receipts taxes. The remaining three special contract customers would continue to be billed as they are currently. The incremental 1% gross receipts tax would be continue to be added to their bills.

Exhibit "3"

Supplemental Cost of Service Data - IMC

(Redacted Version)

(5 pages)

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED RATE BASE AND RETURN

<u>Description</u>		<u>Amount</u>
1	Cost of Plant: Gross investment in plant	[REDACTED]
2	A/D Provision:	[REDACTED]
3	Net Plant	[REDACTED]
4	Working Capital	[REDACTED]
5	Accumulated Deferred	
6	Income Taxes	\$0
7	Deferred Investment Tax Credit	\$0
8	Rate Base	[REDACTED]
9	Long Term Debt	0.00%
10	Common Equity	0.00%
11	Total Return	9.06%

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED INCOME TAXES

<u>Description</u>	<u>Total</u>
1 Rate Base	██████████
2 Return On Rate Base (Line 1 x Rate of Return)	██████████
3 Less: Interest on Debt	██████████
4 Net Income after Taxes	██████████
5 Divide by 1- Tax Rate	<u>0.6237</u>
6 Taxable Income	██████████
7 Income Taxes @ 37.63%	██████████

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

COST OF SERVICE

<u>Cost of Service</u>	<u>Amount</u>
1 Operation & Maintenance	\$ [REDACTED]
2 Depreciation	[REDACTED]
3 Taxes - Other than Income 1/	[REDACTED]
4 Income Taxes	[REDACTED]
5 Return @ 9.06% 2/	[REDACTED]
6 Total Operating Costs	\$ [REDACTED]
7 1996 Throughput	[REDACTED]
8 Operating cost per therm	\$ [REDACTED]

9 NOTES

10 1/ Taxes Other Than Income - Property and Revenue Related

11 1996 Property Tax Expense	\$330,092	Revenue Related Taxes	1.911%
12 13 month average gross plant	\$21,068,321	Projected Revenues	[REDACTED]
13		Revenue Related Taxes	[REDACTED]
14 Average Tax Rate	\$0.0157	Total revenue related taxes	[REDACTED]
15			
16 x Gross Plant	[REDACTED]		
17 Property Tax Expense	[REDACTED]		

18 2/ 9.06% Return is the Company's achieved rate of return from 1996 surveillance report as filed with the FPS.

COST OF SERVICE STUDY
IMC NEW WALES
CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION

ESTIMATED O&M EXPENSES

	<u>Description</u>	<u>Amount</u>
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]

**COST OF SERVICE STUDY
IMC NEW WALES**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

**CAPITALIZATION AS
FILED IN 1998 SURVEILLANCE REPORT**

	<u>Amount</u>	
1	42.58%	Debt
2	<u>57.41%</u>	Common Equity, DIT, ITC, Customer Deps.
3	<u>100.00%</u>	
4	3.2900%	Weighted Average Cost of Service
5	██████████	Rate Base
6	██████████	Interest Expense

Exhibit "4"

Supplemental Cost of Service Data - Alunax

(Redacted Version)

(5 pages)

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED RATE BASE AND RETURN

	<u>Description</u>			<u>Amount</u>
1	Cost of Plant: Gross Investment in plant			
2	A/D Provision:			
3	Net Plant			
4	Working Capital			
5	Accumulated Deferred			
6	Income Taxes			\$0
7	Deferred Investment Tax Credit			\$0
8	Rate Base			
9	Long Term Debt	⊙	0.00%	0
10	Common Equity	⊙	0.00%	0
11	Total Return	⊙	9.05%	

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

ESTIMATED INCOME TAXES

<u>Description</u>	<u>Total</u>
1 Rate Base	██████████
2 Return On Rate Base (Line 1 x Rate of Return)	██████████
3 Less: Interest on Debt	██████████
4 Net Income after Taxes	██████████
5 Divide by 1-Tax Rate	<u>0.6237</u>
6 Taxable Income	██████████
7 Income Taxes @ 37.63%	██████████

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

COST OF SERVICE

<u>Cost of Service</u>	<u>Amount</u>
1 Operation & Maintenance	\$ [REDACTED]
2 Depreciation	[REDACTED]
3 Taxes - Other Than Income 1/	[REDACTED]
4 Income Taxes	[REDACTED]
5 Return ② 9.05% 2/	[REDACTED]
6 Total Operating Costs	\$ [REDACTED]
7 1996 Throughput	[REDACTED]
8 Operating cost per therm	\$ [REDACTED]

9 **NOTES:**

10 1/ Taxes Other Than Income - Property and Revenue Related

11 1996 Property Tax Expense	\$330,092	Revenue Related Taxes	1.911%
12 13 month average gross plant	\$21,088,321	Projected Revenues	[REDACTED]
13		Revenue Related Taxes	[REDACTED]
14 Average Tax Rate	\$0.0157	Total revenue related taxes	[REDACTED]
15			
16 x Gross Plant	[REDACTED]		
17			
18 Property Tax Expense	[REDACTED]		

19 2/ 9.05% Return is the Company's achieved rate of return from 1996 surveillance report as filed with the FPSC.

COST OF SERVICE STUDY
ALUMAX

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION

ESTIMATED O&M EXPENSES

	Description	Amount
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]
28	TOTAL ESTIMATED O & M EXPENSES	[REDACTED]

**COST OF SERVICE STUDY
ALUMAX**

**CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION**

**CAPITALIZATION AS
FILED IN 1996 SURVEILLANCE REPORT**

	<u>Amount</u>	
1	42.89%	Debt
2	<u>57.41%</u>	Common Equity, DIT, ITC, Customer Depts.
3	<u>100.00%</u>	
4	3.2900%	Weighted Average Cost of Service
5	██████████	Rate Base
6	██████████	Interest Expense

Exhibit "5"

Gas Transportation Agreement with IMC - Agrico Company

(Redacted Version)

(14 pages)

GAS TRANSPORTATION AGREEMENT

IMC-AGRICO COMPANY AND CHESAPEAKE UTILITIES CORPORATION

THIS AGREEMENT, entered into this 18 day of November, 1997, between **CHESAPEAKE UTILITIES CORPORATION**, a Delaware corporation, doing business in Florida as Central Florida Gas Company ("Transporter"), and **IMC-AGRICO COMPANY**, a Delaware corporation, ("Shipper"). Transporter and Shipper shall be referred to collectively as the "Parties."

WITNESSETH:

WHEREAS, Transporter operates facilities for the distribution of natural gas in the State of Florida, and

WHEREAS, Shipper has requested that Transporter receive certain quantities of gas for Shipper's account from Florida Gas Transmission Company ("FGT"), as provided herein, transport such quantities on Transporter's distribution system and redeliver same to Shipper's facility located at New Wales, Polk County, Florida (hereinafter referred to as the "Redelivery Point" or "Shipper's Facility"), and Transporter agrees to provide such service in accordance with the terms hereof,

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:

I. DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations, when used in this Agreement and in all exhibits, recitals, and appendices contained or attached to this Agreement are intended to and will mean as follows:

- 1.1 "Btu" means the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.
- 1.2 "Day" means a period of 24 consecutive hours beginning and ending at 9:00 a.m. Central Clock Time (CCT).
- 1.3 "Gas" means natural gas which is in conformance with the quality specifications of FGT's Tariff.
- 1.4 "Maximum Daily Quantity" or "MDQ" means the largest quantity of gas, expressed in dekatherms, that Transporter is obligated to transport and make available for delivery to a Shipper under any applicable Service Agreement or Service Agreements for Firm Transportation Service on any one day.
- 1.5 "Month" means a period beginning at 9:00 a.m. CCT on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- 1.6 "Dekatherm" means 1,000,000 Btu's or ten (10) therms.
- 1.7 "p.s.i.a." means pounds per square inch absolute.
- 1.8 "Receipt Point" means the point at which gas is received by FGT into FGT's system from an upstream service or facility.
- 1.9 "Therm" means a unit of heat equal to 100,000 Btu's.

II. POINTS OF DELIVERY AND REDELIVERY

2.1 Shipper shall cause FGT to deliver to Transporter at the CFG Pierce Station on FGT's system (hereinafter referred to as "the Delivery Point"), the quantities of gas to be transported by Transporter hereunder. Transporter shall have no responsibility for transportation of Shipper's gas prior to receipt of such gas from FGT at the Delivery Point. Transporter shall redeliver such quantities of gas received from FGT for Shipper's account to Shipper's Facility.

III. QUANTITIES

3.1 Subject to the terms and conditions of this Agreement, Transporter agrees to receive from FGT daily at the Delivery Point a quantity of gas up to Shipper's Maximum Daily Quantity ("MDQ"), and Transporter agrees to transport and redeliver equivalent quantities to Shipper at the Redelivery Point. Shipper's MDQ under this Agreement shall be as set forth in Exhibit A to this Agreement, which is incorporated herein by reference and made a part hereof.

IV. SCHEDULING AND BALANCING

4.1 Shipper or Shipper's designee shall be responsible for nominating and scheduling of quantities to be delivered by FGT at the Delivery Point and redelivered by Transporter to Shipper's Facility. Imbalances between quantities scheduled for delivery by FGT to Transporter and/or redelivery by Transporter to Shipper's Facility, and actually delivered and/or redelivered hereunder, shall be resolved in accordance with the applicable provisions of Transporter's Natural Gas Tariff filed with the Florida Public Service Commission ("FPSC").

4.2 Transporter agrees to receive from FGT for Shipper's account at the Delivery Point and redeliver to Shipper's Facility up to 6% of the MDQ listed in Exhibit A per hour, subject to any restrictions imposed by FGT and to the provisions of Articles V and X of this Agreement, and

Shipper agrees to use commercially reasonable efforts to regulate its takes from Transporter's gas distribution system at a daily rate of flow not to exceed 6% of the MDQ listed in Exhibit A per hour, subject to any additional restrictions imposed by FGT or by Transporter pursuant to Articles V and X of this Agreement.

V. CURTAILMENT

5.1 This Agreement in all respects shall be and remain subject to the applicable provisions of the General Rules and Regulations of Chesapeake's Natural Gas Tariff, as they specifically apply to curtailment, and as approved by the FPSC or its appropriate successor agency or authority, all of which are made a part hereof by this reference.

VI. TITLE, CONTROL AND INDEMNIFICATION

6.1 Shipper warrants that it will have good and merchantable title to all gas delivered by FGT to Transporter for Shipper's account at the Delivery Point. Shipper will indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses, due to Shipper's failure to satisfy its obligations under this Agreement, arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees or charges which are applicable prior to the time of delivery of said gas to Transporter or after redelivery by Transporter to Shippers. Similarly, Transporter will indemnify Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses, due to Transporter's failure to satisfy its obligations under this Agreement, arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees or charges which are applicable while said gas is in Transporter's possession and control prior to the time of redelivery of said gas to Shipper. In the event any adverse claim, resulting from failure of

Shipper to satisfy its obligations under this Agreement, in respect to said gas is asserted, or Shipper breaches its warranty herein, Transporter shall not be required to perform or, subject to receipt of any necessary regulatory authorization, to continue service hereunder for Shipper until such claim has been finally determined; provided, however, Shipper may receive service if (i) in the case of an adverse claim Shipper furnishes a bond to Transporter, in the amount of such claim and with sureties satisfactory to Transporter, conditioned for the protection of Transporter with respect to such claim; or (ii) in the case of a breach of warranty, Shipper furnishes satisfactory evidence of its title to Transporter.

6.2 Transporter shall be deemed to be in control and possession of the gas to be transported by it upon delivery of such gas by FGT to Transporter for Shipper's account at the Delivery Point and until it shall have been redelivered to Shipper at the Redelivery Point; and Shipper shall be deemed to be in control and possession of such gas prior to such delivery to Transporter and after such redelivery to Shipper. Each party, while deemed to be in control and possession of such gas, shall be responsible for, and shall indemnify and hold the other harmless from, any and all claims, actions, suits, and costs including attorney's fees, arising out of or relating in any way to custody and control of such gas.

VII. RATE

7.1 The transportation rate to be charged for gas received, transported and redelivered hereunder by Transporter shall be as set forth in Exhibit B to this Agreement, which is incorporated herein by reference and made a part hereof. The rates, as set forth in Exhibit B, have been negotiated between the Parties and include only Transporter's Delivery charge per dekatherm of gas transported and redelivered under this Agreement and do not include any charges for transportation service by

FGT or any other upstream pipeline transporter transporting Shipper's gas prior to delivery to Transporter at the Delivery Point. The rates provided in Exhibit B are subject to the continuing jurisdiction of the FPSC and may be adjusted during the term of this Agreement, as provided herein.

7.2 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase any present tax or levy any additional tax, relating to the service provided by Transporter under this Agreement, any such additional tax actually paid by Transporter shall be computed on a cents per dekatherm basis and added to the then effective rate hereunder. If this should happen, then Shipper has the right to cancel this Agreement and not prejudice any other arrangements made by Shipper. If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should decrease or eliminate any tax paid by Transporter relating to the service provided by Transporter under this Agreement, the reduction in such tax shall be computed on a cents per dekatherm basis and subtracted from the then effective rate hereunder.

VIII. TERM

8.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective on the first day of the first month after the date that Transporter gives Shipper written notice of the approval of the FPSC, and shall continue in full force and effect through July 31, 2000. Thereafter, the Agreement shall be extended on a year-to-year basis unless terminated by either Party, with at least six (6) months written notice to the other Party prior to the termination date or in accordance with other provisions of this contract or otherwise in accordance with the Parties' rights under applicable law.

8.2 The Parties understand that this contract is subject to the approval of the FPSC. As such, in order to maintain certain competitive conditions, the Parties will file this contract with the FPSC, under the rules governing confidentiality. It is understood and agreed to by the Parties that this contract contains confidential business information which would cause irreparable harm to the Parties if such information is disclosed to the general public. Therefore, in its filing with the FPSC, Transporter will request confidential treatment for, at a minimum, the portions of this contract, including any terms, conditions and rates, which differ from Transporter's approved FPSC tariff.

IX. TRANSPORTER'S TARIFF PROVISIONS

9.1 Subsections 3 through 6, 8 through 11, and 13 through 21 of the General Rules and Regulations of Transporter's Natural Gas Tariff filed with the FPSC, including any amendments thereto during the term of this Agreement, are hereby incorporated into this Agreement and made a part hereof for all purposes. In the event of any conflict between said provisions of Transporter's FPSC Tariff and specific provisions of this Agreement, the latter shall prevail, in the absence of an FPSC order to the contrary.

X. MISCELLANEOUS PROVISIONS

10.1 Notices and other communications. Any notice, request, demand, statement or payment provided for in this Agreement, unless otherwise specified, shall be sent to the Parties hereto at the following addresses:

Shipper: IMC-Agrico Company
2345 Waukegan Road
Suite E-200
Bannockburn, Illinois 60015-5516

Attention: Sonny Davis

Facsimile: (847) 607-3426

Transporter: Central Florida Gas Company
1015 Sixth Street, N. W.
Winter Haven, FL 33881

Attention: Florida Regional Manager

Facsimile: (941) 294-3895

10.2 **Headings.** All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the Parties in identification of the provisions hereof and shall not affect any construction or interpretation of this Agreement.

10.3 **Entire Agreement.** This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, and it supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. No party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

10.4 **Amendments.** Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Party against which enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in (a) the place to which notices pursuant to this Agreement must be sent or (b) the individual designated as the Contact Person pursuant to section 10.1 shall not be deemed nor

require an amendment of this Agreement provided such change is communicated in accordance with section 10.1 of this Agreement. Further, the Parties expressly acknowledge that the limitations on amendments to this Agreement set forth in this section shall not apply to or otherwise limit the effectiveness of amendments which are necessary to comply with the requirements of the FPSC or its successor agency or authority.

10.5 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided however that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

10.6 Waiver. No waiver of any of the provisions of the Agreement shall be deemed to be, nor shall it constitute, a waiver of any other provision whether similar or not. No single waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.7 Independent Parties. Transporter and the Shipper shall perform hereunder as independent parties and neither Transporter or the Shipper is in any way or for any purpose, by virtue of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including, without limitation, the establishing of any type of duty, standard of care or liability with respect to any third person.

10.8 Assignment and Transfer. No assignment of this Agreement by either party may be made without the prior written approval of the other party (which approval shall not be unreasonably

withheld) and unless the assigning or transferring party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring party, and upon such assignment or transfer and assumption of the duties and obligations, the assigning or transferring party shall furnish or cause to be furnished to the other party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

10.9 Governmental Authorizations; Compliance with Law. This Agreement shall be subject to all valid applicable state, local and federal laws, orders, directives, rules and regulations of any governmental body, agency or official having jurisdiction over this Agreement and the transportation of gas hereunder. Transporter and Shipper shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Shipper shall indemnify Transporter for any claims, demands, actions, liabilities, judgments, losses, damages, expenses, costs, penalties, and fines arising from the Shipper's failure to comply as required under this Agreement. Transporter shall indemnify Shipper for any claims, demands, actions, liabilities, judgments, losses, damages, expenses, costs, penalties, and fines arising from the Transporter's failure to comply as required under this Agreement. Transporter and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each party shall proceed with diligence to file any necessary applications with any governmental authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any such law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be

construed to require either party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the FPSC over this Agreement or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 10.9, Transporter shall continue to transport and Shipper shall continue to take gas pursuant to the terms of this Agreement. In the event any law, order, directive, rule, or regulation shall prevent either party from performing hereunder, then neither party shall have any obligation to the other during the period that performance is precluded.

10.10 Law Governing Agreement; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

10.11 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.

10.12 Specifically Superseded Agreements. This Agreement, on the Effective Date, supersedes and cancels the previous gas transportation agreement between the parties dated: January 18, 1995.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

WITNESS:

Name

WITNESS:

Thomas L. Goffney
Name

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.,
a Delaware corporation as
its managing general partner.

By: Hermann H. Wittje

Name: Hermann H. Wittje

Title: VP Strgc. Sourcing & By-Product Mktg.

TRANSPORTER:

CHESAPEAKE UTILITIES CORPORATION,
a Delaware Corporation

By: Stephen C. Thompson

Name: Stephen C. Thompson

Title: Vice President

**EXHIBIT A
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND IMC-AGRICO COMPANY**

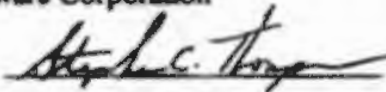
Maximum Daily Quantities

The Maximum Daily Quantities (MDQ), in dekatherms, available for shipper are as follows:

<u>MONTH</u>	<u>MDQ</u>
JANUARY	
FEBRUARY	
MARCH	
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	

TRANSPORTER:

Chesapeake Utilities Corporation,
a Delaware Corporation

By: 

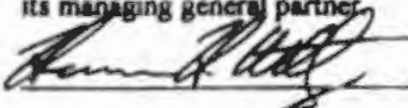
Name: Stephen C. Thompson

Title: Vice President

Date: November 18, 1997

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.
A Delaware corporation as
its managing general partner
By: 

Name: Hermann H. Wittje

Title: VP Sr. Srvc. Sourcing & By-Product Mktg.

Date: November 14, 1997

**EXHIBIT B
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION AND
IMC-AGRICO COMPANY**

Transportation Rates

The rates to be charged for each dekatherm of gas delivered to Shipper's facility under this Agreement shall be as follows:

<u>Monthly Quantity</u>	<u>Rate per Dekatherm</u>
All Dekatherms	

TRANSPORTER:

Chesapeake Utilities Corporation,
a Delaware Corporation

By: 

Name: Stephen L. Thompson

Title: Vice President

Date: November 18, 1997

SHIPPER:

IMC-Agrico Company, a
Delaware general partnership

By: IMC-Agrico MP, Inc.,
a Delaware corporation as
its managing general partner

By: 

Name: Hermann H. Wittje

Title: VP Srgc. Sourcing & By-Product Mktg.

Date: November 14, 1997

Exhibit "6"

Gas Transportation Agreement with Alumax Extrusions, Inc.

(Redacted Version)

(15 pages)

GAS TRANSPORTATION AGREEMENT

ALUMAX EXTRUSIONS, INC AND CHESAPEAKE UTILITIES CORPORATION

Set

THIS AGREEMENT, entered into this 19 day of November, 1997, between **CHESAPEAKE UTILITIES CORPORATION**, a Delaware corporation, doing business in Florida as **Central Florida Gas Company** ("Company"), and **ALUMAX EXTRUSIONS, INC**, a ~~Delaware~~ ^{Pennsylvania} corporation, ("Shipper"). Company and Shipper shall be referred to collectively as the "Parties."

WITNESSETH:

WHEREAS, Company operates facilities for the distribution of natural gas in the State of Florida; and

WHEREAS, Shipper has requested that Company receive certain quantities of gas for Shipper's account from Florida Gas Transmission Company ("FGT") or any other interstate pipeline, as provided herein, transport such quantities on Company's distribution system and redeliver same to Shipper's facility located at Plant City Airport Industrial Park, Hillsborough County, Florida (hereinafter referred to as the "Redelivery Point" or "Shipper's Facility"), and Company agrees to provide such service in accordance with the terms hereof;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows.

L. DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations, when used in this Agreement and in all exhibits, recitals, and appendices contained or attached to this Agreement are intended to and will mean as follows:

- 1.1 "Btu" means the amount of heat required to raise the temperature of one pound of water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at a constant pressure of 14.73 p.s.i.a.
- 1.2 "Day" means a period of 24 consecutive hours beginning and ending at 9:00 a.m. Central Clock Time (CCT).
- 1.3 "Gas" means natural gas which is in conformance with the quality specifications of FGT's Taru.
- 1.4 "Maximum Daily Quantity" or "MDQ" means the largest quantity of Gas, expressed in dekatherms, that Company is obligated to transport and make available for delivery to Shipper under this Agreement on any one day.
- 1.5 "Month" means a period beginning at 9:00 a.m. CCT on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- 1.6 "Dekatherm" means 1,000,000 Btus or ten (10) therms.
- 1.7 "p.s.i.a." means pounds per square inch absolute.
- 1.8 "Receipt Point" means the point at which Gas is received by FGT into FGT's system from an upstream service or facility.
- 1.9 "Therm" means a unit of heat equal to 100,000 Btus.

II. POINTS OF DELIVERY AND REDELIVERY

2.1 Shipper shall cause FGT to deliver to Company at the Plant City delivery point on FGT's system (hereinafter referred to as "the Delivery Point"), the quantities of Gas to be transported by Company hereunder. Company shall have no responsibility for transportation of Shipper's Gas prior to receipt of such Gas from FGT at the Delivery Point. Company shall, on a firm basis, redeliver pursuant to the terms hereof such quantities of Gas received from FGT for Shipper's account to Shipper's Facility.

III. QUANTITIES

3.1 Subject to the terms and conditions of this Agreement, Company agrees to receive from FGT daily at the Delivery Point a quantity of Gas up to Shipper's Maximum Daily Quantity ("MDQ"), and Company agrees to transport and redeliver equivalent quantities to Shipper at the Redelivery Point. Shipper's MDQ under this Agreement shall be as set forth in Exhibit A to this Agreement, which is incorporated herein by reference and made a part hereof.

IV. SCHEDULING AND BALANCING

4.1 Shipper shall be responsible for nominating and scheduling of quantities to be delivered by FGT at the Delivery Point and redelivered by Company to Shipper's Facility. Imbalances between quantities scheduled for delivery by FGT to Company and/or redelivery by Company to Shipper's Facility, and actually delivered and/or redelivered hereunder, shall be resolved in accordance with the applicable provisions of Company's Natural Gas Tariff filed with the Florida Public Service Commission ("FPSC").

4.2 The Parties hereto recognize the desirability of maintaining a uniform rate of flow of Gas to Shipper's Facility over each 24-hour period and each day throughout each month.

Therefore, Company agrees to receive from FGT for Shipper's account at the Delivery Point and redeliver to Shipper's Facility up to 5% of the MDQ listed in Exhibit A per hour, subject to any restrictions imposed by FGT and to the provisions of Articles V and X of this Agreement, and Shipper agrees to use commercially reasonable efforts to regulate its takes from Company's gas distribution system at a daily rate of flow not to exceed 5% of the MDQ listed in Exhibit A per hour, subject to any additional restrictions imposed by FGT or by Company pursuant to Articles V and X of this Agreement.

V. CURTAILMENT

5.1 This Agreement in all respects shall be and remain subject to the applicable provisions of the General Rules and Regulations of Company's Natural Gas Tariff, as they specifically apply to curtailment, and as approved by the FPSC or its appropriate successor agency or authority, all of which are made a part hereof by this reference.

5.2 In the event Company issues a curtailment order due to conditions on Company's system, the Company agrees to keep Shipper whole with respect to the actual cost incurred for the quantity of Gas scheduled to the Plant City facility and all FGT transportation charges related to said quantity of Gas scheduled. Shipper agrees to make all reasonable efforts to minimize the quantity of Gas scheduled during a curtailment event.

VI. TITLE, CONTROL AND INDEMNIFICATION

6.1 Shipper warrants that it will have good and merchantable title to all Gas delivered by FGT to Company for Shipper's account at the Delivery Point. Shipper will indemnify Company and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses arising out of the adverse claim of any person or

persons to said Gas for any taxes, licenses, fees or charges which are applicable prior to the time of delivery of said Gas to Company or after redelivery by Company to Shipper. Similarly, Company will indemnify Shipper and save it harmless from all suits, actions, debts, accounts, damages, costs including reasonable attorney's fees, losses, and expenses arising out of the adverse claim of any person or persons to said Gas for any taxes, licenses, fees or charges which are applicable while said Gas is in Company's possession and control prior to the time of redelivery of said Gas to Shipper. In the event any adverse claim in respect to said Gas is asserted, or Shipper breaches its warranty herein, Company shall not be required to perform or, subject to receipt of any necessary regulatory authorization, to continue service hereunder for Shipper until such claim has been finally determined; provided, however, Shipper may receive service if (i) in the case of an adverse claim, Shipper furnishes a bond to Company, in the amount of such claim and with sureties satisfactory to Company, conditioned for the protection of Company with respect to such claim; or (ii) in the case of a breach of warranty, Shipper furnishes satisfactory evidence of its title to Company.

6.2 Company shall be deemed to be in control and possession of the Gas to be transported by it upon delivery of such Gas by FGT to Company for Shipper's account at the Delivery Point and until it shall have been redelivered to Shipper at the Redelivery Point; and Shipper shall be deemed to be in control and possession of such Gas prior to such delivery to Company and after such redelivery to Shipper. Each party, while deemed to be in control and possession of such Gas, shall be responsible for, and shall indemnify and hold the other harmless from, any and all claims, actions, suits, and costs including attorney's fees, arising out of or relating in any way to custody and control of such Gas.

6.3 While on or traveling to and from Shipper's Plant City property, the Company assumes the risk of, and shall indemnify and save harmless the Shipper, its officers, directors, and employees against all claims and actions, losses, costs, fines, penalties and damages to property or to the environment and/or injury, to persons (including death) arising out of, resulting from, or based upon the negligent acts or omissions of the Company or anyone acting under its direction or control or in its behalf and all expenses (including legal and investigation fees) incidental thereto.

VII. RATE

7.1 The transportation rate to be charged for Gas received, transported and redelivered hereunder by Company shall be as set forth in Exhibit B to this Agreement, which is incorporated herein by reference and made a part hereof. The rates, as set forth in Exhibit B, have been negotiated between the Parties and include only Company's Delivery charge per dekatherm of Gas transported and redelivered under this Agreement and do not include any charges for transportation service by FGT or any other upstream pipeline transporter transporting Shipper's Gas prior to delivery to Company at the Delivery Point. The rates provided in Exhibit B are subject to the continuing jurisdiction of the FPSC and may be adjusted during the term of this Agreement, but only as may be required pursuant to Section 7.2 hereof or by an Order of the FPSC. The Company agrees that it will not file with the FPSC to increase the rates in Exhibit B during the term of this contract.

7.2 If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should increase any present tax or levy any additional tax, relating to the service provided by Company under this Agreement, any such

additional tax actually paid by Company shall be computed on a cents per dekatherm basis and added to the rates set forth in Exhibit B hereof, provided that any such additional tax or levy may legally be passed on to Shipper. If, during the term of this Agreement, the Federal Government, or any State, municipality or subdivision of such Government, should decrease or eliminate any tax paid by Company relating to the service provided by Company under this Agreement, the reduction in such tax shall be computed on a cents per dekatherm basis and subtracted from the then effective rate hereunder.

VIII. TERM

8.1 Subject to all other provisions, conditions, and limitations hereof, this Agreement shall be effective on the first day of the first month after the date that Company gives Shipper written notice of the approval of the FPSC provided however, that Shipper has received a copy of such approval order and such order is acceptable in form and substance to both Parties, and shall continue in full force and effect through December 31, 2002. Thereafter, the Agreement shall be extended on a year-to-year basis unless terminated by either Party, with at least six (6) months written notice to the other Party prior to the termination date. In the event that any order received from the FPSC has materially changed the content of this Agreement and is not acceptable to either Party, such Party shall have the right to either terminate this Agreement or renegotiate the terms hereof.

8.2 The Parties understand that this contract is subject to the approval of the FPSC. As such, in order to maintain certain competitive conditions, the Parties will file this contract with the FPSC, under the rules governing confidentiality. It is understood and agreed to by the Parties that this contract contains confidential business information which would cause irreparable harm

to the Parties if such information is disclosed to the general public. Therefore, in its filing with the FPSC, Company will request confidential treatment for, at a minimum, the portions of this contract, including any terms, conditions and rates, which differ from Company's approved FPSC tariff.

IX. COMPANY'S TARIFF PROVISIONS

9.1 **Subsections 3 through 6, 8 through 11, and 13 through 21 of the General Rules and Regulations of Company's Natural Gas Tariff filed with the FPSC, including any amendments thereto during the term of this Agreement, are hereby incorporated into this Agreement and made a part hereof for all purposes. In the event of any conflict between said provisions of Company's FPSC Tariff and specific provisions of this Agreement, the latter shall prevail, in the absence of an FPSC order to the contrary.**

X. MISCELLANEOUS PROVISIONS

10.1 **Notices and other communications. Any notice, request, demand, statement or payment provided for in this Agreement, unless otherwise specified, shall be sent to the Parties hereto at the following addresses:**

**Shipper: Aluma- Extrusions, Inc.
1650 Alumax Circle
Plant City, FL 33567

Attention: Controller

Facsimile: (813) 719-3438**

Co. ,any: Central Florida Gas Company
1015 Sixth Street, N.W.
Winter Haven, FL 33881

Attention: Florida Regional Manager

Facsimile: (941) 294-3895

10.2 Headings. All article headings, section headings and subheadings in this Agreement are inserted only for the convenience of the Parties in identification of the provisions hereof and shall not affect any construction or interpretation of this Agreement.

10.3 Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date of its execution by both parties, and it supersedes any and all prior negotiations, agreements and understandings with respect to the subject matter hereof. No party shall be bound by any other obligations, conditions or representations with respect to the subject matter of this Agreement.

10.4 Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Party against which enforcement of the termination, amendment, supplement, waiver or modification shall be sought. A change in (a) the place to which notices pursuant to this Agreement must be sent or (b) the individual designated as the Contact Person pursuant to section 10.1 shall not be deemed nor require an amendment of this Agreement provided such change is communicated in accordance with section 10.1 of this Agreement. Further, the Parties expressly acknowledge that the limitations on amendments to this Agreement set forth in this section shall not apply to or otherwise limit the effectiveness of amendments which are necessary to comply with the requirements of, or are otherwise approved by FPSC or its successor agency

or authority.

10.5 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision, provided however that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

10.6 Waiver. No waiver of any of the provisions of the Agreement shall be deemed to be, nor shall it constitute, a waiver of any other provision whether similar or not. No single waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

10.7 Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other party.

10.8 Independent Parties. Company and the Shipper shall perform hereunder as independent parties and neither Company or the Shipper is in any way or for any purpose, by virtue of this Agreement or otherwise, a partner, joint venturer, agent, employer or employee of the other. Nothing in this Agreement shall be for the benefit of any third person for any purpose, including, without limitation, the establishing of any type of duty, standard of care or liability with respect to any third person.

10.9 Assignment and Transfer. No assignment of this Agreement by either party may be made without the prior written approval of the other party (which approval shall not be unreasonably withheld) and unless the assigning or transferring party's assignee or transferee shall

expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring party, and upon such assignment or transfer and assumption of the duties and obligations, the assigning or transferring party shall furnish or cause to be furnished to the other party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

10.10 Governmental Authorizations, Compliance with Law. This Agreement shall be subject to all valid applicable state, local and federal laws, orders, directives, rules and regulations of any governmental body, agency or official having jurisdiction over this Agreement and the transportation of Gas hereunder. Company and Shipper shall comply at all times with all applicable federal, state, municipal, and other laws, ordinances and regulations. Company and/or Shipper will furnish any information or execute any documents required by any duly constituted federal or state regulatory authority in connection with the performance of this Agreement. Each party shall proceed with diligence to file any necessary applications with any governmental authorities for any authorizations necessary to carry out its obligations under this Agreement. In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any such law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the FPSC over this Agreement or any part thereof. In the event of such contestation, and unless otherwise prohibited from doing so under this Section 10.10, Company shall continue to transport and Shipper shall continue to take Gas pursuant to the terms of this Agreement. In

the event any law, order, directive, rule, or regulation shall prevent either party from performing hereunder, then neither party shall have any obligation to the other during the period that performance is precluded.

10.11 Law Governing Agreement; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. The venue for any action, at law or in equity, commenced by either party against the other and arising out of or in connection with this Agreement shall be in a court of the State of Florida having jurisdiction.

10.12 Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original instrument as against any party who has signed it.

10.13 Specifically Superseded Agreements. This Agreement, on the Effective Date, supersedes and cancels the previous gas transportation agreement between the parties dated: January 30, 1995.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

WITNESS:

Kay A. Russell
Name

SHIPPER:

ALLMAX EXTRUSIONS, INC.
A Delaware Corporation

By: William D. Kramer

Name: William D. Kramer
Vice President &

Title: Chief Operating Officer-U.S. Operations

WITNESS:

Dora M. Bayer
Name

COMPANY:

CHESAPEAKE UTILITIES CORPORATION,
a Delaware Corporation

By: Stephen C. Thompson

Name: Stephen C. Thompson

Title: Vice President

EXHIBIT A
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND
ALUMAX EXTRUSIONS, INC.

Maximum Daily Quantities

The Maximum Daily Quantities (MDQ), in dekatherms, available for shipper are as follows:

<u>MONTH</u>	<u>MDQ</u>
JANUARY	
FEBRUARY	
MARCH	
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	

Company:

Chesapeake Utilities Corporation

By: Steph L. Thoy

Title: Vice President

Date: 11/20/97

Shipper:

Alumax Extrusions, Inc.

By: Neil [Signature]
Vice President &

Title: Chief Operating Officer-U.S. Operation

Date: November 19, 1997

**EXHIBIT B
TO
GAS TRANSPORTATION AGREEMENT
BETWEEN
CHESAPEAKE UTILITIES CORPORATION
AND
ALUMAX EXTRUSIONS, INC.**

Transportation Rates

The rates to be charged for each dekatherm of Gas transported under this Agreement shall be as follows:

Rate per Dekatherm



In addition to the charge stated above per dekatherm, there will be a Monthly Meter Charge of \$40 per meter located at the Plant City facility per month.

Company:

Chesapeake Utilities Corporation

By: Stephen C. Thayer

Title: Vice President

Date: 11/20/97

Shipper:

Alumax Extrusions, Inc.

By: Will [Signature]

Title: Vice President & Chief Operating Officer-U.S. Operations

Date: November 19, 1997