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RUSSELL, P.	Α.
ATTORNEYS AT 18	εw.

October 12, 1998

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

Re: Docket No. 980003-GU Purchased Gas Adjustment (PGA)

Dear Ms. Bayo:

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

- Petition for Approval of Chesapeake Utilities Corporation's Purchased Gas Adjustment Factor; 11317-98
- 2. Direct Testimony of Anne V. Wood: 11318-98
- ACK _____ 3. Exhibit AVW-2: Purchased Gas Projection Filing (January 1999-December 1999); and
- APP _____ 4. our Certificate of Service.

CAF _____ Please acknowledge receipt of the foregoing by stamping the enclosed C1/ _____ extra copy of this letter and returning same to my attention.

- Thank you for your assistance.
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 - Enclosures

Sincerely,

Joyne L. Schepelben

Wayne L. Schiefelbein

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Purchased Gas Adjustment.

DOCKET NO. 980003-GU

FILED: October 12, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Petition for Approval of Chesapeake Utilities Corporation's Purchased Gas Adjustment Factor, the Direct Testimony of Anne V. Wood and Exhibit AVW-2 have been furnished by hand-delivery on this <u>12th</u> day of <u>October</u>, 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:

Norman H. Horton, Esq. Messer, Caparello & Self, P.A. Post Office Box 1876 Tallahassee, FL 32302-1876

John Roger Howe, Esq. Assistant Public Counsel Office of the Public Counsel c/o The Florida Legislature 111 W. Madison St., Suite 812 Tallahassee, FL 32399-1400

Stuart L. Shoaf
St. Joe Natural Gas Company,
Inc.
Post Office Box 549
Port St. Joe, FL 32456-0549

Colette M. Powers Indiantown Gas Company Post Office Box 8 Indiantown, FL 34956-0008 Vicki Gordon Kaufman, Esq. McWhirter, Reevos, McGlothlin, Davidson, Rief & Bakas 117 S. Gadsden Street Tallahassee, FL 32301

Michael A. Palecki, Esq. Vice President of Regulatory Affairs NUI Corporation - Southern Division 955 East 25th Street Hialeah, FL 33013-3498

David M. Nicholson, Esq. Ansley Watson, Jr., Esq. MacFarlane, Ferguson & McMullen Post Office Box 1531 Tampa, FL 33601-2562

Kenneth A. Hoffman, Esq. Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A. Post Office Box 551 Tallahassee, FL 32302-0551

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In Re. Purchased Gas True-Up

DOCKET NO 980003-GU

)

PETITION FOR APPROVAL OF CHESAPEAKE UTILITIES CORPORATION'S PURCHASED GAS ADJUSTMENT FACTOR

Chesapeake Utilities Corporation ("the Company"), pursuant to the requirements of this docket,

petitions the Commission for approval of the Company's levelized purchased gas adjustment factor

("PGA") to be charged for gas consumption during the period January 1, 1999 to December 31.

1999. In support hereof, the Company states

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

Chesapeake Utilities Corporation Florida Division 1015 6th Street N. W. Winter Haven, Florida 33882-0960

2. The names and addresses of the persons authorized to receive notices and

communications in respect to this docket is:

Wayne L. Schiefelbein, Esquire Ruden, McClosky, Smith, Schuster, & Russell, P.A. 215 S. Monroe St., Suite 815 Tallahassee, Florida 32301

Ms. Anne V. Wood Chesapeake Utilities Corporation Florida Division P. O. Box 960 Winter Haven, Florida 33882-0960

DOCUMENT NUMPER -DATE

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FPSC-RECORDS/REFORTING

3. Pursuant to the requirements of this docket, Chesapeake Utilities Corporation has prefiled the PGA true-up forms supplied by the Electric and Gas Department for the April 1997 -March 1998 period in a manner consistent with the Department's instructions

4. As indicated in the prefiled true-up forms, Chesapeake Utilities Corporation has experienced an underrecovery of \$576,530 for the April 1997 - March 1998 period. In the February 1998 hearings in this docket, an estimated underrecovery of \$442,997 for the April 1997 - March 1998 period was approved for calculation of the true-up factor for April 1998 - March 1999. Therefore, a final true-up amount of \$133,533 (underrecovery) will be included in the current calculation of the January 1999 - December 1099 true-up factor.

5. For the period of April 1998 to December 1998, Chesapeake Utilities Corporation projects an overrecovery of \$60,458 resulting in a total underrecovery of \$73,075 to collect in the January 1999 - December 1999 period. The Company projects therm sales of 29,744,536 for the January 1999 - December 1999 period. Therefore, the cumulative true-up factor to be applied to gas bills for this period is .246 cents per therm surcharge.

6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the January 1999 - December 1999 period to be \$10,594,302. As stated previously, the Company projects therm sales of 29,744,536 resulting in a weighted average cost of gas (WACOG) of 35.618 cents per therm for the twelve-month period. Since the Company historically experiences higher gas costs during the winter months, the Company requests that its projected firm winter average cost of gas for the months of January 1999 through March 1999 and October 1999 through December 1999 be approved as the maximum PGA factor to be charged during the period of January 1999 through December 1999.

Allocation of the total gas costs to firm and interruptible customers results in a firm

winter WACOG of 41.668 cents per therm, including the true-up factor and taxes, for the January 1999 - December 1999 period. The Company projects the interruptible winter WACOG including the true-up factor and taxes, to be 35.302 cents per therm for the January 1999 - December 1999 period.

WHEREFORE, for the purpose of establishing the maximum rate to be charged for all gas sales during the period January 1999 - December 1999, Chesapcake Utilities Corporation petitions the Commission to approve a factor of 41.668 cents per therm.

DATED this 12th day of October, 1998.

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Respectfully submitted, CHESAPEAKE UTILITIES CORPORATION FLORIDA DIVISION

By anne V. Wood

Anne V. Wood Accounting and Rates Manager