

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 31, 1998

CHESAPEAKE UTILITIES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	001-11590	51-0064146
(State of other	(Commission	(I.R.S. Employer
jurisdiction of	File Number)	Identification No.)
incorporation)		

909 Silver Lake Boulevard, Dover, Delaware 19904
(Address of principal executive offices) (Zip Code)

(302) 734-6799
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

ITEM 5. OTHER EVENTS.

On August 31, 1998, Chesapeake Utilities Corporation ("Chesapeake") entered into an Agreement for the sale of the 218,464 shares of Florida Public Utilities Company ("FPU") common stock that Chesapeake currently owns and has held as an investment for some time. Subject to the purchaser obtaining Securities and Exchange Commission approval and authorization by the purchaser's Board of Directors, Chesapeake will receive \$16.50 for each share of FPU common stock. Although there can be no assurance, the parties currently expect all approvals to be obtained before the end of the year. If the sale is consummated, Chesapeake will recognize a non-recurring, after-tax gain of approximately \$870,000. Attached herein as Exhibit I is a copy of the executed Letter Agreement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

CHESAPEAKE UTILITIES CORPORATION

By: /s/ JOHN R. SCHIMKAITIS

John R. Schimkaitis
President and Chief Operating Officer

Dated: September 1, 1998

August 31, 1998

Chesapeake Utilities Corporation
909 Silver Lake Boulevard
Dover, Delaware 19904
Attention: John R. Schimkaitis
President and COO

Dear Mr. Schimkaitis:

The Southern Company (the "Buyer") hereby offers, on the terms and subject to the conditions set forth in this letter, to purchase from Chesapeake Utilities Corporation (the "Seller") 218,464 shares of the common stock, par value \$1.50 per share (the "Shares"), of Florida Public Utilities Company, a Florida corporation (the "Company"), at a price of \$16.50 per Share.

The obligation of the Buyer hereunder to purchase and pay for the Shares is subject to its receipt of the approval on acceptable terms of the Securities and Exchange Commission (the "SEC") under the Public Utility Holding Company Act of 1935, as amended (the "Holding Company Act"), and authorization by its board of directors.

The closing of the purchase of the Shares shall take place as soon as practicable after satisfaction of the conditions set forth above, upon not less than two business days' notice from the Buyer to the Seller. At the closing, the Seller will deliver a certificate or certificates for the Shares free and clear of any lien, charge or other interest or encumbrance of any nature, and the Buyer will pay the purchase price for the Shares by wire transfer of immediately available funds.

The Buyer and the Seller each agree, for itself and its directors, officers, employees, affiliates, representatives and agents, not to disclose the existence of this letter or any terms, conditions or other facts with respect to the subject matter hereof, except as may be required by law (including, in the case of the Buyer, to obtain the approval of the SEC under the Holding Company Act) or with the written consent of the other party.

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If you agree with the foregoing and wish to accept the offer set forth above, please sign both copies of this letter, retaining one copy for your files and returning one copy to the undersigned. If the offer set forth herein is not so accepted by 5:00 P.M. EDT on August 31, 1998, it will expire and be of no further force or effect.

Yours very truly,

SOUTHERN COMPANY

By: /s/ W. L. Westbrook

Title: Financial VP

Accepted and agreed to:

CHESAPEAKE UTILITIES CORPORATION

By: /s/ John R. Schimkaitis

Title: President

