

ORIGINAL

RUDEN
MCCLOSKEY
SMITH
SCHUSTER &
RUSSELL, P.A.

215 SOUTH MONROE STREET
SUITE 815
TALLAHASSEE, FLORIDA 32301
TELEPHONE (850) 681-9027
FAX (850) 224-2012
E-MAIL WLS@RUDEN.COM

SEP 21 1998
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September 21, 1998

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

HAND DELIVERY

Re: Petition by the Florida Division of Chesapeake Utilities Corporation for Authority to Implement Proposed Flexible Gas Service Tariff and Revise Certain Tariff Sheets; Docket No. 980895-GU

Dear Ms. Bayo:

Enclosed for filing on behalf of Chesapeake Utilities Corporation for filing in the above docket are an original and fifteen (15) copies of a new version of Original Sheet No. 71.6.

Further, Chesapeake Utilities Corporation hereby withdraws Original Sheets Nos. 71.6 and 71.8 as filed on July 15, 1998 with the above-referenced petition.

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

Sincerely,



Wayne L. Schiefelbein

CFE _____
CFR _____
EAG Brown PPSC BUREAU OF RECORDS

LE _____
LW _____
WLS/ka _____
Enclosures
cc: Grace Jaye, Division of Legal Services
SE _____ Wayne Makin, Division of Electric & Gas
WAS _____ Beth Salak, Division of Auditing and Financial Analysis
OTH _____

DOCUMENT NUMBER-DATE

10370 SEP 21 98

Florida Division
Original Volume No. 2

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98 SEP 21 PM 3:14 Original Sheet No. 71.6

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FLEXIBLE GAS SERVICE
Rate Schedule FGS

OBJECTIVE

The objective of this service classification is to enable the Company the opportunity to compete in markets where natural gas service is not a monopoly service. It is designed to increase load by working with customers with regard to the specific terms and conditions of service. Although the primary purpose of the flexible gas service schedule is to attract new customers, the Company shall not be precluded from using the schedule to keep existing customers from leaving its system.

To the extent that the Company enters into flexible gas service agreements with customers, the Company is at risk for the capital investment necessary to serve the flexible gas service tariff customers, not the general body of ratepayers. With the exception of pipeline safety requirements, the agreement between the Company and the flexible gas service tariff customers, including rates, terms, and conditions of service, is not subject to regulation by the Florida Public Service Commission.

APPLICABILITY

This service is available at the Company's option to customer(s) meeting the applicability standards, which include (1) The customer must provide the Company with a viable economic energy alternative including verifiable documentation of customer alternative and (2) the Company must demonstrate that this customer will not cause any additional cost to the Company's other rate classes. The Company is under no obligation to grant service under this tariff. Absent a service agreement with the Company under this rate schedule, customers are under no obligation to accept service under this rate schedule, and may elect to receive service under other applicable tariff rate schedules.

Terms of service under this rate schedule, including pressure, capital repayment, operating conditions and length of service are separately set forth in individual agreements between the Company and the Customers.

Issued by: John R. Schimkaitis, President
Chesapeake Utilities Corporation

Effective: