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OF COUNSEL
THOMAS F. WOODS

November 19, 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 ten copies of the following:

1. Prefiled Direct Testimony of Beverly A. Bauck;
2. Exhibit BAB-1; and 11884-97
3. 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.

ACK

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Enclosures

3 + orig

Sincerely,

Wayne L. Schiefelbein
Wayne L. Schiefelbein

RECEIVED & FILED
[Signature]

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In. Re: Conservation Cost Recovery Clause
3 DIRECT TESTIMONY OF BEVERLY A. BAUCK

ORIGINAL

4 On Behalf of

5 Chesapeake Utilities Corporation

6 DOCKET NO. 970002-EG

7 Q. Please state your name, business address, by whom you are employed, and in
8 what capacity.

9 A. My name is Beverly A. Bauck, and my business address is 1015 6th Street N. W.,
10 Winter Haven, Florida, 33881. I am employed by Chesapeake Utilities
11 Corporation ("Chesapeake") as Conservation Services Representative.

12 Q. Are you familiar with the energy conservation programs of Chesapeake and costs
13 which have been, and are projected to be, incurred in their implementation?

14 A. Yes.

15 Q. What is the purpose of your testimony in this docket?

16 A. The purpose of my testimony is to present data and summaries concerning the
17 planned and actual accomplishments of Chesapeake's energy conservation
18 programs during the period October 1, 1996 through September 30, 1997. Data
19 related to calculation of the true-up for this period is also included.

20 Q. Have you prepared summaries of Chesapeake's conservation programs and the
21 costs associated with these programs?

22 A. Yes. Summaries of the five programs in connection with which Chesapeake
23 incurred recoverable costs during the period October 1, 1996 through
24 September 30, 1997 are contained in Schedule CT-6 of Exhibit BAB-1. Included
25 are our Single and Multi-Family Home Builder Program, our Water Heater

DOCUMENT NUMBER-DATE

1 11884 NOV 1996

FPSC-RECORDS/REPORTING

1 Replacement Program, our Replacement of Electric Strip and Oil Heating
2 Program, our Natural Gas Space Conditioning Program, and our Conservation
3 Education Program.

4 Q. Have you prepared schedules which show the expenditures associated with
5 Chesapeake's energy conservation programs for the periods you have
6 mentioned?

7 A. Yes. Schedule CT-2, page 2, Exhibit BAB-1 shows actual expenses for the
8 period. Schedule CT-2, page 1, shows a comparison of the actual program costs
9 and true-up with the estimated costs and true-up submitted at the February 1997
10 hearing in this docket.

11 Q. What was the total cost incurred by Chesapeake in connection with the five
12 programs during the month ended September 30, 1997?

13 A. As shown in Exhibit BAB-1, Schedule CT-2, page 2, total program costs were
14 \$264,700. This total is \$29,254 more than our projection of the program costs
15 for the twelve month period.

16 Q. Have you prepared, for the twelve-month period involved, a schedule which
17 shows the variance of actual from projected costs by categories of expenses?

18 A. Yes. Schedule CT-2, page 3, of Exhibit BAB-1 shows these variances. Reasons
19 for the variances are included in Schedule CT-6 of Exhibit BAB-1.

20 Q. What is Chesapeake's adjusted net true-up for the twelve months ended
21 September 30, 1997?

22 A. We originally estimated an underrecovery, including interest of, \$75,870. This
23 projected true-up amount was based on conservation revenues of \$159,651 for
24 the period October 1996 through September 1997. However, sales during this
25 period actually yielded conservation revenues of \$214,797, over projections by

1 \$55,146. Adding expenses of \$29,254 more than projected results in a total
2 difference, including interest, of \$24,925 as shown on Schedule CT-1 of Exhibit
3 BAB-1.

4 Q. Is this adjusted net true-up of \$24,925 an overrecovery or underrecovery?

5 A. An overrecovery, as shown on Schedule CT-1 of Exhibit BAB-1.

6 Q. Does this conclude your testimony?

7 A. Yes, it does.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause.)

DOCKET NO. 970002-EG

FILED: November 19, 1997

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Prefiled Direct Testimony of Beverly A. Bauck and Exhibit BAB-1 have been furnished by hand-delivery on this 19th day of November, 1997 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:

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Corporation

Exhibit _____ (BAB-1)

CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY TRUE-UP

October 1, 1996 through September 30, 1997

CONTENTS

Schedule CT-1		
(1 of 1)	Adjusted Net True-Up	1
Schedule CT-2		
(1 of 3)	Analysis of Energy Conservation Costs Actual vs. Estimated	2
(2 of 3)	Actual Conservation Program Costs per Program	3
(3 of 3)	Conservation Costs Per Program - Variance Actual vs. Projected	4
Schedule CT - 3		
(1 of 3)	Energy Conservation Adjustment Calculation of True-Up and Interest Provision - Summary of Expenses by Program by Month	5
(2 of 3)	Energy Conservation Adjustment Calculation of True-up and Interest Provision	6
(3 of 3)	Calculation of True-up and Interest Provision	7
Schedule CT - 4		
(1 of 1)	Schedule of Capital Investments, Depreciation and Return	8
Schedule CT - 5		
(1 of 1)	Reconciliation and Explanation of Differences Between Filing and PSC Audit Report for October 1996 through September 1997	9
Schedule CT - 6		
(1 of 5)	Program Description and Progress - Single & Multi-Family Home Builder Program	10
(2 of 5)	Program Description and Progress- Water Heater Replacement Program	11
(3 of 5)	Program Description and Progress- Electric Strip and Oil Heating Replacement	12
(4 of 5)	Program Description and Progress- Conservation Education Program	13
(5 of 5)	Program Description and Progress Natural Gas Space Conditioning Program	14

SCHEDULE CT-1

COMPANY:

Chesapeake Utilities Corporation
Docket No. 970002-EG
Exhibit BAB-1
Page 1 of 14

ADJUSTED NET TRUE-UP
FOR MONTHS: OCTOBER 1998 THROUGH SEPTEMBER 1997

END OF PERIOD NET TRUE-UP

PRINCIPLE	49,903	
INTEREST	<u>1,043</u>	50,946

LESS PROJECTED TRUE-UP

PRINCIPLE	75,794	
INTEREST	<u>77</u>	75,870

ADJUSTED NET TRUE-UP

(24,925)

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

OCTOBER 1988 THROUGH SEPTEMBER 1987

	ACTUAL	PROJECTED*	DIFFERENCE
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	49,318	24,878	15,440
MATERIALS & SUPPLIES	0	300	(300)
ADVERTISING	34,308	32,580	1,728
INCENTIVES	183,825	173,880	10,145
OUTSIDE SERVICES	2,054	880	1,184
VEHICLES	4,188	3,147	1,041
OTHER	0	0	0
SUB-TOTAL	284,700	235,445	29,254
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	284,700	235,445	29,254
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(214,787)	(189,851)	(25,148)
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	49,913	75,794	(25,881)
INTEREST PROVISION	1,043	77	966
END OF PERIOD TRUE-UP	50,956	75,871	(24,915)

() REFLECTS OVER-RECOVERY
* 2 MONTHS ACTUAL AND 10 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: OCTOBER 1998 THROUGH SEPTEMBER 1997

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1 Single & Multi-Family Home Builder	0	27,568	0	27,082	172,484	0	3,058	0	230,172
PROGRAM 2 Water Heater Replacement	0	7,290	0	3,464	5,878	0	719	0	17,140
PROGRAM 3 Oil & Electric Strip Heat Replacement	0	5,460	0	3,389	5,335	0	428	0	14,613
PROGRAM 4 Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5 Natural Gas Space Conditioning	0	0	0	371	350	0	0	0	721
PROGRAM 6 Common Costs	0	0	0	0	0	2,054	0	0	2,054
PROGRAM 7 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20 (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	40,318	0	34,308	183,825	2,054	4,198	0	294,700

COMPANY

Chesapeake Utilities Corporation
Docket No. 970302-EG
Exhibit BAG-1
Page 4 of 14

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: OCTOBER 1996 THROUGH SEPTEMBER 1997

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Single & Multi-Family Home Bulking	0	8,748	0	2,870	16,838	0	896	0	28,439
PROGRAM 2: Water Heater Replacement	0	3,534	0	(220)	(8,187)	0	83	0	(2,810)
PROGRAM 3: Oil & Electric Strip Heat Replacement	0	3,181	0	(288)	(208)	0	101	0	2,790
PROGRAM 4: Conservation Education	0	0	(300)	0	0	0	0	0	(300)
PROGRAM 5: Gas Space Conditioning	0	0	0	(629)	(400)	0	0	0	(1,029)
PROGRAM 6: Common Costs	0	0	0	0	0	1,194	0	0	1,194
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	15,441	(300)	1,725	10,145	1,194	1,080	0	28,233

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS OCTOBER 1985 THROUGH SEPTEMBER 1987

EXPENSES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
PROGRAM 1: Single & Multi-Family Home Bulb	22,804	10,308	26,879	21,888	17,287	16,258	18,488	18,812	24,781	18,328	18,387	14,777	238,172
PROGRAM 2: Water Heater Replacement	1,414	1,728	1,887	763	1,743	1,847	1,883	1,438	1,788	888	1,382	778	17,148
PROGRAM 3: Oil & Electric Stove Heat Replacement	788	1,278	2,882	488	1,487	888	1,287	1,388	977	1,188	1,387	887	14,812
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5: Natural Gas Space Conditioning	0	0	848	0	0	0	0	0	0	178	0	0	721
PROGRAM 6: Customer Credits	0	0	888	478	0	0	443	0	0	78	0	328	2,884
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	28,108	13,323	34,700	23,713	20,485	18,088	22,782	18,814	27,584	21,883	21,128	16,417	284,700
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	28,108	13,323	34,700	23,713	20,485	18,088	22,782	18,814	27,584	21,883	21,128	16,417	284,700

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS OCTOBER 1988 THROUGH SEPTEMBER 1987

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
CONSERVATION REVENUES													
1. RCS ADJUT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ. REVS	(14,857.28)	(17,818.44)	(22,288.89)	(28,504.52)	(22,842.28)	(17,878.41)	(18,188.68)	(17,261.89)	(13,268.37)	(13,268.37)	(12,527.28)	(13,521.89)	(210,402.80)
4. TOTAL REVENUES	(14,857.28)	(17,818.44)	(22,288.89)	(28,504.52)	(22,842.28)	(17,878.41)	(18,188.68)	(17,261.89)	(13,268.37)	(13,268.37)	(12,527.28)	(13,521.89)	(210,402.80)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(288.17)	(4,000.00)
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(18,223.74)	(17,895.81)	(22,858.95)	(28,873.89)	(23,208.43)	(18,264.58)	(18,654.82)	(17,827.88)	(13,752.54)	(13,521.89)	(12,899.45)	(13,899.15)	(214,798.80)
7. CONSERVATION EXP'S (FROM CT-3, PAGE 1)	26,103.78	13,323.41	34,700.88	23,713.17	26,485.38	18,088.83	22,794.78	18,814.34	27,203.00	21,803.40	21,133.79	16,417.82	364,088.32
8. TRUE-UP THIS PERIOD	8,882.91	(4,882.20)	12,084.87	(3,157.82)	(2,713.13)	881.06	4,238.84	1,188.48	13,771.11	7,871.74	8,242.32	2,828.88	48,802.80
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	2.31	18.78	27.04	80.11	48.00	44.81	88.88	71.48	110.81	182.87	291.03	227.86	1,842.80
10. TRUE-UP & INTER. PROV. BEARING OF MONTH	(4,389.42)	9,882.87	1,882.80	14,088.88	11,718.78	8,018.78	12,288.81	14,843.48	18,088.82	16,917.41	16,917.41	47,887.43	
11. PRIOR TRUE-UP COLLECTED (PREPARED)	288.17	288.17	288.17	288.17	288.17	288.17	288.17	288.17	288.17	288.17	288.17	288.17	3,600.00
12. TOTAL NET TRUE-UP (SUM LINES 8-11)	9,882.87	1,882.80	14,088.88	11,718.78	8,018.78	8,018.81	14,843.48	18,088.82	16,917.41	16,917.41	16,917.41	47,887.43	50,800.18

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS OCTOBER 1989 THROUGH SEPTEMBER 1987

	MONTH NO. 1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
INTEREST PROVISION													
1. BEGINNING TRUE-UP	(4,388.47)	5,882.07	1,682.80	14,000.88	11,218.75	8,018.78	10,380.81	14,843.45	16,088.52	30,817.41	28,077.38	47,827.48	
2. ENDING TRUE-UP BEFORE INTEREST	5,882.78	1,588.84	14,013.84	11,288.83	8,872.79	10,228.00	14,883.82	16,498.13	30,708.80	28,888.32	47,828.28	80,732.48	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,494.31	7,470.91	15,696.64	25,289.71	20,282.53	18,246.78	25,164.63	31,438.68	47,278.81	88,872.72	88,844.38	88,468.88	
4. AVERAGE TRUE-UP (LINE 3 TIMES 6%)	794.87	3,742.08	7,798.27	12,693.21	10,148.27	8,857.28	12,882.27	15,719.80	23,628.28	34,888.38	49,322.13	49,214.88	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	8.48%	8.38%	8.48%	8.80%	8.80%	8.42%	8.74%	8.82%	8.82%	8.82%	8.80%	8.80%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	8.38%	8.48%	8.48%	8.80%	8.80%	8.74%	8.82%	8.82%	8.82%	8.82%	8.80%	8.80%	
7. TOTAL (FROM LINES 5 & 6)	10.82%	10.82%	11.40%	11.40%	10.82%	11.70%	11.80%	11.22%	11.22%	11.22%	11.40%	11.80%	
8. AVG INTEREST RATE (LINE 7 TIMES 6%)	6.49%	6.49%	6.70%	6.70%	6.49%	6.80%	6.80%	6.70%	6.70%	6.70%	6.70%	6.80%	
9. MONTHLY AVG INTEREST RATE	0.48%	0.48%	0.47%	0.47%	0.48%	0.48%	0.47%	0.48%	0.48%	0.47%	0.48%	0.48%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	\$3.31	\$18.78	\$27.04	\$88.11	\$48.20	\$44.81	\$88.88	\$73.48	\$110.81	\$162.57	\$201.08	\$277.89	\$1,942.83

Exhibit No. _____

Docket No 970002-EG

CHESAPEAKE UTILITIES CORPORATION

(BAB-1)

Page 9 of 14

Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Expansion of Differences Between Filing and PSC Audit Report for October
1996 through Spetember 1997.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

Schedule CT-6
Page 1 of 5

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Single and Multi-Family Home Builder Program

Program Description:

This program is designed to increase the number of high priority natural gas customers in the new home construction market. Incentives are offered in the form of gas piping and venting allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances are currently:

- \$220 Energy efficient natural gas water heater installation.
- \$220 Natural Gas home heating.
- \$38 Energy efficient natural gas range or dryer stub outlet.

Program Accomplishments:

For the twelve-month period October 1996 through September 1997, we estimated that 325 new homes would be connected to the system. During this period, allowances were actually paid for building 383 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$230,172.

Program Progress Summary:

Since the program's inception, 3746 new homes have been equipped with efficient natural gas appliances. Company representatives continue to work close with area builders to promote the installation of natural gas appliances in new homes.

Exhibit No. _____

Docket No. 970002-EG

CHESAPEAKE UTILITIES CORPORATION
(BAB-1)

Page 11 of 14

Schedule CT-6
Page 2 of 5

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Water Heater Replacement Program

Program Description:

This program is designed to encourage the replacement of electric resistance water heater with energy efficient natural gas water heaters. For the period October 1996 through September 1997 the program offered incentives of \$220 to homeowners and \$33 to installing dealers to assist in defraying the increase cost of piping and venting associated with gas water heater installations.

Program Accomplishments:

During the twelve-month period, October 1996 through September 1997 we estimated that 50 homeowners would replace their electric water heaters with energy efficient natural gas models. In actuality 24 water heaters were installed during this period.

Program Fiscal Expenditures:

Program costs totaled \$17,140 during the twelve-month period.

Program Progress Summary:

Since the program's inception, 960 natural gas water heaters have replaced electric models as a result of conservation allowances.

Schedule CT-6
Page 3 of 5

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Electric Strip and Oil Heating Replacement

Program Description:
From October 1996 through September 1997 the company offered incentives of \$330 to homeowners and \$55 to installing dealers to offset the additional cost of piping and venting required for natural gas heating. The company also offered piping and venting allowances of \$55 to homeowners and \$22 to installing dealers when installing a natural gas water heater to replace oil or electric heat.

Program Accomplishments:
For the twelve-month period from October 1996 through September 1997 we estimated that 15 natural gas furnaces and space heaters would replace electric or oil heat. During this period 15 homeowners actually converted to natural gas heat.

Program Fiscal Expenditures:
Program costs totaled \$14,613 during the twelve month period.

Program Progress Summary:
Since the program's inception, 362 energy-efficient natural gas furnaces and space heaters have replaced electric or oil burning models as a result of conservation allowances.

Schedule CT-6
Page 4 of 5

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's utility bill.

Program Accomplishments:

We continue to offer no-cost walk-through energy audits on the proper use of natural gas appliances and conservation tips to gas customers, together with literature outlining the expected savings from using natural gas appliances when compared to electricity.

Program Fiscal Expenditures:

None.

Program Progress Summary:

We continue to meet requests from schools and the community for speakers and from schools for conservation education materials.

Schedule CT-6
Page 5 of 5

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Natural Gas Space Conditioning Program

Program Description:
The program is designed to convert customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce summer kw demand and will assist in the conservation of kwh production. The company offers incentives of \$50 per ton installed natural gas space conditioning equipment.

Program Accomplishments:
Two 3.5 ton units were installed during the period from October 1996 through September 1997.

Program Fiscal Expenditures:
During the period from October 1996 through September 1997 \$350 has been expended in allowances.

Program Progress Summary:
Four natural gas space conditioning units have been installed since this program began.