

May 2, 2013

HAND DELIVERY

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

Re: Docket No. 130004-GU – Natural Gas Conservation Cost Recovery Clause

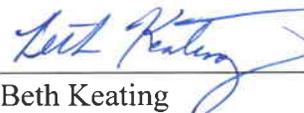
Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit CDY-3 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Division of Chesapeake Utilities Corporation, along with the original and 15 copies of the Company's Petition for Approval of Final True-Up Amount. Also enclosed for filing is a CD containing the filed documents in native format.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

COM 5
AFD 1
APA 1
ECO 6+ca
ENG _____
GCL 1
IDM _____
TEL _____
CLK 1-GT Ref

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

DOCUMENT NUMBER-DATE

02466 MAY-2 2013

Docket No. 130004-GU

recovery of \$217,008, resulting in an adjusted end of period total true up amount of \$155,683.

WHEREFORE, CFG respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2012 through December 31, 2012.

RESPECTFULLY SUBMITTED this 2nd day of May, 2013.

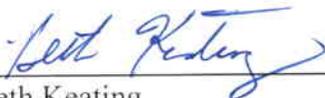


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215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
*Attorneys for Florida Division of Chesapeake
Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of CFG's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 130004-GU has been furnished by regular U.S. Mail to the following parties of record this 2nd day of May, 2013, along with a copy of the referenced Testimony and Exhibit of Mr. Young:

Florida Public Utilities Company Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	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
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498-	Theresa L. Tan/Kelley Corbari Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida Division of Chesapeake Utilities Corporation Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	


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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
CURTIS D. YOUNG
(Final True-Up)
On Behalf of
CHESAPEAKE UTILITIES CORPORATION -
FLORIDA DIVISION

1 Q. Please state your name and business address.

2 A. Curtis D. Young: my business address is 1641 Worthington Road,
3 Suite 220, West Palm Beach, Florida 33409.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as Senior
6 Regulatory Analyst.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission of the actual over/under recovery
9 of the Conservation costs for the period January 1, 2012
10 through December 31, 2012 as compared to the amount previously
11 reported for that period which was based on seven months actual
12 and five months estimated data.

13 Q. Please state the actual amount of over/under recovery of
14 Conservation Program costs for the Florida division of Chesapeake
15 Utilities Corporation for January 1, 2012 through December 31,
16 2012.

DOCUMENT NUMBER-DATE

02466 MAY-2012

1 A. The Company over-recovered \$63,125 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

4 Q. How does this amount compare with the estimated true-up amount
5 which was allowed by the Commission?

6 A. We had estimated that we would over-recover \$217,008 as of
7 December 31, 2012.

8 Q. Have you prepared any exhibits at this time?

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit CDY-3).

11 Q. Does this conclude your testimony?

12 A. Yes.

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION SCHEDULE CT-1
PAGE 1 OF 1

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-12 THROUGH December-12

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-12 THROUGH December-12		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>(61,024)</u>	
5.	INTEREST	<u>(301)</u>	<u>(61,325)</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-11 HEARINGS		
8.	PRINCIPAL	<u>(216,732)</u>	
9.	INTEREST	<u>(276)</u>	<u>(217,008)</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u>155,683</u>

EXHIBIT NO. _____
DOCKET NO. 130004-GU
CHESAPEAKE UTILITIES CORPORATION
(CDY-3)
PAGE 1 OF 18

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

	FOR MONTHS	January-12	THROUGH	December-12	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	347,962		185,404	162,558
2.	Advertisement	188,514		175,430	13,084
3.	Legal	2,475		398	2,077
4.	Outside Services	1,150		20,760	(19,610)
5.	Vehicle	13,186		13,905	(719)
6.	Materials & Supplies	2,557		11,380	(8,823)
7.	Travel	44,531		6,087	38,444
8.	General & Administrative				
9.	Incentives	189,639		220,172	(30,533)
10.	Other	16,733		6,939	9,794
11.	SUB-TOTAL	806,747		640,475	166,272
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	806,747		640,475	166,272
14.	LESS: PRIOR PERIOD TRUE-UP	(46,175)		(29,729)	(16,446)
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(821,596)		(827,478)	5,882
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	(61,024)		(216,732)	155,708
19.	ADD INTEREST PROVISION	(301)		(276)	(25)
20.	END OF PERIOD TRUE-UP	(61,325)		(217,008)	155,683

() REFLECTS OVERRECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Residential Home Builder	22,535	34,154			1,441	(103)	2,764		81,451	1,304	143,546		143,546
2. Residential Appliance Replacement	17,916	70,178			1,111	(144)	1,984		32,149	41	123,235		123,235
3. Residential Propane Distribution													
4. Residential Water Heater Retention	12,865	59,956			844	(371)	1,392		75,833	40	150,559		150,559
5. NG Space Conditioning For Res Homes													
6. Gas Space Conditioning													
7. Conservation Education	28,035	7,406	2,359		1,819	238	6,087			3,707	49,651		49,651
8. CFG Common	266,611	16,820	116		7,971	2,937	32,304		206	11,641	338,606		338,606
9. Conservation Demonstration and Develop.				1,150							1,150		1,150
5. TOTAL ALL PROGRAMS	347,962	188,514	2,475	1,150	13,186	2,557	44,531		189,639	16,733	806,747		806,747

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-2
PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Residential Home Builder	(18,158)	(11,241)		(1,660)	(2,713)	(1,751)	865		8,735	(287)	(26,210)		(26,210)
2. Residential Appliance Replacement	(30,604)	28,022		(18,750)	(2,904)	(1,899)	587		(10,267)	(98)	(35,913)		(35,913)
3. Residential Propane Distribution													
4. Residential Water Heater Retention	(26,648)	538			(1,798)	(2,019)	696		(29,007)	(99)	(58,337)		(58,337)
5. NG Space Conditioning For Res Homes													
6. Gas Space Conditioning													
7. Conservation Education	(27,582)	(3,026)	2,077	(350)	(1,275)	(6,091)	3,992			2,756	(29,499)		(29,499)
8. CFG Common	265,550	(1,209)			7,971	2,937	32,304		6	7,522	315,081		315,081
9. Conservation Demonstration and Develop.				1,150							1,150		1,150
5. TOTAL ALL PROGRAMS	162,558	13,084	2,077	(19,610)	(719)	(8,823)	38,444		(30,533)	9,794	166,272		166,272

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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-3
PAGE 1 OF 3

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS		January-12 THROUGH December-12												
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Residential Home Builder	4,868	4,554	18,224	8,259	10,522	24,371	20,433	11,826	13,973	6,709	14,468	5,339	143,546
2.	Residential Appliance Replacement	4,317	3,011	9,484	1,148	9,483	11,101	11,495	11,194	16,966	16,322	4,800	23,914	123,235
3.	Residential Propane Distribution													
4.	Residential Water Heater Retention	6,925	5,292	15,696	7,334	12,239	16,032	12,767	11,676	5,984	22,241	10,747	23,626	150,559
5.	NG Space Conditioning For Res Homes													
6.	Gas Space Conditioning													
7.	Conservation Education	3,293	2,876	4,215	2,578	3,396	2,327	2,539	5,401	4,834	5,773	6,489	5,930	49,651
8.	CFG Common	4,681	4,404	9,535	276	2,497	1,963	168	(677)	20,110	15,210	16,675	263,764	338,606
9.	Conservation Demonstration and Develop.											1,150		1,150
5. TOTAL ALL PROGRAMS		24,084	20,137	57,154	19,595	38,137	55,794	47,402	39,420	61,867	66,255	54,329	322,573	806,747
6. LESS AMOUNT INCLUDED IN RATE BASE														
7. RECOVERABLE CONSERVATION EXPENSES		24,084	20,137	57,154	19,595	38,137	55,794	47,402	39,420	61,867	66,255	54,329	322,573	806,747

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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-12 THROUGH December-12

B. CONSERVATION REVENUES	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(101,170)	(81,275)	(78,977)	(77,417)	(57,127)	(41,337)	(55,299)	(53,772)	(56,119)	(62,308)	(81,310)	(75,485)	(821,596)
3. TOTAL REVENUES	(101,170)	(81,275)	(78,977)	(77,417)	(57,127)	(41,337)	(55,299)	(53,772)	(56,119)	(62,308)	(81,310)	(75,485)	(821,596)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(3,847)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(3,848)	(46,175)
5. CONSERVATION REVENUE APPLICABLE	(105,017)	(85,123)	(82,825)	(81,265)	(60,975)	(45,185)	(59,147)	(57,620)	(59,967)	(66,156)	(85,158)	(79,333)	(867,771)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	24,084	20,137	57,154	19,595	38,137	55,794	47,402	39,420	61,867	66,255	54,329	322,573	806,747
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(80,933)	(64,986)	(25,671)	(61,670)	(22,838)	10,609	(11,745)	(18,200)	1,900	99	(30,829)	243,240	(61,024)
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(5)	(13)	(20)	(24)	(29)	(31)	(33)	(32)	(30)	(32)	(34)	(18)	(301)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(46,175)	(123,266)	(184,417)	(206,260)	(264,106)	(283,125)	(268,699)	(276,629)	(291,013)	(285,295)	(281,380)	(308,395)	(46,175)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	3,847	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848	3,848	46,175
11. TOTAL NET TRUE-UP (LINES 7+8+9A+10)	(123,266)	(184,417)	(206,260)	(264,106)	(283,125)	(268,699)	(276,629)	(291,013)	(285,295)	(281,380)	(308,395)	(61,325)	(61,325)

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SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-12 THROUGH December-12

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(46,175)	(123,266)	(184,417)	(206,260)	(264,106)	(283,125)	(268,699)	(276,629)	(291,013)	(285,295)	(281,380)	(308,395)	(46,175)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(123,261)	(184,404)	(206,240)	(264,082)	(283,096)	(268,668)	(276,596)	(290,981)	(285,265)	(281,348)	(308,361)	(61,307)	(61,024)
3. TOTAL BEG. AND ENDING TRUE-UP	(169,436)	(307,670)	(390,657)	(470,342)	(547,202)	(551,793)	(545,295)	(567,610)	(576,278)	(566,643)	(589,741)	(369,702)	(107,199)
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(84,718)	(153,835)	(195,329)	(235,171)	(273,601)	(275,897)	(272,648)	(283,805)	(288,139)	(283,322)	(294,871)	(184,851)	(53,600)
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.13%	0.12%	0.15%	0.13%	0.10%	
7. TOTAL (LINE C-5 + C-6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.27%	0.25%	0.27%	0.28%	0.23%	
8. AVG. INTEREST RATE (C-7 X 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.13%	0.14%	0.14%	0.12%	
9. MONTHLY AVERAGE INTEREST RATE	0.006%	0.009%	0.010%	0.010%	0.010%	0.011%	0.012%	0.011%	0.010%	0.011%	0.012%	0.010%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(5)	(13)	(20)	(24)	(29)	(31)	(33)	(32)	(30)	(32)	(34)	(18)	(301)

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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-12 THROUGH December-12

PROGRAM NAME:	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

**SCHEDULE CT-5
PAGE 1 OF 1**

**RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT**

FOR MONTHS January-12 THROUGH December-12

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
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CHESAPEAKE UTILITIES CORPORATION
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1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Natural Gas Space Conditioning for Residential Homes Program
5. Gas Space Conditioning Program
6. Conservation Education Program
7. Conservation Demonstration and Development Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$150 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 158 incentives were paid. There were 19 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 37 Tankless Water Heaters, 10 Furnaces, 40 Ranges and 52 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$143,546**.

PROGRAM TITLE: Residential Appliance Replacement Program

PROGRAM DESCRIPTION: This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances

CURRENT APPROVED ALLOWANCES:

\$500 Tank Water Heater
\$550 High Efficiency Tank Water Heater
\$675 Tankless Water Heater
\$725 Furnace
\$200 Range
\$150 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 87 incentives were paid. There were 6 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 32 Tankless Water Heaters, 3 Furnaces, 28 Ranges and 17 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$123,235**.

PROGRAM PROGRESS SUMMARY: Since inception, 711 appliances have qualified for this program.

PROGRAM TITLE: Residential Appliance Retention Program

PROGRAM DESCRIPTION: The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program was expanded during the reporting period to include additional appliances to include furnaces, tankless hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchase the more expensive energy-efficient natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$100 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 260 incentives were paid. There were 100 Tank Water Heaters, 1 High Efficiency Tank Water Heaters, 49 Tankless Water Heaters, 29 Furnaces, 45 Ranges and 36 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$150,559**.

PROGRAM PROGRESS SUMMARY: Since inception, 2099 natural gas appliances have been retained through this program. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.

PROGRAM TITLE: Natural Gas Space Conditioning for Residential Homes Program

PROGRAM DESCRIPTION: This 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 ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$0**.

PROGRAM PROGRESS SUMMARY: Five residential gas space conditioning units have been installed since the inception of this program.

PROGRAM TITLE: Gas Space Conditioning Program

PROGRAM DESCRIPTION: This 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 ACCOMPLISHMENTS: For the reporting period January 1, 2012 through December 31, 2012, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were \$0.

PROGRAM PROGRESS SUMMARY: Eight natural gas space conditioning units have been installed since the inception of this program.

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 ACCOMPLISHMENTS: We continue to develop branded programs and expand community outreach programs designed to inform and educate the general public as well as businesses in the community about the availability of our conservation programs and the benefits and value of natural gas. Examples of these types of programs are:

Energy Plus Home Program: This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs: Residential Appliance Replacement Program, Residential Appliance Retention Program and the Natural Gas Space Conditioning for Residential Homes Program.

Energy Plus Home Builder Program: This program promotes the Residential New Construction Program whose purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

Energy Plus Partners Program: This program is the new name of the Preferred Partners Program that was launched in late 2001. The program works to remove market barriers, expand consumer choice and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowance programs. Examples of business entities that support the gas system and are potential partners for the gas company are: builders, developers, retailers, HVAC providers, plumbers and architects. The brand supports several conservation programs: Residential

PROGRAM TITLE: Conservation Education Program (Continued)

Appliance Replacement Program, Residential Appliance Retention Program, Natural Gas Space Conditioning for Residential Homes Program and the Residential New Construction Program.

Energy Smart Kids Program: This program educates and engages young minds in an in-school setting. The classroom-based program provides poster, classroom activities, gas education booklets, pencils and teaching plans. A “school board” approved curriculum offers teachers a balanced five day lesson plan ending with an in-classroom demonstration. Energy conservation is the main theme of this program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$47,985**.

PROGRAM TITLE: Conservation Demonstration and Development

PROGRAM DESCRIPTION: The primary purpose of the Conservation Demonstration and Development (CDD) program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. This program will supplement and complement the other conservation programs offered by Chesapeake Utilities Corporation and give the Company an opportunity to pursue individual and joint research projects as well as the development of new conservation programs. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies.

PROGRAM ACCOMPLISHMENTS: For 2012, Chesapeake Utilities Corporation conducted research on several projects including CHP technologies.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2012 through December 31, 2012 were **\$1,150**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on March 23, 2010, Chesapeake Utilities Corporation has engaged in several research projects using this program.