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September 14, 2010

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VIA HAND DELIVERY

Ms. Ann Cole
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 100004-GU – Natural Gas Conservation Cost Recovery Clause.

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of the Florida Division of Chesapeake Utilities Corporation's Petition for Approval of Conservation Cost Recovery Factors and the Direct Testimony and Exhibit TG-2 of Mr. Thomas A. Geoffroy.

Your assistance in this matter is greatly appreciated.

Sincerely,



Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery)
_____)

Docket No. 100004-GU
Filed: September 14, 2010

**PETITION OF THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION FOR APPROVAL OF
CONSERVATION COST RECOVERY FACTORS**

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION (the Company), pursuant to Rule 25-17.015, Florida Administrative Code, hereby submits this petition to the Commission for approval of its Energy Conservation Cost Recovery Adjustment factors listed herein below to be applied to bills rendered for meter readings taken between January 1, 2011 and December 31, 2011. 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 Sixth Street NW
Winter Haven, Florida 33881

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

Beth Keating, Esquire
Akerman Senterfitt
106 E. College Ave., Suite 1200
Tallahassee, Florida 32301
(Ph) 850-224-9634
(Fax) 850-222-0103

3. The Energy Conservation Cost Recovery Adjustment factors were calculated in accordance with the methodology that has been previously approved by the Commission. The factors are designed to recover the projected energy conservation program expenses of the Company for the period January 1, 2011 through December 31, 2011, adjusted for the net true-up (which includes the estimated energy conservation true-up for the period January 1, 2010 through December 31, 2010), as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation is contained in the prepared testimony of the Company witness, Thomas A. Geoffroy.
4. The Company projects total energy conservation program expenses of \$753,000 for the period January 2011 through December 2011. The projected net true-up is an over-recovery of \$114,756. After adding the projected energy conservation expenses to the amount of this over-recovery, a total of \$638,244 remains to be recovered during the period January 1, 2011 through December 31, 2011. Dividing this total among the Company's rate classes, excluding customers who are on market-based rates, and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, results in the following Energy Conservation Cost Recovery Adjustment factors for which the Company seeks approval in this petition.

<u>Rate Class</u>	<u>Adjustment Factor (dollars per therm)</u>
FTS-A	\$0.11485
FTS-B	\$0.09051

FTS-1	\$0.07962
FTS-2	\$0.05997
FTS-2.1	\$0.03531
FTS-3	\$0.03983
FTS-3.1	\$0.02433
FTS-4	\$0.02081
FTS-5	\$0.01806
FTS-6	\$0.01539
FTS-7	\$0.01054
FTS-8	\$0.00942
FTS-9	\$0.00807
FTS-10	\$0.00748
FTS-11	\$0.00624
FTS-12	\$0.00547

5. The Company also received Commission approval to implement fixed per bill Energy Conservation Cost Recovery Adjustment (Experimental) factors to certain rate classes on an experimental basis. The same methodology as described above in paragraph 4 was utilized, except that the projected number of bills for the specific rate classes was used rather than gas throughput. The Company seeks approval in this petition of the following experimental per bill Energy Conservation Cost Recovery Adjustment (Experimental) factors.

<u>Rate Class</u>	<u>Adjustment (Experimental) Factor</u> <u>(dollars per bill)</u>
FTS-A	\$ 0.09
FTS-B	\$ 1.31
FTS-1	\$ 1.66
FTS-2	\$ 2.85
FTS-2.1	\$ 4.69
FTS-3	\$ 9.64
FTS-3.1	\$15.10

WHEREFORE, THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION prays the Commission will grant this petition, and approve the above Energy Conservation Cost Recovery Adjustment and Energy Cost Recovery Adjustment (Experimental) factors to be applied to bills rendered for meter readings taken between January 1, 2011 and December 31, 2011, inclusive.

RESPECTFULLY submitted this 14th day of September 2010.



Beth Keating, Esquire
Akerman Senterfitt
106 E. College Ave., Suite 1200
Tallahassee, Florida 32301
(Ph) 850-224-9634
(Fax) 850-222-0103

*Attorneys for Chesapeake Utilities
Corporation, Florida Division*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Florida Division of Chesapeake Utilities Corporation, along with the supporting Direct Testimony of Mr. Thomas A. Geoffroy and Exhibit TG-2, on behalf of the Florida Division of Chesapeake Utilities Corporation, has been furnished by U.S. Mail to the following parties of record this 14th day of September, 2010:

Florida Public Utilities Company Tom Geoffroy P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/David Weaver Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 933 East 25 th Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	FPUC/Indiantown Division Tom Geoffroy P.O. Box 3395 West Palm Beach, FL 33402-3395
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	



Beth Keating
Akerman Senterfitt Attorneys at Law
106 East College Avenue
Highpoint Center, 12th Floor
Tallahassee, FL 32301
(850)224-9634

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Natural Gas Conservation Cost Recovery

3 DIRECT TESTIMONY OF THOMAS A. GEOFFROY

4 On behalf of

5 The Florida Division of Chesapeake Utilities Corporation

6 DOCKET NO. 100004-GU

7 Q. Please state your name, occupation, and business address.

8 A. My name is Thomas A. Geoffroy. I am the Vice President of the Florida Division of
9 Chesapeake Utilities Corporation. My business address is 1015 6th Street, N.W., Winter
10 Haven, Florida 33881.

11 Q. Describe briefly your educational background and relevant professional background.

12 A. I have a Bachelor's of Science degree in Accounting from the University of Florida. I have
13 been employed in the natural gas industry in Florida for over twenty-five years, in various
14 accounting and management roles. I was first employed by the Florida Division of Chesapeake
15 Utilities Corporation in November 1996 as the Florida Regional Manager.

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

18 A. Yes.

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

20 A. To describe generally the expenditures made and projected to be made in implementing,
21 promoting, and operating the Company's energy conservation programs. This will include
22 recoverable costs incurred in January through July 2010 and projections of program costs to be
23 incurred from August through December 2010. It will also include projected conservation costs
24 for the period January through December 2011, with a calculation of the Energy Conservation
25 Cost Recovery Adjustment and Energy Conservation Cost Recovery Adjustment.

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

1 (Experimental) factors to be applied to the customers' bills during the collection period of
2 January 1, 2011 through December 31, 2011.

3 Q. Have you prepared summaries of the Company's conservation programs and the costs
4 associated with these programs?

5 A. Yes. Summaries of the seven programs are contained in Schedule C-4 of Exhibit TG-2.
6 Included are the Residential New Construction Program, the Residential Appliance
7 Replacement Program, the Residential Propane Distribution Program, the Residential Appliance
8 Retention Program, the Natural Gas Space Conditioning for Residential Homes Program, the
9 Gas Space Conditioning Program, and the Conservation Education Program.

10 Q. Have you prepared schedules that show the expenditures associated with the Company's energy
11 conservation programs for the periods you have mentioned?

12 A. Yes, Schedule C-3, Exhibit TG-2 shows actual expenses for the months January through July
13 2010. Projections for August through December 2010 are also shown on Schedule C-3.
14 Projected expenses for the January through December 2011 period are shown on Schedule C-2
15 of Exhibit TG-2.

16 Q. Have you prepared schedules that show revenues for the period January through December
17 2010?

18 A. Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January through July
19 2010. Projections for August through December 2010 are also shown on Schedule C-3 (Page 4
20 of 5).

21 Q. Have you prepared a schedule that shows the calculation of the Company's proposed Energy
22 Conservation Cost Recovery Adjustment factors to be applied during billing periods from
23 January 1, 2011 through December 31, 2011?

24 A. Yes. Schedule C-1 of Exhibit TG-2 shows these calculations. Net program cost estimates for
25 the period January 1, 2011 through December 31, 2011 are used. The estimated true-up amount

1 from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit TG-2, being an over-recovery, was added
2 to the total of the projected costs for the twelve-month period. The total amount was then
3 divided among the Company's rate classes, excluding customers who are on market-based rates,
4 based on total projected contribution. The results were then divided by the projected gas
5 throughput for each rate class for the twelve-month period ending December 31, 2011. The
6 resulting Energy Conservation Cost Recovery Adjustment factors are shown on Schedule C-1
7 (page 1 of 2) of Exhibit TG-2.

8 Q. Have you prepared a schedule that shows the calculation of the Company's proposed Energy
9 Conservation Cost Recovery Adjustment (Experimental) factors for certain rate classes on an
10 experimental basis to be applied during billing periods from January 1, 2011 through December
11 31, 2011?

12 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B, FTS-1, FTS-2,
13 FTS-2.1, FTS-3 and FTS-3.1. A similar calculation as the per therm rate described above was
14 made; however, the projected number of bills for each rate class for the twelve-month period
15 ending December 31, 2010 was utilized. The resulting Energy Conservation Cost Recovery
16 Adjustment (Experimental) factors are shown on Schedule C-1 (page 2 of 2) of Exhibit TG-2.

17 Q. Does this conclude your testimony?

18 A. Yes, it does.

Exhibit _____ **(TG-2)**

**THE FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION
NATURAL GAS CONSERVATION COST RECOVERY PROJECTION
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2011 THROUGH DECEMBER 2011
PER THERM BASIS

1. INCREMENTAL COSTS (SCHEDULE C-2)	\$753,000
2. TRUE-UP (SCHEDULE C-3)	<u>(\$114,756)</u>
3. TOTAL	<u>\$638,244</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	21,616	185,092	\$281,008	\$85,805	\$366,813	\$21,152	5.7664%	\$0.1143	1.00503	\$0.11485
FTS-B	28,606	414,794	\$443,393	\$204,435	\$647,828	\$37,357	5.7664%	\$0.0901	1.00503	\$0.09051
FTS-1	93,502	1,950,545	\$1,776,538	\$903,297	\$2,679,835	\$154,531	5.7664%	\$0.0792	1.00503	\$0.07962
FTS-2	13,650	648,907	\$464,100	\$207,391	\$671,491	\$38,721	5.7664%	\$0.0597	1.00503	\$0.05997
FTS-2.1	8,850	1,175,965	\$354,000	\$362,515	\$716,515	\$41,317	5.7664%	\$0.0351	1.00503	\$0.03531
FTS-3	2,676	647,644	\$289,008	\$156,095	\$445,103	\$25,667	5.7664%	\$0.0396	1.00503	\$0.03983
FTS-3.1	2,868	1,779,430	\$384,312	\$362,701	\$747,013	\$43,076	5.7664%	\$0.0242	1.00503	\$0.02433
FTS-4	1,776	2,191,890	\$372,960	\$414,267	\$787,227	\$45,395	5.7664%	\$0.0207	1.00503	\$0.02081
FTS-5	300	781,926	\$114,000	\$129,643	\$243,643	\$14,050	5.7664%	\$0.0180	1.00503	\$0.01806
FTS-6	240	1,261,059	\$144,000	\$190,887	\$334,887	\$19,311	5.7664%	\$0.0153	1.00503	\$0.01539
FTS-7	276	3,282,442	\$193,200	\$403,740	\$596,940	\$34,422	5.7664%	\$0.0105	1.00503	\$0.01054
FTS-8	156	3,583,175	\$187,200	\$395,009	\$582,209	\$33,573	5.7664%	\$0.0094	1.00503	\$0.00942
FTS-9	132	5,508,411	\$264,000	\$503,083	\$767,083	\$44,233	5.7664%	\$0.0080	1.00503	\$0.00807
FTS-10	36	2,356,489	\$108,000	\$196,013	\$304,013	\$17,531	5.7664%	\$0.0074	1.00503	\$0.00748
FTS-11	36	5,229,019	\$198,000	\$364,829	\$562,829	\$32,455	5.7664%	\$0.0062	1.00503	\$0.00624
FTS-12	24	6,513,812	\$216,000	\$398,841	\$614,841	\$35,454	5.7664%	\$0.0054	1.00503	\$0.00547
TOTAL	174,744	37,510,600	5,789,719	5,278,551	11,068,270	638,244	5.7664%			

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2011 THROUGH DECEMBER 2011
PER BILL BASIS - Experimental

1. INCREMENTAL COSTS (SCHEDULE C-2)	\$753,000
2. TRUE-UP (SCHEDULE C-3)	<u>(\$114,756)</u>
3. TOTAL	<u>\$638,244</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	21,616	185,092	\$281,008	\$85,805	\$366,813	\$21,152	5.7664%	\$0.9785	1.00503	\$0.98
FTS-B	28,606	414,794	\$443,393	\$204,435	\$647,828	\$37,357	5.7664%	\$1.3059	1.00503	\$1.31
FTS-1	93,502	1,950,545	\$1,776,538	\$903,297	\$2,679,835	\$154,531	5.7664%	\$1.6527	1.00503	\$1.66
FTS-2	13,650	648,907	\$464,100	\$207,391	\$671,491	\$38,721	5.7664%	\$2.8367	1.00503	\$2.85
FTS-2.1	8,850	1,175,965	\$354,000	\$362,515	\$716,515	\$41,317	5.7664%	\$4.6686	1.00503	\$4.69
FTS-3	2,676	647,644	\$289,008	\$156,095	\$445,103	\$25,667	5.7664%	\$9.5914	1.00503	\$9.64
FTS-3.1	2,868	1,779,430	\$384,312	\$362,701	\$747,013	\$43,076	5.7664%	\$15.0195	1.00503	\$15.10
FTS-4	1,776	2,191,890	\$372,960	\$414,267	\$787,227	\$45,395				
FTS-5	300	781,926	\$114,000	\$129,643	\$243,643	\$14,050				
FTS-6	240	1,261,059	\$144,000	\$190,887	\$334,887	\$19,311				
FTS-7	276	3,282,442	\$193,200	\$403,740	\$596,940	\$34,422				
FTS-8	156	3,583,175	\$187,200	\$395,009	\$582,209	\$33,573				
FTS-9	132	5,508,411	\$264,000	\$503,083	\$767,083	\$44,233				
FTS-10	36	2,356,489	\$108,000	\$196,013	\$304,013	\$17,531				
FTS-11	36	5,229,019	\$198,000	\$364,829	\$562,829	\$32,455				
FTS-12	24	6,513,812	\$216,000	\$398,841	\$614,841	\$35,454				
TOTAL	174,744	37,510,600	\$5,789,719	\$5,278,551	\$11,068,270	\$638,244	5.7664%			

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD: JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM	\$0	\$208,500	\$15,000	\$50,000	\$65,000	\$20,000	\$15,000	\$0	\$373,500
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGR	\$0	\$32,750	\$5,000	\$40,000	\$36,250	\$7,500	\$3,500	\$0	\$125,000
3. RESIDENTIAL PROPANE DISTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM	\$0	\$39,000	\$5,000	\$40,000	\$120,000	\$7,500	\$3,500	\$0	\$215,000
5. NG SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. EDUCATION	\$0	\$30,000	\$5,000	\$0	\$0	\$0	\$4,500	\$0	\$39,500
8.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$0	\$310,250	\$30,000	\$130,000	\$221,250	\$35,000	\$26,500	\$0	\$753,000
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSER.	\$0	\$310,250	\$30,000	\$130,000	\$221,250	\$35,000	\$26,500	\$0	\$753,000

CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2010 THROUGH DECEMBER 2010
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM									
A. ACTUAL	\$0	\$87,549	\$18,328	\$36,675	\$32,150	\$0	\$6,902	\$0	\$181,602
B. ESTIMATED	\$0	\$82,535	\$13,090	\$26,196	\$12,000	\$0	\$4,930	\$0	\$118,751
C. TOTAL	\$0	\$150,084	\$31,418	\$62,871	\$44,150	\$0	\$11,832	\$0	\$300,353
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM									
A. ACTUAL	\$0	\$20,565	\$3,903	\$15,854	\$15,575	\$22,500	\$1,510	\$0	\$79,707
B. ESTIMATED	\$0	\$14,689	\$2,788	\$11,181	\$5,000	\$16,071	\$1,078	\$0	\$50,810
C. TOTAL	\$0	\$35,254	\$6,691	\$26,835	\$20,575	\$38,571	\$2,589	\$0	\$130,517
3. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM									
A. ACTUAL	\$0	\$28,863	\$7,212	\$22,077	\$81,450	\$0	\$2,321	\$0	\$121,923
B. ESTIMATED	\$0	\$20,816	\$5,151	\$15,000	\$35,000	\$0	\$1,658	\$0	\$77,426
C. TOTAL	\$0	\$49,479	\$12,363	\$37,077	\$96,450	\$0	\$3,979	\$0	\$199,349
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. CONSERVATION EDUCATION PROGRAM									
A. ACTUAL	\$0	\$7,227	\$2,856	\$0	\$0	\$652	\$561	\$0	\$11,296
B. ESTIMATED	\$0	\$5,162	\$2,040	\$0	\$0	\$466	\$401	\$0	\$8,069
C. TOTAL	\$0	\$12,389	\$4,896	\$0	\$0	\$1,118	\$962	\$0	\$19,365
TOTAL COSTS	\$0	\$247,207	\$55,366	\$126,784	\$161,175	\$39,689	\$19,361	\$0	\$649,583

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR PERIOD: JANUARY 2010 THROUGH DECEMBER 2010
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	TOTAL
1. RES. NEW CONSTRUCTION	\$17,164	\$24,783	\$26,720	\$36,873	\$22,487	\$33,454	\$20,120	\$23,751	\$23,750	\$23,750	\$23,750	\$23,750	\$300,353
2. RES. APPLIANCE REPLACEMENT	\$17,288	\$10,138	\$3,945	\$18,584	\$15,693	\$5,031	\$9,047	\$10,163	\$10,162	\$10,162	\$10,162	\$10,163	\$130,517
3. RES. PROPANE DISTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RES. APPLIANCE RETENTION	\$18,698	\$7,630	\$29,123	\$19,792	\$17,697	\$18,798	\$11,195	\$15,485	\$15,485	\$15,485	\$15,485	\$15,485	\$198,349
5. NG SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. EDUCATION	\$0	\$898	\$2,732	\$2,600	\$974	\$3,348	\$844	\$1,616	\$1,614	\$1,614	\$1,614	\$1,614	\$18,365
8.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$54,130	\$43,449	\$62,520	\$77,749	\$56,851	\$58,629	\$41,196	\$51,015	\$51,011	\$51,011	\$51,011	\$51,012	\$648,583
LESS:													
BASE RATE RECOVERY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET RECOVERABLE	\$54,130	\$43,449	\$62,520	\$77,749	\$56,851	\$58,629	\$41,196	\$51,015	\$51,011	\$51,011	\$51,011	\$51,012	\$648,583

ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD JANUARY 2010 THROUGH DECEMBER 2010
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

CONSERVATION REVS	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	TOTAL
1 RCS AUDIT FEE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 OTHER PROG REVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 CONSERV ADJ REVS	(\$19,234)	(\$14,286)	(\$16,891)	(\$11,852)	(\$9,893)	(\$8,871)	(\$8,879)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$10,000)	(\$131,976)
4 TOTAL REVENUES	(\$19,234)	(\$14,286)	(\$16,891)	(\$11,852)	(\$9,893)	(\$8,871)	(\$8,879)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$10,000)	(\$131,976)
5 PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$52,618)	(\$631,417)
6 CONSERV REVS APPLICABLE TO THE PERIOD	(\$71,852)	(\$86,904)	(\$89,499)	(\$64,550)	(\$62,511)	(\$81,289)	(\$60,897)	(\$60,518)	(\$60,518)	(\$60,518)	(\$61,518)	(\$62,518)	(\$793,393)
7 CONSERV EXPG	\$54,130	\$43,448	\$62,520	\$77,748	\$56,851	\$58,629	\$41,198	\$51,015	\$51,011	\$51,011	\$51,011	\$51,012	\$649,583
8 TRUE-UP THIS PERIOD	(\$17,722)	(\$23,455)	(\$6,979)	\$13,198	(\$5,690)	(\$2,660)	(\$18,501)	(\$9,603)	(\$9,607)	(\$9,607)	(\$10,607)	(\$11,606)	(\$113,809)
9 INTER. PROVISION THIS PERIOD	(\$102)	(\$99)	(\$95)	(\$90)	(\$103)	(\$111)	(\$90)	(\$71)	(\$81)	(\$51)	(\$41)	(\$32)	(\$946)
10 TRUE-UP AND INTEREST PROV BEG. OF MONTH	(\$631,417)	(\$506,823)	(\$567,559)	(\$522,019)	(\$458,288)	(\$409,433)	(\$358,586)	(\$324,556)	(\$283,615)	(\$240,685)	(\$197,706)	(\$155,736)	(\$631,417)
11 PRIOR TRUE-UP COLLECTED OR (REFUNDED)	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$52,618	\$631,417
12 TOTAL NET TRUE-UP	(\$596,623)	(\$587,559)	(\$522,016)	(\$458,288)	(\$409,433)	(\$358,586)	(\$324,559)	(\$283,515)	(\$240,685)	(\$197,706)	(\$155,736)	(\$114,759)	(\$114,756)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: JANUARY 2010 THROUGH DECEMBER 2010
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	TOTAL
1. BEGINNING TRUE-UP	(\$631,417)	(\$596,623)	(\$567,559)	(\$522,016)	(\$456,288)	(\$409,433)	(\$359,586)	(\$326,559)	(\$283,615)	(\$240,666)	(\$197,706)	(\$155,736)	
2. ENDING TRUE-UP BEFORE INTEREST	(\$596,521)	(\$567,460)	(\$521,920)	(\$456,189)	(\$408,330)	(\$359,475)	(\$326,489)	(\$283,544)	(\$240,604)	(\$197,654)	(\$155,695)	(\$114,724)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(\$1,227,938)	(\$1,164,083)	(\$1,069,480)	(\$978,214)	(\$865,618)	(\$768,908)	(\$686,054)	(\$610,102)	(\$524,219)	(\$438,320)	(\$353,400)	(\$270,460)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(\$613,969)	(\$582,042)	(\$544,740)	(\$489,107)	(\$432,809)	(\$384,454)	(\$343,027)	(\$305,051)	(\$262,110)	(\$219,160)	(\$176,700)	(\$135,230)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	0.20%	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.28%	0.28%	0.28%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
7. TOTAL (SUM LINES 5 & 6)	0.40%	0.41%	0.42%	0.44%	0.57%	0.69%	0.63%	0.56%	0.56%	0.56%	0.56%	0.56%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	0.20%	0.21%	0.21%	0.22%	0.29%	0.35%	0.32%	0.28%	0.28%	0.28%	0.28%	0.28%	
9. MONTHLY AVG INTEREST RATE	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	
10. INTEREST PROVISION	(\$102)	(\$89)	(\$95)	(\$80)	(\$103)	(\$111)	(\$80)	(\$71)	(\$61)	(\$51)	(\$41)	(\$32)	(\$946)

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential New Construction Program

Program Description:

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:

Conservation allowances are currently:

- \$350 Gas Storage Tank Water Heating
- \$450 Gas Tankless Water Heating
- \$350 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Activity and Projections:

During the seven-month period January through July 2010, 62 residences qualified under the Residential New Construction Program. We estimate 24 new homes will qualify during the period August through December 2010.

Program Fiscal Expenditures:

For the seven-month period January through July 2010, CUC incurred costs of \$181,602 for the Residential New Construction Program. For August through December 2010, program costs are estimated to be \$118,751.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowance:

Conservation allowances are currently:

\$525	Gas Storage Tank Water Heating
\$525	Gas Tankless Water Heating
\$625	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:

During the seven-month period January through July 2010, 34 residences qualified under the Residential Appliance Replacement Program. We estimate an additional 12 residences will qualify for incentives during the period August through December 2010.

Program Fiscal Expenditures:

For the seven-month period January through July 2010, CUC incurred costs of \$79,707 for the Residential Appliance Replacement Program. For August through December 2010, program costs are estimated to be \$50,810.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:

Conservation allowances are currently:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:

During this year we intend to distribute promotional materials aimed at the builder market in order to educate and inform as to the values of a propane distribution system.

Program Fiscal Expenditures:

For the seven-month period January through July 2010, CUC incurred costs of \$0 for the Residential Propane Distribution Program. For August through December 2010, program costs are estimated to be \$0.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Appliance Retention Program

Program Description:
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:
Conservation allowances are currently:

\$350	Gas Storage Tank Water Heating
\$450	Gas Tankless Water Heating
\$350	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:
For the seven-month period January through July 2010, CUC paid allowances on 240 appliances. We estimate we will pay allowances on 135 additional appliances during the period of August through December 2010.

Program Fiscal Expenditures:
For the seven-month period January through July 2010, CUC incurred costs of \$121,923 for the Residential Appliance Retention Program. For August through December 2010, program costs are estimated to be \$77,426.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Activity and Projections:

For the seven-month period January through July 2010, CUC didn't pay any allowances on this program. No activity is projected in this program for the remainder of 2010.

Program Fiscal Expenditures:

For the seven-month period January through July 2010, CUC incurred costs of \$0 for the Natural Gas Space Conditioning for Residential Homes Program. For August through December 2010, program costs are estimated to be \$0.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the *higher initial costs of natural gas space conditioning equipment and installation.*

Program Activity and Projections:

For the seven-month period January through July 2010, CUC didn't pay any allowances on this program. No activity is projected in this program for the remainder of 2010.

Program Fiscal Expenditures:

For the seven-month period January through July 2010, CUC incurred costs of \$0 for the Gas Space Conditioning Program. For August through December 2010, program costs are estimated to be \$0.

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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 overall energy cost.

Program Activity and Projections:

We have created community outreach programs designed to inform and educate the general public as well as business interest in the communities we serve as to the value of natural gas and the availability of our conservation allowance programs. Examples of these types of programs: energy plus home builders program, energy plus partners program, appliance retention programs, and energy smart kids.

Program Fiscal Expenditures:

During the seven-month period January through July 2010, CUC incurred costs of \$11,296 for the Conservation Education Program. For August through December 2010, program costs are estimated to be \$8,069.