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OF COUNSEL
THOMAS F. WOODS

January 12, 1998

ORIGINAL

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

HAND DELIVERY

RE: Docket No. 980002-EG
Conservation Cost Recovery Clause

Dear Ms. Bayo:

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

1. Petition for Approval of Conservation Cost Recovery Factors;
2. Direct Testimony of Beverly A. Bauck;
2. Exhibit BAH-2;
3. our Certificate of Service.

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

ACK _____
 AFA Vandena
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG 1 WLS/cas Enclosures
 LIN 3 + orig test
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____

Sincerely,

Wayne L. Schiefelbein
 Wayne L. Schiefelbein

Petition DOCUMENT NUMBER-DATE
 00574 JAN 12 98

Bauck Deph DOCUMENT NUMBER-DATE
 00575 JAN 12 98

FDDC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause.)
_____)

DOCKET NO. 980002-EG

FILED: January 12, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Chesapeake Utilities Corporation's Petition for Approval of Conservation Cost Recovery Factors; Direct Testimony of Beverly A. Bauck; Exhibit BAB-2; and this Certificate of Service have been furnished by hand-delivery on this 12th day of January, 1998 to **WILLIAM COCHRAN KEATING, IV, ESQ.**, Division of Legal Services, Florida Public Service Commission, Gunter Building, Room 370, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and by regular U.S. Mail to the following:

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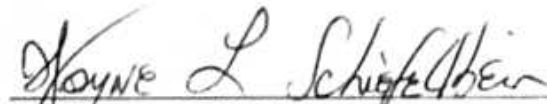
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Attorneys for Chesapeake Utilities
Corporation

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re. Conservation-Cost Recovery

Docket No. ~~980002-EG~~

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

CHESAPEAKE UTILITIES CORPORATION, pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its conservation cost recovery factors listed hereinbelow to be applied to bills rendered for meter readings taken between April 1, 1998 and March 31, 1999. In support hereof, Chesapeake states:

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

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

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

Wayne L. Schiefelbein
Gatlin, Schiefelbein, & Cowdery
3301 Thomasville Road, Suite 300
Tallahassee, Florida 32312

3. The conservation cost recovery factors were calculated in accordance with the methodology which has been previously approved by the Commission. The factors are designed to recover the projected conservation program expenses of Chesapeake Utilities Corporation for the period October 1, 1998 through March 31, 1999, adjusted for the net true-up (which includes the estimated conservation true-up for the period April 1, 1998 through September 30, 1998), as well as interest calculated in accordance with the

DOCUMENT NUMBER-DATE

00574 JAN 12 89

FPSC-RECORDS/REPORTING

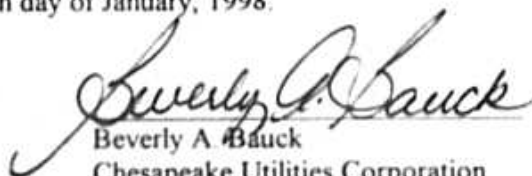
methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in the prepared testimony of Chesapeake Utilities Corporation witness Beverly A. Bauck.

4. Chesapeake Utilities Corporation projects total conservation program expenses, net of all program revenues, of \$127,444 for the period October 1, 1998 through March 31, 1999. The net true-up is an underrecovery of \$173,113. After adding the projected conservation expenses to the amount of this underrecovery, a total of \$300,557 remains to be recovered during the April, 1998 through March, 1999 period. Dividing this total among Chesapeake's firm rate classes and then dividing this result by the projected firm gas retail sales for the period by rate classification, and expanding for taxes, results in the following conservation adjustment factors for which Chesapeake Utilities Corporation seeks approval in this petition.

Rate Class	Adjustment Factor (cents per therm)
GS Residential	4.995
GS Commercial	1.575
GS Commercial LV	.955
GS Industrial	.527
Firm Transportation	.509

WHEREFORE, CHESAPEAKE UTILITIES CORPORATION prays the Commission will grant this petition, and approve the above conservation adjustments factors to be applied to bills rendered for meter reading taken between April 1, 1998 and March 31, 1999, inclusive.

RESPECTFULLY submitted this 12th day of January, 1998.


Beverly A. Bauck
Chesapeake Utilities Corporation
Florida Division
1015 NW 6th Street
Winter Haven, Florida 33882
(941) 293-1208