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January 13, 1997

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. 970002-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:

- Petition for Approval of Conservation Cost Recovery Factors; -004/6-97
- 2.

- Exhibit WMN-2;
- 4. Preliminary Statement of Issues and Positions: -00 4/8-97
- 5. Prehearing Statement; and
 6. 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.

Sincerely,

Wayne L. Schiefelbein

WLS Abay Enclosures WAS _____

OTH _____



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation-Cost Recovery)

ACK ____

AFA ____ APP ____

CMU ___

CTR ___ EAG ___

LEG ____

LIN OPC ...

RCH ___ SEC __

WAS ___

OTH _

CAF

Docket No. 970002-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, 1997 and March 31, 1998. In support hereof, Chesapeake states:

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

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

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

> Wayne L. Schiefelbein Gatlin, Schiefelbein, & Cowdery 1709-D Mahan Drive Tallahassee, Florida 32308

The conservation cost recovery factors were calculated in accordance 3. 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, 1997 through March 31 1 E

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1998, adjusted for the net true-up (which includes the estimated conservation true-up for the period April 1, 1997 through September 30, 1997), as well as interest calculated in accordance with the 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 William M. Nettles.

4. Chesapeake Utilities Corporation projects total conservation program expenses, net of all program revenues, of \$117,839 for the period October 1, 1997 through March 31, 1998. The net true-up is an underrecovery of \$75,870. After adding the projected conservation expenses to the amount of this underrecovery, a total of \$193,710 remains to be recovered during the April, 1997 through March 1998 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	3.624
GS Commercial	0.977
GS Commercial LV	0.687
GS Industrial	0.379
Firm Transportation	0.366

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 readings taken between April 1, 1997 and March 31, 1998, inclusive.

RESPECTFULLY submitted this 13th day of January, 1997.

William M. Nettles

Chesapeake Utilities Corporation

Florida Division

1015 NW 6th Street

Winter Haven, Florida 33882

(941) 294-7275