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January 12, 1999

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

**HAND DELIVERY**

Re: Docket No. 9<sup>9</sup>0002-EG  
Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed on behalf of Chesapeake Utilities Corporation for filing in the above docket are an original and fifteen (15) copies of the following:

1. Preliminary Statement of Issues and Positions; 00437-99
2. Prehearing Statement; and 00438-99
3. our Certificate of Service.

ACK Also enclosed, pursuant to Rule 25-22.028(1), Florida  
AFA Administrative Code, is Chesapeake Utilities Corporation's  
APP Prehearing Statement on diskette formatted in Windows 3.1,  
APP WordPerfect 6.1.

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

EAG *Ballerger*

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OPC \_\_\_\_\_  
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SEC WLS/l dv  
ENCLOSURES  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

Sincerely,

*Wayne L. Schiefelbein*

Wayne L. Schiefelbein

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery ) DOCKET NO. 980002-EG  
Clause. )  
\_\_\_\_\_ ) FILED: January 12, 1999

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Chesapeake Utilities Corporation's Preliminary Statement of Issues and Positions, and Prehearing Statement have been furnished by hand-delivery on this 12th day of January, 1999 to **GRACE JAYE, 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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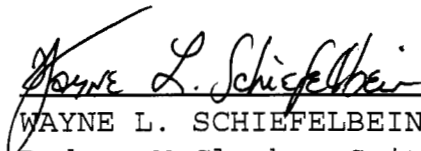
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Utilities Corporation

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)  
Recovery Clause )

Docket Number 990002-EG

CHESAPEAKE UTILITIES CORPORATION

PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

Chesapeake Utilities Corporation ("CUC") hereby submits its preliminary statement of issues and positions.

1. What is the appropriate final end of period true-up amount for the period October 1, 1997 through March, 1998?

Position:

\$61,066 Underrecovery.

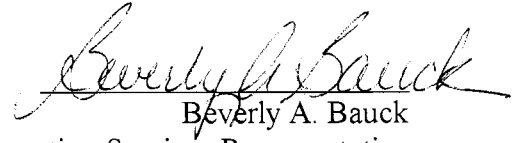
2. What are the appropriate conservation cost recovery factors for the period April, 1999 through December, 1999?

Position:

The following adjusted factors are to be applied to bills for the period above:

<u>Rate Class</u>	<u>ECCR Factor Cents Per Therms</u>
GS Residential	6.515
GS Commercial	1.881
GS Commercial Large Volume	1.307
GS Industrial	0.605
Firm Transportation	0.544

Respectfully Submitted,

A handwritten signature in cursive script that reads "Beverly A. Bauck". The signature is written in black ink and is positioned above the printed name.

Beverly A. Bauck  
Conservation Services Representative  
Chesapeake Utilities Corporation  
Florida Division  
1015 6<sup>th</sup> Street N.W.  
P.O. Box 960  
Winter Haven, Florida 33882-0960